



## **FINANCE MANUAL 2018**

Issued by the Board of Fijian Competition & Consumer Commission  
February, 2018

# AUTHORITY TO ISSUE FINANCE MANUAL

In accordance with the authority given to the Board of Commissioners under the **Fijian Competition & Consumer Commission Act 2010**, I, Board Chairperson, hereby authorize the issuing of the Finance Manual for Fijian Competition & Consumer Commission.



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**Board Chairperson for Fijian Competition & Consumer Commission**

Dated the <sup>th</sup> 14 ..... day of *February* ....., 2018

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## **PART 1: INTRODUCTION**

### **1.1 Application of Finance Manual**

The Finance Manual has been designed to suit Fijian Competition & Consumer Commission's (FCCC) own operating and financial environment having regard to the level of associated risks. All officers are required to adhere to the relevant policies and procedures at all times when executing FCCC's daily operations. This is as far as ensuring that sound internal control is maintained, and potential malicious dealings are effectively minimized. Where applicable, reference is also made to Procurement Regulation 2010.

All officers within FCCC are required to comply with this Manual.

Staff are encouraged to suggest changes to this Manual where appropriate to enable this Manual to be more suited to FCCC's operating environment.

This Manual will be updated as and when required to reflect any changes in operations. Board of Commissioners have the authority to approve any amendments to the Manual.

Where this Manual does not contain specific provisions on any area of Finance, reference shall be made to the Finance Instructions issued by Ministry of Economy and the International Financial Reporting Standards issued by International Accounting Standards Board to determine correct treatment of transactions and balances and correct disclosures.

### **1.2 Responsible Officers**

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

## **PART 2: EXPENDITURE**

The proper management of expenditure is fundamental to ensuring value-for-money in delivering services to the people of Fiji. Having cost-effective internal controls within the purchasing and payments system plays an important part in ensuring that wastage of funds, over-expenditure and corruption do not occur.

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

- Board of Commissioners;
- Chief Executive Officer (CEO);
- General Manager (GM);
- Financial Controller
- Department Heads;
- Finance & IT Sub-committee (FITSC);
- Chair of FITSC;
- Tender Sub-committee;
- Secretary of Tender Sub-committee;
- Finance Officer; and
- Clerical Purchasing Officers

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

2.1.1. The authority to incur expenditures is subject to:

- i. appropriations from Cabinet;
- ii. virements approved by the Minister for Economy and the Board of Commissioners;
- iii. requisitions to incur expenditure.

### **Budget Proposal and Appropriations**

2.1.2. FCCC's budget proposal for next financial year shall be drafted from the discussions and outcomes of the Management Planning Workshop to be held in January each year. The Financial Controller shall be responsible for drafting the budget proposal.

2.1.3. The CEO shall be responsible for presenting the budget proposal to FITSC.

2.1.4. The FITSC shall recommend the budget proposal for approval by the Board of Commissioners, following which the budget proposal shall be submitted to Ministry of Industry, Trade & Tourism.

2.1.5. Each year, the Appropriation Act and Budget Estimates set out details of the

appropriations that Cabinet approves for spending by FCCC. No officer may incur expenditure which results in FCCC's appropriation being exceeded without the authorisation of the Ministry of Economy, pending approval by the Cabinet.

### **Virement Warrants**

- 2.1.6. The authority to approve virements in accordance with Finance Instruction 10-(1) are as follows:
- i. The Board of Commissioners shall approve virements between the different budget lines.
  - ii. The CEO shall approve virements within the same budget line between different divisions and departments.
  - iii. A virement authority must be in writing and must be signed by the approver.
- 2.1.7. The virement form must clearly identify:
- i. the amount of the proposed virement and the output/activity and SEG from which it will be transferred and the activity/output and SEG to which it will be transferred;
  - ii. the purpose for the virement and how it would contribute to the delivery of that output;
  - iii. the amount provided in the Estimates and the expenditure to date against the budget allocation to which funds are to be transferred;
  - iv. the amount provided in the Estimates and the expenditure to date of the budget allocation from which savings are to be transferred;
  - v. the revised totals for both budgetary allocations.
- 2.1.8. Once approved, the Financial Controller shall allocate a serial number for the virement.
- 2.1.9. The approved virement form shall be sufficient authority for the budget allocation to be transferred.
- 2.1.10. The Financial Controller must maintain a Virement Register, which should contain the following information:
- i. the serial number;
  - ii. the budgetary allocation to which and from which the transfer of funds is being made;
  - iii. the amount transferred and the revised amounts of the budget allocations;
  - iv. the date of approval.
  - v. the details for transfer of funds.

**Requisition to Incur Expenditure**

- 2.1.8. If an officer considers it necessary to incur expenditure for FCCC’s purposes, the officer shall liaise with the Clerical Purchasing Officer of their respective department to raise a purchase requisition.
- 2.1.9. The Clerical Purchasing Officer shall adhere to this Manual and forward completed requisition with all relevant details to Department Head for vetting.
- 2.1.10. The requisition shall then be forwarded to Finance Officer to input in “Requisition to Incur Expenditure Register” and to arrange for approval based on procurement delegations in section 2.2.1.
- 2.1.11. The Finance Officer must maintain a Requisition to Incur Expenditure Register, which should contain the following information:
  - i. serial number;
  - ii. description of budget allocation;
  - iii. total budget allocation;
  - iv. amount of funds used and committed;
  - v. details of the expenditure, including the amount; and
  - vi. funds available.

**2.2 Delegation of Procurement Authorities**

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

<b>Authority</b>	<b>Operating Expenditure</b>	<b>Capital Expenditure</b>
<b>Board</b>	Above \$50,000	Above \$50,000
<b>CEO</b>	Up to \$50,000	Up to \$50,000
<b>GM</b>	Up to \$25,000	Up to \$25,000
<b>MCF</b>	Up to \$10,000	Nil
<b>Other Managers</b>	Up to \$2,500	Nil



2.2.2. There shall be hindsight review for the delegations outlined below:

<b>Authority</b>	<b>Hindsight Reviewer</b>	<b>Operating Expenditure</b>	<b>Capital Expenditure</b>
CEO	Chair - FITSC	Above \$25,000	Above \$25,000
GM	CEO	Above \$12,500	Above \$12,500
MCF	GM	Above \$5,000	N/A
Other Managers	MCF	Above \$1,250	N/A

2.2.3. All Capital Expenditure shall be reported to the Board of Commissioners.

2.2.4. While on duty travel or on leave, the CEO may delegate financial authority of the CEO to GM. While GM or Financial Controller are on duty travel or on leave, the next line of authority shall assume the financial authority.

2.2.5. The officer authorising a purchase order must ensure that a purchase is not artificially split to bring it within the limits stipulated in section 2.2.1.

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

### **2.3 Competitive Procurement**

2.3.1. Public tenders must be called for any procurement of goods, services or works valued at \$50,001 and more.

2.3.2. The Board of Commissioners have the authority to approve an exemption from tender and allow use of competitive quotes based on the following factors:

- i. nature and/or complexity of the procurement justifies use of competitive quotes in accordance with section 30(2) of Procurement Regulations 2010;
- ii. single supplier in accordance with section 31(1) of Procurement Regulations 2010; or
- iii. emergency purchases in accordance with section 32 of Procurement Regulations 2010.

2.3.3. Competitive quotes, instead of public tenders, may be called for procurements of \$50,000 and less. The authority to call for public tender for procurements

under such circumstances is based on the procurement delegations in section 2.2.1.

- 2.3.4. Three (3) written quotations are required for purchase of goods or services. In some cases, only one (1) quotation may be available taking into consideration the nature of good or service being procured and the circumstances in which these are being procured. For use of one (1) quotation, express approval must be sought based on procurement delegations in section 2.2.1.

