



**MINISTRY OF DEFENCE,  
NATIONAL SECURITY AND POLICING**

# **FINANCE MANUAL**

**Issued by the Permanent Secretary Defence, National Security & Policing**



## AUTHORITY TO ISSUE FINANCE MANUAL

In accordance with the authority given to me under **Section 28(1)(j)** of the ***Financial Management Act 2004***, I hereby authorize the issuing of the Finance Manual for  
Ministry of Defence, National Security and Policing

  
.....  
Permanent Secretary – Ministry of Defence,  
National Security and Policing

Dated today the 5<sup>th</sup> day of July, 2022

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## PART 1: INTRODUCTION

### 1.1 Legislative Requirement

Section 28 of the Financial Management Act 2004 outlines my responsibilities as Permanent Secretary (PS) of the Ministry of Defence and National Security , one of which is to issue a Finance Manual for the agency.

This Finance Manual sets out policies and procedures needed for the efficient and effective management of the agency and effective operation of internal controls. It has been drafted in accordance with the Act and Finance Instructions and includes the delegations of authority to me by the Minister for Finance and my sub-delegations to officers for incurring expenditure and writing off losses.

All officers within the agency are required to comply with the Manual.

The Manual will be updated as required to effect the progressive introduction of the Financial Management Reform programme, including the introduction of a Financial Management Information System (FMIS) and changes to delegations.

As well, staff are encouraged to suggest changes to the Manual where a more efficient or effective procedure is warranted.

### 1.2 Application of Finance Manual

This manual has been drafted to suit the Ministry of Defence, National Security & Policing own operation and financial environment having regard to the level of associated risks. All officers are required to adhere to the relevant policies and procedures when executing the agency's day-to-day operations. This is in as far as ensuring that sound internal control is maintained and potential malicious dealing are effectively minimized. Where applicable, reference is also made to Procurement Regulations 2010.

### 1.3 Responsible Officers

The Permanent Secretary as the Chief Accounting Officer has the overall responsibility in ensuring that the accounting related control identified herein operate effectively across the Ministry. However, individual line managers and operational staff are accountable for the operation of the controls within their own areas of responsibility.

## PART 2: EXPENDITURE

The proper management of expenditure is fundamental to ensuring value-for-money in delivering services to the community. As well, having cost-effective internal controls within the purchasing and payments system plays an important part in ensuring that waste of funds, over-expenditures and corruption do not occur.

The policies and procedures in this Part assign particular responsibilities to the:

- ☐ *PS and Deputy Secretary;*
- ☐ *Director Corporate Service;*
- ☐ *Government Tender Boards and Evaluation Committees;*
- ☐ *Government Tender Board Secretary;*
- ☐ *Senior Accounts Officer;*
- ☐ *Accounts Officer;*
- ☐ *Assistant Accounts Officer (Payments);*
- ☐ *Assistant Accounts Officer (Salaries)*
- ☐ *Receiving Officer (Receiver of Goods or Services)*

### 2.1 Authority to Incur Expenditure

2.1.1. The authority to incur expenditures is subject to:

- i. appropriations from Cabinet;
- ii. virements approved by the Minister for Economy or the PS; and
- iii. requisition to incur expenditure.

#### Appropriations

2.1.2. Each year, the Appropriation Act and Budget Estimates set out details of the appropriations that Cabinet approves for spending by each agency. No officer may incur expenditure, which results in the agency's appropriation being exceeded without the authorisation of the Ministry of Economy, pending approval by Cabinet.

#### Virements Warrants

2.1.3. Under Finance Instruction 10-(1), the Minister for Economy has delegated the authority to approve certain virements to Permanent Secretaries. A virement authority must be in writing and must be signed by the PS.

2.1.4. The virement form must clearly identify:

- i. the amount of the proposed virement and the output/activity and SEG from which it will be transferred and the activity/output and SEG to which it will be transferred;
- ii. the purpose for the virement and how it would contribute to the delivery of that output;
- iii. the amount provided in the Estimates and the expenditure to date against the budget allocation to which funds are to be transferred;
- iv. the amount provided in the Estimates and the expenditure to date of the budget allocation from which savings are to be transferred; and
- v. the revised totals for both budgetary allocations.

- 2.1.5. Once approved, the Senior Accounts Officer shall allocate a serial number for the virement. The Senior Accounts Officer shall send a copy of each approved virement form to the Ministry of Economy.
- 2.1.6. The approved virement form shall be sufficient authority for the budget allocation to be transferred.
- 2.1.7. The Senior Accounts Officer must maintain a Virement Register, which should contain the following information:
- i. the serial number;
  - ii. the budgetary allocation to which and from which the transfer of funds is being made;
  - iii. the amount transferred and the revised amounts of the budget allocations; and
  - iv. the date of approval.

### **Requisition to Incur Expenditure**

- 2.1.8. If an officer considers it necessary to incur expenditure against an item that is noted in the Budget Estimates as “Requisition to Incur Expenditure”, the Senior Accounts Officer shall:
- i. prepare a requisition form and attach all relevant details required in the RIE checklist issued by the Ministry of Economy;
  - ii. have the RIE form signed by the Director Corporate Service;
  - iii. have the RIE form endorsed by the Permanent Secretary for Defence; and
  - iv. submit the form to the Ministry of Economy.
- 2.1.9. Expenditure must not be incurred on an item that is noted as “Requisition to Incur Expenditure” until written approval has been obtained from the Ministry of Economy.

## **2.2 Delegation of Procurement Authorities**

- 2.2.1. The following officers are delegated authority to procure goods, services and works up to the following limits specified:

<i>Permanent Secretary</i>	Up to \$50,000 & all Indents up to \$50,000
<i>Deputy Permanent Secretary</i>	Up to \$30,000
<i>Director Corporate Service</i>	Up to \$20,000
<i>Senior Accounts Officer</i>	Up to \$10,000
<i>Accounts Officer</i>	Up to \$5,000

- 2.2.2. The officer authorising a purchase order must ensure that a purchase is not artificially split to bring it within the limits above.
- 2.2.3. Any officer who authorises expenditure exceeding his/her procurement limits, including by splitting purchase orders, shall be liable for surcharge to repay the unauthorised amount.

## **2.3 Competitive Procurement**

- 2.3.1. Public tenders must be called for any procurement of goods, services or works valued at \$50,001 or more, unless a Tender Board has approved an exemption in accordance with Procurement Regulation 30-(1) & Procurement (Amendment) Regulation 2012 (5)

- 2.3.2. Competitive quotes, instead of public tenders, may be called for procurements below \$50,000 unless, Permanent Secretary has approved an exemption in accordance with Procurement Regulation 29-(3& Procurement (Ammendment) Regulation 2012 (4).
- 2.3.3. A minimum of three quotes may be received verbally for the purchase of goods or services estimated to cost less than \$1,000. These quotes must be recorded in the Verbal Quotation Form and certified by the officer receiving them. (copy of Verbal Quotation is in Appendix 1).
- 2.3.4. A minimum of 3 competitive quotes must be obtained if the cost of purchase is valued at \$1000 and more but \$50 000 and less.
- 2.3.5. Officers found splitting purchase orders to circumvent the need to obtain written quotations (less than \$1,000) will be liable for surcharge.
- 2.3.6. Information provided to suppliers must be identical and evaluation of officers must be based on identical criteria.

## **2.4 Tenders**

### **Invitation to Tender**

- 2.4.1. All invitations to tender should include the following minimum information:
- detailed specification of the tender or details of how additional information can be collected/accessed;
  - any requirements regarding the form in which the bidders responses should be presented;
  - the final date and time by which all bids should be received;
  - the way in which the bidding documents should be marked and the address to which it should be delivered;
  - any tender deposit required (only where the Permanent Secretary has authorised that a deposit is required) and whether it should be refunded;
  - the criteria by which responses will be evaluated; and
  - information about how both successful and unsuccessful bidders will be notified.
- 2.4.2. Where any alterations are made to the “invitation to tender”, such information must be published in the same manner that the tender was advertised.

### **Receipt of Tenders**

- 2.4.3. The tender box must be provided at the location specified in the “Request to tender”.
- 2.4.4. The tender box shall be equipped with two separate locks. One key shall be kept by the Chair of the Government Tender Board and the other by the Government Tender Board Secretary.
- 2.4.5. All bids delivered/received shall be placed inside the tender box.

### **Opening of Tenders**

- 2.4.6. Bids shall be opened by the Government Tender Board Secretary and at least one other board members of the Government Tender Board. All bidders or their representatives of bidders shall be allowed to witness the opening of the tenders but not allowed to read any details of a bid.

- 2.4.7. All bids received must be officially stamped, initialled and recorded in the Tender Register maintained by the Government Tender Board Secretary and verified by the board member present at the meeting.
- 2.4.8. In cases where the tender requires a tender deposit, the Government Tender Board Secretary shall issue receipts for the amounts received to the bidders.

### **Consideration and Evaluation of Tenders**

- 2.4.9. The Evaluation Committee shall be responsible for evaluating bids received. An evaluation committee should comprise of representatives from the following Ministries/Departments:
- i. Host Ministry/Department to provide Chair and Secretarial services for the Evaluation Committee;
  - ii. Ministry of Industry and Trade;
  - iii. Fiji Procurement Officer; and
  - iv. A representative from an agency with relevant technical expertise for technical tenders. For example a representative from ITC for all computer equipment related purchases, or a representative from Works for all infrastructure related contracts.
- 2.4.10. The Chair of the Government Tender Board or Evaluation Committee must ensure that bids are evaluated in a transparent and fair manner using the evaluation criteria specified in the "Request to tender".
- 2.4.11. Bids that do not comply with the mandatory specifications or conditions in the "Request to tender" shall be considered invalid.
- 2.4.12. If a bid is unclear in certain areas, the Evaluation Committee may direct the Evaluation Committee Secretary to seek clarifications in writing. However, no alterations shall be made to any tender documents.
- 2.4.13. Upon completion of the evaluations, the Secretary of the Evaluation Committee shall prepare a report including:
- i. a list of all the tenders received;
  - ii. the evaluation of each tender against each evaluation criterion;
  - iii. the ranking of tenders based on the evaluation criteria – whether on an individual or consensus basis; and
  - iv. the approved or recommended bidder.
- 2.4.14. The report must be signed and dated by each member of the Government Tender Board or Evaluation Committee.
- 2.4.15. The Tender Board appointed under Procurement Regulation 9-(1) shall be responsible for approving the Supplier/Contractor based on the recommendations of the Evaluation Committee.
- 2.4.16. Once a tender has been approved, the Government Tender Board Secretary must inform all unsuccessful bidders in writing of the outcome of their tender and the name of the successful bidder.
- 2.4.17. The Government Tender Board Secretary shall publish the name of the successful tenderer in the Government Gazette.

2.4.18. A written contract or agreement must be entered into with the approved bidder for the supply of the goods, services or works tendered. Legal advice must be sought on the draft contract or agreement.

## **2.5 Local Procurement**

2.5.1. A purchase order (PO) shall be issued when procuring any goods, services or works from an organisation within Fiji, unless a contract and or agreement has been entered into or the Organisation does not accept Government LPOs.

2.5.2. All POs issued during the year should be cleared by 31<sup>st</sup> July.

### **Manual LPOs**

2.5.3. The use of manual PO shall be subject to approval from Manager Financial Management Information System [FMIS].

2.5.4. Manual POs can only be issued subject to the prior approval of the Ministry of Economy and under the following circumstances:

- i. System downtime for more than a day;
- ii. Power outage for more than a day; and
- iii. During natural disasters.

### **Preparation of System Generated Purchase Orders (SGPO)**

2.5.5. The SGPO shall be executed once all relevant documents pertaining to a request for procurement locally has been completed and authorised by the relevant authorising officers.

2.5.6. The officer raising the SGPO in FMIS shall follow the Purchasing Module instructions.

2.5.7. The officer raising the SGPO, after obtaining approval from the delegated authority in clause 2.2.1 or the Government Tender Board shall then print duplicate copies of the order and register the PO numbers before releasing the PO to the requesting section.

2.5.8. The Senior Accounts Officer must provide a report of all open POs to the Permanent Secretary of Defence at the end of every month.

### **Receipt of Goods, Services or Works**

2.5.9. Upon receipt of the goods, services or works, the *Receiving Officer* with the *Senior Accounts Officer* shall verify that their receipt in good order and that the invoice is in accordance with the PO.

2.5.10. The *Receiving Officer* must be an officer other than the officer authorising the PO.

2.5.11. If the quantity of the goods received is less than the quantity shown in the supplier's invoice or delivery note, the *Senior Accounts Officer* shall furnish a report to the *Director Corporate Services* who shall arrange a claim against the supplier or carrier.

2.5.12. If goods or packages containing goods have apparently been damaged or tampered with prior to delivery, such goods shall be opened in the presence of the carrier's agent and the *Senior Accounts Officer* must furnish a report to the *Director Corporate Services* who shall arrange a claim against the supplier or carrier.

- 2.5.13. All claims on suppliers or carriers should be made within three days of the goods being received.
- 2.5.14. For goods, services or works subject to a written contract or agreement, the *Senior Accounts Officer* shall verify that claims for progress payments are in order and delivered in accordance with the contract or agreement.

## **2.6 International Procurement**

- 2.6.1. An indent shall be issued to the Head of Fiji Procurement Office for the procurement of goods from overseas suppliers, unless a contract or agreement has been entered into.
- 2.6.2. Indent forms shall be obtained from the /Fiji Procurement Office-Account Section.
- 2.6.3. The indent forms must be signed by an officer with the authority to approve the international procurement.

### **Manual Preparation of Indents**

- 2.6.4. All indents shall show the description of the goods being procured, the name of the supplier, how the goods are to be delivered and their estimated costs.
- 2.6.5. Where the goods being ordered are of a non-specialised nature, no particular firm needs to be named as the supplier.
- 2.6.6. Indents shall be numbered consecutively using the coding series allocated by the Senior Accounts Officer/Ministry of Economy -FPO. A new series will be allocated at the start of each year.
- 2.6.7. An indent must be signed by two officers; the officer preparing it and an officer authorised to approve indents.
- 2.6.8. The authorising officer must ensure that all particulars of the indent have been completed before authorising its issue.
- 2.6.9. The original and three copies of the Indent Form are to be forwarded to the Head of Procurement Office and the fifth copy retained.
- 2.6.10. The indent jacket shall be used to file the fifth copy of the Indent and other relevant materials.
- 2.6.11. The *Senior Accounts Officer* must maintain an Indent Register to record:
- i. the date the Indent was prepared;
  - ii. the Indent number;
  - iii. the authorising officer;
  - iv. a brief description of the items being procured; and
  - v. the country that will supply the indented goods or services.

## **Preparation of System Generated Indent (SGI)**

- 2.6.12. The SGI shall be executed once all relevant documents pertaining to request to procure internationally has been completed and signed by authorising officers.
- 2.6.13. The officer preparing the SGI shall follow the Purchasing Module instructions.
- 2.6.14. The officer raising the SGI after approval from delegated authority in clause 2.2.1, shall then print five copies of the order and register the Indent Numbers in the Indent Register before retaining one department copy and releasing the original and other three copies to FPO.
- 2.6.15. The Manual Indent Preparation may be used in an event of electronic (system) or power failure.
- 2.6.16. Other than the event of electronic or system failure, the system generated Indent shall be used at all times.

## **Receipt of Goods or Services from Overseas**

- 2.6.17. The Head of Procurement Office is generally responsible for the clearance, collection and recording of all goods consigned to the Government arriving in Fiji by sea or air.
- 2.6.18. Once goods are received, the *Receiving Officer* shall verify whether the goods are in accordance with the bill of lading or are damaged or defective in any way.
- 2.6.19. For goods received on behalf of other agencies, the Fiji Procurement Officer shall forward the delivered goods to the respective agency with a note stating whether the goods received were in accordance with the bill of lading.
- 2.6.20. If the quantity of goods received is less than the quantity shown on the bill of lading, the *Senior Accounts Officer* shall arrange a claim against the carrier or supplier.
- 2.6.21. Where goods or packages containing goods have apparently been damaged or tampered with prior to delivery, the *Senior Accounts Officer* shall arrange a claim against the supplier or carrier.
- 2.6.22. All claims on suppliers or carriers must be made within three days of the goods being received.
- 2.6.23. For goods or services subject to contracts or agreements, the *Senior Accounts Officer* shall verify that claims for payments are in order and delivered in accordance with the contract or agreement.

## **2.7 Recording of Commitments**

- 2.7.1. The *Assistant Accounts Officer [Payments]* must maintain a Commitment Ledger in which he/she shall record all known commitments as required under Finance Instruction 13.
- 2.7.2 The Commitment Ledger must have the following details:
- i. the PO or indent number;
  - ii. the date the commitment was incurred;
  - iii. the amount committed;
  - iv. the balance available;
  - v. the invoice number (where applicable);

- vi. the voucher number; and
- vii. the cheque number.

