



Tuvalu

FINANCIAL INSTRUCTIONS

2008 Revised Edition

CAP. 4.20.1



Tuvalu

FINANCIAL INSTRUCTIONS

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Tuvalu

FINANCIAL INSTRUCTIONS

MADE UNDER SECTION 5 OF THE PUBLIC FINANCE ACT¹

Commencement [28 May 1991]

CHAPTER 1 - GENERAL PRINCIPLES INTRODUCTION & VALIDITY

1. These Financial Instructions are given by the Minister in exercise of the power to give instructions vested in him by section 5 of the Public Finance Act.²
2. These Financial Instructions shall come into operation upon the written Order of the Minister and with effect from the date of that Order, shall supersede all previous editions of Financial Regulations or Instructions.
3. Where there is any conflict between these Financial Instructions and any written law, the written law shall prevail. Any person becoming aware of any such conflict shall immediately notify the Secretary in writing.
4. Nothing in these Financial Instructions shall impair any obligation imposed by any written law.
5. Where there is any conflict between these Financial Instructions and any direction given under section 5 of the Act, the direction shall prevail.
6. The objective of these Financial Instructions is to enable sensible financial practices to be carried out. Where, in the opinion of the Secretary, the result of strictly following Financial Instructions would, in particular circumstances, not be in the best interests of Tuvalu, he may direct in writing the procedures to be followed in those particular circumstances.

INTERPRETATION

7. In these Financial Instructions, unless the context shall otherwise require:

“**accountable officer**” means any public officer, including an accounting officer, concerned in or responsible for the collection, receipt, custody, issue, or payment of public moneys, stores, stamps, investments, securities, or negotiable instruments whether the same are the property of Government or on deposit with or entrusted to the Government or to any public officer in his official capacity either alone or jointly with any other public officer or any other person;

“**accounting officer**” means any public officer appointed under the provisions of the Act and charged with the duty of accounting for any service in respect of which moneys have been appropriated;

“**the Act**” means the Public Finance Act;

“**Appropriation Act**” means any Act to apply a sum out of the Consolidated Fund to the service of a financial year, and includes a Supplementary Appropriation Act;

“**budgetary control**” means the continual comparison of actual expenditure, for all subheads, with the amount approved by Parliament in the National Budget, to ensure that no overspending takes place and includes consideration of commitments, the requirement for virements, and the formulation of corrective action plans to bring actual results into line with Parliamentary intentions;

“**Consolidated Fund**” means the Consolidated Fund of Tuvalu, established by section 167 of The Constitution;

“**expenditure head**” or “**head**” means the total sum applied to, and appropriated for, any purpose by an Appropriation Act or Supplementary Appropriation Act;

“**financial year**” means a period of 12 months commencing 1st January and ending 31st December;

“**the Minister**” means the Minister for the time being responsible for Finance;

“**Ministry**” includes any unit or office of Government for which Parliament has appropriated funds for the service of a specific Head;

“**National Budget**” means the Estimates of Recurrent Revenue and Expenditure prepared each year for approval by Parliament in support of the Appropriation Act;

“**public moneys**” include:

- (a) all revenues or other moneys raised or received for the purpose of the Government of Tuvalu;
- (b) any other moneys or funds held, whether temporarily or otherwise, by any public officer in his official capacity either alone or jointly with any other person, whether a public officer or not;

“**public officer**” or “**public service**” have the meanings respectively assigned to those terms by section 2(i) of Schedule 1 to the Constitution;

“**public stores**” means all items which are the property of, in the possession of, or under the control of Government;

“**revenue collector**” means any public officer receiving any form of revenue or other public money due to or accepted by Government;

“**the Secretary**” means the Secretary for Finance;

“**security documents**” includes receipt books, licence books, debit notes, local purchase orders, requisitions, and any other pre-numbered document used in the receipt and expenditure of public moneys;

“**Statutory Expenditure**” means any expenditure charged on the Consolidated Fund by any Law of Tuvalu other than an Appropriation Act;

“**sub accountant**” means a public officer entrusted with the receipt custody, and disbursement of public moneys who is required to maintain an official cash book, the transactions within which must be accounted for to an accounting officer or other officer prescribed by the Secretary in writing;

“**Supplementary Appropriation Act**” means any Act the purpose of which is the granting, by Parliament, of moneys extra to those already approved by the annual Appropriation Act;

“**Virement**” is the simultaneous reduction of one sub-head and a corresponding equal increase in another sub-head; Virement is only possible within the same Head, and must be authorised personally by the Minister.

DISTRIBUTION OF FINANCIAL INSTRUCTIONS

8.

- (1) Each copy of these Financial Instructions shall be numbered separately on the first sheet, and shall be signed for by the officer receiving the copy. The officer shall then print his name, title, and the date he received his copy, and return the duplicate of the front sheet (FI 1) to the Secretary.
- (2) The Secretary shall maintain a file of the returned FI 1's, endorsing the appropriate FI 1 if Financial Instructions are returned and/or destroyed.
- (3) The Secretary shall endorse the appropriate FI 1 if Financial Instructions are transferred between officers.
- (4) The Secretary shall be responsible for the safe custody of all unissued or returned copies of Financial Instructions.

9.

- (1) Financial Instructions are official documents; they are the property of Government and not of the officer to whom they are issued.

- (2) In the event of a handing over of duties between officers, the appropriate copy of Financial Instructions shall be transferred to the new officer, and the Secretary shall be notified by copy of the Handing Over Certificate.
- (3) Should an officer vacate his post, either permanently or temporarily, and no handing over takes place, any copies of Financial Instructions held by the departing officer shall be returned to the Secretary; in the event of non-return the departing officer shall be liable for the cost of replacement, as determined by the Secretary.

AMENDMENTS TO FINANCIAL INSTRUCTIONS

10.

- (1) These Financial Instructions may be amended, from time to time, by further instructions given under section 5 of the Act.
- (2) These Financial Instructions may be supplemented by Financial Circulars issued by the Secretary under GAO 19.1.18.

But to the extent that any such circular is in conflict with these Financial Instructions it shall be of no effect.

- (3) The official copy holder shall ensure that all amendments to Financial Instructions are made promptly, neatly, and accurately, and the amendment recorded on FI 2. Receipt by the Secretary of the signed Acknowledgement Slip accompanying each Amendment shall be taken as proof that the official copy holder has correctly amended his copy of Financial Instructions.
- (4) The Secretary shall ensure that all copies of Financial Instructions in his possession are duly amended. No copy of Financial Instructions shall be issued by the Secretary until it has been checked to ensure that it is up to date.
- (5) The Secretary shall maintain a separate Registry File for Amendment Notices. Returned Acknowledgements shall be put on this file, and marked off on a check-list inside the front cover to ensure all Acknowledgements have been returned.

CARE OF COPIES OF FINANCIAL INSTRUCTIONS

11. It shall be the responsibility of official holders of Financial Instructions to ensure that their copy is maintained in a clean and useable condition at all times. Should a copy become so badly damaged or soiled as to be of no further use it shall be returned to the Secretary, who shall destroy it and issue a replacement copy. The Register of official holders shall be amended accordingly. If, in the opinion of the Secretary, the original copy has become damaged or soiled through the negligence of the official holder, then that officer shall pay for the replacement copy, the amount to be determined by the Secretary.

MAINTENANCE AND COMPLETION OF FINANCIAL RECORDS

12.

- (1) All accounting forms shall bear Treasury numbers and their use shall be authorised by the Secretary. All licence forms, unless required by law to be prescribed by some other authority, shall be approved and authorised by the Secretary prior to use.
- (2) No form shall be re-ordered without being reviewed by the Secretary to ascertain whether changes are required.

13.

- (1) All books of account shall be bound wherever possible. However, loose leaf ledger sheets or cards may be used instead provided that the written authority of the Secretary has been obtained prior to use, and that the sheets are pre-numbered (either by the printer or the officer).
- (2) Under no circumstances whatsoever shall numbered pages be removed from books of account. If unused pre-numbered pages become damaged or soiled, the pages shall be endorsed “Cancelled” and ruled diagonally across the pages with two heavy ink lines. Such pages shall remain within the book of account.

14.

- (1) All entries in books of account, and upon all accounting forms and documents, shall be typed, or written in black or blue ink or with a ball point pen. The use of green ink is restricted to staff of The Office of the Auditor-General. Pencil entries made for the specific purpose of inserting sub totals shall be allowed.
 - (2) All incorrect entries shall be ruled through neatly, the correct entry inserted neatly above, and the correction initialled by the responsible officer - erasing, or the use of corrective fluid is not allowed.
 - (3) Audited figures and other audit entries in books of account shall not be altered except by staff of the Auditor-General, who shall initial the alteration.
15. For the purposes of these Financial Instructions, “books of account” shall include all ledgers, journals, cash books, day books, and abstracts, together with any other record the Secretary considers necessary for the accurate and regular recording of the financial affairs of Government.

DISPOSAL AND DESTRUCTION OF FINANCIAL RECORDS

16.

- (1) The Ministerial and sub-accountancy copies of payment vouchers, cash books, general receipt books (triplicate copies) and schedules of accounts may be disposed of or destroyed after the expiration of three years provided that they shall have been audited and that there are no outstanding audit queries. (Subject to financial instructions 17 & 18 below)
- (2) The original copies of payment vouchers, duplicate copies of general receipts, subsidiary cash accounts, journals, abstracts, and other financial records maintained by the Treasury Division of the Ministry of Finance may be

disposed of or destroyed after the expiration of six years provided that they have been audited and that there are no outstanding audit queries (Subject to financial instructions 17 & 18 below)

- (3) All principal books of account maintained by the Treasury Division of the Ministry of Finance, including the original personal emoluments and establishment records - which may be required for pension or gratuity purposes, shall be retained indefinitely.

17.

- (1) No disposal or destruction of documents may take place without the prior written permission of the Government Archivist. Any instruction by the Government Archivist to deposit any document in the Archives Office, or to retain any document elsewhere, shall be strictly observed.

- (2) No disposal or destruction of documents may take place without the written prior permission of the Auditor-General. Any instruction by the Auditor-General to retain any document shall be strictly observed.

18. Accounting Officers shall advise the Secretary in writing of their intention to destroy or dispose of documents in accordance with financial instruction 16, providing copies of the two authorities required under financial instruction 17, and shall await the Secretary's approval before destruction or disposal.

19. The Secretary shall maintain a suitable register, including the following details, of all documents disposed of or destroyed:

- (a) date of disposal or destruction;
- (b) description of documents;
- (c) method of disposal or destruction;
- (d) reference details of the authorities required under financial instruction 17;
- (e) any other relevant information.

CHAPTER 2 - FINANCIAL DUTIES, POWERS & RESPONSIBILITIES OF THE MINISTER AND OF PUBLIC OFFICERS

GENERAL

21. All accounting officers and accountable officers shall be aware of, and comply with, the content of section 6 of the Act in regard to their obligation to obey all Regulations made, and directions and instructions given, by the Minister, or given under powers delegated by him.

22.

- (1) All public officers shall be aware of, and comply with, the content of these Financial Instructions, particularly with regard to any Financial Instruction which shall directly affect the performance of their duties.
- (2) Ignorance of the content of Financial Instructions shall not be accepted as a defence where a public officer causes any loss whatsoever to Government, or creates any error or inaccuracy in any record of any type.

THE MINISTER

23. The Minister shall have all the powers conferred upon him under any written law. It should be noted that these include, but are not limited to:
- (a) making such Regulations and giving such directions and instructions as may appear to him necessary and expedient for the proper carrying out of the intent and purpose of the Public Finance Act, and for the safety, economy, and advantage of public revenue and property (section 5 of the Act);
 - (b) the management of the Consolidated Fund, and the supervision, control, and direction of all matters relating to the financial affairs of Government;
 - (c) entitlement to access to all documents, records, and information having financial implications (section 3(2) of the Act);
 - (d) refusal of payment on any voucher that is, in his opinion, an unacceptable charge on public monies (section 3(3) of the Act);
 - (e) A discretionary power to limit or suspend Expenditure (excluding Statutory Expenditure) at any time, with or without cancelling any warrant issued, if, in his opinion, financial exigencies or the public interest so required.
 - (f) power to authorise the issue, payment out or advance of monies from the Consolidated Fund in exceptional circumstances (section 15 of the Act).
24. The Minister may cause the exercising of his powers to be carried out through the Secretary. To this extent, all instructions and directions issued by the Secretary shall carry the same authority as if they had been personally issued by the Minister (except where any written law specifically provides otherwise).

THE SECRETARY

- 25.
- (1) The Secretary shall be responsible for the general management and supervision of all financial and accounting operations of the Government, under the general direction of the Minister.
 - (2) The Secretary shall, under the direction of the Minister, and in accordance with section 5 of the Act, issue such instructions as shall appear to him to be

necessary and expedient for the proper or improved carrying out of these Financial Instructions, such instructions being additional to any amendments issued in accordance with financial instruction 10.

- (3) The Secretary shall be empowered to delegate any, or all, of his duties, as prescribed by these Financial Instructions, to such public officer as he shall consider to be capable of undertaking such duties satisfactorily and competently.
 - (4) The Secretary shall be responsible for ensuring the maintenance of such books of account and records within the Ministry of Finance as shall be necessary for the accurate and permanent recording of the financial affairs of the Government.
 - (5) The Secretary shall be responsible for arranging surprise inspections of the accounts of accountable and accounting officers, and shall take whatever action he shall consider necessary in the event of the discovery of irregularities or errors in such accounts. Where an irregularity or error is of a material nature, the Secretary shall ensure that a detailed written report is submitted to the Auditor-General.
26. Where any Ministry or Unit shall be constituted as a self accounting unit, the appointed accounting officer of that Ministry/Unit shall be charged, in respect of that Ministry/Unit only, with the responsibilities and duties of the Secretary, and shall be subject to the general supervision of the Secretary.

ACCOUNTING OFFICERS

27.

- (1) All accounting officers shall be responsible for ensuring that all staff under their control are adequately trained to carry out the financial and accounting aspects of their duties satisfactorily. Such training shall be supplemented, wherever possible, by written departmental instructions relating to those duties, such instructions being available to all staff at all times.
- (2) Any departmental instructions, as suggested in financial instruction 27 (1) above shall conform with these Financial Instructions and shall not conflict with Government policy, any general accounting instruction or procedure issued by the Secretary, or with any written law.
- (3) Copies of any departmental instruction, and any subsequent amendments thereto, shall be submitted to the Secretary.
- (4) Should an accounting officer have any doubts regarding the contents of a proposed departmental instruction, he shall obtain the advice of the Secretary before issuing any such instruction.

28.

- (1) All accounting officers shall refer to the Secretary any matter affecting the accounts and financial records of Government which are not provided for in these Instructions.

- (2) No accounting officer shall vary any accounting procedure prescribed in these Financial Instructions or in any other instruction that shall be issued by the Secretary. Should an accounting officer encounter difficulties that might possibly warrant a variation, he shall immediately report such difficulties to the Secretary.

29.

- (1) Accounting officers shall submit a written advice to the Secretary and to the Auditor-General before any new office is opened or an old one closed.
- (2) The advice for the opening of a new office shall contain:
 - (a) title of the new office;
 - (b) its location;
 - (c) name & Designation of the officer in charge;
 - (d) brief description as to the scope of the duties of the office, and of the officer in charge;
 - (e) the specific financial arrangements proposed, e.g., is it to be a cash collection point? will a safe/lockable cash box be required? what financial documentation is required? has an accountable officer been appointed yet? etc.
- (3) The advice before closure of an office shall contain:
 - (a) the proposed disposal of any public monies on hand at the time of closure;
 - (b) the proposed disposal of any public stores or assets on hand;
 - (c) the proposed disposal of all accounting records and documentation, especially security documents;
 - (d) any arrears of Revenue still uncollected;
 - (e) any liabilities still outstanding contingent or otherwise;
 - (f) the proposed dispersal of staff;
 - (g) suitability of vacated buildings for alternative Government use;
 - (h) security arrangements proposed.

30.

- (1) Every accounting officer shall either personally carry out, or shall specifically charge in writing an officer under his control to carry out, such duties as shall satisfactorily discharge his responsibilities under section 16 of the Act.
- (2) The duties referred to in sub-paragraph (1) above shall include, but not necessarily be limited to:
 - (a) the strict control of all funds voted for the service of his Ministry or Office; in particular, such control shall ensure that the funds are applied solely, and without waste, to the purpose for which they were voted;

- (b) the authorisation of all payments and other charges from funds under his control, ensuring that no payment or charge causes a sub head to be overspent;
 - (c) the regular and prompt maintenance of all books of account and financial records of his Ministry or Office, in particular maintenance of the Vote Book - in accordance with these Financial Instructions and with any other instructions that shall be issued by the Secretary;
 - (d) the monthly reconciliation of his Vote Book with the records maintained in the Treasury, and the subsequent monthly notification to the Secretary that reconciliation has been achieved;
 - (e) the control of all expenditure and the safe custody of public monies, public stores, and other Government assets within his Ministry or Office, by a suitable and adequate continual system of internal checking and management;
 - (f) consideration of the need for Virement to enable better use of public funds;
 - (g) the prompt furnishing to the Secretary and to the Auditor-General of any information requested concerning finance, accounts, public monies, public stores or other Government assets within his Ministry or Office; in particular, the furnishing within the specified time schedule, and in the specified format, of any regular returns requested by the Secretary.
- (3) All accounting officers shall attend Budgetary Control meetings as required.
- (4) An accounting officer may also be an accountable officer; if so, he shall also be subject to financial instruction 31.

ACCOUNTABLE OFFICERS

31.

- (1) An accountable officer shall personally carry out such duties as will satisfactorily discharge his responsibilities under these Financial Instructions.
- (2) The duties referred to in sub-paragraph (1) above shall include, but not necessarily be limited to:
- (a) the regular and prompt maintenance of such books of account and other records as shall be prescribed in these Financial Instructions and in any other written instructions issued by the Secretary;
 - (b) the prompt collection, recording, banking, and bringing to account of all revenue due to Government, and any other public monies accountable for by him;
 - (c) monthly submission to the Secretary of all Arrears of Revenue; (d) the safe custody of all public monies, stamps, books of receipts and licences, any other document under his control;

- (e) taking care that no payment is made without the proper authority, that payment vouchers are arithmetically correct, and that they are entered in the Vote Book before payment;
- (f) the regular checking, preferably daily but at least twice weekly, of all cash and stamps in his charge, and verification that the amounts checked agree with the balances in his cash book and stamp register; a signed endorsement that such a check has been made shall be entered on the relevant page of the cash book or stamp register; each count and verification shall be checked by a witness, who shall endorse the cash book or stamp register according to his findings;
- (g) the prompt making good of any deficiency below \$10 in cash and stamps in his charge; a signed endorsement that such deficiency has been made good shall be entered on the relevant page of the cash book or stamp register. Where a deficiency is in excess of \$10, a written report shall be submitted to his senior officer, with copies to the relevant accounting officer, the Secretary, and the Auditor-General; the Secretary, in his absolute discretion, shall direct whether the officer shall make good the deficiency, or whether alternative corrective action shall be taken;
- (h) the prompt bringing to account as a receipt of any cash or stamps in his charge in excess of the balance shown in his cash book or stamp register; a signed endorsement that such excess has been brought to account shall be entered on the relevant page of the cash book or stamp register. Where such excess is more than \$10, a written report shall be submitted as in (g) above;
- (i) the immediate production, as and when requested by the Secretary or his delegated staff, the Auditor-General or his delegated staff, his senior officer, or his accountable officer, of all cash, stamps, securities, books of account, records, vouchers, and any other public monies, stores, or assets in his charge; the granting of the necessary facilities for such survey of cash, stamps, public monies, stores, and assets as shall be requested by any of the above authorised persons;
- (j) the prompt preparation and rendering, within the stipulated time and in the required format, of all returns, statements, and declarations requested by the Secretary;
- (k) the prompt and lucid reply to any enquiry addressed to him by the Secretary, the Auditor-General, his senior officer, or his accounting officer;
- (l) the prompt reporting to the Secretary of any apparent deficiency in these Financial Instructions or any other accounting instruction, together with the submission to the Secretary of any suggestion whereby these Financial Instructions or any other accounting instruction may possibly be improved;

- (m) the strict supervision and training of all staff under his control who are entrusted with financial or accounting duties; the carrying out of regular inspections and the maintenance of efficient checks to minimize errors and reduce the possibility of fraud and embezzlement;
 - (n) the continuous obligation to meet the requirements of the public in its dealings with Government, at the same time ensuring that such dealings are full-filled without any violation of these Financial Instructions.
- (3) Any accountable officer having serious financial problems shall immediately report the matter to his senior officer, who shall arrange a prompt transfer (through the normal channels) to duties that do not involve cash handling.
- (4) The Secretary may request, at any time and without reason given, the transfer of an accountable officer; such request shall be carried out as soon as is possible.
32. The designated Head of the Accounting & Treasury Division shall be responsible for ensuring that the following duties are satisfactorily and promptly carried out:
- (a) that all accounting records necessary to produce Government Accounts are maintained in a form satisfactory to the Secretary and for enabling prompt completion of monthly and annual accounts; the requirements are detailed in Chapter 17;
 - (b) the immediate entering into a cash book of all sums of money received or paid out by the Treasury;
 - (c) the supporting of every entry in his cash book by a receipt or payment voucher prepared and authorised according to these Financial Instructions;
 - (d) the numbering of all vouchers, separately and consecutively, both receipts and payments, each commencing from under 1 each month; vouchers shall be numbered and entered in the cash book immediately, the final voucher each month being clearly endorsed “AND FINAL” after its number;
 - (e) the daily banking of all monies received;
 - (f) the daily checking of all cash and stamps in his charge, and verification that the amounts checked agree with the balance in his cash book and stamp register; a signed endorsement that such a check has been made shall be entered on the relevant page of the cash book or stamp register; a witness shall check the count and verification, and endorse the cash book or stamp register according to his findings;
 - (g) the prompt making good of any deficiency below \$10 in cash and stamps in his charge; a signed endorsement that such deficiency has been made good shall be entered on the relevant page of the cashbook or stamp register. Where any deficiency is in excess of \$10, a written report shall be submitted to the Secretary, copied to the Auditor-

General; the Secretary, in his absolute discretion, shall direct whether the officer shall make good the deficiency, or whether alternative corrective action shall be taken;

- (h) the prompt bringing to account, as a receipt of any cash or stamps in his charge in excess of the balance shown in his cash book or stamp register; a signed endorsement that such excess has been brought to account shall be entered on the relevant page of the cash book or stamp register. Where such excess is more than \$10, a written report shall be submitted as in item (g) above;
- (i) prompt submission to the Secretary each month of the preceding months Monthly Accounts, with copies to the relevant accounting officer (for the sake of expediency, overseas agents accounts and outer island accounts may be posted a month in arrears if necessary); from June onwards each year, a forecast outturn for the year;
- (j) prompt submission to the Secretary each month of the preceding months Cash Flow Statement; from June onwards each year, a forecast outturn for the year;
- (k) prompt submission to the Secretary each month of the preceding months bank reconciliation statements;
- (l) any other duties specifically provided for in the Treasury Accountant's Job Description;
- (m) the duties of the Treasury Accountant may be delegated where necessary, but overall responsibility will rest with the Treasury Accountant.

SUB ACCOUNTANTS

33.

- (1) A sub accountant shall personally carry out such duties as shall satisfactorily discharge his responsibilities under these Financial Instructions.
- (2) The duties referred to in sub-para (1) shall include, but not necessarily be limited to:
 - (a) the regular and prompt maintenance of a cash book and any other such books of account as shall be prescribed by these Financial Instructions or any other instructions issued by the Secretary;
 - (b) the immediate entering into his cash book of all sums of money received or paid by him as a public officer, for any service whatsoever;
 - (c) the supporting of every entry in his cash book by a receipt or payment voucher prepared and authorised in accordance with these Financial Instructions.
 - (d) the numbering of all vouchers, separately and consecutively, both receipts and payments, each commencing from number 1 each month; all vouchers shall be entered to the cash book immediately, the last

- vouchers for each month being marked” AND FINAL” immediately after its number;
- (e) the daily checking of all cash and stamps in his charge, and verification that the amounts checked agree with the balance in his cash book and stamp register; a signed endorsement that such a check has been made shall be entered on the relevant page of the cash book or stamp register; a witness shall check the count and verification, and endorse the cash book or stamp register according to his findings;
 - (f) the prompt making good of any deficiency below \$10 in cash and stamps in his charge; a signed endorsement that such deficiency has been made good shall be entered on the relevant page of the cash book or stamp register. Where any deficiency is in excess of \$10, a written report shall be submitted to the Secretary, copied to the Auditor-General; the Secretary, in his absolute discretion, shall direct whether the officer shall make good the deficiency, or whether alternative corrective action shall be taken;
 - (g) the prompt bringing to account as a receipt of any cash or stamps in his charge in excess of the balance shown in his cash book or stamp register; a signed endorsement that such excess has been brought to account shall be entered on the relevant page of the cash book or stamp register. Where such excess is more than \$10, a written report shall be submitted as in (g) above;
 - (j) the submission of his account, duly balanced and in the prescribed format, together with supporting documentation, to the Treasury within 10 working days of the month end, or as early as transport allows.

REVENUE COLLECTORS

34. The responsibilities of a revenue collector are defined in financial instruction 7; the duties whereby a revenue collector shall discharge those responsibilities are prescribed within Chapter 3 - Collection and Receipt of Revenue and Public Monies.

PERSONAL AND FINANCIAL RESPONSIBILITIES

35. Ail officers shall be personally responsible for the due performance of their financial duties, and may be held financially responsible, at the consistency with previous statements e.g. 32 (g) absolute discretion of the Secretary, for any losses, inaccuracies, or errors occurring during the performance of those financial duties. Where an officer shall have delegated any duty to any member of staff under his control, he cannot be relieved of nor may he delegate, that personal and financial responsibility.

HANDING OVER CERTIFICATES

- 36.

- (1) All officers shall have a personal responsibility to ensure that a Handing Over Certificate, in the prescribed format, is completed accurately and carefully and duly signed whenever that officer shall be involved, either as the “Handing-over Officer” or as the “Taking-over officer”, in a hand-over of duties.
- (2) No officer shall accept cash, or issue a receipt for same, nor pay any payment voucher, nor make any entry in a cash book or other book of account until such time as the Handing Over Certificate has been completed and duly signed by the two officers involved.

CHAPTER 3 - COLLECTION AND RECEIPT OF REVENUE AND PUBLIC MONIES

LEGAL TENDER

41.

- (1) The legal tender of Tuvalu is Australian Currency, both notes and coins, provided they are still legal tender in Australia, and such Tuvaluan currency as shall be issued from time to time.
- (2) An accountable officer on Funafuti shall not accept any currency other than that defined in sub-paragraph (1) above unless the prior written approval of the Secretary shall have been obtained; when such approval shall be given the Secretary shall give written instructions for the disposal of such currency. For accountable officers stationed on islands other than Funafuti, telex, cable, or telephone instructions from the Secretary shall be permissible.
- (3) An accountable officer shall be PERSONALLY responsible for the immediate replacement of any currency accepted other than as authorised in sub-paragraph (1) and (2) above.
- (4) In addition to currency, an Accountable Officer may accept Bank Cheques, Certified Bank Drafts, Travellers Cheques, and other such negotiable instruments, SUBJECT TO conditions laid down by the Secretary, either generally by circular, or specifically, as the circumstances require.

RECEIPT FOR REVENUE AND PUBLIC MONIES

42.

- (1) Except as allowed for in financial instruction 43, an accountable officer shall IMMEDIATELY issue an official receipt, in the prescribed form, for each sum of money paid to him for the account of Government. The receipt shall be for the ACTUAL amount received, even if this differs for any reason from the amount that should have been collected.
- (2) Under NO circumstances whatsoever shall a temporary receipt, an unofficial receipt, or a receipt in any form other than that prescribed be issued.

- (3) Where a bank cheque is offered for payment, the accountable officer shall check that it is correct in all respects BEFORE receipting it. For additional instructions for dealing with cheques refer to financial instruction 390.
43. The exceptions referred to in financial instruction 42 shall be:
- (a) where stamps, stamped envelopes and letter forms, or Aero grams, are sold in exchange for cash;
 - (b) where the Secretary shall have authorised in writing some other form of receipting;
 - (c) where petty collections shall be taken in circumstances in which the separate issue of receipts shall not be practical. The Secretary shall authorise in writing their recording ,in a separate collection list; the total of this shall be brought to account daily by the issue of a single covering receipt made out to “Sundry Persons”.

PUBLIC NOTICE

44. There shall be exhibited, in a prominent position in every place where revenue and public monies are collected, a notice, in Tuvaluan and English, to the effect that a numbered and signed original official receipt shall be obtained for every sum of money paid to Government.

GENERAL RECEIPTS AND LICENCES

- 45.
- (1) The form of general receipt and licence to be used shall be as prescribed by the Secretary. Care shall be taken to ensure that all required manuscript entries are completed in full, including the sum of money received and the revenue head to be credited. The manuscript entries shall be sufficient to identify the purpose of the payment, the payer, and any debit note paid. The amount paid shall be entered in words and figures, and the receipt signed and dated by the accountable officer receiving the money.
 - (2) No licence shall be issued other than on production of a general receipt.

COMPLETION OF GENERAL RECEIPTS AND LICENCES

- 46.
- (1) Except where general receipts or licences shall be specially printed, with the prior written permission of the Secretary, for a particular purpose, pre-printed triplicate sets of forms shall be used.
 - (2) The original top copy of the general receipt or licence shall be completed with a ball point pen, and carbon paper (or specially carboned pads) shall be used to produce the two copies. Officers issuing general receipts or licences shall ensure than legible and complete copies have been produced; if not all three copies should be cancelled in accordance with financial instruction 47 and a new set issued.

- (3) Except where otherwise authorised by the Secretary in writing, the distribution of the three copies shall be:
 - (a) original issued to the payer;
 - (b) duplicate used to support the entry in the cash book, and then attached to the pay in slip (See financial instruction 52) so as to eventually support the Treasury schedule of receipts for the month;
 - (c) triplicate to stay in the general receipt or licence book at the office of issue, to be available for subsequent examination or audit.
- (4) All general receipts and licences shall be issued in strict consecutive numerical order.

