



# **FIJI CORRECTIONS SERVICE**

## AGENCY FINANCE MANUAL 2017 - 2018

## AUTHORITY TO ISSUE FINANCE MANUAL

In accordance with the authority given to me under Section 28(1) (j) of the Financial Management Act 2004 (Act No: 17/2004), I hereby authorize the issuing of the Finance Manual for Fiji Corrections Service.

This Manual is for the entire sections and institutions within the Fiji Corrections Service including the Trading and Manufacturing Unit.

**F.B. KEAN**  
Commander  
Commissioner

July 2017

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## **PART 1: INTRODUCTION**

### **1.1 Legislative Requirement**

Section 28 of the Financial Management Act 2004 outlines the responsibilities as Commissioner of Corrections Service [COMCOR], one of which is to issue a Finance Manual for the Fiji Corrections Service.

This Finance Manual sets out policies and procedures required for the efficient and effective management of the agency and effective operation of internal controls. It has been drafted in accordance with the Financial Management Act 2004, Finance Instructions 2010, Procurement Regulations 2010 and Transport Rules and Instructions. The Manual documents the delegations of authority to the Commissioner of Corrections Service by the Minister for Economy and the Commissioner's sub-delegations to officers for incurring expenditures and writing off losses.

All Correctional and Civilian staff within Fiji Corrections Service 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 or any other changes as per Ministry of Economy Circulars.

### **1.2 Application of Finance Manual**

This Manual has been drafted to suit Fiji Corrections Service own operating and financial environment having regard to the level of associated risks. All Correctional and Civilian staff are required to adhere to the relevant policies and procedures when executing the agency's day to day operations. This is in as far as ensuring that sound internal control is maintained and potential malicious dealings are effectively minimized. Where applicable, reference is also made to Procurement Regulation 2010.

### 1.3 Responsible Officers

The *Senior Accounts Officer* as Accounting Head has overall responsibility for ensuring that the accounting related controls identified herein operate effectively across the agency. However, individual line managers and operational staff are accountable for the operation of the controls within their own areas of responsibility.

All Fiji Corrections Service staff are encouraged to suggest changes to the Manual where a more efficient or effective procedure is warranted.

In this Manual, the use of the following interpretations allows the Officers to be accountable and transparent in its implementation:

|                         |  |
|-------------------------|--|
| COMCOR                  | Commissioner of Corrections                      |
| DCOMCXOR                | Deputy Commissioner of Corrections               |
| ACCO                    | Assistant Commissioner of Corrections Operations |
| ACCS                    | Assistant Commissioner Corporate Service         |
| SAO                     | Senior Accounts Officer                          |
| AO                      | Accounts Officer                                 |
| CLO                     | Chief Logistic Officer                           |
| SHQ ,SCED,SSD,SWD & SND | Divisional Supervisor of Corrections             |
| OC`s                    | Officer in Charge of Corrections Institutions    |
| STMA                    | Supervisor Trust Manufacturing Account           |
| OC TPT                  | Officer in Charge of Transport                   |
| AAO                     | Assistant Accounts Officer                       |

## **PART 2: EXPENDITURE**

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

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

- *Commissioner of Corrections;*
- *Deputy Commissioner of Corrections;*
- *Assistant Commissioner Corporate Service;*
- *Officers with procurement authority listed in part 2.2.1;*
- *Senior Accounts Officer;*
- *Accounts Officer;*
- *Supervisor TMA;*
- *Chief Logistic Officer;*
- *Divisional Supervisor of Corrections*
- *Receiving officers;*
  - *Quartermaster*
  - *Procurement Officer*
  - *Ration clerk*
  - *Storeman*
  - *Enterprise clerk*
- *Assistant Accounts Officer;*
- *Ledger Clerk;*
- *Accounts Clerk;*
- *Cashier.*
- *Revenue Collector.*

### **2.1 Authority to Incur Expenditure**

2.1.1 The authority to incur expenditures is subject to:

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

### **Appropriations**

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



## Virement Warrants

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

2.1.4 The virement form must clearly identify:

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

2.1.5 Once approved, the *Senior Accounts Officer* shall allocate a serial number for the virement. The *Senior Accounts Officer* shall send a copy of each approved virement form to the Ministry of Economy.

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

2.1.7 The *Senior Accounts Officer* must maintain a Virement Register, which should contain the following information:

- i. the serial number;
- ii. the budgetary allocation to which and from which the transfer of funds is being made;
- iii. the amount transferred and the revised amounts of the budget allocations; and
- iv. the date of approval.

## Requisition to Incur Expenditure

2.1.8 If the requisition officer considers it necessary to incur expenditure against an item that is noted in the Budget Estimates as "Requisition to Incur Expenditure" the **Senior Accounts Officer** shall:

- i. prepare a requisition form and attach all relevant details required in the RIE checklist issued by the Ministry of Economy;
- ii. have the form signed by the *Commissioner of Corrections or Deputy Commissioner & the Assistant Commissioner Corporate Service*; and
- iii. Submit the form to the Ministry of Economy.

2.1.9 Expenditure must not be incurred on an item that is noted as “Requisition to Incur Expenditure” until written approval has been obtained from the Ministry of Economy.

## 2.2 Delegation of Procurement Authorities

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

|  |   |
|--|---|
| <b>Commissioner of Corrections Service</b> | <b>\$50,000.00 &amp; all indents up to FJD\$50,000.00</b> |
|--|---|

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

2.2.3 Any Procurement officer who authorises expenditure exceeding his/her procurement limits, including by splitting purchase orders, shall be liable for surcharge to repay the unauthorised amount.

## 2.3 Competitive Procurement

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

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

2.3.3 Verbal quotation for the purchase of goods and service estimated to cost less than \$100 must be received on the following;

- 1. One written quote must be attached.
- 2. Two verbal quotes must be written on request.

## 2.4 Annual Procurement Plan (APP)

2.4.1 The *Assistant Commissioner Corporate Services* must prepare an Annual Procurement Plan after the announcement of the budget and submitted to the Director Fiji Procurement Office through the Commissioner of Corrections.

2.4.2 The APP must be prepared in accordance with Procurement Regulation 26 (1) and any other instruction provided for by a relevant Economy Circular.

## 2.5 Tenders

The Departments Tender Evaluation Committee must adhere to all Economy/FPO Circulars relating to the procedures in Government Tender Board. All members must ensure that they understand the circulars relating to Tender processes.

### Tenders above \$50,000

- 2.5.1 All requests to tender for the procurement of goods, services or works shall be issued by the Director Fiji Procurement Office.
- 2.5.2 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; and
  - vii. Information about how both successful and unsuccessful bidders will be notified.
- 2.5.3 The *Deputy Commissioner* of Correction Services is responsible for submission of procurement proposals via relevant tender method to the Government Tender Board (GTB) through the Commissioner of Correction. Where needed, the *Deputy Commissioner* is also responsible for submitting proposals for emergency purchases.
- 2.5.4 Where any alterations are made to the “invitation to tender”, such information must be published in the same manner that the tender was advertised.
- 2.5.5 Open tendering shall be the preferred tender method used unless the nature of the tender justifies that Corrections use any of the procurement methods provided under Procurement Regulations 31 – (1). The method of tender proposed must consider the broad achievement of Fiji Corrections outputs.
- 2.5.6 Whilst considering the relevant procurement methods to use, the Deputy Commissioner is to consult all relevant instructions under the Procurement Regulations 2010 and the Procurement Guidelines issued by the Ministry of Economy. Where necessary, the advice of the Director FPO must be sought prior to considering any procurement method.

2.5.7 Approval for emergency purchases must be sought from the Minister for Economy through the Commissioner of Correction.. Such purchases are only limited to circumstances specified under Procurement Regulation 32-(1).

## 2.6 Opening of Tender

2.6.1 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.

2.6.2 All bids received must be officially stamped, initialled and recorded in the Tender Register maintained by the Tender Board Secretary and verified by the board member present at the meeting.

2.6.3 In cases where the tender requires a tender deposit, the Tender Board Secretary shall issue receipts for the amounts received to the bidders.

## 2.7 Consideration and Evaluation of Tenders

2.7.1 The Tender Evaluation Committee appointed shall be responsible for evaluating bids received. An evaluation committee should comprise of representatives from the following Ministries/Departments:

- i. Host Ministry/Department to provide Chair and Secretarial services for the Evaluation Committee;
- ii. Ministry of Industry and Trade;
- iii. The Accounting Head;
- iv. Fiji Procurement Office; and
- v. 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.

2.7.2 The *Deputy Commissioner* of Corrections Service shall chair the Tender Evaluation Committee. The procurement officer from the Fiji Corrections Service Logistics Unit is to provide Secretarial support. The *Deputy Commissioner* must ensure that tenders are evaluated in a transparent and fair manner using the evaluation criteria specified in the "Request to tender".

2.7.3 Bids that do not comply with the mandatory specifications or conditions in the "Request to tender" shall be considered invalid.

- 2.7.4 If a bid is unclear in certain areas, the Tender Evaluation Committee Secretary may direct the Tender Board Secretary to seek clarifications in writing. However, no alterations shall be made to any tender documents.
- 2.7.5 Upon completion of the evaluations, the Secretary of the Tender Evaluation Committee shall prepare a report including:
- i. a list of all the tenders received;
  - ii. the evaluation of each tender against each evaluation criterion;
  - iii. the ranking of tenders based on the evaluation criteria – whether on an individual or consensus basis; and
  - iv. The approved or recommended tender.
- 2.7.6 The report must be signed and dated by each member of the Evaluation Committee and forward report to the Tender Board Secretary.
- 2.7.7 The Tender Board appointed under Procurement Regulation 9-(1) shall be responsible for approving the Supplier/Contractor based on the recommendations of the Evaluation Committee.
- 2.7.8 Once a tender has been approved, the Tender Board Secretary must inform all unsuccessful bidders in writing of the outcome of their bid and the name of the successful bidder.
- 2.7.9 The Tender Board Secretary shall publish the name of the successful bidder in the Government Gazette.
- 2.7.10 A written contract or agreement must be entered into with the approved bidder for the supply of the goods, services or works tendered. Legal advice must be sought on the draft contract or agreement from the solicitor General's Office.

## **2.8 Local Procurement**

- 2.8.1 A local purchase order shall be issued when procuring any goods, services or works from an organisation within Fiji, unless a contract or agreement has been entered into.

### **Process of LPO**

- 2.8.2 The following process must be followed when processing LPOs:
- i. Request are received from Sections/Units accompanied with 3 Quotations and recommendations from Head of Sections;
  - ii. The **Chief Logistics Officer (CLO)** must ensure that the authority to issue forms (requisition forms) are duly completed and signed by the authorising officer prior to forwarding the requisition to Senior Accounts Officer;

- iii. Funds availability is confirmed from the Commitment Ledger with FMIS GL874 module by the **AAO / AO & SAO**. The **AAO/AO & SAO** must sign the form to confirm the funds are available;
- iv. The **Clerical Officer (PO)** must ensure that the form is duly completed, before generating the SGPO and is routed to the delegated procurement authority, as in 2.2.1 above, to release the SGPO online;
- v. The Clerical Officer (PO) then release the SGPO to enable printing and signing of the PO by the authorising approver;
- vi. The **Clerical Officer (PO)** will release the signed PO to the requesting Unit/Section or direct to the supplier;
- vii. Once the requesting Unit/Section confirms and satisfied with goods and service fully received, the PO Copy is signed and returned with the invoice to the Clerical Officer (PO) for processing of payment.
- viii. The Accounts Officer must ensure that the PO810 is fully received and scheduled to the Accounts Payable module.

2.8.3 The **Senior Accounts Officer** is to ensure that all LPOs issued during year is cleared as stipulated through closing of Accounts Circular issued by Ministry of Economy.

#### **Manual LPOs**

2.8.4 There shall be no manual LPO issued subject to approval from Director FMIS.

2.8.5 Manual LPOs can only be issued subject to the prior approval of the Ministry of Economy and under the following circumstances:

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

#### **Online LPOs**

2.8.6 Fiji Corrections Service shall issue Purchase orders that are automatically generated via the PO Module of the FMIS.

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

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

2.8.8 The **Clerical Officer (PO)** raising the SGPO in FMIS shall follow the Purchasing Module instructions and user Manual.

2.8.9 The **Clerical Officer (PO)** raising the SGPO, after obtaining approval from the

delegated authority in clause 2.2.1 or the Tender Board shall then print duplicate copies of the order and register the PO numbers in the PO Register before releasing the PO to the requesting section.

2.8.10 The Senior *Accounts Officer* must provide a report of all open POs to the respective Heads of Sections before submitting to Commissioner of Corrections.

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

2.8.11 Upon receipt of the goods, services or works, the *receiving officer* shall verify that Goods and Services are received in good order and that the invoice is in accordance with the LPO.

2.8.12 The *receiving officer* must be an officer other than the officer authorising the LPO.

2.8.13 If the quantity of the goods received is less than the quantity shown in the supplier's invoice or delivery note which must be checked on receipt, the **receiving officer** shall furnish a report to the *accounts officer/officer in charge* of the penal institutions who shall arrange a claim against the supplier or carrier.

2.8.14 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 *Accounts Officer/Officer in Charge* of Penal Institutions who shall arrange a claim against the supplier or carrier.

2.8.15 All claims on suppliers or carriers should be made within three days of the goods being received.

2.8.16 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.

### **2.9 International Procurement (Indent)**

2.9.1 Indent forms shall be obtained from the Government Printer.

2.9.2 All indent requests received from Divisions / Sections must accompany relevant documents to Commissioner of Corrections for endorsement.

2.9.3 Upon Commissioner's approval a GP Form 52 should be completely filled and endorsed by the relevant requisition officer for Commissioner's approval.

2.9.4 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.

2.9.5 Section 14 (8) of the FI gives the authority to the Chief Accountant (Treasury) to

approve advance payment in circumstances where it is necessary for goods received through shipment from overseas, and for contractual agreement if stated as such.

- 2.9.6 The Senior Accounts Officer must ensure that Form S is received from FPO to journalise the overseas purchase to the respective allocations.

#### **Process for Preparation of Indents**

- 2.9.7 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.
- 2.9.8 Where the goods being ordered are of a non-specialised nature, no particular firm needs to be named as the supplier.
- 2.9.9 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.
- 2.9.10 An indent must be signed by the Indent officer responsible for ordering and the Chief Logistics Officer before it is forwarded to Commissioner of Corrections for endorsement.
- 2.9.11 The Indent Officer must ensure that all particulars of the indent have been completed before authorising its issue.
- 2.9.12 The original and three copies of the indent form are to be forwarded to the Director of Procurement Office and the fifth copy retained.
- 2.9.13 The indent jacket shall be used to file the fifth copy of the indent and other relevant materials.
- 2.9.14 The *Senior Accounts Officer* must maintain an indent register to record:
- i. the date the indent was prepared;
  - ii. the indent number;
  - iii. the authorising officer;
  - iv. a brief description of the items being procured; and
  - v. the country that will supply the indented goods or services.



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

- 2.9.15 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.
- 2.9.16 Once goods are received, the *Chief Logistic officer* shall verify whether the goods are in accordance with the bill of lading or are damaged or defective in any way.
- 2.9.17 For goods received on behalf of other agencies, the *Chief Logistic 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.
- 2.9.18 If the quantity of goods received is less than the quantity shown on the bill of lading, the *Chief Logistic Officer* shall arrange a claim against the carrier or supplier.
- 2.9.19 Where goods or packages containing goods have apparently been damaged or tampered with prior to delivery, the *Chief Logistic Officer* shall arrange a claim against the supplier or carrier.
- 2.9.20 All claims on suppliers or carriers must be made within three days of the goods being received.
- 2.9.21 For goods or services subject to contracts or agreements, the *Chief Logistic Officer* shall verify that claims for payments are in order and delivered in accordance with the contract or agreement.

### **2.10 Recording of Commitments**

- 2.10.1 The *Senior Accounts Officer* must maintain a Commitment Ledger in which he/she shall record all known commitments as required under Finance Instruction 13.
- 2.10.2 The Commitment Ledger must have the following details:
- i. the LPO or indent number;
  - ii. the date the commitment was incurred;
  - iii. the amount committed;
  - iv. the balance available;
  - v. the invoice number (where applicable);
  - vi. the voucher number; and
  - vii. the cheque number.

- 2.10.3 The *Senior Accounts Officer* must ensure that the Commitment Ledger is entered up to date.
- 2.11 Payments**
- 2.11.1 All official payments are to be made by cheque, through electronic fund transfer, fuel card except where payable from petty cash.
- 2.11.2 All payments must be processed through payment vouchers prepared by the *Clerical Officer - Payments*. Separate vouchers are to be used for separate payees and for the payment of different services.
- 2.11.3 The *Clerical Officer - Payments* preparing a payment voucher must ensure that information required under Finance Instruction 14-(1) has been included on the payment voucher or attached to it, before passing it to the *Accounts Officer* or *Assistant Accounts Officer* for certification.
- 2.11.4 The *Senior Accounts Officer, Accounts Officer, Assistant Accounts Officer* must not certify a payment as correct unless they are satisfied that:
- i. it is in accordance with an LPO, indent, contract, invoice or other authorisation;
  - ii. there is documentation that the goods, services or works have been received;
  - iii. sufficient uncommitted funds are available for payment of the account;
  - iv. the account is not fraudulent and has not been previously paid; and
  - v. the expenditure account it is charged to is correct.
- 2.11.5 The *Senior Accounts Officer, Accounts Officer or Assistant Accounts Officer* must initial any alteration to a payment voucher.
- 2.11.6 If a payment voucher is lost before payment, approval must be obtained from the *Senior Accounts Officer, Accounts Officer or Assistant Accounts Officer* before a replacement voucher can be issued.
- 2.11.7 The *Senior Accounts Officer, Accounts Officer or Assistant Accounts Officer* must check and sign the cash requirement report for all the vouchers or invoice to be paid before the *Accounts Clerk* does the selection of payments.
- 2.11.8 The *Senior Accounts Officer, Accounts Officer or Assistant Accounts Officer* and *counter signing officer* must check the information on the Payment Register report against each cheque leaf before signing the cheques.
- 2.11.9 Immediately after payment has been effected, the *Cashier* must stamp **“PAID”** on all vouchers and supporting documentation to avoid any double payments.

- 2.11.10 The *Senior Accounts Officer* shall supervise details of all cheques drawn into a Payment Cashbook before they are issued. The Payment Cashbook shall contain details of the payee, payment date, voucher number, ledger account, cheque details and the amount paid.
- 2.11.11 The *Senior Accounts officer* must prior to the end of each working day schedule a Disbursement report and print out a copy in the spool folder for filing. Proper scheduling procedures for GL350 must then be carried out accordingly but not after all journals have been verified as correct.
- 2.11.12 The *Senior Accounts Officer* must check every morning that all transactions from the previous day are updated in GL.
- 2.12 Electronic Fund Transfer Payment.**
- 2.12.1 The *Senior Accounts Officer* is responsible to maintain Electronic Fund Transfer Vendor Maintenance in the Accounts Payable Module.
- 2.12.2 The *Senior Accounts Officer* must ensure that EFT payment vouchers are prepared as per 2.10.3 to 2.10.6.
- 2.12.3 The *Clerical Officer – Cashier* will be responsible for running EFT payments via Accounts Payment module as per FMIS EFT Guidelines and Procedures. All Payment vouchers should be received by *Senior Accounts Officer* before 11.00am for the morning run so the payment file will reach the banks at 12.30pm and the 2<sup>nd</sup> run will be at 3.00pm unless urgent.
- 2.11.4 The *Senior Accounts Officer* is to ensure that the Cash Requirements Report is printed and Account Numbers are verified and matched correctly against each vendor.
- 2.12.5 The *Senior Accounts officer* must zip folders containing the payment transfer information and e-mail details to the respective bank with a “Password”. This password will be used by a bank employee to access the payment transfer file. Signed copies of the “Payment Summary Form” and ‘Registration Form’ must also be sent to the bank.
- 2.12.6 The *Senior Accounts Officer* must ensure that AP file send to the bank should be loaded to GL.
- 2.12.7 The *Clerical Officer - Payments* is responsible for sending payment remittance advices to respective vendors once *Senior Accounts Officer or Accounts Officer & Assistant Accounts Officer* confirms bank deposits from Bank.

