



MINISTRY OF ITAUKEI AFFAIRS

FINANCE MANUAL

2017 - 2018

Issued by the Permanent Secretary, (*Ministry of iTaukei Affairs*)
(28/11/2017)

"A PROSPEROUS VANUA FOR A BETTER FIJI"

AUTHORITY TO ISSUE THE FINANCE MANUAL

In accordance with the authority given to me under Section 28(1) of the Financial Management Act 2004, I hereby authorize the issue of the Finance Manual for the Ministry of iTaukei Affairs.

.....
Permanent Secretary for iTaukei Affairs

Dated today theday of.....2017

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ABBREVIATIONS

AAO	- Assistant Accounts Officer
AO	- Accounts Officer
AO[AMU]	- Administrative Officer [Asset Management Unit]
AO (TLFC)	- Administrative Officer (iTaukei Lands and Fisheries Commission)
BOS	- Board of Survey
CO(HRMD)	- Clerical Officer (Human Resource Management & Development)
CO Ledgers	- Clerical Officer (Ledgers)
CO Payments	- Clerical Officer (Payments)
CTLFC	- Chairman iTaukei Lands and Fisheries Commission
DDS	- Director Development Services
DSTA	- Deputy Secretary for iTaukei Affairs
DTILC	- Director iTaukei Institute of Language and Culture
EDP Number	- Electronic Data Processing Number
EO(TLFC)	- Executive Officer (iTaukei Lands and Fisheries Commission)
FI	- Finance Instructions 2010
FMIS	- Financial Management Information System
FNPF	- Fiji National Provident Fund
FRCA	- Fiji Revenue and Custom Authority
GL	- General Ledger
IDC	- Inter-Departmental Clearance
DCS	- Director Corporate Services
MHR	- Manager Human Resources
MTA	- Ministry of iTaukei Affairs
PO	- Purchase Order
PSTA	- Permanent Secretary for iTaukei Affairs
RFA	- Revolving Fund Account
S & W Clerk	- Salaries and Wages Clerk
SAO	- Senior Accounts Officer
SAO(CS)	- Senior Administrative Officer (Corporate Services)
SOP	- Standard Operating Procedures
STLAT	- Secretary iTaukei Lands Appeals Tribunal
STO(P)	- Senior Technical Officer (Projects)
TFL	- TOTAL (Fiji) Limited
TIN	- Tax Identification Number
VAT	- Value Added Tax
VCU	- Vehicle Control Unit (Ministry of Economy)

PART 1: INTRODUCTION

1.1 Legislative Requirement

Section 28 of the Financial Management Act 2004 outlines my responsibilities as Permanent Secretary for iTaukei Affairs [PSTA], one of which is to issue a Finance Manual for the Ministry of iTaukei Affairs (MTA).

This Finance Manual sets out policies and procedures needed for the efficient and effective management of the MTA and effective operation of internal controls. It has been drafted in accordance with the Act and Finance Instructions 2010 (FI) and includes the delegations of authority to me by the Minister for Economy and my sub-delegations to officers for incurring expenditure and writing off losses.

All officers within the MTA 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, staffs are encouraged to suggest changes to the Manual where a more efficient or effective procedure is warranted.

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:

- Permanent Secretary for iTaukei Affairs;
- Deputy Secretary for iTaukei Affairs
- Officers with procurement authority;
- Heads of Sections (Chairman, iTaukei Lands and Fisheries Commission, Director Development Services, Director iTaukei Institute of Language and Culture, Director Corporate Services);
- Senior Accounts Officer;
- Receiving officers;
- Accounts Officer;
- Assistant Accounts Officer;
- Cashier HQ/ Revenue Collectors;
- Clerical Officer Ledgers;
- Clerical Officer Payments;
- Voucher Authorizing officer (AO, SAO, DCS, *DSTA and PSTA*)

2.1 Authority to Incur Expenditure

2.1.1. The authority to incur expenditures is subject to:

- i. appropriations from Parliament / Cabinet;
- ii. virements approved by the Permanent Secretary for Economy
- iii. virements approved by the *PSTA*
- iv. Requisitions to incur expenditure.

Appropriations

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

Virement Warrants

- 2.1.3. Under FI 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 *PSTA*.

Virement Authorities

- 2.1.4. The *PSTA* may authorize the transfers of budgeted funds from one appropriation category to another appropriation category within the MTA's head of appropriation in accordance with **FI 10 (1)**.

- i. Out from SEG 1 or 2 (Established Staff and Government Wage Earners) but shall not transfer funds into SEG 1 or 2;
- ii. Into and out of one or more of the following operating SEGs (SEGs 3,4,5,6 & 7); and
- iii. From the operating SEGs (SEGs 1,2,3,4,5,6 or 7) to the capital SEGs (8,9,10) but not from capital to operating or from capital to capital;
- iv. Virement within SEG 13 to meet the consequential VAT component of the virements in (iii) above.

- 2.1.5. The Permanent Secretary for Economy may authorize the transfer of the following budgeted funds in respect of all agencies:-

- i. Within each of SEGs 1 and 2 (Established Staff and Government Wage Earners) or from SEG 1 to SEG 2 or vice versa;
- ii. Within each of the Capital SEGs (SEGs 8, 9 or 10) or from SEG 8 into either SEG 9 or 10 or vice versa, as the case may be;
- iii. Virement within SEG 13 to meet the consequential VAT component of the virements in (i) and (ii) above.

- 2.1.6. 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 and justifications 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.

2.1.7. Once approved, the SAO shall allocate a serial number for the virement. The SAO shall send a copy of each approved virement form to the Ministry of Economy within two weeks of approval.

2.1.8. The approved virement form shall be sufficient authority for the budget allocation to be transferred.

2.1.9. The SAO 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.

2.1.10 Vied funds shall be utilized for the specific purpose, should this be utilized for another purpose than the MOE shall be requested for the necessary approval.

Requisition to Incur Expenditure

2.1.10. If an officer considers it necessary to incur expenditure against an item that is noted in the Budget Estimates as “Requisition to Incur Expenditure” (RIE), the SAO 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 form signed by the *PSTA* or *DSTA*; and
- iii. submit the form to the Ministry of Economy.

Project Acquittals

2.1.11. The process of acquitting funds allocated to the MTA for all capital projects are as follows:

- i. *Section Head* reconciles his vote against status of projects;
- ii. submits report to SAO **one week before end of quarter;**
- iii. SAO must check and ensure that all expenditures stated in the Acquittal is in accordance with the Grant/Project Agreement (where applicable – iTaukei Affairs Board, Native Reserve);
- iv. SAO submits acquittal report to the *PSTA* **within 14 days after end of quarter;**
- v. the compiled project’s acquittal report will be attached to RIE form including their progress report for the previous quarter, relevant invoices and receipts for expenditure in previous quarter, forecasted cash flow for current quarter; and

- vi. Acquittals should be submitted to Ministry of Economy within a week after *PSTA*'s endorsement.

2.1.12. 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

2.1.13. *SAO* shall update all the Management on the Ministry of Economy's decision on the *RIE* request as soon as it is received.

2.2 Annual Procurement Plans

2.2.1 The Annual Procurement Plan for each year must be prepared by the *PSTA* and submitted to the Fiji Procurement Office after the announcement of the Budget and in accordance with Finance Circulars issued by the Permanent Secretary for Economy.

2.2.2 The Annual Procurement Plan must contain the following information:-

- (a) all procurement of goods, services or works required to be carried out during the budget year;
- (b) the proposed methods of procurement;
- (c) the estimated quantity, budget and timing of each purchase or group of purchases.

2.2.3 The Annual Procurement Plan shall be approved by the Permanent Secretary for Economy

2.2.4 Any amendments to the Annual Procurement Plan must be communicated to the Director Procurement office as soon as practical.

2.3 Delegation of Procurement Authorities

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

• <i>PSTA</i>	\$50,000
• <i>DSTA</i>	\$20,000
• <i>DCS</i>	\$15,000
• <i>SAO</i>	\$10,000
• <i>AO</i>	\$5,000

2.3.2. The officer authorizing a purchase order must ensure that a purchase is not artificially split to bring it within the limits above.

2.3.3. Any officer who authorizes expenditure exceeding his/her procurement limits, including by splitting purchase orders, shall be liable for surcharge to repay the unauthorized amount.

2.4 **Competitive Procurement**

2.4.1. Three written competitive quotes, instead of public tenders, may be called for procurements below \$50,000 unless the *PSTA* has approved an exemption in accordance with Procurement regulation 30-(1).

2.4.2. Competitive quotes, instead of public tenders, may be called for procurements \$50,000 and less unless, the PS has approved an exemption in accordance with Procurement Regulation 29-(3).

2.4.3. Quotations may be received verbally for the purchase of goods or services estimated cost less than \$1,000 and must be stated in the request for procurement including full details of the cost of the item and person who has quoted from the vendor.

2.4.4. Officers found splitting purchase orders to circumvent the need to obtain the written quotations (less than \$1,000) will be liable for surcharge.

2.5 **Tenders**

Invitation to Tender

2.5.1. All invitations to tender should include the following minimum information:

- i. detailed specification of the tender or details of how additional information can be collected/accessed;
- ii. any requirements regarding the form in which the bidders responses should be presented;
- iii. the final date and time by which all bids should be received;
- iv. the way in which the bidding documents should be marked and the address to which it should be delivered;
- v. any tender deposit required (only where the Director has authorised that a deposit is required) and whether it should be refunded;
- vi. the criteria by which responses will be evaluated;
- vii. information about how both successful and unsuccessful bidders will be notified.

2.5.2. 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

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

Opening of Tenders

- 2.5.6 Bids shall be opened by the Tender Board Secretary and at least one other board member of the 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.
- 2.5.7 All bids received must be officially stamped, initialed and recorded in the Tender Register maintained by the Tender Board Secretary and verified by the board member present at the meeting.
- 2.5.8 In cases where the tender requires a tender deposit, the Tender Board Secretary shall issue receipts for the amounts received to the bidders.

Consideration and Evaluation of Tenders

- 2.5.9 Evaluation Committee responsible for evaluating tenders received should comprise of representatives from the following Ministries/Departments:
- i. MTA Host Ministry/Department to provide Chair and Secretarial services for the Evaluation Committee
 - ii. Ministry of Industry and Trade
 - iii. Fiji Procurement Office; 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.
- 2.5.10 The Chair of the Tender Board or Evaluation Committee must ensure that bids are evaluated in a transparent and fair manner using the evaluation criteria specified in the “invitation to tender”.

- 2.5.11 Tenders that do not comply with the mandatory specifications or conditions in the “invitation to tender” shall be considered invalid.
- 2.5.12 If a tender is unclear in certain areas, Evaluation Committee may direct the Tender Board Secretary to seek clarifications in writing. However, no alterations shall be made to any tender documents.
- 2.5.13 Upon completion of the evaluations, the Chair 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;
 - iv. the approved or recommended tender.
- 2.5.14 The report must be signed and dated by each member of the Evaluation Committee and forward report to the Tender Board Secretary.
- 2.5.15 A written contract or agreement must be entered into with the approved tenderer for the supply of the goods, services or works tendered. Legal advice must be sought on the draft contract or agreement.

2.6 Local Procurement

- 2.6.1. A purchase order shall be issued when procuring any goods, services or works from an organization within Fiji, unless a contract or agreement has been entered into.
- 2.6.2. All LPOs issued during the year should be cleared by 31st July.

Manual POs

- 2.6.3 The use of manual PO shall be subject to approval from Director FMIS.
- 2.6.4 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
 - iii. During natural disasters

Receipt of Goods, Services or Works

- 2.6.5 Upon receipt of the goods, services or works, the receiving officer shall verify that their receipt in good order and their invoice is in accordance with the PO.

- 2.6.6 The receiving officer must be an officer other than the officer authorizing the PO.
- 2.6.7 If the quantity of the goods received is less than the quantity shown in the supplier's invoice or delivery note, the receiving officer shall furnish a report to the AO (AMU) within 24 hours of receiving the items who shall arrange a claim against the supplier or carrier.
- 2.6.8 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 receiving officer must furnish a report to the SAO within 24hours of receiving the items who shall arrange a claim against the supplier or carrier.
- 2.6.9 All claims on suppliers or carriers should be made on the same day upon receipt of goods.
- 2.6.10 For goods, services or works subject to a written contract or agreement, the receiving officer shall verify that claims for progress payments are in order and delivered in accordance with the contract or agreement.

2.7 International Procurement

- 2.7.1 An indent shall be issued to the Director of Procurement Office for the procurement of goods from overseas suppliers, unless a contract or agreement has been entered into.
- 2.7.2 Indent forms shall be obtained from the Government Printer.
- 2.7.3 The indent forms must be signed by an officer with the authority to approve the international procurement.

Manual Preparation of Indents

- 2.7.4 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.
- 2.7.5 Where the goods being ordered are of a non-specialized nature, no particular firm needs to be named as the supplier.
- 2.7.6 Indents shall be numbered consecutively using the coding series allocated by the Director. A new series will be allocated at the start of each year.

- 2.7.7 An indent must be signed by two officers; the officer preparing it and an officer authorized to approve indents.
- 2.7.8 The authorizing officer must ensure that all particulars of the indent have been completed before authorizing its issue.
- 2.7.9 The original and three copies of the indent form are to be forwarded to the Director of Procurement Office and the fifth copy retained.
- 2.7.10 The indent jacket shall be used to file the fifth copy of the indent and other relevant materials.
- 2.7.11 The *accounts supervisor* must maintain an indent register to record:
- i. the date the indent was prepared;
 - ii. the indent number;
 - iii. the authorizing officer;
 - iv. a brief description of the items being procured;
 - v. The country that will supply the indented goods or services.