CANCELLATION OF GENERAL RECEIPTS AND LICENCES

47. No alteration of any kind shall be made to any general receipt or licence. Where an error is made on a general receipt or licence, it shall be cancelled, retained, and replaced by a new one. The spoiled general receipt or licence shall be cancelled by being endorsed with the word "CANCELLED", together with two diagonal lines, on all three copies; the three copies shall be disposed of as in financial instruction 48. The cancellation shall be confirmed by the signature of the person responsible for preparing the general receipt or licence.
48. The original copy of all cancelled general receipts and licences shall be included in strict numerical sequence with the duplicate copy of issued general receipts and licences, and shall be attached to the appropriate pay over slip (See financial instruction 52) at the time of the next pay over to the Treasury, sub accountant, or other prescribed office. Sub Accountants shall submit any cancelled general receipts or licences to the Treasury at the time of submission of their monthly accounts.

CASH BOOKS

49. Every revenue collector shall maintain a cash book in 'the form prescribed by the Secretary, in which all receipts shall be entered daily, and in which all pay covers to the Treasury, sub accountant, or other prescribed office shall be entered immediately any such pay over occurs.
50. All receipt entries in the revenue collector's cash book shall include the following details:
 - (a) date of the receipt;
 - (b) number of the receipt;
 - (c) name of the Payer;
 - (d) amount collected on the Receipt;
 - (e) revenue head (or BTL/Project head) to be credited.

PAY OVER OF COLLECTIONS TO TREASURY OR OTHER PRESCRIBED OFFICE

51.

- (1) The paying over of collected revenue to the Treasury, sub accountant, or other prescribed office shall be in accordance with directions issued by the Secretary from time to time; however, such directions shall not prevent more frequent pay-ins, or a paying in at any time where the level of cash held poses a security problem.
- (2) Where a handing over is scheduled to take place, it shall be the responsibility of the handing over officer to attempt to pay to the Treasury, sub accountant, or other prescribed office, all revenue in his possession immediately prior to the hand over.
- (3) If paying in before a hand over is not possible and cash is transferred between two officers, the handing over certificate to be signed by both officers shall contain full details of all cash handed over (together with full details of all other items of value handed over). The signature on the handing over certificate of the taking over officer shall be sufficient evidence that he shall have personally checked and agreed the cash handed over.

PAY OVER SLIP AND SCHEDULE OF RECEIPTS

52.

- (1) The pay over of collected revenue to the Treasury, sub accountant, or other prescribed office, shall be supported by a Pay Over Slip and a Schedule of Receipts, both in the form prescribed by the Secretary and with the totals agreed to each other, together with the duplicate copies of General Receipts and Licences, as prescribed in financial instruction 46(3)(b).
- (2) The Paying Over Slip shall include the following details:
 - (a) the total revenue being handed over;
 - (b) details of numbers of general receipts and licences issued;
 - (c) suitable analysis of the total revenue collected into the Revenue Heads, Project Heads, and Below the Line Heads to which the collections shall be credited; the total of the sums allocated between heads shall equal the total in (a) above.

The Paying Over Slip shall be signed and dated by the revenue collector responsible for making the pay over.

- (3) The Schedule of Receipts shall be a detailed daily analysis of all general receipts and licences issued, one item per line, showing the details specified in financial instruction 50. Each schedule shall be added and cross balanced, and the total of all schedules supporting a pay over to Treasury, sub accountant, or other prescribed office, shall agree with the total collected revenue shown on the pay over slip. The Schedule of Receipts shall be certified, in the format

specified by the Secretary, by the revenue collector responsible for the paying over.

BALANCING OF CASH BOOKS

53. At the time of paying over collected revenue to the Treasury, sub accountant, or other prescribed office, each revenue collector shall add up the amounts recorded in his cash book as revenue receipts, rule off the cash book and show the total revenue collected and on hand since the last pay over. He shall ensure that the cash on hand agrees with the cash book balance and shall pay over this sum in full. Under no circumstances whatsoever shall a revenue collector retain any part of revenue that has been collected, receipted, and brought to account in his cash book. As an accountable officer, a revenue collector shall make good any deficiency under \$10 in the cash in his charge, or immediately submit a written report to the Secretary if the deficiency is over \$10 (See financial instruction 31(2)(g)).

CHECKING OF CASH BOOKS AND DOCUMENTS

- 54.
- (1) A revenue collector shall, when paying over collected revenue to the Treasury, sub accountant, or any other prescribed office, present his cash book, duly balanced and ruled off, together with his current unused (or partly used) general receipt and licence books, to the collecting officer. The cash book and the unused/partly used general receipt and licence books shall be presented upon the scheduled days for the pay over of collected revenue, even if no revenue has been collected since the previous pay over.
 - (2) It shall be the responsibility of the collecting officer at the Treasury, sub accountant, or other prescribed office, to contact any revenue collector who fails to report on the scheduled day.
55. When a revenue collector pays over collected revenue and presents his cash book and other documents, the collecting officer at the Treasury, sub accountant, or other prescribed office, shall make the following checks:
- (a) that all general receipts and licences have been accounted for since the last pay over, and that there has been no break in sequence;
 - (b) that all general receipts and licences issued since the last pay over have been entered correctly in the cash book and on the Schedule of Receipts;
 - (c) that the cash book has been added and balanced correctly, that the particulars entered on the pay over slip are correct and agree with the cash book, and that the total cash, or its equivalent, being paid over agrees with the cash book and the pay over slip.

The collecting officer shall initial and date the pay over entry in the cash book and immediately issue a general receipt for the total collected revenue paid over.

RECEIPT FOR COLLECTED REVENUE PAID OVER

56. The revenue collector shall be responsible for ensuring that he obtains an original General Receipt for all collected revenue paid over and he shall immediately paste the General Receipt securely in the cash book as evidence that the collected revenue has been duly paid over.

IRREGULARITIES

- 57.
- (1) A collecting officer at the Treasury, sub accountant, or other prescribed office shall immediately report to his senior officer any suspected irregularities in the presentation of collected revenue, the cash book, or any other document by a revenue collector. The senior officer, after due investigation, shall, if the irregularity is of a material nature, report the matter in writing immediately to the Secretary, with a copy to the Auditor-General.
 - (2) If the irregularity is not of a material nature, the revenue collector shall be given the opportunity to make good any deficit. If he does not do so, the matter shall be reported as in sub-paragraph (1) above. Any surplus shall immediately be brought to account by the issuing of a General Receipt.
 - (3) For the purpose of the financial instruction, an irregularity shall be pre-cited as levy of a material nature if a reasonable large amount of money is involved or any transaction involved is, in the opinion of the senior officer, dishonest or otherwise unusual.

RESPONSIBILITIES OF ACCOUNTING OFFICERS FOR REVENUE COLLECTION

58. None of the checks prescribed by any of these Financial Instructions to be carried out on revenue collectors cash books and documents by the collecting officers at Treasury, sub accountant, or other prescribed office shall relieve an accounting officer of his responsibility for ensuring that all revenue collections made under his control are correctly and promptly brought to account.

PAYMENT OF COLLECTED REVENUE DIRECT TO BANK

59. The Secretary shall, if he considers it to be expedient or necessary, authorise a revenue collector in writing to pay his collected revenue direct to a bank or bank agency for credit of a prescribed government account. Where such written authority shall be issued, the collecting officer at the Treasury, sub accountant, or other prescribed office to whom the pay over of collected revenue is normally made, shall accept the copy of the bank deposit slip, duly receipted by the bank or bank agency, in lieu of the actual cash collected for the purposes of accounting and recording of the collected revenue.

- 60.

- (1) Where written authority shall have been issued to a revenue collector to pay his collected revenue direct to a bank or bank agency, he shall prepare a bank deposit slip in triplicate. The original copy shall be retained by the bank or bank agency, the duplicate and triplicate copies being returned to the revenue collector at the time of paying in, duly receipted by the bank or bank agency.
 - (2) The revenue collector shall present the duplicate copy of the bank paying in slip, in lieu of cash, to the Treasury, sub accountant, or other prescribed office when presenting his cash book, pay over slip, schedule of receipts and used or partly used General Receipt and Licence books.
 - (3) The revenue collector shall paste the triplicate copy of the bank paying in slip securely in his cash book as evidence of having paid over the collected revenue to the bank, or bank agency, UNLESS the triplicate is part of a bound paying in book; in which case it must stay in that book.
61. Bank Deposit slips prepared by revenue collectors shall show the serial numbers, amounts, and drawers of cheques and bank drafts paid in and the serial numbers, amounts, drawers, and officers of issue of money orders and postal orders, together with any other details required by the bank or bank agency.

REGISTER OF REVENUE RECEIVED BY POST

62.

- (1) Wherever official mail is received, a responsible officer shall keep an official Revenue Register. All revenue received, in whatever form, through the post or otherwise than over the counter of the cashier or equivalent accountable officer, shall be entered in the Register. The Register shall be in columnar form, and show the following detail:
 - (a) date of receipt of the item;
 - (b) from whom it was received;
 - (c) the actual amount received, specifying the currency, and taking care to take all details directly from the cheque, money order, etc, or by counting the cash, and not from covering letters or remittance advices;
 - (d) description of the item received - i.e., cash, cheque, bank draft, money order, postal order, etc.
 - (e) signature of the person opening the post;
 - (f) signature of the person witnessing the post opening;
 - (g) signature of the accountable officer to whom the revenue item is handed for bringing to account;
 - (h) the date and number of the subsequent General Receipt issued by the accountable officer; it shall be the responsibility of the post-opening officer to obtain the General Receipt Book daily and enter in the Register the General Receipt numbers for the preceding days items.

- (2) Any item not receipted within 24 hours shall be reported, in writing, by the post-opening officer to his accounting officer.
- (3) TWO officers shall always be present when inward mail is opened. In the event that two officers are not present, opening of the mail shall be delayed until a second officer becomes available.
- (4) The Revenue Register shall not be kept by the accountable officer responsible for issuing General Receipt.

RECEIPT OF REVENUE BY OFFICER OTHER THAN A REVENUE COLLECTOR

63.

- (1) An officer who is not a designated revenue collector shall not, under any circumstances, accept Government revenue from anyone, for any reason. Any person tendering revenue shall be directed to the Treasury, the nearest sub accountant, or the nearest revenue collector.
- (2) Where an officer who is not a designated revenue collector receives revenue through the mail, he shall ensure the procedures outlined in financial instruction 62 are complied with.
- (3) If any officer who is not a designated revenue collector finds himself regularly receiving, or being offered, revenue, the Secretary shall be informed in writing. The Secretary, if he considers it expedient and necessary, may appoint that person to be a revenue collector, and in that event the officer concerned shall be required to comply with these Financial Instructions immediately.

VALIDITY OF ISSUED LICENCES

64.

- (1) No licence shall be deemed to have been renewed until the Revenue collector is in possession of the cash, cheque, bank draft, money order, etc., tendered in payment for the licence.
- (2) Furthermore, the renewed licence shall be considered VOID if any cheque, bank draft, or any other negotiable instrument is subsequently dishonoured by any bank.

DUPLICATE GENERAL RECEIPTS AND LICENCES

65. Where a General Receipt or Licence shall have been issued to, and subsequently lost by, the payer, the payer may make application for a duplicate General Receipt or Licence to be issued to him. Such a duplicate shall not be issued by means of a new original, but by issuing a photo-copy of the triplicate copy of the original issue, held in the original office of issue. Such copies shall be legibly endorsed, in ink, with the words "Certified True Copy", and countersigned and dated by the responsible accountable officer. A note shall be made on the retained triplicate copy that a photocopy has been

issued. A charge for the replacement shall be made, at a level specified by the Secretary in a circular.

ABATEMENTS AND DISCOUNTS

66.

- (1) The gross amount of revenue due to Government shall always be collected, except where any abatement, discount, other reduction, or counter claim, is specifically allowed for by law or authorised in writing by the Secretary.
- (2) Where any abatement, discount, reduction, or counter claim is allowed, full details of the authorisation shall be entered on the General Receipt or Licence.

RECEIPT OF REVENUE BY TREASURY CASHIER OR SUB ACCOUNTANT

67.

- (1) The Treasury cashier, or any sub accountant who shall operate as a revenue collector, shall bring their revenue collection directly to account in their main cash book.
- (2) The instructions in above shall not prevent a division of duties within an office; where such a division shall be expedient to its more efficient running, any other officer may be appointed a revenue collector by the Secretary, issued with a General Receipt Book, and/or a Licence Book if required, and a cash book and shall be made responsible for the collection and bring to account of specific items of revenue.

CASH SURPLUSES

68.

- (1) Any unexplained cash surplus shall be fully investigated by a senior officer and shall be promptly brought to account against an appropriate revenue head.
- (2) Should a subsequent cash deficiency be found to be related directly to the previous surplus, the matter shall be reported in writing to the Secretary, giving full details of the background to both incidents.
- (3) The Secretary, if he is satisfied that the original error is only an apparent cash surplus, may authorises in writing a refund of the surplus, or direct such other action as he considers necessary.

IMPROPER USE OF COLLECTED REVENUE

69.

- (1) No collected revenue or public money shall be used for any private purpose whatsoever.
- (2) Accountable officers shall not lend or advance, for any purpose, collected revenue or other public money for which they are accountable to Government.

- (3) Revenue collected shall not be used to pay directly for Government expenditure, except on outer islands, or in other circumstances authorised specifically in writing by the Secretary.

DEBIT NOTE REGISTER

70.

- (1) Accountable officers shall maintain a Debit Note Register, in a form to be prescribed by the Secretary, in which shall be recorded full details of all assessments, rents, dues, fees, charges, sale of Government property, and other items of Government Revenue that have been charged to individuals or organisations by the issue of a Debit Note.
- (2) Debit Note Registers shall be divided into such sections as shall allow for the adequate analysis of the type of revenue for which the accountable officer is responsible. Each section shall contain the following detail, line by line, in columns:
- (a) the number of the debit note;
 - (b) the date the debit note is issued;
 - (c) the date of particular service rendered, goods delivered, or month of account, where applicable;
 - (d) a brief description of goods delivered or service rendered;
 - (e) head and subhead to which revenue shall be credited on receipt;
 - (f) amount to be paid;
 - (g) date to be paid by;
 - (h) signature of recipient;
 - (i) date reminder sent, if not paid by due date referred to in item (g) above;
 - (j) date paid;
 - (k) number of General Receipt issued;
 - (l) a "Notes" column, to record such comments as 'legal action commenced', 'written off', 'power disconnected', and so on.
- (3) The items referred to in sub-para (2) shall be dealt with as follows:
- (a) the detail required in items (a) to (g), inclusive, shall be entered in the Debit Note Register before the Debit Note is issued;
 - (b) the signature referred to in item (h) should be obtained at the time the debit note is handed over;
 - (c) appropriate entails shall be made in that Register as the particular events referred to in items (i) to (l) occur.

DEBIT NOTES

71.

- (1) Revenue due to Government shall be collected by cash, cheque, or other negotiable instrument; at the time that the service is rendered, goods delivered, etc, as far as possible, and subject to sub-paragraph (2).
- (2) Debits notes, in the form prescribed by the Secretary, for the purposes specifically prescribed in writing by him, may be issued where payment of the prospective revenue is not made at the time that the goods are delivered, the service rendered etc.
- (3) The issue of Debit Notes for:
 - (a) any charges to overseas governments, aid donors, or any agency where the issue of a debit note is customary, e.g. SSK;
 - (b) monthly power bills to private consumers;
 - (c) monthly Telecommunications charges to private consumers;
 - (d) audit fees;
 - (e) any charge on Government by a self accounting unit of Government, is specifically authorised by these Financial Instructions; all other cases must be referred to the Secretary for written authorisation to issue debit notes.
- (4) It is the responsibility of the Accountable Officer to ensure that revenue is collected when due, and to take all possible steps to avoid revenue falling into arrears.
- (5) No debit note shall be issued to any person or organisation listed by the Secretary as unsuitable for credit facilities.

COMPLETION OF DEBIT NOTES

72.

- (1) Debit Notes shall be issued in triplicate, unless otherwise prescribed by the Secretary in writing.
- (2) The original top copy of the Debit Note shall be completed with a black or blue ball point pen. In the case of loose leaf debit notes, they may be typed if preferred, using carbon paper to reproduce the two copies (unless specially carbonated paper is used). Officers preparing Debit Notes shall ensure that legible and complete copies have been satisfactorily reproduced before despatching the original copy. If copies are found to be illegible or incomplete, all three copies shall be cancelled, in accordance with financial instruction 74, and a new set issued.
- (3) Except as otherwise authorised by the Secretary in writing, distribution of the three copies of the Debit Note shall be as follows:
 - (a) original - despatched to the recipient of the service rendered, goods received, etc;
 - (b) duplicate - retained at the original office of issue until payment is received. It is then stapled to the General Receipt issued for payment of

that particular debit note, and sent to Treasury in due course as part of the supporting documentation for that months account;

- (c) Triplicate - to be retained at the office of original issue, either within a bound debit note book or a suitable file, for any subsequent examination or audit.
- (4) When despatching the original copy of the debit note due note shall be taken of any written instructions received to forward the debit note to an address other than that of the recipient of the goods/services; such instructions shall be maintained in a suitable file by the accountable officer.

73.

- (1) Debit notes shall contain full details, so as to enable the recipient to easily identify the service rendered or goods received.
- (2) The debit note shall state that payment must be made **WITHIN 10 DAYS**, except in the case of a government department, where 30 days may be allowed.

CANCELLATION OF DEBIT NOTES

- 74. No alteration, of any kind, shall be made to any entry on a debit note. Where an error has been made the debit note shall not be issued, but shall be replaced by a new one. All three copies of the spoilt debit note shall be endorsed with the words "Cancelled" together with two diagonal lines ruled across each copy and the signature of the officer responsible for preparing the debit note.

75.

- (1) The Original and Triplicate copies of spoilt debit notes shall remain at the original office of issue, either within the bound debit note book or in a suitable file.
- (2) The Duplicate copy of a spoilt debit note shall be forwarded to Treasury as part of the supporting documentation for that months account.

DELIVERY OF DEBIT NOTES

76.

- (1) Wherever possible, debit notes shall be delivered by safe hand on Funafuti, direct to the person or organisation responsible for payment, and a signature for receipt obtained. If a debit note is sent to an Outer Island, it shall be sent by post to the senior government administrative officer on that island, who shall keep his own debit note register, be responsible for ensuring payment, and notifying the issuing office of the details of settlement.
- (2) Under no circumstances shall debit notes be left with anyone other than the addressee or his personal representative, as appointed in writing; nor shall they be left without a signature being obtained for safe delivery.

CALCULATION OF ASSESSMENT AND DUES ETC

77.

- (1) Accountable officers shall be responsible for the calculation of all assessments, rents, dues, and other charges leading to the issue of debit notes in respect of revenue due to government. Where an accountable officer, for any reason whatsoever, finds himself unable to calculate any assessment etc., or to prepare and deliver promptly debit notes, he shall immediately report the matter to his senior officer, and shall also report the matter in writing to the Secretary. The senior officer shall take whatever action he considers necessary to correct the situation, advising the Secretary in writing of such action.
- (2) All fees, dues, charges, etc, shall be reviewed at least once a year.

SETTLEMENT OF DEBIT NOTES

78.

- (1) Accountable officers are responsible for ensuring that debit notes are settled, and the revenue therefrom collected no later than current credit terms allow. Accountable officers shall check their Debit Note Registers at least once a week, in order to ascertain those debit notes still unpaid after the specified payment date, and to ensure that appropriate follow up action is being taken, and noted in the “Notes” column of the Debit Note Register.
- (2) Accountable officers shall make due note of any circumstances which give them cause to suspect that a debit note may not be settled, and notify the secretary accordingly.

DELAYS IN SETTLEMENT OF DEBIT NOTES

79. Where a debit note is not settled and the revenue collected by the due date, the accountable officer shall immediately pursue the follow up action prescribed in financial instructions 80 & 81. A note of the action taken shall be entered in the “Notes” column of the Debit Note Register against that particular debit note entry.

80.

- (1) Where an unpaid debit note was originally issued to any person in receipt of a government salary, wage, or allowance, the follow up action shall be as follows:
 - (a) the issue, within 7 days after the original payment date, of a written reminder of the outstanding debt demanding immediate settlement of the amount due; such reminder shall be delivered in the same manner as prescribed for the delivery of debit notes in financial instruction 76;
 - (b) in the event of non payment despite the delivery of the reminder, the accountable officer shall arrange, within 30 days of the original payment date, a personal interview with the debtor at which the latter

- shall be asked for immediate payment. If such payment is not immediately forthcoming, the debtor shall be asked to sign an authority whereby the outstanding account shall be deducted, by regular instalments, from future payments due to him from government. The instalments shall be over a reasonable period, usually three months, but not exceeding six months without the written authority of the Secretary;
- (c) the accountable officer shall be responsible for completing the authority referred to in item (b) above, for ensuring that it is signed by the debtor, and that it is forwarded to Treasury as soon as possible to enable deductions to commence;
 - (d) the accountable officer shall note the details relating to items (a) (b) and (c) above, in the "Notes" column of the Debit Note Register;
 - (e) the accountable officer shall be responsible for periodically checking that deductions are being made, and recording details of the amounts recovered in his Debit Note Register.
- (2) Whilst the accountable officer shall be responsible for obtaining the Authority for Deduction, he shall take care not to contravene any Law or General Administrative Order, particularly relating to the maximum deduction permissible. In cases of doubt, the accountable officer shall seek the written authority or advice of the Secretary prior to obtaining the Authority.
- (3) Where an Authority for Deduction becomes necessary, or is refused by the Debtor, the Secretary may direct that no further credit facilities will be allowed to the person in default.

81.

- (1) Where an unpaid debit note was originally issued to any person or organisation not in receipt of a government salary, wage, or allowance, the follow up action shall be as follows:
- (a) the issue, within 7 days after the original payment date, of a written reminder of the outstanding debt demanding immediate settlement of the amount due; such reminder shall be delivered in the same manner as prescribed for the delivery of debit notes in financial instruction 76;
 - (b) in the event of non payment despite the delivery of the reminder, the accountable officer shall arrange, within 30 days of the original payment date, a personal interview with the debtor at which the latter shall be asked for immediate payment. If such payment is not immediately forthcoming, the debtor shall be asked to sign an authority whereby the outstanding account shall be collected by regular instalments, preferably by direct debit to the defaulters bank account. The instalments shall be over a reasonable period, usually three months, but not exceeding 6 months without the' written authority of the Secretary;
 - (c) the accountable officer shall be responsible for completing the authority referred to in (b) above, together with a suitable mandate addressed to

- the defaulters bank, for ensuring that it is signed by the debtor, and that it is forwarded to Treasury as soon as possible to enable collection to commence;
- (d) the accountable officer shall note the details relating to items (a) (b) and (c) above, in the “Notes” column of the Debit Note Register;
 - (e) the accountable officer shall be responsible for periodically checking instalments are being paid, and recording details of the amounts recovered in his Debit Note Register.
- (2) Whilst the accountable officer shall be responsible for obtaining the Authority for Deduction and Bank Mandate, he shall take care not to contravene any Law of Tuvalu. In cases of doubt, the accounting officer shall seek the written authority of the Secretary prior to obtaining the Authority. He should also consider the likelihood of the defaulter not being able to meet future instalments, and seek the advice of the Secretary if in any doubt.
 - (3) Where such an arrangement becomes necessary, or is refused by the Debtor, the Secretary may direct that no further credit facilities will be allowed to the person or organisation in default.
 - (4) Where the defaulting debtor has sums payable by Government to him, the Secretary may direct that such payment be withheld, in such amount and for such time as he considers necessary, until the debt outstanding to Government is settled.

ABANDONMENT OF CLAIM FOR NON SETTLEMENT OF DEBIT NOTE

82.

- (1) Where an accountable officer shall be of the opinion that action taken under financial instructions 80 & 81 will not be, or has not been, successful in recovering a debit, he should forward a full written report to the Secretary, copied to his senior officer and the Auditor-General, recommending either write-off, or consideration of commencing legal action under financial instruction 83. The report should set out his reasons for so recommending, and a full statement as to the action taken to attempt recovery. The Secretary shall issue written instructions in due course as to whether the debt is to be written off or whether further attempts at recovery of the debt, including, but not limited to, legal action, should be made.
- (2) The fact that a debt has been formally written off shall not prevent future attempts at recovery if circumstances change.

LEGAL PROCEEDINGS FOR SETTLEMENT OF DEBIT NOTES

83.

- (1) Where an accountable officer shall be of the opinion that action under financial instructions 80 & 81 would not be successful in recovering a debt, but considers that there would be a reasonable possibility of recovering the debt through court proceedings, and the Secretary concurs, he shall submit a

detailed written report on the debt to the Attorney General. The report shall contain full details of any action taken to date to recover the debt.

- (2) Where a debit note is referred to the Attorney-General, suspension of credit facilities shall be automatic.
84. It shall be the responsibility of an accountable officer to follow up all cases of unpaid Debit Notes referred to the Attorney-General and subsequently to the Court. The accountable officer shall take all such action as shall be available to him to ensure that any court orders obtained are put into effect. He shall take care that he does not take any action that shall contravene or hinder the content of any Court Order.

RETURN OF ARREARS OF REVENUE

85.

- (1) All accountable officers responsible for the collection of revenue shall submit to the Secretary, with a copy to the Auditor-General, in the form prescribed by the Secretary, a "Return of Arrears of Revenue" for all items outstanding as at the close of business for the preceding month.
- (2) The Return of Arrears of Revenue shall list, under each subhead of Revenue, all amounts remaining unpaid at the date of the Return in respect of debit notes issued. The return shall include the following details:
 - (a) revenue subhead allocation;
 - (b) debit note number and date of issue;
 - (c) name of debtor;
 - (d) amount outstanding;
 - (e) latest date by which debit note should have been paid;
 - (f) a "Remarks" column;
- (3) The Return of Arrears of Revenue shall be totalled to show the total arrears outstanding at the date of the return, and an "Age Analysis" shall also be made to show the totals arrears for each year.
- (4) Where, at the date of making up the Return, any item of arrears has subsequently been collected, details of the General Receipt issued shall be included against the corresponding entry on the Return, in the "Remarks" column.
- (5) The "remarks" column on the Return of Arrears of Revenue shall contain brief comments on any action taken to recover each item of arrears.
- (6) All Returns of Arrears of Revenue shall include any item of arrears still outstanding from any previous return.
- (7) "Nil" returns shall be submitted where appropriate.
- (8) The Certificate on each Return of Arrears of Revenue shall be signed and dated by the responsible accountable officer.

ARREARS OF INCOME TAX

86. Arrears of Income Tax shall only be included in a Return of Arrears of Revenue where such items have been finally assessed and are overdue for payment.

ARREARS OF CUSTOMS DUTY

87. The Customs Officer shall submit returns of outstanding customs duty in a Return of Arrears of Revenue, as prescribed in financial instruction 85, but where specific duties have not been assessed information as detailed on the vessel or aircrafts manifest shall be included instead of the amount of potential revenue due. A suitable note shall be made in the “remarks” column of the return in such instances.

SUSPENSION OF SUPPLY

- 88.
- (1) Where a debit note remains unpaid and credit facilities have been withdrawn on the written instructions of the Secretary, the Secretary may also direct that there shall be no further supply of goods or services to the defaulting debtor until such time as he clears all outstanding debts to Government.
 - (2) In particular, the Secretary may order, in respect of the defaulting debtor:
 - (a) that the electricity supply be disconnected;
 - (b) that the telephone be disconnected;
 - (c) that no further goods be released by Customs;
 - (d) that no further licence be issued;
 - (e) that the defaulting debtor be refused further supplies from Government Stores;
 - (f) that no further work be carried out, goods supplied, or services rendered, by any Government Division for the defaulting debtor,until such time as all debts to Government are cleared.
 - (3) At the discretion of the Secretary, the power to suspend supplies to a defaulting debtor shall be valid even if the defaulting debtor offers cash settlement for further supplies, and whether or not the goods or services requested relate to the Government Division having the unpaid debt/s; i.e. the Secretary has discretion to suspend any or all of the items listed in financial instruction 85 (2) even if the outstanding debt relates to only one of those items.

CONSOLIDATION OF RETURNS OF ARREARS OF REVENUE

89. Accountable officers responsible for the submission of Returns of Arrears of Revenue shall submit consolidated returns in respect of all revenue collections under their supervision and not merely the arrears of their headquarters office; accordingly they shall make suitable divisional arrangements for all data

required for the compiling of the consolidated return to be forwarded direct to them.

INCLUSION IN RETURNS OF ARREARS OF REVENUE OF ITEMS PENDING ABANDONMENT OR SUBJECT TO LEGAL PROCEEDINGS

90. The reference of any particular item of arrears of revenue to the Attorney-General, as prescribed in financial instruction 83, or to the Secretary, as prescribed in financial instruction 82, shall not preclude the accountable officer from his responsibility to include such items in his Return of Arrears of Revenue; a suitable notation shall be made in the "Remarks" column against the particular item.

ARREARS OF REVENUE OVER SIX MONTHS OLD

91.

- (1) Where an item of arrears of revenue is overdue for more than six months and where, for any reason whatsoever, action to recover such an item has not been taken in accordance with these Financial Instructions, the accountable officer shall submit a detailed written report on the matter to the Secretary together with the Return of Arrears of Revenue. The report shall include:
- (a) the reason why action has not been taken in accordance with these Financial Instructions;
 - (b) recommendations as to what action should now be taken in an effort to recover the debt;
 - (c) whether credit facilities have been withdrawn; and if not, why not.
- (2) The Secretary shall issue written instructions in due course as to whether a debt, as detailed in sub-para (1) shall be abandoned or whether further action shall be taken to recover it.
- (3) Where the Secretary considers a debt can not be recovered, and he has reason to suspect this is due to the negligence of the officer or officers responsible for collection, he shall instigate an investigation. Where, as a result of such an investigation, the Secretary is satisfied that there has been serious negligence, he shall have discretion to order that the whole or part of the lost revenue shall be charged against the negligent officers advance account. Where the Secretary determines that more than one person has been negligent, he may direct the amounts to be charged against each negligent officers advance account in such proportions as he determines.