## **2.4 Tenders**

### **Composition of Tender Sub-Committee**

- 2.4.1. The Tender Sub-Committee shall comprise of:
- i. At FCCC Board's discretion, one (1) or more member(s) of FCCC's Board of Commissioners, depending on the requirements of the tender.
  - ii. One (1) member of FCCC's Executive Management.
  - iii. One representative from FCCC's Legal Department nominated by the Executive Management.
  - iv. Three (3) representatives from FCCC's Management Team nominated by the Executive Management.
  - v. When and where required, an independent member with background and expertise in the area covered by the tender, nominated and agreed to by the other members of Tender Sub-Committee.
- 2.4.2. The Finance Department personnel shall not be part of Tender Sub-committee to ensure that the procurement process is independent, and conflicts of interest are avoided.
- 2.4.3. The members appointed under Section 2.4.1 (iii) and (iv) shall continue to hold membership for a term of two (2) years, unless they:
- i. resign with one (1) months' notice through an instrument in writing addressed to the Tender Sub-committee Chair or the Executive Management.
  - ii. complete their term and are re-appointed for another term.
  - iii. resign from FCCC in accordance with their contract.
  - iv. complete their tenure with FCCC in accordance with their contract and this is not renewed.
  - v. are terminated or lawfully removed from employment of FCCC.
  - vi. are not able to continue their duties due to any medical condition.
  - vii. become mentally incapacitated.
  - viii. die.
- 2.4.4. The members shall appoint a Chair for the Tender Sub-committee through

majority votes in the meeting of members.

2.4.5. The members shall appoint a Secretary for the Tender Sub-committee through majority votes in the meeting of members.

2.4.6. The Tender Sub-committee must adopt terms of reference for its operations.

### **Invitation to Tender**

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

- i. detailed specification of the tender or details of how additional information can be collected/accessed;
- ii. any requirements regarding the form in which the bidder's responses should be presented;
- iii. the final date and time by which all bids should be received;
- iv. the way in which the bidding documents should be marked and the address to which it should be delivered;
- v. the criteria by which responses will be evaluated;
- vi. information about how both successful and unsuccessful bidders will be notified.

2.4.8. Where any alterations are made to the "invitation to tender", such information must be published in the same manner that the tender was advertised.

2.4.9. The invitation to tender shall be advertised through appropriate mediums for a period of no less than (10) working days. Where the tender must be re-advertised, this shall be for a period of no less than five (5) working days.

### **Receipt of Tenders**

2.4.10. The tender may be received either physically (tender box must be provided at the location specified in the "Request to tender") or electronically (email address must be specified in the "Request to tender").

2.4.11. The tender box shall be kept locked with two (2) separate locks. One (1) key shall be kept by Chair and the other by Secretary of Tender Sub-Committee. Access to email address shall be with Chair and Secretary of Tender Sub-Committee.

2.4.12. All bids delivered physically shall be dropped inside the tender box provided or electronically to the email address specified.

### **Meetings of Tender Sub-Committee**

- 2.4.13. The Secretary shall schedule meeting dates for Tender Sub-committee.
- 2.4.14. If any member is unable to attend the meetings, an apology of absence will suffice.
- 2.4.15. If the Chair is not able to attend a scheduled meeting, then the members may appoint a temporary Chair to preside over that meeting.
- 2.4.16. The quorum for any meeting of the Tender Sub-committee is four (4) members.

### **Opening of Tenders**

- 2.4.17. Bids shall be opened by the Tender Sub-Committee.
- 2.4.18. The tender must be opened no later than three (3) working days from final date by which all bids should be received.
- 2.4.19. The members shall declare their conflict of interest with any of the bidders at the time of opening of tender and recuse themselves from the tender process.
- 2.4.20. The Chair of Tender Sub-committee shall, in consultation with remaining members, make a final decision on whether to include member(s) who have declared conflict of interest. This decision shall be included in the final tender evaluation report.
- 2.4.21. All bids received must be officially stamped and initialed by the members present at the meeting. The bids must be recorded in Tender Register by the Secretary and signed by the members present at the meeting.

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

- 2.4.22. The Chair of Tender Sub-committee must ensure that bids are evaluated in a transparent and fair manner using the evaluation criteria specified in the "Request to tender".
- 2.4.23. Bids that do not comply with the mandatory specifications or conditions in the "Request to tender" shall be considered null and void.
- 2.4.24. If a bid is unclear in certain areas, the Tender Sub-committee may direct the Secretary to seek clarifications in writing from the bidder. However, no

alterations shall be made to any tender documents.

- 2.4.25. Upon completion of the evaluations, the Secretary shall prepare a report including:
- i. a list of all the bids received;
  - ii. the evaluation of each bid against each evaluation criterion;
  - iii. the ranking of bids based on the evaluation criteria – whether on an individual or consensus basis;
  - iv. The approved or recommended bidder and total cost; and
  - v. where necessary, contingency sums not exceeding 10% of the contract value for any unforeseen or unforeseeable aspects of the project at the time of preparing the report.
- 2.4.26. The utilisation of any contingency sum approved under Section 2.4.25 (v) shall be subject to approval in accordance with financial delegation limits set out in section 2.2.1.
- 2.4.27. The tender evaluation report must be completed and submitted for a decision no later than ten (10) working days from opening of the tender.
- 2.4.28. The tender evaluation report must be signed by each member of the Tender Sub-committee. The Secretary of Tender Sub-committee shall submit the report to Board Secretary for circulation to the Board of Commissioners for decision.
- 2.4.29. The Board of Commissioners shall deliberate the recommendation(s) of Tender Sub-committee and make a decision no later than five (5) working days from submission of the report, unless otherwise agreed. Where the decision is apart from the recommendation(s) made, the Board of Commissioners shall submit their comments to Board Secretary through email or Board meeting minutes.
- 2.4.30. Once a tender has been approved, the Secretary must immediately inform all unsuccessful bidders in writing of the outcome of their bid, the name of the successful bidder and the tender debriefing process timeline.
- 2.4.31. The Secretary must arrange a written contract/agreement to be entered with the approved bidder for the supply of the goods, services or works tendered, no later than ten (10) working days from date of approval, unless otherwise agreed. Legal Dept. must vet the contract/agreement and signed original must be forwarded to Finance Dept.

### **Tender Debrief**

- 2.4.32. The unsuccessful bidder must submit a written request for debriefing to the Secretary no later than two (2) working days after receiving the outcome of their bid.
- 2.4.33. The Secretary shall arrange a debriefing session and notify the bidder and Chair no later than one (1) working day after receiving the written request for debrief. Signed minutes of this session must be kept for future reference.
- 2.4.34. In the event that unsuccessful bidder is not satisfied with the outcome of debriefing, the bidder may lodge a written complaint with Executive Management and/or FCCC Board of Commissioners no later than one (1) working day after the debriefing session.

### **Complaint Process**

- 2.4.35. Upon receiving the complaint, the contract for successful bidder must be halted pending outcome of the investigation process. The successful bidder must be notified of this process immediately by Secretary of Tender Sub-committee.
- 2.4.36. The Executive Management and/or FCCC Board of Commissioners must ensure that the complaint is investigated fairly, impartially and promptly. Internal Audit may be involved to investigate the matter.
- 2.4.37. Written response must be provided to the complainant on the outcome of investigation and Tender Sub-committee must be informed of the recommendation on the way forward.

### **Variations in Tenders Subsequent to Approval**

- 2.4.38. The Chair of the Board of Commissioners shall approve any variations (e.g., cost, scope, timeline etc.) arising in tender process, after the tender has been approved by the Board of Commissioners.

## **2.5 Local Procurement**

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

- 2.5.2. Any purchase order issued should be cleared within two (2) months from date of issue.
- 2.5.3. The purchase order shall be raised once all relevant documents pertaining to a request for procurement locally has been completed and authorised by the relevant authorising officers.
- 2.5.4. The Finance Officer shall raise the purchase order and seek approval based on procurement delegations in section 2.2.1. The Finance Officer shall register the purchase order in commitments ledger before releasing the purchase order to the supplier.
- 2.5.5. The Financial Controller must provide a report of all open PO's to Department Managers in the Monthly Management Report.