Preparation of System Generated Indent (SGI)

- 2.7.12 The SGI shall be executed once all relevant documents pertaining to request to procure internationally has been completed and signed by authorizing officers.
- 2.7.13 The officer preparing the SGI shall follow the Purchasing Module instructions.
- 2.7.14 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.
- 2.7.15 The manual Indent preparation may be used in an event of electronic (system) or power failure.
- 2.7.16 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

- 2.7.17 The Director 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.

- 2.7.18 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.
- 2.7.19 For goods received on behalf of other agencies, the *receiving 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.
- 2.7.20 If the quantity of goods received is less than the quantity shown on the bill of lading, the *Administration Manager* shall arrange a claim against the carrier or supplier.
- 2.7.21 Where goods or packages containing goods have apparently been damaged or tampered with prior to delivery, the *Administration Manager* shall arrange a claim against the supplier or carrier.
- 2.7.22 All claims on suppliers or carriers must be made within three days of the goods being received.
- 2.7.23 For goods or services subject to contracts or agreements, the *receiving officer* shall verify that claims for payments are in order and delivered in accordance with the contract or agreement.

2.8 Recording of Commitments

- 2.8.1 The *CO (Ledgers)* must maintain a Commitment Ledger in which he/she shall record all known commitments.
- 2.8.2 The Commitment Ledger must have the following details:
- i. the PO number;
 - ii. the date the commitment was incurred;
 - iii. the amount committed;
 - iv. the balance available;
 - v. the invoice number (where applicable);
 - vi. the cheque or journal voucher number (where applicable).
- 2.8.3 The *CO (Ledgers)* must ensure that the Commitment Ledger is up to date and accurate.

2.9 Payments

- 2.9.1 All official payments are to be made through electronic payment, credit card or fuel card except where payable from petty cash.

- 2.9.2 All payments must be processed through payment vouchers prepared by the *CO Payments*. Separate vouchers are to be used for separate payees and for the payment of different services
- 2.9.3 The *CO Payments* 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 *Authorizing Officers* for certification.
- 2.9.4 The *Authorizing Officers* must not certify a payment as correct unless they are satisfied that:
- i. it is in accordance with a PO, indent, contract, invoice, PSTA's or DSTA's authorization;
 - 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;
 - v. the expenditure account it is charged to is correct.
- 2.9.5 Any alteration to a payment voucher must be initialed by the *Authorizing Officers*.
- 2.9.6 If a payment voucher is lost before payment, approval must be obtained from the SAO before a replacement voucher can be issued.
- 2.9.7 Immediately after payment has been effected, the *Cashier* must stamp "paid" on all vouchers and supporting documentation to avoid any double payments.
- 2.9.8 The *Cashier* shall enter details of all cheques drawn into a Payment Cashbook before they are issued. The Payment Cashbook shall contain details of the payee, payment date, ledger account, cheque details and the amount paid.
- 2.9.9 In case funds are insufficient for payment of bills due, cash flow adjustments are to be immediately organized by SAO for timely payment of bills, subject to PSTA's approval.

Maintaining an Expenditure Ledger

- 2.9.10 The *CO (Ledger)* 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;
- v. Cumulative totals.

2.9.11 All payments raised during the month must be totaled and the figure noted in the expenditure ledger.

2.9.12 At the end of each month, the SAO 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;
- iv. Available funds to date.

2.9.13 The statement shall be submitted by SAO to all *Section Heads* during the Monthly Senior Management Meeting.

2.9.14 A copy of the expenditure and commitment statement shall also be forwarded to the Ministry of Economy within two weeks after the end of the month.

PART 3: ADMINISTRATION OF GRANTS AND PROJECT FUNDS

Grants that are administered by agencies should only be used for the purpose for which Parliamentary or Cabinet approval has been given.

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

- Permanent Secretary for iTaukei Affairs;
- Deputy Secretary iTaukei Affairs;
- Director Corporate Services;
- Senior Accounts Officer;
- Accounts Officer;
- Deputy Chief Executive Officer (iTaukei Affairs Board);
- Director Centre for Appropriate Technology and Development;
- Director iTaukei Institute of Language and Culture;
- Chairman iTaukei Lands and Fisheries Commission;
- Director Development Services;
- Senior Technical Officer (Project);

3.1 Grant/ Project Agreements

Assessing Applications for Grant/ Project Assistance

3.1.1. Applications for grants/projects should be thoroughly scrutinized by the DDS to ensure they contain the required information.

- 3.1.2. *DDS* must ensure that he/she is familiar with the assessment criteria for applications.
- 3.1.3. After applications have been scrutinized, the *DDS* shall prepare an appraisal report of the applications assessed. The report shall provide the following details:
- i. names of proposed applicants to be assisted and date of applications;
 - ii. reasons for recommending assistance;
 - iii. Type of assistance to be given and payment terms.
- 3.1.4. Request for ad hoc grants shall be in accordance with the Ministry of Economy Request for Ad Hoc Grants checklist.
- 3.1.5. Applications for projects must be facilitated by SAO on a written proposal through PSTA to Ministry of Economy.
- 3.1.6. All relevant details should be captured in this written submission and signed by the Permanent Secretary. Approval for release of funds will only be given if the proposal is in line with the strategic plan of Government.
- 3.1.7. All grant monies are VAT inclusive hence the Accounting Head must ensure that the agency has adequate funds under SEG 6 and/or 10 to meet this vat component on grants.
- 3.1.8. The recipient agency shall construct a budget breakdown of how funds will be utilized and this breakdown should sum up to the total amount requested by the agency.
- During the budget consultations, donor agencies make commitment to the government to provide assistance in particular areas. Such commitments are stated in the budget book under the recipient agency` s budgetary allocation.*
- 3.1.9. These funds shall be accessed upon written request to the donor agency who shall then release the committed funds to Ministry of Economy via the Government Central Account.
- 3.1.10. For grants placed under Requisition, the Accounting Head must ensure that all the requirements under Ministry of Economy RIE checklist have been complied with prior to submitting the agency` s application to the Budget division of Ministry of Economy for processing.

Approved Grants/ Projects

- 3.1.9. The appraisal report together with supporting documents shall be submitted to the *PSTA or DSTA* for approval.
- 3.1.10. For grants/projects approved over \$5000, a grant/project agreement must be prepared in accordance with Finance Instruction 16 and signed by the *PSTA or DSTA with Head of Division/ Institution* before payment is made.
- 3.1.6 The grant/ project agreement outlining terms and conditions under which the grant is given shall be authorized by both parties before funds are released. The following information must be provided in any agreement:
- i. purpose of the grant/project 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;
 - vi. Acquittal reporting requirements (does this include audited accounts to be submitted.
 - vii. breach of agreement
- 3.1.7 All applications and grant/project agreements must be properly filed.

3.2 Payment of Grants/Projects

- 3.2.1 Officers involved in appraising grants/projects are not authorized to approve grant/project payments.
- 3.2.2 The *Head of Division* should, after confirming project status, properly endorse requests made to *SAO* for payment.
- 3.2.3 Before a payment voucher for a grant/ project is certified, the *SAO* must ensure that it is adequately supported and where appropriate, payment is in accordance with the conditions in the grant/project agreement.
- 3.2.4 Grant/ project payments to organizations should only be made out in the official name of the organization.

3.3 Monitoring Grant/ Project Assistance

Acquittal Reports from Recipients

- 3.3.1 Where required under Finance Instruction 16-(8), an acquittal report shall be prepared by the recipient. The acquittal report shall provide the following information:

- i) details of grant/project money spent or unspent;
- ii) grant/ project objectives and targets achieved;
- iii) Financial statement (audited if practicable) for grants of \$20,000 or more.

3.3.2 All acquittal reports must be signed by the *Head of Division/Institution* and where relevant, bear the company seal or stamp of the organization.

3.3.3 Incomplete acquittals submitted will be rejected and require the *Head of Division/ Institution* to recheck or submit additional information before reconsideration.

3.3.4 Acquittal reports for grants/projects must be submitted before the end of each quarter.

Inspection of Projects

3.3.5 For projects, *SAO, DSTA or PSTA* authorized representatives shall inspect project sites at least once a year.

3.3.6 *The* authorized representatives shall check that:

- i) records are being properly kept;
- ii) information in the acquittal report corresponds to records kept by the Recipient;
- iii) the progress of the project is satisfactory.

3.3.7 Upon his/her inspection, the authorized representative shall prepare an inspection report on each project inspected and submit it to *PSTA and DSTA*.

3.3.8 A comprehensive brief should be prepared by *DDS* for all grants/projects funds disbursed during the year and projects implemented for inclusion in the Annual Report.

PART 4: PAYROLL

Salaries and wages constitute a major portion of the MTA's budget. Proper controls over engaging new employees, salary payments and resignations reduce the risk of fraudulent or unauthorized 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:

- Permanent Secretary for iTaukei Affairs;
- Deputy Secretary for iTaukei Affairs;
- Director Corporate Services;
- Senior Accounts Officer
- Senior Administration Officer (Corporate Services)
- Accounts Officer;
- AO (Asset Management Unit);
- Assistant Accounts Officer;
- Salary & Wages Clerk.
- Clerical Officer[Asset Management Unit)
- Clerical Officer Ledger

As well, the Salaries and Wages clerk should be familiar with the Payroll User Manual available from the Ministry of Economy.

Salaries

4.1 Appointments

- 4.1.1. The *PSTA* shall issue a letter of appointment to all new salary employees. The letter shall include at a minimum, the following information:
- i. job classification;
 - ii. salary scale and starting salary;
 - iii. Tax Identification Number (TIN);
 - iv. date/ term of appointment to position.

- 4.1.2. SAO (CS) shall forward a copy of the letter of appointment to the SAO who shall create a salary file and request for an Electronic Data Processing (EDP) Number for that employee from Ministry of Economy or Fiji National Provident Fund number from FNPF.
- 4.1.3. The *Salaries Clerk* shall forward a copy of the appointment letter with the relevant FS forms to the Ministry of Economy
- 4.1.4. This EDP/FNPF/ TIN numbers are the most important requirements that shall represent the employee's identification and will remain unchanged throughout his/her employment in the civil service.
- 4.1.5. FNPF Registration forms must be given to new employees for completion upon their appointment to the 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 1/26th of an employee's annual salary.
- 4.2.2. Where payment is for a broken period, salary shall be computed at 1/364th 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 *Salary & Wages Clerk*. 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;
 - iv. for overtime, one-off allowances or deductions.
- 4.2.5. The *Salary & Wages Clerk* 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 *Salary & Wages Clerk* and checked and signed by the AAO.

4.2.7. A batch header shall be used to batch the various input forms.

Submission of Input Forms

4.2.8. The *Salary & Wages Clerk* 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);
- iii. the value of each batch.

4.2.9. The *Salary & Wages Clerk* 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 *Salary & Wages Clerk* must check the edit report and original input forms from the Ministry of Economy through the electronic copy.

4.2.12. The names of officers' authorized to check these reports shall be provided to the Ministry of Economy.

4.2.13. The *Salary & Wages Clerk* 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 *Salary & Wages Clerk or AAO* shall check these corrections before resubmitting them to the Ministry of Economy subject to SAO's approval.

4.2.15. The *Salary & Wages Clerk* must file all processed input forms into the appropriate salary files.

4.3 Printing & Collection of Salary Cheques

4.3.1. The *accounts officer (who must not also be the officer who creates input forms)* shall collect the computer-generated salary cheques from the Ministry of Economy. The cheques must be collected on the dates set by the Ministry.

- 4.3.2. When collecting the cheques, the *accounts officer* must physically count them and reconcile the total to the recorded balances in the Cheque Payments Schedule kept by the Ministry of Economy before acknowledging their receipt.
- 4.3.3. The *accounts officer* must ensure that the original Cheque Payments Schedule is attached to the printed cheques.
- 4.3.4. The cheques shall be handed to the *accounts supervisor (who must not also be the officer who creates input forms)* who must verify cheque balances to the Schedule before distributing the cheques.

4.4 Lost Salary Cheques

Loss Report

- 4.4.1. When a salary cheque is lost, the officer responsible shall submit a loss report to the PS and the Chief Accountant, Ministry of Economy. The report must outline circumstances leading to the loss, such as whether the officer had lost the cheque after collecting it from the Ministry of Economy.
- 4.4.2. If a payee loses a cheque, a Statutory Declaration must be provided outlining the payee's name, EDP number and cheque details. The statutory declaration shall be submitted to the Ministry of Economy together with the loss report.

Processing a Replacement Cheque

- 4.4.3. A replacement cheque may be issued to the payee concerned after the Statutory Declaration has been received.
- 4.4.4. If the lost cheque has not yet been presented, a 'stop payment' notice shall be issued to the bank.
- 4.4.5. If someone other than the payee has already presented the cheque, details shall be obtained from the bank as to whose account was credited and the matter is to be reported to the Police.

4.5 Form of Salary Payment

Country Cheque Payment

- 4.5.1. Country cheque payments shall only be drawn for employees stationed outside Suva.

- 4.5.2. A salary advice shall be prepared for each cheque payment and attached to the cheque.
- 4.5.3. The *accounts officer (who must not also be officer who prepares input forms)* must check the advice slips and cheques before they are packed into envelopes and posted via registered mail to the payees.
- 4.5.4. The *salaries officer* must record the distributed cheques in a cheque distribution register that shall include the following details:
- i. date of distribution;
 - ii. amount distributed and to which location (including registered mail number);
 - iii. cheque number and name of payee.
- 4.5.5. Salary cheques may be posted to the District Post-Master for distribution to officers within his/her district. In such cases, the *accounts officer* shall prepare a distribution schedule stating the name of each payee, EDP number, cheque number and amount.
- 4.5.6. The duplicate copy of the distribution schedule shall be posted together with the respective envelopes to the Post-Master. The Post-Master must ensure that cheques in the envelopes agree with the schedule before signing the schedule and returning it to the *accounts officer*.