ERRORS IN DEBIT NOTE REGISTER

92.

- (1) An amount included in error, for any reason, in a Debit Note Register shall not be an arrears of revenue. A suitable endorsement in the Debit Note Register giving the explanation as to the reason for the original erroneous

entry, and certified and signed by the responsible accountable officer shall be sufficient to cancel the entry.

- (2) If a debit note shall have been issued in respect of an erroneous entry in a Debit Note Register, the original of the Debit Note shall if possible, be recovered from the person to whom it was issued, and all three copies of the debit note cancelled in the manner prescribed in financial instructions 74 and 75.

REMISSION OF ASSESSMENTS ETC

93.

- (1) Any fine, licence fee, assessment, or other due or item that shall be remitted by law, or by written instruction of the Secretary, shall cease to be an arrears of revenue. A suitable endorsement in the Debit Note Register, giving the reference of the law or other written instruction requiring or authorising the remission, and certified and signed by the responsible accountable officer shall be sufficient to cancel the entry.
- (2) Any fine imposed on, and any court costs awarded against a person in any civil or criminal proceedings, which are payable to the revenue of the Government, shall be arrears of revenue unless and until a period of imprisonment in default of payment shall be commenced by that person in lieu of payment, or unless otherwise remitted or paid in full.

REFUND OF REVENUE

94. Refunds of revenue shall only be made in the following circumstances:
 - (a) where the refund is in respect of revenue collected in accordance with the law and subsequently reclaimed under conditions prescribed by law;
 - (b) where the refund is the result of erroneous collection;
 - (c) any other refund specifically authorised in writing by the Secretary.
95. Refunds under financial instruction 94(a) shall be authorised only by the public officer so prescribed by law or by the public officer to whom such powers shall have been delegated in writing, such delegation having been authorised in writing to the Secretary.
96. Refunds under financial instruction 94(b) shall be authorised in writing only by the Secretary or by a public officer to whom such powers have been delegated in writing by the Secretary.
97. Refunds of revenue shall be charged to the relevant Revenue Head and Sub Head of the Annual Budget except that where a refund shall be in respect of revenue brought to account in a previous financial year, the refund shall be charged to such account as is prescribed by the Secretary in writing.

ANNUAL REVIEW OF FEES, LICENCES, CHARGES, ETC.

98. A review of the level of all fees, licences, charges, on-cost additions, etc., shall be carried out by all accountable officers, for all Sub Heads under their control, on the 30th May in each year, and a report covering their recommendations shall be forwarded to the Secretary not later than 30th June in each year; this instruction shall be subject to such lesser time period as the Secretary or any law of Tuvalu may determine.

CHAPTER 4 - THE SAFE CUSTODY AND USAGE OF SECURITY DOCUMENTS SAFE CUSTODY OF BULK STOCKS OF SECURITY DOCUMENTS

101. Security Documents, other than those noted in financial instruction 102, shall be held in bulk by the Secretary, who shall be responsible for their safe custody, registration, and control. The Secretary shall be responsible for ensuring that all new supplies of Security Documents are taken on charge promptly and recorded in the relevant Register, and that all subsequent issues of the document are also recorded promptly in the Register.

102.

- (1) The undermentioned public officers shall be responsible for the safe custody, registration, and control of bulk stocks of the security documents listed below:
- (a) Postmaster - Money Order Forms;
 - (b) Chief of Police - Firearms Licence Forms;
 - (c) Secretaries to - Any Licence Form, the issue of which Ministry concerned is the responsibility of that Ministry.
- (2) The Officers listed above shall have the same responsibilities, in respect of the security documents under their control, as are prescribed for the Secretary in financial instruction 101.

PROCUREMENT OF SECURITY DOCUMENTS

103.

- (1) Only the Secretary, together with the officers specified in financial instruction 102, shall be authorised to indent for new supplies of the security documents under their control, such indents to be placed through the Government Storekeeper in accordance with current procurement procedures.
- (2) It shall be the controlling officers responsibility to ensure that adequate stocks of the security documents under their control are maintained at all times, and that sufficient lead time is allowed for the placing of Indents, printing, shipping, clearance formalities, and the receipt of new supplies.

- (3) No Indent shall be raised for any security document until a review has been carried out to establish if any changes are desirable.
- (4) All security documents shall be pre-numbered.
- (5) All changes to security documents shall be personally authorised, in writing, by the Secretary.

CHECKING AND RECORDING OF NEW SUPPLIES OF SECURITY DOCUMENTS

104.

- (1) Upon the receipt of a consignment of security documents, they shall be immediately counted and checked to ensure that the number of books or forms received agree with the appropriate indent, suppliers invoice, and delivery note. The consignment shall be checked to ensure that the numbering sequence continues on immediately after the sequence of the previous stock on hand. Should there be a break in the numbering sequence, the fact shall be recorded in the relevant Register immediately before recording details of the new consignment.
- (2) The first and last serial number of each book shall be checked and recorded in ink on the outside front cover of the book. The new consignment shall be recorded, book by book, in the relevant Register; a note shall be made in the Register giving the total quantity of books received in the consignment, the first and last serial number of the consignment, details of the indent, suppliers invoice and delivery note., and the date of receipt.
- (3) The new consignment shall be placed in the strong room or safe and shall be stored in such a manner that subsequent issues shall be made in strict numerical sequence.

ISSUE OF SECURITY DOCUMENTS FROM BULK STOCK

105.

- (1) The Secretary, and the officers listed in financial instruction 102, shall only issue books of General Receipts, Debit Notes, Licences, and other Security Documents to those accountable officers having need of such documents, and shall ensure that previous books issued to the officers have been almost completely used before issuing further supplies.
- (2) Officers on Funafuti shall obtain new supplies of security documents by personal attendance at the requisite office and shall sign the relevant Register as receiving officer at the time of issue.
- (3) Officers outside Funafuti shall make a written application for new supplies of security documents and shall make due allowance for the time that shall be necessary for shipping etc.

106.

- (1) The Secretary, and the officers listed in financial instruction 102, shall ensure that officers on Funafuti receiving new supplies of Security Documents sign the relevant Register at the time of issue.
- (2) New supplies of security documents to officers outside Funafuti shall be sent by safe hand of a responsible officer wherever possible, or by registered post, accompanied by a covering letter referring to the original application for the documents. A separate telegraphic advice shall be forwarded to the receiving officer, giving full details of the numbers of the consignment of documents.
- (3) Officers outside Funafuti shall acknowledge receipt of all new supplies of Security Documents; quoting the serial numbers of the documents received, immediately, by telegram; the acknowledgement shall be noted in the relevant Register and shall be accepted in place of the signature of the receiving officer in the Register.

107.

- (1) All officers to whom security documents are issued shall immediately check them; in the case of Funafuti officers, against the details entered in the Register, and, in the case of officers outside Funafuti, against the covering letter.
- (2) On Funafuti, any discrepancy in the quantity issued or in the numbering etc., shall be corrected immediately. Officers outside Funafuti shall immediately advise any such discrepancy by sending a telegram to the issuing officer who shall take whatever action he shall consider necessary to remedy the error. Any book of security documents found to be defective in any way shall be returned to the issuing officer immediately such a defect is discovered. However, should such a defect not be discovered until the book has been partially used, the book shall not be returned to the issuing officer, but shall be retained by the user together with all other exhausted books, all unused pages of the defective book being endorsed "Cancelled" and signed by the holding officer, who shall advise the issuing officer of such action together with full details of the discovered defects.

SUB ACCOUNTANT'S STOCK OF SECURITY DOCUMENTS

108.

- (1) The Secretary shall authorise, in writing, the holding of a small bulk stock of security documents by sub accountants, where he is of the opinion that such action shall be in the general interest of both the Government and the public. The Secretary shall prescribe the levels of such stocks that shall be kept by sub accountants; these levels shall not be exceeded except by written permission of the Secretary.
- (2) Where small bulk stocks of security documents are kept by sub accountants, the sub accountant shall have the same responsibilities in respect of the safe custody of such stocks, as are prescribed for the Secretary in financial instruction 101,

- (3) When the Secretary shall authorise the keeping of small bulk stocks of security documents by sub accountants, he shall vary by written instruction, the content of financial instruction 105 in such a manner as shall allow those revenue collectors who submit their accounts to the particular sub accountant, to obtain future supplies from the sub accountant.

ACCOUNTABLE OFFICER'S RECORD OF SECURITY DOCUMENTS

109. Every accountable officer, having in his charge any security documents, shall maintain a suitable record of all documents issued to him; such record shall show the date of receipt into his charge, the first and last serial number of each book received and the dates when the first and last document in each book shall be issued to the public.

MONTHLY RETURN OF SECURITY DOCUMENTS

110.
 - (1) Every accountable officer, having in his charge security documents, shall render a monthly return, in a form prescribed by the Secretary, in respect of each type of security documents in his charge, giving the following details —
 - (a) quantity and serial numbers of books in hand at the commencement of the month;
 - (b) quantity and serial numbers of books received in the month;
 - (c) serial numbers of all documents issued in the month;
 - (d) serial number of books in hand at the end of the month;
 - (2) All accountable officers, except as noted in sub-para (3) below, shall submit this return to the Secretary as soon as possible after the close of business on the last day of the accounting month.
 - (3) Revenue collectors and other accountable officers who normally submit their accounts to a sub accountant, shall present their security documents on hand at the end of the accounting month to that sub accountant for checking so that such documents shall be incorporated into the latter's monthly return.

TRANSFER OF SECURITY DOCUMENTS

111.
 - (1) Under no circumstances shall a partly used security document book be transferred away from the cash book in which the used security documents shall have already been brought to account; if a cash book shall cease to be used permanently, the partly unused security document books shall be returned to the Secretary, or to an officer delegated by him in writing, together with the cash book and other associated accounting records, and the partly unused security documents shall then be cancelled.
 - (2) Except when handing over to an officer relieving him, an accountable officer shall not transfer any security document to another officer.

- (3) When a handing overtakes place between two accountable officer's and security documents are in the charge of the handing over officer, the handing over certificate, to be signed by both officers, shall contain full details of the quantities and the serial numbers of each type of security document on charge. The taking over officer shall sign immediately below the last entry in the requisite security document record, prescribed in financial instruction 109; such signature shall be evidence that the taking over officer has checked and has agreed to the stock of security documents on hand.

ALTERATIONS TO THE FORMAT OF SECURITY DOCUMENTS

112.

- (1) No alteration shall be made to the pre-printed format of any security document except as allowed in sub-para (2) below.
- (2) Where the Secretary shall authorise a change in the pre-printed format of any security document the Secretary shall (if necessary), pending the receipt of supplies of the newly printed documents, authorise in writing the suitable alteration to the security documents currently in use. Any such authorise alteration shall be initialled by the officer responsible for the completion of the document.

SAFE CUSTODY OF SECURITY DOCUMENTS IN USE

113.

- (1) All security documents shall be safe guarded against theft, loss or misuse; stocks of blank documents shall be locked in a strong room, strong lockable box or safe until required for use. Books of documents in use shall be lodged in similar facilities out of office hours, and shall be kept under secure lock and key when in use during office hours. Accountable officers shall ensure the return of security documents to such locked facilities after each occasion to issue a document.
- (2) The loss of any unused security document shall be reported to the Secretary and to the responsible accountable officer's senior officer immediately by the fastest means possible: a full written report of the circumstances surrounding such loss shall be submitted to the Secretary as soon as possible, copies being forwarded to the senior officer and to the Auditor-General.

DISPOSAL AND DESTRUCTION OF SECURITY DOCUMENTS

114.

- (1) Copies of security documents shall be disposed of or destroyed only in accordance with financial instruction 14.
- (2) Obsolete unused security documents shall be returned to the Secretary who shall arrange for their destruction, after first notifying the Auditor General, who shall attend the destruction if he so desires. A destruction certificate, as prescribed by the Secretary, shall be completed and signed by the two officers

delegated to carry out the destruction; the destruction certificate shall detail the serial numbers of all documents destroyed. A copy of the destruction certificate shall be forwarded to the Auditor General, a further copy being placed in the Register of destroyed or disposed of documents, prescribed in financial instruction 18.

CHAPTER 5 - THE SAFE CUSTODY OF CASH, STAMPS, AND OTHER ITEMS OF PUBLIC MONEYS

DEFINITION - CASH

121. For the purposes of financial instructions 121 to 145, “**cash**” shall be defined as all currency, postage stamps, cheques, bank drafts, money orders, postal orders, and other negotiable instruments.

MIS-USE OF CASH

122. Under no circumstances whatsoever shall any accountable officer, having any cash under his control —
- (a) use such cash for any personal purpose, no matter how temporary;
 - (b) loan or draw such cash against any I.O.U. or other similar document;
 - (c) exchange such cash for any personal cheque, including his own, except:
 - (1) with prior written authority of the Secretary;
 - (2) encashment under financial instruction 393;
 - (3) encashment within the limits of a Bank Agency agreement, in his role as Bank Agent.

RESPONSIBILITY FOR CASH HOLDINGS

- 123.
- (1) Each cash holding, with the exception of the holding referred to in subparagraph (2) below, shall at any on time, be in the sole charge of only one accountable officer who shall be directly responsible for it’s safe custody, shall have sole access to it and shall have a separate facility for it’s safe storage.
 - (2) Where a cash holding is normally stored in a strong room or a safe which has two or more independently operated locks, the keys shall be in the charge of at least two accountable officers who shall be individually responsible for the safe custody of such keys at all times, and shall have joint access to the strong room or safe only and shall be subject to such detailed security instructions as shall be prescribed by the Secretary in writing.

PROVISION OF SAFE CUSTODY FACILITIES

- 124.

- (1) It shall be the responsibility of accounting officers to ensure that adequate safe custody facilities are provided to those officers, under their control who shall, through the course of their duties, be accountable for any cash.
 - (2) It shall further be the responsibility of accounting officers to ensure that all due precautions are taken, at all times, by those officers under their control, who shall be accountable for any cash, to prevent the loss or theft of such cash. Accounting officers shall give instructions to their staff on such precautions and shall carry out surprise checks to ensure that such precautions are being complied with at all times.
125. All cash in the custody of accountable officers shall, at all times, be kept in one of the following —
- (a) strong room;
 - (b) safe;
 - (c) fireproof cash box fitted with a lock;
 - (d) lockable, secure, and fireproof drawer or cupboard;

126.

- (1) There shall be located in the Treasury Division of the Ministry of Finance, in the Post Office Headquarters, and at all sub accountancy offices, a strong room or one or more separate safes for the safe custody of the main cash stock, or reserve cash stocks.
- (2) At all offices, a safe shall be provided for the safe custody of cash where it shall be necessary to retain such cash on the premises.

PROCUREMENT OF SAFE CUSTODY FACILITIES

127.

- (1) All safes, strong room, and cash boxes shall be supplied only through the office of the Secretary, who shall have the sole responsibility for indenting for supplies through the normal procurement procedures.
- (2) No safe or cash box shall be transferred within, or between, Ministries without the written authority of the Secretary; a request to make such a transfer shall be submitted in writing to the Secretary, who, when issuing his authority for the transfer, shall make the necessary amendment to the register, as prescribed in financial instruction 128.

REGISTER OF SAFE CUSTODY FACILITIES

128.

- (1) The Secretary shall maintain a Register of all safes, strong rooms, and cash boxes in use throughout all Ministries; he shall issue a registered number for each new item procured and issued and shall issue instructions that the number shall be displayed in a prominent position on the item.

ANNUAL RETURN OF SAFE CUSTODY FACILITIES

129. An annual return of all safes, strong rooms and cash boxes shall be rendered, on the 1st January of each financial year, to the Secretary, in a form prescribed by the Secretary. The Secretary shall be responsible for checking all returns against the Register and shall make written enquiries into any apparent discrepancy as soon as possible.

ACCOMMODATION FOR SAFE CUSTODY FACILITIES

130. Wherever it shall be possible, a safe used for the safe custody of cash shall be cemented to the floor of the office or buildings; where this shall not be possible, all reasonable efforts shall be made to ensure that an alternative method of securing the safe satisfactorily to the permanent structure of the office or building shall be adopted.

USAGE OF SAFE CUSTODY FACILITIES FOR OTHER PURPOSES

131.

- (1) Under normal circumstances, an accountable officer shall only allow public moneys and government property, or any such other moneys he shall be bound to account for by virtue of his office, to be placed in any government strong room, safe, or cash box for which he shall be responsible.
- (2) If for any reason that shall appear to be in the interest of the public, or at the request of a louting officer having custody of Government cash, or in an emergency, a n accountable office shall be requested to store temporarily any other moneys Or documents etc. other than government property, within a government strong room, safe, or cash box for which he shall be responsible, he shall accept such articles only on the following conditions —
 - (a) that the articles shall be securely sealed in a suitable container or packaging prior to deposit;
 - (b) that the container or package shall be clearly marked on the outside with details of the contents, from whom received and the date deposited;
 - (c) that the person making the deposit shall remove the article at the earliest possible opportunity;
 - (d) that a signed statement be obtained from the depositor certifying that no liability in respect of any loss, damage or mishap to the article shall fall upon government or the accountable officer responsible for the strong-room, safe, or cash box.
- (3) Any cash that shall be found in a strong room, safe, or cash box that cannot be accounted for, shall be considered as accruing to Government and shall be credited to revenue; the accountable officer bringing the item to account shall make a note of the action in a suitable record. If, in due course, the ownership of such cash shall be satisfactorily established as being other than government, the matter shall be reported in writing to the Secretary; the

Secretary, if he shall be satisfied as to the facts, shall authorise a refund of the cash.

KEYS TO SAFE CUSTODY FACILITIES

132.

- (1) At the time of issue of a strong room, safe, or cash box, the Secretary shall issue the responsible accountable officer with an original key to the item. Where a strong room door is equipped with more than one independent lock, the Secretary shall issue one key to each lock to separate accountable officers; under no circumstances shall all the keys to a strong room with more than one independent lock be issued to one accountable officer.
- (2) The Secretary shall obtain a receipt from the responsible accountable officer for all keys issued.
- (3) Duplicate, and any other additional keys supplied by the manufacturer, of each strong room door, safe, or cash box shall be enclosed in a separate sealed envelope, for each unit, with the description and details of the unit clearly marked on the outside of the envelope. The envelope shall be retained in safe custody by the Secretary. The particulars on the outside of the envelope shall include the following details —
 - (a) ministry to whom unit issued;
 - (b) location of unit;
 - (c) description;
 - (d) manufacturer's name and address, plus manufacturer's agents name and address, if applicable;
 - (e) manufacturer's serial number of unit, if applicable;
 - (f) registered number allocated, as per financial instruction 128.

MANUFACTURER'S INSTRUCTIONS RE USAGE ETC OF SAFE CUSTODY FACILITIES

133. The original copy of any instructions issued by the manufacturer in regard to maintenance, the replacement of keys, the procedures to be adopted for the repairs of damaged locks etc., shall be forwarded to the accountable officer together with the original key. A photocopy of all such instructions shall be retained by the Secretary in the envelope containing the duplicate key.

COMBINATION LOCKS

134.

- (1) Where a strong room door, safe, or cash box shall be fitted with a combination locking device, the original copy of any instructions relating to the setting of the lock etc., shall be forwarded to the accountable officer and a photocopy of the instructions shall be retained by the Secretary in an envelope.

- (2) An accountable officer, having control of a strong room, safe, or cash box fitted with a combination locking device, shall ensure that a copy of the combination sequence, sealed in a double envelope, as prescribed by General Administrative Order 21.1.13, shall be forwarded to the Secretary, every time the combination sequence shall be changed.

SAFE GUARDING OF KEYS

135.

- (1) An accountable officer in possession of a key to a strong room door, safe, or cash box, shall take all possible precautions against loss or theft of the key at all times. Under no circumstances, except officially handing over to a replacement officer, shall he hand the key to any other person. In an emergency, such as sudden illness etc., it shall be the responsibility of the accountable officer's senior officer to issue written instruction regarding the temporary custody of the keys to, or combination of, any strong room, safe, or cash box under the control of the particular accountable officer. (2) An accountable officer shall be personally, and may possibly be financially responsible for the loss of cash or other government property that shall occur through the loss of a key to any strong room, safe, or cash box under his control.

LOSS OF KEYS

136.

- (1) If an accountable officer shall lose a key to a strong room door, safe, or cash box, or any other lockable drawer or cabinet used for the safe custody of cash etc., he shall report the matter immediately to his senior officer and shall also inform the Secretary by the fastest means possible. The accountable officer shall follow up these reports with a fully detailed written report of the circumstances leading to the loss; copies of the written report shall be forwarded to the Secretary, the Auditor-General and the accountable officer's senior officer.
- (2) Upon the receipt of the notification of the loss of a key, the Secretary shall forward the duplicate key, by hand of a member of the Internal Audit Section, to the accountable officer responsible for the loss. The duplicate key shall be used solely for the purpose of opening the strong room door, safe, or cash box and the removal of and checking of the contents of the unit and then be handed back to the Internal Audit Officer. The contents shall be removed and verified by the accountable officer together with his senior officer, and witnessed by the internal Audit Officer.
- (3) Any strong room, safe, or cash box, any key to which shall have been lost, shall not normally be used again for the safe custody of cash and government property until such time as new locks shall have been fitted and new keys provided. Exceptionally, the Secretary may direct use of the same lock once a new set of keys has been obtained. The Secretary shall be responsible for the

arrangements for temporary alternative safe custody facilities until fresh locks and keys have been provided for the other unit.

LIABILITY OF ACCOUNTABLE OFFICERS ON LOSS OF KEYS

137.

- (1) Any accountable officer responsible for losing a key to a strong room door, safe, or cash box, shall be held liable to reimburse government the cost of changing the locks and the provision of new keys, together with any other costs that shall be insured in the provision of any temporary safe custody facilities.
- (2) Where, as the result of the loss of a key to a strong room door, safe, or cash box, it shall be found that the locks cannot be replaced and new keys provided, but that a new unit shall have to be provided instead, it shall be the responsibility of the Secretary to decide whether any or all of the costs of providing the new facility shall be recovered from the accountable officer responsible for losing the key.

SUSPECTED INTERFERENCE WITH KEYS OR LOCKS

138. If an accountable officer shall suspect that any key in his possession, or any lock of a strong room, safe, or cash box under his control, shall have been interfered with, he shall take action immediately as prescribed in financial instruction 136 (1).

ALTERATIONS TO LOCKS

139.

- (1) Alterations to the locks of any strong room door, safe, or cash box, or the provision of new keys, if undertaken locally, shall be carried out only upon the written instructions of the Secretary; any such alterations shall be carried out under strict security conditions, as shall be prescribed by the Secretary.
- (2) No alterations to the locks of, or the provision of new keys to, any strong room door, safe, or cash box shall be undertaken locally if such action shall contravene the terms of any warranty or guarantee issued by the manufacturer with respect to the unit.

REGISTER OF CONTENTS OF STRONG ROOMS AND RESERVE CASH SAFES

140.

- (1) A register shall be maintained in each strong room or reserve cash safe of all cash and other items deposited therein, withdrawals therefrom and balances on hand: cash contained within a separate cash box, used in the normal daily business of the office, and which is locked and placed within the strong room or reserve cash safe for safe custody after business hours, shall not be included in the entries in the register. All entries in the register shall be signed

by the accountable officers holding the keys to the strong room or reserve cash safe.

- (2) The register shall show separately the denominations of all currency notes, coins, stamps, etc held in bulk or reserve. All bags of coin, packets of currency notes and sheets of postage stamps shall be correctly labelled and denominations shall be kept separate. The bags used for the storage of coin and the wrappers used for currency notes shall always be of the type currently issued by the National Bank of Tuvalu.

CHECKING OF CONTENTS OF STRONG ROOMS AND RESERVE CASH SAFES

141.

- (1) All accounting officers shall be responsible for ensuring that independent checks shall be carried out at irregular intervals, and at least once every month, of all strong rooms and reserve cash safes that shall be within their Ministries or Departments. The accountable officers responsible for the contents of, and in possession of the keys to, the strong rooms or reserve cash safes shall be present always at these checks but shall not carry out the checks themselves.
- (2) Any discrepancies discovered during a check on a strong room or reserve cash safe shall be reported in writing immediately to the Secretary by the accounting officer, a copy of the report being forwarded to the Auditor-General

TEMPORARY ABSENCE OF KEY HOLDERS

142.

- (1) Where an accountable officer, having responsibility for a key to any strong room Or' reserve cash safe, shall be temporarily absent from his place of duty, such absence not requiring official hand over procedures, the key shall stay with the responsible officer for the period of absence, and no revenue shall be accepted until his return

HANDING OVER CERTIFICATES

143.

- (1) When an official handing over shall take place between two accountable officers who shall be in possession of cash, as defined in financial instruction 121, or shall be responsible for the keys to any strong room door, safe, or cash box under their control, the handing over certificate that shall be signed by the two officers, shall contain full details of such cash and keys.
- (2) Under no circumstances shall a hand over take place that shall cause all the keys to a strong room or reserve cash safe to come under the sole control of one accountable officer,

- (3) Where an official handing over should have taken place but cannot (e.g., due to sudden serious illness, death disappearance etc.), the Accounting Officer and a member, of the Internal Audit team shall carry out a 'Witnessed Cash Count' and establish any surplus or discrepancy,

SAFE GUARDING OF CASH WHILST OFFICER ON TOUR

144. Any accountable officer who shall have control of cash whilst on tour' or in a temporary station shall take all possible precautions with regards to the safe custody of such cash: wherever possible, he shall avail himself of any safe custody facility that shall be available through the offices of any other accountable officer in the area; in such circumstances, arrangements for the temporary custody of cash shall be as prescribed in financial instruction 131(2).

SAFE GUARDING OF CASH IN TRANSIT

145.

- (1) Cash in transit shall always be in the charge of a responsible public officer and carried in a suitable locked container; the key to such container shall be carried separately by the officer. Coin shall be carried always in a strong, durable container
- (2) Particular care shall be taken when cash shall be transported by sea to ensure that any container with cash inside it does not fail overboard; wherever possible all containers shall be secured to the vessel in such a manner as shall facilitate recovery in the event of a mishap. Full use shall always be made of any safe custody facility on the vessel.
- (3) When cash is being taken to a bank for credit to a government account etc., the responsible accountable officer shall take all due precautions for the prevention of the loss or theft of the cash. He shall not undertake any other tasks until after the cash has been deposited at the bank. Wherever possible, the accountable officer shall be accompanied to the bank by another male member of the office staff.

CHAPTER 6 - ESTIMATES OF RECURRENT REVENUE AND EXPENDITURE AND SUBMISSION OF NATIONAL BUDGET TO PARLIAMENT

STATUTORY REQUIREMENTS

151. As prescribed by Section 165 of the Constitution of Tuvalu, the Minister shall present to Parliament, before, or not later than 60 days after, the commencement of each financial year, Estimates of Recurrent Revenue and Expenditure of the Government for that year, which, when approved by Parliament, shall be known as the 'National Budget'.

REQUEST FOR MINISTERIAL AND DEPARTMENTAL DRAFT ESTIMATES

152.

- (1) In order that the Minister shall be able to discharge his responsibilities as prescribed in Section 165 of the Constitution, the Secretary shall issue written instructions in the current year to all accounting officers requesting the submission of Ministerial and Departmental draft Estimates of Recurrent Revenue and Expenditure for the coming year, together with costed Nominal Rolls as specified in financial instruction 416, and New Service Proposals for both pay and non-pay items.
- (2) the instruction shall specify the manner in which the draft Estimates shall be presented, provided this is consistent with section 4 of the Act, and shall stipulate the date by which the draft Estimates shall be submitted to the Secretary. Guidelines laid down by the Minister shall be transmitted to Accounting Offices in the above instructions.
- (3) Accounting officers shall be responsible for ensuring that the draft Estimates shall be submitted in the correct manner and on or before the stipulated date.
- (4) Any accounting officer who shall have reason to believe that he will be unable to submit draft Estimates by the stipulated dates shall advise the Secretary at the earliest possible opportunity.

CLASSIFICATION OF DRAFT ESTIMATES OF RECURRENT EXPENDITURE

153.

- (1) Estimates of Recurrent Expenditure shall be divided into three main classifications, Personal Emoluments, Other Charges (Recurring), and Other Charges (Non-Recurring).
- (2) The three main classifications, stated in sub section (1), shall be further sub divided in accordance with such sub head items as shall be required for the particular Ministry or Department; due note shall be taken of any specific instructions regarding classification that shall be issued by the Secretary.

CLASSIFICATION OF DRAFT ESTIMATES OF RECURRENT REVENUE

154.

- (1) Draft Estimates of Recurrent Revenue shall be divided into such sub head items as shall be required for the particular Ministry or Department: due note shall be taken of any specific instructions regarding classification of revenue that shall be issued by the Secretary.
- (2) Draft Estimates of Revenue shall include all revenue generated by the activities of the particular Ministry or Department, irrespective of the fact that part of such revenue shall eventually be collected and brought to account by some other office.

ADDITIONAL INFORMATION

155. Accounting officers shall provide additional information, with their draft Estimates, in the form of brief notes that shall explain the bases upon which the Estimates shall have been established; in particular special note shall be made, with brief explanations of instances where there shall be any significant change from the current years Estimates Revenue heads in excess of \$10,000 p.a. shall be accompanied by a detailed statement of how the total is arrived at.

CONSULTATIONS WITH MINISTERS AND HEADS OF DEPARTMENTS

156.

- (1) In preparing draft Estimates, all accounting officers shall consult with the Heads of Departments with regard to those elements of the draft Estimates that shall reflect the activities of the particular departments. An accounting officer should not submit any draft Estimates that shall have been prepared without such consultations.
- (2) Prior to submitting the draft Estimates to the Secretary, all accounting officers shall consult with their Ministers and shall discuss in detail the content of the draft Estimates. Submission of the draft Estimates shall imply that such discussions and consultations shall have taken place and that Ministers shall be aware of and shall have approved the contents of such draft Estimates.

ADJUSTMENTS TO DRAFT ESTIMATES

157.