### Maintaining an Expenditure Ledger

2.12.8 The *Senior Accounts Officer* and *Ledger Clerk* shall enter details on payment vouchers in expenditure Ledger. The ledger shall record:

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

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

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

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

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

2.12.12 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.

### **2.13 Encumbrance**

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

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

### Extracting and Clearing of Encumbrance balances

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

2.13.2 Details of each outstanding balances can be obtained by a running of GL876 Inquiry on each individual balances.

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

- i. Allocation number;
- ii. Amount;
- iii. Source ID;
- iv. Voucher/PO status; and
- v. Invoice Date.

2.13.4 Where details for a particular balance cannot be obtained, the *Senior Accounts Officer* must still go ahead with the submission of the allocations number and amounts. Reasons as to why relevant details cannot be obtained shall be explained in the prescribed report to FMIS unit.

2.13.5 When submitting encumbrance reports to Ministry of Economy, the *Senior Accounts Officer*, *Accounts Officer* or *Assistant Accounts Officer* shall keep in mind that FMIS unit will only clear vouchers or POs that has the following status:

- i. Paid disburse;
- ii. Paid disburse match;
- iii. Deleted;
- iv. Cancel; and
- v. Close complete.

2.13.6 Any vouchers or PO status other than those mentioned above has to be cleared accordingly by the *Senior Accounts Officer* or *Accounts Officer* unless the invoice period has been closed.

2.13.7 Detailed FMIS procedures/instructions pertaining to clearance of encumbrance balances shall be complied with. The *Senior Accounts Officer* will be held responsible for any encumbrances and commitments outstanding or pending in their Compost Reports during preparation of closing of accounts.

## PART 3: ADMINISTRATION OF GRANTS

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

Apart from the Fiji Government Grant, Fiji Corrections Service also operates being allocated funding's within it budgetary allocations for Poverty Alleviation Program for discharged Inmates. For this particular assistance, the Fiji Corrections Services is responsible for assessing applications under this scheme.

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

- *Commissioner of Corrections;*
- *Deputy Commissioner;*
- *Assistant Commissioner Corporate Services;*
- *Assistant Commissioner Operations;*
- *Director Rehabilitation*
- *Chief Logistics Officer*
- *Divisional Supervisor of Corrections*
- *Senior Accounts Officer;*
- *Accounts Officer;*
- *Assistant Accounts Officer*
- *Staff Officer (Rehabilitation)*
- *Project Manager.*

### 3.1 Receipt of Grant Assistance

#### Assessing Applications for Grant Assistance

- 3.1.1 Applications for grants should be thoroughly scrutinized by the *SAO/AO* to ensure they contain the required information.
- 3.1.2 The *SAO/AO* must ensure that he/she is familiar with the assessment criteria for applications.
- 3.1.3 After applications have been scrutinized, the *SAO/AO* 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; and
  - iii. type of assistance to be given and payment terms
- 3.1.4 Applications for projects must be facilitated by *SAO/AO/AAO* through a written proposal to the *Permanent Secretary for Economy*.

- 3.1.5 All relevant details should be captured in this written submission and approved by the *Commissioner of Corrections*. Approval for release of funds will only be given if the proposal is in line with the strategic plan of the Government.
- 3.1.6 All grant monies are VAT inclusive hence the *Senior Accounts Officer* must ensure that the agency has adequate funds under SEG 6 and/or 10 to meet this vat component on grants.
- 3.1.7 The recipient agency shall construct a budget breakdown of how funds will be utilised 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.*

- 3.1.8 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.
- 3.1.9 For grants placed under Requisition, the *Senior Accounts Officer and Accounts Officer* 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**

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

- 3.1.13 All applications and grant agreements must be properly filed. A separate record

must be filed for all recipients of grant assistance.

### **3.2 Grant Agreements – Fiji Government Grants**

- 3.2.1 Fiji Corrections do not assume any roles and responsibilities on the assessment and approval of grant applications for Fiji Government grants as the process is handled directly from Ministry of Economy.
- 3.2.2 Fiji Correction` s roles will however kick in when grant monies is actually paid to grant recipients. Fiji Corrections will also be responsible for the subsequent related processes which entails the monitoring and inspection of grant assistance.

### **3.3 Payment of Grants – Fiji Government Grants.**

- 3.3.1 Officers involved in appraising grants are not authorized to approve grant payments.
- 3.3.2 Before a payment voucher for a grant is certified, the *Senior Accounts Officer* must ensure that it is adequately supported and where appropriate, payment is in accordance with the conditions in the grant agreement.
- 3.3.3 Grant payments to inmates should only be made out in the official name of the inmate.
- 3.3.4 All payments from the grant account shall be adequately supported and made only for the purpose of the grant.
- 3.3.5 No payment may be made unless it has been properly authorized.
- 3.3.6 The *Senior Accounts Officer* shall be responsible for raising payment vouchers for grant payments.
- 3.3.7 Payment procedures outlined in Part 2 of the Manual must be complied with.

### **3.4 Monitoring Grant Assistance – Fiji Government Grants.**

#### **Acquittal Reports from Recipients**

- 3.4.1 Where required under Finance Instruction 16-(8), the recipient shall prepare an acquittal report. The acquittal report shall provide the following information:
  - i. details of grant money expended and unexpended;
  - ii. grant objectives and targets achieved; and
  - iii. financial statement (audited if practicable) for grants of \$20,000 or more.
- 3.4.2 All acquittal reports must be signed by the recipient and where relevant, bear the company seal or stamp of the organization.



3.4.3 The *Senior Accounts Officer* or *Accounts Officer* shall be responsible for monitoring and reconciling SLG 84 accounts as per the requirements under SLG 84 reporting guide. Monthly reconciliations of SLG 84 account shall be in accordance with the format provided in Part 18 of this manual.

3.4.4 All SLG 84 monthly reconciliation shall be submitted to the paying agencies/Budget sections/FMIS unit of the Ministry of Economy (whichever applicable) in the prescribed format.

#### **Inspection of Projects**

3.4.5 For multi-year projects, the *Project Officer* shall inspect project sites at least once a year.

3.4.6 The *Project Officer* shall check that:

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

3.4.7 The *Project Officer* shall prepare an inspection report on each project inspected and submit it to the Deputy Commissioner of Corrections Service.

## PART 4: PAYROLL

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

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

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

- *Commissioner of Corrections;*
- *Deputy Commissioner of Corrections;*
- *Assistant Commissioner of Corrections Corporate Services;*
- *Supervisor Corporate Services (SCS);*
- *Officer in Charge for Correction`s Institutions;*
- *Senior Accounts Officer;*
- *Account Officer;*
- *Assistant Accounts Officer;*
- *Salaries Clerk;*
- *Accounts Clerk;*
- *Cashier;*
- *Wages Employee*

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

### SALARIES

#### 4.1 Appointments

4.1.1 The *Supervisor Corporate Services* shall provide a letter of appointment to all new salary employees. Appointment letter shall be issued following appointment of new employees by the *Commissioner* of Corrections. The letter shall include at a minimum, the following information:

- i. job classification;
- ii. salary scale ,starting salary and gradation scale;
- iii. date of appointment to position and the due date of expiration of contract;
- iv. terms and conditions of contract; and
- v. leave entitlements.

4.1.2 The letter of appointment shall be forwarded to the Accounts Section at Fiji Corrections Service, who will liaise with the Ministry of Economy on the creation and issue of an Electronic Data Processing (EDP) Number for that employee.

4.1.3 This EDP number shall represent the employee's identification number and will remain unchanged throughout his/her employment in the Fiji Correction Services or

the civil service.

4.1.4 Before processing of salaries TIN Number/Joint Card, Bank Details, FNPF Number and Birth Certificate is required.

## **4.2 Processing of Fortnightly Salary Payment**

### **Calculation of Fortnightly Salary**

4.2.1 Salaries shall be paid on a fortnightly basis and computed at 1/26<sup>th</sup> of an employee's annual salary.

4.2.2 Where payment is for a broken period, salary shall be computed at 1/364<sup>th</sup> of the annual salary multiplied by the number of days to be paid.

### **Preparation of Input Forms**

4.2.3 To add employees onto the automated payroll system, an input form (FSO1) shall be prepared by the *Salaries 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; (FSO1)
- ii. for manual payments and reversing of an employee's salary; (FSO2)
- iii. for various allowances and deductions;(FSO3)
- iv. for overtime one-off allowances or arrears of salaries and wages payment;(FSO4)

4.2.5 The *Salaries 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 *Salaries Clerk* and checked and signed by the *Senior Accounts Officer, Accounts Officer* or *Assistant Accounts Officer*.

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

### **Submission of Input Forms**

4.2.8 The *Salaries 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); and
- iii. the value of each batch.

4.2.9 The *Salaries Clerk* shall submit batched forms to the Ministry of Economy for processing within the timeframes specified by the Ministry of Economy pay calendar.

### **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 *Salaries Clerk* must collect the edit report and original input forms from the Ministry of Economy.

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

4.2.13 The *Assistant Accounts Officer and the Accounts officer* 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 *Senior Accounts Officer, Accounts Officer and Assistant Accounts Officer* shall check these corrections before resubmitting them to the Ministry of Economy. An entry shall be made in the Batch Register.

4.2.15 The *Salaries Clerk* must file all processed input forms into the appropriate EDP salary files.

## **4.3 Form of Salary Payment**

### **Direct Deposits**

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

### **Manual Payments**

4.3.2. No manual payment of salary is permitted except upon written approval from the PS Economy.

4.3.3. A manual payment shall be effected through the Fiji Correction Services Drawings Account.

4.3.4. The *Salaries 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 reflected at the end of the year.

4.3.5. The input form must be checked and signed by *the Senior Accounts*

*Officer, Accounts Officer* and *Assistant accounts Officer* before submission to the Ministry of Economy.

#### **4.4 Reconciliation of Salary Payments**

- 4.4.1. The officers authorised to collect payroll reports from the Ministry of Economy shall collect the payroll summary report on a fortnightly basis.
- 4.4.2. The payroll summary report contains salary details of employees such as employee name and EDP number, annual and fortnightly salary, allowances and deductions.
- 4.4.3. The report shall be handed to the *Reconciliation Officer* who is responsible for preparing the salary reconciliation. *(This officer must not be involved in the payment process or the preparation of input forms). For instances that there is no reconciliation clerk, salary reconciliation shall be prepared by the salary clerk and verified by the Assistant Accounts Officer.*
- 4.4.4. The salary reconciliation must reconcile the difference between the previous fortnight payroll report and the current report, and must be prepared prior to each pay date.
- 4.4.5. The salary reconciliation shall be signed by the *Accounts Officer and Assistant Accounts Officer* and forwarded to the *Senior Accounts Officer* with a copy to the Ministry of Economy, within one week from the pay date.

#### **4.5 Accounting for Salary Payments**

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

- 4.5.1. No salaries expenditure shall be debited until an advice (Form S) has been received from the Ministry of Economy advising of the salary charges posted to Fiji Corrections` expenditure allocation.
- 4.5.2. The *Senior Accounts Officer, Accounts Officer and Assistant Accounts Officer* shall clear these charges by posting to the appropriate expenditure accounts.
- 4.5.3. Where charges are for payments to organisations through salary deductions, the relevant creditor account shall be credited. When actual payment is made to the organisation, the credited account shall be debited.

##### **Manual Payments & Deductions Controlled by Fiji Corrections**

- 4.5.4. In the case of manual payments and deductions made by Fiji Corrections Service, the expenditure and creditors accounts may be directly debited or credited respectively.

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

- 4.6.1. Any payment of arrears of salary or allowance in respect of the current financial year

shall be made with the next salary payment.

- 4.6.2. The *Salaries Clerk* shall process such payments after preparing the appropriate input form.
- 4.6.3. 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 (Inland Revenue Service) to determine the tax to be deducted. The *Senior Accounts Officer* shall approve payments for arrears relating to the current year.
- 4.6.4. Once the tax value has been determined, payment shall be made in the normal manner.

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

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

#### **4.8 Salary Reports**

- 4.8.1. The *Salaries Clerk* or any other authorised officer shall collect salary reports from the Ministry of Economy as and when they are required and on the dates set by the Ministry.
- 4.8.2. The reports to be collected include:
- i. pay summary reports;
  - ii. pay run allowance & deduction reports;

- iii. allowance reports;
- iv. status reports; and
- v. salary advice slips.

4.8.3. The *Salaries Clerk* must verify all reports to be collected against a reports list provided by the Ministry of Economy.

#### **4.9 Other Types of Payment**

##### **Re-Engagement / Leave Allowance and Payments for Contracted Employees**

4.9.1. At least one month before gratuity payments are due to be paid to contracted employees, the *Salaries Clerk* must prepare payment vouchers for authorisation by the *Senior Accounts Officer* and submission to the Ministry of Economy.

4.9.2. Any Re-engagement 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.

4.9.3. Once the Ministry of Economy has prepared the Re-engagement Payment, the *Senior Accounts Officer* (who must not also be the officer who prepares input forms) shall collect the cheque, payment voucher. The *Senior Accounts Officer* must ensure that the cheque corresponds to details on the payment voucher.

4.9.4. Apart from the above allowances, all other allowances will be paid referenced to the PSC Circular 20/2013, pending promulgation of the Commissioner Orders.

## WAGES

### 4.10 Appointments

4.10.1. The *Assistant Commissioner Corporate Services* shall provide a letter of appointment for all new wages employees upon Commissioner of Corrections Approval.

4.10.2. The appointment letter shall provide the following minimum information:

- i. date of appointment;
- ii. job title and location;
- iii. duration of employment;
- iv. rate of pay, FNPF number and other relevant personal details of leave condition; and
- vi. terms and conditions of contract.

4.10.3. The employee's FNPF number shall be his/her employment number during the term of employment.

4.10.4. Copies of the appointment letter shall be distributed as follows:

- i. original to the wages section for recording and payment purposes;
- ii. duplicate to the employing section for preparation of timesheets, clock cards, etc.
- iii. triplicate to the personnel section for opening a personal file; and
- iv. quadruplicate to the employee.

### 4.11 Processing of Wages Payment

#### Calculation of Weekly Wages

4.11.1. The *Officer in Charge* of Correction Institutions shall collect employee timecards / attendance register at the end of each pay period and shall prepare timesheets through the transfer and adding of the normal hours and overtime hours worked. For GWEs at NHQ, Supervisor Corporate Services must verify attendance Register and prepare timesheets.

4.11.2. The timesheet must also provide details on any other job the employee may have worked on within the week.



4.11.3. The timecards/attendance Register and timesheets shall be checked for accuracy and signed by the *Officer in charge* of Correction Institutions before transferring to the Accounts Section for processing payment.

4.11.4. Wages shall be paid on a weekly basis and computed by multiplying the hours an employee has worked in a week by the hourly rate of pay.

### **Preparation of Input Forms**

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

4.11.6. Different input forms (specified by the Ministry of Economy) shall be used in each of the following instances:

- i. to create an employee's master-file record and make any subsequent changes to the master-file;
- ii. inputting any manual payments made or reversing an employee's wages;
- iii. for various allowances and deductions; and
- iv. to enter normal hours, overtime hours and one-off allowances and deductions.

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

4.11.8. All input forms must be signed by the *Salaries Clerk* and checked and signed by the *Senior Accounts Officer*.

4.11.9. The *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); and
- iii. the value of each batch.

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

4.11.10. The *Wages Clerk* must submit batched forms to the Ministry of Economy for processing within the timeframes specified by the Ministry of Economy pay calendar.

4.11.11. Where access is granted to Fiji Corrections to enter data directly into the payroll system, the *Wages Clerk* shall then enter details into the system upon verification and approval from *Assistant Accounts Officer*.

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

#### **Reconciling Edit Reports**

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

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

4.11.15. The *Wages Clerk* shall correct any errors by raising new input forms. *The Senior Accounts Officer/Accounts Officer* or *Assistant Accounts Officer* must check the corrections before they are loaded into the payroll system.

4.11.16. The *Wages Clerk* must file all processed input forms into the appropriate wages files.

#### **4.12 Printing of Wages Report**

4.12.1. A wages report shall be printed for each pay period. This report provides information on pay particulars for that pay period.

4.12.2. Payment shall be made once the wages report has been printed.

#### **4.13 Form of Payment**

##### **Preparation of Wages Payment Voucher**

4.13.1. The *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.

4.13.2. Deductions shall be credited to the respective creditor accounts until payment is made to the appropriate organisation.

4.13.3. Applicable commission or service fees shall be credited to the appropriate revenue account.

##### **Cheque/EFT Payment**

4.13.4. Payees paid by cheque must sign a Cheque Payments Schedule upon collection.

4.13.5. The deduction listings and remittance shall be forwarded to the organisation for payment.

4.13.6. Receipts after being collected from appropriate organisation are verified and filed.

#### **Manual Payment**

4.13.7. No manual payment is permitted except upon written approval from the PS Economy.

4.13.8. The *Wages Clerk* shall, after payment has been made, record the payment on the appropriate input form. The input form shall be used to update the payroll records into the automated payroll system to ensure that an employee's true earnings reflected at the end of the year.

4.13.9. The *Senior Accounts Officer* shall check and sign the input form before submission to the Ministry of Economy.

4.13.10. The *Senior Accounts officer* should ensure that there is no manual payment except for cases where instant dismissal, death and resignation where the officers' name had been terminated from the payroll.

4.13.11. The *Supervisor Corporate Services* must ensure that relevant document at 4.13.10 above are submitted to the *Senior Accounts Officer* on time.

#### **Payment by Direct Bank Deposit**

4.13.12. Where employees are paid through their bank accounts, a direct credit schedule shall be printed from the payroll system.

4.13.13. The schedule includes details relating to:

- i. employee's name and FNPF number;
- ii. bank account number; and
- iii. net wages

4.13.14. The *Wages Clerk* shall prepare a cheque for each bank according to the details on the schedule and for any applicable bank transaction fees.

4.13.15. The *Wages Clerk* must deposit the cheques on time at the respective banks to ensure that employees receive their wages on the pay date.

4.13.16. The cheques shall be lodged at the banks together with the direct credit schedule. The duplicate must be stamped and signed by the bank before it is returned to the office and filed by the *Wages Clerk*.

4.13.17. The Ministry of Economy will provide the respective banks with a soft copy of the direct credit schedules and a summarised hard copy showing expected lodgements from Fiji Corrections.

#### **4.14 Accounting of Wages Payments**

4.14.1. At the end of each week, the Accounts Officer shall post wages payments and deductions into the Expenditure Ledger from the wages vouchers.

4.14.2. Journal vouchers may be raised for posting where the number of transactions and allocations are misposted to ensure accurate allocations is charged.

4.14.3. Wages shall be posted to the appropriate expenditure account. All relevant deductions shall be cleared as and when the weekly wages are generated.