2.7.3 The *Accounts Officer* must ensure that the Commitment Ledger is entered up to date.

## 2.8 Payments

- 2.8.1. All official payments are to be made by cheque, through electronic payment, credit card or fuel card except where payable from petty cash.
- 2.8.2. All payments must be processed through payment vouchers prepared by the *Assistant Accounts Officer*. Separate vouchers are to be used for separate payees and for the payment of different services.
- 2.8.3. The *Assistant Accounts Officer* preparing a payment voucher must ensure that all information required under Finance Instruction 14-(1) has been included on the payment voucher or attached to it, before passing it to the *Senior Accounts Officer/Accounts Officer* for certification.
- 2.8.4. The *Senior Accounts Officer/Accounts Officer* must not certify a payment as correct unless they are satisfied that:
- i. it is in accordance with an PO, indent, contract, invoice or other authorisation;
  - ii. there is documentation that the goods, services or works have been received;
  - iii. sufficient uncommitted funds are available for payment of the account;
  - iv. the account is not fraudulent and has not been previously paid; and
  - v. the expenditure account it is charged to is correct.
- 2.8.5. The *Senior Accounts Officer/Accounts Officer* must initial any alteration to a payment voucher.
- 2.8.6. If a payment voucher is lost before payment, approval must be obtained from the *Senior Accounts Officer* to cancel that voucher before a replacement voucher is issued.
- 2.8.7. The *Accounts Officer* must check and sign the cash requirement report for all the vouchers or invoice to be paid before the *Assistant Accounts Officers* does the selection of payments.
- 2.8.8. The *Senior Account Officer /Accounts Officer* must check the information on the Payment Register report against each cheque leaf before signing the cheques.
- 2.8.9. Immediately after payment has been effected, the *Assistant Account Officer (Payments)* must stamp "paid" on all vouchers and supporting documentation to avoid any double payments.
- 2.8.10. The *Assistant Account Officer (Payments)* shall enter details of all cheques drawn into a Payment Cash Book before they are issued. The Payment Cashbook shall contain detail of the payee, payment date, vouchers number, ledger account, cheque numbers and amount paid.
- 2.8.11. The *Assistant Account Officer (Payments)* must prior to end of each working day schedule a Disbursed report and print out a copy in the spool folder for filing. Proper scheduling procedures for GL 350 must then be carried out accordingly but not after all journals have been verified as correct.
- 2.8.12. The *Senior Account Officer* must check every morning that all transactions from the previous day are updated in GL.

## **Maintaining an Expenditure Ledger**

2.8.13. The *Assistant Accounts Officer (Payments)* shall enter details on payment vouchers in an Expenditure Ledger. The ledger shall record:

- i. date of payment and name of payee;
- ii. type and amount of payment ;
- iii. cheque and payment voucher number;
- iv. expenditure account; and
- v. cumulative totals.

2.8.14. All payments raised during the month must be totalled and the figure noted in the expenditure ledger.

2.8.15. At the end of each month, the *Accounts Officer* shall prepare an expenditure and commitment statement outlining the following information:

- i. total expenditure for the month per expenditure account;
- ii. total expenditure to date against the budgetary provision;
- iii. amount of committed funds per allocation; and
- iv. available funds to date.

2.8.16 The statement shall be submitted to the *Senior Accounts Officer* for inclusion into the monthly management report.

## **2.9 Encumbrance**

2.9.1 Encumbrance is a term used to refer to committed funds in the FMIS which are formed when the system does not automatically clear a PO or voucher even though that particular PO or voucher has fully completed the payment process.

2.9.2 The reason why the system does so varies from system down time to insufficient funds in SEGs and Vat allocations.

## **Extracting and Clearing of Encumbrance balances**

2.9.3 Within 5 days after the end of the month, the *Senior Accounts Officer/Accounts Officer* shall schedule a COMPOST report to check all those allocations that are showing outstanding balances.

2.9.4 Details of each outstanding balances can be obtained by a running of GL876 inquiry on each individual balances.

2.9.5 These details must be entered into a formatted encumbrance report spreadsheet and a copy submitted to Ministry of Economy for clearance of the encumbrance balances from the relevant allocation. The spreadsheet shall outline the following information:

- a. Allocation number;
- b. Amount;
- c. Source ID;
- d. Voucher/ PO status; and
- e. Invoice Date.

- 2.9.6 Where details for a particular balance cannot be obtained, the *Senior Accounts Officer/Accounts Officer* must still go ahead with the submission of the allocations number and amounts. Reasons as to why relevant details cannot be obtained shall be explained in the prescribed report to FMIS unit.
- 2.9.7 When submitting encumbrance reports to Ministry of Economy, the *Senior Accounts Officer/Accounts Officer* shall keep in mind that FMIS unit will only clear vouchers or POs that has the following status:
- a. Paid disburse;
  - b. Paid disburse match;
  - c. Deleted;
  - d. Cancel; and
  - e. Close complete.
- 2.9.8 Any vouchers or PO status other than those mentioned above has to be cleared accordingly by the Accounting Head or accounts supervisor unless the invoice period has been closed.
- 2.9.9 Detailed FMIS procedures/instructions pertaining to clearance of encumbrance balances shall be complied with. The *Senior Accounts Officer* will be held responsible for any encumbrances and commitments outstanding or pending in their Compost Reports during preparation of closing of accounts.

## **2.10 Electronic Fund Transfer (EFT)**

- 2.10.1 EFT payment is done twice daily (or as when required) and all payment vouchers should be received by the *Accounts Officer* before 11:am for the morning run so the payment file will reach the bank at 12:30pm and the 2<sup>nd</sup> run will be at 3:00pm unless urgent.
- 2.10.2 All banks details should be clearly verified through the bank for vendor payment through EFT before submitting to treasury for payment.
- 2.10.3 To facilitate payment through EFT there should be more than 10 vouchers in a run otherwise it will be processed the next day unless urgent.
- 2.10.4 The *Accounts Officer* must make sure that AP file send to the bank should be loaded to GL.
- 2.10.5 *Accounts Officer* must check every morning that all EFT transactions the previous day are updated in General Ledger.

## PART 3: ADMINISTRATION OF GRANTS

Grants that are administered by agencies should only be used for the purpose for which Parliamentary or Cabinet approval has been given. The following sections outline the major procedure the Agency is required to follow to ensure proper management and administration of grants funds/projects.

The policies and procedures in this Part assign particular responsibilities to the:

- ☐ *Permanent Secretary;*
- ☐ *Deputy Secretary;*
- ☐ *Director Corporate Service;*
- ☐ *Senior Accounts Officer;*
- ☐ *Accounts Officer.*

### 3.1 Grant Agreements

#### Assessing Applications for Fiji Servicemen's After care fund Grant Assistance

- 3.1.1 Applications for monthly release of grants should be thoroughly scrutinised by the *Senior Accounts Officer* to ensure they contain the required information.

#### Approved Grants

- 3.1.2 The appraisal report together with supporting documents shall be submitted to the *Permanent Secretary* for approval.
- 3.1.3 For grants approved over \$5000, a grant agreement must be prepared in accordance with Finance Instruction 16-(1) and signed by the Permanent Secretary and an authorised representative of the recipient before payment is made.
- 3.1.4 The grant agreement shall outline terms and conditions under which the grant is given. The following minimum information must be provided in any agreement:
- i. purpose of the grant and performance to be achieved;
  - ii. term of agreement;
  - iii. responsibility of recipients in keeping proper records;
  - iv. approved funding and payment conditions;
  - v. conditions for monitoring expenditure of the grant; and
  - vi. acquittal reporting requirements.

### 3.2 Payment of Grants

- 3.2.1 Before a payment voucher for a grant is certified, the *Senior Accounts Officer* must ensure that it is adequately supported and where appropriate, payment is in accordance with the conditions in the grant agreement.
- 3.2.2 Grant payments to recipients should only be made out in the official name of the Fiji Servicemen's Aftercare Fund
- 3.2.3 No payment may be made unless it has been properly authorised.
- 3.2.4 Payment procedures outlined in Part 2 of the Manual must be complied with.

### 3.3 Monitoring Grant Assistance

- 3.3.1. Where required under Finance Instruction 16-(8), the recipient shall prepare an acquittal report(monthly/annual). The acquittal report shall provide the following information:
- i. details of grant money expended and unexpended;
  - ii. grant objectives and targets achieved; and
  - iii. financial statement (audited if practicable) for grants of \$20,000 or more.
- 3.3.2. All acquittal reports must be signed by the recipient and where relevant, bear the company seal or stamp of the organisation.
- 3.3.3. Organisation Recent Bank Statement should accompany the Acquittal Reports.

## PART 4: PAYROLL

Salaries and wages constitute a major portion of the agency's budget. Proper controls of engaging new employees, salary payments and resignations reduce the risk of fraudulent or unauthorised payments, inaccurate payroll reports and invalid pay rates.

These procedures document the major procedures and controls required in managing payroll expenditure.

The policies and procedures in this Part assign particular responsibilities to the:

- ☐ *Director Corporate Services;*
- ☐ *Senior Human Resource Officer;*
- ☐ *Executive Officer Corporate Service;*
- ☐ *Senior Accounts Officer;*
- ☐ *Accounts Officer;*
- ☐ *Assistant Accounts Officer (Salaries).*

The *Assistant Accounts Officer [Salaries]* should become familiar with the Payroll User Manual available from the Ministry of Economy.

## SALARIES

### 4.1 Appointments

- 4.1.1. The *Director Corporate Service* shall provide a letter of appointment to all new salary employees. The letter shall include at a minimum, the following information:
- i. job classification;
  - ii. salary band and starting salary; and
  - iii. date of appointment to position.
- 4.1.2. The letter of appointment shall be forwarded to the *Senior Accounts Officer* then to the *Assistant Accounts Officer (Salaries)* who shall create a salary file and obtain an Electronic Data Processing (EDP) Number for that employee from Ministry of Economy.
- 4.1.3. This EDP number shall represent the employee's identification number and will remain unchanged throughout his/her employment in the agency or the civil service.

### 4.2 Processing of Fortnightly Salary Payment

#### Calculation of Fortnightly Salary

- 4.2.1 Salaries shall be paid on a fortnightly basis and computed at 1/26<sup>th</sup> of an employee's annual salary.
- 4.2.2 Where payment is for a broken period, salary shall be computed at 1/364<sup>th</sup> of the annual salary multiplied by the number of days to be paid.

#### Preparation of Input Forms

- 4.2.3 To add employees onto the automated payroll system, an input form shall be prepared by the *Assistant Accounts Officer [Salaries]*. Separate input forms shall be used to amend payroll data.
- 4.2.4 Different input forms (specified by the Ministry of Economy) shall be used in each of the following instances:
- i. for creation of an employee's master-file electronically and any subsequent changes to the master-file;
  - ii. for manual payments and reversing of an employee's salary;
  - iii. for various allowances and deductions; and
  - iv. for overtime, one-off allowances or deductions.
- 4.2.5. The *Assistant Accounts Officer [Salaries]* must ensure that the appropriate input form is used when making any amendments to the payroll.
- 4.2.6. All input forms must be signed by the *Assistant Accounts Officer [Salaries]* and checked and signed by the *Senior Accounts Officer*.
- 4.2.7. A batch header shall be used to batch the various input forms.

#### **Submission of Input Forms**

- 4.2.8. The *Assistant Accounts Officer [Salaries]* shall record all batched input forms in a batch register. The register shall record:
- i. the number of batched input forms to be submitted to the Ministry of Economy ;
  - ii. the batch number (each batch shall be numbered in sequential order beginning from 001 to 999 before recommencing with 001); and
  - iii. the value of each batch.
- 4.2.9. The *Assistant Accounts Officer [Salaries]* shall submit batched forms to the Ministry of Economy for processing within the timeframes specified by the Ministry.

#### **Reconciling Edit Reports**

- 4.2.10. Upon completion of data entry into the Payroll System, the Ministry of Economy will print an edit report of the inputted data.
- 4.2.11. The *Assistant Accounts Officer [Salaries]* must extract the edit report and collect original input forms from the Ministry of Economy.
- 4.2.12. The names of officers' authorised to collect these reports shall be provided to the Ministry of Economy.
- 4.2.13. The *Assistant Accounts Officer [Salaries]* shall reconcile entries in the edit report to the original input forms. Any corrections shall be done by preparing new input forms.
- 4.2.14. The *Assistant Accounts Officer (Salaries)* shall check these corrections before resubmitting them to the Ministry of Economy. An entry shall be made in the Batch Register.
- 4.2.15. The *Assistant Accounts Officer [Salaries]* must file all processed input forms into the appropriate salary files.

### 4.3 Form of Salary Payment

#### Direct Deposits

- 4.3.1 The Ministry of Economy is responsible for salary payments made by direct deposits into each employee's bank account.

#### Manual Payment

- 4.3.2 No manual payment of salary is permitted except upon written approval from the Permanent Secretary Economy under circumstances outlined on the Ministry of Economy Circular #10/2017.
- 4.3.3 A manual payment shall be effected through the agency's Drawings Account.
- 4.3.4 The *Assistant Accounts Officer (Salary)* shall record the manual payment on the appropriate input form. The form shall be used to update the payroll records in the automated payroll system to ensure that an employee's true earnings are reflected at the end of the year.
- 4.3.5 The input form must be checked and signed by the *Senior Accounts Officer* before submission to the Ministry of Economy.

### 4.4 Reconciliation of Salary Payments

- 4.4.1. The officer authorised to reconcile salary payment can verify payroll reports from the system. Payroll excess shall be requested through the Ministry of Economy.
- 4.4.2. The payroll summary report contains salary details of employees such as employee name and EDP number, annual and fortnightly salary, allowances and deductions.
- 4.4.3. The report shall be handed to the *Accounts Officer* who is responsible for preparing the salary reconciliation. (*This officer must not be involved in the payment process or the preparation of input forms*).
- 4.4.4. The salary reconciliation must reconcile the difference between the previous fortnight payroll report and the current report, and must be prepared prior to each pay date.
- 4.4.5. The salary reconciliation shall be signed by the *Senior Accounts Officer*, certified by *Director Corporate Service* and endorsed by Permanent Secretary then submit to Ministry of Economy , within one week from the pay date

### 4.5 Accounting for Salary Payments

#### Salary Payments & Deductions Made by Ministry of Economy

- 4.5.1. No salaries expenditure shall be debited until an advice has been received from the Ministry of Economy advising of the salary charges posted to respective agencies expenditure allocation.
- 4.5.2. The *Accounts Officer* shall clear these charges by posting to the appropriate expenditure accounts.

- 4.5.3. Where charges are for payments to organisations through salary deductions, the relevant creditor account shall be credited. When actual payment is made to the organisation, the creditor account shall be debited.

#### **Manual Payments & Deductions Controlled by the Agency**

- 4.5.4. In the case of manual payments and deductions made by the agency, the expenditure and creditor accounts may be directly debited or credited respectively.

#### **4.6 Salary Arrears/Allowances**

- 4.6.1 Any payment of arrears of salary or allowance in respect of the current financial year shall be made with the next salary payment.
- 4.6.2 The *Assistant Accounts Officer- Salaries* shall process such payments after preparing the appropriate input form.
- 4.6.3 If the Head of Treasury , Ministry of Economy has approved that a manual payment be made for arrears relating to the previous financial year, a salary voucher stating details of arrears to be paid shall be referred to the Fiji Revenue and Customs Services to determine the tax to be deducted. The Permanent Secretary through *Account Officer* shall approve payments for arrears relating to the current year.
- 4.6.4 Once the tax value has been determined, payment shall be made in the normal manner.

#### **4.7 Reversal or Withholding of Salary**

- 4.7.1 Where it becomes necessary to hold, cease or reverse an employee's salary, the *Accounts Officer* must immediately advise the Ministry of Economy in writing.
- 4.7.2 The *Assistant Accounts Officer[Salaries]* shall prepare the appropriate input form for ceasing or reversing salary payments as well as a journal voucher (in duplicate) to reverse or cease all deductions for that particular pay period.
- 4.7.3 Where deductions are controlled by the agency, the journal voucher need not be submitted to the Ministry of Economy.
- 4.7.4 The *Assistant Accounts Officer [Salaries]* shall submit the input form and journal voucher (except in the case above) to the Ministry of Economy.
- 4.7.5 For deductions controlled by the Ministry of Economy, the journal adjustment shall be credited to the agency's IDC account.
- 4.7.6 Once the Ministry of Economy advises of the credit that has been posted to the agency's IDC and returns the duplicate voucher, the *Accounts Officer* shall raise another journal voucher to clear the IDC account and credit the actual expenditure account.

## 4.8 Salary Reports

- 4.8.1. The *Assistant Accounts Officer Salaries* shall reconcile salary report from the Payroll System.
- 4.8.2. The reports to be printed include:
- i. pay summary reports;
  - ii. pay run allowance & deduction reports;
  - iii. allowance reports;
  - iv. status reports; and
  - v. salary advice slips (upon request)
- 4.8.3 The *Assistant Accounts Officer [Salaries]* must verify the above with the previous Payroll report.

# WAGES

## 4.9 Appointments

- 4.9.1 The *Director Corporate Services* shall provide a letter of appointment for all new wages employees.
- 4.9.2 The appointment letter shall provide the following minimum information:
- i. date of appointment;
  - ii. job title and location;
  - iii. duration of employment; and
  - iv. rate of pay, FNPF number and other relevant personal details.
- 4.9.3 The employee's FNPF number shall be his/her employment number during the term of employment.
- 4.9.4 Copies of the appointment letter shall be distributed as follows:
- i. original to the wages section for recording and payment purposes;
  - ii. duplicate to the employing section for preparation of timesheets, clock cards, etc.;
  - iii. triplicate to the personnel section for opening a personal file; and
  - iv. quadruplicate to the employee.

## 4.10 Processing of Wages Payment

### Calculation of Weekly Wages

- 4.10.1 The *Executive Officer Corporate Services* shall prepare timesheets through the transfer and adding of the normal hours and overtime hours worked.
- 4.10.2 The timesheet must also provide details on any other job the employee may have worked on within the week.
- 4.10.3 The attendance register and timesheets shall be checked for accuracy and signed by the *Senior Human Resource Officer* before transferring to the *Assistant Accounts Officer [Salaries]* for processing time sheet punching and payment.
- 4.10.4 Wages shall be paid on a weekly basis and computed by multiplying the hours an employee has worked in a week by the hourly rate of pay.

### Preparation of Input Forms

- 4.10.5 To add employees onto the automated payroll system, the *Assistant Accounts Officer [Salaries]* shall prepare appropriate input forms.
- 4.10.6 Different input forms (specified by the Ministry of Economy) shall be used in each of the following instances:
- i. to create an employee's master-file record and make any subsequent changes to the master-file;
  - ii. inputting any manual payments made or reversing an employee's wages;

- iii. for various allowances and deductions; and
- iv. to enter normal hours, overtime hours and one-off allowances and deductions.