- (1) The Secretary shall examine all submitted draft Estimates and shall, if he considers it necessary, recommend adjustment to any Estimate. Such recommendations shall be discussed with accounting officers at formal meetings, the time and venue of which shall be notified in writing by the Secretary.
- (2) Upon the completion of the formal meetings and discussions, accounting officers shall amend their draft Estimates to take into account any agreed adjustments and shall then submit their final draft Estimates to the Secretary within the time schedule that shall be advised in writing by the Secretary.
- (3) Once the final draft Estimates shall have been submitted to the Secretary, no further alterations or adjustments to such Estimates shall be made, except as specified in financial instruction 159.

CONSOLIDATION OF DRAFT ESTIMATES OF RECURRENT REVENUE AND EXPENDITURE

158. Upon the receipt of all final draft Estimates of Recurrent Revenue and Expenditure, the Secretary shall consolidate all the Estimates into such presentation that shall allow the Minister to fulfil his responsibility, as prescribed in Section 165 of the Constitution, of presenting the Estimates of

Recurrent Revenue and Expenditure for the Government for the forthcoming year to Parliament, for approval as the 'National Budget'.

MATCHING OF REVENUE WITH EXPENDITURE

159.

- (1) Expenditure shall normally be contained within the limits of Estimated Revenue.
- (2) If a deficit shall result on Consolidation of the Draft Estimates, the Secretary shall report the level of deficit to the Hon. Minister of Finance.
- (3) The Hon. Minister may, in his discretion, accept the deficit, or may direct the Secretary to hold further consultations with Accounting Officers to achieve savings to a level specified by the Hon. Minister.
- (4) In the event that a satisfactory conclusion cannot be reached by consensus, the Minister may give directions, under the powers conferred on him by Section 5 of the Act, to achieve a situation acceptable to him.

PUBLICATION OF APPROVED ESTIMATES OF RECURRENT REVENUE AND EXPENDITURE (AS NATIONAL BUDGET)

160.

- (1) Upon the approval of the Estimates of Recurrent Revenue and Expenditure of the Government, by Parliament, they shall be known as the National Budget. The Secretary shall arrange for the publication and issue of fully detailed National Budgets to all accounting officers and to other public officers as he shall consider necessary.
- (2) The published National Budget shall contain reference to the appointments of accounting officers in respect of each Expenditure Head for the financial year, thus meeting the prescribed requirements of Section 16(1) of the Act.

CHAPTER 7 - AUTHORITIES TO INCUR EXPENDITURE

STATUTORY REQUIREMENTS

171.

- (1) Section 10 of the Act prescribes the conditions under which the Minister shall authorise payment of expenditure, and the issue of moneys, from the Consolidated Fund.
- (2) Section 10(2) of the Act authorises the Minister to issue moneys and make payments from the Consolidated Fund of such sums that shall be approved to meet the government's expenditure for the financial year by the coming into operation of any Appropriation or Supplementary Appropriation Act.

- (3) Section 10(1) of the Act authorises the Minister to issue and make payments from the Consolidated Fund of such sums that shall be required during the financial year for statutory expenditure; as defined in Section 2 of the Act, statutory expenditure shall be that expenditure that shall be charged on the Consolidated Fund by any written law other than an Appropriation or Supplementary Appropriation Act.

ISSUE OF GENERAL WARRANTS

172. When the Appropriation Act in respect of the Estimates of Expenditure for a financial year shall come into operation, the Minister shall issue a General Warrant to the Secretary, authorising the latter to issue and pay from the Consolidated Fund all sums set out in the Estimates as and when they shall become due.

173.

- (1) If, at the commencement of any financial year, the Appropriation Act for that year shall not have come into operation, Parliament, may, by resolution, empower the Minister to authorise the issue of moneys from the Consolidated Fund for the purpose of meeting expenditure at a level not exceeding the level of expenditure in the previous financial year, until the expiration of four months from the beginning of the financial year or until the coming into operation of the Appropriation Act, whichever is the earlier.
- (2) Where Parliament shall pass the resolution, as per subsection (1), the Minister shall issue a General Warrant to the Secretary, authorising the latter to issue and pay from the Consolidated Fund such sums of money set out within the Estimates, but within the limits stipulated by the resolution.
- (3) Copies of all General Warrants shall be forwarded to the Auditor-General.

ISSUE OF ACCOUNTING WARRANTS

174.

- (1) Upon receipt of a General Warrant from the Minister, the Secretary shall issue Accounting Warrants to accounting officers, a separate warrant being issued for each Head.
- (2) The Accounting Warrant, issued in the format prescribed by the Secretary, shall authorise the accounting officer to expend moneys to meet the cost of services, covered by appropriation as set out in the approved Estimates of Expenditure.
- (3) An Accounting Warrant shall, where necessary, be limited in its authority to accounting officers to expend moneys to meet the cost of the services of their Ministries or Departments by —
 - (a) the exclusion of part of any sub head, over which the Secretary shall wish to maintain special control by reservation;

- (b) any restriction contained in a General Warrant, issued to the Secretary under the conditions prescribed in financial instruction 173.

175.

- (1) Accounting Warrants shall include the following detail —
 - (a) warrant number, year of account, date of issue;
 - (b) analysis, by sub heads of the money to be expended under each Head;
 - (c) a reference to be quoted on all payment vouchers subsequently issued under authority of the Warrant.
- (2) Accounting Warrants shall contain specific instructions to accounting officers to —
 - (a) make the relevant opening entries in his Vote Ledgers immediately upon receipt of the Warrants;
 - (b) make reference to the Accounting Warrant on all subsequent payment vouchers issued under it's authority;
 - (c) pay particular attention to any other instruction that shall be issued by the Secretary, especially as shall be necessary under the conditions prescribed in financial instruction 173.
- (3) The Secretary shall ensure that a suitable record shall be maintained of all Accounting Warrants issued; particular care shall taken in the case of those sub heads of the funds for which, shall be retained under the control of the Secretary by reservation. Adjustments to these records shall be made whenever such controlled funds shall be de-reserved, as prescribed by financial instruction 177.
- (4) Copies of all Accounting Warrants shall be forwarded to the Auditor-General.

VARIATIONS IN AUTHORISED EXPENDITURE**176.**

- (1) Expenditure on anyone sub head shall not exceed the amount authorised by Accounting Warrants even though the limits imposed by those Warrants shall, by reason of any reservation of funds, be below the level5 approved in the Estimates of Expenditure, except as shall be provided for in financial instruction 177.

DERESERVATION OF APPROVED AND RESERVED FUNDS**177.**

- (1) Where an accounting officer shall become aware that funds authorised by Accounting Warrant to a sub head item under his control shall shortly become exhausted, and that further funds were provided, for that sub head item, in the approved Estimates of Expenditure but were reserved by exclusion from the Accounting Warrant for special control by the Secretary, the accounting

officer shall apply for the release, by de-reservation, of all or part of the reserved funds

- (2) Application for the release, by de-reservation, of reserved funds shall be submitted on an Application for De-reservation Form which shall be completed in full; particular attention shall be given to the details required in respect of the amounts of original estimates approved, amounts previously authorised in accounting warrants, amounts reserved and amounts previously de-reserved if applicable. The current financial situation of the Head shall be analysed fully as per the pre-printed format on the application form. Adequate written explanation for the need for the de-reservation request shall be given.
- (3) No accounting officer shall incur or commit any expenditure that shall exceed the current provision authorised by Accounting Warrant for any sub head item under his control in anticipation of the de-reservation of further funds; it shall be the responsibility of the accounting officer, when applying for de-reservation of funds, to allow sufficient time for adequate consideration and possible discussion by the Minister and the Secretary.
- (4) The Minister shall, if he shall consider it expedient and necessary, authorise the release of all or part of the funds, requested in the Application for De-reservation Form, by the issue of a De-reservation Warrant to the Secretary.
- (5) Upon the receipt of the De-reservation Warrant the Secretary shall authorise the expenditure of the additional funds, prescribed in the De-reservation Warrant, by the issue of an Accounting Warrant.
- (6) The issue of the Accounting Warrant in respect of de-reserved funds, and the subsequent action of the accounting officer, shall be as prescribed in financial instructions 174 and 175.

VARIATION OF PROVISION OF AUTHORISED ESTIMATES OF EXPENDITURE

178.

- (1) The provision of approved Estimates of Expenditure shall only be varied by the following —
 - (a) Virement within a Head;
 - (b) the authorisation by the Minister of a Contingency Warrant in anticipation of supplementary appropriation of additional funds;
 - (c) the supplementary appropriation of additional funds.
- (2) No accounting officer shall incur or commit any expenditure, that shall exceed the approved Estimates of Expenditure for any sub head item under his control, in anticipation of any approval being granted through the Virement of funds within a Head, the issue of a Contingency Warrant or the authorisation of a supplementary appropriation. It shall be the responsibility of the accounting officer to forecast in adequate time when variation to the approved Estimates of Expenditure shall possibly be required; in particular

the accounting officer shall allow sufficient time, when making application for any form of variation, for adequate consideration and possible discussion by the Minister and the Secretary.

VIREMENT

179.

- (1) When additional provision for expenditure shall be required on a sub head item, or shall be required to create a new sub head item not originally included in the Estimates of Expenditure, and when all or part of such additional provision shall be met from excess unused provision contained on other sub head items within the same Head, the accounting officer in charge of the Head shall apply for Virement of all or part of the excess funds.
 - (2) Application for the Virement of funds shall be submitted by the accounting officer on an Application for Virement Form which shall be completed in full; particular attention shall be given to the amounts of original approved estimates, any reservations and surpluses previously applied therefrom and any previous Virements applied for and approved. The current financial position of the Head shall be analysed fully as per the pre-printed format on the application form. Adequate written explanation for the need for Virement shall be given.
 - (3) The Secretary shall, if he shall consider it expedient and necessary, issue a Virement Warrant for the provision of all or part of the requested funds, provided that —
 - (a) the sum appropriated to any Head by the Appropriation Bill or any Supplementary Appropriation Bill shall not be exceeded by Virement;
 - (b) where a new sub head item shall be created by Virement, the new item shall be within the ambit of the Head.
 - (4) The Secretary shall amend his records to show the effects of the issue of Virement Warrants.
 - (5) Copies of all Virement Warrants shall be forwarded to the Auditor-General.
 - (6) Virement shall not be made between Personal Emoluments sub heads and Other Charges sub heads; neither shall Virement be made between items within a Personal Emolument sub head itself.
 - (9) Despite any increase that shall be made, by de-reservation, in the level of expenditure authorised by Accounting Warrants, the expenditure on any one sub head shall not exceed the amount authorised in the Estimates of Expenditure, neither shall there be any adjustment between sub heads, or between items within a sub head, except as shall be provided for in financial instruction 178.
180. The continued existence of unexpended approved funds on any particular sub head in the Estimates of Expenditure shall not give reason for deliberately

incurring additional expenditure, not originally provided for, on any sub head elsewhere.

181.

- (1) Upon receipt of a Virement Warrant, the accounting officer shall enter the additional provision authorised into the relevant portion of the Vote Ledger sheet for the receiving sub head; he shall make the necessary reduction on the relevant portion of the Vote Ledger sheet for the sub head from where the additional funds shall have been transferred.
- (2) The accounting officer shall ensure that the excess unused funds from the original sub head that was quoted on the Application for Virement Form and was accepted in the Virement Warrant, shall not be expended other than for the specific purpose for they shall now have been authorised. Any proposed variation shall be the subject of a further Application for Virement Form.

SUPPLEMENTARY ESTIMATES

182.

- (1) When additional provision for expenditure shall be required on any sub head item or shall be required to create a new sub head item not originally included in the Estimates of Expenditure, and Virement, as prescribed in financial instruction 179, shall not be possible for all or part of the required sum, and all possible de-reservation of funds for such sub head items has already been carried out, as prescribed in financial instruction 177, the accounting officer in charge of the Head shall apply for a Supplementary Estimate for the additional funds.
- (2) Application for a Supplementary Estimate shall be submitted by the accounting officer on the prescribed Application for Supplementary Estimate Form which shall be completed in full; particular attention shall be given to the detail required in respect of the amount of original approved estimates, any reservation and surpluses previously applied therefrom and any previous Virement and supplementary estimates applications approved. The current financial position of the Head shall be fully analysed as per the pre-printed format on the application form. Adequate written explanation for the need for the Supplementary Estimate shall be given.
- (3) If additional provision for expenditure shall be required for the creation of a new sub head item which shall be outside of any Head within the current Estimates of Expenditure, an Application for Supplementary Estimate Form shall be completed by the accounting officer but shall make specific reference to the creation of the new sub head item.

183. An application for Supplementary Estimate shall only be considered provided that the following conditions shall be fulfilled —

- (a) failure to approve the additional funds shall be detrimental to the interest of the government or the public;

- (b) deferment of the provision of the additional funds until the next annual Estimates of Expenditure shall be detrimental to the interest of the government or the public;
- (c) it shall be fair and reasonable to believe that the need for the additional funds shall not have been foreseen at the time of the preparation of the current year's Estimates of Expenditure.

184.

- (1) Upon receipt of an Application for Supplementary Estimates Form, the Minister shall, if he so considers it expedient and necessary, exercise his powers granted to him under Section 15 of the Act and issue a Contingency Warrant to the Secretary, authorising the latter to issue an advance from the Consolidated Fund in anticipation of the introduction of a Supplementary Appropriation Bill.
- (2) Copies of all Contingency Warrants shall be forwarded to the Auditor-General.
- (3) Upon receipt of the Contingency Warrant the Secretary shall authorise the expenditure of the additional funds, prescribed in the Contingency Warrant, by the issue of an Accounting Warrant.
- (4) The issue of the Accounting Warrant in respect of additional funds, prescribed in a Contingency Warrant, and the subsequent action of the accounting officer, shall be as prescribed in financial instructions 174 and 175

SUPPLEMENTARY APPROPRIATION BILL

185.

- (1) The Minister shall include all supplementary expenditure authorised by the issue of any Contingency Warrant as prescribed in financial instruction 184, in a Supplementary Appropriation Bill for appropriation at the next meeting of Parliament following the date on which the warrant was issued.
- (2) The Minister shall also seek the authority of Parliament, by the means of a Supplementary Appropriation Bill, to appropriate such additional funds which shall have been requested by way of any Application for Supplementary Estimate Form, as prescribed in financial instruction 182, and which shall fulfil all the required conditions of financial instruction 183, but which shall not yet have been provisionally approved by the Minister by the issue of a Contingency Warrant

SUPPLEMENTARY APPROPRIATION LEGISLATION

186.

- (1) Upon the coming into operation of the Supplementary Appropriation Bill in respect of the appropriation of the additional funds requested in accordance with financial instruction 182, and for which provisional approval shall have been given by the Minister by the issue of a Contingency Warrant, the

Contingency Warrant shall as prescribed by Section 15 (3) of the Act cease to have effect and all advances made from the Consolidated Fund under the Contingency Warrant shall be deemed to be such sums as shall normally have been authorised by means of a General Warrant.

- (2) Upon the appropriation by means of a Supplementary Appropriation Bill of the additional funds requested, but which shall not yet have been provisionally approved by a Contingency Warrant, shall issue a General Warrant to the Secretary, authorising the latter to issue and pay such sums from the Consolidated fund.
- (3) Copies of all such General Warrants shall be forwarded to the Auditor-General.
- (4) Upon receipt of the General Warrant, the Secretary shall authorise the expenditure of the additional funds prescribed in the General Warrant, by the issue of an Accounting Warrant.

AUTHORITY TO INCUR STATUTORY EXPENDITURE

187.

- (1) The Minister shall issue a General Warrant to the Secretary authorising the latter to issue and pay from the Consolidated Fund all sums as shall be required to meet Statutory Expenditure for the financial year.
- (2) A copy of the General Warrant shall be forwarded to the Auditor General.

DEPARTMENTAL WARRANT

188.

- (1) An accounting officer to whom authority has been given by the issue of an Accounting Warrant, or similar Warrant, shall authorise another accounting officer to incur expenditure on his behalf and within the Heads of Expenditure under his control; provided that such authority shall be considered necessary for the convenient performance of any of the services for which the expenditure shall have been approved.
- (2) The authority, referred to in sub-paragraph (1): shall be affected by the issue of a Departmental Warrant by the accounting officer in his capacity as the Vote Controller, to the other accounting officer. The Departmental Warrant shall give full details of the Head and sub head items in respect of which the Warrant shall be issued, and shall specify the maximum amount of expenditure that shall be incurred under its authority.
- (3) Departmental Warrants shall not be issued to make payments that shall be conveniently made by the Vote Controlling accounting officer himself under the normal payment procedures.
- (4) An accounting officer to whom a Departmental Warrant shall be issued, shall not sub allocate any part of the authority of the Warrant.

- (5) Copies of all Departmental Warrants shall be forwarded to the Secretary and to the Auditor-General.

CESSATION OF AUTHORITY OF WARRANTS

189.

- (1) All Accounting Warrants, Virement Warrants, Contingency Warrants, Departmental Warrants and any other Warrant authorising accounting officers to incur expenditure as a charge to the Consolidated Fund shall cease on the last day of the financial year to which such warrants refer, or upon such earlier date that shall be notified to the accounting officers by the Secretary in writing,
- (2) No accounting officer shall deliberately incur or commit any unjustifiable expenditure under the authority of any Warrant issued to him in anticipation of the cessation of the authority in such Warrant.

CHAPTER 8 - CONTROL AND RECORDING OF RECURRENT EXPENDITURE

RESPONSIBILITIES OF ACCOUNTING OFFICERS

201.

- (1) It shall be the responsibility of all accounting officers, to whom authority to incur recurrent expenditure shall be given through the issue of Accounting warrants, or any other Warrant;
 - (a) to exercise adequate control over, and maintain adequate records of, such expenditure;
 - (b) to ensure that the expenditure is essential to the public service, and is not wasteful.
- (2) An accounting officer shall ensure that where delegation of any part of his duties shall be necessary to the more efficient functioning of his Ministry, such delegation shall be carried out in such a manner that the requirements of these Financial Instructions shall be met at all times.

DEPARTMENTAL BUDGETS

202.

- (1) Wherever possible an accounting officer shall ensure that all approved Estimates of Recurrent Expenditure for his Ministry for a financial year, are expended evenly throughout that year. Where however a price advantage or discount can be obtained by bulk purchasing, and the goods are non-perishable, such bulk purchasing shall be allowable. An accounting officer shall prepare departmental budgets of recurrent expenditure which shall detail the expenditure month by month. Such budgets shall be for use solely within

the Ministry and shall act as guide lines whereby the accounting officer shall control the recurrent expenditure throughout the year.

- (2) Where practical, an accounting officer shall set aside a portion of each Head of the approved estimates of recurrent expenditure at the commencement of the financial year in order to meet any possible unforeseen contingency.

PREVENTION OF EXCESS EXPENDITURE

203.

- (1) An accounting officer shall be responsible for ensuring that no commitment is entered into that would result in an expenditure Head or sub head exceeding the approved estimates once the subsequent charge is made.
- (2) When an accounting officer shall realise that uncommitted funds available on a recurrent expenditure Head or sub head shall be insufficient to meet further expenditure, he shall make no further commitment. Where further expenditure is essential, the Accounting Officer shall take the requisite course of action, as prescribed in sub-paragraphs (3), (4) and (5) below, to remedy the situation as soon as possible.
- (3) Where funds shall have been originally approved to the Head or sub head, but shall have been reserved by exclusion from the Accounting Warrant, for special control by the Secretary, the accounting officer shall apply for tile release by de-reservation., of all or part of, the reserved funds, as prescribed in financial instruction 177.
- (4) Where all funds, previously reserved by exclusion from the Accounting Warrant, shall have been released by de-reservation, but where surplus unused funds shall be available on another sub head within the same Head, the accounting officer shall make an application for Virement of the surplus' available funds, as prescribed in financial instruction 179.
- (5) Where all funds, previously reserved, by exclusion from the Accounting Warrant, shall have been released by de-reservation and where no surplus unused funds shall be available on another sub head within the same Head, the accounting officer shall make an application for a Supplementary Estimate, as prescribed in financial instruction 182.

204. Before undertaking any course of action prescribed in financial instruction 203, an accounting officer shall thoroughly check all Vote Ledgers and other accounting records maintained by him in order to ensure that the potential shortfall in funds shall be a matter of fact and shall not be a matter of erroneous recording; where necessary, the accounting officer shall make a special check of his Vote ledgers against the accounts maintained by the Treasury Division to ensure that no errors in the allocation of payments shall have been made in the Vote Ledgers. Such checks shall be additional to the routine monthly check prescribed by financial instruction 223. The accounting officer shall also check the current position of the effect on the Vote Ledger of any Departmental Warrant that he may have issued in accordance with

financial instruction 188, together with checking the validity of all commitments still outstanding.

205.

- (1) Under no circumstances shall an accounting officer incur or commit expenditure in anticipation of further funds being released by de-reservation, Virement or supplementary estimates.
- (2) An accounting officer shall be personally responsible, and shall possibly be financially responsible, for any expenditure incurred or committed in anticipation of the release of further funds by reservation, Virement or supplementary estimates, in cases where application for such release shall be subsequently refused.

AUTHORITY TO SIGN VOUCHER

206.

- (1) All purchase orders, requisitions, payment vouchers or other accounting documents that require signing as a pre-requisite to the validity of such document, shall be signed only by the accounting officer or by one other officer at Headquarters, directly responsible to the accounting officer, preferably in the position of assistant to the accounting officer or by the Head of Division: such delegation shall be approved in writing by the Secretary following the written request from the accounting officer for such delegation. The written request to the Secretary shall be accompanied by three specimen signatures of the delegated officer.
- (2) The Secretary shall ensure that a suitable record is maintained detailing all accounting officers and delegated officers authorised to sign vouchers.

207.

- (1) Despite the delegation, prescribed in financial instruction 206, accounting officers shall, wherever possible, sign all purchase orders, requisitions, payment vouchers etc themselves.
- (2) Where an accounting officer, or an additional officer delegated to sign vouchers, shall be away from the office for any long period of time, such as leave, attending courses etc, the other officer shall ensure that he shall be readily available to sign vouchers when required. Only in very exceptional circumstances, shall the Secretary give approval, in writing, for a further officer, to sign vouchers, in addition to the regular signatories.

208. The accounting officer shall advise the Secretary, in writing, as soon as any delegated officer shall be posted away from or shall leave the particular office permanently for any reason, and shall submit details of a replacement officer, together with three specimen signatures; the Secretary shall issue his approval of the new signatory in writing and shall ensure that the record of signatories is amended accordingly.

209.

- (1) Not later than 31st January of each financial year, all accounting officers shall submit a written return to the Secretary, confirming the details of the delegated officer under his control; he shall also forward three new specimen signatures of both himself and the delegated officers.
 - (2) The Secretary shall ensure that the record of signatories is checked against each annual return.
210. An accounting officer shall be responsible for forwarding three specimens of his own signature upon first appointment as an accounting officer and thereafter, each year, as prescribed in financial instruction 209, to the Secretary.

211.

- (1) The Secretary shall forward copies of all written authorities for the signing of vouchers, and any subsequent amendment to or removal of such authority etc., to the Government Storekeeper and to the Treasury Division. The Secretary shall also forward one copy of every specimen signature, received by him at anytime, to the Government Storekeeper and to the Treasury Division.
- (2) The Government Storekeeper and the checking officers in the Treasury Division shall be responsible for ensuring that the actual details and the signatures appearing on any purchase order, requisition, payment voucher or other document shall agree with the details and specimen signatures currently on file.
- (3) The Government Storekeeper and the checking officers in the Treasury Division shall reject and return any purchase order, requisition payment voucher or other document that shall be signed by any officer other than those whose details and specimen signatures are currently on file.

LIABILITY OF SIGNATORY

212.

- (1) The signature of an accounting officer, or that of the officer' authorised to sign on his behalf, on any purchase order, requisition, payment voucher, or any other document, shall be evidence that the signatory confirms the accuracy, validity, and content of the document.
- (2) Any officer who shall sign any purchase order, requisition, payment voucher or any other document without the official authority, as prescribed by financial instruction 206, shall be personally responsible, and shall possibly be financially responsible, in the event that an irregular payment of public moneys shall be made following the unauthorised issue of such a document.

ALLOCATION OF RECURRENT EXPENDITURE

213.

- (1) Recurrent Expenditure shall only be incurred for the purpose for which the Estimates of Expenditure shall be approved and subsequent Warrants issued. An accounting officer shall ensure that any payment issued, certified, and signed by himself, or by the delegated signatory under his control, is a genuine, necessary, and justified charge to government funds, and that the voucher is allocated to the correct Head and sub head item of the Estimates of Recurrent Expenditure.
- (2) Checking officers in the Treasury Division shall reject and return to the accounting officer, any voucher that shall appear to be incorrectly allocated to a particular Head and sub head item of expenditure.
- (3) The issue of new Heads of Allocation shall be restricted to the Secretary.

STATUTORY OBLIGATION TO REFUSE PAYMENT

214. As prescribed in Section (3) (3) (b) of the Act, the Secretary may refuse the payment of any voucher that contravenes any Financial Regulation or any other regulation or instruction that shall be issued at any time in respect of the control of public moneys, or any voucher which, in the opinion of the Secretary, shall be unacceptable as a charge to public moneys.

DATE OF CHARGING EXPENDITURE TO GOVERNMENT ACCOUNTS

215.

- (1) The date of actual payment shall be the date upon which the transaction shall become a charge to public moneys and shall be entered in the books of account of the Government, subject to 215 (7) below.
- (2) Under no circumstances shall any payment be made before its due date for the sole purpose of expending an anticipated surplus that shall otherwise accrue to a Head in the absence of such payment. However, due note shall be taken always of any possible discount or rebate that shall be allowed by a supplier in the event of early settlement of his account; under these circumstances, it shall be in order to make payment early. This paragraph shall not apply to the funding of Overseas Agents Accounts or any other overseas payment necessarily paid in advance, which shall be authorised by the Secretary personally in writing.
- (3) Under no circumstances shall a surplus on a Head be transferred to a reserve account, carried to a deposit or suspense account or in any other manner adjusted in order that such surplus shall eventually be used for the payment of future anticipated expenditure, subject to sub-paragraph (7) below.
- (4) Stores or other items shall not be deliberately purchased in advance of normal requirements in such a manner as to expend an anticipated surplus that shall have accrued on a Head in the absence of such a purchase.
- (5) As far as shall be possible, and allowing for delays in the delivery of supplier's invoices etc., all expenditure incurred and due against the approved Estimates of Recurrent Expenditure for a particular financial year, shall be

met, paid and charged to the account of Government for that year. Such payments shall not be deferred, charged to a suspense account, or in any other manner adjusted for the sole purpose of avoiding an excess of expenditure on a Head or sub head item for the year.

- (6) During the last month of a financial year, all accounting officers shall be responsible for making suitable arrangements with suppliers and other Government creditors for the prompt submission of all invoices and claims in respect of goods supplied and services rendered during that year, in order that the requirements of sub-paragraph (5) shall be met as far as possible.
- (7) Exceptionally, where goods have been received or services rendered before the end of a financial year, the amount involved is material, and no charge has been received, the Minister may direct, in writing, (in exercise of his powers under section 5 of Cap. 4.20) that;
 - (a) the charge (or a reasonable estimate of it, if not known with certainty) shall stand against the relevant Head or subhead for the current year;
 - (b) the charge being effected by a Journal entry debiting the subhead concerned and crediting a special below-the-line head, "Accrued Expenditure" ;
 - (c) the charges when received shall be paid, as far as possible, against the "Accrued Expenditure" head;

where the Minister considers it necessary and expedient for the proper carrying out of the intent and purpose of the Act.

- (8) No payment of an invoice or claim in respect of goods supplied or services rendered in one financial year shall be withheld over the end of that year merely on account of an imperfection in a payment voucher which shall be capable of correction after payment; however, such imperfection shall not be of such a nature that it shall contravene any Financial Instruction.

CREDIT ENTRIES ON EXPENDITURE HEADS

216.

- (1) Credit entries shall be made against Recurrent Expenditure Heads, 'only where such entries shall be in respect of any previous overpayment, where payment shall have been incorrectly charged to the wrong Head or sub head in the current financial year, or in any other circumstances specifically authorised in writing by the Secretary.
- (2) All credit entries shall be made on the authority of the Secretary who shall ensure that the relevant accounting officer shall be advised of such entries in order that the latter shall make the necessary adjustment to his Vote Ledger.

VOTE LEDGERS

217.

- (1) All accounting officers shall maintain Vote Ledgers in such form as shall be prescribed by the Secretary
- (2) Vote Ledgers shall be maintained in such a manner as to show at all times, in respect of each sub head of a Head under the control of the accounting officer, the following details —
 - (a) the original authorised provisions including any subsequent Virement or Supplementary Estimates authorisation;
 - (b) the total actual expenditure incurred to date;
 - (c) the total commitments entered into to date; but for which actual expenditure has not yet been incurred;
 - (d) balance of funds still available after taking into account all commitments to date.

OPENING ENTRIES IN VOTE LEDGER

218.

- (1) At the commencement of each financial year accounting officers shall prepare new Recurrent Expenditure Vote Ledgers, one for each sub head of the Head of Recurrent Expenditure under their control and shall enter thereon, in the requisite space, the provision for the year as authorised by the Accounting Warrant.
- (2) The opening provision figures shall be adjusted as and when additional sums shall be authorised by de-reservation of previously reserved funds, the issue of Virement warrants, contingency warrants or any other supplementary authorisation; the references, dates and amount of each such authorisation shall be entered on the Vote Ledgers in the requisite spaces.

RECORDING OF COMMITMENTS IN VOTE LEDGER

219.

- (1) The accounting officer shall enter, as a commitment in the “Amount Committed” column of the Vote Ledger; the value of each purchase order, requisition or other procurement document as the document shall be issued; where the exact cost of the commitment shall not be known at the time, the accounting officer shall enter an estimate in the Vote Ledger that shall be as accurate as he shall be able to ascertain. All costs shall be, as far as possible, the full cost. i.e. shall include freight, mark-ups, etc., The reference number of the document shall be entered in the Vote Ledger.
- (2) As each commitment shall be entered in the Vote Ledger, the accounting officer shall reduce the “Balance still Uncommitted” column accordingly.
- (3) The accounting officer shall ensure that where prices, quotations or offers to supply are made in terms of overseas currency, such costs shall be converted into Australian dollars at the latest known prevailing rate of exchange, and the latter amount entered in the Vote Ledger.