#### **4.15 Reversal or Withholding of Wages**

4.15.1. For reversal or withholding of wages, the same procedures shall be followed as outlined under Section 4.7 above.

#### **Wages Reports**

4.15.2. The *Wages Clerk* must print wages reports from the Unestablished Payroll Module every week.

4.15.3. The wages reports to be collected include:

- i. pay summary reports;
- ii. job cost analysis reports;
- iii. payment schedules; and
- iv. status reports.

4.15.4. The *Wages Clerk* must verify the printed reports against a reports list provided by the payroll system.

## PART 5: REVENUE MANAGEMENT

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

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

- *Commissioner of Corrections;*
- *Assistant Commissioner Corporate Service;*
- *Senior Accounts Officer;*
- *Accounts Officer;*
- *Assistant Accounts Officer;*
- *Revenue collectors - the Supervisors' & Officers-In-Charge in the following Institutions, Suva (Korovou; Women and Suva Remand); Naboro (Max; Medium; Minimum; Pre- release); Nasinu; Lautoka and Lautoka Remand; Ba; Labasa; Taveuni; Levuka. – Persons authorised to collect revenue by the Commissioner of Corrections.*
- *Mailing opening officer - Staff Officer Registry;*
- *The safe keeper;*
  - o *cashier*
  - o *officer in charge of correction institutions*
- *Established Clerical officer – Revenue Collectors in correctional institutions / Cashier(NHQ); and*
- *TMA Revenue Clerk.*

### 5.1 Authority to Collect Revenue

- 5.1.1 The *Commissioner* of Corrections shall appoint established staff as *revenue collectors* who shall be responsible for the receipting and recording of state revenue.
- 5.1.2 Where officers are authorised to collect revenue (revenue collectors), the *Senior Accounts Officer* must provide them with a letter of appointment signed by *Commissioner* of Corrections as evidence of authority. The letter of appointment shall include a copy of the procedures in this manual that are applicable to them.
- 5.1.3 One copy of the signed letter should be retained by the *revenue collector* and the other copy filed by the *Senior Accounts Officer* and the other to Chief Accountant , Ministry of Economy.
- 5.1.4 The *Senior Accounts Officer* shall forward a list of all appointed *revenue collectors* and any changes to the list, to the Chief Accountant, Ministry of Economy within one week of the appointment or change.

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

- 5.2.1 All requests for receipt books and other revenue earning forms shall be submitted using the appropriate requisition forms (GP 76).
- 5.2.2 All requests to the Chief Accountant, Ministry of Economy for receipt books should not exceed 3 months requirements.
- 5.2.3 The Revenue Clerk of departments and divisions must prepare a Return List of used and unused receipt books and submitted to SAO on a quarterly basis for consolidated and submission to Ministry of Economy.

### **Requests to Chief Accountant**

- 5.2.3 The *Senior Accounts Officer* is not responsible for collecting money, is responsible for issuing requisitions to the Chief Accountant, Ministry of Finance and for maintaining the stock register. The *Senior Accounts Officer* must sign the requisition form and retain one copy.
- 5.2.4 When the receipt books are received from the 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 *Senior Accounts Officer* and returned to the Chief Accountant. Before signing the receipt, the *Accounts Officer* must physically check that the stock received corresponds to the amount stated on the receipt.
- 5.2.6 The *Senior Accounts Officer* must ensure to conduct physical check on stock received against the number of books stated before signing the receipts.

### **Recording of Receipt Books Received**

- 5.2.7 The *Senior Accounts Officer* or *Accounts Officer* shall immediately enter details of the stock received into the stock register.
- 5.2.8 The stock register shall state:
- i. the date the receipt books are received;
  - ii. the amount of books received;
  - iii. the serial numbers of receipt books received; and
  - iv. the type of receipt books received.
- 5.2.9 The duplicate acknowledgement receipt shall be kept with the stock register.

5.2.10 Under no circumstance should receipt books be transferred to another agency unless the Chief Accountant has approved such transfer. Relevant details of receipt books to be transferred must be provided to the Chief Accountant.

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

5.2.11 The *Senior Accounts Officer* and *Accounts Officer* shall maintain a distribution register recording all receipt books and other revenue earning forms issued to *revenue collectors*.

5.2.12 The distribution register shall record:

- i. serial numbers of receipt books issued to each revenue collector;
- ii. type of receipt books or forms held by each collector;
- iii. date when stock issued to each collector; and
- iv. first and last receipt number issued per day.

5.2.13 Receipt books must be issued in sequential order.

5.2.14 When new stock is issued to *revenue collectors*, the *Senior Accounts Officer* shall enter details of issued stock on the appropriate acknowledgement receipt form.

5.2.15 The original and duplicate receipts are to accompany the issued receipt books. The *Senior Accounts Officer* will retain the triplicate. After checking that all stock has been received, the *revenue collector* will sign the acknowledgement receipts and return the original to the *Senior Accounts Officer*.

5.2.16 The original receipt shall be kept with the distribution register. The *Senior Accounts Officer* must reconcile the distribution register to the stock register at least once a quarter to ensure that sufficient stock is available.

5.2.17 The *revenue collector* must also maintain a stock register. The stock register shall contain a record of:

- i. receipt books and other forms received from the *Senior Accounts Officer*;
- ii. date when stock received;
- iii. serial numbers for issued stock; and
- iv. acknowledgement receipt number.

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

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

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

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

5.2.21 Similarly, the *revenue collector* 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* shall immediately issue an official receipt.

5.3.2 The *revenue collector* 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* shall retain the book copy and attach the duplicate receipt to the cash analysis book.

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

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

5.3.6 Two *Registry Clerks* should be present at all times when official mail is opened.

5.3.7 The *Registry Clerks* must immediately record any cash or other forms of money received, in a cheque register. The register shall contain the following information:

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

5.3.8 Immediately after completing the mail opening, the *Registry Clerks* shall submit the money received and the cheque register to the *revenue collector*.

5.3.9 The *Revenue collector / Cashier* 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 Clerks* who will then despatch the original receipts to each payer.

#### **Revenue Received by Third Parties**

5.3.11 Where revenue is received on behalf of another agency, the *Accounts Officer* shall inform the responsible agency through the appropriate advice form within one week of collection.

5.3.12 After receiving the advice form, the *Senior Accounts Officer* 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 Fiji Corrections must be recorded in a gift register to be maintained by the *Commissioner* of Corrections Senior Secretary.

5.3.14 Details to be recorded in the gift register include:

- i. description of gift and date gift received;
- ii. agency or person gift received from;
- iii. any conditions attached to gift; and
- iv. cost price or fair value where possible.

5.3.15 Where the gift is in the form of property or equipment and meets the criteria for an agency asset, it shall also be included in the asset register.

5.3.16 Where the gift is in the form of money, it shall be paid into the Consolidated Fund as revenue unless gift conditions specify that the money should be held in a trust account and used for a specific purpose.

#### **5.4 Daily Banking**

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

5.4.2 The *banking officers* shall bank money received on a daily basis at least. The lodgement form shall be prepared in triplicate detailing the deposits to be made.

5.4.3 The lodgement forms shall be checked and signed by the *Senior Accounts Officer, Accounts Officer and Assistant Accounts Officer (who must*

*not also be responsible for collecting revenue*). Cash to be deposited shall be counted before the *Senior Accounts Officer, Accounts Officer and Assistant Accounts Officer* signs the lodgement forms.

- 5.4.4 When the *banking officer* lodges the deposit with the bank, the bank will acknowledge receipt of monies by stamping and signing each lodgement form. The bank will retain one copy and return the other two.
- 5.4.5 The *revenue collectors* shall keep one lodgement form attached to the cash analysis book and attach the other form with the copies of receipts and submit it to the *Clerical Officer Revenue HQ*.
- 5.4.6 If it is not practical to bank money daily i.e. If banking facilities are not accessible or money received is less than \$50, money may be kept overnight, but it must be kept under lock and key in a safe or strong box.
- 5.4.7 The *safe keeper*, in the presence of the *revenue collector*, 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 *safe keeper* and *revenue collector* 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 cash/Cheque register in which he/she shall enter on a daily basis the following details:
- i. date of receiving cash or cheques and name of payer;
  - ii. receipt number and amount received; and
  - iii. revenue account code.
- 5.5.2 The *Cashier* must total the cash/cheque register at the end of the day and give it to the **Senior Accounts Officer** for checking. The *Senior Accounts Officer* must sign the cashbook after checking the details in the cashbook against the issued receipts, money on hand and bank lodgement forms.
- 5.5.3 After reconciling details in the cash/cheque register the *Senior Accounts Officer* shall submit the register, duplicate receipts and lodgement forms to the *Cashier* for posting into the General Ledger.

### **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; and

- iii. the amount debited and credited to each account.
- 5.5.5 All journalised adjustments shall be sequentially numbered and dated to avoid double postings.
- 5.5.6 Each journal voucher or input form shall be checked by the *Senior Accounts Officer and Accounts Officer* who must ensure that:
- i. vouchers are adequately supported;
  - ii. dollar values are accurately computed; and
  - iii. the correct account codes have been debited or credited.
- 5.5.7 Where revenue is collected on behalf of other agencies, the *Senior accounts Officers and Accounts Officer* raising the journal vouchers for posting shall also prepare an advice form informing the other agency of the collections received on their behalf.
- 5.5.8 The advice form will outline:
- i. receipt numbers, date of receipt and amounts collected;
  - ii. type of revenue that was collected
- 5.5.9 The advice form together with the journal vouchers should be verified and signed by *the Senior Accounts Officer ,Accounts Officer and Assistant Accounts Officer*. Immediately after signing the advice form, the *Senior Accounts Officer ,Accounts Officer and Assistant Accounts Officer* must forward it to the agency concerned.

### **Monthly Revenue Reports**

- 5.5.10 At the end of each month, the *Senior Accounts Officer* shall prepare a Statement of Revenue comparing the types of revenue collected during the month against the forecasted revenue. Explanations for variances between the actual and forecasted revenue must be obtained from the officers responsible for revenue collection.
- 5.5.11 The Revenue Statement shall be included as part of the monthly management report as specified in Part 18 of the Manual.
- 5.5.12 Within five (5) working days of the Ministry of Economy issuing the monthly General Ledger Reports, the *Senior Accounts Officer and Accounts Officer* shall reconcile the revenue figures in the report to the Revenue Statement.
- 5.5.13 Similarly, the Inter-Departmental Clearance Account balances must be reconciled.
- 5.5.14 Where errors or discrepancies occur, the *Senior Accounts Officer* shall inform the Chief Accountant in writing within 7 days of receiving the GL reports.

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

## 5.6 Monitoring Revenue Collection

5.6.1 The *Senior Accounts Officer* shall maintain a revenue collectors' chart to monitor the regularity of revenue lodged by the *Revenue collectors/ Cashier*.

5.6.2 The chart will outline the following information:

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

5.6.3 The chart mentioned in 5.6.2 shall be used to ascertain those *revenue collectors* who make irregular lodgements or have neglected to do so. The *Senior Accounts Officer* shall follow up with such officers and take steps to ensure immediate payments are received and that subsequent delays do not occur.

## 5.7 Refunding Revenue

5.7.1 If a situation arises where revenue needs to be refunded, the *Revenue collectors* shall immediately notify the *Senior Accounts Officer* in writing and must be endorsed by Commissioner of Corrections. Details to be included are as follows:

- i. amount of revenue to be refunded;
- ii. circumstances necessitating the refund;
- iii. receipt number, date, payer and revenue allocation code charged; and
- iv. date of lodgement.

5.7.2 All relevant documents such as the original receipt and a copy of the lodgement form should be forwarded to the *Senior Accounts Officer*.

5.7.3 The *Senior Accounts Officer* may direct the *Clerical Officer Payment* to raise a payment voucher for refund of revenue outlining the details as in 5.7.1. If the amount has not yet been banked, the *Senior Accounts Officer* may approve instead that the receipt be cancelled and the amount refunded from collections. The original and duplicate receipts shall be marked ,cancelled` and filed in order in the receipt book.

5.7.4 Where refunds are for the current year, the *Senior Accounts Officer* shall be the authorising officer. Where refunds are for the preceding year, the Chief

Accountant shall be the authorising officer. A copy of the refund voucher must be forwarded 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 *Senior Accounts Officer* properly sealed.
- 5.8.2 A list of such items shall be prepared and certified in duplicate by the *Revenue collector*. The *Revenue collector* shall forward the original list together with the obsolete or surplus stock to the *Senior Accounts Officer* and retain the duplicate list.
- 5.8.3 The *Senior Accounts Officer* must forward the list and surplus stock to the Chief Accountant, Ministry of Economy together with a written statement stating that Fiji Corrections no longer requires the stock.
- 5.8.4 Where returned stock is obsolete, it may be destroyed at the *Senior Accounts Officer* discretion.

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

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

## **5.9 State Revenue**

- 5.9.1 When applying for new revenue items, the *Commissioner of Corrections* must first seek Ministry of Economy approval.
- 5.9.2 The *Commissioner of Corrections* should provide all the details required under

Section 25-(2) of the Finance Instructions to the Ministry of Economy, when seeking approval for new revenue items.

5.9.3 The Ministry of Economy will provide advice after evaluation and Fiji Corrections must process mandatory endorsement as required under Section 25-(3) & (4) of the Finance Instructions.

5.9.4 The *Commissioner of Corrections* shall take action to increase charges each year by the rate of inflation and revise charges for goods and services must be processed under Section 25-(5) & (6).

### **Schedule 1: Journalising Revenue Transactions**

The following are examples of how revenue may be accounted.

#### **Situation 1: Accounting for Revenue Received**

Department Posting Entries

DR CFA SAG 52 Allocation  
CR Appropriate Revenue Allocation  
(Accounting for revenue received)

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

Treasuries Entries

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

Other Department Entries

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

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

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

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

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

Situation 5: Refund of Revenue Received in Previous Years

DR    Miscellaneous Refund Expenditure

      CR    Drawing

(To clear refund of revenue controlled by Treasury)

## PART 6: TRADING & MANUFACTURING ACCOUNTS

Trading and manufacturing activities (TMAs) are operated on a semi-commercial basis to increase the returns that are realized from them and to provide goods, services or works more cost-effectively.

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

- *Commissioner of Corrections;*
- *Deputy Commissioner of Corrections;*
- *Assistant Commissioner Corporate Service*
- *Senior Accounts Officer,*
- *Supervisor TMA;*
- *Marketing Manager;*
- *Staff officer TMA;*
- *Accounts Officer;*
- *Assistant Accounts Officer;*
- *TMA Accounts Clerk;*
- *SBU Accounts Clerk*

### 6.1 Preparing the Business Plan

6.1.1 Before the end of February each year, the *Supervisor TMA and Senior Accounts Officer* shall prepare and submit to Ministry of Economy a draft business plan documenting the following details as per FI 2010 Section 29;

- i. An analysis of the market it operates in;
- ii. The profit target for the year and the next two years;
- iii. Strategies for achieving the profit target;
- iv. The risk relating to the activities;
- v. Any social obligation required by the Government which impacts on Profitability and;
- vi. The projected profit and loss statement for the year in question and the following two years.

6.1.2. The *Supervisor TMA* shall prepare an Annual Business Plan, to be part of the Annual Corporate Plan.

6.1.3 The *Supervisor TMA* shall make a presentation of the draft business plan to the *Commissioner* of Corrections and *Senior Management* in the first week of November.



- 6.1.4 Upon endorsement of the business plan by the *Commissioner of Corrections, the Supervisor TMA* shall submit a copy of the business plan to the Ministry of Economy by 30 November.
- 6.1.5 The *Supervisor TMA* shall be responsible for informing staff of the approved plan to ensure an understanding of what is required from them for achieving the targeted performance level.

## **6.2 Implementing the Business Plan**

### **Purchase of Stock**

- 6.2.1 The purchase of stock required for trading or manufacturing must be carried out in accordance with the procurement procedures in Part 2 of the Manual.
- 6.2.2 Similarly, all stock purchased must be recorded in an inventory register in accordance with inventory procedures in Part 8 of the Manual.

### **Work in Progress**

- 6.2.3 The *SBU Accounts Clerk* must record all manufacturing jobs on a job record sheet.

The job record sheet shall provide the following details:

- i. jrs number;
  - ii. type of work carried out;
  - iii. materials used.
  - iv. Number of hours spent on job; and job costing
- 6.2.4 The job record sheet shall be prepared in duplicate. After completion of the job, the *SBU Accounts Clerk* shall sign the forms. The original form shall be forwarded to the *Accounts Officer* for follow-up on payment while the other shall be retained by the *Production Supervisor*.
- 6.2.5 The *Assistant Accounts Officer* must maintain up-to-date and accurate ledgers which record:
- i. administrative and overhead expenditures incurred in operating the TMA;
  - ii. inventory items bought, processed and sold;
  - iii. sales and debtors;
  - iv. creditors and commitments;
  - v. cash payments and receipts; and

- vi. property, plant & equipment values and depreciation costs.

### 6.3 Stocktaking

- 6.3.1 A quarterly stock take on TMA stocks must be conducted by two *Stocktaking Officers* nominated by *Supervisor TMA*, other than the Stock-keeper. A stock certificate should be prepared and submitted to Ministry of Economy.
- 6.3.2 The *Stocktaking Officers* must ensure that:
  - i. stocks are properly stored;
  - ii. actual stock corresponds to supporting records; and
  - iii. records are properly maintained and up to date.
- 6.3.3 The *SBU Accounts Clerk* must be present when the *Stocktaking Officers* are verifying stock under his/her care.
- 6.3.4 The actual stock on hand shall be listed on the stock take sheet. This sheet shall provide the following details:
  - i. name of SBU and date of stock take;
  - ii. Identity and number of stock physically verified;
  - iii. cost price of verified stock
- 6.3.5 Each stock take sheet must be dated and certified by the *SBU Accounts Clerk*.
- 6.3.6 Within 5 days after the end of the stock take, the *Stocktaking Officers* must prepare and sign a stock take report and submit it to the *Supervisor TMA*, with a copy to the *Senior Accounts Officer*. The report must outline:
  - i. any discrepancies between actual stock and supporting records;
  - ii. whether any stock is obsolete or unserviceable; and
  - iii. explanations from the Stock-keeper if relevant.
- 6.3.7 The *Supervisor TMA* must submit and loss of stock for recovery or write-off action in accordance with Part 14 of the Manual
- 6.3.8 Within 8 days after the end of each month, the *Supervisor TMA* shall prepare and submit to Commissioner of Corrections, a stock certificate/report to certify ownership of the stated number of stock for the quarter.
- 6.3.9 The *Senior Accounts Officer* and *Supervisor TMA* shall ensure that monthly closing of accounts is undertaken within (10) days after the end of the month.

## **6.4 Sale of Goods or Services**

- 6.4.1 Goods or services shall only be sold at the prices set out in the Schedule of Prices by Ministry of Economy.
- 6.4.2 Any proposed changes in prices must be submitted through the Ministry of Economy for approval unless there is a revenue retention arrangement with the Minister for Economy.
- 6.4.3 If there is a revenue retention arrangement, fees may be increased in accordance with Finance Instruction 23-(7).