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

- 2.6.1. Upon receipt of the goods or services, the Clerical Purchasing Officer shall verify that goods or services are in good order and that the invoice is in accordance with the purchase order.
- 2.6.2. If the quantity of goods received is less than the quantity shown in supplier's invoice or delivery note, the Clerical Purchasing Officer shall furnish a report to Financial Controller, who shall resolve this with the supplier or carrier.
- 2.6.3. If goods or packages containing goods have apparently been damaged or tampered with prior to delivery, such goods shall be opened in the presence of the supplier's agent and the Clerical Purchasing Officer must report the issues to the Financial Controller, who shall resolve this with the supplier.
- 2.6.4. If the dispute is not resolved amicably, then a claim shall be arranged against the supplier. This should be made within seven (7) working days of the goods or services being received.
- 2.6.5. For goods or services subject to a written contract or agreement, the Clerical Purchasing Officer shall verify that claims for progress payments are in order and delivered in accordance with the contract or agreement.

## **2.7 Recording of Commitments**

- 2.7.1. The Finance Officer must maintain a Commitments Ledger in which all known commitments shall be recorded.

- 2.7.2. The Commitment Ledger must have the following details:
- i. the LPO number;
  - ii. the date the commitment was incurred;
  - iii. the amount committed;
  - iv. the balance remaining;
  - v. the invoice number (where applicable);
  - vi. the payment voucher number; and
  - vii. the cheque number.
- 2.7.3. The Finance Officer must ensure that the Commitment Ledger is entered up to date.

## **2.8 Payments**

- 2.8.1. All official payments are to be made by cheque, through electronic payment, credit card or fuel card except where payable from petty cash.
- 2.8.2. All payments must be processed through payment vouchers prepared by the Finance Officer. Separate vouchers are to be used for separate payees and for the payment of different services.
- 2.8.3. The Finance Officer, in preparing a payment voucher must ensure that the following information has been included on the payment voucher or attached to it, before passing it for certification and approval:
- i. Date of payment voucher;
  - ii. Name of supplier;
  - iii. Budget line item;
  - iv. Brief description of payment;
  - v. Amount in figures and words that should match;
  - vi. Supplier invoice, where applicable;
  - vii. Approved requisition, Flying Minute or Tender Document;
  - viii. Local Purchase Order
  - ix. Any other relevant/applicable documents.
- 2.8.4. The Financial Controller must not certify a payment as correct unless he/she is satisfied that:
- i. it is in accordance with the purchase order(s), contract, invoice, statement or other authorisation;
  - ii. there is documentation that the goods, services or works have been received;
  - iii. the account is not fraudulent and has not been previously paid;
  - iv. the expenditure account it is charged to is correct.



- 2.8.5. The Finance Officer and Financial Controller must initial any alteration to a payment voucher.
- 2.8.6. Immediately after payment has been effected, the Finance Officer must stamp "paid" on all vouchers and supporting documentation to avoid any double payments.
- 2.8.7. If a payment voucher is lost after payment, approval must be obtained from the Financial Controller to issue a replacement voucher for documentation and record purposes.
- 2.8.8. The Finance Officer shall file the payment vouchers in numerical sequence daily and forward the file to Finance Officer for daily posting into the Accounting Software.
- 2.8.9. Finance Officer is responsible for updating the Accounting Software daily. Financial Controller must certify every day that daily postings are up to date.

#### **Electronic Fund Transfer Payment**

- 2.8.10. Steps 2.8.2 to 2.8.9 are to be followed for Electronic Fund Transfer (EFT) payments.
- 2.8.11. Bank details need to be clearly entered on the payment voucher for EFT.

## **PART 3: PAYROLL**

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

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

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

- Board of Commissioners;
- CEO;
- GM;
- CFO;
- Financial Controller;
- Senior Accountant;
- Finance Officer; and
- Administration Officer.

## **SALARIES & WAGES**

### **3.1 Appointments**

- 3.1.1. The CEO shall provide a letter of appointment to all new employees, except for Executive Management, for whom the Board of Commissioners shall issue the letter of appointment. The letter shall include at a minimum, the following information:
  - i. job classification;
  - ii. salary band and starting salary;
  - iii. date of appointment to position.
- 3.1.2. The letter of appointment shall be forwarded to designated officers in Finance department.
- 3.1.3. The staff responsible for processing payroll and allowances shall be determined by Financial Controller.

## **3.2 Processing of Fortnightly Salary Payment**

### **Calculation of Fortnightly Salary**

- 3.2.1. Salaries shall be paid on a fortnightly basis and computed at 1/26<sup>th</sup> of an employee's annual salary.
- 3.2.2. Where payment is for a broken period, salary shall be computed at 1/26<sup>th</sup>/79<sup>th</sup> of the annual salary multiplied by the number of hours to be paid.

### **Preparation of Manual Pay Entry Forms**

- 3.2.3. Electronic pay entry forms shall be used to amend payroll data, such as for (but not limited to):
- i. creation of an employee's master-file electronically and any subsequent changes to the master-file in the automated payroll system;
  - ii. manual payments, including but not limited to annual leave payout, arrears and final pay;
  - iii. reversing of an employee's salary;
  - iv. various allowances and deductions; and
  - v. overtime, one-off allowances or deductions.
- 3.2.4. All manual pay entry forms must be prepared by Finance Officer/Senior Accountant, verified by Senior Accountant/Financial Controller and approved by the CFO/GM, except for any pre-approved changes to Board allowances, which shall be approved by CEO.

### **Reconciliation of Salary Payments**

- 3.2.5. The payroll reports from automated payroll system contain salary details of employees such as employee name and EDP number, annual and fortnightly salary, allowances and deductions.
- 3.2.6. The payroll reports consist of, but not limited to:
- i. pay detail report;
  - ii. pay summary report for FCCC, the branches and departments;
  - iii. allowance & deduction reports;
  - iv. direct bank reports
  - v. surcharge reports;
  - vi. check list reports;
  - vii. salary advice slips; and
  - viii. P4-1 slips.

- 3.2.7. The fortnightly salary reconciliation shall be prepared by Finance Officer/Senior Accountant and approved by Senior Accountant/Financial Controller. The reconciliation must reconcile the difference between the previous fortnightly pay run and the current pay run. The system generated journal to be posted into the Accounting Software for the current pay run shall be reviewed by the Senior Accountant.
- 3.2.8. The Senior Accountant/Financial Controller must verify the names and number of staff included in the pay run.
- 3.2.9. The Finance Officer/Senior Accountant must ensure the bank authorisation has been approved by two signatories one of who shall be from Executive Management, prior to releasing the direct deposit file to the bank on every Thursday of the pay week. The Board allowances shall be approved by Financial Controller/CFO and CEO.

### **3.3 Accounting for Salary Payments**

- 3.3.1. The system generated journal shall form the basis for updating the Accounting Software.
- 3.3.2. Finance Officer/Senior Accountant shall import the payroll journal entry to Accounting Software every month.

### **3.4 Salary Arrears/Allowances**

- 3.4.1. Any payment of arrears of salary or pre-approved allowance for employees other than Executive Management, shall be approved by CFO/GM; for Chief positions shall be approved by GM; and for GM positions and Board allowances shall be approved by CEO.
- 3.4.2. Any payment of arrears of salary or pre-approved allowance for CEO shall be approved by Board of Commissioners.
- 3.4.3. All such payments shall be made with the next salary payment.
- 3.4.4. The Finance Officer/Senior Accountant shall process such payments after preparing the appropriate manual pay entry form.
- 3.4.5. If a payment is to be made for arrears relating to the previous financial year(s), the details of arrears need to be referred to Fiji Revenue and Customs Service to determine the tax to be deducted.

3.4.6. Once the tax value has been determined, payment shall be made in the normal manner.

### **3.5 Unclaimed Salary**

3.5.1. The Finance Officer/Senior Accountant shall receipt any unclaimed salary that is not paid out within forty-eight hours.

3.5.2. The unclaimed salary must be presented to the Financial Controller, for endorsement before being receipted.

#### **Register of Unclaimed Salaries**

3.5.3. The Finance Officer/Senior Accountant shall record unclaimed salaries in an unclaimed salary register. The register shall provide the following details:

- i. name of employee and EDP number;
- ii. FNPF number;
- iii. pay period for unclaimed salary;
- iv. amount;
- v. date, serial number of receipt and amount;
- vi. date, payment voucher number, amount and cheque number (where salary is paid to employee).