- (4) At the commencement of a new financial year all commitments not cleared at the end of the preceding year shall be 'individually brought forward into the new Vote Ledger as Commitments for the new year.

RECORDING OF PAYMENTS IN VOTE LEDGER

220.

- (1) The accounting officer shall enter, as an expenditure item in the "Expenditure" column of the Vote Ledger, the value of each payment voucher at the time that it is issued.
- (2) Where the Payment voucher shall be prepared initially in terms of overseas currency, such value shall be converted into Australian dollars at the latest known prevailing rate of exchange, and the latter amount entered in the Vote Ledger; a suitable adjustment shall be made to the Vote Ledger when the actual amount paid, converted into Australian dollars, is finally known and notified to the accounting officer by the Treasury Division. The Ministerial reference number of the payment voucher shall be entered in the Vote Ledger, and the subsequent Treasury Division reference number entered later when advised.
- (3) In instances where the Treasury Division shall prepare any payment voucher but shall have previously forwarded a supplier's invoice or claim, relative to the payment voucher, to an accounting officer for certification etc., the accounting officer shall enter the value of such invoice in his Vote Ledger as an expenditure item. He shall note the supplier's name and invoice number in the Vote Ledger, and when he subsequently receives a copy of the payment voucher, shall enter the Treasury Division reference number in the requisite column of the Vote Ledger.
- (4) As each item of expenditure is entered in the Vote Ledger, the accounting officer shall —
- (a) adjust the column showing the Total Expenditure to date, by adding the latest payment to the last total in the column;
 - (b) enter the Document Number and date in the "Cleared by" column. The accounting officer shall also make any necessary adjustment in respect of the previous commitment entry where it shall differ from the payment for any reason. Instances of such differences shall include any additional delivery or freight charges, customs dues, variance in currency exchange rates, agreed price increases or any other item possibly not foreseen at the time of the commitment;
 - (c) adjust the "Amount Committed" and "Cleared by" columns where a payment for some reason, shall not have a previous corresponding commitment entry in the Vote Ledger or there shall be some minor adjustment as described in sub-paragraph (4) (b) above;

- (d) adjust the “Balance still Uncommitted” column where necessary, again usually only under the circumstances described in sub-paragraph (4) (c) above.
- (5) The accounting officer shall take extreme care when entering details of expenditure in his Vote Ledger paying particular attention to any necessary adjustments required where an actual payment and any previously recorded related commitment entry shall vary as outlined in sub section (4) above. The accounting officer shall cross cast and balance the Vote Ledger monthly so as to ensure that the “Balance still Uncommitted” plus “Total Expenditure and Uncleared Commitments” shall equal the “Total Amount Warranted”.

RECORDING OF JOURNAL VOUCHER ADJUSTMENTS IN VOTE LEDGER

221.

- (1) The accounting officer shall make any adjustment to the Vote ledger in respect of any Journal Voucher entry that shall affect any Head of Expenditure under his control. He shall take particular care to ensure that any “credit” entry shall be entered correctly and the balance of funds still uncommitted adjusted accordingly. He shall record the Treasury Division reference of Journal Vouchers on the Vote Ledger.
- (2) The Secretary shall ensure that the Treasury Division forward copies of all Journal Vouchers to the accounting officer whose Heads of Expenditure shall be affected by the entry on the Voucher.

RECORDING OF DEPARTMENTAL WARRANTS IN VOTE LEDGER

222.

- (1) Where an accounting officer shall have issued a Departmental Warrant, as prescribed by Financial Regulation 188, the value of such Warrant shall be shown as a commitment in the Vote Ledger maintained by the accounting officer, and the balance of available funds reduced accordingly.
- (2) The officer receiving a Departmental Warrant shall maintain a subsidiary Vote Ledger of his own, and shall record all commitments and subsequent payments against the provision granted under the authority of the Departmental Warrant, in the manner prescribed in financial instructions 217 to 220.
- (3) Officers, to whom a Departmental Warrant shall be issued and who shall maintain a subsidiary Vote Ledger, shall render a monthly return, in a form prescribed by the Secretary, to the controlling accounting officer, showing details of expenditure incurred for the month, total expenditure to date, total outstanding commitments and the balance of the provision still available.
- (4) The commitments and payments entered in the subsidiary Vote Ledger maintained by the officer receiving the Departmental Warrant, shall not be

entered in the main Vote Ledger maintained by the controlling accounting officer, until such time as —

- (a) the funds provided by the Departmental Warrant shall be totally exhausted;
- (b) the reason for the issue of the Departmental Warrant shall no longer exist; or;
- (c) the financial year is at an end.

At these times, the subsidiary Vote Ledger shall be handed (to the controlling accounting officer who shall then make the necessary entries in his main Vote Ledger, which shall already have the Departmental Warrant shown therein as a commitment. After reconciling the two Vote Ledgers, the accounting officer shall ensure that the main Vote Ledger cross balances and that the balance of funds available, particularly after taking into account any unexpended amount of the original Departmental Warrant, is correct.

ENDORSEMENT OF VOUCHERS RE ENTRIES IN VOTE LEDGERS

223.

- (1) All accounting officers, or officers delegated by the accounting officer to maintain Vote Ledgers, shall, when entering details of any purchase order or requisition or payment voucher in the Vote Ledger, endorse such vouchers with the words “Entered in Vote Ledger” or “EVB” and shall sign and date the endorsement.
- (2) All accounting officers, or officers delegated with signing powers, who shall sign any purchase order or requisition or payment voucher, shall ensure that the endorsement, as set out in sub section (1) above, has been placed on the document, signed and dated, before placing their own signature to the document.
- (3) The Government Storekeeper shall reject and return any purchase order or requisition that shall not carry the endorsement, suitably signed and dated, as set out in sub-paragraph (1) above. He shall also reject and return any such procurement document that shall not bear the written and signed confirmation that the items being ordered shall be necessary and definitely required by the requisitioning Ministry or Department.
- (4) The checking officers in the Treasury Division shall reject and return any payment voucher that does not carry the endorsement, suitably signed and dated, as set out in sub-paragraph (1) above.

CHECKING OF VOTE LEDGERS TO TREASURY DIVISION ACCOUNTS

224.

- (1) All accounting officers shall check all Vote Ledgers under their control once a month against the books of account maintained by the Treasury Division.

- (2) The Secretary shall arrange for all accounting officers to be advised as soon as the books of account within the Treasury Division have been balanced for a particular month; as soon as possible thereafter, accounting officers shall go to the Treasury Division and shall check their Vote Ledgers.
- (3) All accounting officers shall exercise care in checking their Vote Ledgers and in reconciling to the accounts in the Treasury Division. Under no circumstances whatsoever shall Vote Ledgers be adjusted to agree with Treasury Division accounts without thorough and complete investigation of all differences. Where necessary, payment vouchers and other original accounting documents shall be examined to check upon the accuracy and validity of entries, both within the Vote Ledgers and the Treasury Division books of account.
- (4) Where genuine errors in original entries in Vote Ledgers shall have been made” or where authorised accountancy adjustments etc., shall have been made within the Treasury Division books of account but which shall not have been advised to the accounting officer, then the accounting officer shall make the necessary adjustment to his Vote Ledger and shall amend the balance available where necessary. Any such adjustments shall be supported by a suitable comment entered in the “Notes” column of the Vote Ledger.
- (5) Where, upon investigation, the Vote ledger is found to be correct and the Treasury record incorrect, the accounting officer shall notify the officer in charge of Treasury accordingly.

225. Upon completion of the monthly checking of his Vote Ledgers with the Treasury Division books of account, the accounting officer shall render to the Secretary a certificate that such checking has been completed satisfactorily, such certificate to be in a form prescribed by the Secretary. He shall also note the fact in the “Notes” column of the Vote ledger.

DELEGATION OF MAINTENANCE OF VOTE LEDGER

226.

- (1) An accounting officer shall, if he shall think it necessary, delegate the maintenance of the Vote Ledgers under his control to another officer; in such circumstances, the accounting officer shall ensure that the delegated officer is fully trained in the maintenance of Vote ledgers. The Accounting Officer shall carry out regular checks upon the Vote ledgers to ensure that they shall be maintained correctly and strictly in accordance with Financial Instructions; in particular he shall personally sign the certificate specified in financial instruction 225.
- (2) Although an accounting officer shall be able to delegate the day-to-day control of the Vote Ledgers to another officer under his control, the responsibility for the accuracy, content and reliability of the Vote Ledgers shall always remain with the accounting officer. The accounting officer shall be personally responsible; for any error) omission or fault in the maintenance

of Vote Ledgers that shall cause any over expenditure on any Head under his control, and may, at the discretion of the Secretary, be held financially responsible for such over-expenditure.

CHAPTER 9 - PAYMENTS

GENERAL PAYMENT VOUCHERS

231. All disbursements of public moneys shall be vouched for by the use of a General Payment Voucher, which shall be in such form as the Secretary shall prescribe from time to time.
- 232.
- (1) General Payment Vouchers shall be made out in favour of the person, persons, or organisation to whom the money, detailed in the voucher, is due.
 - (2) No General Payment Vouchers shall be made out in favour of the officer who shall certify and sign the voucher.

SIGNING OF GENERAL PAYMENT VOUCHER

- 233.
- (1) General Payment Vouchers shall only be certified and signed for payment by an accounting officer, or the officer authorised to sign on his behalf, as prescribed by financial instruction 206.
 - (2) Any General Payment Voucher that shall be certified and signed for payment by an officer, other than prescribed in financial instruction 206, shall not be paid. Any officer who shall certify and sign a General Payment Voucher without such authority, shall be personally responsible, and shall be possibly financially responsible, together with any other checking officer, cashier or sub accountant, responsible for the checking of and the disbursement of public moneys against the voucher, in the event that an irregular payment of public moneys shall be made following the unauthorised issue.
 - (3) The certifying and signing of a General Payment Voucher by an accounting officer, or his alternate authorised signatory, shall be taken as evidence that the signatory confirms the accuracy, validity and content of the voucher.
 - (4) Under no circumstances shall an accounting officer, or his alternate authorised signatory, certify and sign any blank or incomplete General Payment Voucher.
234. In certifying and signing a General Payment Voucher, the accounting officer, or his alternate authorised signatory, shall be responsible for ensuring —
- (a) that uncommitted funds for the expenditure shall be available from the expenditure Head and sub head stated on the voucher;

- (b) that the authority and warrant quoted on the voucher shall be current and valid, and shall not have been cancelled or withdrawn;
- (c) that all prices and rates charged for goods delivered or services rendered shall be fair and reasonable and shall be in accordance with any contract, agreement or other terms that shall have been arranged between the payee and the Government;
- (d) that all goods supplied or services rendered shall be correct and in accordance with the contents of any purchase order, requisition or other contract that shall have been made between the payee and the Government and to which the General Payment Voucher shall refer;
- (e) that the payee named in the General Payment Voucher shall be the person, persons or organization legally entitled to receive payment, or shall be an authorised third party entitled to receive payment as prescribed by financial instructions 255 and 256;
- (f) that all arithmetical additions, extensions and other calculations shall have been verified and shall be correct;
- (g) that any deduction that Government shall have been entitled to in the way of discount, rebate or counter claim etc., shall have been made, and that a suitable note shall have been made on the voucher regarding such deductions;
- (h) that the relevant Purchase Order or Indent has been endorsed with the Payment Voucher Number, date, and amount; he shall countersign the Order or Indent as proof of this check.

COMPLETION OF GENERAL PAYMENT VOUCHERS

235.

- (1) The original top copy of a General Payment Voucher shall be typed or shall be completed with a ball point pen, and carbon paper shall be used to reproduce all copies. Officers completing General Payment Vouchers shall ensure that every copy shall be legible and complete; should any copy be found to be illegible or incomplete, all copies shall be destroyed and a new set issued.
- (2) Entries on a General Payment Voucher shall not be erased, nor in any way altered by the use of any corrective fluid or other substance. Any minor incorrect entry shall be ruled through neatly, the correct entry inserted neatly above and the correction initialled by the accounting officer, or his alternate authorised signatory. If an extensive alteration to a voucher shall become necessary, all copies shall be destroyed and a new set issued.

236.

- (1) The accounting officer, or his alternate authorised signatory, shall sign the original of the General Payment Voucher in ink or with a ball point pen; facsimile signature stamps shall not be used on the original of the voucher but

may be applied to all other copies if preferred. Alternatively all copies, other than the original, may be initialled by the officer.

- (2) Where any additional certificate, as prescribed by financial instruction 241, shall be entered upon the General Payment Voucher, such certificate shall be countersigned in full upon the original of the voucher, and copies stamped or initialled as per sub-paragraph (1) above.
- (3) The accounting officer, or his alternate authorised signatory, shall add, immediately beneath his signature on the original of the General Payment Voucher and immediately beneath the facsimile signature or initials upon all other copies of the voucher, his name and title in block capitals or by means of a rubber stamp impression.

237. The General Payment Voucher shall show the authority for the expenditure incurred by quoting the reference of the appropriate Accounting Warrant or other warrant; or in the case of a reimbursement, the original receipt number - where ever possible the original receipt should be stapled to the payment voucher.

238.

- (1) The General Payment Voucher shall clearly show the allocation of the Head and Sub Head, or other account, to which the payment shall be charged.
- (2) As far as shall be convenient, a separate General Payment Voucher shall be prepared for each item of expenditure allocated to a single sub Head at a time. Where, however, such action shall create unnecessary and excessive documentation, particularly in the case of a payment to one supplier covering a series of invoices, or claims, and where such invoices, or claims, shall be allocated to several different sub heads, it shall be in order to issue one General Payment Voucher only.
- (3) Where the allocation of one General Payment Voucher shall be to more than one sub Head, the analysis of such allocation shall be clearly shown on the face of the voucher; or, if necessary, a supplementary sheet, showing the analysis, shall be firmly attached to, and shall be considered part of, the General Payment Voucher. The Ministerial serial number and the subsequent Treasury Department number of the General Payment Voucher shall be endorsed n the supplementary sheet.

239.

- (1) All General Payment Vouchers shall be completed in such a manner that full particulars of the goods supplied, service rendered or other type of expenditure incurred can be fully ascertained from the voucher without unnecessary reference to any other separate file, contract or similar document.
- (2) The full particulars, referred to in sub-paragraph (1) above, shall include all details of numbers, weights, volumes, or other quantities, identifying marks, rates, or any other information pertinent to the goods supplied or services rendered etc., that may be checked against any invoice, claim delivery note or

other documentation rendered by the payee or supplier; originals of all such documents, that shall be available, shall be firmly attached to the original copy of the General Payment Voucher in support of the payment.

- (3) Full details of the Payment Voucher shall be entered on the relevant Order or Indent.

DEDUCTIONS FROM, AND WITH-HOLDING OF, PAYMENTS

240.

- (1) Where any deduction shall be made from the original gross amount due, details of such deduction shall be clearly shown on the General Payment Voucher.
- (2) Any deduction in respect of cash discount, rebate or any other remission that shall be given by the supplier in the normal course of business, shall be made from the original gross amount due, and the net figure only allocated to the expenditure sub Head.
- (3) Any deduction in respect of the recovery of any advance, counter claim or similar recoverable sum shall be made from the original gross amount due; the gross amount shall be shown as a payment and shall be allocated to the expenditure sub head, and the deduction shall be shown as a “credit” item on the General Payment Voucher and shall be brought to account as a receipt direct to the requisite advance or similar account.
- (4) By written instruction, the Secretary may with-hold payment of any voucher where he considers it in the public interest to do so. In particular:
 - (a) where the recovery mentioned in 3 above is greater than the payment, successive payment vouchers may be with-held until the recovery can be effected;
 - (b) where the amount to be recovered is uncertain or disputed, with holding the payment voucher pending clarification shall be in order.

ADDITIONAL CERTIFICATES ON GENERAL PAYMENT VOUCHERS

241. In addition to the standard certificate, contained within the body of the General Payment Voucher, the Secretary shall, where he considers it necessary and expedient, prescribe in writing any additional certificate which shall be endorsed and countersigned on any particular General Payment Voucher.

MINISTERIAL REFERENCE NUMBER

242. All General Payment Voucher shall bear a legible Ministerial reference number, starting at ‘1’ at the commencement of each financial year and thereafter in strict numerical sequences throughout the year, which shall be placed on the voucher prior to distributing the copies.

RECORD OF GENERAL PAYMENT VOUCHERS

243. The accounting officer shall ensure that a suitable record or file is maintained of all General Payment Vouchers issued from his Ministry or Department; the record shall contain all pertinent details of the vouchers, the date they were forwarded to the Treasury Division or other prescribed paying office; and the date of subsequent payment, by matching the copy returned under financial instruction 264 (1) with the copy originally held. Where a copy has not been returned under financial instruction 264 (1) within 3 months of issue, the issuing officer shall investigate why payment has not been made, or the copy not returned.

DISTRIBUTION OF COPIES - GENERAL PAYMENT VOUCHERS

244.

- (1) Under normal circumstances, General Payment Vouchers shall be issued in sets of three, an original and two duplicate copies; copies shall be clearly endorsed with the word "Copy" and no disbursement of public moneys shall be made against any copy voucher, except as specified in financial instruction 278 (9).
- (2) The original and one copy of the General Payment Voucher shall be handed to the payee, or forwarded to the Treasury Division, or other prescribed office, and the second copy shall be retained on file in the office of the issuing officer
- (3) Additional copies of a General Payment Voucher shall be distributed within his Ministry or Department where the accounting officer shall consider they are necessary for the information of other officers etc., such copies being endorsed as instructed in sub section (1) above.
- (4) An additional copy of a General Payment Voucher shall be prepared where specifically requested by the payee; where such payments are of a continuous nature, due note shall be made on a file by the accounting officer. Such copies shall be endorsed as instructed in sub-paragraph (1) above.
- (5) Additional copies of General Payment Vouchers prepared and issued by the Treasury Division itself shall be distributed to any accounting officer who shall be responsible for the Expenditure Head and sub Head to which any part of the payment shall be allocated; such copies shall be endorsed as instructed in sub-paragraph (1) above.

ENTRIES IN VOTE LEDGERS

245.

- (1) Before certifying and signing any General Payment Voucher, the accounting officer, or his alternate authorised signatory, shall ensure that all necessary entries have been made in the Vote Ledgers as prescribed by Financial Instruction 220.

- (2) The requisite space on the General Payment Voucher, to the effect that such entries have been made in the Vote Ledgers, shall be completed by the officer responsible for the maintenance of the Vote Ledgers.

CHECKING OF GENERAL PAYMENT VOUCHERS

246. General Payment Vouchers shall be forwarded to the Treasury Division, or other prescribed paying office, as soon as possible after completion and Signing; (a receipt shall be obtained for all vouchers in a suitable delivery record book). A minimum period of twenty four hours shall be allowed for checking and verification of all vouchers before payment shall be expected; it shall be the responsibility of the accounting officer to ensure that payees are aware of this requirement in order to avoid unnecessary presentation for earlier payment.

247. Checking officers shall maintain a record, in such format as the Secretary may specify, of all General Payments received into the Treasury Division, or other prescribed paying offices.

248.

- (1) Checking officers shall ensure that all General Payment Vouchers are completed correctly in every manner so as to meet the requirements of these Financial Instructions and any other regulation or instruction that shall be made or given from time to time with regard to the disbursement of public moneys.

- (2) In particular, the checking officer shall satisfy himself that —

- (a) the payment shall be an acceptable charge to Government funds, and the Head and sub Head to which the payment shall be charged shall represent a correct allocation of the expenditure incurred; and further, the Head and sub Head shall be correctly described according to the Estimates of Recurrent Expenditure for the current financial year;
- (b) the authority quoted for the payment shall be correct, and the accounting warrant, or other warrant quoted shall be current and valid and shall not have been cancelled or withdrawn;
- (c) the officer certifying and signing the voucher is the accounting officer, or his alternate authorised signatory, whose specimen signature and details are currently valid and on file; such signatures are in full on the original of the vouchers (not merely initialled) and the signing officer's name and title placed on the voucher;
- (d) any additional certificates that shall have been placed on the voucher shall have been countersigned by the officer signing the voucher itself;
- (e) there shall be no obvious defect or error in the wording of the amount to be paid and such amount shall agree with the content of any invoice, claim or similar document attached in support of the payment;
- (f) the voucher shall be arithmetically correct in all calculations; any requisite deduction shall have been made correctly and such deduction

allocated to the correct account, if in respect of an advance, counter claim or other recoverable sum, as prescribed in financial instruction 240 (3);

- (g) any minor alteration to the voucher has been duly initialised by the signing officer himself;
- (h) the voucher shall have been endorsed to show that the necessary entries shall have been made in the Vote Ledger for which the accounting officer shall be responsible;
- (i) a Ministerial reference number shall have been placed on all copies of the voucher.

249.

- (1) If there shall be any minor defect, error or omission in any respect of the requirements of financial instruction 248, the checking officer shall return the General Payment Voucher to the accounting officer direct, detailing the defect etc., and requesting suitable correction or adjustment as soon as possible.
- (2) The checking officer shall return to the accounting officer direct, the General Payment Voucher that shall contain a major alteration or shall be ineligible or incomplete in any way, with a request that the voucher be cancelled and a new one issued.

PASSING FOR PAYMENT OF GENERAL PAYMENT VOUCHERS

250.

- (1) Upon satisfactory completion of the checking of a General Payment Voucher, the checking officer shall certify the voucher, thus passing the voucher for payment, dating and countersigning the entry.
- (2) Having passed the voucher for payment, the checking officer shall immediately forward the voucher to the cashier, or other prescribed paying officer, for payment to be effected.

251. The cashier, or other prescribed paying officer, shall not make payment against any General Payment voucher that shall not contain the certificate countersigned by the checking officer, as prescribed in Financial Instruction 250(1); the cashier shall return any such uncertified General Payment Voucher to the checking officer for the omission to be remedied immediately.

GENERAL PAYMENT VOUCHERS OVER \$50.00 IN VALUE

252.

- (1) Wherever possible, payment in settlement of all General Payment Vouchers in excess of \$50.00 each shall be made by the issue of a cheque drawn upon a Government account with a commercial bank. Where the Payee has no bank account, the cheque may be made out "Pay Cash to (Name of Payee)".

PAYMENT TO CORRECT BENEFICIARY

253.

- (1) The cashier shall ensure that payment shall only be made to the person, persons, or organization named as payee on the General Payment Voucher, or to an authorised third party as shall be prescribed in financial instructions 255 and 256.
- (2) The cashier shall refuse payment where any doubt shall arise as to the identity of the person claiming payment; the cashier shall obtain help, preferably from the accounting officer, or his alternate authorised signatory, in establishing identity in such cases of doubt.

254. No public officer, or any other Government employee, shall receive payment from public moneys on behalf of any member of the public, or organization, who shall be named as the payee in any General Payment voucher.

PAYMENTS TO REPRESENTATIVES AND TO THIRD PARTIES

255.

- (1) Payment to the authorised representative of any organisation, named as the payee in a General Payment Voucher, shall be made on condition that the paying officer shall be in possession of a written authority from the organization together with a specimen signature of the representative; such written authority shall be renewed annually, as soon after January 1st as possible together with new specimen signatures, or as and when there shall be a change in the identity of the authorised representative.
- (2) It shall be the responsibility of the paying officer to obtain the annual renewal of the written authority and new signatures detailed in sub section (1) above.

256.

- (1) Payment to a third party, including a bank, other than the payee named in a General Payment Voucher, shall be made on condition that the paying officer shall be in possession of a written authority from the payee; such authority shall be firmly attached to the original copy of the General Payment Voucher.
- (2) Where payments to a third party, including a bank, as set out in sub-paragraph (1) above, shall be of a continuous nature; the written authority shall be kept on a file by the paying officer; the reference of the authority shall be quoted on all relevant General Payment Vouchers.
- (3) Where payment shall be requested to be made to a third party in the form of some legal body or authority, the requisite Power of Attorney, Letter of Administration, etc., shall be presented to the paying officer for inspection and the details shall be recorded upon the General Payment Voucher; wherever possible, a photocopy of the authority shall be obtained and attached to the original General Payment Voucher.

RECEIPTING OF GENERAL PAYMENT VOUCHERS

257. A General Payment Voucher shall not be receipted by the payee or any authorised third party or representative before the actual time of payment, except as shall be provided for in financial instructions 258 and 259.

258.

- (1) Where a General Payment Voucher shall be issued for the purpose of disbursing cash to several payees, e.g. payment of wages, and where it would not be practicable to have each payee report to the paying officer in order to sign the General Payment Voucher, the total sum on the General Payment Voucher shall be paid to the officer who shall be responsible for paying the individual payees direct. This officer shall sign a special pre-printed receipt for the money.
- (2) The special pre-printed receipt shall be in a form prescribed by the Secretary, and shall include a statement to the effect that the receiving officer shall pay over the requisite sums to the individual payees, shall obtain individual receipts for each sum paid e.g. by signature to a pay roll etc and shall return any un-disbursed moneys to the paying office as soon as possible.
- (3) Where cash shall be disbursed, as set out in subsection (1) above, by several officers, each officer shall sign a separate pre-printed receipt for the particular sum of money for which he shall be responsible.
- (4) The special pre-printed receipts shall replace the receipt embodied in the General Payment Voucher, which shall not be suitable to this type of payment, and shall be firmly attached to the original copy of the General Payment Voucher. The General Payment Voucher shall be endorsed with a reference to the attached special pre-printed receipts.

259.

- (1) Where a General Payment Voucher is issued for the purpose of making a “Cash purchase” of supplies for use by the issuing Ministry or Department, the voucher shall be made payable to the supplier, but the cheque or cash shall be collected by the officer who certified and signed the voucher.
- (2) The duplicate copy of the General Payment Voucher, in the instances set out in sub-paragraph (1) above, shall be receipted by the officer taking the cheque or cash, and shall be retained by the paying officer as a temporary receipt until such time as the original voucher is returned; duly signed and receipted by the payee. Upon receipt of the original voucher, the duplicate copy shall be actioned as prescribed in financial instruction 264(1).
- (3) Original copies of General Payment Vouchers shall be returned to the paying officer as soon as possible; it shall be the responsibility of the paying officer to pursue the recovery of all outstanding original vouchers where necessary.

260. Nothing in the content of financial instruction 258 shall impair any obligation by any officer responsible for the paying of wages etc., to obtain any

necessary signatures or marks on pay roll documents as shall be prescribed by these Financial Instructions or any other instructions referring to the payment of wages and salaries.

261.

- (1) The paying officer, when obtaining a receipt to a General Payment Voucher, shall, where possible, have the recipient also enter his name in block capitals; however, when dealing with members of the public, the paying officer shall use his discretion in this matter.
- (2) Where a payee shall be illiterate, his mark shall be witnessed by an officer other than the paying officer, or by a literate person known to the paying officer.

262. Once paid, the original and all copies of the General Payment Voucher and all supporting documents attached to the original shall be legibly endorsed with a dated "PAID" stamp.

TREASURY DIVISION REFERENCE NUMBER

263. A Treasury Division, or other prescribed paying office, reference number shall be applied to all copies of the General Payment Voucher by the paying officer. Numbers shall be applied in strict consecutive order, commencing at No.1 each year, in the order in which payments shall be made; the last voucher in the month shall be clearly endorsed "AND FINAL" immediately after it's number.

DISTRIBUTION OF COPIES OF GENERAL PAYMENT VOUCHER BY PAYING OFFICER

264.

- (1) Once the paying officer shall be satisfied that payment shall have been correctly made and that all necessary receipts shall have obtained and that the payment shall have been entered in his Cash Book, he shall return the duplicate copy of the voucher to the issuing officer for retention; this shall be matched with the copy originally retained under financial instruction 244(2).
- (2) Where any additional copies of a General Payment Voucher shall have been prepared in accordance with financial instruction 244(5), the paying office shall ensure that such copies are distributed to the accounting officer concerned.
- (3) The original General Payment Voucher shall be retained by the paying officer and shall become part of the accounting documentation for the month in support of his monthly accounts.

OVERSEAS PAYMENTS

265. General Payment Vouchers in respect of an overseas payment, for any reason whatsoever, shall only be prepared by the Treasury Division.

266.

- (1) Any invoice, claim or other document for which an overseas payment shall be necessary, shall be forwarded to the Treasury Division as soon as possible after carrying out the checks outlined in financial instruction 234. Where original recipients shall require a copy of such documents for their own records, it shall be their responsibility to obtain photocopies and to then ensure that the original is forwarded to the Treasury Division.
- (2) The Treasury Division shall maintain a suitable register of all such invoices, claims or other documents received and shall ensure that the various movements of such documents are duly recorded in the register.
- (3) The Treasury Division shall forward the Payment Voucher and supporting documentation to the appropriate accounting officer, controlling the particular Expenditure Head and sub Head to which the item shall eventually be allocated, for certification and checking before payment. Once satisfied the accounting officer shall enter the details in his Vote book and return the Payments Voucher to Treasury for payment.

CERTIFICATION AND CHECKING OF OVERSEAS INVOICES AND CLAIMS

267.

- (1) The accounting officer, or his alternate authorised signatory, shall confirm that the checks outlined in financial instruction 234 have been made by endorsing the documents with a rubber stamp, as shall be prescribed by the Secretary, and completing the spaces as necessary.
- (2) The accounting officer, or his alternate authorised signatory, shall authorise payment by signing the requisite space embossed by the rubber stamp on the invoice etc.
- (3) The invoice, claim or similar document shall be forwarded to the Treasury Division as soon as possible.

GENERAL PAYMENT VOUCHERS FOR OVERSEAS PAYMENTS

268. The Treasury Division clerk shall prepare the original General Payment Voucher and two copies in accordance with financial instructions 231 to 264; all copies shall be clearly endorsed with the word "COPY".

269.