### **Credit Policy**

- 6.4.4 Where goods or services are sold on credit the *SBU Clerical Officer* must ensure the customer meets the following criteria:
- i. provision of contact addresses;
  - ii. valid identification (as a representative of the company);
  - iii. no previous arrears; and
  - iv. provision of guarantor or referees.
- 6.4.5 Credit information shall be kept and properly filed by the *Clerical Officer (TMA)*. Credit approval shall only be given by the *Commissioner of Corrections*.
- 6.4.6 For credit sales, the *SBU Clerical Officer* shall prepare a sales invoice and delivery docket (if delivery is required). The original invoice shall be handed to the purchaser and the copies retained.
- 6.4.7 For sales, the credit period will be a maximum of 30 days from the issue of the sales invoice.
- 6.4.8 The *Marketing Manager* must maintain a debtor register and adhere to the debt recovery procedures in accordance with Part 9 of the Manual

## **6.5 Monitoring Implementation of Business Plan**

### **TMA Performance Report to Commissioner Corrections**

- 6.5.1 A Monthly/Quarterly performance report shall be prepared and signed by the *Supervisor TMA* and submitted to the *Senior Accounts Officer* for inclusion into the quarterly management report to the *Commissioner* of Corrections. A copy of the report shall also be forwarded to the Ministry of Economy within 15 days after end of the quarter as per FI 30.

6.5.2 The report shall provide the following information:

- i. TMA financial statements comprising of a trading and manufacturing account and profit & loss statement;
- ii. A comparison of performance to date with the business plan targets; and
- iii. An explanation of variance between budgeted and actual amounts.

#### **TMA Bank Reconciliation Statement**

6.5.3 The *TMA Clerical Officer* shall be responsible for preparing and submitting to the Ministry of Economy a monthly bank reconciliation statement within 7 days after the end of the month. A standard Bank Reconciliation format is provided in Part 18 Schedule 6 of the manual. The TMA Bank Reconciliation is to be submitted first to the *Senior Accounts officer*, who will verify and forward to the *Commissioner of Corrections* for endorsement.

6.5.4 The Senior Accounts Officer should ensure that all irregularities in the Bank Reconciliation is investigated and rectified within 7 work days and all irregularities are documented.

#### **TMA Profits/Loss**

6.5.5 At the end of each month SBU Clerical Officers should prepare and compile SBU profit & Loss and submit to *Supervisor TMA* for compilation of the consolidated profit & Loss for TMA.

6.5.5 After the close of each year, the *Senior Accounts Officer* shall transfer profits realized from the trading and manufacturing activity to the Consolidated Fund upon approval by Commissioner of Corrections, unless there is a revenue retention arrangement with the Minister for Economy.

6.5.6 The *Supervisor TMA* shall submit any losses incurred for write- off each year in accordance with Part 14 of the Manual.

### **Audit of TMA Operations**

- 6.5.7 TMA accounts staff must provide the necessary information requested during an audit of the TMA.
- 6.5.8 It is the responsibility of the *Supervisor TMA and Senior Accounts Officer* to answer any queries that may arise from the Auditor's Management Letter or Audit Report on the TMA.

### **TMA Annual Report**

- 6.5.9 The TMA Annual report shall be prepared by the *Supervisor TMA & Senior Accounts Officer* for inclusion into the agency's annual report. The report shall include:
- i. a copy of the audited TMA annual financial statements comprising a profit & loss statement and balance sheet; and
  - ii. actual performance compared to the business plan targets.

## **6.6 TMA REMITTANCE**

- 6.6.1 The Fiji Corrections Service shall provide a remittance of excess cash over the consolidated operating ceilings for the financial year ending 31<sup>st</sup> July to the Ministry of Economy. TMAs that wish to retain the excess funds over its ceiling should first seek advice and consult the Ministry of Economy as per section 13(4) of 2010 Financial Instructions.
- 6.6.2 The TMA must comply with approved consolidated ceiling of \$200,000 by the Ministry of Economy.

## Schedule 1: TMA Annual Financial Statements

The TMA annual financial statements are in three parts; the Trading & Manufacturing Statement, Profit & Loss Statement and Balance Sheet.

### Trading & Manufacturing Account for the year ended 31/07/00

|  | \$    | \$        |
|--|-------|-----------|
| <b><u>Manufacturing Account</u></b>                          |       |           |
| Raw Materials (1/1/00)                                       | xxx   | Purchases |
| xxx  | _____ |           |
|  | xxx   |           |
| Raw Materials (31/12/00)                                     | (xxx) |           |
|  | _____ |           |
| Raw Materials Used   |       | xxx       |
| <u>Add</u> Work in Progress (1/1/00)                         |       | xxx       |
| Direct Costs   |       |           |
| Direct Labour  |       | xxx       |
| Indirect Costs   |       |           |
| Factory Overheads  | xxx   |           |
| Indirect Labour  | xxx   |           |
|  | _____ |           |
| <u>Less</u> Work in Progress (31/12/00)                      |       | (xxx)     |
|  |       | _____     |
| <b>Cost of Manufactured Goods Transferred to Trading A/C</b> |       | =====     |
| xxx  |       |           |
| <br><b><u>Trading Account</u></b>                            |       |           |
| Sales  |       | xxx       |
| Stock of Finished Goods (1/1/00)                             | xxx   |           |
| <u>Add</u> Cost of Manufactured Goods                        | xxx   |           |
|  | _____ |           |
|  |       | xxx       |
| <u>Less</u> Stock of Finished Goods (31/12/00)               | (xxx) |           |
|  |       | xxx       |
| Cost of Finished Goods Sold                                  |       | xxx       |

**Gross Profit/ (Loss) Transferred to P&L A/C**

xxx

**TMA Profit & Loss Statement for the year ended 31/07/00**

|   |       |              |
|---|-------|--------------|
|   | \$    | \$           |
| <u>Income</u>                             |       |              |
| Gross Profit transferred from Trading A/c | xxx   |              |
| Other Revenue                             | xxx   |              |
|   | _____ |              |
| <b>Total Income</b>                       |       | <b>xxx</b>   |
| <u>Expenses</u>                           |       |              |
| Depreciation                              | xxx   |              |
| Administrative Costs                      | xxx   |              |
|   | _____ |              |
| <b>Total Expenses</b>                     |       | <b>(xxx)</b> |
| <b>Net Profit/Loss</b>                    |       | <b>xxx</b>   |
|   |       | =====        |

**TMA Balance Sheet  
for the year ended 31/07/00**

|                                      |       |       |            |
|--------------------------------------|-------|-------|------------|
|                                      | \$    | \$    | \$         |
| <u>Equity</u>                        |       |       |            |
| Net Profit/ (Loss)                   |       |       | xxx        |
| <b>TOTAL EQUITY</b>                  |       |       | <b>xxx</b> |
|                                      |       |       | =====      |
| <u>Current Assets</u>                |       |       |            |
| Bank                                 |       |       |            |
| xxx                                  |       |       |            |
| Inventories                          |       | xxx   |            |
| xxx                                  | _____ |       |            |
| <u>Less: Current Liabilities</u>     |       |       |            |
| Accounts Payable                     |       | xxx   |            |
|                                      |       | _____ |            |
| <b>Working Capital</b>               |       |       | <b>xxx</b> |
| <u>Non-Current Assets</u>            |       |       |            |
| Property & Equipment                 | xxx   |       |            |
| less Accumulated Depreciation        | (xxx) | xxx   |            |
|                                      |       | _____ |            |
| <u>Less: Non-Current Liabilities</u> |       |       |            |
| Others                               |       |       | xxx        |
|                                      |       |       | _____      |
| <b>TOTAL NET ASSETS</b>              |       |       | <b>xxx</b> |
|                                      |       |       | =====      |



## PART 7: CASH MANAGEMENT

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

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

- *Senior Accounts Officer;*
- *Accounts Officer;*
- *Assistant Accounts Officer;*
- *Revenue Collectors - Supervisors/Officer in Charge Correction/Chief Correction Officers of the following Institutions, HQ; Suva (Korovou; Women & Suva Remand); Naboro (Max; Medium; Minimum; Pre-release); Nasinu; Lautoka; Lautoka Remand & Ba; Labasa; Taveuni; Levuka.*
- *Petty Cash Officers – Officer in Charge Correction Institution;*
- *Cashiers;*
- *Safe keeper – Persons held responsible to Control and manage the keys and safe within their Institutions; and*
- *Ledgers Clerk.*

### 7.1 Safe Custody of Cash

7.1.1 All cash, cheques and valuables received shall be kept in a safe or strong room.

#### Responsibility for Safekeeping of Cash

7.1.2 The *Cashier, Officers In-Charge* and *Revenue Collectors* shall be responsible to the *Commissioner of Corrections* for the safekeeping of cash and other valuables.

7.1.3 The *Cashier, Officers In-Charge* and *Revenue Collectors* 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 which should be checked every afternoon and morning
- iii. conducting a stock take of items in the safe at least once every week.

7.1.4 The *Cashier, Officers In-Charge* and *Revenue Collectors* shall be the only officer with access to the safe.

7.1.5 Safes shall be obtained from the Ministry of Economy using the appropriate requisition form (GP 76). The original form shall be forwarded to the Ministry while the duplicate copy shall be retained in the safe.

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

7.1.7 If a safe needs to be transferred to another agency, the *Senior Accounts Officer*

must obtain prior approval from the Commissioner of Corrections and Chief Accountant, Ministry of Economy before transfer.

### **Loss of a Key**

7.1.8 The *Cashier, Officers In-Charge* and *Revenue Collectors* shall be responsible for holding the safe key. Under no circumstance should any other officer make or hold a duplicate of the key.

7.1.9 In case where the *Cashier, Officers In-Charge* and *Revenue Collectors* loses the safe key, he/she must immediately inform the *Senior Accounts Officer* who shall report the matter to the Chief Accountant and must advise in writing to the Commissioner of Corrections.

7.1.10 The Chief Accountant will advise the *Senior Accounts Officer* of the cost of replacing the key, which the *Cashier, Officers In-Charge* and *Revenue Collectors* must bear.

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

7.1.11 The *Cashier, Officers In-Charge* and *Revenue Collectors* shall maintain a safe register which should contain the following information:

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

7.1.12 At any time there is movement of money or other items in and out of the safe, *the Cashier, Officers In-Charge* and *Revenue Collectors* shall conduct a physical stock take of the items in the safe and reconcile them to the safe register.

7.1.13 Removal of any item from the safe shall be immediately noted in the safe register by the *Cashier, Officers In-Charge* and *Revenue Collectors*.

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

7.1.14 Responsibility for the safe can only be handed over to another officer with the approval of the *Commissioner of Corrections*. Such officer shall assume all the responsibilities of the *Cashier, Officers In-Charge* and *Revenue Collectors*

7.1.15 The *Cashier, Officers In-Charge* and *Revenue Collectors* 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.

7.1.16 The officer shall verify each item on the list to the actual stock on hand. This must be done in the presence of the *Cashier, Officers In-Charge* and *Revenue Collectors*

7.1.17 After checking all the items, the officer shall sign the handing over statement, accept the safe key and assume responsibilities of the *Cashier, Officers In-Charge* and *Revenue Collectors*.

7.1.18 A copy of the handing over statement shall be forwarded to the *Senior Accounts Officer*.

## 7.2 Cash Survey

### Annual Board of Survey

7.2.1 The *Commissioner* of Corrections shall appoint three officers to be part of a Board of Survey to conduct a physical stock take of all money on hand and other stock held in safes.

7.2.2 If a selected officer is unable to serve on the Board, he/she must immediately inform the *Commissioner* of Corrections.

7.2.3 *Cashier, Officers In-Charge* and *Revenue Collectors* must be present during the survey of cash or safe valuables under their charge.

7.2.4 If the survey takes more than one day, the Board shall seal the unverified portion of the stock. No officer apart from members of the Board shall open the seal.

7.2.5 If any discrepancies are found during the survey, the *Senior Accounts Officer* or *Accounts Officer* must provide the *Commissioner* of Corrections with a written explanatory report and put in place measures to ensure that losses are recovered or written off.

7.2.6 Board of Surveys forms should be presented in the format as prescribe in the Finance Circular #3/2016.

7.2.7 Board of Survey meeting by the Board of survey members nominated by Commissioner of Corrections to conduct stock take of all monies on hand and other stock held in safes.

### Surprise Cash Counts

- 7.2.8 At each office at which money is collected, the *Senior Accounts Officer* shall conduct a surprise cash count at least twice a year.
- 7.2.9 After cash or safe contents have been physically verified to cashbooks, receipts and other supporting documents, the *Senior Accounts Officer* shall sign and date the cashbook and petty cash book and state whether the balance corresponds to the actual cash on hand.
- 7.2.10 Similarly, the *Senior Accounts Officer* must sign and date the safe register balances after verifying the actual contents in the safe.
- 7.2.11 The *Senior Accounts Officer* shall provide a report of the cash count to the *Commissioner of Correction* whether or not any discrepancies are detected.

## 7.3 Petty Cash

### Approval to Hold Petty Cash

- 7.3.1 Where it is necessary for an officer to hold petty cash for incidental payments, an application shall be made to the Chief Accountant.
- 7.3.2 The application shall be signed by the *Senior Accounts Officer* and shall provide details on:
- i. holding officer's name, designation and station;
  - ii. justification for the request; and
  - iii. amount of petty cash requested.
- 7.3.3 The *Senior Accounts Officer* shall file all applications.
- 7.3.4 If the Chief Accountant has approved that petty cash be kept in a bank account, an account shall be opened in the official title of the *Senior Accounts officer/Officer in Charge* of Correction Institutions. Chequebooks should be obtained from the bank concerned.
- 7.3.5 To open a new petty cash account, the *Senior Accounts Officer* shall issue a cheque in the official title of the *Commissioner of Corrections*.
- 7.3.6 The *Cashier, Officers In-Charge* and *Revenue Collectors* must maintain a petty cash book and use the appropriate vouchers when making payments or replenishing funds.
- 7.3.7 If petty cash is held at the office, it must be kept in a safe or strong box. It is the responsibility of *Cashier, Officers In-Charge* and *Revenue Collectors* to safeguard money and records in their possession.
- 7.3.8 The *Commissioner of Corrections* 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.
- 7.3.9 When handing over, the *Cashier, Officers In-Charge* and *Revenue Collectors* 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 *Cashier, Officers In-Charge* and *Revenue Collectors* and certified correct by the officer taking over.

## Making Payments

7.3.10 All payments made from petty cash must be authorised by the *Senior Accounts Officer* and supported by a petty cash voucher.

7.3.11 Immediately upon payment, all vouchers must be stamped **“Paid”**.

7.3.12 The petty cash voucher shall provide the following details:

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

7.3.13 The recipient must sign the voucher upon payment. The original voucher shall be given to the recipient and the duplicate retained by the *Petty cash officer*.

7.3.14 The *Petty cash officer* shall enter details of payments made into the petty cash record and attach duplicate vouchers.

## Replenishing the Imprest

7.3.15 It is the responsibility of the *Cashier, Officers In-Charge* and *Revenue Collectors* to ensure sufficient cash is available.

7.3.16 When the petty cash needs replenishing, the *Cashier, Officers In-Charge* and *Revenue Collectors* shall total the payments in the petty cash record that have not been reimbursed and raise a reimbursement voucher.

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

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

7.3.19 Once the reimbursement voucher has been approved and signed by the *Senior Accounts Officer*, the *Accounts Officer* shall prepare a reimbursement cheque and send it to the *Petty cash officer* together with the signed reimbursement voucher.

7.3.20 Upon receiving the reimbursement cheque, the *Petty cash officer* shall replenish the petty cash and update the petty cash record accordingly.

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

### **Preparing Monthly Reconciliation**

- 7.3.22 Where petty cash is kept in a bank account, a bank reconciliation statement shall be prepared on a monthly basis by the Petty cash officer and submitted to the Senior *Accounts Officer* within 5 days of the end of the month.
- 7.3.23 The Senior *Accounts Officer* shall verify the balances of the petty cash record and bank statements and check the supporting vouchers before certifying and dating the bank reconciliation statement.
- 7.3.24 Within five days after the issue of the monthly General Ledger report by the Ministry of Economy, the Senior *Accounts Officer* shall prepare a petty cash reconciliation to reconcile the petty cash record balance to the General Ledger balance. The reconciliation must be forwarded to the Ministry of Economy on the 7th day of new month.

### **Retiring Petty Cash**

- 7.3.25 All Petty cash officer must retire their petty cash before the end of the financial year i.e. by the first week of July.
- 7.3.26 Petty cash shall be retired by submitting the cashbook, petty cash vouchers and any cash on hand balance to the Ledgers Clerk for journalising.
- 7.3.27 If the *Petty cash officer* is also a *revenue collector*, he/she may receipt such cash and record relevant details in the petty cashbook. A copy of the bank lodgement and receipt shall be submitted to the *Senior Accounts Officer* together with the petty cashbook and other vouchers.

## **7.4 Operating Bank Accounts**

- 7.4.1 The *Senior Accounts Officer* shall keep an up-to-date file of the names, designations and signatures of officers authorised to operate bank accounts as approved by the Commissioner of Corrections.
- 7.4.2 The *Senior Accounts Officer* shall only nominate such officers after obtaining the approval of the Commissioner of Corrections as operating Signatories to the bank accounts.
- 7.4.3 The Fiji Corrections Service 'Drawings Account' will be operated for all payments except for those payable from petty cash bank accounts, TMA bank accounts and trust bank accounts.

## **Closure of Bank Account**

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

## **Banking Security**

7.4.5 The *Senior Accounts Officer* must ensure that two officers make deposits or withdrawals at the bank.

7.4.6 The *Senior Accounts Officer* is responsible for arranging additional security measures such as a police escort, whenever cash deposits or withdrawals are significantly large.

## **Preparing Monthly Bank Reconciliations**

7.4.7 The *Senior Accounts Officer* shall prepare bank reconciliation within 7th day beginning of the month.

7.4.8 Details of unpresented cheques and other reconciling items should be attached to the reconciliation statement.

7.4.9 Once the bank reconciliation is prepared, it should be signed and dated by the *Accounts Officer or Assistant Accounts Officer* and submitted to the *Senior Accounts Officer*.

7.4.11 The *Accounts Officer and Assistant Accounts Officers* 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.

7.4.12 All monthly reconciliations must be submitted to the Commissioner of Corrections

7.4.13 A copy of the certified bank reconciliation shall be forwarded to the Ministry of Economy (FMIS) within 7 days after the end of the month and the reconciliation format shall be in accordance with the form outlined in Part 18 of the manual.

## **7.5 Accounting for Cheques**

### **Stale Cheques**

7.5.1 If cheques remain in the unpresented cheque list for more than 3 months, the *Senior Accounts Officer* must attempt to locate the payees and have their cheques presented before they become stale.



7.5.2 The *Senior Accounts Officer* shall review the unrepresented cheque list and determine whether a replacement cheque should be issued for cheques that are stale.

7.5.3 If a replacement cheque is not required, the *Senior Accounts Officer* shall clear the stale cheque using either of the two adjusting entries:

DR Drawings Account (or Bank ledger account) CR Expenditure Account  
(to clear cheques issued in the current year that have become stale)

DR Drawings Account (or Bank ledger account)  
CR RFA – Recoveries of Overpayments in Previous Years  
(to clear cheques issued from previous year that have become stale)

### **Replacement Cheques**

7.5.4 If a replacement cheque is issued, the *Senior Accounts Officer* should seek prior approval from *Commissioner of Correction* and shall prepare a payment voucher listing the following details:

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

7.5.5 The unrepresented cheque number shall be cancelled from the unrepresented cheque list with a note stating that it is being replaced. The replacement cheque number should be entered on the unrepresented cheque list.

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

### **Lost or Destroyed Cheques**

7.5.7 If a payee loses or destroys his/her cheque the *Senior Accounts Officer/Accounts Accounts / Assistant Accounts Officer/any authorised cheque signatories* shall immediately after the loss has been discovered issue a stop order payment to the bank. Where there is a request for a replacement, the *Senior Accounts Officer* may authorise that a replacement cheque be issued after obtaining a Statutory Declaration from the responsible officer.