Direct Deposits

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

Manual Payments

- 4.5.8. No manual payment of salary is permitted except on first appointment or upon written approval to the Permanent Secretary for Economy.
- 4.5.9. A manual payment shall be effected through the MTA's Drawings Account.
- 4.5.10. The *Salary & Wages Clerk* 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.
- 4.5.11. The input form must be checked and signed by the AAO before submission to the Ministry of Economy.

4.6 Reconciliation of Salary Payments

- 4.6.1 The officers authorized to check payroll reports from the Ministry of Economy shall check the payroll summary report on a fortnightly basis.
- 4.6.2 The payroll summary report contains salary details of employees such as employee name and EDP number, annual and fortnightly salary, allowances and deductions.
- 4.6.3 The report shall be handed to the *AO* who is responsible for preparing the salary reconciliation. (This officer must not be involved in the payment process or the preparation of input forms).
- 4.6.4 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.
- 4.6.5 The salary reconciliation shall be signed by the *AO* and forwarded to the *SAO* with a copy to the Ministry of Economy, within one week from the pay date.

4.7 Accounting for Salary Payments

Salary Payments & Deductions Made by Ministry of Economy

- 4.7.1 No salaries expenditure shall be debited until an advice has been received from the Ministry of Economy advising of the salary charges posted to the respective agencies expenditure allocation.
- 4.7.2 The *Salary & Wages Clerk* shall clear these charges by posting to the appropriate expenditure accounts.
- 4.7.3 Where charges are for payments to organizations through salary deductions, the relevant creditor account shall be credited. When actual payment is made to the organization, the creditor account shall be debited.

Deductions Controlled by the MTA

- 4.7.4 In the case of deductions made by the MTA, the expenditure and creditor accounts may be directly debited or credited respectively.
- 4.7.5 Any MTA deductions to salaries (e.g. late arrival, overpayment of salary, to name a few) must be authorized by *PSTA* prior to its commencement.
- 4.7.6 Letters to this effect must be written to the officer stating reason(s) and total amount to be recovered.

4.8 Salary Arrears/Allowances

- 4.8.1 Any payment of arrears of salary or allowance in respect of the current financial year shall be made with the next salary payment.
- 4.8.2 The *Salary & Wages Clerk* shall process such payments after preparing the appropriate input form.
- 4.8.3 If the Chief Accountant, 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 Authority to determine the tax to be deducted. The *PSTA* shall approve payments for arrears relating to the current year.
- 4.8.4 Once the tax value has been determined, payment shall be made in the normal manner.

4.9 Unclaimed Salary

- 4.9.1 The *accounts officer* shall receipt any unclaimed salary that is not paid out within forty-eight hours as specified in Finance Instruction 17-(6).
- 4.9.2 Where the unclaimed salary is a system-generated cheque, it must be presented to the Chief Accountant, Ministry of Economy for endorsement before being receipted.
- 4.9.3 Where the unclaimed salary is the agency's drawings account cheque, the *Accounting Head (SAO)* shall endorse it before receipting.

Register of Unclaimed Salaries

- 4.9.4 The *accounts officer (who must not also be the officer who prepares input forms)* shall record unclaimed salaries in an unclaimed salaries register. The register shall provide the following details:
- i. name of employee and EDP number;
 - ii. FNPF number;
 - iii. pay period for unclaimed salary;
 - iv. amount;
 - v. date, receipt number and amount (where salary is receipted to revenue);
 - vi. date, payment voucher number, amount and cheque number (where salary is paid to employee).
- 4.9.5 When the unclaimed salary is receipted, the *accounts officer* shall update the register.

Likewise, when the unclaimed salary is paid to the employee, the *accounts officer* shall record the relevant payment details in the register

4.10 Reversal or Withholding of Salary

4.10.1 Where it becomes necessary to hold, cease or reverse an employee's salary, the *SAO* must immediately advise the Ministry of Economy in writing.

4.10.2 The *Salary & Wages Clerk* shall prepare the appropriate input form for ceasing or relevant memorandum for reversing net salary payments.

4.10.3 A journal voucher will be raised to reverse salary deductions for that particular pay period.

4.10.4 The *Salary & Wages Clerk through SAO* shall submit the input form and journal voucher (except in the case above) to the Ministry of Economy.

4.10.5 Where deductions are controlled by MTA, the journal voucher need not be submitted to the Ministry of Economy.

4.10.6 For deductions controlled by the Ministry of Economy, the journal adjustment shall be credited to the MTA's IDC account.

4.10.7 Once the Ministry of Economy advises of the credit that has been posted to the MTA's IDC and returns the duplicate voucher, the *Salary & Wages Clerk* shall raise another journal voucher to clear the IDC account and credit the actual expenditure account.

5.0 Salary Reports

5.1 The *Salary & Wages Clerk* shall collect/ check salary reports from the Ministry of Economy as and when they are required and on the dates set by the Ministry.

5.2 The reports to be collected include:

- i. status reports;
- ii. salary advice slips;
- iii. P4-1 slips.

5.3 The *Salary & Wages Clerk* must verify all reports to be collected against a reports list provided by the Ministry of Economy.

5.4 The Status Reports shall be uplifted by authorized officers in the HRMD Unit.

Distribution of P4-1 Slips

- 4.7.3 The *Salary & Wages Clerk* must collect P4-1 slips from the Ministry of Economy.
- 4.7.4 After receiving the P4-1 slips, the *Salary & Wages Clerk* shall check the totals against the payment records and ensure that they are correct in all respects.
- 4.7.5 Each P4-1 slip shall be distributed as follows (when)!:
- i. original and duplicate to the employee;
 - ii. triplicate to the Fiji Revenue and Customs Authority (FRCA) with an attached summary sheet;
 - iii. Quadruplicate to be filed in the employee's salary file.

4.8 Other Types of Payment

Gratuity Payments for Contracted Employees

- 4.8.1 At least one month before gratuity payments are due to be paid to contracted employees, the *Salaries & Wages Clerk* must prepare payment vouchers for authorization by the *AAO* and submission to the Ministry of Economy.
- 4.8.2 Any gratuity payment must be in accordance with the terms and conditions in the respective contract. A copy of the contract must be attached to the payment voucher.
- 4.8.3 Once the Ministry of Economy has prepared the gratuity cheque, the *AO* (who must not also be the officer who prepares input forms) shall collect the cheque, P4-1 slip and payment voucher. The *AO* must ensure that the cheque corresponds to details on the payment voucher.

Wages

4.9 Appointments

- 4.9.1 The *PSTA* shall issue 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;
 - iv. Tax Identification Number (TIN);
 - v. Rate of pay, FNPf number and other relevant personal details.

4.9.3 The employee's FNPF and TIN 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 for the employee;
- ii. Duplicate to the personnel section for opening a personal file.
- iii. triplicate to the Accounts section for preparation of wages ;

4.9.5 The *Salaries & Wages Clerk* shall submit a copy of the appointment letter together with the relevant FS forms to Ministry of Economy every Wednesday.

4.10 **Processing of Wages Payment**

Calculation of Weekly Wages

4.10.1 The *Clerical Officer (AMU)* shall collect employee timecards for wage employees at the end of each pay period and 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 timecards and timesheets shall be checked for accuracy and signed by the *AO (AMU)* for wage employees before transferring to the Accounts Section for processing payment by 12.00pm every Thursday, except if there is a Public Holiday during that week, when the Timesheets must be submitted to the *Salaries & Wages Clerk* on Wednesdays.

4.10.4 Timesheets and wages must be in accordance with the Terms and Conditions of Employment for Government Wage Earners 2009.

4.10.5 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.

Deductions Controlled by the MTA

4.10.6 Any MTA deductions to Wages (e.g. late arrival, overpayment of wages, to name a few) must be authorized by *PSTA* prior to its commencement.

4.10.7 Letters to this effect must be written to the officer by HRM stating reason(s) and total amount to be recovered.

Preparation of Input Forms

4.10.8 To add employees onto the automated payroll system, the *Salaries & Wages Clerk* shall prepare appropriate input forms.

4.10.9 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;
- iv. to enter normal hours, overtime hours and one-off allowances and deductions.

4.10.10 To process the normal weekly wages, the *Salaries & Wages Clerk* shall transfer data from the supervisor's timesheet into the appropriate input form (the Timesheet Data Entry Form).

4.10.11 All input forms must be signed by the *Salaries & Wages Clerk* and checked and signed by the AAO

4.10.12 The *Salaries & Wages Clerk* 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);
- iii. the value of each batch.

Data-Entry into the Automated Payroll System

4.10.13 The *Salaries & Wages Clerk* must submit batched forms to the Ministry of Economy for processing within the timeframes specified by the Ministry.

4.10.14 Where access is granted to the MTA to enter data directly into the payroll system, the *Salaries & Wages Clerk* shall hand the batched forms to the data-entry clerk to enter details into the system.

4.10.15 All data-entry must be completed within the timeframes set by the Ministry of Economy.

Reconciling Edit Reports

4.10.16 Edit reports will be printed after completion of data-entry and collected by the *Salaries & Wages Clerk*.

4.10.17 The *Salaries & Wages Clerk* must ensure that details in the edit report correspond to details in the input forms.

4.10.18 The *Salaries & Wages Clerk* shall correct any errors by raising new input forms. The *AAO* must check the corrections before they are loaded into the payroll system.

4.10.19 The *Salaries & Wages Clerk* 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 *Salaries & Wages Clerk* 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 organization or revenue account.

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 supervisor* 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 is permitted except upon written approval from the *Permanent Secretary for Economy*.

4.12.7. The *wages officer* 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 *wages supervisor* shall check and sign the input form before submission to the Ministry of Economy.

Direct Bank Deposit Payments by MTA

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:

- a. employee's name and FNPF number;
- b. bank account number;
- c. net wages.

4.12.11. The AAO 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 AAO must deposit the cheques before 12.00pm every Tuesdays 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 the *Salaries & Wages Clerk*.

4.12.14. The Ministry of Economy will provide the respective banks with a soft copy of the direct credit schedules and a summarized hard copy showing expected lodgments from the MTA.

4.17 Distribution of Cheque Payments

4.17.1. Employees paid by cheque must provide proper identification when collecting their wages. In case of doubt, the *supervising officer* must identify their employees.

4.17.2. *Supervising officers* may issue pay identification cards for each wage employee who must hand it to the *accounts officer*. The pay card shall state the FNPF number of the employee and be signed by the *supervising officer*.

Reconciliation of Pay Envelopes

4.17.3. The *wages officer* shall, at the end of the payday, hand any unclaimed pay envelopes, and pay cards to the *wages supervisor*.

4.17.4. The *wages supervisor* must ensure that the total of the pay cards collected and the remaining pay envelopes agree to the total number shown on the cheque payments schedule.

4.13 **Accounting for Wages Payments**

4.13.1 At the end of each week, the *CO Ledger* 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 expenditure account until payment is made to the respective organizations.

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 4.6.

Wages Reports

4.14.2. The *Salaries & Wages Clerk* must check wages reports from the Ministry of Economy weekly.

4.14.3. The wages reports to be checked include:

- i. payment schedules;
- ii. status reports;
- iii. P4-1 slips.

4.14.4 The *AO* must verify the reports against a reports list provided by the Ministry of Economy through the electronic system.

Distribution of P4-1 Slips

4.14.5. After receiving the P4-1 slips, the *Salaries & Wages Clerk* must check the totals against payment records and ensure that they are correct in all respects.

4.14.6. The *Salaries & Wages Clerk* shall distribute the P4-1 slips as follows:

- i. original and duplicate to the employee;

- ii. triplicate to the Fiji Revenue and Customs Authority (FRCA) with an attached summary sheet;
- iii. quadruplicate to be filed in the Employee's Wage file.

4.15 Reconciliation of Wages Payments

- 4.15.1 The officers authorized to check payroll reports from the Ministry of Economy shall check the payroll summary report on a weekly basis.
- 4.15.2. The payroll summary report contains wages details of employees such as employee name and FNPF number, weekly wages, allowances and deductions.
- 4.15.3. The report shall be handed to the *AO* who is responsible for preparing the wages reconciliation. (This officer must not be involved in the payment process or the preparation of input forms).
- 4.15.4. The wages reconciliation must reconcile the difference between the previous week payroll report and the current report, and must be prepared prior to each pay date.
- 4.15.5. The wages reconciliation shall be signed by the *AO* and forwarded to the *SAO* with a copy to the Ministry of Economy, within one week from the pay date.

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:

- Permanent Secretary for iTaukei Affairs;
- Deputy Secretary for iTaukei Affairs;
- Chairman, iTaukei Lands and Fisheries Commission;
- Director, iTaukei Institute of Language and Culture;
- Director Development Services;
- Director Corporate Services;
- Senior Accounts Officer;
- Accounts Officer;
- Assistant Accounts Officer;
- Revenue Collectors (Clerical Officer (TILC) and Clerical Officer (Administration – TLFC));
- Cashier;
- Payments Clerk;
- Clerical Officer (Human Resource Management and Development)

5.1 Authority to Collect Revenue

5.1.1. Where officers are authorized to collect revenue (*Revenue Collectors/ Cashier*), the *PSTA* must provide them with a letter of appointment only to established staff 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 in their Personal File by the *CO (HR&AM)* while another copy is sent directly to Chief Accountant.

5.1.3. *SAO* and *Section Heads* must seek *PSTA's* approval and organize letter of appointment before changes are made to *Cashier/ Revenue Collectors*.

5.1.4. There shall be two (2) Revenue Collectors appointed in TILC and TLFC.

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 (GP 76).