3.5.4. When the unclaimed salary is receipted, the Finance Officer/Senior Accountant shall update the register.

3.5.5. Likewise, when the unclaimed salary is paid to the employee, the Finance Officer/Senior Accountant shall record the relevant payment details in the register.

### **3.6 Reversal or Withholding of Salary**

3.6.1. Where it becomes necessary to hold, cease or reverse an employee's salary, the Finance Officer/Senior Accountant shall prepare this Manual pay entry form for ceasing or reversing salary payments as well as to reverse or cease all deductions for that particular pay period.

3.6.2. The system generated journal shall form the basis for updating the Accounting Software.

### **3.7 Statutory Obligations**

- 3.7.1. FNPF contributions, PAYE Tax and FNU Levy need to be lodged in the prescribed forms and paid to the respective institutions by the deadlines stipulated in the legislations governing these statutory obligations.
- 3.7.2. Finance Officer/Senior Accountant must ensure deadlines are met. Any delays resulting in penalties shall be surcharged to the Finance Officer/Senior Accountant.

### **3.8 Distribution of Pay Slips and Tax Withholding Certificate**

- 3.8.1. Pay slips shall be distributed through the payroll system and Tax Withholding Certificate shall be distributed as and when needed by staff.

### **3.9 Advance Pay**

- 3.9.1. In case of circumstances, such as natural disasters, pandemics, curfew/lockdown, political/civil unrest, special events, religious festivals etc., where need arises to process staff pay in advance, then CEO shall authorise for the pay to be processed in advance.

### **3.10 Board & Attachment Allowances**

- 3.10.1. The FCCC Board and attachment allowance processing shall be done in accordance with provisions stipulated in Sections 3.1 to 3.9 of this Manual.

### **3.11 Other Types of Payment**

#### **Gratuity Payments for Contracted Employees**

- 3.11.1. At least one month before gratuity payments are due to be paid to contracted employees, the Finance Officer must prepare payment vouchers for authorisation by the Financial Controller and CEO.
- 3.11.2. Any gratuity payment must be in accordance with the terms and conditions in the respective contract. A copy of the contract must be attached to the payment voucher.

### **Allowances – Local Duty Travel**

3.11.3. When on duty travel out of the station, FCCC shall provide accommodation for all personnel in reasonably reputable hotels.

3.11.4. FCCC personnel shall be entitled to the following allowances when on duty travel:

- i. Meals - \$15 per meal. Staff will qualify for the allowance as follows:
  - a) breakfast when departure from station is prior to 5.30 a.m. and staff is away from the station for minimum of four (4) consecutive hours;
  - b) lunch when staff is away from station for five (5) consecutive hours from start of business at 8.00 a.m.;
  - c) dinner when staff returns to the station after 7.00 p.m.
- ii. Subsistence allowance - \$80 per day, inclusive of three meals at per meal rate stipulated in point “i” above, applicable only for areas that do not have any hotel accommodation in accordance with section 503(a) of General Orders of Fiji.
- iii. Incidentals – on reimbursement basis upon furnishing of proper receipts.
- iv. Mileage claim, where personnel use personal vehicles for travel - \$0.50 per kilometer travelled. This shall be based on actual kilometers travelled and claim shall be submitted no later than first day of return to office.

3.11.5. For the purposes of this manual, the stations are defined as follows:

- i. Central – covers districts from Navua to Korovou.
- ii. Western – covers districts from Sigatoka to Rakiraki.
- iii. Northern – covers entire Vanua Levu.

3.11.6. FCCC personnel shall not be eligible for meal allowances when travelling within the station boundary set out in section 3.11.5 during the day. However, where overnight stay is required at a place other than the district of usual abode for the staff, the allowances shall be in accordance with section 3.11.4.

3.11.7. While on duty travel to villages in rural and maritime areas, there may arise a need to carry yaqona for village protocol. This shall be purchased based on the tour plan prior to departure from station and plastic wrapped to ensure freshness.

### **Per Diems – Overseas Travel on Duty or Training**

3.11.8. Where per-diems need to be paid, this shall be calculated with reference to the per-diem amounts for each country that are updated by Public Service Commission on monthly basis and the latest issue of circular on per-diem percentages by the Ministry of Economy at the time of per-diem calculations.

### **Staff Obligations**

- 3.11.9. FCCC shall contribute maximum of \$100 towards farewell of a staff member.
- 3.11.10. FCCC shall contribute towards celebration of events as follows:
- i. Central – maximum of \$400;
  - ii. Western – maximum of \$100; and
  - iii. Northern – maximum of \$100.
- Any request exceeding the limits set out in points “i” to “iii” above shall be approved by CEO.
- 3.11.11. In cases of death of a staff, an ex-gratia payment may be made to the estate or next of kin of the deceased staff member. This will be twenty (20) percent of the deceased staff member’s salary at time of death up to a maximum of \$5,000.
- 3.11.12. In case of death of a staff member’s immediate family member FCCC will contribute \$200 to the given to staff member for each immediate family member.

### **Staff Recognition Awards**

- 3.11.13. FCCC shall recognise and reward good performance of its staff on quarterly and annual basis in an effort to boost morale, loyalty and performance of the staffs. Human Resources Department shall coordinate these awards.
- 3.11.14. FCCC shall contribute maximum of \$600 for the quarterly staff recognition awards.
- 3.11.15. The quarterly awards and criteria shall be set by the Human Resources Department. All FCCC personnel shall have the opportunity to nominate candidates for the awards. An independent committee shall be established by Human Resources Department to evaluate the nominees based on the set criteria. The committee shall be responsible for providing the report on award winners with justifications to the Human Resources Department.
- 3.11.16. FCCC shall organize an annual staff awards function subsequent to the end of the financial year to provide an opportunity for all of its staff to engage in team building activities, promote team spirit within FCCC and recognise and award good performance throughout the year. The quarterly awards may form a basis for these awards.



### **Overtime**

- 3.11.17. Any overtime work by FCCC personnel shall be pre-approved by Management and FCCC personnel shall be entitled to meal allowance at the rate stipulated in section 3.9.4.
- 3.11.18. Where FCCC personnel are required to work overtime during normal work days, they shall be entitled to meal allowance as follows:
- i. Monday – Thursday: working beyond 7.00 pm and each set of five (5) consecutive hours worked from thereon.
  - ii. Friday: working beyond 6.30 pm and each set of five (5) consecutive hours worked from thereon.
- 3.11.19. Where FCCC personnel are required to work overtime during weekends and public holidays, they shall be entitled to meal allowance as follows:
- i. breakfast when work is commenced from 5.30 a.m. and staff works for minimum of four (4) consecutive hours;
  - ii. lunch when staff works for five (5) consecutive hours from start of business at 8.00 a.m.;
  - iii. dinner when staff works beyond 7.00 p.m.

### **Relocation**

- 3.11.20. FCCC shall organise the transportation or shipping for staff who may be requested to relocate by FCCC.

## **PART 4: REVENUE MANAGEMENT**

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

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

- CEO
- GM;
- Financial Controller;
- Finance Officer;
- Finance Officer; and
- Customer Service Officers.

### **4.1 Authority to Collect Revenue**

4.1.1. FCCC shall impose user levy on industries regulated by FCCC in accordance with section 23 of FCCC Act 2010.

4.1.2. The Customer Service Officers are responsible for receiving cash and issuing receipts.

### **4.2 Inventory and Distribution of Receipt Books**

4.2.1. The Finance Officer is responsible for maintaining an inventory register for the receipt books that shall state the:

- i. date the receipt books are received from printer;
- ii. amount of books received;
- iii. serial numbers of receipts for the books received;
- iv. date when stock issued to each Customer Service Officer;
- v. serial numbers of receipts for the books issued to each Customer service officer.

4.2.2. All requests for receipt books shall be submitted to the Finance Officer on appropriate requisition form.

4.2.3. Receipt books must be issued in sequential order and any issue of receipt books must be recorded in the Finance Despatch Book that shall be signed by Customer Service Officer receiving the receipt books.

4.2.4. The Customer Service Officer must also maintain an inventory register. The register shall contain a record of:

- i. date when stock was received; and

- ii. serial numbers of receipts for the books received.