7.5.8 If any officer loses a cheque, he/she must prepare a report to the *Senior Accounts Officer* or Chief Accountant. The matter shall be dealt with in accordance with Part 14 of the Manual.

## Dishonoured Cheques

7.5.9 Where the bank dishonours a cheque, it shall be the responsibility of **the revenue collector** (or other receiving officer) to recover the amount of the cheque and the dishonour fee.

7.5.10 The *Revenue collector / Cashier* must provide the *Senior Accounts Officer* with an explanation in writing stating reasons for accepting the cheque and the attempts that have been made toward recovery.

7.5.11 If the *Senior Accounts Officer* finds that the cheque should not have been accepted because it was not properly completed or was a personal cheque, and that the amount cannot be recovered within 2 months of being dishonoured, the *Senior Accounts Officer* shall seek the Commissioner of Corrections approval and recommend that disciplinary or surcharge action be taken.

7.5.12 Surcharge action shall be initiated in accordance with Part 11 of the Finance Instructions or the Commissioners Orders depending on the loss amount wherever applicable.

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

DR RFA – Dishonoured Cheques

CR Drawings Account

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

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

DR IDC – Department

CR RFA – Dishonoured Cheques

(to account for recovery of dishonoured cheque amount)

## **7.6 Cash flow Forecasting**

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

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

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

- 7.6.4 Regular analyses must be carried out between actual figures and forecasts. The analysis shall focus on:
- i payment patterns and rate of collection for outstanding debts and revenue;
  - ii availability of funds to meet outstanding commitments

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

## 7.7 Daily Cash Flow Management

7.7.1 It shall be the responsibility of the *Senior Accounts Officer* to ensure that the Fiji Corrections Service abides by the daily cash flow limit \$70,000 set by Ministry of Economy.

7.7.2 Anything in excess of this limit must first be approved by Treasury , Ministry of Economy prior to release of funds from the Chief Accountant Treasury. The *Senior Accounts Officer* will write to the Chief Accountant Treasury for all payment above the limit and issue payments once approval is obtained by Debt and Cash Flow Management (DCFMU).

7.7.3 Ministry of Economy - Treasury is not admissible for any liabilities for the payments approved as it` s approval is sought specifically for Cash Flow Management purpose.

### *Schedule 1: Accounting for Petty Cash*

Situation A: Approving Petty Cash

DR RFA – Imprest -54

CR Drawings Account

(to account for approved petty cash)

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

Department Entries

DR Voucher Journalised

CR RFA – Imprest - 54

(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 3: Handing Over Statement*

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

#### **HANDING OVER STATEMENT**

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

*Safe lock and key*

*Petty cash* - \$xxx

#### Revenue Collections

*Cash* - \$xxx

*Cheques* - \$xxx

#### Unused Books

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

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

#### Other Valuables

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

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

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

## **PART 8: INVENTORY MANAGEMENT**

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

The Policies and Procedures in this part assign particular responsibilities to the:

- *Commissioner of Corrections;*
- *Deputy Commissioner of Corrections;*
- *Assistant Commissioner Corporate Service;*
- *Supervisor Correction Institutions;*
- *Senior Accounts Officer;*
- *Chief Logistics Officer;*
- *Supervisor Headquarters (SHQ);*
- *Officer In Charge of Correction Institutions;*
- *Accounts Officer;*
- *Storeman - Korovou; Levuka; Lautoka; Ba; Naboro; Nasinu; Labasa; Taveuni.*
- *Stocktake Officers.*

### **8.1 Maintaining an Inventory Register**

#### **Purchasing Inventories**

8.1.1 Inventory purchasing must be carried out in accordance with the *procurement procedures* in Part 2 of the Manual.

8.1.2 When inventory items are purchased, the *Chief Logistics Officer* shall ensure proper recording of items in the inventory register.

#### **Recording Inventories**

8.1.3 The *Chief Logistics Officer* shall maintain the inventory register to record incoming and outgoing inventories. The inventory register shall provide the following information:

- i. date of acquisition and order number reference;
- ii. number of items received and cost price;
- iii. supplier details;
- iv. date of issue of inventory and nature of issue (for example, transfer or for processing);
- v. issue reference (authority such as requisition order); and
- vi. quantity issued.

8.1.4 The *Chief Logistic Officer* shall ensure that the register is kept up to date at all times.

## **Valuation of Inventories**

8.1.5 Costs assigned to inventory items shall be determined using the '*first-in, first-out*' inventory costing method.

8.1.6 The Quarter Master/*Storeman* shall keep an inventory card for each inventory item to determine the value of items. Each card must provide the following details:

- i. date and description of each item purchased;
- ii. quantity purchased and cost price;
- iii. quantity sold and at which price; and
- iv. quantity remaining and price.

## **8.2 Storage of Inventories**

8.2.1 Storage of inventories shall be the responsibility of the Quarter Master/*Storeman*. The Quarter Master/*Storeman* must ensure that:

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

8.2.2 Access to the inventory stores shall be limited to the *Storeman or Stocktake Officers*'. All other officers shall be restricted from entering storage facilities unless approval is granted by the *Storeman*.

## **8.3 Inventory Stocktakes**

8.3.1 The *Chief Logistics Officer (CLO)* shall appoint two *Stocktake Officers*, one of whom is independent of the inventory function, to undertake a stocktake of all inventories mandatory twice a year (Six months).

8.3.2 The *Stock take Officers* shall count the stock and verify it to the inventory register. Details of the stock take must be recorded on inventory stock take sheets, which must be signed by the *Stocktake Officers* after completing the stocktake.

- 8.3.3 The *Stock take Officers* shall prepare their stocktake report noting any surplus, damaged, obsolete or unaccounted stock and their recommendations.
- 8.3.4 The stock take report shall be signed by the *Stocktake Officers* and submitted to the *Commissioner* Corrections through Chief Logistic Officer and Deputy Commissioner of Corrections together with the stock take sheets.
- 8.3.5 The inventory register shall be adjusted only after the *Commissioner of Corrections* has endorsed the recommendations and approval has been given for any write-offs, which has to go through a Board of Survey Process.

#### **8.4 Handing Over of Storeman Responsibilities**

- 8.4.1 Handing over should be conducted within a period of 4 days in the presence of the Officer In-charge for correctional institution and the in-coming QM/Storeman.
- 8.4.2 In-coming storeman to sign off all tally cards and asset registers after physical verification.
- 8.4.3 All pending board of surveys are to be submitted during handing over for the completion of process by the incoming QM\Storeman.
- 8.4.4 A handing report should be compiled by the outgoing QM/Storeman detailing all monetary values & quantity of stores items, stationery items, board of survey items and pending purchases (LPO) & Invoices.
- 8.4.5 This handover report is to be forwarded to the Chief Logistics Officer and Senior Accounts Officer; a copy to be kept by the incoming QM/Storeman for future reference.
- 8.4.6 Appointment letter for storeman has to be issued by the Assistant Commissioner Corporate Service as endorsed by the Commissioner of Corrections.



## PART 9: ACCOUNTS RECEIVABLE

An accounts receivable (or debtor) generally arises after a sale of goods or services where payment is not immediately received. It is important to have in place a stringent credit policy and debt recovery procedures to counter the risk of losses from irrecoverable debts.

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

- *Commissioner of Corrections;*
- *Deputy Commissioner of Corrections;*
- *Assistant Commissioner Corporate Service;*
- *Senior Accounts Officer;*
- *Supervisor Head Quarters (SHQ);*
- *Supervisor TMA(STMA)*
- *Accounts Officer; and*
- *Officer In Charge.*

### 9.1 Register of Debtors

9.1.0 No credit is to be awarded to burial revenue.

9.1.1 Goods or services under TMA shall only be provided on credit to **new** corporate customer(s) who has been approved by the *Commissioner of Corrections*.

9.1.2 A register of debtors shall be maintained to record details of people or organisations that have been approved to buy goods or services on credit from the Fiji Correction Services.

9.1.3 The *SBU Clerical Officer and Marketing Officer* shall record the following information in the register:

- i. name of debtor and address;
- ii. date credit extended and name of Credit Officer or Officer in Charge of Correction Institutions approving credit;
- iii. description of goods or services to be supplied on credit;
- iv. credit terms extended; and
- v. details of overdue amounts and recovery action taken

9.1.4 The *SBU Clerical Officer and Marketing Officer* of Correction Institutions must ensure that the register is kept updated.

## 9.2 Recovery Measures

- 9.2.1 The *Supervisor TMA* of corrections institutions must promptly follow up accounts that fall due. If recovery is unsuccessful after one month, the following actions shall be taken:
- i. no further credit shall be extended to the debtor;
  - ii. a demand notice for payment shall be sent to the debtor after his/her debt has been overdue for more than one month; and
  - iii. if the account still remains unpaid after the first demand notice was issued, a final notice shall be issued demanding payment within fourteen days.
- 9.2.2 Within the first week of each month, the *SBU Clerical Officer and Marketing Officer* shall prepare a list of debts that are not yet due and that are overdue.
- 9.2.3 The list of debts shall also include recovery measures undertaken. The list must be forwarded to the *Senior Accounts Officer*.
- 9.2.4 If a final notice had been issued to one of the debtors listed, the *Senior Accounts Officer* may approve deduction from salary of the officers of Fiji Correction Services otherwise the case be referred to the Small Claims Tribunal, after considering the cost implications and the probability of recovery.
- 9.2.5 Companies who fail to respond from the issued final notice, is recommended for legal action through the Commissioner of Correction endorsement.
- 9.2.6 The debtors register shall include deduction of salary and details of cases handed to the Small Claims Tribunal. The register shall contain the following information:
- i. particulars of recovery action taken;
  - ii. date of referral to Small Claims Tribunal; and
  - iii. result of referral.
- 9.2.7 The *Senior Accounts Officer* or *SHQ* shall take action to write-off irrecoverable debts in accordance with Part 14 of the Manual.

## 9.3 Reporting

- 9.3.1 The *Senior Accounts Officer* shall prepare a quarterly report on the level of outstanding and overdue debts.
- 9.3.2 This report shall be included in the quarterly management report to the *Commissioner* of Correction Services.

9.3.3 The report must outline:

- i. the amount outstanding but not yet due;
- ii. the total for each overdue age category;
- iii. name of each debtor within each age category; and
- iv. the recovery actions taken for each overdue debt

9.3.4 The aging of overdue debts shall be within the following categories:

| Not Yet Due | Overdue    | Overdue    | Overdue    | Overdue      |
|-------------|------------|------------|------------|--------------|
|             | 0-3 months | 4-6 months | 7-9 months | 10-12 months |

## PART 10: ADVANCES

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

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

- *Commissioner of Corrections;*
- *Deputy Commissioner of Corrections;*
- *Assistant Commissioner Corporate Service;*
- *Supervisor Central Eastern/ West/ HQ & North;*
- *Travelling officers;*
- *Senior Accounts Officer;*
- *Accounts Officer;*
- *Assistant Accounts Officer;*
- *Clerical Officers Account.*

### 10.1 Travel Advances to Staff

#### Applying for an Advance

10.1.1 Prior approval from the Commissioner of Corrections should be obtained for Officers travelling to outer stations or overseas for official purposes (*travelling Officers*) may apply for a travel advance.

10.1.2 The *Commissioner* of Corrections Service shall approve all overseas travel advances (Per-diem) in-line with Finance Circular.

10.1.3 The *Commissioner of Corrections* shall approve all local travel advances.

10.1.4 When applying for a travel advance, **the travelling officer** must provide the following information:

- i. Commissioner of Corrections approval;
- ii. estimated costs of travel including accommodation and meals; and
- iii. travel itinerary.

10.1.5 The *travelling officer* shall attach supporting documents (for example, airfare quotes, hotel rates, etc.) to the application.

10.1.6 It shall be the responsibility of the *Senior Accounts Officer*, Accounts Officer and Assistant Accounts Officer to ensure that a travel advance for an officer is not approved if he/she had taken an earlier advance and it has not yet been cleared.

#### Accounting for Advance

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

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

#### **Retirement of Accountable Advance**

- 10.1.11 A *travelling officer* shall retire the travel advance within seven days of completing travel by submission of an acquittal report with supporting documents.
- 10.1.12 If an advance has not been fully expended, the *travelling officer* must repay the balance within seven days of completing travel.
- 10.1.13 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.
- 10.1.14 Where an advance has not been acquitted within seven days of travel; the *Senior Accounts Officer* shall affect recovery through a salary deduction from the concerned officer's salary within Two (2) fortnights.
- 10.1.15. Interest on all advances will accrue at the rate set by the Minister of Economy from time to time. The current rate is **12 %** per annum. This will apply when the accountable advance is not retired within seven (7) days.
- 10.1.16. Upon clearance of the advance, the *Accounts Officer/Assistant Accounts Officer* shall update the debtors register, journalise and offset the advance account and debit the appropriate expenditure account.

#### **Subsistence Claim**

- 10.1.17. The Senior Accounts Officer, Account Officer and Assistant Account Officer must ensure that accurate calculation of subsistence allowance for each night during which he/she is absent from his station on official duty. If the absence is less than 24 hours duration and an officer does not spend a night away from his station, no subsistence will be paid.
- 10.1.18. The Senior Account Officer, Accounts Officer and Assistant Accounts Officer must ensure that no officer, who is absent from his headquarters for a period of more than three [3] months [90] consecutive days, may draw subsistence allowance in respect of the excess period unless prior approval has been obtained from the *Commissioner* of Correction.

- 10.1.19. The Senior Accounts Officer, Accounts Officer and Assistant Accounts Officer must ensure that an officer will be entitled to draw subsistence allowance if accommodation is not provided at the rate equivalent to the revised hotel/accommodation rate at designated areas.
- 10.1.20. The Senior Accounts Officer, Accounts Officer and Assistant Accounts Officer must ensure that the Hotel rates will be strictly limited to the prescribed rates in a designated area as stipulated in the PSC Circular No. 33/2012. Officers should plan their travel well in advance to avoid overnight in areas where accommodation charges are high. Any reimbursement for higher rates paid in such areas should be approved only if overnight is unavoidable.
- 10.1.21. The Senior Accounts Officer, Accounts Officer and Assistant Accounts Officer must ensure that an officer travelling on board a ship whilst on official duty is entitled to claim subsistence allowance provided s/he pays for his own meals.
- 10.1.22. The Senior Accounts Officer, Accounts Officer and Assistant Accounts Officer must ensure that all eligible officers should claim subsistence allowance within seven [7] days of return to station by submission of completed claim form with receipts as supporting documents. The approval to travel out of station by the Head of Department / Division should be also submitted for verification.
- 10.1.23. The Clerical Officer [Payments] should verify that the completed claim form and relevant receipts are all in order before passing to the Accounts Officer for payment.

## **10.2 Board Membership Fees**

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

## PART 11: PROPERTY, PLANT & EQUIPMENT

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

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

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

- *Commissioner of Corrections;*
- *Deputy Commissioner;*
- *Assistant Commissioner Corporate Service;*
- *Senior Accounts Officer;*
- *Chief Logistics Officer;*
- *Supervisor Headquarters (SHQ);*
- *Supervisors of Correction Institutions;*
- *Officers in charge of Corrections Institutions;*
- *Accounts Officer;*
- *Stock take Officers – Supervisors of Divisions (Central/Eastern; Naboro; Western; Northern); Quartermaster; and*
- *Board of survey officers.*

### 11.1 Acquiring Physical Assets

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

11.1.2 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).

11.1.3 All assets acquired with a cost in excess of \$2000, shall be recorded in the assets module of the FMIS and a fixed assets register for those without the FMIS.

### 11.2 Recording of Assets

11.2.1 The **Chief Logistic Officer (CLO)** shall be responsible for maintaining the fixed assets register. The fixed assets register shall provide the following details:

- i. date of acquisition (including if asset was acquired by transfer, gift or second-hand) and cost;
- ii. description;
- iii. serial number and model;
- iv. location; and
- v. other relevant information (e.g. if asset is sold or written off).

11.2.2 The *Chief Logistic Officer* must ensure that the fixed assets register is kept updated.

11.2.3 Expenditure to increase the capacity or extend the useful life of an asset shall be regarded as capital expenditure and the amount included in the fixed assets register against the original asset.

11.2.4 Repair and maintenance costs of a regular nature shall be treated as an expense and shall not add to the value of the asset.

11.2.5 The *Chief Logistics Officer* shall record items valued at less than \$2000 but more than \$200, in an expendable items register. 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;
- iii. description of items and quantity; and
- iv. disposal method (whether written off, sold, etc.) and reference number.

11.2.6 The *Chief Logistics Officer* must ensure that the Asset, expendable items register and Master Assets Register is kept updated.

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

### **11.3 Use of Fixed Assets**

11.3.1 Fixed assets shall only be used for official purposes unless prior approval has been obtained from the *Commissioner of Corrections* and is subject to stock takes in the same manner as fixed assets.

11.3.2 All Certified staff operating or utilising any fixed asset registered under Fiji Correction must ensure that they are aware of the safety procedures necessary to operate it.

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

11.4.1 The *Commissioner of Corrections* shall nominate a Board of survey to undertake an annual board of survey of fixed assets and expendable items at a specified date as required by Procurement Regulations 24-(1)-(4).

11.4.2 The Board of survey members appointed by the Commissioner shall consist of:

- i. Two officers from the Ministry 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; andq



iii. 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 team.

11.4.3 The Board shall not be chaired by any Officer from the Fiji Corrections Service.

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

11.4.5 After the board of survey has been completed, *the Board of survey officers* shall prepare and sign the board of survey report and submit it to the *Commissioner of Corrections*. The report shall include:

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

11.4.6 *Supervisors and Officers – in - Charge* 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.

11.4.7 The *Supervisors and Officers – in - Charge* may be surcharged if found to be responsible for the loss of an asset.

11.4.8 The *Chief Logistics Officer* must ensure that update the fixed asset register are updated after the *Commissioner of Corrections* has endorsed the recommendations of the board of survey report and after any necessary write-offs have been approved in accordance with Part 14 of the Manual.

## 11.5 Disposal of Fixed Assets

11.5.1. The Permanent Secretary for Economy has authority to approve the disposal of any “agency asset” using approved disposal methods in Finance Instruction 51-(1) and Procurement Regulation 52(1).

11.5.2. Where the written approval of the Ministry of Economy has been obtained for the disposal of any state asset, the *Commissioner of Corrections* may dispose of these assets using an approved disposal method in Finance Instruction 51-(1)

11.5.3. The *Chief Logistics Officer* shall update the fixed assets register to reflect assets that have been disposed off.

### Sale of Assets

11.5.4 Where an agency<sup>1</sup> fixed asset is to be disposed of by sale, the *Commissioner of Corrections* shall determine which of the following methods of sale to use:

- i. Public auction
- ii. Trade in
- iii. Tender process
- iv. Direct dealing; and
- v. Scrap<sup>2</sup>

11.5.5 The *Commissioner* of Corrections or *Deputy Commissioner* 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.

11.5.6 A direct sale may only be made where the asset is valued at less than \$100.

11.5.7 For obsolete, partly damaged or deficient assets valued in excess of \$1,000, sale shall be by way of a public auction or public tender be used that needs to be determined and approved by the Director Fiji Procurement Office.

11.5.8 The public auction shall be organised by the Director of Procurement Office. The *Supervisors of Correction Institutions* through the *Chief Logistics Officer* 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.

11.5.9 Assets sold by way of an auction and tender process must be in accordance with the tender procedures outlined in Part 7 (52) of the Procurement Regulation.