5.2.2. All requests to the Chief Accountant, Ministry of Economy for receipt books for revenue collectors should not exceed 3 months requirements.

Requests to Chief Accountant

5.2.3. The *AO or AAO* is responsible for issuing requisitions to the Chief Accountant, Ministry of Economy and for maintaining the stock register. The *AO/ AAO* must sign the requisition form and retain one copy.

5.2.4. When the receipt books are received from the Chief Accountant, 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 *AO* and returned to the Chief Accountant. Before signing the receipt, the *AO* must physically check that the stock received corresponds to the amount stated on the receipt.

Recording of Receipt Books Received

5.2.6. The *AO* 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;
- 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 Chief Accountant has approved such a transfer. Relevant details of receipt books to be transferred must be provided to the Chief Accountant.

Main Stock Register & Recording of Receipt Books to Revenue Collectors

5.2.10. The *AO* shall maintain a distribution register recording all receipt books and other revenue earning forms issued to revenue collectors.

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;
- iv. first and last receipt number issued per day;
- v. Name and signature of the *Revenue Collector/ Cashier* receiving the Receipt Book.

- 5.2.12 Receipt books must be issued in sequential order.
- 5.2.13 Once a Receipt book is completely utilized, it must be returned to AO immediately who will check to ensure this is in order. When new stock is issued to *Revenue Collectors/ Cashier*, the AO 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 AO will retain the triplicate. After checking that all stock has been received, the revenue collector will sign the acknowledgement receipts and return the original to the AO.
- 5.2.15 The original receipt shall be kept with the distribution register. The AO 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 *Revenue Collectors/Cashier* must also maintain a stock register. The stock register shall contain a record of:
- i. receipt books and other forms received from the AO;
 - ii. date when stock received;
 - iii. serial numbers for issued stock;
 - iv. acknowledgement receipt number.
- 5.2.17 The duplicate acknowledgement receipts shall be kept with the *Revenue Collector's/Cashier'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 SAO has given approval.
- 5.2.19 The AO shall update the distribution register accordingly.
- 5.2.20 Similarly, the *Revenue Collector/Cashier* 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 *Revenue Collector/Cashier* shall immediately issue an official receipt.
- 5.3.2. The *Revenue Collector/Cashier* 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 *Revenue Collector/Cashier* shall retain the book copy and attach the duplicate receipt to the cashbook.
- 5.3.5. If a receipt is spoilt, it shall be marked “cancelled” and retained in the receipt book.

Revenue Received Through the Mail at TLFC

- 5.3.6. *The Registry Clerk (TLFC)* should be present at all times when official mail is opened.
- 5.3.7. *The Registry Clerk (TLFC)* must immediately record in red ink any cash or cheque, in the Inward Mail 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;
 - iv. date of receipt and receipt number issued for each payment received.
- 5.3.8. Immediately after completing the mail opening, the *Registry Clerk (TLFC)* shall submit the money received and the cheque register to the *Administration Clerk (TLFC)*.
- 5.3.9. The *Administration Clerk (TLFC)* shall verify each entry in the register against the money received before issuing a receipt and noting receipt details in the register.
- 5.3.10. The cheque register and original receipts will be returned to the *Registry Clerk (TLFC)* who will then dispatch the original receipts to each payer.

Revenue Received by Third Parties

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

Receiving Official Gifts

- 5.3.13. A gift received by an officer in his/her official capacity or donated to MTA must be declared to *PSTA*.

5.3.14. Following *PSTA's* decision, these items should be recorded in a gift register to be maintained by the *PSTA's* Secretary.

5.3.15. 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;
- iv. cost price or fair value where possible.

5.3.16 **Where the gift is in the form of property or equipment and meets the criteria for a MTA asset, it shall also be included in the Fixed Asset Register/ Inventory.**

5.3.17 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. The *Revenue Collector/Cashier* shall bank money received on a daily basis before the bank closes. Unless or otherwise if money received after 3.30pm then it shall be banked on the next working day. The lodgment form shall be prepared in triplicate detailing the deposits to be made.

5.4.2. All foreign bank draft and money orders are to be converted into Fiji dollars prior to receipting and banking.

5.4.3. The lodgment forms shall be checked and signed by the *AO/AAO* (who must **not** also be responsible for collecting revenue). Cash to be deposited shall be counted before the *AO/AAO* signs the lodgment forms.

5.4.4. When the *Revenue Collector/Cashier* lodges the deposit with the bank, the bank will acknowledge receipt of monies by stamping and signing each lodgment form. The bank will retain one copy and return the other two.

5.4.5. The *Revenue Collector/Cashier* shall keep one lodgment form and attach the other form to the cashbook.

5.4.6. If banking facilities are not accessible money may be kept overnight, but it must be kept under lock and key in a safe or strong box.

5.4.7. The *SAO/ AAO* in the presence of the *Revenue Collector/Cashier* 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 *SAO/AAO*

and *Revenue Collector/Cashier* 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 *Revenue Collector/ Cashier* shall maintain a cashbook 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;
- iii. revenue account code.

5.5.2. The *Revenue Collector/ Cashier* must total the cashbook at the end of the day and give it to the *AO/AAO* for checking. The *AO/AAO/EO (TLFC)/ AO (TLFC)* must sign the cashbook after checking the details in the cashbook against the issued receipts, money on hand and bank lodgment forms.

5.5.3. After reconciling details in the cashbooks, the *AO/AAO* shall submit the cashbooks, duplicate receipts and lodgment forms to the *AAO/ Ledger Clerk* for posting into the General Ledger (GL).

Posting into the General Ledger System

5.5.4. The *Cashier* 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;
- iii. the amount debited and credited to each account.

5.5.5 All journalized 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 *AO* who must ensure that:

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

Monthly Revenue Reports

5.5.7 At the end of each month, the *SAO* 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.

- 5.5.8 The Revenue Statement shall be included as part of the monthly management report as specified in Part 14 of the Manual.
- 5.5.9 Within five working days of the Ministry of Economy issuing the monthly GL reports, the *AO* shall reconcile the revenue figures in the report to the Revenue Statement.
- 5.5.10 Similarly, the Inter-Departmental Clearance Account balances must be reconciled.
- 5.5.11 Where errors or discrepancies occur, the *SAO* shall inform the Chief Accountant in writing within 7 days of receiving the GL reports.
- 5.5.12 The *SAO* shall ensure that the Ministry of Economy (FMIS) is consulted before collecting a totally new revenue type as per Finance Instruction 21-(1).

5.6 Monitoring Revenue Collection

- 5.6.1. The *AO* shall maintain a revenue collectors' chart to monitor the regularity of revenue lodged by the *Revenue Collector/Cashier*.
- 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;
 - iv. frequency of lodgments made to the bank.
- 5.6.3. The chart shall be used to ascertain those *Revenue Collectors/Cashier* who make irregular lodgments or have neglected to do so. The *AO* 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 *Revenue Collector/Cashier* shall immediately notify the *SAO* in writing. 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;
- iv) date of lodgment.

- 5.7.2 All relevant documents such as the original receipt and a copy of the lodgment form should be forwarded to the SAO.
- 5.7.3 The SAO, after consultation with PSTA, may direct the AO 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 SAO, after consultation with PSTA, 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 PSTA shall be the authorizing officer. Where refunds are for the preceding year, the Chief Accountant shall be the authorizing officer. A copy of the refund voucher must be forwarded to the Chief Accountant 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 AO, properly sealed.
- 5.8.2. A list of such items shall be prepared and certified in duplicate by the revenue collector. The *Revenue Collector/ Cashier* shall forward the original list together with the obsolete or surplus stock to the AO and retain the duplicate list.
- 5.8.3. The AO must forward the list and surplus stock to the Chief Accountant, 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 Chief Accountant's discretion.

Damage or Loss of Receipt Books

- 5.8.5. If a *Revenue Collector/ Cashier* loses or damages receipt books or other revenue earning forms in his/her custody, the SAO must immediately be informed in writing.
- 5.8.6. The SAO shall make the appropriate changes to the stock register and distribution register and notify the Chief Accountant that the Treasury stock register should be amended.
- 5.8.7. If a Receipt book is missing, SAO through PSTA approval 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 unauthorized use of that receipt book. The advertisement must be placed within two days of notification of the loss

5.9 **New State Revenue**

- 5.9.1 When applying for new revenue items, MTA must first seek the Ministry of Economy approval.
- 5.9.2 MTA should approve all the details required under Section 25-(1) of the FI to the Ministry of Economy, when seeking new revenue item approval.
- 5.9.3 The Ministry of Economy will provide advice after evaluation and MTA must process mandatory endorsement as required under Section 25-(3) & (4) of the FI.
- 5.9.4 MTA 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) of the FI.

Schedule 1: Journalising Revenue Transactions

The following are examples of how revenue may be accounted.

Situation 1: Accounting for Revenue Received

Ministries/Department that collects their own revenue will post all revenue through AR

Department Posting Entries

DR Consolidated Fund Account
CR Appropriate Revenue Allocation
CR Vat

(Accounting for revenue received)

Treasury Entries

No entries required

Situation 2: Revenue Received on Behalf of Other Departments

Ministries/Departments that collect revenue on behalf of other Ministries/Departments will post revenue through AR

Department Posting Entries

DR Consolidated Fund Account
CR Other Department's Appropriate Revenue Allocation
(Accounting for revenue received on behalf of other departments)

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

Department Entries

DR IDC – Treasury
CR Drawings Account
(to account for refund of revenue received from previous years)

DR Miscellaneous Refund Expenditure
CR IDC Treasury
(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:

- Deputy Secretary for iTaukei Affairs;
- Chairman, iTaukei Lands and Fisheries Commission;
- Director iTaukei Institute of Language and Culture;
- Director Corporate Services;
- Senior Accounts Officer;
- Accounts Officer;
- the Cashier;
- Revenue Collectors (Clerical Officer (TILC) and Clerical Officer (Administration – TLFC)).

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 in the Accounts Section.

Responsibility for Safekeeping of Cash

6.1.2. The *Revenue Collector/ Cashier* shall be responsible to the SAO for the safekeeping of cash and other valuables. It is impractical for *Revenue Collector/ Cashier* to be responsible for the safe keeping of cash and other valuables.

6.1.3. The *Revenue Collector/ Cashier* 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;
- iii. conducting a stock take of items in the safe at least once every week.

6.1.4. The *Revenue Collector/ Cashier* shall be the only officer with access to the safe.

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

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

6.1.7. If a safe needs to be transferred to another agency, the SAO must obtain approval from the Chief Accountant, Ministry of Economy before transfer.

Loss of a Key

6.1.8. The *Revenue Collector/ Cashier* shall be responsible for holding the safe key. Under no circumstance should any other officer make or hold a duplicate of the key.

6.1.9. If the *Revenue Collector/ Cashier* loses the safe key, he/she must immediately inform the SAO who shall report the matter to the Chief Accountant.

6.1.10. The Chief Accountant will advise the SAO of the cost of replacing the key, which the *Revenue Collector/ Cashier* must bear.

Record of Valuables in the Safe

6.1.11. The *Revenue Collector/ Cashier* 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;
- iv. other valuables such as unused or partly-used receipt books or cheque books and their serial numbers.

6.1.12. At any time there is movement of money or other items in and out of the safe, the *Revenue Collector/ Cashier* shall conduct a physical stock take of the items in the safe and reconcile them to the safe register.

6.1.13. Removal of any item from the safe shall be immediately noted in the safe register by the *Revenue Collector/ Cashier*.

Handing Over Responsibility for the Safe

6.1.14. Responsibility for the safe can only be handed over to AO/ SAO with the approval of the SAO/ DSTA. Such officer shall assume all the responsibilities of the *Revenue Collector/ Cashier*.

6.1.15. The *Revenue Collector/ Cashier* 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.

6.1.16. AO/SAO shall verify each item on the list to the actual stock on hand. This must be done in the presence of the *Revenue Collector/ Cashier*.

6.1.17. After checking all the items, the *AO/SAO* shall sign the handing over statement, accept the safe key and assume responsibilities of the *Revenue Collector/ Cashier*.

6.1.18. A copy of the handing over statement shall be forwarded to the *DSTA*.

Surprise Cash Counts

6.1.19. Sections in which cash/revenue is collected/received, the *AAO/SAO* shall conduct a surprise cash count at least twice a year.

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

6.1.21. Similarly, the *AAO/SAO* must sign and date the safe register balances after verifying the actual contents in the safe.

6.1.22. The *AAO/SAO* shall provide a report of the cash count to the *SAO/DSTA*, whether or not any discrepancies are detected.

6.2 Petty Cash

Approval to Hold Petty Cash

6.2.1. In order to hold petty cash for incidental payments, *SAO* shall submit an application to the Chief Accountant once the budget loading is done.

6.2.2. The application shall be signed by the *SAO* and shall provide details on:

- i. *AAO's* name, designation and station;
- ii. justification for the request;
- iii. amount of petty cash requested.

6.2.3. The *SAO* shall file all applications in the Registry Imprest file.

6.2.4. *AAO* must maintain a petty cash book and use the appropriate vouchers when making payments or replenishing funds.

6.2.5. It is the responsibility of *AAO* to safeguard money and records in their possession.

6.2.6. If petty cash is held at the office, it must be kept in a safe or strong box.

6.2.7. The *SAO* 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.

6.2.8. When handing over, the AAO 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 AAO and certified correct by AO.

Making Payments

6.2.9. All payments made from petty cash must be authorized by the SAO and supported by a petty cash voucher.

6.2.10. Immediately upon payment, all vouchers must be stamped "paid".

6.2.11. The petty cash voucher shall provide the following details:

- i. name of payee, signature and reason for payment;
- ii. name and signature of AAO;
- iii. expenditure account code;
- iv. voucher date and number.