### **Transfer of Receipt Books between Customer Service Officers**

- 4.2.5. Under no circumstance shall any receipt book be transferred between Customer Service Officers unless the Financial Controller has given approval.
- 4.2.6. The Finance Officer shall update the inventory register accordingly.
- 4.2.7. Similarly, the Customer Service Officers must update their inventory register.

## **4.3 Receiving Revenue**

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

- 4.3.1. When cash or bank cheques are received, the Customer Service Officer shall immediately issue an official receipt.
- 4.3.2. Personal cheques from individuals shall never be accepted as payments.
- 4.3.3. The Customer Service Officer must enter relevant details specified on the receipt before signing it. Carbon copies of the receipt should be checked to ensure that details on the original receipt are also legible on these copies.
- 4.3.4. No amendments shall be made to the carbon copies.
- 4.3.5. The original receipt should be detached from the receipt book and issued to the payer. The Customer Service Officer shall attach the duplicate receipt to the daily cash count sheet and retain the triplicate copy in the receipt book.
- 4.3.6. If a receipt is spoiled, it shall be crossed as “cancelled” and all three copies shall be retained in the receipt book.

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

- 4.3.7. Two Customer Service Officers should be present at all times when official mail is opened.
- 4.3.8. The Customer Service Officers must immediately record any cash or other forms of money received, in a cheque register. The register shall contain the

following information:

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

4.3.9. Immediately after completing the mail opening, the Customer Service Officers shall submit the money received and the cheque register to the Finance Officer for verification.

4.3.10. The Finance Officer shall verify each entry in the register against the money received before issuing a receipt and noting receipt details in the register.

4.3.11. The cheque register and original receipts will be returned to the Customer Service Officers, who will then despatch the original receipts to each payer.

4.3.12. The duplicate and triplicate copies of the receipt shall be handled as per clause 4.3.4 of this Manual.

#### **Revenue Received through Direct Deposit**

4.3.13. Finance Officer must review bank statements daily for any revenue received directly in the bank accounts.

4.3.14. Where revenue has been received, Finance Officer must determine the source of funds and forward details to the Customer Service Officer, within two (2) days from date of direct deposit.

4.3.15. Customer Service Officer must issue a receipt and despatch the original receipt to each payer immediately. The duplicate receipt shall be issued to Finance Officer to be attached to the daily bank reconciliations and triplicate copy shall be retained in the receipt book.

#### **Receiving Official Gifts**

4.3.16. A gift received by an officer in his/her official capacity or donated to FCCC must be recorded in a gift register to be maintained by the GM.

4.3.17. Details to be recorded in the gift register include:

- i. date gift received;
- ii. description of gift;

- iii. agency or person gift received from;
- iv. any conditions attached to gift; and
- v. price or fair value where possible.

4.3.18. Where the gift is in the form of property or equipment and meets the criteria for a fixed asset, it shall also be included in the fixed asset register.

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

#### **4.4 Daily Banking**

4.4.1. The Customer Service Officer shall maintain a daily cash count sheet in which he/she shall enter, on daily basis, the following details:

- i. Date of receiving cash or cheques
- ii. Name of payer;
- iii. Serial number of receipt;
- iv. Amount received;
- v. Revenue account code.

4.4.2. The Customer Service Officer must total the daily cash count sheet at the end of the day and forward this with cash and cheques and the duplicate copies of receipts to Financial Controller for verification.

4.4.3. Financial Controller shall verify the cash on hand against the receipts and daily cash count sheet.

4.4.4. If it is not practical to bank money daily, i.e. if banking facilities are not accessible or money received is less than \$200.00, money shall be kept overnight under lock and key in a safe.

4.4.5. The Finance Officer in the presence of the Customer Service Officer, should count the money on hand before entering the amount into the safe register. Money shall only be removed from the safe when the banking will be done.

4.4.6. The Finance Officer and Customer Service Officer must sign the safe register when cash is removed from the safe.

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

4.4.8. Subject to clauses 4.4.2 to 4.4.6, Finance Officer shall prepare the bank lodgment form in duplicate.

- 4.4.9. Finance Officer shall deposit the funds. Upon lodgment, the bank will acknowledge receipt of monies by stamping and signing both copies of the form. Original shall be retained by the bank and duplicate retained in the deposit book.

#### **4.5 Accounting for Revenue**

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

- 4.5.1. The Finance Officer shall use the approved daily cash count sheet for updating the Accounting Software.
- 4.5.2. Once posted, the daily cash count sheet needs to be stamped "Posted" to avoid double posting.

##### **Monthly Revenue Reports**

- 4.5.3. At the end of each month, the Financial Controller shall prepare a Revenue Statement comparing the types of revenue collected during the month against the forecasted revenue with explanations for major variances (> 10%).
- 4.5.4. The Revenue Statement shall be included as part of the monthly management report as specified in Part 15 of this Manual.

#### **4.6 Monitoring Revenue Collection**

- 4.6.1. The Financial Controller shall maintain a chart to monitor the regularity of revenue lodged by the Customer Service Officers.
- 4.6.2. The chart shall outline the following information:
- i. name of each Customer Service Officer;
  - ii. the station where each Customer Service Officer is based;
  - iii. frequency of revenue submissions made to head office; and
  - iv. frequency of lodgments made to the bank.
- 4.6.3. The chart shall be used to ascertain those Customer Service Officers who make irregular lodgments or have neglected to do so. The Financial Controller shall follow up with such officers and take steps to ensure immediate payments are received and that subsequent delays do not occur.

## **4.7 Refunding Revenue**

- 4.7.1. If a situation arises where revenue needs to be refunded, the Customer Service Officer (or other responsible officer) shall immediately notify the Financial Controller in writing. Details to be included are as follows:
- i. Amount of revenue to be refunded;
  - ii. Circumstances necessitating the refund;
  - iii. Serial number of receipt, date, payer and revenue allocation code charged;
  - iv. Date of lodgment.
- 4.7.2. All relevant documents such as the original receipt and a copy of the lodgment form should be forwarded to Financial Controller.
- 4.7.3. The Financial Controller may direct the Finance Officer to raise a payment voucher for refund of revenue outlining the details as in clause 4.7.1.
- 4.7.4. If the amount has not yet been banked, the Financial Controller may approve instead that the receipt be cancelled, and the amount be refunded from collections. The original and duplicate receipts shall be marked "cancelled" and filed in order in the receipt book.
- 4.7.5. All refunds must be authorised by the Financial Controller.
- 4.7.6. If a refund occurs for revenue collected in the current year, the revenue account code shall be debited with a corresponding credit to the "bank account". If it is a refund of revenue collected in the previous year, the "Miscellaneous Refund" account shall be debited.

## **4.8 Maintenance of Receipt Books**

### **Surplus or Obsolete Stock**

- 4.8.1. If receipt books or other accounting forms become obsolete or are no longer required, they shall be returned to Finance Officer, properly sealed.
- 4.8.2. A list of such items shall be prepared and certified in duplicate by the Customer Service Officer. The Customer Service Officer shall forward the original list together with the obsolete or surplus stock to the Finance Officer and retain the duplicate list.
- 4.8.3. Where returned stock is obsolete, Financial Controller must be notified and these must be destroyed.

**Damage or Loss of Receipt Books**

- 4.8.4. If a Customer Service Officer loses or damages receipt books in his/her custody, the Finance Officer must immediately be informed in writing.
- 4.8.5. The Finance Officer shall make the appropriate changes to the inventory register and notify the Financial Controller about the same.
- 4.8.6. If a receipt book is missing, the Financial Controller shall arrange an advertisement in the daily newspapers specifying the serial numbers of receipts for the book and a statement disowning any liability incurred through unauthorised use of that receipt book. The advertisement must be placed within two days of notification of the loss.



## **PART 5: CASH MANAGEMENT**

Responsible cash management practices reduce the risk of losses through theft and fraud and improves returns through investment in financial products.

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

- CEO
- GM;
- Financial Controller;
- Finance Officer;
- Finance Officer; and
- Petty Cash Officers

### **5.1 Safe Custody of Cash**

5.1.1. All cash, cheques and documents of value shall be kept in a safe.

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

5.1.2. The Finance Officer, Finance Officer and Customer Service Officer shall be responsible Financial Controller for the safekeeping of cash and other valuables.