- (1) The General Payment Voucher shall detail the number and the value of each invoice or claim to be paid, and the Head or sub Head to which each item shall be allocated; the overseas currency value shall be entered for each item, together with the prevailing rate of exchange for Australian Dollars; the overseas amounts shall be converted and the equivalent amount in terms of Australian dollars obtained for the complete voucher,

- (2) The Treasury Division clerk preparing the General Payment Voucher shall ensure that the latest prevailing rate of exchange, as issued by the commercial bank, shall be used; if there shall be any doubt as to the rate to be used, the bank shall be contacted by telephone and the current rate confirmed.
- (3) The Treasury Division clerk shall prepare any necessary application for an overseas draft that shall be required by the commercial bank, in addition to the General Payment Voucher.

ISSUE OF CHEQUE FOR OVERSEAS PAYMENT

270. The Treasury Division cashier shall issue a cheque) drawn upon the requisite Government bank account, in favour of the commercial bank, in Australian dollars for the value of the General Payment Voucher. Before issuing the cheque, the cashier shall ensure that the voucher has been certified and passed for payment as prescribed by financial instruction 250.
271. The original and one copy of the General Payment Voucher, the cheque and any required application form for an overseas draft shall be delivered to the Government's bankers and a payment instrument obtained in the required currency. The second copy of the General Payment Voucher, and any other additional copies as shall have been prepared in accordance with financial instruction 268(2), shall be retained on a "pending" file by the Treasury Division cashier.

RECEIPT AND DESPATCH OF BANK DRAFT

272. Upon receipt from the bank of the overseas bank draft, drawn in the required overseas currency, the original and one copy of the General Payment Voucher and one copy of any required application form for an overseas draft, the Treasury Division cashier shall ensure that the bank have acknowledged receipt of the Government cheque by having placed their official stamp and the signature of an official of the bank upon the receipt portion of the original General Payment Voucher.
273. The Treasury Division cashier shall forward the bank draft to the supplier together with a remittance advice slip in a form to be prescribed by the Secretary, a copy of the slip being retained on file by the cashier.
274. Once the bank draft has been despatched, the original and all copies of the General Payment Voucher and all supporting documents attached to the original, shall be legibly endorsed with a dated "PAID" stamp.
275. A Treasury Division reference number shall be applied to all copies of the General Payment Voucher as prescribed in financial instruction 263.

DISTRIBUTION OF COPIES OF OVERSEAS PAYMENT VOUCHERS

276.
 - (1) Once the cashier shall be satisfied that the overseas payment shall have been correctly made and that the necessary entry shall have been made in his Cash

Book, he shall issue a copy of the General Payment Voucher to each accounting officer who shall control any of the Expenditure Heads and sub Heads, to which any part of the expenditure within the payment shall be allocated.

- (2) The original General Payment Voucher shall be retained by the Treasury Division cashier and shall become part of the accounting documentation for the month in support of his monthly accounts.

PAYMENT AGAINST A COPY OR DUPLICATE INVOICE OR CLAIM

277. Payment shall normally be made against an original invoice or claim. No payment shall be made against a copy of duplicate invoice or claim except as prescribed in financial instruction 278.

278. If a supplier of goods or services to Government shall state that submitted invoice or claim shall not have been paid, and shall forward a copy or duplicate of such documents for payment, no such payment shall be prepared without the written permission of the Secretary.

279.

- (1) Upon receipt of a copy or duplicate invoice or claim, a thorough search shall be made of all accounting records both within the Ministry or Department concerned and the Treasury Division, or other prescribed payment office, to ensure that previous payment shall not have been made.
- (2) Once it has been established that a previous payment shall not have been made, the copy or duplicate invoice or claim shall be endorsed by the accounting officer to this effect and he shall forward the document to the Secretary with a written request that payment shall be made against the copy documents.
- (3) If the Secretary shall be satisfied as to the validity of the situation, he shall give written permission for payment to be made in the manner prescribed within these Financial Regulations.
- (4) All copies of a General Payment Voucher issued in respect of a payment against copy or duplicate invoices or claims shall be endorsed and signed by the accounting officer, or his alternate authorised signatory, to the effect that all the necessary checks of accounting records shall have been carried out and that no previous payment shall have been made.

PRO-FORMA INVOICES

280.

- (1) Where a payment has to be made in advance for any reason, e.g., an overseas pro-forma invoice, authority in writing must first be obtained from the Secretary.

- (2) If payment is authorised, the responsible accountable officer shall cause an extra copy of the Payment Voucher to be filed on a “Payments in Advance” file;
- (3) Once the goods are received, or the services rendered, the “Payment in Advance” file copy shall be suitably endorsed and matched with the copy originally retained under financial instruction 244(2);
- (4) The “Payments in Advance” file shall be examined monthly by the accountable officer to ensure subsequent delivery.

AGENTS ACCOUNTS

281. Where an overseas agents account has to be kept in funds, advances shall be authorised only by the Secretary. Treasury staff shall verify that remittances sent appear on the next monthly statement from that agent.

CHAPTER 10 - ADJUSTMENTS TO GOVERNMENT ACCOUNTS

JOURNAL VOUCHERS

291.

- (1) Adjustments to government accounts not involving an actual transfer of cash, shall be made by the use of Journal Vouchers.
- (2) Loose leaf journals shall be in a form prescribed by the Secretary; a bound Journal Book may also be used.

JOURNAL VOUCHER TRANSACTIONS

292.

- (1) Examples of transactions requiring the use of Journal Vouchers include: —
 - (a) the correction of previous erroneous posting to accounts;
 - (b) transfers of deposits to revenue Heads;
 - (c) allocation to Expenditure Heads and sub Heads of charges in respect of supplies or services rendered by one Government department to another, together with the bringing to account of the subsequent income to the requisite Revenue Head;
 - (d) allocation to Expenditure Heads and sub Heads of charges in respect of any rents, dues, fees or other assessments, or stores issues, rendered by one Government department to another, together with the bringing to account of the subsequent income to the requisite Revenue Head.
- (2) Journal Voucher entries shall be used to effect any adjustment or amendment to any Government account that shall be required at the end of a financial year

prior to the closing of accounts for the year. Such entries shall be recorded in a bound Journal Book maintained in the Treasury Division.

COMPLETION OF JOURNAL VOUCHERS

293.

- (1) Journal Vouchers shall normally be completed in triplicate, one original and two copies, except as shall be required in accordance with sub section (3) below.
- (2) The original and one copy of the Journal Voucher, together with any additional copies required in accordance with sub-paragraphs (3) below, shall be forwarded to the Treasury Division and the second copy shall be filed within the office of the accounting officer responsible for the issue of the voucher, after entering it in his Vote Ledger or Register of Revenue.
- (3) Where any entry on a Journal Voucher shall cause an allocation to any Expenditure Head or sub Head or shall cause a credit to any Revenue Head, either of which shall be under the control of other accounting officers, sufficient additional copies of the Journal Voucher shall be prepared to allow the eventual distribution of a copy to each of the other accounting officers.
- (4) Where a Journal voucher shall be prepared within the Treasury Division, sufficient copies shall be prepared to allow the eventual distribution of a copy to any accounting officer who shall control any Head and sub Head or any Revenue Head that shall be affected by the voucher.

294.

- (1) Journal vouchers shall be completed legibly in ink and in such detail as to easily identify the reason for the adjustment or transfer, and the Heads or accounts affected by such adjustments or transfers.
- (2) The allocation of each debit and each credit entry shall be shown clearly and separately line by line on the Journal Voucher.
- (3) The narrative to the Journal Voucher shall give a full and detailed reason for each entry on the voucher and shall, where necessary, refer to any previous vouchers, journal entries or accounts affected by the adjustments or transfers within the current Journal Vouchers; all such previous vouchers etc affected by the Journal entries shall have a note put on them, cross-referencing to the Journal and noting its effect.

295. Journal Vouchers shall be signed by the accounting officer, or his alternate authorised signatory, who shall be responsible for ensuring that the contents of all Journal Vouchers are correct and necessary, and that the Journal Voucher is numbered and dated.

CHECKING AND APPROVAL OF JOURNAL VOUCHERS

296.

- (1) Journal Vouchers, prepared outside the Treasury Division, shall be forwarded to the Treasury Division as soon as possible, the numbers of copies being as prescribed in financial instruction 293(2).
- (2) All Journal vouchers shall be checked within the Treasury Division for accuracy, relevance and necessity. In particular, the checking officer shall ensure that no previous Journal voucher shall have been issued by another Ministry or Department which shall have the effect of duplicating the proposed present adjustment or transfer.
- (3) The checking officer shall inspect any previous voucher, journal or account referred to in the Journal voucher and shall, where the current adjustment or transfer shall be valid, endorse such documents so as to cross reference to the new entries in the accounts.

297.

- (1) When the checking officer shall have satisfied himself as to the content of the Journal Voucher, he shall place a Treasury Division reference number upon all copies of the voucher, together with the month of the account in which the amendment or transfer shall be effected.
- (2) The Journal voucher shall be approved and counter signed by such Treasury Division officer as shall be prescribed by the Secretary, and entered in a Journal Register.

DISTRIBUTION OF COPIES OF APPROVED JOURNAL VOUCHERS

298. The original Journal Voucher shall be retained within the Treasury Department and shall be part of the accounting documents for the month in which it shall be issued; any other copies distributed as prescribed in financial instruction 293(3), including returning a copy to the issuing officer.

ENTRIES IN VOTE LEDGERS AND REGISTERS OF REVENUE

299. Upon receipt of a copy of a Journal voucher from the Treasury Division, accounting officers shall make any necessary entries to Vote Ledgers or Registers of Revenue by them in respect of any adjustment or transfer within the voucher that shall affect any Head or sub Head under their control. The issuing officer shall check that the entries made by him 293(2) have not been changed by any adjustments made to the voucher by Treasury Officials.

CHAPTER 11 - IMPRESTS

TYPES OF IMPREST

311. An Imprest shall be a sum of money advanced to an officer, as prescribed in Section 13(c) of the Act, in order to meet expenditure connected with the public service, but for which it shall be either impracticable or inconvenient to

make payment in accordance with the contents of financial instructions 231 to 280.

312. Imprests shall be of two classes —

- (a) a Standing Imprest, which shall be replenished from time to time as required, and which shall be retired at the end of each financial year, or at the time when the reason for which such an Imprest was issued shall cease, or at any other time that shall be notified in writing by the Secretary;
- (b) a Special Imprest, which shall be advanced for a specific purpose and which shall be accounted for in full within the period allowed, or when the specific purpose for which the Imprest shall have been issued has been fulfilled whichever is the sooner.

APPLICATION FOR IMPREST

313.

- (1) An application for a Standing Imprest shall be made in writing to the Secretary. The accounting officer, to whose Ministry or Department the Standing Imprest shall eventually be issued, shall make the application giving full details to why the imprest shall be required, the name and title of the officer who shall be responsible for the Imprest, and the amount required. The Secretary shall, if he shall consider it necessary, approve the application in writing and give written instructions to the Treasury Division for the issue of the Imprest, and, if necessary, specific instructions on its operation.
- (2) An application for a Special Imprest shall be made to the Treasury Division, or to a sub accountant as shall be allowed for in financial instruction 315(1), on a form prescribed by the Secretary. The application shall be made by, and shall be signed by, the officer to whom the Imprest shall eventually be issued. The form shall contain full details of the purpose for which the Imprest shall be required, the required date of issue and the approximate date upon which the Imprest shall be accounted for or retired. The amount of the Imprest shall be such as shall be compatible with the purpose for which the Imprest shall be required, and the time limit within which the Imprest shall be accounted for, or retired, shall be as short as shall be reasonably convenient.
- (3) No application for a Special Imprest shall be authorised unless the application is supported by a Salary Deduction Authorisation form signed by the officer concerned. The Salary Deduction form will be actioned by the Secretary if the Imprest is not retired within a reasonable period; the recovery period shall be at the discretion of the Secretary.
- (4) No Imprest shall be authorised where the officer concerned has a previous Imprest still un-retired.
- (5) An application for a Special Imprest shall be recommended in writing by the accounting officer in whose Ministry or Department the requesting officer is employed.

- (6) An application for a Special imprest for use by an accounting officer himself, a Minister or Head of Department shall be recommended by the Secretary to whom such an application shall be made direct.
314. Wherever possible, all applications for Imprests, Standing or Special, shall be submitted to the Secretary, the Treasury Division, or the sub accountant (as allowed for in financial instruction 315(1)), as appropriate, at least one week before the Imprest shall be required.

ISSUE OF IMPREST BY SUB ACCOUNTANT

315.

- (1) The Secretary shall, where he shall consider it convenient and expedient, authorise a sub accountant, in writing, to issue a Special Imprest, which shall be subject, in all ways, to these Financial Instructions. Under no circumstances shall a sub accountant issue a Special Imprest without the prior written authority of the Secretary.
- (2) Under no circumstances shall a Standing imprest be issued by a sub accountant. Any application for a Standing Imprest submitted to a sub accountant shall be forwarded by him direct to the Secretary for action as prescribed in financial instruction 313(1).

TRANSFER OF IMPREST

316.

- (1) A Special imprest shall not: under any circumstances, be transferred from one officer to another. Where an officer, to whom a Special Imprest shall have been issued, shall no longer be in a position to utilize the Imprest, he shall immediately retire the Imprest to the issuing office. Where another officer shall be appointed to carry out the particular task for which the Imprest was originally issued, that officer shall apply for a fresh Special Imprest.
- (2) The above shall not prevent the repaying of an Imprest by another person, where the arrangements proposed are satisfactory to the Secretary (e.g. a husband paying off his wife's Imprest).

317.

- (1) A Standing Imprest shall be transferred from one officer to another where there shall be a transfer of duties or responsibilities etc between the two officers; provided that the purpose, for which the Standing Imprest was issued, shall continue with the appointment of the new officer.
- (2) When a Standing Imprest shall be transferred from one officer to another, in accordance with sub-paragraph (1) above, the handing over certificate, to be signed by both officers, shall contain full details of the Imprest handed over. The taking-over officer shall sign immediately below the last entry in the cash book, maintained as prescribed by financial instruction 320; such signature

shall be evidence that the taking over office; shall have checked and agreed the amount of Imprest taken over.

REGISTER OF IMPRESTS

318.

- (1) The Treasury Division, and any sub accountant authorised to issue any Special Imprest under financial instruction 315(1), shall maintain a suitable Register in which shall be recorded full details of all Imprests issued; the Register shall be checked regularly, and at least once per week, to ensure that all Imprests are either accounted for or retired on or before the due dates.
- (2) It shall be the responsibility of the Treasury Division Officer maintaining the Register, or the sub accountant, where appropriate, to send a written reminder to the officer concerned in the event that a Special Imprest shall not have been accounted for or retired on the due date. However, the issue of such a reminder shall not absolve any officer in receipt of an Imprest, from the responsibility of accounting for or retiring the Imprest on or before the due date.

ALLOCATION OF IMPRESTS

319.

- (1) An Imprest shall be allocated to a “below the line” account as an advance to the officer to whom the Imprest shall be issued.
- (2) When cash and expenditure vouchers are surrendered on retiring an Imprest, a General Revenue Receipt shall be issued crediting the original Imprest account with the cash received. Expenditure incurred shall be brought to account by issuing a Journal Voucher, the expenditure being allocated to the appropriate Expenditure Head(s) and sub Head(s) in the normal manner, with a corresponding credit to the original Imprest Account; the Journal Voucher shall be supported by appropriate documentation.
- (3) When a Standing Imprest shall be replenished, expenditure vouchers shall be presented and the replenishment shall equal the total value of such vouchers. A General Payment Voucher shall be issued for the replenishment, the expenditure being allocated to the appropriate Expenditure Head(s) and sub Head(s) in the normal manner.

IMPREST CASH BOOK

320.

- (1) The holders of all Standing Imprests shall maintain a suitable cash book and shall record in it all payments made from the Imprest, and the receipt of all replenishments of the Imprest. The cash book shall be balanced and presented for inspection to the Treasury Division whenever the Imprest shall be replenished or shall be retired.

- (2) Under normal circumstances, an officer issued with a Special Imprest shall not maintain a cash book, except that if the Secretary shall consider it necessary for any particular Special Imprest, he shall issue written instructions that a cash book or Receipts and Payments Statement shall be maintained for that Imprest.

IMPREST EXPENDITURE RECEIPTS AND VOUCHERS

321.

- (1) An officer issued with an Imprest shall obtain receipts or similar vouchers to support all expenditure from the Imprest wherever possible.

Where it shall not be possible to obtain a voucher for a particular item of expenditure, the officer shall personally certify and vouch the purpose for which the money was expended.

- (2) All vouchers shall be presented to the original issuing office when an Imprest shall be replenished or shall be retired.

ANNUAL RETIREMENT OF STANDING IMPRESTS

322.

- (1) All Standing Imprests shall be retired on or just before the last day of the financial year in which they were issued, or immediately after the purpose for which any Standing Imprest shall have been issued shall cease to exist; unexpended cash and vouchers for the full amount of the Imprest shall be returned to the issuing officer.
- (2) It shall be the responsibility of the officer retiring the Standing Imprest, to apply for any new Standing Imprest that he shall require in the new financial year.

IMPREST HOLDER AS AN ACCOUNTABLE OFFICER

323.

- (1) An Imprest holder shall be considered to be an accountable officer and accordingly shall observe the requisite content of these Financial Instructions, and any other regulations or instructions that shall be made or given from time to time with regard to the control of expenditure and the disbursement of public moneys.
- (2) An Imprest holder shall ensure that the Imprest is used only for the purpose for which it was issued; the use of an Imprest for any personal purpose whatsoever may be considered as a disciplinary offence.
- (3) An Imprest holder shall not use for any Imprest purpose, any other public moneys which shall come into his possession unless prior written permission to do so has been obtained from the Secretary. Without any such written permission, all other public moneys shall be kept separate from Imprest

moneys and shall be accounted for as prescribed elsewhere in these Financial Instructions.

SAFE CUSTODY OF IMPRESTS

324.

- (1) Imprest holders shall take all due precaution against the loss or theft of cash held on Imprest.
- (2) Holders of Standing Imprests shall be issued with a suitable safe custody facility, as shall be sufficient for their particular needs, as prescribed in financial instruction 125. If it shall be considered necessary, holders of Special Imprests shall also be issued with such facilities for the period of time that the Imprest shall be required.

INTEREST CHARGED ON OVERDUE IMPRESTS

325.

- (1) Where an Imprest is not retired fully 30 days after the due date, the Secretary shall direct that interest be charged at on the monthly balance still outstanding; this applies equally to overdue amounts being recovered through salary deduction The Interest Rate chargeable shall be at the Secretary's discretion, but shall be a minimum of - 10% plus the current commercial bank overdraft rate.
- (2) Such Interest shall be brought to account separately as Revenue.

CHAPTER 12 - REMITTANCES

MAXIMUM CASH BALANCES

331. The Secretary shall be responsible for determining the maximum cash balance that shall be maintained in coin and notes, at anyone time by any sub accountant or other accountable officer; cheques and other negotiable instruments are excluded from the balance. Such maximum cash balance shall be authorised in writing by the Secretary who shall also authorise in writing any change in cash balance level, where he shall consider such a change necessary.

REMITTANCE OF EXCESS CASH HOLDINGS

332. A sub accountant or other accountable officer shall remit all coins and notes in excess of the authorised balance to the Treasury Division as soon as possible. All cheques, bank drafts and other negotiable instruments, held by a sub accountant or other accountable officer, shall be remitted to the Treasury Division as soon as possible after being brought to account.

REQUEST FOR ADDITIONAL CASH

333. When additional cash shall be required by a sub accountant or other accountable officer, he shall submit a request for the required sum to the Treasury Division. No remittance shall be made between sub accountants or accountable officers unless the prior written authority of the Secretary shall have been given.

TELEGRAPHIC ADVICE

334.

- (1) A telegraphic advice shall be forwarded by the remitter in advance of any remittance, enabling the recipient to anticipate it's arrival. The telegraphic advice shall indicate the amount of the remittance and contain sufficient brief detail to enable the recipient to investigate it's non arrival or delay.
- (2) The receipt of a remittance shall be acknowledged by telegraphic advice, quoting the General Receipt Voucher number under which the remittance shall have been brought to account by the recipient, as prescribed by financial instruction 338.
- (3) If the remitting officer shall not receive a telegraphic advice of acknowledgement within a reasonable period of time after despatch of the remittance, he shall make such enquiries as he shall consider necessary.

DESPATCH OF REMITTANCE

335.

- (1) All remittances, with the exceptional of coin, shall normally be forwarded by registered post. Cheques, bank drafts and other negotiable instruments shall be placed inside a new envelope and securely sealed in accordance with current postal regulations regarding registered articles, Currency notes shall be securely packaged and the package sealed in accordance with current postal regulations. Coin shall, wherever possible, be remitted by the safe hand of a public officer; if necessary and expedient, coin shall be remitted by the safe hand of an aircraft's or vessel's captain provided that the prior written approval of the Secretary shall be obtained.
- (2) Where it shall be more convenient to do so, cheques, bank drafts, other negotiable instruments and currency notes shall be remitted by the safe hand of a public officer provided that the prior written approval of the Secretary shall be obtained. The remittance shall still be sealed in accordance with current postal regulations.

336.

- (1) Every remittance shall be prepared, packed and secured by two officers, one of whom shall be, where applicable, the sub accountant or other accountable officer responsible for the cash holding. All copies of the General Payment

Voucher that shall be prepared by the remitting officer shall be certified and signed by the two officers in the following manner —

“We certify that we have checked this remittance and we confirm that it contains cheques/bank drafts/currency/coins/ to a total value of dollars and cents”

- (2) Upon receipt of a remittance, the recipient and one other officer shall unseal the package and shall check the contents of the remittance against the accompanying copy General Payment Voucher; the two officers shall sign the General Payment Voucher, in the receipt section, thus confirming the accuracy and content of the remittance. In the event of a discrepancy in the remittance, the two officers shall have the count witnessed by their senior officer and then make whatever comment shall be necessary upon the voucher.

ISSUE OF GENERAL PAYMENT VOUCHER BY REMITTER

337. The remitting officer shall prepare a General Payment Voucher in triplicate, allocating the remittance to the appropriate “Remittance”, account. The voucher shall show the full details of all cheques, bank drafts, other negotiable instruments, currency and coin etc being remitted. The remitting officer shall enter the transaction as a payment in his cash book, forward the duplicate of the voucher with the remittance and shall retain the original and the second copy of the voucher. The original voucher shall eventually support the remitting officer’s next monthly cash account, the second copy being placed on permanent file.

ISSUE OF GENERAL RECEIPT VOUCHER BY RECIPIENT

338.

- (1) Upon receipt and checking of a remittance, the recipient shall issue a General Receipt for the total amount of the remittance, bringing it to account in his cash book as a credit to the appropriate “Remittance” account.
- (2) In the case of a remittance from the Treasury Division to a sub accountant or other accountable officer, the latter shall forward the original General Receipt to the Treasury Division; in the case of a remittance from a sub accountant or other accountable officer to the Treasury Division, the original General Receipt shall be retained within the Treasury Division until the arrival of the remitting officer’s next monthly account, when the voucher shall be firmly attached to the original copy of the General Payment Voucher issued by the remitting officer, as prescribed by financial instruction 337.

DISCREPANCIES IN REMITTANCES

339.

- (1) Any discrepancy that shall be found in a remittance by the recipient shall be immediately reported, by telegraphic advice, to the remitting officer.

- (2) A remittance shall be brought to account in full in the recipient's cash book, despite any actual discrepancy that shall be found in the remittance.
- (3) In the event that there shall be a shortage in the remittance, a General Payment Voucher for the amount of the shortage shall be issued by the recipient, allocating the shortage to an Advance Account in the name of the remitting officer; the Secretary shall be advised of such action by the fastest possible means, and he may then issue his written approval for the opening of the Advance Account, as prescribed by financial instruction 352, or prescribe such action as he shall deem necessary in the circumstances.
- (4) In the event that there shall be a surplus in the remittance, a General Receipt shall be issued for the amount of the surplus bringing it to account as revenue.

REGISTER OF REMITTANCES

340.

- (1) The Treasury Division and all sub accountants and other accountable officers shall maintain a suitable register of remittances that shall contain the following detail —
 - (a) destination of remittance;
 - (b) date and method of despatch;
 - (c) General Payment Voucher number;
 - (d) value of remittance;
 - (e) reference number of telegraphic advice;
 - (f) date of acknowledgement telegraphic advice;
 - (g) General Receipt reference number.

The requisite details of each remittance shall be entered in the Register upon the issue or the receipt of the documents concerned.

- (2) All registers of remittances shall be checked regularly, and at least once per week, to ensure that steps shall be taken to investigate any apparent delay in the receipt of a remittance or in the delay in the receipt of documents of acknowledgement and acquittance.

CHAPTER 13 - ADVANCES

STATUTORY REQUIREMENTS

351. The Secretary shall authorise the issue of any advance of public moneys, as prescribed by Section 13 of the Act, subject to an overall limit of \$500,000 outstanding at anyone time.

APPROVALS FOR THE ISSUE OF ADVANCES

352.

- (1) An advance account shall only be opened with the prior written approval of the Secretary, except as shall be allowed for in sub-paragraphs (2) to (5) below.
- (2) Special imprests, which shall be allocated as advances to the officers receiving the imprests, shall be issued direct by the Treasury Division without reference to the Secretary, as prescribed in financial instruction 313(2). This shall be subject to any upper limit on amount as shall be specified by the Secretary.
- (3) Where there shall be a shortage in any remittance, the recipient shall initially issue a General Payment Voucher allocating the shortage to an advance account in the name of the remitter, as prescribed in financial instruction 339(3); the recipient shall advise the Secretary of his action by the fastest possible means the Secretary shall issue his written instructions concerning the opening of the advance account; in particular whether it shall stand against the remitter.
- (4) Where there shall be a cash shortage, for any reason, the shortage may be carried to an Advance Account for the officer responsible for the cash holding;
- (5) Where a payment voucher has an inadequacy that causes an overpayment of public funds, the amount overpaid may be carried to an Advance Account for the officer authorising the payment voucher.

CLASSIFICATION AND ALLOCATION OF ADVANCES

353.

- (1) Advances shall be of two main classes —
 - (a) personal advances allocated in the name of the officer to whom the advance shall be made; such personal advances shall be the liability of the officer himself and shall, if necessary, be recoverable by deduction from salary or wages;
 - (b) general advances, which shall be all advances other than personal advances, described in subsection (1)(a) above; such general advances shall be the responsibility of the Secretary, or such accounting officer to whom the Secretary shall delegate responsibility in writing, if the circumstances of such an advance warrant delegation.
- (2) All advances shall be allocated to “below the line” accounts, in the names of the officers to whom any personal advances shall be made, or in the name of the Ministry, Department, organisation, public officer or individual to whom any general advances shall be made. The Secretary shall determine in writing the details of any additional records that shall be maintained by any accounting officer, delegated by the Secretary as per sub-paragraph (1)(b) above, such records being in addition to the normal accounting records that shall be maintained by the Treasury Division in respect of all advances.

APPLICATION FOR ADVANCES

354.

- (1) An application for an advance, which shall be in writing, shall be in such a form as to explain in full detail the reason for the application, and the terms of repayment, and shall be supported by such recommendations and other documentation that shall be considered necessary under the particular circumstances of each application.
- (2) Any application for an advance of salary shall only be made as prescribed by General Administrative Order 8.1.14, or any other instruction, regulation or order that shall be issued from time to time regarding the payment of salaries, wages and allowances; except that any such application shall, as prescribed by financial instruction 352(1), be subject to written approval by the Secretary, irrespective of any compassionate circumstances surrounding the application.
- (3) Any application for a personal advance, other than an advance of salary, shall be subject to any General Administrative Order, or other instruction, regulation or order that shall be issued from time to time regarding such advances; except that any such application shall always be subject to the approval of the Secretary, as prescribed by financial instruction 352(1).
- (4) An officer shall have only one advance outstanding at anyone time, except that advances on Compassionate grounds may be excluded from this ruling.

RECOMMENDATION FOR ADVANCES

355.

- (1) All application for advances shall be accompanied by a written recommendation, as set out in sub-paragraph (2) or (3) below, prior to submission to the Secretary.
- (2) An application for a personal advance shall be supported by a written recommendation by the accounting officer in whose Ministry or Department the applicant shall be employed.
- (3) An application for a general advance shall be recommended by the Minister or the Secretary of the Ministry that shall be eventually responsible for the disbursement, control and accounting of such an advance.

ISSUE OF ADVANCES

356.

- (1) Upon written authorisation by the Secretary, an advance shall be made by the issue of a General Payment Voucher from the Treasury Division, except for the circumstances allowed for in financial instruction 339(3).
- (2) The General Payment Voucher shall contain the following detail —

- (a) the name of the officer, Ministry, Department, organization or individual to whom the advance shall be made, together with the Treasury Division reference number of the advance account;
 - (b) the purpose of the advance;
 - (c) the terms and condition of repayment of the advance, including any rate of interest that shall be charged where applicable;
 - (d) the authority for the advance.
- (3) The original General Payment Voucher shall be supported by copies of —
- (a) the application for the advance;
 - (b) the recommendation for the advance;
 - (c) the Secretary's final written approval;
 - (d) a copy of the notification to Salaries Section regarding deductions where appropriate.

The original of all such documents shall be retained upon a suitable file within the Treasury Division.

REPAYMENT OF ADVANCES

357. The terms of repayment of a personal advance, other than an advance of salary, shall be such that they shall not cause the total of any monthly repayment to exceed one half of the net monthly emoluments of the officer, or any other limit that shall be prescribed by any written regulation or instruction that shall be made or given from time to time in regard to the payment of salaries, wages or allowances.
358. Advances made to officers employed on contract terms shall be made under the same conditions as prescribed within Financial Instruction for permanent staff except that the terms of repayment shall be so arranged as to ensure that the total advance shall be repaid in full within the tenure of the officer's period of contract.
- 359.
- (1) It shall be the responsibility of the Treasury Division salaries officer to ensure that any agreed monthly deduction from salary, in respect of the repayment of a personal advance, shall be made regularly and shall be credited to the particular advance account.
 - (2) There shall be no downward variation of any agreed monthly deduction from salary in respect of the repayment of a personal advance, without the prior written approval of the Secretary.
360. Where an officer shall leave the service of the Government for any reason, and there shall be a balance of a personal advance still to be repaid, such balance shall be recoverable by deduction from the officer's final salary entitlement or by deduction from any other retirement benefits or terminal benefits accruing to the officer; except that due consideration shall be taken of

any current legislation regarding the debarring of or limitation of such action against any such retirement benefits or terminal payments.