6.2.12. The recipient must sign the voucher upon payment. The original voucher shall be given to the recipient and the duplicate retained by the AAO.

6.2.13. The AAO shall enter details of payments made into the cashbook and attach duplicate vouchers.

Replenishing the Imprest

6.2.14. It is the responsibility of the AAO to ensure sufficient cash is available.

6.2.15. When the petty cash needs replenishing, the AAO shall total the payments in the cashbook that have not been reimbursed and raise a reimbursement voucher.

6.2.16. The reimbursement voucher, a copy of the petty cash book and duplicate petty cash vouchers shall be forwarded to the SAO.

6.2.17. The SAO must verify the correctness of payments made before approving the reimbursement voucher.

6.2.18. Once the reimbursement voucher has been approved and signed by the SAO, the AAO shall prepare a reimbursement cheque and send it to the AO together with the signed reimbursement voucher.

6.2.19. Upon receiving the reimbursement cheque, the AAO shall replenish the petty cash and update the cashbook accordingly.

6.2.20. The AO shall post details of the reimbursement voucher to the relevant expenditure accounts.

Preparing Monthly Reconciliation

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

6.2.22. The SAO shall verify the balances of the petty cash book and bank statements and check the supporting vouchers before certifying and dating the bank reconciliation statement.

6.2.23. Within five days after the issue of the monthly GL report by the Ministry of Economy, the accounts officer shall prepare a petty cash reconciliation to reconcile the petty cashbook balance to the GL balance.

Retiring Petty Cash

6.2.24. The AAO must retire the petty cash before the end of the financial year i.e. by the first week of December.

6.2.25. Petty cash shall be retired by submitting the cashbook, petty cash vouchers and any cash on hand balance to the AO for journalizing.

6.3 Operating Bank Accounts

6.3.1. The SAO shall keep an up-to-date file of the names, designations and signatures of officers authorized to operate bank accounts.

6.3.2. The SAO shall only nominate such officers after obtaining the approval of the Chief Accountant.

6.3.3. The "Drawings Account" will be operated for all payments except for those payable from petty cash bank accounts and trust bank accounts.

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

Banking Security

- 6.3.5. The SAO must ensure that two officers make deposits or withdrawals at the bank if the amount to be deposited or withdrawn is equivalent or more than \$2000.
- 6.3.6. The SAO is responsible for arranging additional security measures such as a police escort, whenever cash deposits or withdrawals are significantly large (\$5000).

Preparing Monthly Bank Reconciliation

- 6.3.7. The AO shall prepare a bank reconciliation within 10 days after the report is received from Ministry of Economy.
- 6.3.8. Details of unpresented cheques and other reconciling items should be attached to the reconciliation statement.
- 6.3.9. Once the bank reconciliation is prepared, it should be signed and dated by the SAO and submitted to the PSTA.
- 6.3.10. The SAO 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.
- 6.3.11. A copy of the certified bank reconciliation shall be submitted to the Chief Accountant within 10 days after the report is received from Ministry of Economy.

6.4 Accounting for Cheques

Stale Cheques

- 6.4.1 If cheques remain in the unpresented cheque list for more than 3 months, the AO must attempt to locate the payees and have their cheques presented before they become stale.
- 6.4.2 The AO shall review the unpresented cheque list and determine whether a replacement cheque should be issued for cheques that are stale.
- 6.4.3 If a replacement cheque is not required, the AO 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 RFA – Recoveries of Overpayments in Previous Years

(to clear cheques issued from previous year that have become stale)

Replacement Cheques

6.4.4 If a replacement cheque is issued, the *AO* shall prepare a payment voucher listing the following details:

- i. cheque number, amount and date of the cheque being replaced;
- ii. circumstances under which the replacement cheque is required.

6.4.5 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.

6.4.6 The number of the replacement cheque should also be entered in the cashbook with the amount omitted.

Lost or Destroyed Cheques

6.4.7 If a payee loses or destroys his/her cheque and requests for a replacement, the *SAO* may, after consultation with *PSTA*, authorize that a replacement cheque be issued after obtaining a Statutory Declaration.

6.4.8 If the *AO* or any other officer loses a cheque, he/she must prepare a report to the *SAO*. The matter shall be dealt with in accordance with Part 11 of the Manual.

Dishonored Cheques

6.4.9 Where the bank dishonors a cheque, it shall be the responsibility of the *Revenue Collector/ Cashier* to recover the amount of the cheque and the dishonored fee.

6.4.10 The *Revenue Collector/ Cashier* must provide the *SAO* with an explanation in writing stating reasons for accepting the cheque and the attempts that have been made toward recovery.

6.4.11 If the *SAO* 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 dishonored, the *SAO* shall recommend that disciplinary or surcharge action be taken.

6.4.12 *SAO* to submit a report with relevant recommendations on clauses 6.4.9 & 6.4.10 to *PSTA* 7 days after notice on the dishonored cheque is received.

6.4.13 Surcharge action shall be initiated in accordance with Part 11 of the FI.

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

DR RFA – Dishonored Cheques
CR Drawings Account
(to account for cheques received and dishonored by the bank)

6.4.15 The dishonored 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 – Dishonored Cheques
(to account for recovery of dishonored cheque amount)

6.5 Cash flow Forecasting

6.6 Divisional Heads must submit their work plan to the Accounts section two weeks before the announcement of the Budget. The SAO must ensure that the *Section Heads* forecasted information provided is reliable. The SAO prepares the Cash flow statement and loading of Budget in the system within 1 week after the announcement of Budget.

6.7 SAO must submit a forecast of expenditure or revenue for the entire year, to the PSTA, after consultation with the respective *Section Heads*. This information must be further broken down into monthly forecasts.

6.8 The SAO is responsible for collating such information in the form specified in the Finance Instructions.

6.9 Quarterly analysis must be carried out between actual figures and forecasts. The analysis shall focus on:

6.9.1 payment patterns and rate of collection for outstanding debts and revenue;

6.9.2 availability of funds to meet outstanding commitments.

6.10 Any revisions to forecast information shall be submitted to the Ministry of Economy at least 2 weeks following the end of a quarter, subject to PSTA's approval.

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
CR RFA – Imprest
(to retire petty cash held during the year)

Treasury Entries

DR Bank Account
CR IDC Department
(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 2: Bank Reconciliation Statement

The following example may be adopted or modified if required when preparing a bank 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	<u>(xxx)</u>	(xxx)
<u>Add:</u> Lodgement not credited	xxx	
Bank charges/fees	<u>xxx</u>	xxx
Balance as per cash book*		<u>xxx</u>
Opening Balance as per GL		xxx
Add: Receipts		xxx
Less: Payments		(xxx)
Closing Balance as per GL*		<u>xxx</u>

*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: _____ (Accounts Officer)

Date:

The balances in this statement have been verified against supporting documents.

Signed: _____ (Senior Accounts Officer)

Signed: _____ (Permanent Secretary for iTaukei Affairs)

Date:

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.	
<i>Safe lock and key</i>	
<i>Petty cash</i>	- \$xxx
<u>Revenue Collections</u>	
<i>Cash</i>	- \$xxx
<i>Cheques</i>	- \$xxx
<u>Unused Books</u>	
<i>Receipt Books</i>	- 0100-0200 (Serial number of books)
<i>Cheque Books</i>	- 0001-1000 (cheque book numbers)
<u>Other Valuables</u>	
These items have been verified by physical stocktake and reconciled to the safe register.	
_____	_____
(Cashier/ Revenue Collector)	(AO/SAO)
(Date of hand over)	(Date of hand over)

PART 7: ACCOUNTABLE ADVANCES, SUBSISTENCE AND MEAL

Accountable 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:

- Minister for iTaukei Affairs;
- Permanent Secretary for iTaukei Affairs;
- Deputy Secretary for iTaukei Affairs;
- Heads of Sections (Chairman, iTaukei Lands and Fisheries Commission, Director Development Services, Director iTaukei Institute of Language and Culture, Director Corporate Services);
- Travelling Officers;
- Senior Accounts Officer;
- Accounts Officer.

7.1 Travel Advances to Staff

Applying for an Advance

- 7.1.1 Officers travelling to outer stations or overseas for official purposes (travelling officers) must submit their application to SAO for a travel advance 7 days before their expected date of departure to outer station or 14 days before their expected date of departure overseas except for urgent travels approved by *PSTA/ Minister*.
- 7.1.2 Upon receiving the application for Accountable Advance, *SAO/AO* shall check that the Travelling officers do not have any outstanding advance and that relevant funds are available in the correct budgetary allocation.
- 7.1.3 *SAO* shall submit the application to *PSTA*, or in his/her absence, *DSTA* for approval only if the above are in order, otherwise, the application is automatically rejected and returned.
- 7.1.4 If the application is rejected, *SAO* shall inform the respective *Section Head* as soon as possible.
- 7.1.5 The *PSTA*, or in his/her absence, *DSTA* shall approve/disapprove all local and overseas travel advances. In the absence of *PSTA* and *DSTA*, then *DCS* to approve/disapprove local travel advances.

- 7.1.6 When applying for a travel advance, the travelling officer must provide the following information:
- i. travel itinerary;
 - ii. estimated costs of travel including accommodation and meals;
 - iii. offer letter
 - iv. purpose of travel;
 - v. *PSTA's/DSTA's* approval for the travel.
 - vi. Work plan for the duration of the out of station duties.
- 7.1.7 The travelling officer shall attach supporting documents (for example, airfare quotes, hotel rates, boat fares, etc.) to the application.
- 7.1.8 Unless there is no hotel accommodation (within PSC prescribed limits) available, all travelling officers are required to make arrangements for hotel accommodation if their stay at the out-of-station location is overnight or more.
- 7.1.9 Officers on official tours are entitle for \$20.00 per meal in a day
- 7.1.10 Payment of hotel accommodation costs will be made directly to the hotels through POs or EFT Payment [i.e. direct deposit into vendors account] subject to the provision of the relevant quotation, and will not be included in an officer's Accountable Advance.
- 7.1.11 Where travels are fully funded or sponsored by another organization, officers will be allowed minimum accountable advance to cover incidental costs as approved by *PSTA*.

Accounting for Advance

- 7.1.12 Once *PSTA's* approval has been obtained, the application shall be sent to the *AAO* for processing of the advance payment in accordance with payment procedures in Part 2 of the Manual.
- 7.1.13 The payment voucher shall include a statement from the *SAO* requesting the travelling officer to submit an acquittal together with supporting documents within seven days after returning from travel. This statement shall be signed by *SAO* and the Travelling Officer as evidence for retiring this payment.
- 7.1.13 The travel advance shall be charged to the advances account until cleared through submission of the acquittals.
- 7.1.14 The *AAO* must also record the travel advance in the advance register.

Recouping Advance

- 7.1.15 A travelling officer shall recoup the travel advance within seven (7) days of completing travel by submission of an acquittal report with supporting documents through their respective *Section Heads* to SAO.
- 7.1.16 If an advance has not been fully expended, the travelling officer must repay the balance within seven days of completing travel.
- 7.1.17 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.
- 7.1.18 If the acquittals for the advance are not received within five (5) days after his/her return, the AAO shall issue a reminder to the Travelling Officer to submit the acquittals before the 7 days notice lapse.
- 7.1.19 Where an advance has not been acquitted within seven days of travel, the SAO shall effect recovery of the advance through a salary deduction for recovery of the unretired amount with an interest of 12% per annum, through salary deduction within six (6) fortnights.
- 7.1.20 This notice should be submitted to *PSTA* for approval two days following the expiry of the 7 days notice.
- 7.1.21 Upon clearance of the advance, the accounts officer shall update the advance register, offset the advance account and debit the appropriate expenditure account.

Processing of Meals and Subsistence Allowance Claims

- 7.1.22 Meal claim must be assessed and approval should be given according to the following:
- i. Staff must ensure that full details of meals and subsistence allowance claimed are provided on prescribed form and approved overtime form;
 - ii. Allowances claimed must be certified by their *Head of Sections*;
 - iii. Claims for *Head of Sections* shall be signed by the *DSTA* and for *DSTA's*, *PSTA*;
 - iv. Supervising Officers shall ensure that meals claimed are immediately submitted to headquarters for processing;
 - v. Under no circumstance should claims be accumulated for more than one month.
 - vi. Claims shall be received at Accounts Office before 10.00am of every Fridays.

7.2 Credit Card

- 7.2.1 Minister for iTaukei Affairs, *PSTA & DSTA* on official trip abroad may use corporate credit cards for expenditure related to approved overseas trips only.
- 7.2.2 To acquire credit cards, Section 5.0 of the Credit Card Policy (2009) provides detailed process that needs to be adhered by agencies.
- 7.2.3 Minister for iTaukei Affairs, *PSTA & DSTA* shall adhere to the terms and conditions specified under Section 6.0, Part 11 of the Credit Card Policy (2009). Non compliance and disobedience with procedures of the policy will be grounds for revocation of cards and individual card user privileges.
- 7.2.4 Chief Accountant, Ministry of Economy may revoke a credit card or card user privileges at any time if it is in the government's best interest on the advice of *SAO/PSTA*.
- 7.2.5 Credit cards shall be returned to the bank, after consultation with the Chief Accountant, when there is a rotation of staff and or changes to the authorized users and if the card is damaged.
- 7.2.6 All credit cards, other than that of the Prime Minister will have a maximum limit of FJD 5,000.
- 7.2.7 The *SAO* shall be responsible for card maintenance and monitoring and shall ensure that the credit card is retained upon return from any official trip abroad. All credit cards should be returned to the *SAO* immediately upon returning to the office.
- 7.2.8 The *SAO* 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.