11.5.10. Sale of state assets<sup>3</sup> must be done in accordance with Part 7 of the Procurement Regulations 2010.

11.5.11. All proceeds from the Sale of assets must be deposited in the Consolidated Fund Account

### Transfer of Asset

11.5.12. An asset may be disposed of by transferring to another agency after **Commissioner of Corrections Service** has obtained approval from Ministry of Economy.

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<sup>1</sup> Agency Fixed Asset are assets which do not belong in the category of State Assets and include computers, office furniture, shelves, tables, chairs,

<sup>2</sup> Need to be in accordance with Scrap Metal Decree and FPO flow chart process in respect of Scrap Metal

<sup>3</sup> State Assets means land, buildings, infrastructure and vehicles declared to be "State Assets".

11.5.13. Before an asset is transferred, the *Chief Logistics Officer (CLO)* and *Supervisors of Correction Institutions* must ensure that there is a written agreement for transfer with the other agency.

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

11.5.14 Assets that are damaged and cannot be used shall be disposed of as scrap once approval is obtained for their write-off in accordance with Part 14 of the Manual.

11.5.15 The destruction or dumping of such assets shall be carried out in a safe manner as approved by the *Commissioner of Corrections*.

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

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

11.5.17 Any loss or write off shall be dealt with in accordance with Part 14 of the Manual and Part 8 of the Finance Instruction 2010.

#### **Schedule 1: Recording of Assets**

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

| <b>ASSET CLASS</b>   | <b>DESCRIPTION</b>  |
|----------------------|---|
| Furniture & Fittings | Conference Tables & Chairs<br>Cupboards                   |
| Office Equipment     | Computers Printers Photocopiers<br>Audio-Visual Equipment |
| Plant & Machinery    | Tractors<br>Mechanical Equipment                          |

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

Other items that cost less than \$2000 shall be recorded in an expendable items register. On the following page is a sample of what an asset register may record. A similar format may be used for recording expendable items.

**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 #: 996502

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.)\*  
(stock take report date & reference #)

*\*taken from the most recent stock take report*

*(Fill in details where applicable)*

Sale price: Receipt #:

Donated to: Approval reference:

Transferred to: Approval reference:

Written off: Approval reference:

## PART 12: VEHICLES

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

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

- *Commissioner of Corrections;*
- *Deputy Commissioner;*
- *Assistant Commissioner Operations;*
- *Officer in Charge of Transport;*
- *Drivers;*
- *Senior Accounts Officer;*
- *Accounts Officer; and*
- *Assistant Accounts Officer.*

### 12.1 Responsibility for Overseeing Transport

12.1.1 It shall be the responsibility of the *Officer in-charge of Transport* to oversee all matters relating to vehicle usage.

12.1.2 The *Officer in-charge of Transport* 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 as well as the Transport Policy;
- vi. Necessary training on general maintenance and upkeep of vehicles are provided to drivers and officers; and
- vii. Reporting requirements are adhered to on time.

### 12.2 Authority to Drive

12.2.1 The *Commissioner of Corrections* shall authorise an officer to drive government vehicles registered under Fiji Correction Services by issuing them a letter of authority. The **Commissioner of Corrections** shall notify the *Officer in-charge of Transport* of the names and designations of all such drivers. The *Officer in-charge of Transport* shall keep these authorisations in a file.

12.2.2 Under no circumstance shall the *Officer in-charge of Transport* permit unauthorised persons to drive any vehicle.

- 12.2.3 No officer shall be allowed to drive unless he has met all the initial requirements under section 22 (1) of the Transport Policy.
- 12.2.4 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 under the Land Transport Act are strictly adhered to;
  - iii. that drivers licenses are kept current;
  - iv. that procedures in the Finance Manual and Transport policy are complied with;
  - v. that drivers will be held personally and pecuniary responsible for any damages sustained on vehicles whilst in their custody, irrespective of the nature and extent of damage; and
  - vi. Every driver is responsible for the renewal of his/her driving license.
- 12.2.5 All drivers shall be responsible to the *Officer in-charge of Transport*, who shall recommend surcharge action where a loss is caused by a driver.

### 12.3 Use of Vehicles

#### Official Runs

- 12.3.1 Vehicles must only be used for official purposes unless approved in writing by the *Commissioner of Corrections*.
- 12.3.2 Any officer requiring transport for official purposes must inform the *Officer in-charge of Transport*. It shall be the duty of the *Officer in-charge of Transport* to make the necessary arrangements for transport.
- 12.3.3 *Drivers* are not allowed to transport any officer unless informed by the *Officer in-charge of Transport*.
- 12.3.4 Assigning a vehicle to an officer other than the *Commissioner of Corrections* is strictly prohibited. Vehicle will be assigned to the Unit or Division only where necessary.
- 12.3.5 Use of official vehicle to transport officers to participate in official sporting activities and social gatherings are prohibited unless authorized by the **Commissioner of Corrections**.
- 12.3.6 The use of ambulance shall only be provided to inmates and officers of the Fiji Correction Services under the approval of the Commissioner of Corrections.
- 12.3.7 The use of white and blue rotating flashing lights is prohibited refer to finance circular (19/2014); with the exception of Correction ambulance.

- 12.3.8. Officers other than the *Commissioner of Corrections* are not allowed to be picked up and/or dropped off home during normal working hours unless working overtime, involved in urgent and priority work assigned, or with prior approval of the *Commissioner of Corrections*.
- 12.3.9. An “Official Vehicle Pass” will need to be obtained from the *Commissioner of Corrections* for use of Government vehicles beyond normal working and odd hours. Arrangements for the official pass are the responsibility of the *driver* and *Officer in-charge of Transport*.
- 12.3.10. Officers found using official vehicles for unauthorized purposes are liable to pay private hire rates (in accordance with section 520 Rates for Motor Vehicle: G.O. 2011), be surcharged, and/or disciplined, depending upon the circumstances in which the vehicle was used.

#### Driver’s Running Sheets

12.3.9 Each *driver* must keep daily running sheets, in the form approved by the *Commissioner Corrections*, to record details of each run undertaken in any of the Fiji Correction’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; and
- v. fuel details if vehicle is filled during the day.

12.3.10 Separate running sheets and Instructions must be kept for each vehicle.

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

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

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

12.3.14 All *drivers* must ensure that their running sheets are properly filled in before signing and submitting them to the *Officer in-charge of Transport* at the end of the day. Vehicle keys must also be handed over to the *Officer in-charge of Transport*.

12.3.15 The *Officer in-charge of Transport* shall check the accuracy of all running sheets for the day and certify each sheet.

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

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

12.3.17 All vehicles must only refill with the approved Petroleum Company.

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

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

12.3.20 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.

12.3.21 The *Officer in-charge of Transport* shall identify authorised card users, assure card training, notify VCU of Ministry of Economy of any changes in card users or issues concerning fuel card. Prompt payment of invoices each month, card re-ordering and fuel card maintenance and monitoring.

12.3.22 The *Officer in-charge of Transport* shall ensure that procedures for use of the fuel card, required under Part IV of the Policy have been complied with.

12.3.23 The *Officer in-charge of Transport* shall review the monthly account statement and timely prepare and submit all required documents to the VCU of Ministry of Economy.

### **Transport Officer's Log book**

12.3.24 The *Officer in-charge of Transport* shall keep separate logbooks for each of the

Vehicles registered under Fiji Correction Service. The logbooks shall provide details of:

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

12.3.25 When a driver's running sheet is handed to the *Officer in-charge of Transport* at the end of the day, the total mileage for the day will be recorded in the logbook.

12.3.26 At the end of each month, the *Officer in-charge of Transport* shall check the driver's running sheets and reconcile it to the monthly mileage summary in the logbook, before signing the summary.



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

## **12.4 Garaging of Vehicles**

12.4.1 Drivers shall park vehicles at Fiji Corrections Service official garage or car park at the end of each business day and at weekends.

12.4.2 The **Commissioner of Corrections** shall notify the **Assistant Commissioner Operations** in writing if the vehicle must be parked elsewhere for a specific duration. The **Commissioner of Corrections Service** may also request that the vehicle keys be given to another officer for safekeeping during that period.

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

12.4.4 Garaging of government vehicles at driver`s home is forbidden unless with the prior approval in writing from the Commissioner of Corrections and this will only be given in exceptional circumstances.

## **12.5 Maintenance of Vehicles**

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

12.5.1 The **Officer in-charge of Transport** must ensure that all vehicles are regularly serviced and properly maintained. Drivers must also ensure that vehicles are kept in a clean condition.

12.5.2 The **Officer in-charge of Transport** shall obtain at least three quotes for servicing or repair works to and for authenticating and verifying the repair works upon receipt of the quotes except for Vehicles allocated to the Fiji Corrections Services through Leasing arrangements. Once confirmed, the **Senior Accounts Officer** than submit a requisition to the Commissioner of Correction for approval.

12.5.3 Pursuant to LTA Regulations, all Government vehicles over one (1) year are subjected to a Road Worthiness test and those vehicles that fail the test should be taken off the road.

12.5.4 The **Officer in-charge of Transport** shall enter details of repairs or service costs in the relevant logbooks.

### **Unserviceable Vehicles**

12.5.5 If a vehicle undergoing servicing or a 'Road Worthiness Test' is found to be unroad-worthy and uneconomic to repair, it may be disposed of in accordance with *Disposal of Government Assets* of the Procurement Regulations, 2010. Vehicle allocated through leasing arrangement the **Officer in-charge of Transport shall notify VCU of Ministry of Economy through the Commissioner of Corrections.**

12.5.6 The *Officer in-charge of Transport* 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.

12.5.7 This report must be submitted to the *Commissioner* Corrections together with the request for a new or replacement vehicle.

12.5.8 If the request for a new vehicle is approved and budgetary provision is available, a vehicle may be purchased through the normal procurement process.

## **12.6 Accidents Involving Vehicles**

12.6.1 In the event of an accident involving a government vehicle, the *driver* must immediately report the accident to the Police and inform the *Assistant Commissioner Operations* through the *Officer in-charge of Transport*.

12.6.2 Details of the accident shall not be given to anyone other than the Police or *Officer in-charge of Transport* as stipulated in 12.6.1.

12.6.3 If permitted by the Police, the *driver* shall drive the vehicle to the official garage.

12.6.4 Immediately 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 addressed of witnesses; and
- vii. any other relevant information.

12.6.5 The accident report shall be submitted to the *Commissioner of Corrections* through the *Officer in-charge of Transport*. The *Officer in-charge of Transport* shall scrutinise the report, interview the *driver* and contact the other driver or witness if necessary, before recommending a course of action.

12.6.6 A copy of the accident report should be submitted to the *Commissioner of Corrections* Services for necessary Penalties.

### **Penalties / Surcharging**

12.6.7 A driver involved in an accident may be charged to recover cost if the investigation authority believes the driver was at fault.

12.6.8 The accident report, Police report, Supervisor's recommendations and the investigation report will all be taken into consideration to impose recovery approved by the Commissioner of Corrections.

12.6.9 If a recovery is imposed, the *driver* shall be informed in writing. The Commissioner of Corrections shall also be notified of the recovery action.

12.6.10 The *Commissioner of Corrections* shall endorse recovery of cost for damages caused by divers through their negligence as determined by internal Board of Inquiry.

## **12.7 Vehicle Quarterly Reports**

12.7.1 The *Officer in-charge of Transport* shall prepare a quarterly vehicle report on all vehicles registered under Fiji Corrections Service. The vehicle report must be prepared no later than one week after the end of the quarter.

12.7.2 The vehicle report shall provide the following information:

- i. vehicle registration number and model;
- ii. type and model
- iii. station/location of vehicle;
- iv. date of vehicle acquisition;
- v. age of vehicle;
- vi. Total mileage covered for beginning and end of current quarter;;
- vii. Odometer reading end of current quarter;
- viii. Fuel and oil cost current quarter;
- ix. Repair and maintenance cost current quarter;
- x. Total maintenance and repair cost for entire life till the end of current quarter;
- xi. Date of accident current quarter; and
- xii. Estimated cost of accident damage

12.7.3 The *Supervisor of Correction* Institutions must sign and date the vehicle report before forwarding it to the *Officer in-charge of Transport* for inclusion into the quarterly management report.

12.7.4 A copy of the report shall be forwarded to the Commissioner of Corrections for endorsement and then forwarded to Ministry of Economy no later than two weeks after the end of the quarter.

## **12.8 Handing over of Vehicles**

12.8.1 The Officer in-charge shall oversee and endorse the vehicle checklist form signed by in-coming and out-going drivers of concerned vehicles during on and off shift hours.

12.8.2 The Officer in charge is to ensure that checklist forms are properly filled and filed for future references.

## PART 13: LIABILITIES

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

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

- *Superintendent of Corrections (SHQ);*
- *Senior Accounts Officer;*
- *Accounts Officer;*
- *Assistant Accounts Officer;*
- *Payables Officer (Bills clerk); and*
- *Clerical Officer Purchasing(PO).*

### 13.1 Accounts Payable

13.1.1 When invoices or claims for payments are received, the *Purchase Order Payment Clerk* shall record details in an accounts payable ledger. The accounts payable ledger shall record all claims for payment except for procurement invoices, which shall be recorded in the commitment ledger.

13.1.2 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; and
- v. the payment/journal voucher number and cheque details.

13.1.3 At the end of each month, the *Senior Accounts Officer* shall review the accounts payable ledger to ensure that all invoices and claims do not become overdue.

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

### 13.2 Employees Leave Entitlements

13.2.1 A proper record shall be maintained and updated for all employees leave entitlement by Supervisor Corporate Services. This shall include employee cards or files to store information regarding leave entitlements and other personal information.

13.2.2 A separate register shall be kept for annual leave for each employee. The

register shall record:

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

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

### **13.3 Leases**

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

13.3.2 The analysis must consider the:

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

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

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

### **13.4 Contingent Liabilities**

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

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

## PART 14: 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; and
- wasteful and fraudulent activities.

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

- *Commissioner of Corrections;*
- *Deputy Commissioner;*
- *Assistant Commissioner Corporate Service;*
- *Senior Accounts Officer;*
- *Supervisor Headquarters (SHQ);*
- *Supervisors of Correction Institutions;*
- *Officer in charge Corrections Institutions;*
- *Accounts Officer;*
- *Assistant Accounts Officer; and*
- *Officer-In-Charge of Corrections Institutions.*

### 14.1 Incurring Losses

#### Loss Reports

- 14.1.1 Officers responsible for managing assets, revenue collection or cash shall prepare a loss report whenever a loss is incurred.
- 14.1.2 The loss report shall outline the nature of the loss, circumstances leading to it and recovery measures taken.
- 14.1.3 Any loss arising from theft or fraud shall be reported immediately to the *Commissioner of Corrections*.
- 14.1.4 The *Supervisor of Correction* Institutions shall initiate an internal investigation when any loss over the value of \$50 occurs or if fraud or theft is suspected. An officer not connected with the area in which the loss occurred shall conduct the investigation.

#### Recording Losses in a Loss Register

- 14.1.5 A copy of the loss report must be submitted to the *Senior Accounts Officer* who shall record details of each loss in the Losses Register.
- 14.1.6 Where any loss recorded in the register is recovered or written-off, the *Officer-In-Charge* of a Correction Institution through their respective *Supervisors* shall update the register accordingly. The *Officer-In-Charge* of a Correction Institution shall regularly follow up losses and recovery action with the relevant officers who shall supply copies of relevant documents.

## **Annual Losses Report**

- 14.1.7 An annual losses statement shall be prepared by the *Senior Accounts officer* through the respective *Supervisors* for inclusion in Fiji Correction's annual financial statements as and when required.
- 14.1.8 The losses statement shall provide information on losses written-off during the financial year and the status of recoveries of losses.

## **14.2 Recovery Measures**

- 14.2.1 Each *Supervisor of Correction* Institutions of the area that has incurred a loss shall ensure that the following actions are taken where applicable, to recover losses:
- i. issue of reminder notices;
  - ii. repossessing items where applicable;
  - iii. investigations and recovery by the Police;
  - iv. salary deductions for government officials; and
  - v. surcharging officers responsible for the loss.

## **Legal Action**

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

## **Salary Deductions for Government Officers**

- 14.2.3 Where losses arise from overpayments to government officers or advance repayments, the *Senior Accounts Officer* shall effect recovery through direct salary deduction which must be approved by Commissioner of Corrections. Officers must be informed of the overpayment and the rate of deduction from their salary before the deduction is carried out.
- 14.2.4 Where an officer is surcharged, the surcharge amount may be recovered through direct salary deductions with the approval of the **Commissioner of Corrections** Service.

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

- 14.2.5 The *Senior Accounts Officer* through the *Commissioner* of Corrections 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.

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

**Writing off Losses**

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

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

| Authority                            | Abandonment of Claim (up to) <sup>1</sup> | Loss of Livestock (up to) <sup>2</sup> | Loss of Assets (up to) <sup>3</sup> | Loss of Money |
|--------------------------------------|---|--|-------------------------------------|---------------|
| Commissioner                         | \$1,000                                   | \$1,000                                | \$500                               | \$500         |
| Deputy Commissioner                  | \$500                                     | \$500                                  | \$300                               | \$100         |
| Assistant Commissioner Admin/Finance | \$100                                     | \$100                                  | \$100                               | Nil           |
| Senior Accounts Officer              | \$100                                     | \$100                                  | \$100                               | Nil           |

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

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

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

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

14.2.12 All write-off applications approved or otherwise, must be properly filed by the *Officer in Charge* of Correction Institutions through their respective *Supervisors* to the *Commissioner of Corrections*.

14.2.13 Once write-off approval has been obtained, the *Officer in Charge* of Correction Institutions through their respective *Supervisors* shall ensure that the losses register is updated and that, where required, losses are cleared from the respective accounts.

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<sup>1</sup> To Voluntary disclaim monies owed to the agency where the debtor / vendor has gone bankrupt, passed away or retired.

<sup>2</sup> Loss of Livestock as a result of natural deaths, thefts, exposure to unfavourable weather conditions, poisoning, and predator’s attacks etc.

<sup>3</sup> Loss of assets could be due to theft, fire, natural disasters and through accidental events etc.

<sup>4</sup> Loss of monies due to theft or fire [Siji Corrections Service Finance Manual 2017-2018](#)



14.2.14 One (1) week after the end of each quarter, the *Senior Accounts Officer* shall forward a write-off report to the Commissioner of Corrections outlining the type and amount of losses that were written off during that quarter.

## PART 15: TRUST ACCOUNTS

Trust money is money that Fiji Corrections 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 Trust Accounts in-here refers to Prisoners Trust Funds (Fund 9) and Operating Revolving Trust Funds held within SEG 86.

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

- *Commissioner of Corrections;*
- *Deputy Commissioner of Corrections;*
- *Assistant Commissioner Corporate Service;*
- *Supervisor of Corrections (Northern, Western and Central/ Eastern Division);*
- *Officer-In-Charge of Corrections Penal Institutions;*
- *Senior Accounts Officer;*
- *Accounts Officer;*
- *Assistant Accounts Officer;*
- *Clerical Officer; and*
- *Reconciliation Clerk.*

### 15.1 Operating a Trust Account

15.1.1 Where Fiji Corrections Service becomes responsible for managing trust money, an application shall be made to the Chief Accountant, Ministry of Economy seeking approval to open a separate trust bank account and detailing the nature of the trust and of any beneficiaries.

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

15.1.3 Relevant procedures in Part 7 of the Manual relating to cheque signatories, cash books, bank reconciliations, and custody of cash on hand also apply to trust accounts.