361. Where an officer shall leave the service of the Government for any reason, and there shall still be a balance outstanding on any personal advance made to that officer, even after taking into account all possible action as prescribed by financial instruction 360, the matter shall be reported to the Secretary in writing. The Secretary shall, after due consideration of all the circumstances, and after possible interviews with the officer, issue such instructions as he shall consider necessary for the recovery of the outstanding balance.
362. Where an officer shall die whilst in service with the Government and there shall be a balance outstanding against any personal advance made to the deceased officer, or when an ex-officer shall die, and there shall be a balance outstanding against any personal advance, which shall have been subject to recovery under any instruction determined by the Secretary, as prescribed by financial instructions 360 or 361, the Secretary shall be empowered to use his discretion as to whether steps shall be taken to attempt to recover the balance of the outstanding advance from the estate of the deceased; the Secretary shall seek the advice of the Attorney General where he shall consider such action desirable or necessary.

INTEREST CHARGED ON ADVANCES

363.

- (1) Where the terms of repayment of an advance shall include the payment of interest, any such interest shall be brought to account separately as revenue.
- (2) Where the terms of repayment of an Advance do not include payment of interest, interest may nonetheless become payable, at 10% above the commercial bank overdraft rate on the monthly balance outstanding 30 days after its due date, subject to the absolute discretion of the Secretary.

REPAYMENT OF AN ADVANCE AHEAD OF SCHEDULE

364.

- (1) Although the terms of repayment of an advance shall stipulate a regular schedule of instalments, nothing shall prevent the debtor from making a larger repayment instalment at any time; such a payment shall not cause any variation to the schedule of the future outstanding instalments without the prior written approval of the Secretary.
- (2) Where a larger repayment instalment shall be made, as set out in subparagraph (1) above, the advance shall be subject to interest payments, the Secretary may cause the amount of the outstanding interest, if material, to be recalculated and shall authorise in writing a change in the future scheduled repayment instalments.

CHECKING OF ADVANCE ACCOUNTS

365.

- (1) All advance accounts maintained in the Treasury Division shall be checked regularly, and at least once per month, to ensure that repayments shall be made in accordance with the terms of each advance agreement.
- (2) Where a particular repayment shall not have been made, the Treasury Division clerk shall make all necessary enquiries, before writing any reminder to the debtor, in order to ensure that the missing repayment instalment shall be a matter of fact rather than one of erroneous accounting action within the Treasury Division.
- (3) Where a repayment shall not have been made on a personal advance, a written reminder shall be forwarded to the officer requesting immediate payment of the outstanding instalment.
- (4) Where a repayment shall not have been made on a general advance, the Secretary shall be advised in writing, and he shall issue such instructions as he shall consider necessary in the circumstances.

“WRITE OFF” OF IRRECOVERABLE ADVANCES

366.

- (1) The Secretary shall have the sole authority for the recommendation of Writing Off any advance, the repayment of which shall appear to become irrecoverable. Where such a case shall become apparent, the Secretary shall be advised in writing immediately; such advice shall give the original reason for the advance being made, the amount still outstanding and full details of all action that shall have been taken to date to recover the balance of the advance.
- (2) Where a debt is written off, it shall not preclude future attempts at recovery if circumstances change.

CHAPTER 14 - DEPOSITS

STATUTORY REQUIREMENTS

371. Deposits shall be accepted by the Government only as prescribed by Sections 21 to 26 of the Act; deposits shall not become part of the Consolidated Fund and, except as shall be provided for within the Act, shall not be applied in any way for the purposes of Government.

ACCEPTANCE OF DEPOSITS

372.

- (1) No deposit, other than a salary allotment, shall be accepted unless prior written authority to do so has been given by the Secretary, or an officer specifically designated by the Secretary to carry out such authorisation.

- (2) Any offer from any person or organization to deposit money, other than salary allotments, with Government shall be referred direct to the Secretary, who shall issue written instructions to accept the deposit if he shall think such action desirable.
- (3) Once written authority has been given by the Secretary for the acceptance of a deposit, the deposit account, as prescribed in financial instruction 373, shall remain under the control of the Secretary, and repayment of the deposit (except if it be an allotment) shall only be made through the office of the Secretary, irrespective of where the deposit was originally brought to account.

373.

- (1) Any deposit, authorised for acceptance as prescribed in financial instruction 372, shall be brought to account by being credited to a below the line account, a separate account being maintained by the Treasury Division for each depositor. The Treasury Division shall, if it shall be considered desirable, and at the discretion of the Secretary, allot Account Code numbers to such deposits, full details being maintained upon a file to be kept within the office of the Secretary.
- (2) The General Receipt used to bring a deposit to account shall show —
 - (a) the name and address of the depositor;
 - (b) a positive statement that the sum is accepted as a deposit as prescribed in Sections 21 to 24 of the Act;
 - (c) any date that shall be agreed upon for the repayment of the deposit.
- (3) Where a fixed date shall be stated for the repayment of the deposit, this fact shall be clearly endorsed upon the ledger card or sheet recording the deposit and within any file as described in sub-paragraph (1) above.

APPLICATION FOR REPAYMENT OF DEPOSIT

374. Application for the repayment of a deposit, other than an allotment, shall be made in writing to the Secretary, signed by the person, or the authorised representative of the organization who shall have lodged the original deposit. Wherever possible, the original copy of the General Receipt shall be produced at the time of the application.

REPAYMENT OF DEPOSIT

375.

- (1) Repayment of a deposit shall be made by the issue of a General Payment Voucher through the Treasury Division and only after the written authority of the Secretary shall have been given.
- (2) The General Payment Voucher shall refer to the original General Receipt upon which the deposit shall have been brought to account together with all such other detail as shall enable positive identification of the particular

deposit. The Treasury copy of the General Receipt shall be cross referenced to the Payment Voucher.

- (3) Part repayment of a deposit shall be allowed where the written authority of the Secretary is given.
- (4) No repayment of a deposit, originally lodged for a fixed term, shall be made before the due date, unless the Secretary shall issue his written authority to such earlier repayment, after due consideration of any written application that shall be made to him.

INVESTMENT OF DEPOSITS

376. Where any deposit shall be invested, as prescribed by section 22 of the Act, any interest or dividend that shall be received from such an investment shall be brought to account as revenue into the Consolidated Fund.

IMPROPER USE OF DEPOSIT ACCOUNTS

377. No deposit account shall be used for the transfer of a surplus of funds from any Expenditure Head in order that such a surplus shall be eventually used for the payment of future expenditure, except in accordance with a written directive from the Minister, given in exercise of his power under Section 5 of the Act.

CHAPTER 15 - GOVERNMENT BANKING FACILITIES

STATUTORY REQUIREMENTS

381.

- (1) Government bank accounts shall be opened as prescribed by Section 11 of the Act.
- (2) A separate bank account shall be maintained for all Development Project Receipts and Payments.

OPENING OF GOVERNMENT BANK ACCOUNTS

382.

- (1) No Government bank account shall be opened without the prior written approval of the Secretary.
- (2) Where it shall be considered necessary to open a Government bank account, the accounting officer concerned shall submit a written report to the Secretary giving the reasons why such a facility shall be required; the report shall include the following detail —
 - (a) name and location of the bank with whom the account shall be maintained;

- (b) name of the officer who shall be accountable for the operation of the account, together with names of the proposed signatories to the account;
- (c) type of account required;
- (d) estimated average balance that shall be maintained on the account;
- (e) maximum balance that would be held on the account, and any other details that shall be pertinent to the application.

Upon receipt of the application, the Secretary shall, if he considers it expedient and necessary, authorise in writing the opening of the account. He shall confirm in writing —

- (a) the name and title of the officer who shall be accountable for the operation of the account;
- (b) the name of officers who shall be authorised to sign cheques and other instruments on the account;
- (c) any limitation as to the maximum amount of public moneys that shall be held on the account, and instructions as to the distribution of public moneys in excess of such a limit.

The Secretary shall write to the bank and make the necessary arrangements for the opening of the account, and the supply of the initial specimen signatures of the authorised signatories to the account, etc.

- (4) No new bank account shall be opened for any Ministry or Department where there shall exist a suitable banking facility considered by the Secretary to be sufficient for the purpose of that Ministry or Department.

SIGNATORIES TO GOVERNMENT BANK ACCOUNTS

383.

- (1) All cheques and other instruments drawn upon a Government bank account shall be signed by two officers, one of whom shall be the accountable officer responsible for the operation of the account.
- (2) All applications to the bank for the issue of new cheque books shall be signed by two officers, specified by the Secretary; these officers must be signatories to the bank account.
- (3) The Secretary shall authorise in writing the issue of a list of alternate signatories to a Government bank account where he shall consider it necessary and expedient; such alternate signatories shall be provided in the event of the absence on leave, sickness or other reason of any regular signatory to the account. Any list of alternate signatories shall be kept to the minimum that shall be considered compatible with the satisfactory operation of the account.

- (4) Specimen signatures of all signatories to a Government bank account shall be supplied on any official form that shall be issued by the bank from time to time; all such forms shall be confirmed by the signature of the Secretary.
384. No officer shall sign a Government cheque or other instrument unless he shall have been authorised to do so as prescribed in financial instruction 383.

CROSSING OF GOVERNMENT CHEQUES

385.

- (1) All cheques drawn on a Government bank account shall be crossed with two parallel lines and endorsed “Not Negotiable” except as shall be allowed for in sub-paragraphs (2) and (3) below.
- (2) When a cheque shall be issued to any public officer for the purpose of obtaining cash for the payment of wages, the cheque shall be issued uncrossed and shall also be endorsed with the words “Please Pay Cash” across the top right hand corner of the cheque; such endorsement shall be countersigned by the two signatories to the bank account. The cheque shall name the officer to whom the bank shall pay the cash, thus —
- “Please Pay Cash to
- (3) When a member of the public shall receive a cheque drawn on a Government bank account and shall intimate that he wishes to obtain cash for the cheque rather than deposit it in an account, the cheque shall be issued uncrossed and endorsements placed thereon in similar manner to that outlined in sub-paragraph (2) above.

COMPLETION OF CHEQUE FORMS

386.

- (1) Before signing a Government cheque, an authorised signatory shall ensure that —
- (a) the amount of the cheque and the name of the payee agree with the details on the General Payment Voucher;
 - (b) the General Payment Voucher has been duly passed for payment by reference to the signature of the checking clerk, as prescribed by Financial Regulation 250, and that it has been entered in the Vote Book;
 - (c) the General Payment Voucher has been endorsed “PAID” and dated to agree with the date of the cheque;
 - (d) the number of the cheque has been recorded on the General Payment Voucher;
 - (e) the amount written in words on the cheque agrees with the amount in figures;
 - (f) the counterfoil of the cheque has been completed correctly so as to record all pertinent details of the issued cheque.

- (2) Under no circumstances shall an authorised signatory sign a blank or incomplete Government cheque.
- (3) When signing a Government cheque, an authorised signatory shall initial the counterfoil to the cheque.

SPOILED AND CANCELLED CHEQUES

387. Any cheque that shall be spoiled or cancelled shall be endorsed “CANCELLED” and shall be firmly affixed to the counterfoil and retained within the cheque book.

SAFE CUSTODY OF CHEQUE BOOKS

388.

- (1) All unused cheque books shall be kept in a safe custody facility under the control of the officer accountable for the operation of the bank account.
- (2) The cheque book in current use shall be kept in a safe custody facility overnight and shall be subject to such precaution as shall safe guard it satisfactorily during normal working hours; the cheque book shall be returned to the safe custody facility at any time that the officer, responsible for completing cheques etc., shall be away from the office.

LOST OR MISSING CHEQUES OR CHEQUE BOOKS

389.

- (1) If any cheque or cheque book shall be found to be missing, the matter shall be reported to the bank by the fastest possible means and written instructions shall then be forwarded to the bank countermanding payment of any such missing cheque(s) that shall be presented for payment. The instruction shall be signed by the two authorised signatories to the bank account.
- (2) The loss of any cheque or cheque book shall be advised to the Secretary, in writing, with a copy to the Auditor-General, detailing the circumstances surrounding the loss.

DEPOSITS TO GOVERNMENT BANK ACCOUNTS

390.

- (1) Cheques received for the credit of a Government account shall be made payable to the name of the account; if any cheque shall be received without the payee’s name having been placed thereon, it shall be immediately inserted by the receiving officer.
- (2) Before issuing a General Receipt for any cheque, the receiving officer shall examine the cheque and ensure that —
 - (a) the cheque shall have been signed by the drawer;
 - (b) the cheque shall not be post dated nor shall it be dated more than six months prior to the date of receipt; if the date shall be omitted from the

- cheque, the receiving officer shall insert the date of receipt thereon immediately;
- (c) the amount written in words shall agree with the amount in figures;
 - (d) any alteration to the cheque shall have been initialled by the drawer;
 - (e) the cheque shall be crossed; if it shall not be crossed upon receipt, the receiving officer shall cross it immediately.
- (3) Any cheque received for the credit of a Government account that shall contain an error or defect, that shall require the drawer to correct and countersign such error etc., shall be returned to the drawer immediately with a request that the matter be remedied as soon as possible. No General Receipt shall be issued for the cheque.

391.

- (1) Payments to a bank for the credit of a Government banking account shall be made by the officer accountable for the operation of the account, or by a duly delegated cashier or other responsible officer, or as shall be prescribed by financial instruction 59 with regard to revenue collectors paying their revenue direct to a Government bank account.
- (2) Where a revenue collector shall have received written authority, as prescribed by financial instruction 59, to pay his collected revenue direct to a bank account, he shall ensure that he complies with the content of financial instruction 60 and 61 when completing the bank deposit slip etc.
- (3) All payments to a bank for the credit of a Government bank account shall be made on the bank's official deposit slips or books, and shall show a detailed analysis of the amount paid in as to currency notes, coin, cheques, bank drafts and other instruments; serial numbers of all individual cheques, drafts and other instruments shall be shown, together with the names of the drawers. No alterations, other than any made by the bank, shall be made to a bank deposit slip, when such an alteration shall be made by the bank, it shall be endorsed and countersigned by an official of the bank. Paying in officers shall ensure that all duplicate bank deposit slips are correctly stamped and initialled by an official of the bank to show official acknowledgement of receipt of the sum paid to the bank.
- (4) the officer who shall be accountable for the operation of the Government bank account shall ensure that all available surplus currency notes and coins, and all cheques, drafts and other instruments are paid into the bank on a daily basis.

FOREIGN CHEQUES AND DRAFTS

392.

- (1) Cheques, drafts, and other instruments drawn in overseas currency on banks outside Tuvalu, shall be accepted and paid into a Government account provided that such items are in respect of revenue rightfully due to the

Government; except that no cheque drawn in foreign currency on a bank outside Tuvalu shall be exchanged for cash for any person and then paid into a Government bank account unless prior written or telegraphic authority shall have been given by the Secretary as prescribed in financial instruction 393(3).

- (2) A foreign cheque or draft etc shall be brought to account in the normal manner as prescribed elsewhere in these Financial Instructions but shall be converted into Australian dollars at the time of issuing the General Receipt and preparing the bank deposit slip, as detailed in sub-paragraph (3) below. The conversion into Australian dollars shall be made by using the latest prevailing rate of exchange issued by the bank; if there shall be any doubt as to the rate to be used, the bank shall be contacted direct and the current rate confirmed.
- (3) A separate bank deposit slip shall be used for each foreign cheque or draft etc and shall clearly show the Australian dollar amount to be credited to the bank account as well as noting the foreign currency as drawn.
- (4) Where the bank has to send a cheque or other negotiable instrument for collection, the cash book shall be amended if the amount subsequently credited differs from the amount originally entered in the cash book; the two entries shall be cross-referenced.

ENCASHMENT OF PERSONAL CHEQUES

393.

- (1) A sub accountant or other accountable officer at a station where no banking facility shall exist, shall cash personal cheques for island residents drawn upon banks within Tuvalu for amounts of up to \$50.00 per week, or such other limits as may be notified by either the Secretary or the Bank Manager.
- (2) Under no circumstances, shall personal cheques be encashed by a sub accountant or other accountable officer at a station where a banking facility shall exist.
- (3) A sub accountant or other accountable officer shall not encash a cheque for a visitor or a non resident of a station without the prior written or telegraphic authority of the Secretary; in seeking such authority the paying officer shall give full details of the circumstances surrounding any request to encash such a cheque etc.

REMITTANCE OF CHEQUES AND DRAFTS RECEIVED

394. All cheques, drafts and other instruments received as revenue or exchanged for cash by sub accountants, revenue collectors or other accountable officer, who do not have a written authority to pay such items direct to a Government bank account, as prescribed by financial instruction 59, shall be forwarded to the Treasury Division as remittances as soon as possible, as prescribed in Financial Instruction 332.

DISHONoured CHEQUES

395.

- (1) Any cheque, draft or other instrument paid into a Government bank account and subsequently dishonoured and debited back to the account, shall be brought to account by the issue of a General Payment Voucher allocating the item to an Advance Account in the name of the drawer.
- (2) When a cheque etc has been dishonoured and brought to account, as detailed in sub-paragraph (1) above, the drawer shall be contacted as soon as possible and shall be requested to reimburse Government the amount of the dishonoured item.
- (3) Where any cheque etc shall have been dishonoured for a technical reason only in that the item was incorrectly prepared etc., the drawer shall be requested to correct and countersign the error, or issue a fresh cheque
- (4) Where any cheque etc shall have been dishonoured with the answer “Refer to Drawer”, “Lack of Funds”, “No Account” or any such similar answer endorsed thereon, the drawer shall be made requested to make reimbursement in cash only. Due note shall be in a suitable record of such incidents for future reference by the receiving officer, and consideration shall be given to withdrawal of credit facilities.
- (5) Reimbursement of any dishonoured cheque etc by the drawer shall be brought to account by the issue of a General Receipt crediting the reimbursement to the original advance account established as per subparagraph (1) above.

BANK TRANSACTIONS IN CASH BOOKS

396. The authorised officer accountable for the operation of a Government bank account shall ensure that all sums paid into the account and all cheques drawn upon the account shall be promptly and accurately recorded in the requisite cash book and any other records that shall be maintained by him.

BANK ACCOUNT STATEMENTS AND RECONCILIATIONS

397.

- (1) The authorised officer accountable for the operation of a Government bank account shall be responsible for obtaining statements of account from the bank at the end of each month; or at any other time requested by the Secretary or Auditor-General.
- (2) The authorised officer accountable for the operation of a Government bank account shall ensure that a monthly bank reconciliation statement shall be prepared for the account; he shall ensure that any debits or credits placed to the account by any means other than the normal depositing of moneys or the drawing of cheques, shall be brought to account immediately by the issue of a suitable Journal Voucher, General Payment Voucher, General Receipt or any such method that shall be approved in writing from time to time by the

Secretary; provided that any such debit or credit shall be genuine entries. Any entry on the bank statement that shall not appear to be a liability or accrual to Government funds shall be queried immediately with the bank, and if necessary, the bank shall be instructed to reverse the entries in the Government bank account.

- (3) Wherever possible all bank reconciliation statements shall be prepared by an officer other than the one responsible for the preparation of cheques drawn on the account and the one responsible for the preparation of all deposits to the account.

CERTIFICATES OF BALANCE OF BANK ACCOUNT

398. An officer accountable for the operation of a Government bank account shall obtain a certificate of balances from the bank on the following occasions —

- (a) monthly;
- (b) at the end of every financial year;
- (c) when requested to do so by the Auditor-General;
- (d) when requested to do so by the Secretary.

OVERDRAWN BANK ACCOUNT

399.

- (1) The Government shall not borrow moneys except as shall be prescribed in Section 18 of the Act or as prescribed in the Government Borrowing and Guarantee Act.³ Accordingly no Government bank account shall be overdrawn at any time whatsoever unless the provisions of the above Acts shall have been met.
- (2) An officer accountable for the operation of a Government bank account shall not allow the account to become overdrawn at any time whatsoever subject to the provisions of the Government Borrowing and Guarantee Act⁴ or section 18 of the Act; any anticipated overdraft facility, no matter for how short a period of time, shall be referred to the Secretary in writing and the officer accountable for the account shall ensure that the account does not become overdrawn until a written decision from the Secretary shall be received.
- (3) In the event that a Government bank account shall become improperly overdrawn, the officer accountable for the operation of the account shall be held personally responsible, and may be required to reimburse Government the cost of any interest or other charges that the bank shall levy, at the Secretary's discretion.

CHAPTER 16 - SALARIES AND WAGES

DEFINITION

411.

- (1) For the purposes of this Chapter, the term “**salaries**” shall mean those salaries, overtime and allowances that shall be allocated to any “**Personal Emoluments**” Sub Head within the Annual Budget.
- (2) For the purposes of this Chapter, the term “**wages**” shall mean those wages, overtime and allowances that shall be allocated to any “**Other Charges**” Sub Head within the Annual Budget.

ENTITLEMENT TO SALARIES AND WAGES

412. The entitlement to salaries, wages, overtime and allowances by officers and other employees of the Government shall be as prescribed by General Administrative Orders, and by any other existing order, regulation or instruction.

PAYMENT OF SALARIES

413.

- (1) The regular periodic payment of salaries shall be made only by the Treasury Division under such centralised system as shall be prescribed within these Financial Instructions or any other regulation or instruction issued in writing by the Secretary.
- (2) The payment of wages shall only be made by the Treasury Division at such times and in such manner as shall be prescribed within these Financial Regulations or any other regulation or instruction issued in writing by the Secretary; due consideration shall be taken of the conditions of service and the payment of classified and casual workers as prescribed within Chapter 9 of General Administrative Orders.

414.

- (1) Payment of salaries shall normally be made by a direct credit to the officer’s bank account by the Treasury Division at the end of each month. Upon his first appointment, an officer shall advise the Treasury Division of the number of his account and the bank to where his salary shall be paid; salaries shall not be paid in cash except in extreme compassionate circumstances, in which case the officer concerned shall submit a detailed written application to the Secretary, who shall, if he considers such action desirable, issue written instructions for the salary to be paid in cash.
- (2) A mid month advance of salary shall be made by a direct credit to the officer’s bank account by the Treasury Division unless an officer shall request in writing that such an advance shall not be made. The amount of the mid month advance shall be half of the normal net monthly salary due to the

officer, “rounded” to the nearest \$10.00. The mid month advance shall be recovered in full by deduction from the payment of salary made at the end of the month; no mid month advance shall be allowed to be carried forward to the following or any subsequent month.

PAYMENT OF WAGES

415.

- (1) Payment of wages shall be made by either a direct credit to the worker’s bank account or by cash, each fortnight, dependant upon the instructions of the worker, except as shall be allowed for in sub-paragraph (2) below. Upon commencing work with the Government the worker shall advise the Treasury Division in writing which method of payment he shall prefer; in the event of the worker wishing the payments to be made to a bank account, he shall furnish the Treasury Division with the number of his account and the bank at which his account shall be kept. Whichever method the worker shall select shall remain in effect until he shall advise in writing any required change, such advice being given at least one calendar month before it shall become effective.
- (2) Where casual workers shall be employed for periods of less than two weeks, such workers shall be paid in cash upon completion of each task. Such payments shall be made through the issue of a General Payment Voucher, as prescribed in financial instructions 231 to 239, or any other regulation or instruction that shall be issued by the Secretary from time to time. The General Payment Voucher shall be supported by Time Sheets or similar records in such a form as to allow for the receipt, by signature of the worker, of his pay.
- (3) No advance shall be made against any form of wages paid as detailed in sub-paragraphs (1) and (2) above.
- (4) No final salary, wage, or gratuity shall be completed without an exhaustive check being made for amounts owed to Government by the officer, which shall, as far as possible, be recovered; the limitation in financial instruction 419 (4) shall not apply to leavers.
- (5) If the officer leaving the service is also leaving Tuvalu, the final salary shall not be released without the authority of the Secretary.

NOMINAL ROLLS, CASUALTY RETURNS AND INCREMENTAL CERTIFICATES

416.

- (1) On 1st June each year, and at any other time the Secretary may specify, all accounting officers shall submit Nominal Rolls of all officers employed on permanent conditions of service in their Ministry of Department, and whose salaries shall be allocated to the Personal Emoluments Expenditure Sub Head of that Ministry’s or Department’s Annual Budget. The Nominal Roll shall be

in such form as shall be prescribed by the Secretary, and shall contain the following details for each officer —

- (a) name;
 - (b) staff number;
 - (c) position or title;
 - (d) salary scale and point;
 - (e) annual salary as at 1st January that year;
 - (f) allowances; if applicable, as at 1st January that year;
 - (g) incremental date;
 - (h) station.
- (2) Such Nominal Rolls shall form the basis of the following years Personal Emoluments Vote, as updated for Incremental progression, agreed New Service Proposals, and agreed filling of vacancies; the updating shall be the responsibility of the Ministry Concerned,
 - (3) The certificate at the foot of the Nominal Roll shall be signed by the accounting officer responsible for its submission; the completion and signing of the certificate shall be the written authority to the Treasury Division to make monthly salary payments to the officers listed in the Nominal Roll, at the gross rates of salary shown, until further notice or until such time as the Treasury Division shall receive any amendment or adjustment notice as detailed in sub-paragraphs (4) to (7) below.
 - (4) Any change in the circumstances of any officer that shall be likely to affect the payment of his salary in anyway whatsoever, shall be notified to the Treasury Division by submission, by the accounting officer for the Ministry or Department concerned, of a Staff Casualty Return. The Return shall be in the form prescribed at Appendix 8A to Chapter 8 of General Administrative Orders, and shall be submitted to the Treasury Division no later than the fifteenth calendar day of the month in which the change shall become effective.
 - (5) When any officer shall become subject to an incremental increase in salary, an Incremental Certificate shall be forwarded to the Secretary, in accordance with Section 8.2.9 of General Administrative Orders; the form, as prescribed in Appendix 8B to Chapter 8 of Administrative Orders shall be submitted to the Secretary within such time as shall allow him to forward the documents, after due scrutiny, to the Treasury Division no later than the fifteenth day of the calendar month in which the incremental increase shall become effective.
 - (6) The first appointment of an officer to Government service shall be reported to the Treasury Division on a Staff Casualty Returns, as set out in sub-paragraph (4) above. The authority for the appointment shall be quoted, and the form signed personally by the Secretary of the Ministry concerned.

- (7) The termination, suspension, or retirement of an officer from Government Service shall be reported to the Treasury Division on a Staff Casualty Return as set out in sub-paragraph (4) above.
- (8) The Treasury Division shall make all necessary adjustments to the payment of salaries upon the receipt of any Staff Casualty Return or Incremental Certificate, with immediate effect.
- (9) Any newly appointed officer, for whom a Staff Casualty Return shall not have been submitted until after the fifteenth calendar day of the month, shall be entitled to ask for an advance of salary as prescribed in Section 8.1.14 (1) of General Administrative Orders.
- (10) No contractual gratuity shall be paid until a 'Certificate of Good Service' has been provided by the Secretary of the Ministry concerned.

SALARY PAYROLLS

417.

- (1) The Treasury Division shall prepare monthly payrolls in respect of all officers on permanent terms of employment, in triplicate on such pre-printed forms as shall be prescribed by the Secretary; one copy of the pay roll shall be prepared in such a way as to allow a separate pay slip to be given to each officer. Such pay slip shall give full details of the officer's gross pay and allowances for the month, all deductions made from the gross pay, the net pay finally due to the officer and any other detail that shall be considered necessary.
- (2) Two copies of the pay roll, including the copy consisting of the individual pay slips, detailed in sub-paragraph (1) above, shall be forwarded to the accounting officer in whose Ministry or Department the officer listed on the payroll are employed; and the third copy of the payroll shall be kept on permanent file in the Treasury Division in such a manner that shall enable easy issue of the cheque for the payroll, and ensuring compliance with the content of financial instruction 16(3) regarding the disposal and destruction of Financial Records.
- (3) Accounting officers shall ensure that individual pay slips are handed to the officer concerned as soon as possible after receipt from the Treasury Division.

WAGES TIME SHEETS OR RECORDS

418.

- (1) The Treasury Division shall pay wages, as prescribed in financial instruction 415, against Time Sheets or Records that shall be prepared in such form and manner as shall be prescribed from time to time, and as shall be applicable to the particular tasks undertaken by the workers; such time sheets or records shall serve for all purposes in place of the pay rolls prepared for the payments of salaries, as prescribed in financial instruction 417.

DEDUCTIONS FROM SALARIES AND WAGES

419.

- (1) The Treasury Division shall make deductions, from gross salaries and wages due (after deduction of Provident Fund due), of such sums as shall be required in respect of income tax payable by any employee, as prescribed by the Income Tax Act, and shall cause such deductions to be brought to the account of Government revenue.
- (2) The Treasury Division shall make deductions, from gross salaries and wages due, of such sums as shall be required in respect of monies payable by any employee as prescribed by the Tuvalu Provident Fund Act, and shall pay over such moneys to the Tuvalu Provident Fund on the due date.
- (3) The Treasury Division shall make deductions, from gross salaries and wages due, of such sums as shall be payable by an employee in respect of the rental of any Government house or quarters allotted to him; provided that the officer has signed an agreement regarding such deductions and the agreement has been approved by the Housing Committee as prescribed within Chapter 15 of General Administrative Orders.
- (4) The Treasury Division shall make any other deduction from gross salaries and wages due, of any sum that shall be recoverable from an employee in respect of any advance, or any other reimbursement due to Government, provided that the officer has either signed an agreement regarding such deductions or has incurred a liability under any other financial instruction.

However, in making such deductions, care shall be taken to ensure that the total of all deductions excluding Income Tax and TPF, in one month shall not exceed one half of the gross monthly emoluments of the employee concerned, or any limit that shall be prescribed by any order, regulation or instructions regarding the payment of salaries, wages and allowances. In calculating the total amount of deductions made in one month, the value of any mid month advance made, as prescribed in financial instruction 412 (2), shall be excluded. This sub-paragraph of this financial instruction shall not apply to the final salary of officers leaving the service.

PAYMENT TO OFFICERS ON DUTY AWAY FROM HOME STATION

420.