7.3 Board Membership Fees

- 7.3.1. MTA Officers appointed to represent the government on any board in an official capacity must pay board fees received into Consolidated Funds Account

PART 8: PROPERTY, PLANT & EQUIPMENT

Physical assets provide a vital resource base that supports the delivery of outputs by the MTA. 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:

- Permanent Secretary for iTaukei Affairs;
- Deputy Secretary for iTaukei Affairs;
- Senior Accounts Officer;
- Section Heads (Chairman, iTaukei Lands and Fisheries Commission, Director Development Services, Director iTaukei Institute of Language and Culture, Director Corporate Services);
- Accounts Officer.

8.1 Acquiring Physical Assets

8.1.1. Assets shall be purchased in accordance with purchasing procedures in Part 2 of the Manual.

8.1.2. 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).

8.1.3. All assets acquired with a cost in excess of \$2000, shall be recorded in a Fixed Asset Register.

8.2 Recording of Assets

8.2.1. The AO [AMU] shall be responsible for maintaining the Fixed Asset Register. The Fixed asset register shall provide the following details:

- a. date of acquisition (including if asset was acquired by transfer, gift or second-hand) and cost;
- b. description;
- c. serial number and model;
- d. location;
- e. date of approved BOS report (if replacement);
- f. vendor;
- g. warranty.

- 8.2.2. The *AO* must ensure that the fixed asset register is kept updated.
- 8.2.3. 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 asset register against the original fixed asset.
- 8.2.4. Repair and maintenance costs of a regular nature shall be treated as an expense and shall not add to the value of the fixed asset.
- 8.2.5. The *respective HOS* shall ensure items valued at less than \$2,000, are recorded in their Expendable Items Register (Inventory) by the respective officer assigned to maintain the register.
- 8.2.6. The register shall contain the following information:
- i. date of purchase (including if it was acquired by transfer, gift or second-hand);
 - ii. purchase reference number and amount;
 - iii. description of items and quantity;
 - iv. disposal method (whether written off, sold, etc.) and reference number;
 - v. designation/signature/location of the officer to whom the item is allocated.
- 8.2.7. The *Section Head* must ensure that the register is kept updated by the authorized officer.
- 8.2.8. Expendable items must only be used for official purposes and is subject to stock takes in the same manner as fixed assets.

8.3 Use of Assets

Assets shall only be used for official purposes.

- 8.3.1. Fixed assets shall only be used for official purposes unless prior approval has been obtained from the *PSTA*.
- 8.3.2. All staff operating or utilizing any fixed asset under the care of the MTA must ensure that they are aware of the safety procedures necessary to operate it.
- 8.3.3. Officers shall be surcharged/ disciplined for misuse, negligence or damage to any official assets.

8.4 Board of Survey of Fixed Assets & Expendable Items

- 8.4.1. The *PSTA* shall nominate *officers* to undertake an annual board of survey of fixed assets and expendable items as required by the Procurement Regulations 24 (1).
- 8.4.2. The Board of Survey appointed shall consist of :-
- i. Two officers from MTA who are not directly responsible for the, government plant, equipment and inventories being surveyed;
 - ii. An officer from another Ministry or Department with relevant expertise in the items being surveyed;
 - iii. For BOS on Government plant, equipment and inventories worth \$50,000 and above, an officer from Fiji Procurement Office is to be appointed to a member of the BOS.
 - iv. The Chairperson of the BOS shall not be an officer of the MTA.
- 8.4.3. The BOS shall physically identify each item, note its working condition and verify its existence to the Fixed Asset register and expendable items register. Details of the board of survey must be entered on the appropriate stock take sheets and signed by the *BOS*.
- 8.4.4. After the board of survey has been completed, the *BOS* shall prepare and sign the board of survey report and submit it to the *PSTA* and copied to the Permanent Secretary for Economy. The report shall include:
- i) any items that were unaccounted;
 - ii) damaged, obsolete or surplus items;
 - iii) other discrepancies;
 - iv) Recommendations on assets that should be disposed off.
- 8.4.5. *Section Heads* 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.
- 8.4.6. The *Section Head or officer responsible* may be surcharged if found to be responsible for the loss or damage of an asset.
- 8.4.7. The *AO* shall update the fixed asset register after the *PSTA* has endorsed the recommendations of the board of survey report and after any necessary write-offs have been approved in accordance with Part 11 of the Manual.

8.5 Disposal of Fixed Assets

- 8.5.1 The Permanent Secretary for Economy has authority to approve the disposal of any “MTA asset” up to \$50,000 and any approval above this limit must be referred to the *Minister for Economy* as stated in Principal Regulations 52-(1).
- 8.5.2 Where the written approval of the Ministry of Economy has been obtained for the disposal of any state assets, the *PSTA* may dispose of any state asset using an approved disposal method in Principal Regulations 52-(2).
- 8.5.3 The *AO* shall update the Fixed Asset Register to reflect assets that have been disposed of.

Sale of Assets

- 8.5.4 Where an asset is to be disposed of by sale, the *PSTA* shall determine which of the following methods of sale to use after obtaining approval from the Ministry of Economy:
- i. public auction
 - ii. trade-in
 - iii. tender process
 - iv. direct dealing
- 8.5.5 The *PSTA* 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.
- 8.5.6 A direct sale may only be made where the asset is valued at less than \$100.
- 8.5.7 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 for Economy approves that a tender be used.
- 8.5.8 The public auction shall be organized by the Director of Procurement Office. The *SAO* must provide the Director 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.
- 8.5.9 Assets sold by way of a tender process must be in accordance with the tender procedures outlined in Part 7 (52) of the Principal Regulations.

Transfer of Asset

- 8.5.10 An asset may be disposed of by transferring to another agency after *PSTA* obtains approval from the Ministry of Economy.

8.5.11 Before an asset is transferred, the SAO must ensure that there is a written agreement for transfer with the other agency.

Gift to Non-Government Organization

8.5.12 After obtaining approval from the Ministry of Economy the *PSTA* may give written approval, for assets to be given as a gift to a non-government organization provided it contributes to the outcomes of government.

Disposal of Assets as Scrap

8.5.13 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 11 of the Manual.

8.5.14 The destruction or dumping of such assets shall be carried out in a safe manner as approved by the Ministry of Economy.

Writing Off Losses of Assets

8.5.15 In cases where a loss of an asset occurs through theft, fraud or negligence, the asset may be written off.

8.5.16 Any loss or write off shall be dealt with in accordance with Part 11 of the Manual.

Schedule 1: Recording of Assets

Each agency is required to maintain a Fixed 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 (Inventory). If certain items similar in nature appear in both registers, the SAO may decide to include both items in the asset register for consistency.

For example, a printer costing \$500 compared to one that costs \$2000 may also be recorded in the Fixed Asset Register.

On the following page is a sample of what a Fixed Asset Register may record. A similar format may be used for recording expendable items.

ASSET CLASS: OFFICE EQUIPMENT

DESCRIPTION OF ASSET

- 1 only HP Laserjet Printer 8150DN (list total quantity of asset)

ACQUISITION DETAILS

Date of acquisition: 25/10/2003

Purchase order #: 05501000784

Supplier: Bondwell

Invoice #: 2654

Cost price: \$2,500*

Serial #: 000219566687-02

*List individual cost price where applicable

(If asset acquired by other means, this should be noted in the register in this column)

Acquisition type: gift, transfer, trade-in

Fair value: where cost price cannot be determined

DISPOSAL DETAILS

Date of disposal:

Method of disposal:
(gift, sale, transfer, scrap, write-off)

Condition of asset:
(obsolete, serviceable but unused, etc.)*
(stocktake report date & reference #)

*taken from the most recent stocktake report

(Fill in details where applicable)

Sale price:

Receipt #:

Donated to:

Approval reference:

Transferred to:

Approval reference:

Written off:

Approval reference:

Part 9: VEHICLES

The maintenance and replacement of government vehicles is a significant cost to Government. The behavior 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:

- Permanent Secretary for iTaukei Affairs;
- Deputy Secretary for iTaukei Affairs;
- Director Corporate Services;
- Manager Human Resources;
- Transport Officer [AO[AMU] or EO(Registry)];
- Drivers;
- Senior Accounts Officer;
- Accounts Officer;
- Assistant Accounts Officer.

9.1 Responsibility for Overseeing Transport

9.1.1 It shall be the responsibility of the *Transport Officer* to oversee all matters relating to vehicle usage.

9.1.2 The *Transport Officer* must ensure that:

- i. vehicle records are properly maintained and up to date;
- ii. fuel & oil usage is closely monitored;
- iii. servicing of vehicles is regularly carried out;
- iv. vehicles are properly secured when parked or garaged;
- v. drivers understand vehicle procedures as outlined in this section;
- vi. reporting requirements are adhered to on time.

9.2 Authority to Drive

9.2.1 The *PSTA* shall authorize (on the advice of *Transport Officer*, *MHR*, *DCS* or *DSTA*) an officer to drive government vehicles under the care of the MTA by issuing them a letter of authority. The *Transport Officer* shall keep these authorizations in a file.

9.2.2 Under no circumstance shall the *Transport Officer* permit unauthorised persons to drive any vehicle.

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

- i. that drivers exercise proper care when driving;
- ii. that road rules are strictly adhered to;
- iii. that drivers licenses are kept current;
- iv. that procedures in the Finance Manual are complied with.

9.2.4 All drivers shall be responsible to the *Transport Officer*, who shall recommend surcharge action where a loss is caused by a driver.

9.2.5 Drivers' Responsibilities

- i. Servicing of vehicles when due
- ii. Report on the status of vehicles on the running sheets daily
- iii. Maintain cleanliness
- iv. Ensure that all vehicle tools and spare parts are intact

9.3 **Use of Vehicles**

Official Runs

9.3.1 Vehicles must only be used for official purposes unless approved in writing by the *PSTA*.

9.3.2 Any officer requiring transport for official purposes must inform the *Transport Officer* in accordance with the MTA Transport SOP. It shall be the duty of the *Transport Officer* to make the necessary arrangements for transport.

9.3.3 Drivers are not allowed to transport any officer whose name are not in the transport request form or unless informed by the *Transport Officer/ MHR/ DCS/ DSTA or PSTA*.

Driver's Running Sheets

9.3.4 Each driver must keep daily running sheets to record details of each run undertaken in any of the MTA's vehicles. The running sheet shall document:

- i. vehicle registration number;
- ii. date and mileage at the start of the day;
- iii. runs during the day and reasons for each run;
- iv. arrival and departure times including mileage during each separate run;
- v. fuel details if vehicle is filled during the day.

9.3.5 Separate running sheets must be kept for each vehicle.

9.3.6 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.

- 9.3.7 If the driver stops at various locations before returning to the office, details of each stop must also be entered onto the running sheet.
- 9.3.8 Where another driver uses the same vehicle, a separate running sheet for that vehicle shall be used to record the journey.
- 9.3.9 All drivers must ensure that their running sheets are properly filled in before signing and submitting them to the *Transport Officer* at the end of the day. Vehicle keys must also be handed over to the *Transport Officer*.
- 9.3.10 The *Transport Officer* shall check the accuracy of all running sheets for the day and certify each sheet.
- 9.3.11 Running sheets for each vehicle must be kept in a separate file in chronological order.

Refill of Fuel for Vehicles

- 9.3.12 All MTA vehicles must only refill using a fuel card system with TOTAL (Fiji) Limited (TFL) i.e. the fuel card should be used at service stations displaying the TFL logo.
- 9.3.13 In order to obtain fuel cards, criteria listed under Section 12.0 of Fuel Card Policy must be fulfilled. The *Transport Officer* must inform Ministry of Economy (VCU) when there is a rotation of staff and or changes to the authorized users and if the card is damaged.
- 9.3.14 All authorized drivers 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.
- 9.3.15. The VCU of Ministry of Economy will be responsible for overall administration of the Fuel Card system thereby granting approval and termination of the fuel card.
- 9.3.16. *Transport Officer* shall identify authorized card users, assure card training, notify VCU of Ministry of Economy of any changes in card users or issues concerning fuel card, subject to *PSTA's* approval.
- 9.3.17. The *Transport Officer* shall ensure that procedures for use of the fuel card, required under Part IV of the Policy have been complied with.

- 9.3.18. The *Transport Officer* shall review the monthly account statement and timely prepare and submit all required documents to the VCU of Ministry of Economy and Accounts a week after the bill is received
- 9.3.19. *Transport Officer* shall ensure that all receipts for transactions during the month are forwarded together with the submission for payment of the Fuel Card Bill for verification before payment of bill.
- 9.3.20. SAO shall ensure that payment of the Fuel Card Bill is done before the due date of the bill. The prompt payment of invoices each month, card re-ordering and fuel card maintenance and monitoring.

Vehicle Logbook

- 9.3.21. The *Transport Officer* shall keep separate logbooks for each of the vehicles under the MTA's care. The logbooks shall provide details of:
- i. total mileage per day totaled up to each month;
 - ii. the date, cost and location of repairs;
 - iii. the date, cost and location of servicing;
 - iv. fuel costs totaled each month;
 - v. other maintenance costs.
- 9.3.22. When a *driver's* running sheet is handed to the *Transport Officer* at the end of the day, the total mileage for the day will be recorded in the logbook.
- 9.3.23. At the end of each month, the *Transport Officer* shall check the *driver's* running sheets and reconcile it to the monthly mileage summary in the logbook, before signing the summary.
- 9.3.24. If a vehicle is transferred to another agency, the logbook shall also be transferred.

9.4 Garaging of Vehicles

- 9.4.1 *Drivers* shall park vehicles at the MTA's official garage at the end of each business day and at weekends.
- 9.4.2 *Transport Officer* shall inform *Drivers* in writing if the vehicle must be parked elsewhere for a specific duration subject to *PSTA's* approval. In such case, the *Driver* must ensure that the vehicle is properly secured.

