

State Water Supply Fund (Financial and Accounting Procedure) Act No. 230 of 1980.

An Act to provide for the control and management of the Water Supply Funds of the States and to make provisions relating to the financial and accounting procedure, including procedure for the collection, custody and payment, of the moneys in the Funds and to provide for other matters connected therewith.

1. Short title, commencement, application and repeal.

(1) This Act may be cited as the **State Water Supply Fund (Financial and Accounting Procedure) Act 1980** and shall come into force on such date as the State Authority may, after consultation with the Minister, appoint in relation to that State by notification in the *Gazette*.

(2) This Act shall apply throughout West Malaysia but shall not apply to a State where a Water Authority has been established by State law.

(3) On the appointed date, the relevant State law relating to the Water Supply Fund established pursuant to paragraph (b) of subsection (4) of section 10 of the Financial Procedure Act 1957 is repealed.

2. Interpretation.

In this Act, unless the context otherwise requires -

"appointed date" means the date appointed by the State Authority pursuant to subsection (1) of section 1;

"Director" means the officer designated as such for the purpose of this Act by the State Authority and includes an officer exercising his powers and performing his duties in conformity with his directions;

"Minister" means the Minister of Finance;

"Water Authority" means the relevant authority established under State law for the administration of water supply in the State;

"Water Department" means a division of the Public Works Department of the State responsible for water supply and where appropriate, a department of the State Government responsible for water supply.

3. The Water Supply Fund.

(1) There shall be established by the State, where no such Fund has been established, a Fund to be known as the Water Supply Fund, which in this Act is referred to as "the Fund".

(2) The Fund shall be controlled and operated by the Director in accordance with the provisions of this Act and all financial transactions of the Water Department shall be made through the Fund.

4. Moneys required to be paid into the Fund.

Notwithstanding the relevant provisions of the Financial Procedure Act 1957 or any other written law, there shall be paid from time to time into the Fund -

- (a) such sums as may be appropriated by the State for the purpose of water supply;
- (b) the balance in the appropriate Trust Account of the State specified for the purpose of water supply;
- (c) such sums representing the proceeds of any loan raised by the State under the appropriate State law before or after the appointed date for the purpose of water supply;
- (d) moneys earned by the operation of any project, scheme or enterprise financed from the Fund;
- (e) all rents, proceeds of sales, profits and income and other revenues derived by the State in respect of water supply directly or indirectly from assets paid for out of the Fund;
- (f) all other sums or property which may in any manner become payable to or vested in the State in respect of water supply before or after the appointed date.

5. Application of moneys of the Fund.

Notwithstanding the relevant provisions of the Financial Procedure Act 1957 or any other written law, moneys standing to the credit of the Fund may be applied by the Director to the following purposes -

- (a) payment of the remuneration of the Director and other persons in the service of the Water Department including contributions to the Employees Provident Fund or other schemes approved by the Government of the State in respect of such persons;
- (b) payment of goods and services acquired for the purpose of water supply services and for the acquisition of movable and immovable property for or incidental to the carrying out of works and services, relating to water supply, before or after the appointed date;
- (c) payment to the appropriate Consolidated Accounts of the State by way of reimbursement in respect of -
 - (i) interest and other charges and the principal repayment on loans raised by the State, before or after the appointed date, for the purpose of water supply;
 - (ii) any moneys required to satisfy any judgment, decision or award against the State by any Court or tribunal in connection with the operation of water supply services;
- (d) payment in discharge of any liabilities in respect of the water supply services pursuant to the Water Supply Enactment of the State;
- (e) payment of royalty on untreated water drawn from any prescribed source or sources;

(f) payment of any other expenditure properly incurred or accepted by the Water Department in the operation or maintenance of the water supply services in the State pursuant to the Water Supply Enactment of the State.

6. Funding.

(1) Each year the Director shall, not later than 31st August of that year, submit to the State Financial Officer for approval by the State Authority a statement of the estimated income and expenditure on the operations of the Water Department in respect of the next succeeding financial year, the total cash requirement for operating, and development expenditure to be incurred in respect of, those services during the year and the sources from which the moneys to be expended are proposed to be obtained.

(2) The Director shall also submit details of the development programme which he proposes to undertake in the next succeeding financial year and other matters relating to water supply services as the State Authority considers appropriate.

7. Financial policy in respect of water supply services.

In the administration of this Act and the Water Supply Enactment of the State in relation to water supply services, the Director shall pursue a policy directed towards achieving in respect of each financial year, such financial results as shall be determined by the State Authority in consultation with the State Financial Officer.

8. Commercial accounts.

(1) Notwithstanding the relevant provisions of the Financial Procedure Act 1957 and any regulations made and instructions issued thereunder, the books and accounts of the Water Department shall be kept in accordance with generally accepted commercial accounting principles and practices.

(2) All assets and liabilities of the Water Department shall as of the appointed date be incorporated into the accounts referred to in subsection (1) and the net worth thereof shall be treated as capital of the State Government invested in the Water Department on that date.

(3) The Director with the concurrence of the State Financial Officer shall issue directions and instructions as to the manner in which the books and accounts shall be kept and the form in which statements of accounts shall be submitted for audit.

9. Surplus.

There shall be paid out of the Fund into the Consolidated Revenue Account of the State such sums as may be determined by the Menteri Besar after consultation with the State Financial Officer to be surplus to the requirements of the Fund in any financial year.

10. Accounts and audit.

(1) The commercial accounts of the Water Department shall be audited by the Auditor General and the provisions of the Audit Act 1957 shall apply.

(2) The Director shall, not later than 31st March of the following year, or such later date which shall not be later than 31st July of that year, as the Menteri Besar may determine, transmit to the Auditor General the financial statements of the commercial accounts referred to in subsection (1) which shall consist of the balance sheet, profit and loss statement and such other supporting statements as may be required by the Menteri Besar.

(3) The audited statements together with the Auditor General's observations thereon shall be submitted to the Menteri Besar who shall cause them to be laid in the State Legislative Assembly.

11. Saving.

Save as otherwise provided in this Act, the provisions of the Financial Procedure Act 1957 and any regulations made and instructions issued thereunder shall apply to the Director and other persons in the service of the Water Department.

12. Power to make rules.

The Menteri Besar may with the concurrence of the Minister make such rules as are necessary for the purposes of this Act.