- 4.10.7 To process the normal weekly wages, the *Assistant Accounts Officer [Salaries]* shall transfer data from the supervisor's timesheet into the appropriate input form (the Timesheet Data Entry Form).
- 4.10.8 All input forms must be signed by the *Assistant Accounts Officer [Salaries]* and checked and signed by the *Accounts Officer*.
- 4.10.9 The *Assistant Accounts Officer [Salaries]* shall record all batched input forms in a batch register. The register shall record:
- i. number of batches to be submitted to the Ministry of Economy;
  - ii. the batch number (each batch shall be numbered in sequential order beginning from 001 to 999 before recommencing with 001); and
  - iii. the value of each batch.

#### **Data-Entry into the Automated Payroll System**

- 4.10.10 The *Assistant Accounts Officer [Salaries]* must submit batched forms to the Ministry of Economy for processing within the timeframes specified by the Ministry.
- 4.10.11 Where access is granted to the agency to enter data directly into the payroll system, the *Assistant Accounts Officer [Salaries]* shall hand the batched forms to the *Account Officer* to enter details into the system.
- 4.10.12 All data-entry must be completed within the timeframes set by the Ministry of Economy.

#### **Reconciling Edit Reports**

- 4.10.13 Edit reports will be printed after completion of data-entry and collected by the *Assistant Accounts Officer (Salaries)*.
- 4.10.14 The *Assistant Accounts Officer (Salaries)* must ensure that details in the edit report correspond to details in the input forms.
- 4.10.15 The *Assistant Accounts Officer (Salaries)* shall correct any errors by raising new input forms. The *Account Officer* must check the corrections before they are loaded into the payroll system.
- 4.10.16 The *Assistant Accounts Officer (Salaries)* must file all processed input forms into the appropriate wages files.

### **4.11 Printing of Wages Report**

- 4.11.1 A wages report shall be printed for each pay period. This report provides information on pay particulars for that pay period.
- 4.11.2 Payment shall be made once the wages report has been printed.

## 4.12 Form of Payment

### Preparation of Wages Payment Voucher

- 4.12.1 The *Assistant Accounts Officer (Salaries)* shall prepare a payment voucher for payment of wages. Deductions for tax, FNPF, union fees, etc. shall also be shown on the voucher.
- 4.12.2 Deductions shall be credited to the respective creditor accounts until payment is made to the appropriate organisation.
- 4.12.3 Applicable commission or service fees shall be credited to the appropriate revenue account.

### Cheque Payment

- 4.12.4 Payees paid by cheque must sign a Cheque Payments Schedule upon collection.
- 4.12.5 The *Accounts Officer* shall pack the cheque and schedule into pre-printed pay envelopes that must be counted and verified to the wages report.

### Manual Payment

- 4.12.6 No manual payment of wages is permitted except upon written approval from the Permanent Secretary for Economy under circumstances outlined on the Ministry of Economy Circular #10/2017.
- 4.12.7 The *Assistant Accounts Officer [Salaries]* shall, after payment has been made, record the payment on the appropriate input form. The input forms shall be used to update the payroll records into the automated payroll system to ensure that an employee's true earnings are reflected at the end of the year.
- 4.12.8 The *Senior Accounts Officer/Account Officer* and *Assistant Accounts Officer [Salaries]* shall check and sign the input form before submission to the Ministry of Economy.

### Payment by Direct Bank Deposit

- 4.12.9 Where employees are paid through their bank accounts, a direct credit schedule shall be printed from the payroll system.
- 4.12.10 The schedule includes details relating to:
- i. employee's name and FNPF number;
  - ii. bank account number; and
  - iii. net wages.
- 4.12.11 The *Assistant Account Officer* shall prepare a cheque for each bank according to the details on the schedule and for any applicable bank transaction fees.
- 4.12.12 The *Assistant Accounts Officer (Salaries)* must deposit the cheques on time at the respective banks to ensure that employees receive their wages on the pay date.

- 4.12.13 The cheques shall be lodged at the banks together with the direct credit schedule. The duplicate must be stamped and signed by the bank clerk before it is returned to the office and filed by *Assistant Accounts Officer (Salaries)*
- 4.12.14 The Ministry of Economy will provide the respective banks with a soft copy of the direct credit schedules and a summarised hard copy showing expected lodgements from the agency.

### **4.13 Accounting for Wages Payments**

- 4.13.1 At the end of each week, the *Assistant Accounts Officer (Salaries)* shall post wages payments and deductions into the General Ledger from the wages payment vouchers.
- 4.13.2 Journal vouchers may be raised for posting where the number of transactions and allocations are significant.
- 4.13.3 Wages shall be posted to the appropriate expenditure account. Deductions shall be posted to the relevant creditors account until payment is made to the respective organisations.

### **4.14 Reversal or Withholding of Wages**

- 4.14.1 For reversal or withholding of wages, the same procedures shall be followed as outlined under Section 4.10.

#### **Wages Reports**

- 4.14.2 The *Assistant Accounts Officer (Salaries)* must collect wages reports from the Ministry of Economy as and when required (unless they can be printed from the agency).
- 4.14.3 The wages reports to be collected include:
- i. pay summary reports;
  - ii. job cost analysis reports;
  - iii. payment schedules; and
  - iv. status reports
- 4.14.4 The *Assistant Accounts Officer (Salaries)* must verify the reports against a reports list provided by the Ministry of Economy (or kept by the agency).

## PART 5: REVENUE MANAGEMENT

The following procedures have been put in place to maintain an appropriate level of control in the receipt of monies.

The policies and procedures in this Part assign particular responsibilities to the:

- ☐ *Permanent Secretary ;*
- ☐ *Deputy Secretary*
- ☐ *Director Corporate Services;*
- ☐ *Senior Accounts Officer;*
- ☐ *Accounts Officer*
- ☐ *Assistant Accounts Officer (Payments);*
- ☐ *Executive Officer[Registry];*

### 5.1 Authority to Collect Revenue

- 5.1.1. Where officers are authorised to collect revenue (revenue collectors), the *Senior Accounts Officer* must provide them with a letter of appointment signed by the *Permanent Secretary* as evidence of authority. The letter of appointment shall include a copy of the procedures in this manual that are applicable to them.
- 5.1.2. One copy of the signed letter should be retained by the revenue collector and the other copy filed by the *Accounts Officer*.
- 5.1.3. The *Senior Accounts Officer* shall forward a list of all appointed **revenue collectors** and any changes to the list, to the Head of Treasury, Ministry of Economy within one week of the appointment or change.

### 5.2 Distribution of Receipt Books & Other Revenue Earning Forms

- 5.2.1. All requests for receipt books and other revenue earning forms shall be submitted using the appropriate requisition forms.
- 5.2.2. All requests to the Head of Treasury, Ministry of Economy for receipt books should not exceed 3 months requirements.

#### Requests to Head of Treasury

- 5.2.3. The *Senior Accounts Officer* is responsible for issuing requisition to Head of Treasury Ministry of Economy and for maintaining the stock register. The *Senior Accounts Officer* must sign the requisition form and retain one copy.
- 5.2.4. When the receipt books are received from the Head of Treasury, two copies of an acknowledgement receipt will accompany it. The acknowledgement receipt outlines details of the stock issued.
- 5.2.5. The original acknowledgement receipt must be signed by the *Senior Accounts Officer* and returned to the Head of Treasury. Before signing the receipt, the *Senior Accounts Officer* must physically check that the stock received corresponds to the amount stated on the receipt.

## **Recording of Receipt Books Received**

- 5.2.6. The *Assistant Accounts Officer (Payments)* shall immediately enter details of the stock received into the stock register.
- 5.2.7. The stock register shall state:
- i. the date the receipt books are received;
  - ii. the amount of books received;
  - iii. the serial numbers of receipt books received; and
  - iv. The type of receipt books received.
- 5.2.8. The duplicate acknowledgement receipt shall be kept with the stock register.
- 5.2.9. Under no circumstance should receipt books be transferred to another agency unless the Head of Treasury has approved such a transfer. Relevant details of receipt books to be transferred must be provided to the Head of Treasury.

## **Distribution & Recording of Receipt Books to Revenue Collectors**

- 5.2.10. The *Senior Accounts Officer* shall maintain a distribution register recording all receipt books and other revenue earning forms issued to *Accounts Officer/Assistant Accounts Officer Payments (revenue collector)*.
- 5.2.11. The distribution register shall record:
- i. serial numbers of receipt books issued to each revenue collector;
  - ii. type of receipt books or forms held by each collector;
  - iii. date when stock issued to each collector; and
  - iv. First and last receipt number issued per day.
- 5.2.12. Receipt books must be issued in sequential order.
- 5.2.13. When new stock is issued to the *Accounts Officer/Assistant Accounts Officer Payments (revenue collector)*, *Senior Accounts Officer* shall enter details of issued stock on the appropriate acknowledgement receipt form.
- 5.2.14. The original and duplicate receipts are to accompany the issued receipt books. The *Senior Accounts Officer* will retain the triplicate. After checking that all stock has been received, the *Accounts Officer/Assistant Accounts Payments (revenue collectors)* will sign the acknowledgement receipts and return the original to the *Senior Accounts Officer*.
- 5.2.15. The original receipt shall be kept with the distribution register. The *Senior Accounts Officer* must reconcile the distribution register to the stock register at least once a quarter to ensure that sufficient stock is available.
- 5.2.16. The *Assistant Account Officer Payments (revenue collectors)* must also maintain a stock register. The stock register shall contain a record of:
- i. receipt books and other forms received from the *Senior Accounts Officer*;
  - ii. date when stock received;
  - iii. serial numbers for issued stock;
  - iv. Acknowledge receipt number.

5.2.17. The duplicate acknowledgement receipts shall be kept with the revenue collector's stock register.

### **Transfer of Receipt Books Between Revenue Collectors**

5.2.18. Under no circumstance shall any receipt book be transferred between revenue collectors unless the *Senior Accounts Officer* has given approval.

5.2.19. The *Senior Accounts Officer* shall update the distribution register accordingly.

5.2.20. Similarly, the *Assistant Account Officer Payments (revenue collectors)* must update his/her stock register.

## **5.3 Receiving Revenue**

### **Revenue Received Over the Counter**

5.3.1. When cash or bank cheques are received, the *Assistant Account Officer Payments (revenue collectors)* shall immediately issue an official receipt.

5.3.2. The *Assistant Account Officer Payments (revenue collectors)* must enter relevant details specified on the receipt before signing it. Carbon copies of the receipt should be checked to ensure that details on the original receipt are also legible on these copies.

5.3.3. No amendments shall be made to the carbon copies.

5.3.4. The original receipt should be detached from the receipt book and issued to the payer. The *Assistant Account Officer Payments (revenue collectors)* shall retain the book copy and attach the duplicate receipt to the cash analysis sheet.

5.3.5. If a receipt is spoilt, it shall be marked "cancelled" and retained in the receipt book.

### **Revenue Received Through the Mail**

5.3.6. The *Executive Officer (Registry)* must immediately record any cash or other forms of money received, in a cheque register. The register shall contain the following information:

- i. date mail received;
- ii. name of payee, address and amount received;
- iii. form of money received i.e. whether cheque, cash or money order; and
- iv. date of receipt and receipt number issued for each payment received.

5.3.7. Immediately after completing the mail opening, the *Executive Officer (Registry)* shall submit the money received and the cheque register to the *Assistant Account Officer Payments (revenue collectors)*

5.3.8. The *Assistant Account Officer Payments (revenue collectors)* shall verify each entry in the register against the money received before issuing a receipt and noting receipt details in the register.

5.3.9. The cheque register and original receipts will be returned to the *Executive Officer (Registry)* who will then despatch the original receipts to each payer.

## **Revenue Received by Third Parties**

- 5.3.10 Where revenue is received on behalf of another agency, the *Accounts Officer* shall inform the responsible agency through the appropriate advice form within one week of collection.
- 5.3.11. After receiving the advice form, the *Accounts Officer* shall make the necessary entries to the revenue accounts.

## **Receiving Official Gifts**

- 5.3.12. A gift received by an officer in his/her official capacity or donated to the agency must be recorded in a gift register to be maintained at the Permanent Secretary's Office.
- 5.3.13. Details to be recorded in the gift register include:
- i. description of gift and date gift received;
  - ii. agency or person gift received from;
  - iii. any conditions attached to gift; and
  - iv. cost price or fair value where possible.
- 5.3.14. Where the gift is in the form of property or equipment and meets the criteria for an agency asset, it shall also be included in the asset register.
- 5.3.15. Where the gift is in the form of money, it shall be paid into the Consolidated Fund as revenue unless gift conditions specify that the money should be held in a trust account and used for a specific purpose.

## **5.4 Daily Banking**

- 5.4.1. All foreign bank drafts and money orders are to be converted into Fiji dollars prior to receipting and banking.
- 5.4.2. The *Assistant Account Officer Payments (revenue collectors)* shall bank money received on a daily basis at least. The lodgement form shall be prepared in triplicate detailing the deposits to be made.
- 5.4.3. The lodgement forms shall be checked and signed by the *Senior Accounts Officer/Accounts Officer* (who must not also be responsible for collecting revenue). Cash to be deposited shall be counted before the *Senior Accounts Officer/Accounts Officer* signs the lodgement forms.
- 5.4.4. When the *Assistant Account Officer Payments (revenue collectors)* lodges the deposit with the bank, the bank will acknowledge receipt of monies by stamping and signing each lodgement form. The bank will retain one copy and return the other two.
- 5.4.5. The *Assistant Account Officer Payments (revenue collectors)* shall keep one lodgement form and attach the other form to the cash analysis book.
- 5.4.6. If it is not practical to bank money daily i.e. if banking facilities are not accessible or money received is less than \$50, money may be kept overnight, but it must be kept under lock and key in a safe or strong box.

5.4.7. The *Assistant Account Officer Payments (revenue collectors)*, in the presence of the *Senior Accounts Officer/Accounts Officer*, should count the money on hand before entering the amount into the safe register. Money shall only be removed from the safe when the banking will be done. The *Assistant Account Officer Payments (revenue collectors)* must sign the safe register when cash is removed from the safe.

5.4.8. Revenue cash collections must not be mixed with petty cash.

## **5.5 Accounting for Revenue**

5.5.1. The *Assistant Account Officer Payments (revenue collectors)* shall maintain a cash/cheque register in which he/she shall enter on a daily basis the following details:

- i. date of receiving cash or cheques and name of payer;
- ii. receipt number and amount received; and
- iii. revenue account code.

5.5.2. The *Assistant Account Officer Payments (revenue collectors)* must total the cashbook at the end of the day and give it to the *Senior Accounts Officer/Accounts Officer* for checking. *Senior Accounts Officer/Accounts Officer* must sign the cashbook after checking the details in the cashbook against the issued receipts, money on hand and bank lodgement forms.

5.5.3. After reconciling details in the cashbooks, the *Assistant Account Officer Payments (revenue collectors)* shall submit the cashbooks, duplicate receipts and lodgement forms to the *Accounts Officer* for posting into the General Ledger.

### **Posting into the General Ledger System**

5.5.4. The *Account Officer* shall prepare a journal voucher or journal entry input form before posting revenue transactions into the general ledger. The journal voucher for an adjustment should outline:

- i. reason for raising adjustments;
- ii. the accounts that should be debited and credited; and
- iii. the amount debited and credited to each account.

5.5.5. All journalised adjustments shall be sequentially numbered and dated to avoid double postings.

5.5.6. Each journal voucher or input form shall be checked by the *Accounts Officer* who must ensure that:

- i. vouchers are adequately supported;
- ii. dollar values are accurately computed; and
- iii. the correct account codes have been debited or credited.

5.5.7. Where revenue is collected on behalf of other agencies, the *Accounts Officer* raising the journal vouchers for posting shall also prepare an advice form informing the other agency of the collections received on their behalf.

5.5.8. The advice form will outline:

- i. receipt numbers, date of receipt and amounts collected; and
- ii. type of revenue that was collected.

5.5.9. The advice form together with the journal vouchers should be verified and signed by the *Accounts officer*. Immediately after signing the advice form, the Accounts officer must forward it to the agency concerned.

### **Monthly Revenue Reports**

5.5.10. At the end of each month, the *Senior Account Officer* shall prepare a Statement of Revenue comparing the types of revenue collected during the month against the forecasted revenue. Explanations for variances between the actual and forecasted revenue must be obtained from the officers responsible for revenue collection.

5.5.11. The Revenue Statement shall be included as part of the monthly management report as specified in Part 18 of the Manual.

5.5.12. Within five working days of the Ministry of Economy issuing the monthly General Ledger Reports, the *Senior Accounts Officer/Accounts officer* shall reconcile the revenue figures in the report to the Revenue Statement.

5.5.13. Similarly, the Inter-Departmental Clearance Account balances must be reconciled.

5.5.14. Where errors or discrepancies occur, the *Senior Accounts Officer/Accounts officer* shall inform the Head of Treasury in writing within 7 days of receiving the GL reports.

5.5.15. *Senior Account Officer* shall ensure that the Ministry of Economy (FMIS) is consulted before collecting a totally new revenue type Finance Instruction 21-(1).

## **5.6 Monitoring Revenue Collection**

5.6.1. The *Accounts officer* shall maintain a revenue collectors' chart to monitor the regularity of revenue lodged by the *Assistant Account Officer (Payment)*.

5.6.2. The chart will outline the following information:

- i. name & designation of each *revenue collector*;
- ii. the station where each *revenue collector* is based;
- iii. frequency of revenue submissions made to head office; and
- iv. frequency of lodgements made to the bank.

5.6.3. The chart shall be used to ascertain that revenue collectors who make irregular lodgements or have neglected to do so. The *Accounts officer* shall follow up with such officers and take steps to ensure immediate payments are received and that subsequent delays do not occur.

## **5.7 Refunding Revenue**

5.7.1. If a situation arises where revenue needs to be refunded, the *Assistant Account Officer (payment)* shall immediately notify the *Senior Accounts officer* in writing and must be endorsed by *Permanent Secretary*. Details to be included are as follows:

- i. amount of revenue to be refunded;
- ii. circumstances necessitating the refund;

- iii. receipt number, date, payer and revenue allocation code charged; and
- iv. date of lodgement.