5.1.3. The Finance Officer shall be responsible for:

- i. keeping the safe key;
- ii. maintaining a safe register, which is a record of all money and other valuables in the safe; and
- iii. conducting a stock take of items in the safe at least once every week.

5.1.4. The Finance Officer shall be the only officer with access to the safe.

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

5.1.5. The Finance Officer shall be responsible for holding the safe key. Under no circumstance should any other officer make or hold a duplicate of the key.

5.1.6. If the Finance Officer loses the safe key, he/she must immediately inform the Financial Controller. The key needs to be replaced immediately and Finance Officer shall be surcharged the cost of replacement.

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

5.1.11. The Finance Officer shall maintain a safe register which should contain the following information:

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

5.1.12. At any time, there is movement of money or other items in and out of the safe, the Finance Officer shall update the safe register immediately.

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

5.1.13. Responsibility for the safe can only be handed over to another officer with the approval of the Financial Controller. Such officer shall assume all the responsibilities for safe keeping.

5.1.14. The Finance Officer shall conduct a stock take of the contents of the safe against the safe register in presence of the other officer. Once both officers agree, both shall sign the safe register, safe key shall be handed over and the other officer shall assume responsibilities for safe keeping.

5.1.15. A copy of the safe register that has been signed by both officers shall be forwarded to Financial Controller.

## **5.2 Cash Survey**

### **Annual Board of Survey**

5.2.1. The CEO shall appoint three officers to be part of a Board of Survey to conduct a physical stock take of all money on hand and other stock held in safe(s).

5.2.2. If a selected officer is unable to serve on the Board, he/she must immediately inform the CEO.

5.2.3. Finance Officer, Finance Officer and Customer Service Officers or other officers handling cash must be present during the survey of cash or safe valuables under their charge.

- 5.2.4. If the survey takes more than one (1) day, the Board shall seal the unverified portion of the stock. No officer apart from members of the Board shall open the seal.
- 5.2.5. If any discrepancies are found during the survey, the Financial Controller must provide the written explanation on cause of discrepancies and countermeasures to be implemented within the Board of Survey report.
- 5.2.6. Financial Controller must put in place countermeasures to mitigate the risks and ensure that losses are recovered or written off.

### **Surprise Cash Counts**

- 5.2.7. At each office at which money is collected, the Finance Officer shall conduct a surprise cash count as and when required.
- 5.2.8. After cash or safe contents have been physically verified to daily cash count sheets, receipts and other supporting documents, the Finance Officer shall sign and date the cash count summary and state whether the balance corresponds to the actual cash on hand.
- 5.2.9. Similarly, the Finance Officer must sign and date the safe register balances after verifying the actual contents in the safe.
- 5.2.10. The Finance Officer shall provide a report of the cash count to the Financial Controller and state whether any discrepancies are detected.
- 5.2.11. Financial Controller must put in place countermeasures to mitigate the risks and ensure that losses are recovered or written off.

## **5.3 Petty Cash**

### **Approval to Hold Petty Cash**

- 5.3.1. If it is necessary for an officer to hold petty cash for incidental payments, a request shall be made to Financial Controller.
- 5.3.2. The request shall provide details on:
  - i. holding officer's name, designation and station;
  - ii. justification for the request; and
  - iii. amount of petty cash requested.

- 5.3.3. The request shall be approved by the Financial Controller and the petty cash float shall be as follows:
- i. Head office - \$2,500; and
  - ii. Other offices – maximum of \$500.
- The amount of petty cash float is the threshold for petty cash expenditure.
- 5.3.4. Petty Cash Officers must maintain a petty cash book and use the appropriate vouchers when making payments or replenishing funds.
- 5.3.5. If petty cash is held at the office, it must be kept in a safe. It is the responsibility of Petty Cash Officers to safeguard money and records in their possession.
- 5.3.6. The Financial Controller must be notified when arrangements are made to hand over responsibility for keeping petty cash. Where notification has not been made, the officer handing over retains joint responsibility for any losses incurred during his/her absence.
- 5.3.7. When handing over, the Petty Cash Officer shall reconcile the petty cash book to the used vouchers and cash on hand in presence of the other officer. Once both officers agree, both shall sign the petty cash book, cash and vouchers (used and unused) shall be handed over and the other officer shall assume responsibilities of the Petty Cash Officer.

### **Making Payments**

- 5.3.8. All payments made from petty cash must be supported by a petty cash voucher that shall be authorised by the Financial Controller for Central Division and the Regional Managers for the Other Divisions. While on duty travel or on leave, Financial Controller and Regional Managers shall delegate authority to Finance Officer.
- 5.3.9. The petty cash voucher shall provide the following details:
- i. voucher date and number;
  - ii. name of payee and reason for payment;
  - iii. expenditure account code; and
  - iv. any amount refunded back to petty cash.
- 5.3.10. The recipient must sign the voucher upon payment. The original voucher shall be given to the recipient and the duplicate retained by the Petty Cash Officer.
- 5.3.11. The recipient must furnish proper receipts and refund the balance of petty cash, where applicable, to the Petty Cash Officer. The petty cash shall not be held

beyond twenty-four (24) hours by the recipient.

5.3.12. Petty cash must not be used to make the following payments:

- i. Wages and salaries;
- ii. Major / regular payment to trade suppliers;
- iii. Gifts to members of staff or ex-staff members;
- iv. Cash gifts, gratuities or donations of any nature to external bodies;
- v. Payment for non-business use of goods and services; and
- vi. Personal expenditure, loans or advances to employees or cashing of personal cheques.

### **Replenishing the Petty Cash**

5.3.13. It is the responsibility of the Petty Cash Officer to ensure sufficient cash is available.

5.3.14. The maximum threshold for replenishing petty cash shall be when 70% of petty cash float has been used up, though this can be done earlier as well. Petty Cash Officer shall enter details of payments made into the petty cash summary and attach duplicate vouchers with receipts, total the payments to be reimbursed, and reconcile cash on hand to the petty cash summary.

5.3.15. This reimbursement batch shall be forwarded to Financial Controller for verification of accuracy of payments and approval.

5.3.16. Once approved, the Finance Officer shall arrange for reimbursement of petty cash in accordance with section 2.8.

5.3.17. The Finance Officer shall post the details of payment voucher to the relevant expenditure accounts based on the petty cash summary.

## **5.4 Operating Bank Accounts**

5.4.1. The Finance Officer shall keep an up-to-date file of the names, designations and signatures of officers authorised to operate bank accounts.

5.4.2. The Finance Officer shall only nominate such officers after obtaining the approval of the Financial Controller.

5.4.3. The "Main Operating Account" will be operated for all payments except for those payable from trust bank accounts, imprest accounts or petty cash.

### **Opening & Closure of Bank Accounts**

- 5.4.4. Chair of the Board of Commissioner's shall authorise the opening and closing of bank accounts.
- 5.4.5. Upon closure of any account, the funds need to be transferred to the new account or if there are no new accounts being opened, then into the "Main Operating Account".

### **Banking Security**

- 5.4.6. The Financial Controller must ensure that two officers make deposits or withdrawals at the bank.
- 5.4.7. Cash must be carried to the bank in a banking bag.
- 5.4.8. The Financial Controller is responsible for arranging additional security measures such as a police escort, whenever cash deposits or withdrawals are significantly large.

### **Preparing Monthly Bank Reconciliations**

- 5.4.9. The Finance Officer shall update bank postings and do bank reconciliations daily.
- 5.4.10. The Finance Officer shall forward monthly bank reconciliations to Financial Controller for review by close of business on second working day following the end of month.
- 5.4.11. Details of unpresented cheques, unpresented lodgments and other reconciling items should be attached to the reconciliation statement.
- 5.4.12. The Financial Controller must verify balances in the bank reconciliation to the cashbook, bank statements, unpresented cheque list, lodgments not credited list and the previous month's bank reconciliation before certifying it.
- 5.4.13. The Bank Reconciliation Statement shall be included as part of the monthly management report as specified in Part 15 of this Manual.