- (1) Where an officer shall be on duty away from his home station for a long period of time, particularly overseas, he shall instruct the Treasury Division, if he shall so wish, in writing, to pay any part of his net pay, during his absence, direct to any person he shall nominate in the written instructions.
- (2) An officer proceeding overseas for any period of time, other than being officially posted for duty to a Tuvalu mission or similar station, shall make his own arrangements with his bank with regards to the remittance of funds to him. The Treasury Division shall not be responsible for forwarding any part

of the officer's remuneration to him whilst he shall be overseas; where the officer shall be posted for duty to a Tuvalu mission or similar station, then that mission or station shall assume responsibility for the payment of the officer's salary allowances etc.

VOTE LEDGER ENTRIES

421.

- (1) Upon receipt of the copies of the pay rolls, as prescribed in financial instruction 417, the accounting officer shall ensure that the value of the gross salaries for the month for his 'Ministry or Department are entered as payments in the requisite Vote Ledger maintained by him.
- (2) The accounting officer shall make the necessary entries in his Vote Ledgers in respect of the payment of wages, upon receipt of the copy of the requisite General Payment Voucher from the Treasury Division, supported by copies of the Time Sheets etc., as prescribed in financial instruction 220.

DIVISION OF DUTIES

422. Where-ever possible, at least 3 separate officers shall be involved in the calculation and payment of Salaries and Wages. The first shall prepare the salaries or wages; the second shall verify all details and calculations; and the third shall made the actual payments to employees.

UNCLAIMED SALARIES AND WAGES

423. Any salaries or wages not claimed within one month of the due date shall be returned to Treasury, where they shall be re-banked.

SUBSIDIARY RECORDS

424. Where the Secretary considers it necessary, he may require that subsidiary records be kept, in such format as he shall determine; in particular, such records shall be kept where necessary for purposes of recharging time worked to projects, private customers, etc.

CHAPTER 17 - MONTHLY ACCOUNTS

CLOSURE OF MONTHLY ACCOUNTS

431.

- (1) All sub accountants, revenue collectors, and other accountable officers shall balance and reconcile their cash book and any other financial records that they shall maintain, promptly after the close of business on the Last Accounting Day of each Accounting Month, as shall be prescribed within a written circular that shall be issued by the Secretary as soon as possible after the commencement of each financial year. The circular shall detail each

Accounting Month exactly and shall clearly state the Last Accounting Day of each Accounting Month for that financial year.

- (2) There shall be no variation from the detail of the Accounting Month or the Last Accounting Day unless such variation is authorised in writing by the Secretary.

SUBMISSION OF MONTHLY ACCOUNTS

432.

- (1) All sub accountants, revenue collectors, and other accountable officers shall submit their monthly accounts to the Treasury Division not later than:
 - (a) the tenth working day of the following month, or
 - (b) by the next available transport after the month end, whichever shall be earlier.
- (2) All officers, responsible for submitting monthly accounts, shall take into consideration, at all times, the scheduled sailing times of any vessel from their station to Funafuti, and shall make every endeavour to ensure that their monthly accounts are ready for despatch with the next sailing of such vessel
- (3) All officers, responsible for submitting monthly accounts, who shall have reason to believe that any monthly account shall reach the Treasury Division later than the tenth working day of the following month, shall advise the Secretary as soon as possible. Such advice shall not absolve the officer from ensuring that the accounts are submitted as soon as possible.

433. All officers, responsible for the submission of monthly accounts, shall ensure that such accounts are forwarded in an accurate, legible, and neat manner and in accordance with the contents of these Financial Instructions and any other regulation or instruction that shall be made or given from time to time.

CLOSURE OF TREASURY ACCOUNTS

434.

- (1) The secretary shall issue a circular during the first month of each financial year, setting out the dates on which each months Treasury Accounts shall be closed, and the latest date by which monthly budgetary control statements shall be issued to all Ministries.
- (2) The circular shall specify which accounts shall be included on a “current month” basis, and which shall be included on a “one month in arrears” basis.
- (3) The circular shall also specify what subsidiary reports the Secretary shall require monthly from the Treasury, and by what dates.
- (4) An analysis of Receipts and Payments on the main Bank Account (the Current Account) shall be forwarded to the Secretary within ten working days of each month end.

CHAPTER 18 - BOARDS OF SURVEY, CASH AND STAMP HOLDINGS, GOVERNMENT BANK ACCOUNT RECORDS

APPOINTMENT OF BOARDS OF SURVEY

441.

- (1) The Secretary shall have the sole responsibility for appointing Boards of Survey, as set out in sub-paragraphs (2) and (3) below.
- (2) Boards of Survey shall be appointed to examine, check and verify all cash and stamp holdings, as defined by financial instruction 121, that shall be under the control of any sub accountant, revenue officer, postal officer or any other accountable officer, immediately after the close of business on the last working day of the financial year and before the commencement of business for the new financial year.
- (3) Boards of Survey shall be appointed to examine, check and verify records of government bank accounts as soon as a statement of account and a Certificate of Balance, as at the last day of the financial year, shall have been received and all the necessary adjustments in the cash book made and a bank reconciliation statement prepared.
- (4) Boards of Survey shall be appointed, on an irregular basis, as the Secretary shall consider necessary from time to time, throughout the financial year, to check and verify all cash and stamp holdings, that shall be under the control of any sub accountant, revenue collector, postal officer or other accountable officer.

MEMBERSHIP OF BOARDS OF SURVEY

442.

- (1) A Board of Survey shall consist, wherever possible, of three public officers, one of whom shall be appointed president, and never less than two public officers. The accountable officer in charge of the cash holding etc., subject to the Board of Survey shall be present always whilst the Board is carrying out it's duties) but, under no circumstances, shall be accountable officer be a member of that particular Board.
- (2) The Secretary shall have complete discretion in nominating members of Board of Survey, with the exception as set out in sub section (3) below. He shall advise Ministers and Heads of Departments of the officers within their Ministries and Departments that shall have been nominated to a Board of Survey.
- (3) No officer employed within the Office of the Auditor General shall be nominated to a Board of Survey.

443.

- (1) The Secretary shall advise the members of any Board of Survey convened for the purposes of financial instruction 441(2) and (3), in writing, twenty one working days before the Board shall first meet.
- (2) The Secretary shall advise the members of any Board of Survey convened for the purpose of financial instruction 441(4), in writing giving the members such notice as he shall consider necessary in the circumstances. Such advice shall be forwarded under confidential cover.
- (3) Any officer, nominated to a Board of Survey, who shall find that, for any reason whatsoever, he shall be unable to attend the Board, shall inform the Secretary in writing as soon as possible. The Secretary shall, if he shall consider the reasons put forward for non attendance as being fair and reasonable, excuse the officer and shall nominate a replacement as soon as possible.

TRANSACTIONS DURING A BOARD OF SURVEY

444.

- (1) Where a Board of Survey shall be convened for the purpose of examining, checking and verifying cash and stamp holdings, no transactions shall take place from the time at which the Board commenced proceedings until such time as the Board shall conclude its business; except that due consideration shall be taken of the interest of the public as set out in sub-paragraphs (2) and (3) below.
- (2) At the end of the financial year, the accounting officer responsible for those accountable officers whose cash or stamp holdings shall be subject to Boards of Survey, shall, if he thinks such action expedient and necessary, permit the particular offices to be closed for business with the public earlier on the last day of business in the one financial year, and/or to be opened later on the first day of the financial year. Due notice shall be given to the public by the display, in a prominent place in the office., of a notice detailing such temporary changes in the hours of business; such a notice shall be placed on display fifteen working days before the event.
- (3) At the end of the financial year, all revenue collectors shall ensure that they pay over all collected revenue in their possession, as prescribed by financial instruction 51, before any planned early closure of the receiving office. Similarly, holders of all standing imprests shall retire their imprests, as prescribed by financial instruction 322, before any planned early closure of the receiving office.
- (4) Where a Board of Survey shall be convened, at some time other than the end of the financial year, and it shall be necessary for the office to continue business with the public, satisfactory arrangements shall be made so as to ensure that the current day's transactions are completely separated from all

previous transactions and balances, e.g. by the issue of a separate working cash float if necessary.

DUTIES OF BOARDS OF SURVEY

445.

- (1) A Board of Survey shall not commence examining any book until the officer responsible for the holding has balanced his cash book and ruled it off. The balance presented in the cash book shall not thereafter be altered without the written approval of the Board. The physical counting of cash and stamps shall begin at once, and be witnessed by the accountable officer.
- (2) The Board of Survey shall carry out the following tasks —
 - (a) check the casts of all cash books and registers of stamps for the month;
 - (b) check that all figures shall have been carried forward correctly from the previous monthly account;
 - (c) check all cash on hand and stamps on hand by physically counting all such items;
 - (d) agree the value of all cash and stamps on hand against the closing balances shown in the cash book and the register of stamps;and any other verifications etc that the board shall consider necessary.
- (3) The Board shall use its discretion as to whether it shall count the contents of unopened packages of currency notes still secured with a bank seal, and coin held in mint boxes or bank sealed bags. All other packages and bags shall be opened, the contents counted and returned and the packages and bags resealed, labelled, signed and dated by all members of the Board. All stamps on hand shall be counted in full irrespective of the type of packaging etc.
- (4) Once the Board shall have completed its work and it shall be satisfied that the cash book balance is correct and agrees with the cash on hand and the register of stamps is correct and agrees with the stamps on hand, all members of the Board shall certify the cash book and the register of stamps accordingly immediately under the last entries therein.

446.

- (1) A Board of Survey appointed to examine, check and verify records of government bank accounts, shall not commence examining any books until such time as the bank reconciliation has been prepared and all necessary adjustments passed through the cash book etc.
- (2) The Board of Survey shall carry out the following tasks —
 - (a) check the balances in the bank reconciliation statement by reference to the bank statement and the cash book respectively;
 - (b) check all casts of the reconciliation statement;

- (c) make random checks of entries in the cash book against the supporting vouchers;
- (d) check the balance on the Certificate of Balance against the closing balance on the bank statement;

and other such verifications as the Board shall consider necessary.

- (3) Once the Board shall have completed its work, and shall be satisfied as to the accuracy of the records of the government banking account, all members of the Board shall certify the cash book accordingly immediately under the last entry therein.

DISCREPANCIES IN CASH AND STAMP HOLDINGS

447.

- (1) Any surplus that shall be found by a Board of Survey shall be dealt with as laid down in financial instruction 31(2)(h).
- (2) Any shortage that shall be found by a Board of Survey shall be dealt with as laid out in financial instruction 31(2)(g).

BOARD OF SURVEY REPORT

- 448. Upon completion of a Board of Survey, the president shall complete a Board of Survey Report, in quadruplicate, in a form prescribed by the Secretary. The Report shall be signed by all the members of the Board. The original shall be forwarded to the Secretary, one copy to the Auditor-General and one copy to the officer responsible for the particular cash holding etc. One copy shall be placed on file within the Treasury Division.

CHAPTER 19 - LOSSES OF PUBLIC MONEYS

INITIAL REPORT OF LOSS OF PUBLIC MONEYS

451.

- (1) it shall be the duty of any accountable officer to report to his senior officer, without delay, any incident of loss, shortage, theft or other irregularity in any cash holding under his control; except where there shall be a loss of up to \$5.00, which shall have been due to an error on his part rather than theft, fraud or negligence and which he shall have made good in accordance with financial instruction 31(2)(f), it need not be reported.
- (2) It shall be the duty of any public officer to bring to the notice of his senior officer, without delay, any circumstances which shall cause him to believe that there shall be a suspected loss, shortage, irregularity, fraud or theft of any public moneys, even though such public moneys may not be under his own control.

ACTION UPON RECEIPT OF INITIAL REPORT

452.

- (1) Upon receipt of any report of any potential loss of public moneys the senior officer shall take the following action —
 - (a) personally count all cash and stamps in the cash holding;
 - (b) check all entries in, and the casts of, the cash book;
 - (c) if the error shall not be remedied, have the shortage brought to account by allocating it to an advance account in the name of the responsible officer, ensuring that this action shall be advised, through his accounting officer, to the Secretary in order that the latter shall ratify such action in due course and arrange recovery.
- (2) Where a shortage shall be found by a Board of Survey, the senior officer may accept the Boards count, if he shall so wish.
- (3) Where a shortage shall be discovered in the receipt of a remittance, the senior officer shall count the remittance again in the presence of the two receiving officers; he shall ensure that the action prescribed in financial instruction 339 is strictly adhered to.

REPORT TO ACCOUNTING OFFICER

453. Where the loss shall not be remedied, the senior officer shall make an immediate written report to the accounting officer of the Ministry or Department in which the loss shall have taken place.

ACTION BY ACCOUNTING OFFICER

454.

- (1) Upon the receipt of a report of loss of public moneys, the accounting officer shall —
 - (a) satisfy himself that the cash holding and the cash book have been satisfactorily checked;
 - (b) carry out any further investigations that he shall consider to be necessary;
 - (c) take action, as prescribed in financial instruction 136, if he shall suspect that the loss was due to the loss of, or interference with, a safe custody facility key;
 - (d) report the matter to the police immediately, verbally at first if necessary, followed by a written report, copied to the Secretary and the Auditor-General as soon as possible afterwards;
 - (e) relieve the responsible officer of his duties relating to the cash holding, where he shall consider that the officer shall possibly be guilty of neglect or of a criminal offence, and, if necessary, transfer the officer to a different location;

- (f) report the matter as soon as possible to the Secretary with a copy to the Auditor-General. Where necessary, a brief interim report shall be made first followed by a written detailed report as soon as possible afterwards;
- (g) if appropriate, commence disciplinary action in accordance with General Administrative Orders except that where it shall appear that criminal proceedings shall be commenced, such disciplinary action shall initially be limited to Suspension in accordance with 1 Para 7.3 of GAO'S, pending the result of the criminal proceedings, whereupon full disciplinary action may be commenced.

REPORT TO SECRETARY

455.

- (1) The detailed report to the Secretary shall be completed so as to give specific information in respect of, and specific answers to, each of the following questions —
 - (a) name of Ministry or Department, and the location of the office or place where the loss took place;
 - (b) date of the loss;
 - (c) the amount of the loss, and whether or not it, or any part of it, shall subsequently have been made good by the responsible officer;
 - (d) name and position of the accountable officer responsible for the cash holding and the length of time he shall have been in that position, together with details of any previous occurrences of a like nature;
 - (e) the circumstances, as far as shall have been ascertained, under which the loss occurred;
 - (f) details of the safe custody facilities in existence at the office or place where the loss occurred, whether they were being correctly used, and an opinion, if applicable, as to whether the facilities shall be considered adequate;
 - (g) details of what arrangements shall exist for the periodic checking of the cash holding, and the date and the results of the last check;
 - (h) in the case of a revenue collector, the scheduled days and times for him to pay over his collected revenue to the Treasury Division or sub accountant, when the last pay over shall have been made, and whether the officer normally adhered to the schedule;
 - (i) the name of any public officer or person, other than the officer responsible for the cash holding, whom the accounting officer shall have reason to believe may be involved in the loss;
 - (j) any action taken by the police subsequent to them receiving a report of the loss; in particular whether the police shall have brought charges against the officer concerned and any verdict of the court;

- (k) any precautions that shall now have been taken to prevent a recurrence of the loss.
- (2) The accounting officer shall also include in his report, his own opinion as to whether the loss shall have arisen from the negligence of the officer responsible for the cash holding. He shall include any other information that he shall consider pertinent to the particular loss.
- (3) The report shall include a recommendation as to whether a Board of Enquiry shall be considered necessary.
- (4) The report shall be 'Private and Confidential'.

ACTION BY THE SECRETARY

456. Upon receipt of the report from the accounting officer, the Secretary shall, after due consideration of all the facts, take the following action —
- (a) issue instructions for any necessary action including, where necessary, the ratification of the opening of any advance account to which the loss shall have been allocated and the rate of repayment;
 - (b) correct any weakness in the accounting procedures that shall have been revealed by the loss;
 - (c) arrange for a Board of Enquiry to be convened where he shall consider such action to be necessary;
 - (d) arrange for an inspection by Internal Audit.

BOARDS OF ENQUIRY

457.

- (1) A Board of Enquiry shall consist, wherever possible, of three public officer, one of whom shall be appointed president, and never less than two public officers. The president shall be a senior officer from a Ministry or Department other than that in which the loss occurred; the other members of the board shall be from offices other than that in which the loss took place. Wherever possible the Board shall include one public officer with some experience of Government accounting procedures.
- (2) The Secretary shall have complete discretion in nominating members of the board of Enquiry with the exception as set out in sub-paragraph(3) below.
- (3) No officer employed within the Office of the Auditor-General shall be nominated to a board of Enquiry.
- (4) The Secretary shall advise the members of the Board of Enquiry of their nomination as soon as possible and shall specify the time and place at which the Board shall convene for the first time.

DUTIES OF THE BOARD OF ENQUIRY

458.

- (1) The Board of Enquiry shall make all necessary independent investigations into the circumstances of the loss. It shall examine all previous reports, statements and other documents, and shall interview such officers as they shall consider necessary; except that they shall have regard to the content of sub-paragraph (2) below.
- (2) Where there shall be a likelihood that criminal proceedings shall be brought against an officer in any way connected with the loss, the Board of Enquiry shall not interview that officer.
- (3) Upon request by the Chief of Police, any member of the Board of Enquiry having specialist financial knowledge may be co-opted by the Police to assist in consideration of the technical aspects of the case, and/or interviewing the officer.

REPORT OF THE BOARD OF ENQUIRY

459.

- (1) Upon the conclusions of its investigations, the Board of Enquiry shall forward a comprehensive written report to the Secretary as soon as possible. The report shall contain the Board's own independent answers and findings to the questions contained in financial instruction 455(1) as far as they shall be applicable.
- (2) The Board shall include in its report, its conclusions as to —
 - (a) how the loss occurred;
 - (b) the degree of negligence, if any, of the officer responsible for the cash holding;
 - (c) the extent, if any, of any involvement in the loss by any other public officer or other person;
 - (d) any shortfall in the accounting procedures that contributed to the circumstances leading to the loss;
 - (e) any necessary comment as to the limitation of their enquiries caused by the likelihood of criminal proceedings.
- (3) The Board shall include in its report, recommendations where appropriate, as to —
 - (a) whether disciplinary action shall be taken against any officer; except that where criminal proceedings shall be taken against the officer, such disciplinary action shall initially be limited to suspension in accordance with Para 7.3 of GAO'S pending the result of the criminal proceedings, whereupon full disciplinary action may be commenced;
 - (b) steps that shall be undertaken to prevent a recurrence of a similar loss in the future; in particular with regard to safe custody facilities, and checking procedures, at the office or place where the loss occurred;
 - (c) possible improvements to the accounting procedures.

- (4) The report shall be signed by all members of the Board of Enquiry and submitted under confidential cover to the Secretary, with a copy to the Auditor-General. No other copies shall be distributed at this stage without specific written instructions from the Secretary.

ACTION BY SECRETARY UPON CONCLUSION OF THE BOARD OF ENQUIRY

460.

- (1) The Secretary, upon receipt of the report of the Board of Enquiry, shall review any previous instruction etc that he shall have issued, as prescribed in financial instruction 456. In particular, he shall agree any steps previously taken to improve the accounting any particular recommendation by the Board on such procedures.
- (2) The Secretary shall decide whether the loss shall remain allocated as an advance against the officer concerned and shall be recovered in due course from him, or whether any, or all of the loss shall be recovered from any other officer or person, or whether any, or all, of the loss shall be recommended for write-off.
- (3) The Secretary shall, if such action shall not already previously have taken place, recommend whether disciplinary action shall be taken against the officer; such disciplinary action shall not be taken until the conclusion of any criminal proceedings. The Secretary's recommendations shall be made to the Secretary of the Ministry employing the officer.

461. The Secretary shall convey his decisions and conclusions on the loss in a confidential written report to the accounting officer of the Ministry or Department where the loss occurred, with a copy to the Auditor-General.

CHAPTER 20 - DEVELOPMENT FUNDS

STATUTORY REQUIREMENTS

471. The Development Fund shall be established as prescribed by Section 19 of the Act and shall be operated in accordance with the public Act out in the Schedule to the Act.

ESTIMATES OF DEVELOPMENT FUND REVENUE AND EXPENDITURE

472. The Minister shall be responsible, as prescribed by Rule 2 of the Schedule to the Act, for presenting an Estimate of Revenue and Expenditure for the Development Fund for each financial year to Parliament for approval.

473.

- (1) In order that the Minister shall be able to discharge his responsibility of presenting Estimates of Revenue and Expenditure for the Development Fund to parliament, the Secretary shall issue written instructions in the current

financial year to all accounting officers requesting the submission of Ministerial and Departmental draft estimates of all development expenditure for the forthcoming year.

- (2) The instructions shall specify the manner in which the draft estimates shall be presented and shall stipulate the date by which the draft estimates shall be submitted to the Secretary.
 - (3) All accounting officers shall be responsible for ensuring that the draft estimates for their Ministries or Departments shall be submitted in the correct manner on or before the stipulated date; any accounting officer who shall have reason to believe that he shall be unable to submit the draft estimates by the set date, shall advise the Secretary at the earliest possible opportunity.
474. Accounting officers shall provide written detailed additional information to support their draft estimates of development expenditure, in such form as the Secretary may require.
475. In preparing their draft estimates of development expenditure, accounting officers shall carry out similar consultations with Ministers and Heads of Department as have been prescribed in financial instruction 156 with regard to the preparation of the Estimates of Recurrent Revenue and Expenditure.
476. Upon the receipt of all draft estimates of development expenditure and following any discussions etc that he shall consider necessary, the Secretary shall consolidate all the draft estimates into such presentation that shall allow the Minister to present the Estimates of Revenue and Expenditure for the Development Fund for the forthcoming financial year.
477. Upon the approval of the Estimates of Revenue and Expenditure for the Development Fund for the forthcoming year by Parliament, the Secretary shall arrange for the publication and issue of the detailed Estimates to all accounting officers and to other such officers as the Secretary shall consider necessary.

APPLICATION FOR DEVELOPMENT AID FUNDS

478.

- (1) All requests for Development Aid Funds shall be forwarded to the Planning Office of the Ministry of Finance through the Secretary, accounting officers shall not make any request for Development Aid Funds direct to any potential donor, although Ministries and Departments shall not be prevented from having general discussions on any development project with aid donors provided that the Planning Officer shall be kept informed and any formal request for aid shall be eventually made by the Planning Office only.
- (2) The Secretary shall ensure that all submissions for Development Aid Funds are evaluated by the Planning Office and, where approved, a Development Aid Project Application forwarded to a prospective donor organisation.

- (3) No accounting officer shall cause any expenditure to be incurred on any prospective development project, despite the submission that shall have been made to the Planning Office, as set out in sub-paragraph (1) above until such time as an Accounting Development Warrant shall have been received by him authorising incurrment of expenditure for the project.
- (4) All applications for development aid funds shall be accompanied by an itemised Recurrent Consequences Summary showing:
 - (a) the effect on the Recurrent Expenditure Budget for the next five years;
 - (b) all revenue expected to be generated by the Project over the next five years, and its disposition, i.e. to Recurrent Revenue, to a revolving fund, etc.

PROJECT EXPENDITURE SUB HEAD REFERENCE

479.

- (1) As soon as funds shall be received from the donor, or a written confirmation shall be received that funds are available for a project, the Planning Office, through the office of the Secretary, shall instruct the Treasury Division to allocate a project expenditure sub head reference number to the new project.
- (2) The project expenditure sub head reference number shall be such that shall easily identify the Ministry or Department concerned in the administration of the project and the aid donor involved. The Treasury Division shall maintain a register of all project expenditure sub head reference numbers and shall issue each new reference number themselves, advising the reference to the accounting officer concerned and to the Planning Office.
- (3) The Treasury Division shall maintain separate expenditure ledger accounts for each development project, each account to be identified by it's project expenditure sub head reference number.

DEVELOPMENT FUND WARRANT

480.

- (1) As soon as a project expenditure sub head reference shall have been allocated to a development projects, the Minister shall, in accordance with the powers conferred upon him by the Rules contained in the Schedule to the Act, issue a Development Fund Warrant to the Secretary, authorising the latter to issue and pay from the Development Fund the sum set out in the Warrant against the requisite development project.
- (2) Copies of all Development Fund Warrants shall be forwarded to the Auditor-General.

ACCOUNTING DEVELOPMENT FUND WARRANT

481.

- (1) Upon receipt of a Development Fund Warrant, the Secretary shall issue an Accounting Development Fund Warrant to the accounting officer of the Ministry or Department which shall be responsible for the progress, control and monitoring of the new development project.
- (2) The Accounting Development Fund Warrant, issued in a form prescribed by the Secretary, shall authorise the accounting officer to commit and expend moneys to meet the costs of the development project, up to the limit set out on the Warrant.
- (3) The Secretary shall ensure that a suitable record shall be maintained, within the Treasury Division, of all Development Fund Warrants and of all Accounting Development Fund Warrants that shall be issued.
- (4) Copies of all Accounting Development Fund Warrants shall be forwarded to the Auditor-General.

LIMITATION AND VALIDITY OF DEVELOPMENT WARRANTS

482. No Development Fund Warrant or Accounting Development Fund Warrant shall be issued in excess of the total funds that shall have been approved and made available by a donor, or shall have been made available by some other means, for the development project. Where such funds shall be released by the donor in instalments etc., the Secretary shall use his discretion as to whether the Accounting Development Fund Warrant shall be issued in similar manner.
483. Development Fund Warrants and Accounting Development Fund Warrants shall remain valid throughout the life of the development project or until such time as additional funds shall be approved for the project by the issue of further warrants; the warrants shall not cease at the end of the financial year in which they were issued.

PAYMENTS

484. The issue of General Payment Vouches and all matters in respect of expenditure incurred on a capital development project shall, in all ways, be as prescribed within financial instructions 231 to 280.

VOTE LEDGERS

- 485.
- (1) Accounting officers shall maintain Vote Ledgers in respect of all capital development projects in a manner similar to that prescribed within financial instructions 217 to 226 relating to the maintaining of Vote Ledgers for Recurrent Expenditure Heads.
 - (2) Vote Ledgers maintained for capital development projects shall be continuous and cover the entire life of the project; new Vote Ledgers shall not be commenced for a project at the start of such financial year.

TREASURY DIVISION RECORDS

486. The Treasury Division shall maintain such accounts and other records as shall be considered necessary to register accurately the receipt of all donor aid funds, and in such manner as to identify each sum received against the particular capital development project for which the funds shall be used. An analysis by donor countries of all donor aid funds received shall also be maintained.

487.

- (1) The Treasury Division shall issue periodic statements of account, and at least every three months, of all capital development projects. Such statements shall include, for each capital development project, the following:
 - (a) total donor aid funds received;
 - (b) total expenditure incurred to date;
 - (c) balance of donor aid funds not yet expended.

Copies of the statement shall be forwarded to all accounting officers, project controllers, the Planning Office and to any other person as the Secretary shall decide from time to time.

- (2) The Planning Office shall be solely responsible for completing any periodic returns, reports, questionnaires or similar requests from any donor organisation with regard to any development funds that it shall have supplied.

COMPLETION OF THE DEVELOPMENT PROJECT

488.

- (1) When a development project shall be completed, the Treasury Division shall be advised in writing by the accounting officer concerned. The Treasury Division shall, within a period of three calendar months, during which time all outstanding payments shall have been made, wherever possible, have the accounting officer make a full and final check of his Vote Ledger against the equivalent Treasury Division account to ensure that there shall be no outstanding commitments for which payments shall not have been made. In particular, a check that all government departmental recharges (e.g. P.W.D., Government Stores, etc.) have been made.
- (2) Once the Vote Ledger and the Treasury Division account shall have been reconciled satisfactorily and all payment and recharges have been made, a report shall be submitted in writing to the Secretary showing any balance under expended or over expended on the project.
- (3) The Secretary shall discuss with the Planning Officer, and the accounting officer concerned, the circumstances under which the under or over expenditure on the project shall have occurred. Particular attention shall be paid to the following:
 - (a) the reason why the under or over expenditure shall have occurred;

- (b) the possible response by the donor to such under or over expenditure;
 - (c) whether such under or over expenditure shall be considered to be of a minor or major nature, when compared to the total cost of the project, and particularly in view of any assumptions made regarding such sub-paragraph (b) above;
- (4) Following discussions with the Planning Officer and the accounting officer, the Secretary shall, where the under or over expenditure shall have been considered to have been of a minor nature, recommend to the Minister that the latter shall, as Parliament that such over expenditure, having been adequately justified by the accounting officer, be transferred to the Consolidated Fund to close the project account.
- (5) Where any under or over expenditure shall have been considered to have been of a major nature, and shall have been adequately justified by the accounting officer, the Secretary shall instruct the Planning Officer, in writing, to approach the donor, explaining the circumstances that shall have led to the under or over expenditure and requesting:
- (a) further aid funds to meet any over expenditure that shall have occurred; or
 - (b) instructions as to the disposal of any unexpended aid funds in respect of under expenditure on the project.

Where it shall be appropriate, the Planning Officer shall suggest the transfer of any unexpended aid funds to another development project, already included within the annual Estimates of Development Revenue and Expenditure, which shall be supported by a Development Aid Project Application in the normal manner.

- (6) Any balance on a capital development project shall remain on that account until such time as either instructions are issued in writing by the Secretary, following the action of the Minister and the subsequent approval by Parliament, as set out in sub-paragraph (4) above, or a decision shall have been agreed upon between the donor and the Planning Officer following the action set out in sub-paragraph (5) above. Under no circumstances shall such balances be transferred to any form of suspense or similar account merely as a matter of convenience.
- (7) Where a donor refuses further funds for a Project (as in Sa), or there is a minor overspend (as in 4 above), the controlling Ministry must make available recurrent funds to meet the overspend. This shall be done by Virement from existing heads.

OBLIGATIONS IMPOSED BY DONORS

489. Accounting Officers shall comply with all obligations laid down by donors, especially where procurement is 'tied' to one particular country.

ENDNOTES

¹ LN 11/1991

² Cap. 4.20

³ Cap. 26.08

⁴ Cap. 26.08