- 5.7.2. All relevant documents such as the original receipt and a copy of the lodgement form should be forwarded to the *Senior Accounts officer*.
- 5.7.3. The *Senior Accounts Officer* may direct the *Accounts Officer* to raise a payment voucher for refund of revenue outlining the details as in 5.7.1. If the amount has not yet been banked, the *Senior Accounts officer* may approve instead that the receipt be cancelled and the amount refunded from collections. The original and duplicate receipts shall be marked "cancelled" and filed in order in the receipt book.
- 5.7.4. Where refunds are for the current year, the *Permanent Secretary* shall be the authorising officer. Where refunds are for the preceding year, the Head of Treasury shall be the authorising officer. A copy of the refund voucher must be forwarded the Head of Treasury for approval.
- 5.7.5. If a refund occurs for revenue collected in the current year, the revenue account code shall be debited with a corresponding credit to the "bank account". If it is a refund of revenue collected in the previous year, the "Miscellaneous Refund" account shall be debited.

## **5.8 Maintenance of Receipt Books**

### **Surplus or Obsolete Stock**

- 5.8.1. If receipt books or other accounting forms become obsolete or are no longer required, they shall be returned to the *Senior Accounts Officer/Accounts officer*, properly sealed.
- 5.8.2. A list of such items shall be prepared and certified in duplicate by the *Revenue Collector*. The *Assistant Account Officer (Payments)* shall forward the original list together with the obsolete or surplus stock to the *Senior Accounts Officer/Accounts Officer* and retain the duplicate list.
- 5.8.3. The *Senior Accounts Officer/Accounts Officers* must forward the list and surplus stock to the Head of Treasury, Ministry of Economy together with a written statement stating that the agency no longer requires the stock.
- 5.8.4. Where returned stock is obsolete, it may be destroyed at the *Senior Account Officer* discretion.

### **Damage or Loss of Receipt Books**

- 5.8.5. If the *Assistant Account Officer (payment)* loses or damages receipt books or other revenue earning forms in his/her custody, the *Senior Accounts Officer* must immediately be informed in writing.
- 5.8.6. The *Senior Accounts Officer* shall make the appropriate changes to the stock register and distribution register and notify the Head of Treasury that the Treasury stock register should be amended.
- 5.8.7. If a receipt book is missing, the *Senior Account Officer* shall arrange an advertisement in at least two daily newspapers specifying the serial numbers of the book and a statement disowning any liability incurred through unauthorised use of that receipt book. The advertisement must be placed within two days of notification of the loss.

## 5.9 State Revenue

- 5.9.1 When applying for new revenue items, *Permanent Secretary* must first seek Ministry of Economy approval.
- 5.9.2 Agencies should provide all the details required under Section 25-(2) of the Finance Instructions to the Ministry of Economy, when seeking approval for new revenue items.
- 5.9.3 The Ministry of Economy will provide advice after evaluation and agency must process mandatory endorsement as required under Section 25-(3) & (4) of the Finance Instructions.
- 5.9.4 Agencies shall take action to increase charges each year by the rate of inflation and revise charges for goods and services must be processed under Section 25-(5) & (6).

### Schedule 1: Journalising Revenue Transactions

*The following are examples of how revenue may be accounted.*

#### Situation 1: Accounting for Revenue Received

Department Posting Entries

DR CFA SEG 52 Allocation / BLC 53 Allocation  
CR Appropriate Revenue Allocation  
(accounting for revenue received)

#### Situation 2: Revenue Received on Behalf of Other Departments

Treasuries Entries

DR CFA SAG 52 Allocation / BLC 53 Allocation  
CR IDC – Other Department  
(accounting for revenue received on behalf of other departments)

Other Department Entries

DR IDC – Other Department  
CR Appropriate Revenue Allocation  
(adjusting for revenue received by other department and posted to IDC)

#### Situation 3: Where a Cheque Received as Revenue is Dishonoured

DR RFA Dishonoured Cheque  
CR Drawings Account  
(to account for cheque received and dishonoured by the bank)

#### Situation 4: Refund of Revenue Received in Current Year

DR Revenue Allocation – Refund  
CR Drawings Account  
(to account for refund of revenue)

Situation 5: Refund of Revenue Received in Previous Years

DR    Miscellaneous Refund Expenditure

CR    Drawing

(to clear refund of revenue controlled by Treasury)

## PART 6: CASH MANAGEMENT

Responsible cash management practices reduce the risk of losses through theft and fraud and also Government's borrowing costs. The following procedures ensure that effective internal controls are in place.

The policies and procedures in this Part assign particular responsibilities to the:

- ☐ *Permanent Secretary;*
- ☐ *Deputy Secretary*
- ☐ *Director Corporate Services;*
- ☐ *Senior Accounts Officer*
- ☐ *Accounts officer;*
- ☐ *Assistant Accounts Officer Payments;*
- ☐ *Assistant Accounts Officer Salaries;*

### 6.1 Safe Custody of Cash

6.1.1. All cash, cheques and documents of value shall be kept in a safe or strong room.

#### **Responsibility for Safekeeping of Cash**

6.1.2. The *Assistant Accounts Officer Payments* shall be responsible to the *Senior Accounts Officer* through the *Accounts Officer* for the safekeeping of cash and other valuables.

6.1.3. The *Assistant Accounts Officer (Payment)* shall be responsible for:

- i. keeping the safe key;
- ii. maintaining a safe register which is a record of all money and other valuables in the safe;

6.1.4. The *Accounts Officer* shall conduct stock take of items in the safe at least once every week.

6.1.5. The *Assistant Accounts Officer (Payment)* shall be the only officer with access to the safe.

6.1.6. Safes shall be obtained from the Ministry of Economy using the appropriate requisition form. The original form shall be forwarded to the Ministry while the duplicate copy shall be retained.

6.1.7. Details of the delivered safe shall be recorded in a stock register, which shall outline the identification numbers of the safe and its location.

6.1.8. If a safe needs to be transferred to another agency, the *Senior Account Officer* must obtain approval from the Head of Treasury, Ministry of Economy before transfer.

#### **Loss of a Key**

6.1.9. The *Assistant Accounts Officer Payments* shall be responsible for holding the safe key. Under no circumstance should any other officer make or hold a duplicate of the key.

6.1.10. If the *Assistant Accounts Officer Payments* loses the safe key, he/she must immediately inform the *Senior Accounts Officer* who shall report the matter to the Head of Treasury.

6.1.11. The Head of Treasury will advise the *Senior Accounts Officer* of the cost of replacing the key, which the *Assistant Accounts Officer Payments* must bear.

### **Record of Valuables in the Safe**

6.1.12. The *Assistant Accounts Officer Payments* shall maintain a safe register which should contain the following information:

- i. date and amount of cash/cheques deposited into or withdrawn from the safe;
- ii. type of cash deposited, whether petty cash or revenue collection;
- iii. date, cheque numbers and value of cheques in the safe; and
- iv. Other valuables such as unused or partly-used receipt books or cheque books and their serial numbers.

6.1.13. At any time there is movement of money or other items in and out of the safe, the *Assistant Accounts Officer* shall conduct a physical stock take of the items in the safe and reconcile them to the safe register.

6.1.14. Removal of any item from the safe shall be immediately noted in the safe register by the *Assistant Accounts Officer*.

### **Handing Over Responsibility for the Safe**

6.1.15. Responsibility for the safe can only be handed over to another officer with the approval of the *Director Corporate Services*. Such officer shall assume all the responsibilities of *Assistant Accounts Officer Payments*.

6.1.16. The *Assistant Accounts Officer Payments* shall prepare and sign a handing over statement on each occasion when responsibility is handed over. The statement shall outline what items are being handed over to the officer for safekeeping.

6.1.17. The officer shall verify each item on the list to the actual stock on hand. This must be done in the presence of the *Senior Accounts Officer*.

6.1.18. After checking all the items, the officer shall sign the handing over statement, accept the safe key and assume responsibilities of the *Assistant Accounts Officer Payments*.

6.1.19. A copy of the handing over statement shall be forwarded to the *Director Corporate Service*.

### **Surprise Cash Counts**

6.2.1. At each office at which money is collected, the *Senior Accounts Officer* shall conduct a surprise cash count at least twice a year.

6.2.2. After cash or safe contents have been physically verified to cashbooks, receipts and other supporting documents, the *Senior Accounts Officer* shall sign and date the cashbook and petty cash book and state whether the balance corresponds to the actual cash on hand.

6.2.3. Similarly, the *Senior Accounts Officer* must sign and date the safe register balances after verifying the actual contents in the safe.

6.2.4. The *Senior Accounts Officer* shall provide a report of the cash count to the *Permanent Secretary*, whether or not any discrepancies are detected.

## 6.3 Petty Cash

### Approval to Hold Petty Cash

- 6.3.1. If it is necessary for an officer to hold petty cash for incidental payments, an application shall be made to the Head of Treasury.
- 6.3.2. The application shall be signed by the *Permanent Secretary* through the *Senior Accounts Officer* and shall provide details on:
- i. holding officer's name, designation and station;
  - ii. justification for the request; and
  - iii. amount of petty cash requested.
- 6.3.3. The *Senior Accounts Officer* shall file all applications.
- 6.3.4. If the Head of Treasury has approved that petty cash be kept in a bank account, an account shall be opened in the official title of the Permanent Secretary, Defence and National Security. Chequebooks should be obtained from the bank concerned.
- 6.3.5. *Accounts Officer* must maintain a petty cash book and use the appropriate vouchers when making payments or replenishing funds.
- 6.3.6. If petty cash is held at the office, it must be kept in a safe or strong box. It is the responsibility of *Accounts Officer* to safeguard money and records in their possession.
- 6.3.7. The *Director Corporate Services* must be notified when arrangements are made to hand over responsibility for keeping petty cash. Where notification has not been made, the officer handing over retains joint responsibility for any losses incurred during his/her absence.
- 6.3.8. When handing over, the *Accounts Officer* shall prepare a handing over statement which sets out details of cash and vouchers handed over. The statement shall be signed and dated by the *Accounts Officer* and certified correct by the officer taking over.

### Making Payments

- 6.3.9. All payments made from petty cash must be authorised by the *Senior Accounts Officer* and supported by a petty cash voucher.
- 6.3.10. Immediately upon payment, all vouchers must be stamped "paid".
- 6.3.11. The petty cash voucher shall provide the following details:
- i. name of payee and reason for payment;
  - ii. expenditure account code; and
  - iii. voucher date and number.
- 6.3.12. The recipient must sign the voucher upon payment. The original voucher shall be given to the recipient and the duplicate retained by the *Accounts Officer*.

6.3.13. The *Accounts Officer* shall enter details of payments made into the petty cash record and attach duplicate vouchers.

### **Replenishing the Imprest**

6.3.14. It is the responsibility of the *Accounts Officer* to ensure sufficient cash is available.

6.3.15. When the petty cash needs replenishing, the *Accounts Officer* shall total the payments in the petty cash record that have not been reimbursed, make submissions to Director Corporate Services for approval and raise a reimbursement voucher.

6.3.16. The reimbursement voucher, a copy of the petty cash record and duplicate petty cash vouchers shall be forwarded to the *Senior Accounts Officer*.

6.3.17. The *Senior Accounts Officer* must verify the correctness of payments made before approving the reimbursement voucher.

6.3.18. Once the reimbursement voucher has been approved and signed by the *Senior Accounts Officer*, the *Assistant Accounts Officer Payments* shall prepare a reimbursement cheque and send it to the *Accounts Officer* together with the signed reimbursement voucher.

6.3.19. Upon receiving the reimbursement cheque, the *Accounts Officer* shall replenish the petty cash and update the petty cash record accordingly.

6.3.20. The *Accounts Officer* shall post details of the reimbursement voucher to the relevant expenditure accounts.

### **Preparing Monthly Reconciliation**

6.3.21. Where petty cash is kept in a bank account, a bank reconciliation statement shall be prepared on a monthly basis by the *Accounts Officer* and submitted to the *Senior Accounts Officer* within 5 days of the end of the month.

6.3.22. The *Senior Accounts Officer* shall verify the balances of the petty cash record and bank statements and check the supporting vouchers before certifying and dating the bank reconciliation statement.

6.3.23. Within five days after the issue of the monthly General Ledger report by the Ministry of Economy, petty cash officer shall prepare a petty cash reconciliation to reconcile the petty cash record balance to the General Ledger balance. The reconciliation must be forwarded to the Ministry of Economy by the date set by the Ministry.

### **Retiring Petty Cash**

6.3.24. The *Accounts Officer* must retire the petty cash before the end of the financial year in accordance to the date stipulated in the Closing of Accounts Circular.

6.3.25. Petty cash shall be retired by submitting the cashbook, petty cash vouchers and any cash on hand balance to the *Senior Accounts Officer* for verifying and journalising.

6.3.26. If the *Assistant Accounts Officer Payments* is also a revenue collector, he/she may receipt such cash and record relevant details in the petty cashbook. A copy of the bank lodgement and receipt shall be submitted to the *Accounts Officer* together with the petty cashbook and other vouchers.

## 6.4 Operating Bank Accounts

- 6.4.1 The *Accounts Officer* shall keep an up-to-date file of the names, designations and signatures of officers authorised to operate bank accounts.
- 6.4.2 The *Senior Accounts Officer* shall only nominate such officers after obtaining the approval of the Head of Treasury.
- 6.4.3 The “Drawings Account” will be operated for all payments except for those payable from petty cash bank accounts, TMA bank accounts and trust bank accounts.

### Closure of Bank Account

- 6.4.4 Closure of a bank account for public money, other money or trust money must only be carried out with the approval of the Head of Treasury. Prior to closure of public bank accounts, all monies must be transferred to the Consolidated Fund Account, and Head of Treasury must be advised accordingly

### Banking Security

- 6.4.5 The *Senior Accounts Officer* must ensure that two officers make deposits or withdrawals at the bank.
- 6.4.6 Cash must be carried to the bank in a locked strong box.
- 6.4.7 The *Senior Accounts Officer* is responsible for arranging additional security measures such as a police escort, whenever cash deposits or withdrawals are significantly large.

### Preparing Monthly Bank Reconciliations

- 6.4.8 The *Accounts Officer* shall prepare, bank reconciliation within 5 days of the end of the month.
- 6.4.9 Details of unpresented cheques and other reconciling items should be attached to the reconciliation statement.
- 6.4.10 Once the bank reconciliation is prepared, it should be signed and dated by the *Accounts Officer* and submitted to the *Senior Accounts Officer*.
- 6.4.11 The *Senior Accounts Officer* must verify balances in the bank reconciliation to the cashbook, bank statements, unpresented cheque list and the previous month’s bank reconciliation before certifying it.
- 6.4.12 A copy of the certified bank reconciliation shall be forwarded to the Ministry of Economy within 15 days after the end of the month and the reconciliation format shall be in accordance with the form outlined in Part 15 Schedule 3 of this manual.

## 6.5 Accounting for Cheques

### Stale Cheques

- 6.5.1. If cheques remain in the unpresented cheque list for more than 3 months, the *Assistant Accounts Officer [payments]* must attempt to locate the payees and have their cheques presented before they become stale.

- 6.5.2. The *Accounts Officer* shall review the unpresented cheque list and determine whether a replacement cheque should be issued for cheques that are stale.
- 6.5.3. If a replacement cheque is not required, *Accounts Officer* shall clear the stale cheque using either of the two adjusting entries:
- DR Drawings Account (or Bank ledger account)  
CR Expenditure Account  
(to clear cheques issued in the current year that have become stale)
- DR Drawings Account (or Bank ledger account)  
CR Equity (As approved by FMIS)–Recoveries of Payments in Previous Years  
(to clear cheques issued from previous year that have become stale)

### **Replacement Cheques**

- 6.5.4. If a replacement cheque is issued, the *Assistant Accounts Officer [Payments]* shall prepare a payment voucher listing the following details:
- cheque number, amount and date of the cheque being replaced; and
  - Circumstances under which the replacement cheque is required.
- 6.5.5. The unpresented cheque number shall be cancelled from the unpresented cheque list with a note stating that it is being replaced. The replacement cheque number should be entered on the unpresented cheque list.
- 6.5.6. The number of the replacement cheque should also be entered in the cashbook with the amount omitted.

### **Lost or Destroyed Cheques**

- 6.5.7 If a payee loses or destroys his/her cheque and requests for a replacement, the *Director Corporate Service* may authorise that a replacement cheque be issued after obtaining a Statutory Declaration.
- 6.5.8 If the Senior Accounts Officer or any other officer loses a cheque, he/she must prepare a report to the *Director Corporate Services*. The matter shall be dealt with in accordance with Part 14 of the Manual.

### **Dishonoured Cheques [Revenue]**

- 6.5.9 Where the bank dishonours a cheque, it shall be the responsibility of the *Accounts Officer* to recover the amount of the cheque and the dishonour fee.
- 6.5.10 The *Accounts Officer [payments]* must provide the *Senior Accounts Officer* with an explanation in writing stating reasons for accepting the cheque and the attempts that have been made toward recovery.
- 6.5.11 If the *Senior Accounts Officer* finds that the cheque should not have been accepted because it was not properly completed or was a personal cheque, and that the amount cannot be recovered within 2 months of being dishonoured, the *Senior Accounts Officer* shall recommend to the *Director Corporate Service* that disciplinary or surcharge action be taken.

6.5.12 Surcharge action shall be initiated in accordance with Part 11 of the Finance Instructions.

6.5.13 To account for the dishonoured cheque, a journal voucher shall be raised adjusting the following accounts:

DR RFA – Dishonoured Cheques

CR Drawings Account

(to account for cheques received and dishonoured by the bank)

6.5.14 The dishonoured cheque shall not be returned to the payer until the amount can be recovered at which point, the following adjustment shall be made:

DR IDC – Department

CR RFA – Dishonoured Cheques

(to account for recovery of dishonoured cheque amount)

## 6.6 Cash Flow Forecasting

6.6.1. At least one month before the start of the financial year, all Section Heads that control a budgetary allocation or revenue collection must submit a forecast of expenditure or revenue for the entire year to *Senior Accounts Officer*. This information must be further broken down into monthly forecasts.