## **5.5 Accounting for Cheques**

### **Stale Cheques**

- 5.5.1. Finance Officer shall follow up on unpresented cheques aged beyond three (3) months with payees to ensure these do not become stale.
- 5.5.2. If cheques remain in the unpresented cheque list for more than 6 months, then these cheques shall be transferred to stale cheque list and the liability shall be carried for six (6) years in accordance Para. 4(2) of Limitation Act (CAP 35) of Fiji. This provision allows six (6) years to creditors to make a claim for goods/services provided for which payment remains outstanding.
- 5.5.3. The Financial Controller shall review the stale cheque list monthly. Finance Officer shall follow up payees and where required a replacement cheque shall be issued.

### **Replacement Cheques**

- 5.5.4. If a replacement cheque is issued, the Finance Officer shall prepare a payment voucher listing the following details:
  - i. cheque number, amount and date of the cheque being replaced;
  - ii. circumstances under which the replacement cheque is required.
- 5.5.5. The stale cheque shall be cancelled with a note stating that it is being replaced by another cheque.
- 5.5.6. Finance Officer shall update the Accounting Software for cancellation of initial cheque and raising of replacement cheque.

### **Lost or Destroyed Cheques**

- 5.5.7. If a payee loses or destroys his/her cheque and requests for a replacement, the Financial Controller may authorise that a replacement cheque be issued after obtaining a Statutory Declaration.
- 5.5.8. If an Officer loses a cheque, he/she must provide a written report to the Financial Controller. The matter shall be dealt with in accordance with Part 11 of this Manual.
- 5.5.9. For any cancellation of cheques required under clause 5.5.7 and 5.5.8, a stop payment order shall be sent to the bank on the same day.

5.5.10. Any cancellation and subsequent re-issue of cheques required under clause 5.5.7 and 5.5.8 shall follow the procedures set out in clauses 5.5.4 to 5.5.6.

### **Dishonoured Cheques**

5.5.11. Where the bank dishonours a cheque, this shall be brought to the attention of Financial Controller immediately.

5.5.12. The Financial Controller shall investigate the reason for dishonour. If found that the cheque should not have been accepted because it was not properly completed or was a personal cheque, Financial Controller shall direct the Customer Service Officer responsible to recover the amount of the cheque. If the amount cannot be recovered within 2 months of being dishonoured, then Financial Controller shall recommend matter be dealt with in accordance with Part 11 of this Manual.

5.5.13. Where Customer Service Officer is not at fault, complain shall be lodged with Fiji Police Force under Crimes Decree 2009.

5.5.14. The dishonoured cheque shall not be returned to the payer until the amount can be recovered.

## **5.6 Cash flow Forecasting**

5.6.1. Financial Controller shall provide Annual Cashflow Projection five working days following the end of the month. This shall account for year to date actual activity, commitments and forecasted activity, with comments on variances from budget for the year.

5.6.2. The Annual Cashflow Projection shall be included as part of the monthly management report as specified in Part 15 of this Manual.

## **5.7 Operation of Imprest Bank Accounts by Divisions**

### **Approval to Hold Advance Accounts**

5.7.1. If it is necessary for any Division to hold Imprest Bank Accounts for making small supplier and judicial payments, a request shall be made to Financial Controller.



- 5.7.2. The request shall provide details on:
- i. Names of authorized signatories, designation and division;
  - ii. justification for the request; and
  - iii. amount of imprest requested.
- 5.7.3. The Financial Controller shall arrange for approval of opening the bank account in accordance with section 5.4.4. The imprest shall be as follows:
- i. Western Division - \$1,500; and
  - ii. Northern Division - \$1,500.
- 5.7.4. The Regional Managers are responsible for safe operation of Imprest Bank accounts.

### **Making Payments**

- 5.7.5. All payments to be made from Imprest Bank Accounts need to be pre-approved through the requisition to incur expenditure in accordance with sections 2.1.8 to 2.1.10.
- 5.7.6. Once approved, the Bank Officer in the Divisions shall prepare payment voucher for the payment in accordance with sections 2.8.2 and 2.8.3.
- 5.7.7. The Regional Manager shall approve the payment voucher in accordance with section 2.8.4.
- 5.7.8. Any alterations on the payment voucher must be initialed by the Bank Officer and Regional Manager in accordance with section 2.8.5.
- 5.7.9. Once approved, the Bank Officer shall write the cheque, ensuring that the amount on payment voucher matches the cheque and forward for signing by authorized cheque signatories.
- 5.7.10. Immediately upon payment, Bank Officer must stamp "paid" on all vouchers and supporting documentation in accordance with section 2.8.6.
- 5.7.11. If a payment voucher is lost after payment, approval must be obtained from the Financial Controller to issue a replacement voucher for documentation and record purposes in accordance with section 2.8.7.
- 5.7.12. The Bank Officer shall file the payment vouchers in numerical sequence in accordance with section 2.8.8. These shall be forwarded to Financial Controller with the reimbursement summary for review.

### **Replenishing the Imprest Bank Account**

- 5.7.13. It is the responsibility of the Regional Managers to regularly review the bank balance and ensure sufficient cash is available for payments
- 5.7.14. At the end of every month or earlier if required due to low bank balance, the Bank Officer shall complete the reimbursement summary and bank reconciliation and compile the reimbursement batch for approval by Regional Manager.
- 5.7.15. This reimbursement batch shall be forwarded to Finance Officer for verification of accuracy of payments and bank reconciliation.
- 5.7.16. Once verified, the Finance Officer shall forward reimbursement batch for approval by Financial Controller.
- 5.7.17. Once approved, the Finance Officer shall arrange for electronic reimbursement of Imprest Bank Accounts in accordance with section 2.8.2.
- 5.7.18. The Finance Officer shall post the details of payment vouchers to the relevant expenditure accounts based on the reimbursement summary.

## **PART 6: INVENTORY MANAGEMENT**

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

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

- Financial Controller;
- Finance Officer;
- Finance Officer;

### **6.1 Maintaining an Inventory Register**

#### **Purchasing Inventories**

- 6.1.1. Inventory purchasing must be carried out in accordance with the *procurement procedures* in Part 2 of the Policy.
- 6.1.2. When inventory items are purchased, the Finance Officer shall record them in the inventory register.

#### **Recording Inventories**

- 6.1.3. The Finance Officer shall maintain the inventory register each inventory item to record incoming and outgoing inventories. The inventory register shall provide the following information:
  - i. date of acquisition and order number reference;
  - ii. number of items received and serial number (only where applicable);
  - iii. supplier details;
  - iv. date of issue of inventory and nature of issue (for example, transfer or for processing); and
  - v. quantity issued.
- 6.1.4. The Finance Officer shall ensure that the register is kept up to date at all times.

### **6.2 Storage of Inventories**

- 6.2.1. Storage of inventories shall be the responsibility of the Finance Officer. The Finance Officer must ensure that:
  - i. adequate storage space is available for incoming stock;
  - ii. storage facilities are properly secured;

- iii. stocks are kept in an orderly manner for safe access and reduced risk of damage;
  - iv. stocks are handled with care;
  - v. quantity is closely monitored and reordered at 30% of stock holding.
- 6.2.2. Access to the inventory stores shall be limited to the Finance Officer. All other officers shall be restricted from entering storage facilities unless approval is granted by the Finance Officer.

### **6.3. Inventory Stock takes**

- 6.3.3. The Financial Controller shall appoint two stock take officers, one of whom is independent of the inventory function, to undertake a stock take of all inventories at least once a year.
- 6.3.4. The stock take officers shall count the stock and verify it to the inventory register. Details of the stock take must be recorded on inventory stock take sheets, which must be signed by the stock take officers upon completion.
- 6.3.5. The stock take officers shall prepare their stock take report noting any surplus, damaged, obsolete or unaccounted stock and their recommendations.
- 6.3.6. The stock take report shall be signed by the stock take officers and submitted to the Financial Controller together with the stock take sheets.
- 6.3.7. The inventory register shall be adjusted only after the Financial Controller has endorsed the recommendations and approval has been given for any write-offs or additions.