9.5 Maintenance of Vehicles

Servicing & General Repair Costs

- 9.5.1 The *Transport Officer* must ensure that all vehicles are regularly serviced and properly maintained. *Drivers* must also ensure that vehicles are kept in a clean condition.
- 9.5.2 The *Transport Officer* shall obtain quotes from three reputable companies for servicing or repair works except for Government Contractors. Once quotes have been obtained, the *Transport Officer* shall submit a request to the *SAO* for approval to meet servicing or repair costs.
- 9.5.3 The *Transport Officer* shall enter details of repairs or service costs in the relevant logbooks.

Unserviceable Vehicles

- 9.5.4 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.
- 9.5.5 The *Transport Officer* 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.
- 9.5.6 This report must be submitted to the Ministry of Economy together with the request for a new or replacement vehicle, subject to *PSTA's* approval.
- 9.5.7 If the request for a new vehicle is approved and budgetary provision is available, a vehicle may be purchased through the normal procurement process.

9.6 Accidents Involving Vehicles

- 9.6.1 In the event of an accident involving a government vehicle, the driver must immediately report the accident to the Police and inform the *Transport Officer*.
- 9.6.2 Details of the accident shall not be given to anyone other than the Police or *Transport Officer*.
- 9.6.3 If permitted by the Police, the driver shall drive the vehicle to the official garage.
- 9.6.4 Within 24 hours after the accident, the driver shall prepare an accident report.

The report must outline the following information:

- i. time and date of accident;
- ii. driver's name and vehicle registration number;
- iii. extent of damage and physical injuries suffered;
- iv. description of how accident occurred;
- v. details of other vehicle involved (as in i-iv above);
- vi. names and contact addresses of witnesses;
- vii. any other relevant information.

9.6.5 The accident report shall be submitted to the *Transport Officer*. The *Transport Officer* shall scrutinize the report, interview the driver and contact the other driver or witness if necessary, before recommending a course of action.

9.6.6 A copy of the accident report shall be submitted to the *PSTA* who after endorsement shall instruct the *Transport Officer* to forward copies to the Ministry of Economy and the Solicitor General.

Penalties/Surcharging

9.6.7 A driver involved in an accident may be surcharged if the surcharging authority believes the driver was at fault.

9.6.8 The accident report, Police report (if available), Solicitor General's advice and the *Transport Officer* recommendations will all be taken into consideration by the Surcharging Unit at the Ministry of Economy before any surcharge is imposed.

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

9.7 Vehicle Quarterly Reports

9.7.1 The *Transport Officer* shall prepare a quarterly vehicle report on all MTA vehicles. The vehicle report must be prepared no later than 7 days after the end of the quarter.

9.7.2 The vehicle report shall provide the following information:

- i. vehicle registration and model;
- ii. location of vehicle;
- iii. age of vehicle;
- iv. mileage at the beginning and end of the quarter;
- v. road worthiness certificate number and date;
- vi. accident dates and cost of repairs;
- vii. fuel and general maintenance costs;

- viii. any recommendations to improve cost-effectiveness.
- 9.7.3 The *Transport Officer* must sign and date the vehicle report before forwarding it to the *MHR* for inclusion into the quarterly management report.
- 9.7.4 A copy of the report shall be forwarded to the Ministry of Economy no later than the 15th of the month following the end of the quarter.

PART 10: LIABILITIES

Liabilities represent the amounts the MTA 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:

- Senior Accounts Officer;
- Senior Administrative Officer(Corporate Services);
- Ledger Clerk.

10.1 Accounts Payable

10.1.1 When invoices or claims for payments are received, the *Ledger Clerk* shall record details in an accounts payable ledger. The accounts payable ledger shall record all claims for payment and procurement invoices.

10.1.2 The Accounts Payables Ledger shall have the following details:

- i. the date and invoice/claim reference number;
- ii. name of supplier or claimant;
- iii. the amount payable;
- iv. date amount paid;
- v. the payment voucher number and cheque details;

10.1.3 At the end of each month, the *Ledger Clerk* shall review the accounts payable ledger to ensure that all invoices and claims do not become overdue.

10.1.4 A list of all invoices and other claims overdue for payment shall be prepared by the *Ledger Clerk* and included in a report to the *SAO*. The report shall also set out reasons why the payments are overdue.

10.1.5 *SAO* to instruct *Ledger Clerk* to implement relevant procedures to clear overdue payments.

10.2 Employees Entitlements

Leave Compensation

10.2.1 Annual Leave will only be compensated upon the approval of the Permanent Secretary for iTaukei Affairs.

10.2.2 *MHR* shall submit a copy of the approval letter from *PSTA* to *SAO*.

10.2.3 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. A separate register shall be kept for annual leave for each employee. The register and the leave file shall record:

- i. dates and number of leave days taken;
- ii. the date leave becomes due;
- iii. balance of accumulated leave.
- iv. Leave Year Period
- v. Annual leave entitlement
- vi. Sick leave entitlement
- vii. Bereavement leave entitlement
- viii. Maternity leave (where applicable)
- ix. Duty Leave (Sports – National Representation, Military);
- x. Leave Without Pay;
- xi. Study Leave (with/without pay);
- xii. Secondment ;
- xiii. Dates and number of leave days taken;
- xiv. Balance of accumulated leave.

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

10.3 Leases

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

10.3.2 The analysis must consider the:

- i. cost implications of entering into such an arrangements;
- i. the benefits that may be derived from the lease;
- ii. the risks involved;
- iii. feasibility of applying other financing options.

10.3.3 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 subject to *PSTA's* clearance.

10.3.4 All lease documents and records shall be properly kept.

10.4 **Contingent Liabilities**

10.4.1 The *SAO* shall maintain a register of contingent liabilities in accordance with FI (56).

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

PART 11: 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:

- Permanent Secretary for iTaukei Affairs;
- Deputy Secretary for iTaukei Affairs;
- Director Corporate Services;
- Senior Accounts Officer;
- Senior Administrative Officer (Corporate Services);
- the Head of Section (Chairman, iTaukei Lands and Fisheries Commission, Director Development Services, Director iTaukei Institute of Language and Culture); and
- Administrative Officer (Asset Management Unit).

11.1 Incurring Losses

Loss Reports

- 11.1.1 Officers responsible for managing assets, inventory, revenue collection or cash shall prepare a loss report whenever a loss is incurred.
- 11.1.2 The loss report shall outline the nature of the loss, circumstances leading to it and recovery measures taken.
- 11.1.3 Any loss arising from theft or fraud shall be reported immediately to the *PSTA* and Police. A copy of the report should also be provided to the Public Service Commission, Ministry of Economy and Office of the Auditor General.
- 11.1.4 The *DCS* 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.
- 11.1.5 *DCS/MHR / AO(AMU)* shall write to all officers linked to the loss to explain their role in the surrounding circumstances to the loss incurred giving them 14 days notice to respond. Further disciplinary action to be considered thereafter.

Recording Losses in a Loss Register

- 11.1.6 A copy of the loss report must be submitted to the *AO (AMU)* who shall record details of each loss in the Losses Register.
- 11.1.7 Where any loss recorded in the register is recovered or written-off, the *AO (AMU)* shall update the register accordingly. The *AO (AMU)* shall regularly follow up losses and recovery action with the relevant officers who shall supply copies of relevant documents.

Annual Losses Report

- 11.1.8 An annual losses statement shall be prepared by the *AO (AMU)* for inclusion in the MTA's annual financial statements.
- 11.1.9 The losses statement shall provide information on losses written-off during the financial year and the status of recoveries of losses.

11.2 Recovery Measures

- 11.2.1 Subject to *PSTA's/ MOE* approval, each Head of Section of the area that has incurred a loss, *DCS* and *SAO* shall ensure that the following actions are taken where applicable, to recover losses:
- i. issue of reminder notices;
 - ii. legal action initiated by the Solicitor General's Office;
 - iii. repossessing items where applicable;
 - iv. investigations and recovery by the Police;
 - v. salary deductions for government officials;
 - vi. surcharging officers responsible for the loss.

Legal Action

- 11.2.2 The *PSTA* shall approve any legal action to recover a loss after advice from Ministry of Economy and Solicitor General. 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

- 11.2.3 Where losses arise from overpayments to government officers or advance repayments, the *SAO* shall, with the approval of the *PSTA* effect recovery through direct salary deduction. *MHR* shall write to these officers concerned informing them of the overpayment and the rate of deduction from their salary before the deduction is carried out.
- 11.2.4 Where an officer is surcharged, the surcharge amount may be recovered through direct salary deductions.

Surcharging Officers Responsible for the Loss

- 11.2.5 The *PSTA* 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.
- 11.2.6 Surcharging shall be carried out in accordance with Part 11 of the FI.

Writing off losses

- 11.2.7 Writing off losses shall be considered after all practical and cost-effective recovery measures have been undertaken.
- 11.2.8 Where avenues of recovery have been exhausted, the *SAO* shall seek *PSTA* approval to write off losses, in accordance with the following authority:

Authority	Abandonment of Claim (up to)	Loss of Livestock (up to)	Loss of Assets (up to)	Loss of Money (up to)
<i>PSTA</i>	\$1000	\$1000	\$500	\$500
<i>DSTA</i>	\$500	\$500	\$300	\$100
<i>DCS</i>	\$300	\$300	\$200	NIL
<i>SAO</i>	\$100	\$100	\$100	NIL

- 11.2.9 Any write-offs above these limits but less than \$50,000 must be submitted through the *PSTA* to Permanent Secretary for Economy for approval.
- 11.2.10 Write-offs losses in excess of \$50,000 must be referred to the Minister of Economy.
- 11.2.11 The application for write-offs must include the following information:
- nature of loss and recovery measures undertaken;
 - date of loss and loss amount;
 - existence of budgetary funds where applicable for write-offs
- 11.2.12 All write-off applications approved or otherwise, must be properly filed by the *AO (AMU)*.
- 11.2.13 Once write-off approval has been obtained, the *AO (AMU)* shall ensure that the losses register is updated and that, where required, losses are cleared from respective accounts.

PART 12: TRUST ACCOUNTS

Trust money is money that the MTA is holding in trust (it does not include creditor payments such as salary deductions or money that is held in a separate “trust fund” which is not a true trust. As stipulated in the Act and Finance Instructions, trust money is to be kept in a separate bank account and accounted for separately from “public money” and “other money”).

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

- Permanent Secretary for iTaukei Affairs;
- Senior Accounts Officer;
- Accounts Officer;
- Assistant Accounts Officer.

12.1 Operating a Trust Account

12.1.1. Where the MTA becomes responsible for managing trust money, an application shall be made to the Chief Accountant through the *PSTA* seeking approval to open a separate trust bank account and detailing the nature of the trust and of any beneficiaries.

12.1.2. Names, signatures and designations of officers nominated to operate the bank account shall also be submitted with the application.

12.1.3. Relevant procedures in Part 6 of the Manual relating to cheque signatories, cash books, bank reconciliations, and custody of cash on hand also apply to trust accounts.

12.2 Receipt and Payment of Trust Money

Receiving Trust Money

12.2.1. When trust money is received, the *AO* shall issue an official trust receipt to the payer. Details of receipts shall be entered into the trust cashbook.

12.2.2. Procedures in Part 5 of the Manual relating to receiving and banking money shall also be complied with.

Trust Payments

12.2.3. All payments from the trust account shall be adequately supported and made only for the purpose of the trust.

12.2.4. No payment may be made unless it has been properly authorised.

12.2.5. The AO shall be responsible for raising payment vouchers for trust payments.

12.2.6. Payment procedures outlined in Part 2 of the Manual must be complied with.

12.3 **Keeping Proper Trust Records**

12.3.1. The AO shall properly file correspondences, reports, trust agreements and other relevant trust documents. Each trust account shall have its own file.

12.3.2. The AAO shall keep a trust ledger to record movement of trust money. The ledger shall record the following information:

- i. name of trust account;
- ii. date and amount of receipts and payee;
- iii. date, amount paid and payer including reference number;
- iv. balance to date.

12.4 **Trust Reports**

Trust Reconciliation

12.4.1 Within 10 days after the end of each month, the AAO shall prepare a trust reconciliation to reconcile trust account balances to the ledger total and the trust bank account.

12.4.2 Details of balances must be attached to the reconciliation statement.

12.4.3 The AAO shall certify and date the reconciliation statement after ensuring that all balances in the statement are verified to supporting documents.

12.4.4 The AAO must submit the trust reconciliation to the SAO within 15 days of the end of the month.

Annual Trust Receipts & Payments Statement

12.4.5 Each year the AAO shall prepare an annual trust receipts & payments statement within two weeks of the end of the year.

12.4.6 The statement must be certified and dated by the AO. It shall include supporting notes providing details of outstanding balances or adjustments. The AO shall submit the statement to the SAO.

12.4.7 The AO shall make available for the audit the necessary trust documents supporting the transactions and balances of the trust account.

12.4.8 The audited financial statement of trust balances shall be included in the MTA's annual report.

PART 13: LEDGER ACCOUNTS

The *Ledger Clerk* 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:

- Permanent Secretary for iTaukei Affairs;
- Senior Accounts Officer;
- Accounts Officer;
- Assistant Accounts Officer;
- Ledger Clerk.

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 *SAO, AO or AAO* 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 The *SAO, AO or AAO* must check that:

- i. all relevant details are included on the voucher;
- ii. balances are adequately supported;
- iii. 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 *AO or AAO* to record all journal vouchers raised during the year. The register shall provide the following information:

- i. date and voucher number;
- ii. purpose of raising voucher;
- iii. amount on voucher;
- iv. 17 digit 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 *SAO or AO* for filing.