6.6.2. The *Senior Accounts Officer* is responsible for collating such information in the form specified in the Finance Instructions.

6.6.3. The *Senior Accounts Officer* must liaise closely with other Section Heads to ensure that the forecast information provided is reliable.

6.6.4. Regular analyses must be carried out between actual figures and forecasts. The analysis shall focus on:

- i. payment patterns and rate of collection for outstanding debts and revenue; and
- ii. availability of funds to meet outstanding commitments.

6.6.5. Any revisions to forecast information shall be submitted to the Ministry of Economy at least 2 working days before the start of the following week.

6.6.6. Any CashFlow Adjustment which includes shifting of future cashflows to the current period should be approved and endorsed by *Director Corporate Services/Permanent Secretary*

## 6.7 Daily Cash Flow Management

6.7.1. It shall be the responsibility of the Accounting Head to ensure that the Agency duly abides by the daily cash flow limit of \$70,000 set by the Ministry of Economy.

6.7.2. Anything in excess of this limit must first be approved by Debt and Cash Flow Management (DCF MU), Ministry of Economy prior to release of funds from the Head of Treasury, Treasury.

6.7.3. DCF MU is not admissible for any liabilities for the payments approved as its approval is sought specifically for Cash Flow Management purpose.

## Schedule 1: Accounting for Petty Cash

### Situation A: Approving Petty Cash

DR    RFA – Imprest  
      CR    Drawings Account  
(to account for approved petty cash)

### Situation B: Retiring Petty Cash (where there is a cash balance remaining)

#### Department Entries

DR    IDC Department / BLC Account  
      CR    RFA – Imprest  
(to retire petty cash held during the year)

#### Treasury Entries

DR    Bank Account  
      CR    IDC Department / BLC  
(to account for cash on hand balance lodged into the consolidated bank account)

#### Department Entries

DR    Expenditure Account  
      CR    RFA – Imprest  
(to account for petty cash paid out)

### Situation C: Retiring Petty Cash (where the petty cash is fully disbursed)

DR    Expenditure Account  
      CR    RFA - Imprest  
(to retire petty cash held during the year)

### Schedule 3: Handing Over Statement

*A handing over statement should outline details of what is being handed over and may be set out in the following manner.*

#### HANDING OVER STATEMENT

The items listed below are handed over to (name & designation of officer) for safekeeping.

*Safe lock and key*

*Petty cash            -            \$xxx*

#### Revenue Collections

*Cash                    -            \$xxx*

*Cheques              -            \$xxx*

#### Unused Books

*Receipt Books                    -            0100-0200 (Serial number of books)*

*Cheque Books                    -            0001-1000 (cheque book numbers)*

#### Other Valuables

These items have been verified by physical stocktake and reconciled to the safe register.

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(Signature of officer handing over)  
(Date of hand over)

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(Signature of officer taking over)  
(Date of hand over)

## PART 7: INVENTORY MANAGEMENT

Inventory purchasing, storage and recording should be efficiently managed to ensure that there is a sufficient level of inventories when needed, while minimising the cost of holding inventory and the risk of stock becoming obsolete or damaged.

The policies and procedures in this Part assign particular responsibilities to the:

- ☐ *Director Corporate Services;*
- ☐ *Senior Human Resource Officer;*
- ☐ *Senior Accounts Officer;*
- ☐ *Accounts Officer;*
- ☐ *Assistant Accounts Officer [payments];*
- ☐ *Assistant Accounts Officer [salaries];*
- ☐ *Executive officer[Corporate];*

### 7.1 Maintaining an Inventory / Expendable Register

#### Purchasing Inventories

- 7.1.1. Inventory purchasing must be carried out in accordance with the procurement procedures in Part 2 of the Manual.
- 7.1.2. When inventory items are purchased, *Assistant Account Officer (Salaries)* shall record them in the inventory register.

#### Recording Inventories

- 7.1.3. The *Assistant Accounts Officer (Salary)* shall maintain the inventory register to record incoming and outgoing inventories. The inventory register shall provide the following information:
  - i. date of acquisition and order number reference;
  - ii. number of items received and cost price;
  - iii. supplier details;
  - iv. date of issue of inventory and nature of issue (for example, transfer or for processing);
  - v. issue reference (authority such as requisition order); and
  - vi. Quantity issued.
- 7.1.4. The *Assistant Accounts Officer (Salary)* shall ensure that the register is kept up to date at all times.

#### Storeroom to stock all assets

- 7.1.5. The Ministry will have one storeroom to stock all long term items bought under the ministry vote and this will be kept under the authority of the ministry's inventory officer who shall be at *Executive Officer* level.

### 7.2 Storage of Inventories

- 7.2.1. Storage of inventories shall be the responsibility of the *Assistant Accounts Officer [Salary]*. The *Assistant Accounts Officer [Salary]* must ensure that:

- i. adequate storage space is available for incoming stock as and when required;
- ii. storage facilities are properly secured;
- iii. stocks are kept in an orderly manner allowing for safe access;
- iv. stocks are handled with care and well stored so as to reduce the risk of damage;
- v. quantity of stock is closely monitored to avoid excess holdings or shortages.

7.2.2. Access to the inventory stores shall be limited to the *Assistant Accounts Officer [Salary]*. All other officers shall be restricted from entering storage facilities unless approval is granted by the *Assistant Accounts Officer [Salary]*.

### 7.3. **Inventory Stocktakes**

7.3.1. The *Director Corporate Services* shall appoint two Officers, one of whom is independent of the inventory function, to undertake a stocktake of all inventories at least once a year.

7.3.2. The Officers shall count the stock and verify it to the inventory register. Details of the stocktake must be recorded on inventory stocktake sheets, which must be signed after completing the stocktake.

7.3.3. The Officers shall prepare their stocktake report noting any surplus, damaged, obsolete or unaccounted stock and their recommendations.

7.3.4. The stocktake report shall be signed and submitted to the *Director Corporate Service* through the *Senior Accounts Officer* together with the stocktake sheets.

7.3.5. The inventory register shall be adjusted only after the *Director Corporate Services* has endorsed the recommendations and approval has been given for any write-offs or write-ons.

## PART 08: ADVANCES

Advances may be provided to staff to assist in carrying out their official duties or as part of their approved remuneration. The repayment of these advances must be actively pursued to reduce the risk of losses from irrecoverable debts.

The policies and procedures in this Part assign particular responsibilities to the:

- ☐ *Permanent Secretary;*
- ☐ *Deputy Secretary;*
- ☐ *Senior Human Resource Officer - Corporate ;*
- ☐ *Travelling Officer*
- ☐ *Senior Accounts Officer;*
- ☐ *Accounts Officer;*
- ☐ *Assistant Accounts Officer Payments*
- ☐ *Assistant Accounts Officer Salary*

### 8.1 Accountable Advances to Staff

#### Applying for an Advance

- 8.1.1. Officers travelling to outer stations or overseas for official purposes are eligible to apply for Accountable Advances.
- 8.1.2. The *Permanent Secretary* shall approve all accountable advances.
- 8.1.3. When applying for accountable advance, the *Travelling Officer* must provide the following information:
- i. travel itinerary – if travelling overseas;
  - ii. estimated costs of travel including accommodation and meals; and
  - iii. purpose of travel & and the authorised officers approval to travel.
  - iv. purpose of accountable advance with detailed costings
- 8.1.4. The *Travelling Officer* shall attach supporting documents (for example, airfare quotes, hotel rates, etc.) to the application.
- 8.1.5. It shall be the responsibility of the *Senior Accounts Officer* to ensure that any officer with pending accountable advance must not be allowed further advance until and unless pending advance is cleared.

#### Accounting for Advance

- 8.1.6. Once approval has been obtained, the application shall be sent to *Assistant Accounts Officer Payments* for processing of the advance payment in accordance with payment procedures in Part 2 of the Manual.

- 8.1.7. The payment voucher shall include a signed statement from the *Senior Accounts Officer* requesting the *Travelling Officer* to submit an acquittal together with supporting documents within seven days after returning from travel.
- 8.1.8. The accountable advance shall be charged to the advances account until cleared through submission of the acquittals.
- 8.1.9. The *Assistant Accounts Officer Payments* must also record the accountable advance in the debtors / accountable advance register in accordance with Part 9 of the Manual.

### **Recouping Advance**

- 8.1.10. A travelling Officer shall recoup the accountable advance within seven days of completing travel by submission of an acquittal report with supporting documents.
- 8.1.11. If an advance has not been fully expended, the travelling officer must repay the balance within seven days of completing travel.
- 8.1.12. If actual expenses incurred were more than the advance, the travelling Officer may be refunded the additional amount. The refund shall only be paid after supporting documents substantiating the additional expenses have been provided.
- 8.1.13. Where an advance has not been acquitted within seven days of travel, the *Senior Accounts Officer* shall effect recovery through a salary deduction from the concerned officer's salary within six (6) fortnights.
- 8.1.14. Interest on all advances will accrue at the rate set by the Minister of Economy from time to time. The current rate is 12% per annum.
- 8.1.15. Upon clearance of the advance, the *Accounts Officer* shall update the debtors / accountable advance register, offset the advance account and debit the appropriate expenditure account.

## **8.2 Credit Card**

- 8.2.1. Authorised officers [Permanent Secretary Only] on official trip abroad may use corporate credit cards for expenditure related to approve overseas trips only.
- 8.2.2. To acquire credit cards, Section 5.0 of the Credit Card Policy (2013) provides detailed process that needs to be adhered by agencies.
- 8.2.3. All users shall adhere to the terms and conditions specified under Section 6.0, Part 11 of the Credit Card Policy (2013). Non-compliance and disobedience with procedures of the policy will be grounds for revocation of cards and individual card user privileges.
- 8.2.4. The Head of Treasury, Ministry of Economy may revoke a credit card or card user privileges at any time if it is in the government's best interest.
- 8.2.5. Credit cards shall be returned to the bank, after consultation with the Head of Treasury, when there is a rotation of staff and or changes to the authorised users and if the card is damaged.
- 8.2.6. All credit cards, other than that of the Prime Minister will have a maximum limit of FJD5,000.

- 8.2.7. The *Senior Accounts Officer* shall be responsible for card maintenance and monitoring and shall ensure that the credit card is retained upon return from any official trip abroad.
- 8.2.8. The *Senior Accounts Officer* shall review the statement and receipts and certify that all transactions are in accordance with financial regulations and procedures and must ensure that all reconciliations are properly kept for auditing purposes.

### **8.3 Board Membership Fees**

- 1.1.1 Officers appointed to represent the government on any board in an official capacity must pay Board fees received into the Consolidated Fund Account.

## PART 09: PROPERTY, PLANT & EQUIPMENT

Physical assets provide a vital resource base that supports the delivery of outputs by the agency. Therefore it is important to ensure that:

- ⊗ assets are safeguarded and properly maintained;
- ⊗ assets are used for official purposes only;
- ⊗ all assets held by the agency are used efficiently.

The policies and procedures in this Part assign particular responsibilities to the:

- ☐ *Permanent Secretary*
- ☐ *Deputy Secretary;*
- ☐ *Director Corporate Services;*
- ☐ *Senior Accounts Officer;*
- ☐ *Senior Human Resource Officer;*
- ☐ *Accounts Officer;*
- ☐ *Executive Officer [Corporate Service].*

### 9.1 Acquiring Physical Assets

- 9.1.1 Assets shall be purchased in accordance with purchasing procedures in Part 2 of the Manual.
- 9.1.2 The total cost price of an asset shall include all expenses relating to its purchase and may include costs necessary to have the asset ready for use (for example, installation costs).
- 9.1.3 All assets acquired with a cost in excess of \$2000, shall be recorded in the assets module of the FMIS or a fixed assets register for those without the FMIS.

### 9.2 Recording of Assets

- 9.2.1 The *Executive Officer [Corporate Service]* shall be responsible for maintaining the fixed assets register. The fixed assets register shall provide the following details:
  - o date of acquisition (including if asset was acquired by transfer, gift or second-hand) and cost;
  - o description;
  - o serial number and model;
  - o location; and
  - o other relevant information (e.g. if asset is sold or written off).
- 9.2.2 The *Executive Officer [Corporate Service]* must ensure that the fixed assets register is kept updated.
- 9.2.3 Expenditure to increase the capacity or extend the useful life of an asset shall be regarded as capital expenditure and the amount included in the fixed assets register against the original asset.
- 9.2.4 Repair and maintenance costs of a regular nature shall be treated as an expense and shall not add to the value of the asset.

9.2.5 The *Executive Officer [Corporate Service]* shall record items valued at less than \$2000 but more than \$200, in an expendable items register. The register shall contain the following information:

- o date of purchase (including if it was acquired by transfer, gift or second-hand);
- o purchase reference number;
- o description of items and quantity; and
- o disposal method (whether written off, sold, etc.) and reference number.

9.2.6 The *Executive Officer [Corporate Service]* must ensure that the register is kept updated.

9.2.7 Expendable items must only be used for official purposes and is subject to stocktakes in the same manner as fixed assets.

### **9.3 Use of Fixed Assets**

9.3.1 Fixed assets shall only be used for official purposes unless prior approval has been obtained from the *Permanent Secretary*.

9.3.2 All staff operating or utilising any fixed asset under the care of the agency must ensure that they are aware of the safety procedures necessary to operate it.

### **9.4 Board of Survey of Fixed Assets & Expendable Items**

9.4.1 The *Permanent Secretary* shall nominate three board of survey officers [one will be appointed from outside the agency and will chair the team] to undertake an annual board of survey of fixed assets and expendable items at a specified date as required by Procurement Regulations 24-(1)-(4).

9.4.2 The board of survey officers shall physically identify each item, note its working condition and verify its existence to the fixed assets register and expendable items register. Details of the board of survey must be entered on the appropriate board of survey sheets and signed by the board of survey officers.

9.4.3 After the board of survey has been completed, the board of survey officers shall prepare and sign the board of survey report and submit it to the *Permanent Secretary*. The report shall include:

- o any items that were unaccounted;
- o damaged, obsolete or surplus items;
- o other discrepancies; and
- o recommendations on fixed assets or expendable items that should be disposed off.

9.4.4 HODs and Executive Management who have custody of an asset at the time of the board of survey shall be responsible for responding to any issues raised in the report. If an asset has been lost while in the care of that officer, he/she shall take appropriate measures to recover the asset.

9.4.5 The HODs and Executive Management or individual officers may be surcharged if found to be responsible for the loss of an asset.

9.4.6 The *Executive Officer [Corporate Service]* shall update the fixed asset register after the *Permanent Secretary* has endorsed the recommendations of the board of survey report and after any necessary write-offs have been approved in accordance with Part 14 of the Manual.

## 9.5 Disposal of Fixed Assets

- 9.5.1 The Permanent Secretary for Economy has authority to approve the disposal of any “agency asset” using approved disposal methods in Procurement Regulations 52-(1).
- 9.5.2 Where the written approval of the Ministry of Economy has been obtained, for the disposal of any state asset, the *Permanent Secretary* may dispose of these assets using an approved disposal method in Procurement Regulations 52-(2).
- 9.5.3 The *Executive Officer [Corporate Service]* shall update the fixed assets register to reflect assets that have been disposed of.

### **Sale of Assets**

- 9.5.4 Where a fixed asset is to be disposed of by sale, the *Permanent Secretary* shall determine which of the following methods of sale to use:
- o public auction;
  - o trade-in;
  - o tender process;
  - o direct dealing.
- 9.5.6 The *Permanent Secretary* shall determine the most cost-effective method of sale taking into account factors such as the condition of the asset, its value and the likely number of potential buyers.
- 9.5.7 A direct sale may only be made where the asset is valued at less than \$100.
- 9.5.8 For obsolete, partly damaged or deficient assets valued in excess of \$1,000, sale shall be by way of a public auction unless the *Permanent Secretary* approves that a tender be used.
- 9.5.9 The public auction shall be organised by the Head of Procurement Office. The *Executive Officer [Corporate Service]* must provide the Head of Procurement Office with the list of items for sale, their cost price and their date of acquisition. The auctioneer shall be responsible for determining the minimum auction price for each item.
- 9.5.10 Assets sold by way of a tender process must be in accordance with the tender procedures outlined in Part 7 (52) of the Procurement Regulation.

### **Transfer of Asset**

- 9.5.11 An asset may be disposed of by transferring to another agency with the approval of the *Permanent Secretary*
- 9.5.12 Before an asset is transferred, the *Executive Officer [Corporate Service]* must ensure that there is a written agreement for transfer with the other agency.

### **Gift to Non-Government Organisation**

- 9.5.13 Where the *Permanent Secretary* has given written approval, assets may be given as a gift to a non-government organisation provided it contributes to the outcomes of government.

### **Disposal of Assets as Scrap**

- 9.5.14 Assets that are damaged and cannot be used shall be disposed of as scrap once approval is obtained for their write-off in accordance with Part 14 of the Manual.
- 9.5.15 The destruction or dumping of such assets shall be carried out in a safe manner approved by the *Permanent Secretary*.

### **Writing Off Losses of Assets**

- 9.5.16 In cases where a loss of an asset occurs through theft, fraud or negligence, the asset may be written off.
- 9.5.17 Any loss or write off shall be dealt with in accordance with Part 14 of the Manual.

## Schedule 1: Recording of Assets

Each agency is required to maintain an asset register for assets valued at \$2000 and above. Assets that are similar in nature may be grouped under a specific class of assets. Classes of assets are set out in the following table.