### 15.2 Receipt and Payment of Trust Money

#### Receiving Trust Money

15.2.1 When trust money is received, the *Accounts Clerk* or *Officer-In-Charge* shall issue an official trust receipt to the payer. Details of receipts shall be entered into the trust cashbook.

15.2.2 Procedures in Part 5 of this manual relating to receiving and banking money shall also be complied with.

#### Trust Payments

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

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

15.2.5 The *Accounts Officer* or *Assistant Accounts Officer* shall be responsible for raising payment vouchers for trust payments.

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

### **15.3 Keeping Proper Trust Records**

15.3.1 The *Assistant Accounts Officer* shall properly file correspondences, reports, trust agreements and other relevant trust documents. Each trust account shall have its own file.

15.3.2 The *Assistant Accounts Officer* 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; and
- iv. balance to date

### **15.4 Trust Reports**

#### **Trust Reconciliation**

15.4.1 Within 5 days after the end of each month, the *Reconciliation Clerk* shall prepare a trust reconciliation to reconcile trust account balances to the ledger total and the trust bank account.

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

15.4.3 The *Accounts Officer* shall certify and date the reconciliation statement after ensuring that all balances in the statement are verified to supporting documents.

15.4.4 The *Accounts Officer* must submit the trust reconciliation to the *Senior Accounts Officer* within 10 days after the end of the month. The Trust reconciliation shall be in accordance with the format provided in schedule 9. A duplicate must also be submitted to the Commissioner of Corrections.

#### **Annual Trust Receipts & Payments Statement**

15.4.5 Each year the *Senior Accounts Officer* shall prepare an annual trust receipts & payments statement within two weeks of the end of the year.

15.4.6 The statement must be certified and dated by the *Senior Accounts Officer*. It shall include supporting notes providing details of outstanding balances or adjustments. The *Reconciliation Clerk* shall submit the statement to the *Senior Accounts Officer*.

- 15.4.7 The *Senior Accounts Officer* shall make available for the audit the necessary trust documents supporting the transactions and balances of the trust account.
- 15.4.8 The audited financial statement of trust balances shall be included in the Fiji Corrections Service annual report.

## **PART 16: LEDGER ACCOUNTS**

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

This Part assigns specific responsibilities to the:

- *Senior Accounts Officer;*
- *Accounts Officer;*
- *Assistant Accounts Officer;*
- *Accounts Clerk;*
- *Ledger officers – Ration Clerks; Stores Clerk for all the Institutions.*

### **16.1 Raising Journal Vouchers**

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

16.1.2 Only the *Senior Accounts Officer and Accounts Officer* shall approve journal adjustments.

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

16.1.4 The *Senior Accounts Officer or Accounts Officer* must check that:

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

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

16.1.6 A journal voucher register must be maintained by the *Senior Accounts Officer* or *Accounts Officer* 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; and
- iv. account codes debited or credited

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

## 16.2 Posting into the Automated Information System

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

16.2.2 Only the *Accounts Clerk* or *Assistant Accounts Officer* authorised by the *Senior Accounts Officer* shall input transactions into the general ledger system.

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

16.2.4 The *Accounts Clerk* 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.

## 16.3 Maintaining Ledgers

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

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

### Reconciling Ledgers

16.3.3 Within 3 days of receiving the monthly general ledger reports from the Ministry of Economy, the *Senior Accounts Officer* shall reconcile the ledger balances to the general ledger reports and prepare a ledger reconciliation statement.

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

16.3.5 A ledger reconciliation statement shall be signed and dated by the *Senior Accounts Officer*.

16.3.6 The ledger reconciliation statement shall be forwarded to the *Senior Accounts Officer*.

The *Senior Accounts Officer* must ensure that:

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

16.3.7 The *Senior Accounts Officer* shall certify and date the reconciliation. The reconciliation statement must be forwarded to the Commissioner of Corrections for endorsement.

## Part 17: INTERNAL CONTROLS

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

The procedures in this Part assign specific responsibilities to the;

- *Commissioner of Corrections;*
- *Deputy Commissioner;*
- *Assistant Commissioner Corporate Service;*
- *Senior Accounts Officer;*
- *Supervisor Headquarters (SHQ);*
- *Divisional Supervisors;*
- *Officer in charge of Corrections Institutions;*
- *Accounts Officer;*
- *Senior Medical Officer;*
- *Assistant Accounts Officer;*
- *Clerical Officer; and*
- *Business Development Manager.*

### 17.1 Design and Operation of Internal Control

17.1.1. The *Senior Account Officer* is responsible to the *Commissioner Correction* for the effective design and operation of internal control of the agency.

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

17.1.3. The *Senior Accounts Officer* is to properly document all system of internal control implemented by the agency.

### 17.2 **Internal Control Procedures**

#### Separation of Duties

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

- i. raise orders;
- ii. approve purchases;
- iii. receive ordered goods;
- iv. approve invoices for payments;
- v. review and reconcile financial records before payments are done; and
- vi. signs cheques.

## Payments

- 17.2.2 The *Senior Accounts Officer* must make sure the following checks are done before authorising any payment:
- i. Review vendor invoices for accuracy by comparing charges to purchase order;
  - ii. Verify that the goods and services purchased have been received;
  - iii. Perform monthly reconciliation of operating ledgers to ensure accuracy and timeliness of expenses;
  - iv. Make sure that the expenses accounts used have enough funds and are correct; and
  - v. Make sure that invoices are paid in a timely manner.

## Reconciliation

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

- 17.2.3 The *Senior Accounts Officer* must reconcile all accounts to be submitted to Ministry of Economy within two weeks after the closing of each monthly account.
- 17.2.4 The *Senior Accounts Officer* must verify all the reconciliations before signing and submitting it to the Ministry of Economy through the Commissioner of Corrections endorsement.
- 17.2.5 The *Senior Accounts Officer* must make sure that all FMIS users under his or her agency abide by the Govnet ITC ,FMIS Access and Password policy (Finance Circular 04/2015) .

## **17.3 Review of Internal Control System**

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



## PART 18: REPORTING

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

The procedures in this Part assign specific responsibilities to the:

- *Commissioner Corrections;*
- *Deputy Commissioner Corrections;*
- *Assistant Commissioner Corporate Service;*
- *Senior Accounts Officer;*
- *Supervisor Headquarters (SHQ)*
- *Supervisors of Corrections;*
- *Supervisor TMA;*
- *Accounts Officer;*
- *Assistant Accounts Officer; and*
- *Compliance officers- Executive Officer, Officer-In-Charge.*

### 18.1 Monthly Management Reports

18.1.1 The *Senior Accounts Office* is responsible for coordinating the preparation of a monthly management report outlining the performance of Fiji Corrections Service. The management report shall focus on:

- i. service delivery performance;
- ii. financial performance;
- iii. TMA performance;
- iv. Internal controls; and
- v. AP 741 and AP 711 reports.

18.1.2 Each quarter, the management report will also include:

- i. the outstanding and overdue debts report; and
- ii. the TMA performance report.

18.1.3 The monthly management report will be discussed at the monthly Commanders Conference meeting to be chaired by the *Commissioner* of Corrections.

### Service Delivery Performance

18.1.4 Within 1 week of the end of each month, each *Supervisors of Corrections* Institutions shall submit to the *Commissioner of Corrections*, a service delivery performance report comparing actual levels of service against the targets in their business plan.

### Financial Performance Report

18.1.5 Within 1 week of the end of each month, the *Senior Accounts Officer* shall submit to the *Commissioner of Corrections* a financial performance report providing an analysis of the financial and budget position of the Fiji Correction Services.

18.1.6 The financial performance report shall include the following information:

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

### TMA Reporting

18.1.7 Within 1 week of the end of each month, the *Supervisor TMA* shall submit to the *Commissioner of Corrections*, a service delivery performance report comparing actual levels of service against the targets in their business plan.

### Internal Controls Report

18.1.8 The internal control report provides the *Commissioner* of Corrections with assurance that internal controls within the Fiji Correction Services are effective.

18.1.9 The *Commissioner of Corrections* shall appoint two *Compliance Officers* to conduct monthly reviews of the existing internal controls associated with accounting functions within the Fiji Correction Services.

18.1.10 The *Officers* must be independent of the accounting function that is being reviewed. The *Compliance Officers* shall prepare an internal control report and submit it to the *Commissioner of Corrections* who shall sign and date the report.

18.1.11 Within 2 weeks of the end of each month, the *internal control report* shall be submitted to the *Commissioner* of Corrections .

18.1.12 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; and
- v. improvements in internal control, such as rotation of duties between staff, that have been implemented or are proposed.

## **18.2 Annual Reports**

18.2.1 The annual report of the Fiji Corrections Service shall consist of a consolidation of the information in the monthly performance reports.

18.2.2 The *Assistant Commissioner Corporate Service* shall provide the necessary financial statements and reports for inclusion in the annual report as and when required by the Finance Instructions.

### **Annual Financial Statements**

18.2.3 The financial statements must be prepared in accordance with the format specified in Schedule 1 of the Finance Instructions and audited by the Auditor General. The financial statements shall include the Auditor General's opinion.

18.2.4 To ensure that the financial statements are prepared on time, all end of the year adjustments must be carried out within the first two weeks of the following financial year.

18.2.5 The IDC account must be cleared and brought to a nil balance at the end of each financial year.

## **18.3 Reports to Ministry of Economy**

18.3.1 The *Senior Accounts Officer* shall certify all financial reports that must be submitted to the Commissioner of Corrections through Assistant Commissioner Corporate Service and Deputy Commissioner of Corrections must ensure that these are submitted within the timeframes set by the Ministry. These reports include:

- i. weekly & monthly cash flow forecasts;
- ii. monthly drawings reconciliation statements;
- iii. monthly expenditure & commitment reports;
- iv. revolving fund, inter-departmental clearance and cash clearance reports;

- v. quarterly TMA performance reports;
- vi. quarterly overdue debt reports;
- vii. quarterly write-off reports; and
- viii. quarterly vehicle reports.

| Reports to MOE                       | Basis of submission |         |           | Remarks   |
|--------------------------------------|---------------------|---------|-----------|---|
|                                      | Weekly              | Monthly | Quarterly |   |
| Cash Flow Forecast                   | Yes                 |         |           | Cash flow forecast must outline necessary information outlined under FI 35 (1) and shall be submitted prior to commencement of the budgetary year.            |
| Drawings reconciliation statement    |                     | Yes     |           | Drawings Reconciliations shall be in accordance with the format provided in schedule 3 below, and must be submitted within 5 days after the end of the month. |
| Revolving Fund account               |                     | Yes     |           | Refer to Schedule 4 below   |
| IDC clearance a/c                    |                     | Yes     |           | Refer to Schedule 5 below   |
| TMA Performance report               |                     |         | Yes       | Report shall include performance statements required under 6.5.2 of this manual   |
| TMA Bank ac reconciliation statement |                     | Yes     |           | Reconciliation format outlined in Schedule 6 below  |
| Write off reports                    |                     |         | Yes       | Report should outline type and amount of losses written off during the quarter  |
| Salaries and Wages reconciliation    |                     | Yes     |           | Format provided in Schedule 7 below   |
| SLG84 Reconciliations                |                     | Yes     |           | Prescribed format provided in Schedule 8 below  |
| Trust reconciliation statement       |                     | Yes     |           | Schedule 9 provides a guide on preparation of Trust Reconciliation  |
| Imprest Reconciliation               |                     | Yes     |           | Prescribed format provided in Schedule  |

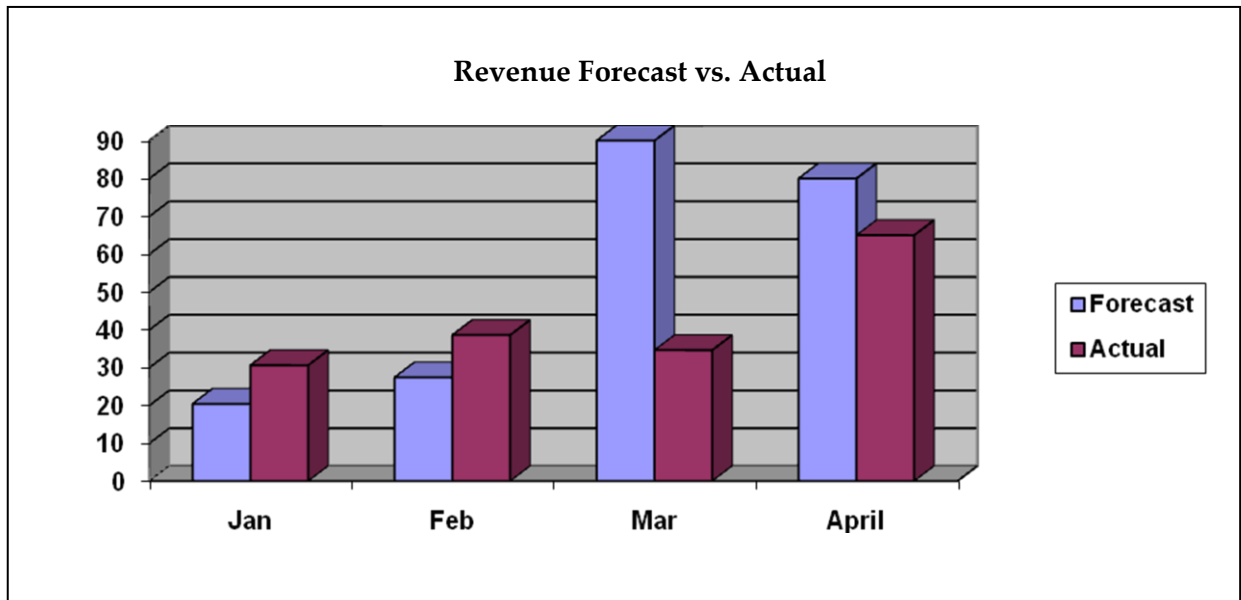
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|-------------------------|--|-----|-----|--|
| Statements              |  |     |     | 10 below   |
| TMA closing of accounts |  | Yes |     | Accounting Head should follow the same procedures used when preparing year end closing of accounts for TMAs. |
| Arrears of Revenue      |  |     | Yes | Prescribed format provided in Schedule 11 below  |
| Vehicle returns         |  |     | Yes | Format provided in Schedule 12 below   |
| Vehicle reports         |  | Yes |     | Report should show individual vehicle mileage for the concerned month.                                       |

## Schedule 1: Financial Performance Report

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

### Revenue Performance for the month of April

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

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

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

**Schedule 3: Drawings Reconciliation Statement**

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

**NAME OF ACCOUNT**

**Drawings Reconciliation Statement for the month**

**of June 200xDrawings Allocation**

|   |       |            |
|---|-------|------------|
| Unpresented Cheques brought forward             |       | _____      |
| Add: Cheques issued during the month            |       |            |
| <u>Less:</u> Cheques presented during the month |       |            |
|   | (xxx) |            |
| Add: Bank charges/fees                          |       | <u>xxx</u> |
|   |       | xxx        |
| Balance as per cash book*                       |       | <u>xxx</u> |
| Opening Balance as per GL                       |       | <u>xxx</u> |
| <i>Add:</i> Receipts                            |       | xxx        |
| <i>Less:</i> 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: \_\_\_\_\_ (Officer who prepares this statement)

Date:

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

Signed: \_\_\_\_\_ (Supervising Officer)

Date:

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

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

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

**Details Report**

**Opening Balance** **\$100**

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

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

\$ -

**Closing Balance** **\$300**

**Outstanding Report**

**Opening Balance** **\$100**

**Less credit for 2012** - **Maciu** **\$(100)**

\$ -

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

**Closing Balance** **\$300**

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

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

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

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

**Scenario A**

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

DR IDC Department E 1000

CR FPO Drawings Account 1000

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

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

DR Expenditure Allocation 1000

CR IDC Department E 1000

A reconciliation statement was prepared as follows:

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

Opening balance as per manual ledger

Debits for the month 1000

Credits for the month (1000)

Closing balance as per general ledger 0

Schedule 6: Bank Reconciliation Statements (TMA)

TRADING & MANUFACTURING ACCOUNTS BANK RECONCILIATION STATEMENT

| <i>TMA NAME</i> Bank Reconciliations Statement for the month of <i>April</i>    |         |                |
|---|---------|----------------|
| <b><u>Bank Statement Reconciliation</u></b>                                     |         |                |
| <b>Closing Balance as per Bank Statement</b>                                    |         | Xxxxxx         |
| <b><u>Add:</u></b> Lodgement not Credited                                       | xxxx    | xxxx           |
|   |         | <u>xxxx</u>    |
| <b><u>Less:</u></b> Unpresented Cheques   | (xxxxx) | xxxxxxxxxxx    |
|   |         | <u>(xxxxx)</u> |
| <b><u>Reconciled Balance</u></b>  |         | ← <u>xxxxx</u> |
| <b><u>Cash Book Reconciliation</u></b>  |         |                |
| Opening Balance as per Cash Book  |         | xxxxx          |
| <b><u>Add:</u></b> Receipts   |         | xxxxxx         |
|   |         | xxxxxxxxxxx    |
| <b><u>Less:</u></b> Payments  |         | (xxxxxxxxx)    |
| Closing Balance as per Cash Book  |         | <u>xxx</u>     |
| <b><u>Adjustment</u></b>  |         |                |
| <b><u>Add:</u></b> Direct Deposit to Bank<br><br>: Cancel Cheques/Stale Cheques | xx      |                |
|   | x       |                |
|   |         | xxx            |
| <b><u>Less:</u></b> Direct Deduction by Bank                                    | (x)     | xxxxxx         |
|   |         | (x)            |
| <b><u>Reconciled Balance</u></b>  |         | ← <u>xxxxx</u> |
| <b><u>GL Reconciliations</u></b>  |         |                |
| Opening Balance as per GL   |         | xxxxx          |

|                                       |             |                 |
|---------------------------------------|-------------|-----------------|
| <b><u>Add:</u></b> Posted Receipts    |             | xxxxxxx         |
|                                       |             | xxxxxxxxxxxxx   |
| <b><u>Less:</u></b> Posted Payments   |             | (xxxxxxxxxxx)   |
| Closing Balance as per GL             |             | <u>xxx</u>      |
| <b><u>Adjustment</u></b>              |             |                 |
| <b><u>Add:</u></b> Unposted Receipts  | <u>xx</u>   |                 |
| : Cancel Cheques/ Stale Cheques       | <u>xx</u>   |                 |
|                                       |             | <u>xxxx</u>     |
|                                       |             | <u>xxxxxxxx</u> |
| <b><u>Less:</u></b> Unposted Payments | <u>(xx)</u> |                 |
|                                       |             | <u>(xx)</u>     |
| <b><u>Reconciled Balance</u></b>      |             | <u>xxxxx</u>    |

\_\_\_\_\_  
Preparer Signature

\_\_\_\_\_  
Supervisor Signature

\_\_\_\_\_  
Permanent Secretary's Signature

**Schedule 7: Salary Reconciliation**

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

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

### Schedule 8 SLG 84 Reconciliations

The following shall be adopted when preparing SLG 84 Reconciliations.