13.2 Posting into the Automated Information System

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

13.2.2 Only *SAO, AO and AAO* shall input transactions into the GL system.

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

13.2.4 The *AAO* 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, Statement of 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 4 days of receiving the monthly general ledger reports from the Ministry of Economy, the *SAO* 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 *SAO*.

13.3.6 The ledger reconciliation statement shall be prepared by *AO* and forwarded to the *SAO* and *PSTA*. The *SAO* must ensure that:

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

13.3.7 The *SAO* shall certify and date of reconciliation. The reconciliation statement shall be forwarded to the Ministry of Economy by 15th of the new month.

Schedule 1: 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:

- revenue collections; and
- payment 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 collected \$1000 in revenue earnings which was receipted and banked. Receipts were forwarded to the accounting officer for posting. A journal voucher was raised and posted in the following manner:

DR	IDC Department E	1000
CR	Revenue Allocation	1000

For receipt of cash, recognition is not at the time it was received but after the Ministry of Economy verifies deposits in the bank statements. Thus the IDC was debited pending clearance from the Ministry of Economy. Once the Ministry of Economy noted a deposit of \$1000 on the bank statement, the following entry was raised and posted into the GL system:

DR	Bank	1000
CR	IDC Department	1000

An advice form was also sent to Department E informing of the credit entry, which was then entered into the department's IDC manual ledger. After the printed General Ledger reports were received, a reconciliation statement was prepared as follows:

IDC Reconciliation for the month ended 31/6/2013

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

Part 14: Reporting

The preparation of management reports allows senior management to analyse the standing of the MTA 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 MTA.

The procedures in this Part assign specific responsibilities to:

- Permanent Secretary for iTaukei Affairs;
- Deputy Secretary for iTaukei Affairs;
- Section Heads (Chairman iTaukei Lands and Fisheries Commission, Director Development Services; Director iTaukei Institute of Language and Culture, Director Corporate Services);
- Senior Accounts Officer.

14.1 Monthly Management Reports

14.1.1 The SAO is responsible for coordinating the preparation of a monthly management report outlining the financial performance of the MTA. The management report shall focus on:

- i. service delivery performance;
- ii. financial performance;
- iii. internal controls.

14.1.2 Within two weeks after end of each month, the SAO shall submit to PSTA a monthly Statement of Expenditure.

14.1.3 The same report is to also be tabled at the *Senior Management Meeting* where SAO shall brief management of the Ministry's financial performance for the month.

14.1.4 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;
- iii. actual expenditure to date and commitments against budget for each output/activity and each SEG.

Service Delivery Performance

- 14.1.5 Within 2 weeks of the end of each month, each *Section Head* shall submit to the DSTA, a service delivery performance report comparing actual levels of service against the targets in their business plan or their part of the corporate plan.
- 14.1.6 Within 2 weeks after end of each quarter, the *PSTA* shall submit to the relevant Minister a report on:
- i) The financial operation of MTA as compared to the budget
 - ii) The process on the implementation of the outputs specified in the MTA Annual Corporate Plan.

Financial Performance Report

- 14.1.7 Within 2 weeks of the end of each month, the *SAO* shall submit to the *PSTA* a financial performance report providing an analysis of the financial and budget position of the MTA.

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

Internal Controls Report

- 14.1.8 The internal control report provides the *PSTA* with assurance that internal controls within the MTA are effective.
- 14.1.9 The *SAO* shall appoint two Accounts officers to conduct monthly reviews of the existing internal controls associated with accounting functions within the MTA.
- 14.1.10 The officers must be independent of the accounting function that is being reviewed.
- 14.1.11 Within 1 week of the end of each month the *SAO* shall submit to the *PSTA* the internal control report.
- 14.1.12 The report shall provide the following information;
- i. whether all reconciliations are up to date;
 - ii. whether financial information required by the Ministry of Economy has been submitted on time;

- iii. whether stock takes of physical assets, inventory and money have been carried out as and when required;
- iv. the status of unresolved audit issues;
- v. Improvements in internal control, such as rotation of duties between staff, those have been implemented or are proposed.

14.2 Annual Reports

14.2.1 The annual report of the MTA shall consist of a consolidation of the information in the monthly performance reports.

The contents of the report are as follows:

Review by PSTA

- i. summary of major issues during the year;
- ii. overview of performance and activities;
- iii. outlook of the future;

MTA Overview

- i. vision, mission and values;
- ii. services;
- iii. organizational structure;

Report on Performance

- i. contribution Strategic Development Plan of MTA;
- ii. Service delivery performance compared with targets;
- iii. Outcome indicators;

Management and Resources

- i. Senior executives and their responsibilities;
- ii. Human resources;
- iii. Infrastructure;

14.2.2 MTA must prepare an annual report for submission to the Minister by 31st May in the following year.

14.2.3 The SAO shall provide the necessary financial statements and reports for inclusion in the annual report.

Annual Financial Statements

14.2.4 MTA must include the following statements in its annual financial statements –

- a) A statement of receipts and expenditure;
- b) An appropriation statement;
- c) A statement of losses;
- d) A trust account statement of receipts and payments (where applicable).

14.2.5 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.

14.2.6 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.

14.2.7 The IDC and Imprest accounts must be cleared and brought to a nil balance by the end of the year.

14.3 Reports to Ministry of Economy

14.3.1 The *SAO* and *PSTA* shall certify all financial reports that must be submitted to the Ministry of Economy. These reports include:

- i. monthly drawings reconciliation statements;
- ii. monthly expenditure & commitment reports;
- iii. inter-departmental clearance reports;
- iv. quarterly vehicle reports;
- v. quarterly overdue debt reports.
- vi. weekly & monthly cash flow forecasts
- vii. quarterly write off reports

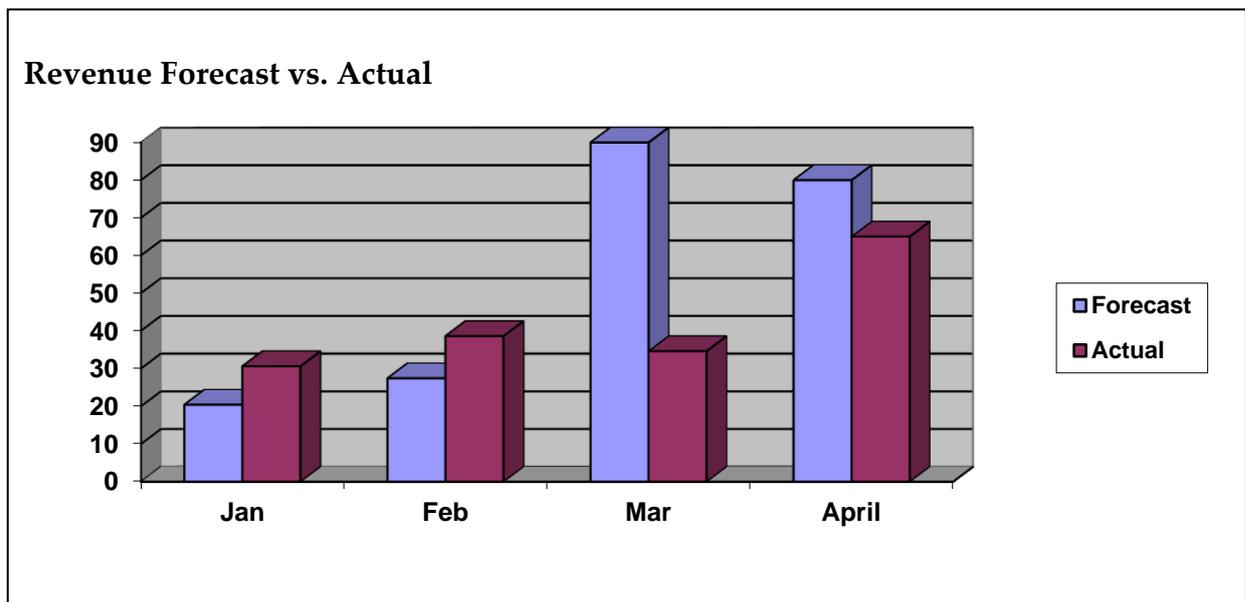
14.3.2 These reports must be submitted to the Ministry of Economy within the timeframe set by MTA.

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 for (\$)	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.					



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.

[Sample]

Control	Implementation	Remarks
Controls That Are Operating Satisfactorily		
Monthly Reconciliation for: <ul style="list-style-type: none"> ▪ Independent check of receipts & banking ▪ Independent certification of payment vouchers 	<ul style="list-style-type: none"> ▪ Up to April ▪ Up to April 	Daily reconciliations have been carried out on a consistent basis.
Monthly Reconciliation for: <ul style="list-style-type: none"> ▪ Bank reconciliation ▪ IDC, CCA, RFA accounts ▪ Petty cash ▪ Commitments 	<ul style="list-style-type: none"> ▪ Up to April ▪ Up to April ▪ Up to April ▪ Up to April 	All monthly reconciliations are prepared on time and are checked and certified by an independent officer.
Monthly Stock takes for: <ul style="list-style-type: none"> ▪ Cash counts & other valuables 	<ul style="list-style-type: none"> ▪ Once this month 	Cash held at all stations have been counted.
Controls That Are Not Operating Satisfactorily		
<ul style="list-style-type: none"> ▪ Annual inventory stock takes 	<ul style="list-style-type: none"> ▪ Not Done 	Stock take has not been carried out this year although it should have been done in March. Will carry out the stock take in June.
Progress on Resolving Audit Issues		
<ul style="list-style-type: none"> ▪ Two officers signed LPOs beyond their limit 	<ul style="list-style-type: none"> ▪ Raised by internal audit last month 	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.

PART 15: MISCELLANEOUS

15.1 Use of Proper Forms

15.1.1 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;
- v. Vehicle usage.

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

15.2 Provision of Refreshments

15.2.1 The following shall be the standardised amounts, subject to availability of funds, to be released for provision of refreshments for official meetings:

- i) members less than 10 shall be given \$50
- ii) members more than 10 and less than 20, shall be given \$70.00
- iii) Members more than 21 shall be given \$90
- iv) Members more than 50 shall be given \$120.00
- v) For the purpose of PS hour; every last Friday of the month (share cost with TAB) - \$150

15.2.2 Meetings which are scheduled to commence after 11.00am or 3.00pm will not be provided with funds for refreshments unless particularly authorised by the *PSTA*.

15.2.3 Provision of Sevusevu

The allocation of \$50 will be provided to cater for the sevusevu of any official engagement upon the approval of the Permanent Secretary; which may be subject to change depending on the increasing of market price

15.3 Accounting Records

15.3.1 The *SAO* is responsible for the safekeeping and proper maintenance of all accounting records or documents.

- 15.3.2 Accounting records may be destroyed after a period of six years provided that these records are not required for audit purposes or have already been audited.
- 15.3.3 The SAO shall prepare a list of all records or documents to be destroyed and forward it to the Ministry of Economy for approval subject to *PSTA*'s clearance. The SAO shall also indicate whether these records have been audited and the year of audit.
- 15.3.4 The Ministry of Economy & FRCA shall consult with the Auditor General before approving the destruction of records.
- 15.3.5 If approved for destruction, the SAO shall destroy such records by the most appropriate method.
- 15.3.6 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.
- 15.3.7 The original certificate shall be submitted to the SAO, the duplicate forwarded to Ministry of Economy. The SAO shall file the certificate together with the approved list of records to be destroyed.
- 15.3.8 If the SAO decides to retain records over six years old, he/she may forward such items to the Archivist for retention or transfer into a more convenient form of record keeping.

PART 16: INTERNAL AUDIT

16.1 Auditing Process

- 16.1.1 The authorization and audit conduct of Internal Audit of the Ministry of Economy are detailed under Section 72 (1) of the Finance Instruction 2010.
- 16.1.2 The appointment of officers to conduct audit to Budget Sector Agency and State Entities are stated under Section 72 (2) & (3) of the Finance Instruction 2010.
- 16.1.3 *PSTA* is required under Section 72 (5) of the Finance Instruction 2010 to provide full, free and unrestricted access to all functions, premises, assets, personal records, accounting records, return and other documentation and information to officers appointed by the Permanent Secretary for Economy.

Permanent Secretaries

The authorization [Constitution of the Republic of Fiji, 2013.]

- 127.—(1) There is established within each ministry the office of a permanent secretary, which is an office in the public service.
- (2) Each ministry is to be under the administration of a permanent secretary, and any department of Government that is not part of any ministry shall be under the administration of the permanent secretary responsible for the Office of the Prime Minister.
- (3) The permanent secretary of a ministry is responsible to the Minister concerned for the efficient, effective and economical management of the ministry or any department under the ministry.
- (4) The Public Service Commission, with the agreement of the Prime Minister, may at any time re-assign one or more permanent secretaries amongst the various ministries of the State.
- (5) A permanent secretary may resign from office by giving written notice to the Public Service Commission.
- (6) A permanent secretary shall be entitled to such remuneration as determined by Public Service Commission following the agreement of the Prime Minister, and any such remuneration must not be varied to their disadvantage, except as part of an overall austerity reduction similarly applicable to all officers of the State.
- (7) The permanent secretary of each ministry shall have the authority to appoint, remove and institute disciplinary action against all staff of the ministry, with the agreement of the Minister responsible for the ministry.
- (8) The permanent secretary of each ministry, with the agreement of the Minister responsible for the ministry, has the authority to determine all matters pertaining to the employment of all staff in the ministry, including—
- (a) the terms and conditions of employment;
 - (b) the qualification requirements for appointment and the process to be followed for appointment, which must be an open, transparent and competitive selection process based on merit;
 - (c) the salaries, benefits and allowances payable, in accordance with the budget as approved by Parliament; and
 - (d) the total establishment or the total number of staff that are required to be appointed, in accordance with the budget as approved by Parliament.