ASSET CLASS	DESCRIPTION
Furniture & Fittings	Conference Tables & Chairs Cupboards
Office Equipment	Computers Printers Photocopiers Audio-Visual Equipment
Plant & Machinery	Tractors Mechanical Equipment

The description in the asset register should include the total quantity of assets and where applicable, the individual and total cost.

Other items that cost less than \$2000 shall be recorded in an expendable items register.

On the following page is a sample of what an asset register may record. A similar format may be used for recording expendable items.

<b>ASSET CLASS: OFFICE EQUIPMENT</b>	
<b>DESCRIPTION OF ASSET</b>	
☉ 1 only HP LaserJet Printer 8150DN (list total quantity of asset)	
<b>ACQUISITION DETAILS</b>	
Date of acquisition: <u>25/10/2003</u> Purchase order #: <u>996502</u> Supplier: <u>Bondwell</u> Invoice #: <u>2654</u> Cost price: <u>\$2,500*</u> Serial #: <u>000219566687-02</u> <i>*List individual cost price where applicable</i>	<i>(If asset acquired by other means, this should be noted in the register in this column)</i>  Acquisition type: gift, transfer, trade-in Fair value: where cost price cannot be determined
<b>DISPOSAL DETAILS</b>	
Date of disposal: Method of disposal: (gift, sale, transfer, scrap, write-off) Condition of asset: (obsolete, serviceable but unused, etc.)* (stocktake report date & reference #) <i>*taken from the most recent stocktake report</i>	<i>(Fill in details where applicable)</i>  Sale price: Receipt #: Donated to: Approval reference: Transferred to: Approval reference: Written off: Approval reference:

## PART 10: VEHICLES

The maintenance and replacement of government vehicles is a significant cost to Government. The behaviour of drivers, usage of vehicles for private purposes and lack of proper care all contributes to the cost of maintaining vehicles.

The policies and procedures in this Part assign particular responsibilities to the:

- ☐ *Permanent Secretary*
- ☐ *Deputy Secretary;*
- ☐ *Director Corporate Services;*
- ☐ *Senior Human Resource Officer [Corporate Service];*
- ☐ *Executive Officer [Corporate Service];*
- ☐ *Drivers;*
- ☐ *Accounts Officer.*

### 10.1 Responsibility for Overseeing Transport

10.1.1 It shall be the responsibility of the *Senior Human Resource Officer [Corporate]* to oversee all matters relating to vehicle usage.

10.1.2 The *Senior Human Resource Officer [Corporate]* must ensure that:

- ⊙ vehicle records are properly maintained and up to date;
- ⊙ fuel & oil usage is closely monitored;
- ⊙ servicing of vehicles is regularly carried out;
- ⊙ vehicles are properly secured when parked or garaged;
- ⊙ drivers understand vehicle procedures as outlined in this section as well as the Transport policy;
- ⊙ necessary training on general maintenance and upkeep of vehicles are provided to drivers and officers; and
- ⊙ reporting requirements are adhered to on time.

### 10.2 Authority to Drive

10.1.1 The *Permanent Secretary* shall authorise an officer to drive government vehicles under the care of the agency by issuing them a letter of authority. The PS shall notify the *Senior Human Resource Officer [Corporate]* of the names and designations of all such drivers. The *Senior Human Resource Officer [Corporate]* shall keep these authorisations in a file.

10.1.2 Under no circumstance shall the *Senior Human Resource Officer [Corporate]* permit unauthorised persons to drive any vehicle.

10.1.3 No officer shall be allowed to drive unless he has met all the initial requirements under paragraph 22 (1) of the Transport policy.

10.1.4 The letter of authority issued to authorised drivers must outline the following conditions:

- ⊙ that drivers exercise proper care when driving;
- ⊙ that road rules under the Land Transport Act are strictly adhered to;
- ⊙ that drivers licenses are kept current;

- ⊙ that procedures in the Finance Manual and Transport policy are complied with;
- ⊙ that drivers will be held personally and pecuniary responsible for any damages sustained on vehicles whilst in their custody, irrespective of the nature and extent of damage; and
- ⊙ Every driver is responsible for the infringement charges occurs while driving government vehicles and also responsible for the renewal of his/her driving license.

10.1.5 All drivers shall be responsible to the *Senior Human Resource Officer [Corporate]*, who shall recommend surcharge action where a loss is caused by a driver.

### **10.3 Use of Vehicles**

#### **Official Runs**

10.3.1 Vehicles must only be used for official purposes unless approved in writing by the Permanent Secretary or permitted under an officer's term of employment.

10.3.2 Any officer requiring transport for official purposes must inform the Transport Officer. It shall be the duty of the *Executive Officer [Corporate Services]* to make the necessary arrangements for transport.

10.3.3 Drivers are not allowed to transport any officer unless informed by the *Executive Officer [Corporate Services]*.

10.3.4 Assigning a vehicle to an officer other than the Permanent Secretary is strictly prohibited. Vehicle will be assigned to the Unit or Division only where necessary.

10.3.5 Use of official vehicle to transport officers to participate in sporting activities and social gatherings must be approved by the Permanent Secretary.

10.3.6 Officers other than the Permanent Secretary are not allowed to be picked up and/or dropped off home during normal working hours unless working overtime, involved in an urgent and priority work assigned, or with prior approval of the *Permanent Secretary*, Ministry of Defence & National Security and Policing

10.3.7 An "Official Vehicle Pass" will need to be obtained from the *Permanent Secretary* for use of Government vehicles beyond normal working and odd hours. Arrangements for the official pass are the responsibility of the *Driver* and *Executive Officer(Corporate)*.

10.3.8 Officers found using official vehicles for unauthorized purposes are liable to pay private hire rates (in accordance with section 520 Rates for Moto Vehicle: G.O. 2011), be surcharged, and/or disciplined, depending upon the circumstances in which the vehicle was used.

#### **Driver's Running Sheets**

10.3.9 Each *Driver* must keep daily running sheets, in the form approved by the *Permanent Secretary*, to record details of each run undertaken in any of the agency's vehicles. The running sheet shall document:

- vehicle registration number;
- date and mileage at the start of the day;
- runs during the day and reasons for each run;

- o arrival and departure times including mileage during each separate run; and
- o fuel details if vehicle is filled during the day.

10.3.10 Separate running sheets must be kept for each vehicle.

10.3.11 Before the start of each run, the *Driver* shall enter onto the running sheet, the current mileage reading. This must also be done at the end of that run.

10.3.12 If the *Driver* stops at various locations before returning to the office, details of each stop must also be entered onto the running sheet.

10.3.13 Where another driver uses the same vehicle, a separate running sheet for that vehicle shall be used to record the journey.

10.3.15 All drivers must ensure that their running sheets are properly filled in before signing and submitting them to the *Executive Officer [Corporate Services]* at the end of the day. Vehicle keys must also be handed over to the Supervisor.

10.3.16 The *Executive Officer [Corporate Services]* shall check the accuracy of all running sheets for the day and certify each sheet.

10.3.17 Running sheets for each vehicle must be kept in a separate file in chronological order.

#### **Refill of Fuel for Vehicles**

10.3.18 All vehicles must only refill with the approved Petroleum Company. This may not be applicable to Ministries and Department who operate their own fuel depots. It shall be the responsibility of drivers to ensure that vehicles have adequate fuel at all times.

10.3.19 In order to obtain fuel cards, criteria listed under Section 12.0 of Fuel card Policy must be fulfilled. Fuel cards shall be returned to Ministry of Economy (GFMU) when there is a rotation of staff and/or changes to the authorised users and if the card is damaged.

10.3.20 All users shall adhere to the terms and conditions as specified under Section 6.0, Part 1 of the Fuel card Policy (2009). Non compliance and disobedience with procedures of the policy will be grounds for revocation of cards and individual card user privileges.

10.3.21 The GFMU of Ministry of Economy will be responsible for overall administration of the Fuel Card system thereby granting approval and termination of the fuel card.

10.3.22 The *Senior Human Resource Officer [Corporate]*, shall identify authorised card users, assure card training, notify GFMU of Ministry of Economy of any changes in card users or issues concerning fuel card. Prompt payment of invoices each month, card re-ordering and fuel card maintenance and monitoring.

10.3.24 The Supervisor of Transport shall ensure that procedures for use of the fuel card, required under Part IV of the Policy have been complied with.

10.3.25 The *Executive Officer [Corporate Service]* shall review the monthly account statement and timely prepare and submit all required documents to the GFMU of Ministry of Economy.

## **Transport Officer's Logbook**

10.3.26 The *Executive Officer [Corporate]* shall keep separate logbooks for each of the vehicles under the agency's care. The logbooks shall provide details of:

- total mileage per day totalled up to each month;
- the date, cost and location of repairs;
- the date, cost and location of servicing;
- fuel costs totalled each month; and
- other maintenance costs.

10.3.27 When a driver's running sheet is handed to the *Executive Officer [Corporate]*, at the end of the day, the total mileage for the day will be recorded in the logbook.

10.3.28 At the end of each month, the *Executive Officer [Corporate]*, shall check the driver's running sheets and reconcile it to the monthly mileage summary in the logbook, before signing the summary.

10.3.29 If a vehicle is transferred to another agency, the logbook shall also be transferred.

### **10.4 Garaging of Vehicles**

10.4.1 Drivers shall park vehicles at the Ministries official garage or car park at the end of each business day and at weekends.

10.4.2 The *Executive Officer [Corporate]*, shall request for the *Permanent Secretary* approval in writing if a vehicle is parked elsewhere for a specific duration.

10.4.3 In such cases, the other officer must ensure that the vehicle is properly secured.

10.4.4 Garaging of government vehicles at driver's home is forbidden unless with the prior approval in writing from the *Permanent Secretary* and this will only be given in exceptional circumstances.

### **10.5 Maintenance of Vehicles**

#### **Servicing & General Repair Costs**

10.5.1 The *Executive Officer [Corporate Services]* must ensure that all vehicles are regularly serviced and properly maintained. *Drivers* must also ensure that vehicles are kept in a clean condition.

10.5.2 The *Executive Officer [Corporate Services]* shall obtain at least three quotes for servicing or repair works. Once quotes have been obtained, the *Executive Officer [Corporate Services]* shall submit a requisition to the accounts supervisor for approval to meet servicing or repair costs. Verbal Quotation is also acceptable if the cost of repair is less than \$1,000.

10.5.3 All Government vehicles over three (3) years are to be subjected to Road Worthiness test and those vehicles that fail the test should be taken off the road.

10.5.4 The *Executive Officer [Corporate Services]*, shall enter details of repairs or service costs in the relevant logbooks.

## **Unserviceable Vehicles**

- 10.5.5 If a vehicle undergoing servicing or a 'Road Worthiness Test' is found to be unroad-worthy and uneconomic to repair, it may be disposed of through trade-in.
- 10.5.6 The *Executive Officer [Corporate Services]*, shall prepare a report on the unserviceable vehicle outlining the history of vehicle use, maintenance costs, results of the test or servicing and the estimated costs of replacing the vehicle.
- 10.5.7 This report must be submitted to the PS together with the request for a new or replacement vehicle.
- 10.5.8 If the request for a new vehicle is approved and budgetary provision is available, a vehicle may be purchased through the normal procurement process.

## **10.6 Accidents Involving Vehicles**

- 10.6.1 In the event of an accident involving a government vehicle, the *Driver* must immediately report the accident to the Police and inform the *Executive Officer [Corporate Services]*.
- 10.6.2 Details of the accident shall not be given to anyone other than the Police or *Director Corporate Services*.
- 10.6.3 If permitted by the Police, the driver shall drive the vehicle to the official garage.
- 10.6.4 Within 24 hours after the accident, the driver shall prepare an accident report. The report must outline the following information:
- time and date of accident;
  - driver's name and vehicle registration number;
  - extent of damage and physical injuries suffered;
  - description of how accident occurred;
  - details of other vehicle involved (as in i-iv above);
  - names and contact addressed of witnesses; and
  - any other relevant information.
- 10.6.5 The accident report shall be submitted to the *Executive Officer [Corporate Services]*. The *Executive Officer [Corporate Services]*, shall scrutinise the report, interview the driver and contact the other driver or witness if necessary, before recommending a course of action.
- 10.6.6 A copy of the accident report shall be submitted to the *Permanent Secretary* who shall forward copies to the Permanent Secretary, Ministry of Economy and the Solicitor General.

## **Penalties/Surcharging**

- 10.6.7 A driver involved in an accident may be surcharged if the surcharging authority believes the driver was at fault.
- 10.6.8 The accident report, Police report (if available), Solicitor General's advice and the Supervisor's / Permanent Secretary recommendations will all be taken into consideration by the Ministry of Economy before any surcharge is imposed.

10.6.9 If a surcharge is imposed, the driver shall be informed in writing. The Solicitor General shall also be notified of the surcharge action.

## 10.7 Vehicle Quarterly Reports

10.7.1 The *Executive Officer [Corporate Services]* shall prepare a quarterly vehicle report on all agency vehicles. The vehicle report must be prepared no later than one week after the end of the quarter.

10.7.2 The vehicle report shall provide the following information:

- vehicle registration number and model;
- type and model;
- state/location of vehicle;
- date of vehicle acquisition;
- age of vehicle;
- Total mileage covered for the beginning and end of quarter;
- Odometer reading end of current quarter;
- fuel and oil cost current quarter;
- Repair and maintenance cost current quarter;
- Total maintenance and repair cost for entire life till the end of current quarter;
- Date of accident current quarter; and
- Estimated cost of accident damage.

10.7.3 The *Executive Officer [Corporate Services]* must sign and date the vehicle report before forwarding it the *Director Corporate Services* for inclusion into the quarterly management report.

10.7.4 A copy of the report shall be forwarded to the Ministry of Economy no later than two weeks after the end of the quarter.

## PART 11: LIABILITIES

Liabilities represent the amounts the agency owes and is expected to pay at some time in the future. It is important to be fully aware of commitments and the resources that will be required to settle these obligations in future. Funds need to be appropriately managed to enable liabilities to be paid on time.

The policies and procedures in this Part assign particular responsibilities to the:

- ☐ *Director Corporate Services;*
- ☐ *Senior Accounts Officer;*
- ☐ *Accounts Officer;*
- ☐ *Assistant Accounts Officer [Payments];*
- ☐ *Assistant Accounts Officer [Salary].*

### 11.1 Accounts Payable

11.1.1 When invoices or claims for payments are received, the *Assistant Accounts Officer [Payments]* shall record details in an accounts payable ledger. The accounts payable ledger shall record all claims for payment except for procurement invoices, which shall be recorded in the commitment ledger.

11.1.2 The Accounts Payables Ledger shall have the following details:

- ⊙ the date and invoice/claim reference number;
- ⊙ name of supplier or claimant;
- ⊙ the amount payable;
- ⊙ date amount paid; and
- ⊙ the payment/journal voucher number and cheque details;

11.1.3 At the end of each month, the *Assistant Accounts Officer [Payments]* shall review the accounts payable ledger to ensure that all invoices and claims do not become overdue.

11.1.4 A list of all invoices and other claims overdue for payment shall be prepared by *Assistant Accounts Officer [Payments]* and included in a report to the *Senior Accounts Officer*. The report shall also set out reasons why the payments are overdue.

### 11.2 Employees Leave Entitlements

11.2.1 A proper record shall be maintained and updated for all employees' leave entitlement. This shall include employee cards or files to store information regarding leave entitlements and other personal information.

11.2.2 A separate register shall be kept for annual leave for each employee. The register shall record:

- ⊙ dates and number of leave days taken;
- ⊙ the date leave becomes due; and
- ⊙ balance of accumulated leave.

11.2.3 The register shall be regularly updated to ensure any changes to leave entitlements are recorded.

## 11.3 Leases

11.3.1 A cost-benefit analysis shall be carried out before entering into any lease arrangement.

11.3.2 The analysis must consider the:

- o cost implications of entering into such an arrangement;
- o the benefits that may be derived from the lease;
- o the risks involved; and
- o feasibility of applying other financing options.

11.3.3 Where leasing is the preferred option, a proposal outlining the conclusions found in the analysis report shall be submitted to the Ministry of Economy for approval.

11.3.4 All lease documents and records shall be properly kept. A lease register shall be maintained to record all relevant particulars of the lease arrangement.

## 11.4 Contingent Liabilities

11.4.1 The *Senior Accounts Officer* shall maintain a register of contingent liabilities in accordance with Finance Instruction 56.

11.4.2 Any contingent liability that arises must be promptly recorded in the register.

## PART 12: LOSSES

Losses may occur as a result of a number of factors such as:

- ⊗ normal wear and tear of assets;
- ⊗ ineffective internal controls;
- ⊗ uncontrollable circumstances e.g. weather conditions;
- ⊗ wasteful and fraudulent activities.

The policies and procedures in this Part assign particular responsibilities to the:

- ☐ *Permanent Secretary*
- ☐ *Deputy Secretary;*
- ☐ *Director Corporate Services;*
- ☐ *Senior Accounts Officer and HODs;*
- ☐ *Executive Officer [Corporate Services].*

### 12.1 Incurring Losses

#### Loss Reports

- 12.1.1 Officers responsible for managing assets, revenue collection or cash shall prepare a loss report whenever a loss is incurred.
- 12.1.2 The loss report shall outline the nature of the loss, circumstances leading to it and recovery measures taken.
- 12.1.3 The *Senior Accounts Officer* shall initiate an internal investigation when any loss over the value of \$50 occurs or if fraud or theft is suspected. An officer not connected with the area in which the loss occurred shall conduct the investigation.

#### Recording Losses in a Loss Register

- 12.1.4 A copy of the loss report must be submitted to *Executive Officer [Corporate Services]* who shall record details of each loss in the Losses Register.
- 12.1.5 Where any loss recorded in the register is recovered or written-off, the *Executive Officer [Corporate Services]* shall update the register accordingly. The *Executive Officer [Corporate Services]* shall regularly follow up losses and recovery action with the relevant officers who shall supply copies of relevant documents.