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

Detail Report  
Opening Balance

\$ (115.00)

Phase 3/Project  
carryover from

| Date    | Credits | Debits   |                |          |             |        | Balance    | Remarks                       |
|---------|---------|----------|----------------|----------|-------------|--------|------------|-------------------------------|
|         |         | Salary   | Transportation | Logistic | Procurement | Sundry |            |                               |
| 11/2/13 |         | \$100.00 |                |          |             |        | \$100.00   | Pmnt. for Casual workers FNPf |
|         |         | \$100.00 |                |          |             |        | \$ (15.00) |                               |

Phase 4/ Project  
undertaken in  
2012

| Date    | Credits    | Debits   |                |          |             |        | Balance    | Remarks                       |
|---------|------------|----------|----------------|----------|-------------|--------|------------|-------------------------------|
|         |            | Salary   | Transportation | Logistic | Procurement | Sundry |            |                               |
| 1/1/13  | \$(150.00) |          |                |          |             |        | \$(150.00) | Funding Received from Finance |
| 11/2/13 |            | \$100.00 |                |          |             |        | \$(50.00)  | Payment of Wages              |
| 15/3/13 |            |          | \$15.00        |          |             |        | \$(35.00)  | Payment of Airfare            |
|         | \$(150.00) | \$100.00 | \$15.00        |          |             |        | \$(35.00)  |                               |

Closing Balance

\$(50.00)

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



**Schedule 9: True Trust Monthly Reconciliation Statement**

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

**NAME OF ACCOUNT**

**Bank Reconciliation Statement for the month**

**of June 200x**

|                                    | \$           | \$    |
|------------------------------------|--------------|-------|
| Balance as per bank statement      |              | xxx   |
| <u>Less: Unpresented cheques</u>   | (xxx)        |       |
| Direct debits                      | <u>(xxx)</u> | (xxx) |
| <u>Add: Lodgement not credited</u> | xxx          |       |
| Bank charges/fees                  | <u>xxx</u>   | xxx   |
| Balance as per cash book*          |              | xxx   |
| Opening Balance as per GL          |              | xxx   |
| <i>Add: Receipts</i>               |              | xxx   |
| <i>Less: Payments</i>              |              | (xxx) |
| Closing Balance as per GL*         |              | xxx   |

\*Closing Balance as per GL should agree to the cashbook balance.

I certify that the above balances together with the attached details of balances are accurate and adequately supported.

Signed: \_\_\_\_\_ (Officer who prepares this statement)

Date:

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

Signed: \_\_\_\_\_ (Supervising Officer)

Date:

#### Schedule 10 : Imprest Reconciliation Statements

*This format is adopted when preparing Imprest Reconciliations.*

#### Name of Account – Account Number

#### Reconciliation Statement for the month of May 200x

|   | \$                   |
|---|----------------------|
| <b>Warrant NO/Year</b>                                | <b>210.00</b>        |
| <b>Balance Brought Forward</b>                        | <b>Nil</b>           |
| <b>Add Debits</b>                                     | <b>210.00</b>        |
| <b>Less Credits</b>                                   | <b>Nil</b>           |
| <b>GL Balance as at 31<sup>st</sup> May      200x</b> | <b><u>210.00</u></b> |

Prepared by: (preparer`s name)

Checked by: (Supervisor`s name)

Date:

Date:

## Schedule 11: Arrears of Revenue Quarterly Returns

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

Agency: \_\_\_\_\_

Report for Quarter ending \_\_\_\_\_ Year: 2010

### 1. Quarterly Arrears Reported by Your Agency

| Arrears Reported as at 31/12/09 | Arrears Reported as at 31/03/10 | Arrears Reported as at 30/06/10 | Arrears Reported as at 30/09/10 | Arrears Reported as at 30/12/10 |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| \$                              | \$                              | \$                              | \$                              |                                 |

### 2. Composition of Arrears and reasons for outstanding amounts.

| Revenue Type | Amount | % of Total | Comments |
|--------------|--------|------------|----------|
|              |        |            |          |
|              |        |            |          |

### 3. Provide the Aging of Debtors

| Age of Debts     | Amount | % of Total | Reasons for Non Recovery |
|------------------|--------|------------|--------------------------|
| Less than 1 year |        |            |                          |
| 1-2 years        |        |            |                          |
| 2-5 years        |        |            |                          |
| More than 5 yrs  |        |            |                          |

### 4. Distribution of Arrears by Centres /Divisions/ Districts

| Centre | Amount owed | % of total | State Actions Taken by the Agency |
|--------|-------------|------------|-----------------------------------|
|        |             |            |                                   |
|        |             |            |                                   |

### 5. Has the Agency Identified Arrears Deemed Irrecoverable? Provide details and Justification.

| Nature of Revenue | Amount | Debtor (s) | State recovery measures undertaken by the agency and the outcomes. |
|-------------------|--------|------------|--|
|                   |        |            |  |

|   |  |  |  |
|---|--|--|--|
|   |  |  |  |
| <b>6. What are the constraints/challenges faced by your agency regarding the administration of revenue and recovery of arrears.</b> |  |  |  |
| <br>  |  |  |  |
| <b>7. Additional Information or Comments</b>  |  |  |  |
| <br>  |  |  |  |
| <b>Please ensure that all supporting documentation is provided to substantiate the information provided.</b>                        |  |  |  |
| Prepared By _____<br><br><b>Accounting Head</b>   |  | _____<br><br><b>Permanent Secretary / Head of Department</b> |  |

**To be submitted to:**

Debt and Cash flow Management Unit

Level 6 West Wing Ro Lalabalavu House

**Ministry of Economy**

**VEHICLE QUARTERLY RETURN**

**FORM**

Head.....  
.....

**Ministry**

.....

**Department**

.....

**Vehicle Return for the Quarter**

Ending.....

.....  
...

| No | Vehicle No | Type of Vehicle | Station | Age | Total Mileage covered for current Quarter | Odometer reading end of current quarter | Fuel & oil cost current quarter | Repair & maintenance cost current quarter | Total maint. & repair costs vehicle's entire life till the end of current quarter | Date of accident current quarter | Estimated cost of accident damage |
|----|------------|-----------------|---------|-----|---|---|---------------------------------|---|---|----------------------------------|-----------------------------------|
|    |            |                 |         |     |   |   |                                 |   |   |                                  |                                   |
|    |            |                 |         |     |   |   |                                 |   |   |                                  |                                   |
|    |            |                 |         |     |   |   |                                 |   |   |                                  |                                   |

Prepared .....

Designation: .....

Date .....

Verified by.....

Designation  
.....

Date.....

## **PART 19: MISCELLANEOUS**

### **19.1 Use of Proper Forms**

- 19.1.1 All Correctional and Civilian staff shall ensure that the correct official forms are used in the following areas:
- i. purchasing & payments;
  - ii. receipting and banking;
  - iii. asset & liability recording;
  - iv. stocktaking; and
  - v. vehicle usage.
- 19.1.2 Particulars on any required form must be fully completed and signed by the preparing officer and supervisor before it is processed.

### **19.2 Accounting Records**

- 19.2.1 The **Senior Accounts Officer** is responsible for the safekeeping and proper maintenance of all accounting records or documents.
- 19.2.2 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. Approval must first be obtained from the Chief Accountant Ministry of Economy prior to destruction of such records as per the requirements under the FI.
- 19.2.3 The **Senior Accounts Officer** shall prepare a list of all records or documents to be destroyed and forward it to the Chief Accountant Ministry of Economy through Commissioner of Corrections through the Deputy Commissioner and Assistant Commissioner Corporate Service for approval. The **Senior Accounts Officer** or **Accounts Officer** shall also indicate whether these records have been audited and the year of audit.
- 19.2.4 The Chief Accountant Ministry of Economy shall consult with the Auditor General before approving the destruction of records.
- 19.2.5 If approved for destruction, the **Senior Accounts Officer** or **Accounts Officer** shall destroy such records by the most appropriate method.
- 19.2.6 A certificate of destruction shall be prepared outlining the items that were destroyed. The certificate must be signed by two of the officers present during the destruction.
- 19.2.7 The original certificate shall be submitted to the **Senior Accounts Officer** and the duplicate forwarded to the Ministry of Economy. The **Senior Accounts Officer** shall file the certificate together with the approved list of records to be destroyed.
- 19.2.8 If the **Senior Accounts Officer** decides to retain records over six years old, he/she may forward submission such items to the Commissioner of Corrections for approval through the Deputy Commissioner and Assistant Commissioner

Corporate Service and then to the Archivist for retention or transfer into a more convenient form of record-keeping.

## **PART 20: INTERNAL AUDIT**

Auditing is carried out not only to determine the accuracy of financial records of an agency but also to ascertain that documented systems and processes are being adhered to. The Ministry of Economy Internal Audit Unit shall be responsible for department's internal auditing.

### **20.1 Authority to Carry Out Audit**

- 20.1.1 The Permanent Secretary of Economy under FI 72 (1) has the authority to authorize the conduct of any audit of an agency for the purposes specified in the FI.
- 20.1.2 The *Commissioner of Corrections Service* must allow full, free and unrestricted access to all functions, premises, assets, personal records, accounting records, returns and other documentation and information to officers conducting audit of an agency.
- 20.1.3 The Commissioner of Corrections must ensure that they have the Entry and Exist interview with the Team of Internal Auditors before the report is finalised.
- 20.1.4 It is the responsibility of the *Commissioner of Corrections* to authenticate any letter or certificate of appointment by officers carrying out the audit before the audit commences.



## REPORT OF ANNUAL STOCK TAKE

To: Permanent Secretary \_\_\_\_\_  
 (Head of Agency)

In accordance with the Instruction contained in the \_\_\_\_\_, I/We, the undersigned, have inspected the stores on charge to \_\_\_\_\_ and I/We have the honour to report that the stores checked agree with the ledger balances.

2. I/We certify that a complete check of the stores has been made.  
 .....% test

3. Comments of the Board on the accommodation, general condition and security of the store:

.....  
 .....  
 .....

4. Comments of the Board on the manner in which the store records have been kept:

.....  
 .....  
 .....

5. Comments of the Board regarding responsibility for discrepancies:

.....  
 .....  
 .....

6. I/We encountered no difficulties in carrying out duties.

7. I/We enclosed in duplicates:

- (a) Annual Stock Take Form (Form. 85)
- (b) Asset Disposal Form (Form 59)
- (c) Explanation of discrepancies by the Officer in charge of store

Board of Survey Team

| Name  | Signature | Date  |
|-------|-----------|-------|
| _____ | _____     | _____ |
| _____ | _____     | _____ |
| _____ | _____     | _____ |

*Please write clearly when filling in this form. Form must be submitted in duplicate to Ministry of Finance.*



# PSC CIRCULAR

Public Service Commission, Berkeley Crescent, P.O. Box 2211  
Government Buildings, Suva. Telephone 3314 588

## **PSC Circular No: 20/2013**

**To:** Permanent Secretaries and  
Head of Departments

**File:** 29/74  
**Date:** 12/03/2013

**Subject:** **Review and Application of Subsistence, Country Allowance and Meal Allowance**

- 1.0 The Commission in recent months has noted the various clarifications sought by Ministries and Departments on the above allowances.
- 2.0 Subsequently, in its effort to address these queries and clarification registered and for sustainability of Policies implemented, the Commission, deemed it fit to re-address the above issues for wider clarity and acceptability in terms of application and financial implications.
- 3.0 The relevant related allowances within the Master Regulations [General Orders (GO) 2011 and the Terms and Conditions of Employment for GWE's 2010 (T&CE-GWE's)] have now been considered and approved.
- 4.0 The additions/amendments and revised allowances to be updated within the Master Regulations i.e. GO 2011 and the T&CE-GWE's 2010 are attached as **APPENDIX I** and are effective from the date of this circular.
- 5.0 Addressees are requested to ensure that the contents of this Circular is duly noted by officers within the Corporate and Accounts Sections responsible for processing these allowances for correct application.
- 6.0 For further clarifications, please liaise with Mr. Dinesh Prakash on telephone 3314588 ext. 206 or email address [dprakash@psc.gov.fj](mailto:dprakash@psc.gov.fj) or Mrs. Manjula Shah on ext. 284 or [manjula.shah@psc.gov.fj](mailto:manjula.shah@psc.gov.fj) respectively



**Parmesh Chand**  
**Permanent Secretary for the Public Service**

## APPENDIX I

### GENERAL ORDERS

| <b>Clause</b>                              | <b>Current Provision</b>  | <b>Amended Provision</b>   |
|--|---|--|
| <b>Subsistence Allowance - Definitions</b> |   |  |
| GO 500 (c)                                 | Subsistence Allowance is intended to recompense an officer, who has to travel on public service for additional expenditure incurred by him. It is not a personal emolument.   | <i>GO 500 (c) Subsistence allowance is intended to recompense an officer for additional costs incurred while, by reason of the official duty is obliged to spend at least one night away from his usual place of work/station.</i>   |
| <b>Additional Provision</b>                |   |  |
| GO 500 (d)                                 | Accommodation not defined in GO   | <i>GO 500 (d) Accommodation is the act of lodging/accommodating an officer overnight.</i>  |
| <b>When Payable</b>                        |   |  |
| GO 501                                     | An officer will be entitled to draw subsistence allowance for each night during which he is absent from his station on official duty. If the absence is less than 24 hours duration and an officer does not spend a night away from his station, no subsistence allowance will be paid. In such circumstances, the officer will be paid meal expense at existing rate per meal together with reasonable expenses.                         | <i>GO 501 An officer will be entitled to draw subsistence allowance for each night during which he is absent from his station on official duty. If the absence is less than 24 hours duration and an officer does not spend a night away from his station, no subsistence allowance will be paid. In such circumstances, the officer will be only paid meal(s) as appropriate.</i> |
| <b>Rates of Subsistence</b>                |   |  |
| GO 503 [a]                                 | An Officer will be entitled to draw subsistence allowance if accommodation is not provided at the rate equivalent to the revised hotel/accommodation rate at designated areas. (Equivalent approved rates is reflected in PSC Circular No. 33/2012)   | <i>GO 503 (a) An Officer will be entitled to draw subsistence allowance at the rate of \$30.00 per night plus meals as appropriate if accommodation is not provided. Accommodation not provided in this context includes Hotel or rest house or Government quarters.</i>   |
| <b>Current Provision</b>                   |   |  |
| GO 503 [b]                                 | The subsistence allowances where accommodation is provided, officers are only entitled to claim \$20.00 or the revised amount per night. Accommodation provided in this context means lodging in a government rest house or a cabin on board a ship (provided he pays for his own meal). This excludes hotel accommodation. Tents, temporary sheds or huts are not considered as accommodation for the purpose of subsistence allowances. | <i>GO 503 (b) Where accommodation is provided but is limited to lodging in a Government Rest House or Government Quarters only, Officers will be entitled to claim subsistence allowance at the rate of <b>\$20</b> per night <b>plus meals</b> as appropriate.</i>  |
| <b>Additional Provision</b>                |   |  |
| GO 503 [c]                                 |   | <i>GO 503 (c) Where 'hotel' accommodation is provided, only <b>meals</b> as appropriate are claimable.</i>   |

|   |   |  |
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| GO 503 [b] part-off as GO 503 (d)   | The subsistence allowances where accommodation is provided, officers are only entitled to claim \$20.00 or the revised amount per night. Accommodation provided in this context means lodging in a government rest house or a cabin on board a ship (provided he pays for his own meal). This excludes hotel accommodation. Tents, temporary sheds or huts are not considered as accommodation for the purpose of subsistence allowances. [Retain 503 (b) part-off as 503 (d)]  | <b>Additional Provision</b><br><i>GO 503 (d) Tents, temporary sheds or huts are not considered as accommodation for the purpose of subsistence allowances</i>  |
| <b>On-Board Ship</b>  | <b>Current Provision</b>  | <b>Amended Provision</b>   |
| GO504   | An Officer travelling on-board a ship whilst on official duty is entitled to claim subsistence allowance provided he pays for his own meals.  | <i>GO 504 (a) An Officer travelling on-board a ship whilst on official duty is <b>entitled</b> to claim subsistence allowance of <b>\$20.00</b> if applicable <b>plus meals</b> as appropriate.</i>  |
| GO504 (b)   |   | <b>Additional Provision</b><br><i>GO 504 (b) Where Cabin and ration is provided, subsistence allowance and meal allowance respectively are not claimable.</i>  |
| GO505 (b) Will be replaced with GO 506 (c) from (1993 Edition);<br><br>The allowance for three (3) meals taken shall not exceed <b>\$42.00</b> per day. (with revised rate of <b>\$50</b> ) | <b>Current Provision</b><br>An officer is entitled to claim meal allowance based on the existing rates and practices ( <i>Replaces current GO 505 (b)</i> )   | <b>Amended Provision</b><br><i>GO 505 (b) The allowance for three (3) meals taken in a hotel shall not exceed \$50.00 per day.</i>   |
| GO617   | <b>Current Provision</b><br>A married officer who is transferred to another station except Suva, for whom quarters are not immediately available and who stays privately whilst waiting the availability of quarters, will be paid the appropriate subsistence allowance in respect of the officer up to a maximum of five days. If accompanied by the Officer's family, the Officer will be paid double the subsistence allowance. The allocating authority should certify that quarters were not available for the officer for the number of days subsistence allowance is claimed. | <b>Amended Provision</b><br><i>GO 617 A married officer who is transferred to another station except Suva, for whom quarters are not immediately available and who stays privately whilst waiting the availability of quarters, will be paid the appropriate subsistence allowance in respect of the officer up to a maximum of five days. If accompanied by the Officer's family, the Officer will be paid double the subsistence allowance. The allocating authority should certify that quarters were not available for the officer for the number of days subsistence allowance is claimed. <b>Upon transfer, meal allowances are not claimable.</b></i> |



## TERMS & CONDITIONS OF EMPLOYMENT FOR GOVERNMENT WAGE EARNERS

| <b>Clause</b>               | <b>Current Provision</b>   | <b>Amended Provision</b>  |
|-----------------------------|--|---|
| <b>Country Allowance</b>    |  |   |
| Clause 37 (a)               | The following rates of country allowance to an employee for a total period of absence on out station duty necessitating absence at night from his usual place of residence:- | <i>Clause 37 (a) Country allowance will be payable to an employee for a total period of absence on out station duty necessitating absence at night from his usual place of residence to recompense for additional cost incurred by him.</i>   |
| <b>Current Provision</b>    |  |   |
| Clause 37 (a)(i)            | \$9.00 per night if accommodation is provided.   | <i>Clause 37 (a) (i) Where accommodation is provided in terms of lodging in a Rest House or Government Quarters, an employee will be entitled to claim country allowance at the rate of \$9.00 per night <b>plus meals as appropriate.</b></i>  |
| <b>Current Provision</b>    |  |   |
| Clause 37 (a)(ii)           | \$21.00 per night if accommodation is not provided for first 7 nights; \$18.00 per night thereafter.   | <i>Clause 37 (a) (ii) Where accommodation is not provided, an employee will be entitled to claim country allowance at the rate of \$21.00 per night (first 7 nights). Thereafter \$18.00 <b>plus meals as appropriate</b></i>   |
| <b>Additional Provision</b> |  |   |
| Clause 37 (a)(iii)          |  | <i>Clause 37 (a) (iii) Where 'hotel' accommodation is provided, only <b>meals</b> as appropriate are claimable.</i>   |
| <b>Current Provision</b>    |  |   |
| Clause 37 (b)               | Where full accommodation at Government Expense including on board a ship is provided, no allowance is payable.   | <i>Clause 37 (b) Where hotel accommodation <b>&amp; meals</b> is provided at Government Expense, no allowances will be payable. Clause 37 (c) remains.</i>  |
| <b>On-Board Ship</b>        |  |   |
| <b>Clause 37 (d)</b>        |  | <i>Clause 37 (d) On Board Ship<br/><br/>An employee travelling on-board a ship whilst on official duty is <b>entitled</b> to claim country allowance of <b>\$9.00</b> if applicable <b>plus meals as appropriate</b>. Where Cabin and ration is provided, country allowance and meal allowance are not claimable.</i> |