#### Annual Losses Report

- 12.1.6 An annual losses statement shall be prepared by the *Executive Officer [Corporate Services]* for inclusion in the agency's annual financial statements as and when required.
- 12.1.7 The losses statement shall provide information on losses written-off during the financial year and the status of recoveries of losses.

### 12.2 Recovery Measures

- 12.2.1 The *Senior Accounts Officer* and *HODs* of the area that has incurred a loss shall ensure that the following actions are taken where applicable, to recover losses:

- ⊙ issue of reminder notices;
- ⊙ legal action initiated by the Solicitor General's Office;
- ⊙ repossessing items where applicable;
- ⊙ investigations and recovery by the Police;
- ⊙ salary deductions for government officials; and
- ⊙ surcharging officers responsible for the loss.

### **Legal Action**

12.2.2 The *Permanent Secretary* shall approve any legal action to recover a loss. Before any legal action is taken, the practicality of pursuing this option together with legal costs must be weighed against the probability of success and the timeframes involved.

### **Salary Deductions for Government Officers**

12.2.3 Where losses arise from overpayments to government officers or advance repayments, the *Senior Accounts Officer* shall, with the approval of the *Permanent Secretary* effect recovery through direct salary deduction. Officers must be informed of the overpayment and the rate of deduction from their salary before the deduction is carried out.

12.2.4 Where an officer is surcharged, the surcharge amount may be recovered through direct salary deductions.

### **Surcharging Officers Responsible for the Loss**

12.2.5 The *Permanent Secretary* shall propose to the Ministry of Economy the surcharging of officers responsible for a loss that cannot be recovered. Other recovery options must be taken into account before surcharging is proposed.

12.2.6 Surcharging shall be carried out in accordance with Part 11 of the Finance Instructions.

### **Writing off Losses**

12.2.7 Writing off losses shall be considered after all practical and cost-effective recovery measures have been undertaken.

12.2.8 Where avenues of recovery have been exhausted, the relevant officer shall seek approval to write off losses, in accordance with the following delegations of authority:

Authority	Abandonment of Claim <sup>1</sup> (up to)	Loss of Livestock <sup>2</sup> (up to)	Loss of Assets <sup>3</sup> (up to)	Loss of Money <sup>4</sup> (up to)
PS	\$1000	\$1000	\$500	\$500
Deputy Secretary	\$500	\$500	\$300	\$100

12.2.9 Any write-offs above these limits but less than \$50,000 must be submitted through the PS, to the PS, Ministry of Economy for approval.

12.2.10 Write-offs losses in excess of \$50,000 must be referred to the Minister for Economy.

12.2.11 The application for write-offs must include the following information:

- i. nature of loss and recovery measures undertaken;
- ii. date of loss and loss amount; and
- iii. existence of budgetary funds where applicable for write-offs.

12.2.12 All write-off applications approved or otherwise, must be properly filed by the *Executive Officer [Corporate Services]*.

12.2.13 Once write-off approval has been obtained, the *Executive Officer [Corporate Services]* shall ensure that the losses register is updated and that, where required, losses are cleared from the respective accounts.

12.2.14 One (1) week after the end of each quarter, the *Permanent Secretary* shall forward a write-off report to the Ministry of Economy outlining the type and amount of losses that were written off during that quarter.

## PART 13: LEDGER ACCOUNTS

The *Senior Accounts Officer* is responsible for maintaining ledgers and reconciling balances in such ledgers to ensure the accuracy of financial information and the timeliness of management reports.

This Part assigns specific responsibilities to the:

- ☐ *Senior Accounts Officer*;
- ☐ *Accounts Officer*;
- ☐ *Assistant Accounts Officer*[Payments];
- ☐ *Assistant Accounts Officer*[Salaries];

### 13.1 Raising Journal Vouchers

13.1.1 Journal vouchers shall be used to correct accounting errors and make other required transfers between accounts.

13.1.2 Only the *Senior Accounts Officer* shall approve journal adjustments.

13.1.3 Journal vouchers must be numbered in sequential order. Supporting documents shall be attached to the voucher.

13.1.4 *Senior Accounts Officer* must check that:

- ⊙ all relevant details are included on the voucher;
- ⊙ balances are adequately supported; and
- ⊙ the correct accounts have been debited or credited.

13.1.5 Once the journal voucher has been approved, it shall be posted into the appropriate ledger and the general ledger system.

13.1.6 A journal voucher register must be maintained by the *Accounts Officer* to record all journal vouchers raised during the year. The register shall provide the following information:

- o date and voucher number;
- o purpose of raising voucher;
- o amount on voucher; and
- o account codes debited or credited.

13.1.7 Once the relevant ledgers have been updated, the journal vouchers together with the supporting documents shall be forwarded to the *Accounts Officer* for filing.

### 13.2 Posting into the Automated Information System

13.2.1 Financial transactions shall be posted into the automated information system (General Ledger System) using journal entry input forms or directly from source documents such as journal vouchers or payment vouchers.

13.2.2 Only *Accounts Officer* authorised by the *Senior Accounts Officer* shall input transactions into the general ledger system.

13.2.3 When inputting using journal entry input forms, the *Accounts Officer* must check that details on the input form correspond to the attached batch of source documents.

13.2.4 The *Accounts Officer* must input data on a daily basis and ensure all transactions for the month are posted before the monthly cut-off date set by the Ministry of Economy.

### **13.3 Maintaining Ledgers**

13.3.1 A ledger shall be maintained for advances, petty cash, accounts payable, revolving fund accounts, inter-departmental clearance accounts, and expenditure and commitment accounts.

13.3.2 Any transaction raised affecting these accounts shall be entered in the appropriate ledger.

#### **Reconciling Ledgers**

13.3.3 Within 3 days of receiving the monthly general ledger reports from the Ministry of Economy, the reconciliation officers shall reconcile the ledger balances to the general ledger reports and prepare a ledger reconciliation statement.

13.3.4 Any errors or misallocations must be immediately adjusted by way of journal vouchers.

13.3.5 A ledger reconciliation statement shall be signed and dated by the reconciliation Officers.

13.3.6 The ledger reconciliation statement shall be forwarded to the Senior Accounts Officer. The *Senior Accounts Officer* must ensure that:

- o all balances are accurate and adequately supported; and
- o any misallocations or outstanding balances from the previous month have been dealt with.

13.3.7 The *Senior Accounts Officer* shall verify and date the reconciliation. The reconciliation report shall be certified by the *Director Corporate Services* and endorsed by the *Permanent Secretary*, if required by the Ministry of Economy, the reconciliation statement shall be forwarded to them by the date specified by the Ministry.

## PART 14: INTERNAL CONTROLS

An effective and cost effective system of internal control will ensure that wastage of funds, over expenditure and abuse of system, processes and resources do not occur.

The procedures in this Part assign specific responsibilities to the:

- ☐ *Permanent Secretary;*
- ☐ *Director Corporate Services*
- ☐ *Senior Accounts Officer;*
- ☐ *Compliance Officers.*

### 14.1 Design and Operation of Internal Control

14.1.1 The *Senior Accounts Officer* is responsible for the effective design and operation of internal control of the agency.

14.1.2 The *Senior Accounts Officer* is responsible for designing a system of internal control for any new initiative or projects undertaken by the agency.

14.1.3 The compliance officer is to properly document all system of internal control implemented by the agency.

### 14.2 Internal Control Procedures

#### Separation of Duties

14.2.1 *Senior Accounts Officer* must ensure that payments documents are processed correctly by having difference officers involved in the process. He/she must make sure that difference officers are assigned to:

- ⊙ Raise orders;
- ⊙ Approve purchases;
- ⊙ Received ordered goods;
- ⊙ Approve invoices for payments;
- ⊙ Review and reconcile financial records before payments are done; and
- ⊙ Signs cheques.

14.2.2 Where a particular FMIS user is absent from office, arrangements shall be undertaken with Manager FMIS that a suitable officer is given the necessary permission/access to use the FMIS.

#### Payments

14.2.3 *Senior Accounts Officer* must make sure that the following checks are done before authorizing any payment:

- ⊙ Review vendor invoices for accuracy by comparing charges to purchase order;
- ⊙ Verify that the goods and services purchased have been received;

- ⊗ Perform monthly reconciliation of operating ledgers to ensure accuracy and timeliness of expenses;
- ⊗ Make sure that the expense accounts used have enough funds and are correct; and
- ⊗ Make sure that invoices are paid in a timely manner.

## **Reconciliation**

Reconciliation is an internal control mechanism established to ensure the accuracy of financial reports being produced not only at Ministry/Department level and/but most importantly at whole of Government level.

- 14.2.4 The *Senior Accounts Officer* must ensure that all accounts are reconcile and submitted to Ministry of Economy on the 15<sup>th</sup> of every next month.
- 14.2.5 The *Senior Accounts Officer* must verify all the reconciliations before signing and submitting it to Ministry of Economy through *Director Corporate Service* and *Permenant Secretary* office.
- 14.2.6 The *Senior Accounts Officer* must ensure that all FMIS users under his/her agency abide by the Govnet ITC Password Policy.

## **14.3 Review of Internal Control System**

- 14.3.1 The Permanent Secretary must ensure that the agency internal control system is reviewed on a regular basis to ensure that they are meeting the intended purposes.
- 14.3.2 The Ministry of Economy is empowered under the FI to review and analyze agencies' internal control system to determine their effectiveness.
- 14.3.3 The Senior Accounts Officer is responsible for rectifying all discrepancies identified in the review by the Ministry of Economy within one month after review.

## PART 15: REPORTING

The preparation of management reports allows senior management to analyse the standing of the agency for a particular period and assists in meeting the management responsibilities imposed by the Act. Timely and accurate management are necessary for effective management decisions.

As well, annual reports and financial statements act as an accountability tool for external stakeholders to assess the operations and performance of the agency.

The procedures in this Part assign specific responsibilities to the:

- ☐ *Permanent Secretary;*
- ☐ *Deputy Secretary;*
- ☐ *Directors;*
- ☐ *Senior Accounts Officer;*
- ☐ *compliance officers.*

### 15.1 Monthly Management Reports

15.1.1 The *Permanent Secretary* is responsible for coordinating the preparation of a monthly management report outlining the performance of the agency. The management report shall focus on:

- ⦿ service delivery performance;
- ⦿ financial performance;
- ⦿ internal controls;
- ⦿ TMA performance (not applicable); and
- ⦿ AP 741 and AP 711 reports

15.1.2 Each quarter, the management report will also include:

- ⦿ the outstanding and overdue debts report; and
- ⦿ the TMA performance report (not applicable).

15.1.3 The monthly management report will be discussed at the executive management meeting to be chaired by the PS.

#### **Service Delivery Performance**

15.1.4 Within 1 week of the end of each month, each HOD's shall submit to the Permanent Secretary, a service delivery performance report comparing actual levels of service against the targets in their business plan or their part of the corporate plan.

#### **Financial Performance Report**

15.1.5 On 5<sup>th</sup> of every month the *Senior Accounts Officer* shall submit to the Permanent Secretary through the *Director Corporate Services Office* a financial performance report providing an analysis of the financial and budget position of the agency.

15.1.6 The financial performance report shall include the following information:

- i. actual revenue collected against forecast;

- ii. actual expenditure to date against budget for each activity/output and each SEG; and
- iii. actual expenditure to date and commitments against budget for each output/activity and each SEG.

### **Internal Controls Report**

- 15.1.7 The internal control report provides the Permanent Secretary with assurance that internal controls within the agency are effective.
- 15.1.8 The Permanent Secretary shall appoint two Administration Officer [R&D/T] to conduct monthly reviews of the existing internal controls associated with accounting functions within the agency.
- 15.1.9 The Administration Officer [R&D/T] must be independent of the accounting function that is being reviewed. The Administration Officer [R&D/T] shall prepare an internal control report and submit it to the *Director Corporate Service* who shall sign and date the report.
- 15.1.10 Within 1 week of the end of each month, the *Director Corporate Services* shall submit to the Permanent Secretary the internal control report.
- 15.1.11 The report shall provide the following information;
- i. *whether all reconciliations are up to date;*
  - ii. *whether financial information required by the Ministry of Finance has been submitted on time;*
  - iii. *whether stocktakes of physical assets, inventory and money have been carried out as and when required;*
  - iv. *the status of unresolved audit issues; and*
  - v. *improvements in internal control, such as rotation of duties between staff, that have been implemented or are proposed.*

### **15.2 Annual Reports**

- 15.2.1 The annual report of the agency shall consist of a consolidation of the information in the monthly performance reports.
- 15.2.2 The *Senior Accounts Officer* shall provide the necessary financial statements and reports for inclusion in the annual report as and when required by the Finance Instructions.

### **Annual Financial Statements**

- 15.2.3 The financial statements must be prepared in accordance with the format specified in Schedule 1 of the Finance Instructions and audited by the Auditor General. The financial statements shall include the Auditor General's opinion.
- 15.2.4 To ensure that the financial statements are prepared on time, all "end of the year" adjustments must be carried out within the first two weeks of the following financial year.
- 15.2.5 The IDC account must be cleared and brought to a nil balance within this period.

## 15.3 Reports to Ministry of Economy

15.3.1 The *Director Corporate Services* shall certify all financial reports that must be submitted to the Ministry of Economy and must ensure that these are submitted within the timeframes set by the Ministry:

Reports to MoE	Basis of submission			Remarks
	Weekly	Monthly	Quarterly	
Cash Flow Forecast	Yes			Cash flow forecast must outline necessary information outlined under FI 35 (1) and shall be submitted prior to commencement of the budgetary year.
Drawings reconciliation statement		Yes		Drawings Reconciliations shall be in accordance with the format provided in schedule 3 below, and must be submitted within 15 days after the end of the month.
Revolving Fund account		Yes		Refer to Schedule 4 below
IDC clearance a/c		Yes		Refer to Schedule 5 below
TMA Performance report			Yes	Report shall include performance statements required under 6.5.2 of this manual
TMA Bank ac reconciliation statement		Yes		Reconciliation format outlined in Schedule 6 below
Write off reports			Yes	Report should outline type and amount of losses written off during the quarter
Salaries and Wages reconciliation		Yes		Format provided in Schedule 7 below
SLG84 Reconciliations		Yes		Prescribed format provided in Schedule 8 below
Trust reconciliation statement		Yes		Schedule 9 provides a guide on preparation of Trust Reconciliation
Imprest Reconciliation Statements		Yes		Prescribed format provided in Schedule 10 below
TMA closing of accounts		Yes		Accounting Head should follow the same procedures used when preparing year end closing of accounts for TMAs.
Arrears of Revenue			Yes	Prescribed format provided in Schedule 11 below
Vehicle returns			Yes	Format provided in Schedule 12 below
Vehicle reports		Yes		Report should show individual vehicle mileage for the concerned month.

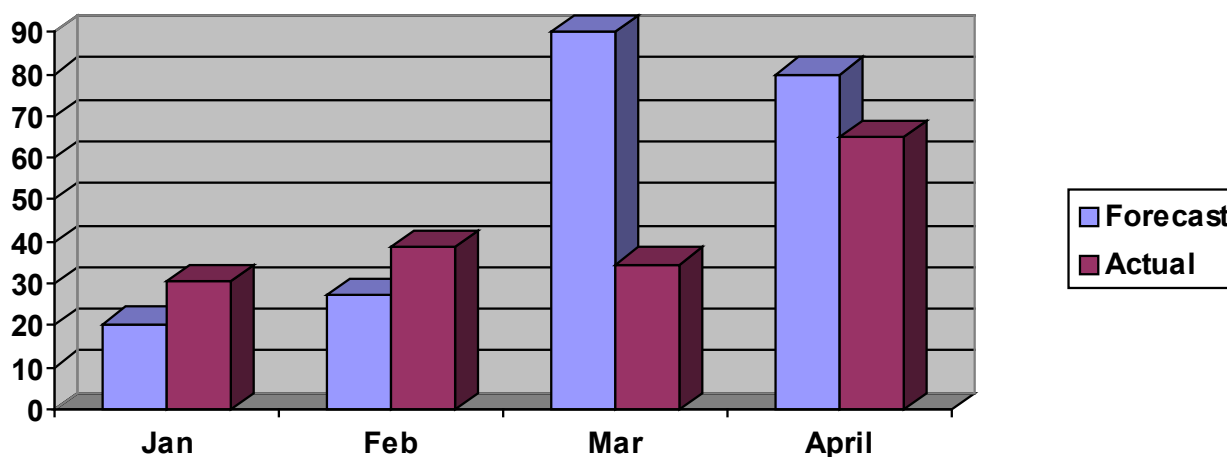
## Schedule 1: Financial Performance Report

The following is an example of how revenue performance may be reported in the financial performance report .

### Revenue Performance for the month of April

Revenue Type	Monthly Revenue Forecast (\$)	Actual Collection for the Month (\$)	Variance (\$)	Variance (%)	Reason for Variance
Fees	8000	6500	1500	18.75%	Shortfall is due to the number of students that have not been able to pay their fees. Other options are now being pursued to recover the outstanding amount.
Rates, Etc.					

### Revenue Forecast vs Actual



Overall, actual revenue collections over the first four months of the year were inconsistent with revenue projections. This was mainly due to the inability of debtors to pay their dues within the period it was due. The three staff in the debt recovery unit had looked at other feasible repayment options to enable these debtors to pay. Collections in April have improved primarily because we have allowed split repayments for the total amounts due.

However, some debts have not been recovered since January. We have discovered that 10% of these debts will not be recoverable due to the demise of these debtors. These debts total \$250. It is best that they be written off instead of remaining in the accounts receivable register.

## Schedule 2: Internal Control Report

The following example outlines how an internal control report may be structured.

### Internal Control Report for the month of April

The following table outlines the internal controls that are operating satisfactorily and those that are not. It also provides a progress report on resolving audit issues raised in the previous year's audit report.

Control	Implementation	Remarks
<b>Controls That Are Operating Satisfactorily</b>		
Daily Reconciliation for: <ul style="list-style-type: none"> <li>Independent check of receipts &amp; banking</li> <li>Independent certification of payment vouchers</li> </ul>	<ul style="list-style-type: none"> <li>Up to April</li> <li>Up to April</li> </ul>	Daily reconciliations have been carried out on a consistent basis.
Cash flow forecasts: <ul style="list-style-type: none"> <li>On a weekly basis</li> <li>On a monthly basis</li> </ul>	<ul style="list-style-type: none"> <li>Up to April</li> <li>Up to April</li> </ul>	Weekly and monthly forecasts have been consistently prepared and submitted to Ministry of Economy on time.
Monthly Reconciliation for: <ul style="list-style-type: none"> <li>Bank reconciliation</li> <li>IDC, RFA accounts</li> <li>Petty cash</li> <li>Commitments</li> <li>TMA</li> </ul>	<ul style="list-style-type: none"> <li>Up to April</li> <li>Up to April</li> <li>Up to April</li> <li>Up to April</li> <li>Up to April</li> </ul>	All monthly reconciliations are prepared and submitted to Ministry of Economy on time and are checked and certified by an independent officer.
Monthly Stock takes for: <ul style="list-style-type: none"> <li>Cash counts &amp; other valuables</li> </ul>	<ul style="list-style-type: none"> <li>Once this month</li> </ul>	Cash held at all stations have been counted.
<b>Controls That Are Not Operating Satisfactorily</b>		
<ul style="list-style-type: none"> <li>Annual inventory stocktakes</li> </ul>	<ul style="list-style-type: none"> <li>Not Done</li> </ul>	Stocktake has not been carried out this year although it should have been done in March. Will carry out the stocktake in June.
<b>Progress on Resolving Audit Issues</b>		
<ul style="list-style-type: none"> <li>Two officers signed LPOs beyond their limit</li> </ul>	<ul style="list-style-type: none"> <li>Raised by internal audit last month</li> </ul>	Those officers have been advised to comply with their limits. Authority may be taken away if they persist with this action.

Overall it should be noted that internal controls are operating effectively with all accountable officers performing their tasks in accordance with the Finance Instructions and Finance Manual.

### Schedule 3: Drawings Reconciliation Statement

The following example may be adopted or modified if required when preparing a Drawings reconciliation statement.

NAME OF ACCOUNT  
Drawings Reconciliation Statement for the month  
of June 200x  
Drawings Allocation

Unpresented Cheques brought forward	
Add: Cheques issued during the month	
<u>Less: Cheques presented during the month</u>	(xxx)
Add: Bank charges/fees	xxx
	xxx
Balance as per cash book*	xxx
Opening Balance as per GL	xxx
Add: Receipts	xxx
Less: Payments	(xxx)
Closing Balance as per GL*	xxx
*Closing Balance as per GL should agree to the cashbook balance.	
I certify that the above balances together with the attached details of balances are accurate and adequately supported.	
Signed: _____ (Officer who prepares this statement)	
Date:	
The balances in this statement have been verified against supporting documents.	
Signed: _____ (Supervising Officer)	
Date:	

## Schedule 4: Revolving Fund Account Reconciliation for March 2013

The following shall be adopted when preparing a Revolving Fund Reconciliation Statement.

Aging Summary report			Monthly Balance	Accumulative Balance
Opening Balance			\$ 100.00	\$ 100.00
add	January Debits	\$ 200.00		
less	January Credits	\$ 150.00	\$ 50.00	\$ 150.00
add	Feb Debits	\$ 100.00		
less	Feb Credits	\$ 150.00	\$ (50.00)	\$ 100.00
add	March Debits	\$ 300.00		
less	March Credits	\$ 100.00	\$ 200.00	\$ 300.00
Closing Balance			\$ 300.00	\$ 300.00

### Details Report

Opening Balance \$100

Name of officer	Date	Add Debit	Less Credit						Balance	Remarks
			1	2	3	4	5	6		
Josua	1/1/12	\$ 200	\$50	\$50	\$50				\$50	This is 3 <sup>rd</sup> Salary deduction
Jone	11/2/12	\$100	\$100							Officer has fully recovered advance
Mili	15/3/12	\$300	\$50						\$250	This is the first salary deduction

less Credit for 2012 - Maciu \$(100)  
\$ -

Closing Balance \$300

### Outstanding Report

Opening Balance \$100  
Less credit for 2012 - Maciu \$(100)  
\$ -

Name of officer	Date	Add Debit	Less Credit						Balance	Remarks
			1	2	3	4	5	6		
Josua	1/1/12	\$200	\$50	\$50	\$50				\$50	This is the 3 <sup>rd</sup> Salary
Mili	15/3/12	\$300	\$50						\$250	This is the first salary deduction

Closing Balance \$300

## Schedule 5: Inter-Departmental Clearance Accounts (IDC)

The IDC is maintained to record transactions effected by one department on behalf of another. The type of transactions referred to include:

- ⊗ re-allocation of costs;
- ⊗ Reversal of salaries.

Transactions are charged to the agency's IDC pending clearance by that agency. Balances in the IDC should always be zero. The following scenario is an example of how the IDC may be used.

### Scenario A

Department E issue an Indent of \$1,000 to Fiji Procurement Office (FPO) for purchase of items from overseas. FPO will process the Indent and make arrangement for the payment. A journal voucher will be raised by FPO and posted in the following manner:

DR	IDC Department E	1000	
	CR	FPO Expenditure Allocation	1000

An advice form was also sent to Department E informing of the Debit entry.

Once Department E receives the debit entry into their IDC of \$1,000, the following entry was raised and posted into the GL system:

DR	Department Expenditure Allocation	1000
CR	IDC Department E	1000

A reconciliation statement was prepared as follows:

### **IDC Reconciliation for the month ended 31/6/2010**

Opening balance as per manual ledger	0
Debits for the month	1000
Credits for the month	(1000)
Closing balance as per general ledger	0

## Schedule 6: Salary Reconciliation

The format for preparing salary reconciliation is provided below. Increases may relate to promotions, acting allowances, overtime, etc. whereas decreases generally relate to terminations, cessations of allowances, etc.

<b>MINISTRY OF FINANCE</b>		
<b>SALARY RECONCILIATION FOR PAY 22/10,</b>		
<b>14/10/10 – 28/10/10</b>		
Number brought forward:	.....	
Opening balance:		\$.....
Add: <u>Increases</u>	<u>Amount</u>	
	.....	\$.....
Number:	.....	
Less: <u>Decreases</u>	<u>Amount</u>	
	.....	\$.....
Number:	.....	
Closing balance as per main salary sheet		..... \$ .....
Number carried forward:	.....	
“This is to certify that the salary payment made in pay 22/04 and paid to the employees of this Ministry/Department is correct in all respects”		
Total number of employees as per approved establishment:	yyy	
Total number of employees as per payroll for pay 22/04:	zzz	
<b>Prepared by:</b> ..... (Name & Designation)	<b>Checked by:</b> ..... (Name & Designation)	

## Schedule 7 SLG 84 Reconciliations

The following shall be adopted when preparing SLG 84 Reconciliations.

Aging Summary Report		Monthly Balance	Accumulative Balance
<b>Opening Balance</b>		<b>\$(115.00)</b>	<b>\$(115.00)</b>
Add	January Debits		
Less	January Credits	\$150.00	\$(265.00)
Add	Feb Debits	\$200.00	\$ (65.00)
Less	Feb Credits		
Add	March Debits	\$15.00	15.00
Less	March Credits		
		\$ (65.00)	\$ (50.00)

## Detail Report

Opening Balance \$ (115.00)

Date	Credits	Debits				Balance	Remarks
		Salary	Transportation	Logistic	Procurement	Sundry	
11/2/13		\$100.00					Pmnt. for Casual workers FNPF
		\$100.00					

Phase 3/Project carryover from 2012

Date	Credits	Debits				Balance	Remarks
		Salary	Transportation	Logistic	Procurement	Sundry	
1/1/13	\$(150.00)						Funding Received from Finance
11/2/13		\$100.00					Payment of Wages
15/3/13			\$15.00				Payment of Airfare
	\$(150.00)	\$100.00	\$15.00				

Phase 4/ Project 2 undertaken in 2013

Closing Balance

**\$ (50.00)**

\*.The categorized Debits will depend on the Projects undertaken. The categories are to be more in line with what is in the Project

## Schedule 9: True Trust Monthly Reconciliation Statement

The following format is adopted when preparing a true trust reconciliation statement.

**NAME OF ACCOUNT**  
**Bank Reconciliation Statement for the month**  
**of June 200x**

	\$	\$
Balance as per bank statement		xxx
<u>Less:</u> Unpresented cheques	(xxx)	
Direct debits	(xxx)	(xxx)
<u>Add:</u> Lodgement not credited	xxx	
Bank charges/fees	xxx	xxx
Balance as per cash book*		xxx
Opening Balance as per GL		xxx
Add: Receipts		xxx
Less: Payments		(xxx)
Closing Balance as per GL*		xxx
*Closing Balance as per GL should agree to the cashbook balance.		
<p>I certify that the above balances together with the attached details of balances are accurate and adequately supported.</p> <p>Signed: _____ (Officer who prepares this statement)</p> <p>Date: _____</p> <p>The balances in this statement have been verified against supporting documents.</p> <p>Signed: _____ (Supervising Officer)</p> <p>Date: _____</p>		

## Schedule 10 Imprest Reconciliation Statements

This format is adopted when preparing Imprest Reconciliations.

Name of Account – Account Number	
Reconciliation Statement for the month of May 200x	
	\$
Warrant NO/Year	210.00
Balance Brought Forward	Nil
Add Debits	210.00
Less Credits	Nil
GL Balance as at 31 <sup>st</sup> May 200x	<u>210.00</u>

Prepared by: (preparer` s name)

Date:

Checked by: (Supervisor` s name)

Date:

## Schedule 11: Arrears of Revenue Quarterly Returns

This format must be adopted when preparing quarterly returns on arrears of revenue

<b>Agency:</b> _____  <b>Report for Quarter ending</b> _____ <b>Year: 2019</b>
--

1. Quarterly Arrears Reported by Your Agency				
Arrears Reported as at 31/10/2018	Arrears Reported as at 31/01/19	Arrears Reported as at 30/04/19	Arrears Reported as at 31/07/19	Arrears Reported as at 31/07/19
\$	\$	\$	\$	
2. Composition of Arrears and reasons for outstanding amounts.				
Revenue Type	Amount	% of Total	Comments	
3. Provide the Aging of Debtors				
Age of Debts	Amount	% of Total	Reasons for Non Recovery	
Less than 1 year				
1-2 years				
2-5 years				
More than 5 yrs				
4. Distribution of Arrears by Centres /Divisions/ Districts				
Centre	Amount owed	% of total	State Actions Taken by the Agency	
5. Has the Agency Identified Arrears Deemed Irrecoverable? Provide details and Justification.				
Nature of Revenue	Amount	Debtor (s)	State recovery measures undertaken by the agency and the outcomes.	

6. What are the constraints/challenges faced by your agency regarding the administration of revenue and recovery of arrears.

7. Additional Information or Comments

Please ensure that all supporting documentation is provided to substantiate the information provided.

Prepared By \_\_\_\_\_

Accounting Head

\_\_\_\_\_

Permanent Secretary / Head of Department

**To be submitted to:**

Debt and Cash flow Management Unit  
Level 6 West Wing Ro Lalabalavu House  
**Ministry of Economy**

## Schedule 12: Vehicle Quarterly Return Form

# VEHICLE QUARTERLY RETURN FORM

Head.....

Ministry .....

Department .....

Vehicle Return for the Quarter Ending.....

[illegible]

Prepared .....  
Verified by.....

Designation : ..... Date .....

Designation ..... Date.....

## PART 16: MISCELLANEOUS

### 16.1 Use of Proper Forms

16.1.1 All relevant staff shall ensure that the correct official forms are used in the following areas:

- i. purchasing & payments;
- ii. receipting and banking;
- iii. asset & liability recording;
- iv. stocktaking; and
- v. vehicle usage.

16.1.2 Particulars on any required form must be fully completed and signed by the preparing officer and supervisor before it is processed.

### 16.2 Accounting Records

16.2.1 All Accounting staffs shall be responsible for the safekeeping and proper maintenance of all accounting records or documents..

16.2.2 Accounting records may be destroyed after a period of years provided that these records are not required for audit purposes or have already been audited. Approval must first be obtained from Head of Treasury, Ministry of Economy prior to destruction of such records as per the requirements under the FI.

16.2.3 The *Senior Accounts Officer* shall prepare a list of all records or documents to be destroyed and forward it to the Ministry of Economy for approval. The *Senior Accounts Officer* shall also indicate whether these records have been audited and the year of audit.

16.2.4 The Head of Treasury Ministry of Economy shall consult with the Auditor General before approving the destruction of records.

16.2.5 If approved for destruction, the *Senior Accounts Officer* shall destroy such records by the most appropriate method.

16.2.6 A certificate of destruction shall be prepared outlining the items that were destroyed. The certificate must be signed by two of the officers present during the destruction.

16.2.7 The original certificate shall be submitted to the *Senior Accounts Officer* and the duplicate forwarded to the Ministry of Economy. The *Senior Accounts Officer* shall file the certificate together with the approved list of records to be destroyed.

16.2.8 If the *Senior Accounts Officer* decides to retain records over years old, he/she may forward such items to the Archivist for retention or transfer into a more convenient form of record-keeping.

### 16.3 Guidelines for Ordering Refreshments

16.3.1. A written request (Minute) shall be submitted by the organising team to the *Permenant Secratry* through *Deputy Secretary* and *Director Corporate Service* office two days before the meeting/workshop.

16.3.2. Three (3) quotes from the Caterers to be submitted with the minute request to the *Permenant Secretary*.

- 16.3.3. Subject to *Permenant Secretary* approval, order of catering is to be booked one day in advanced.
- 16.3.4. Approved minute shall be taken to *Senior Accounts Officer* for processing of payment.
- 16.3.5. In case of last minute order on emergency meetings - catering shall be facilitated by ready purchased biscuits/savouries from Accounts Office.
- 16.3.6. Included with the order of catering, Milk, Sugar, Coffee and Tea and should also be requested one day in advance.
- 16.3.7. Catering of food/refreshments are applicable only to the following meetings in line with the approved budget for respective meeting below:

#	Meetings	Amount
1	Permenant Secretary Hour	\$300-may varies if coincided with other functions
2	Permenant Secretary & Deputy Secretary Meeting	\$50
3	Head Of Departments Meetings	\$100
4	Interview Panel Meeting	\$50
5	Meeting with stakeholders	\$80 ( Amount will be determine by the number of attendees)

## PART 17: INTERNAL AUDIT

Auditing is carried out not only to determine the accuracy of financial records of an agency but also to ascertain that documented systems and processes are being adhered to.

### 17.1 Authority to carry out Audit


- 17.1.1 The Permanent Secretary of Economy under FI 72-(1) has the authority to authorize the conduct of any audit of an agency for the purposes specified in the FI.
- 17.1.2 The *Permanent Secretary* of an agency must allow full, free and unrestricted access to all functions, premises, assets, personal records, accounting records, returns and other documentation and information to officers conducting audit of an agency.
- 17.1.3 It is the responsibility of the *Senior Accounts Officer* to authenticate any letter or certificate of appointment by officers carrying out the audit before the audit commences.
- 17.1.4 No audit should commence before the endorsement of the Permanent Secretary and the authentication process by the Senior Accounts Officer.

# Appendices

## 1. VERBAL QUOTATION

Verbal quotation form must only be used on the basis if procurement value is less than \$1,000.

Vendor's details must be clearly stated on the form and signed. Form is attached as below.



**MINISTRY OF DEFENCE, NATIONAL SECURITY & POLICING**

**Verbal Quotation Form**

**Section Requiring Goods:** \_\_\_\_\_

	Name of Supplier	Person Contacted/Telephone Number Called	Time of Quote	Date Quotation obtained	Does the Supplier Accept LPOs
Supplier 1					
Supplier 2					
Supplier 3					

Description of items Required	Quantity	Supplier 1	Supplier 2	Supplier 3
(Please circle the recommended supplier and price)	Total Price			

Verbal quotes obtained by (Name and Signature) \_\_\_\_\_

Why was the successful Supplier Chosen? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Authorized officer's (Name and Signature) \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Policy Reference- 'Guide to Procurement Process for purchase up to \$50,000.00 2012'-Section 5**

Officers who cannot obtain written quotation from vendors for purchase of less than \$1000 can fill the above verbal quotation form with all vendor details as per the form.

## 2. Accountable Advance Memo

The advance is issued to Travelling Officers with Accountable Advances for Official Travel.



### MINISTRY OF DEFENCE, NATIONAL SECURITY AND POLICING

#### MEMORANDUM

**From** : The Permanent Secretary for Defence, National Security and Policing **Ref.:** PV # \_\_\_\_\_

**To** : \_\_\_\_\_ **Date:** \_\_\_\_\_

**Subject** : ACCOUNTABLE ADVANCE

I attached herewith the Payment Remittance for the sum of \_\_\_\_\_ being an accountable advance for your official travel from \_\_\_\_\_ to \_\_\_\_\_.

Please note that this accountable advance must be cleared within 7 (seven) days of your return to the Office as stipulated in Part 08 of the Ministry of Defence Finance Manual.

The accountable advance should be cleared through filling of meal claim forms, submissions of acquittals and receipts.

If the accountable advance is not cleared within the period specified at paragraph 2 above, then the amount of the advance with 12% interest thereon will be recovered from your Salary without any further notice.

.....  
for **Permanent Secretary for Defence, National Security and Policing**

All correspondences are to be addressed to the Permanent Secretary for Defence, National Security and Policing

26 Gladstone Road, 2<sup>nd</sup> Floor, New Wing, Government Buildings, Suva. Post Office Box 2349, Government Buildings, Suva, FIJI.  
Telephone: 3211754/3211706. Facsimile: 3317721/3300346. Webpage: [www.defence.gov.fj](http://www.defence.gov.fj)

## Notes

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