### **6.4. Replacements for Inventory on Issue**

- 6.4.1. Where any inventory on issue is misplaced or another request is made earlier than usual, a written report shall be furnished to Financial Controller by the responsible Department/Officer, explaining what has happened.
- 6.4.2. The Manager Corporate and Finance shall approve issue of a replacement where reasons provided are acceptable or the matter shall be dealt with in accordance with Part 11 of this Manual.

## **PART 7: ACCOUNTABLE ADVANCE, CREDIT CARDS & BOARD MEMBERSHIPS**

Accountable advances may be provided to staff who need to travel out of station and/or overseas in order to carry out their official duties. The repayment of these advances must be actively pursued to reduce the risk of losses from irrecoverable debts.

The credit cards held on behalf of FCCC should be used for FCCC purposes only. All Board membership fees need to accrue to FCCC, where a FCCC staff is appointed to any Board.

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

- Board of Commissioners;
- CEO;
- Travelling Officers;
- Financial Controller;
- Finance Officer; and
- Finance Officer.

### **7.1 Accountable Advances**

#### **Applying for an Advance**

- 7.1.1 Officers travelling out of station and/or overseas for official purposes (travelling officers) may apply for an accountable advance.
- 7.1.2 The CEO's overseas travel shall be approved by the Board of Commissioners.
- 7.1.3 Accountable advance shall be approved in accordance with delegation limits set out in section 2.2.
- 7.1.4 Accountable advance application shall be done through the requisition process in accordance with procedures set out in Part 2 of this Manual.
- 7.1.5 When applying for an accountable advance, the travelling officer must provide the following information:
- i. purpose of travel & officer who approved the travel;
  - ii. Tour/work plan (if applicable);
  - iii. travel itinerary; and
  - iv. estimated costs of travel including accommodation, meals and incidentals, including quotes for airfare, hotel rates etc.

- 7.1.6 The requisition shall include a signed statement from Financial Controller advising the travelling officer to submit an acquittal together with supporting documents within seven (7) days after returning from travel.
- 7.1.7 It shall be the responsibility of the Financial Controller to ensure that accountable advance for an officer is not approved if he/she had taken an earlier advance and it has not yet been cleared.

### **Accounting for Advance**

- 7.1.8 Once approved, Finance Officer shall process advance payment in accordance with payment procedures in Part 2 of this Manual.
- 7.1.9 The accountable advance shall be charged to the Travel Advances account until cleared through submission of the acquittals.
- 7.1.10 The Finance Officer must also record the advance in accountable advances register. The accountable advances register shall provide the following information:
- i. date of issue of advance;
  - ii. travelling officer's identity;
  - iii. purpose of advance;
  - iv. amount issued;
  - v. expected date of return to office;
  - vi. actual date of return to office;
  - vii. date advance acquitted;
  - viii. amount used and for what purpose;
  - ix. amount refunded; and
  - x. receipt number for amount refunded.

### **Acquittal of Advance**

- 7.1.11 The travelling officer shall acquit the accountable advance within seven (7) days after returning from travel by submitting an acquittal report with supporting documents to the Finance Officer for verification.
- 7.1.12 If an advance has not been fully expended, the travelling officer must repay the balance within seven days after returning from travel. The Finance Officer is responsible for issuing FCCC receipt for the amount refunded. The receipt shall be posted in Accountable Advances account to indicate amount recovered.
- 7.1.13 If actual expenses incurred were more than the advance, the travelling officer

may be refunded the additional amount. The refund shall only be paid after supporting documents substantiating the additional expenses have been provided.

7.1.14 Financial Controller shall approve the acquittal of all advances. Once approved, Finance Officer shall update the accountable advances register and prepare and post manual journal for clearing the advance amount used in accordance with Part 13 of this Manual.

7.1.15 Where an advance has not been acquitted within seven days after returning from travel, the Financial Controller shall handle the matter in accordance with HR Policy and effect recovery through salary deduction from the concerned officer's salary in accordance with the Employment Relations Act 2015.

## **7.2 Credit Card**

7.2.1. FCCC shall have two (2) credit cards. These shall be held by CEO and Financial Controller for making official payments online or when on travel abroad.

7.2.2. The credit cards shall have a limit of \$5,000.

7.2.3. The Board of Commissioners shall approve any changes in credit card limit.

7.2.4. The CEO shall be responsible for card maintenance and ensure that the receipts for any payments made are forwarded to Financial Controller within seven (7) days of return to office.

7.2.5. The Financial Controller shall review the monthly statements and receipts and certify that all transactions are in accordance with this Manual and must ensure that all reconciliations are properly kept for auditing purposes.

## **7.3 Board Membership Fees**

7.3.1. Officers appointed to represent FCCC on any Board in an official capacity must pay Board fees received into the Main Operating Account.

## **PART 8: NON-CURRENT ASSETS <sup>(1)</sup>**

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

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

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

- CEO;
- GM;
- CFO;
- Financial Controller;
- Senior Accountant; and
- Finance Officer.

### **8.1 Acquiring Physical Assets**

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

8.1.2. The total cost price of an asset shall include all expenses relating to its purchase and shall include costs necessary to have the asset ready for use.

8.1.3. All assets acquired with a VAT exclusive cost in excess of \$1,000, shall be recorded in the Fixed Asset Register (FAR). This includes assets acquired through exchange, transfer or gift.

### **8.2 Recording of Assets**

8.2.1. The Senior Accountant shall be responsible for maintaining and updating the FAR. The FAR shall provide the following details:

- i. classification of assets as set out in section 8.2.5;
- ii. asset identification number or asset tag;
- iii. description (including model and serial number where applicable);
- iv. date of acquisition;
- v. physical location of asset;
- vi. staff responsible for the asset;
- vii. depreciation rate;
- viii. whether acquired from Grant (Government or any other);
- ix. date of disposal (where applicable); and
- x. cost, accumulated depreciation and written down value.



- 8.2.2. Measurement of assets acquired through exchange, transfer or gift shall be determined by reference to International Financial Reporting Standards for Small to Medium Enterprises on property, plant and equipment and intangible assets.
- 8.2.3. Expenditure to increase the capacity or extend the useful life of an asset shall be regarded as capital expenditure and the amount included in the fixed assets register against the original asset.
- 8.2.4. Repair and maintenance costs incurred regularly to keep the asset in good working condition shall be treated as an expense and not added to the value of the asset.
- 8.2.5. The following general classifications and depreciation rates shall be used:

<b>Classification</b>	<b>Description</b>	<b>Depreciation Rate</b>
Buildings	May include the cost of acquiring a building, or the cost of constructing one (in which case it is transferred from the Construction in Progress account upon completion)	5%
Computer equipment	Broad array of computer equipment, such as, laptops, desktops, routers, servers, and backup power generators.	25%
Construction in progress	A temporary classification intended to store the ongoing cost of constructing a building. Once completed, this will be shifted to Buildings. Besides the materials and labor required for construction, this account can include architecture fees, the cost of building permits, and so forth.	Nil
Furniture and fixtures	Includes movable and fixed articles used to make a building suitable for working in, including but not limited to workstations, desks, plumbing, electrical etc.	12%
Other intangible assets	A non-physical asset, examples of which are trademarks, customer lists, literary works, broadcast rights, and patented technology.	33%
Land	This asset is not depreciated, because it is considered to have indeterminate useful life. This category will include all expenditures to prepare land for its intended purpose, such as demolishing an existing building or grading the land.	Nil

<b>Classification</b>	<b>Description</b>	<b>Depreciation Rate</b>
Land improvements	Include expenditures that add functionality to a parcel of land, such as irrigation systems, fencing, and landscaping.	5%
Leasehold improvements	Improvements to leased space that are made by the tenant, and typically include office space, air conditioning, electrical, data and voice wiring, and related permanent fixtures.	Over the term of the lease.
Office equipment	Includes, but not limited to equipment such as copiers, printers, video equipment, air conditioners, communications, audio visual, safety, other appliances etc.	20%
Software	Typically includes larger types of departmental or company-wide software, such as enterprise resources planning software, human resource and accounting software etc.	33%
Vehicles	Includes all types of motor vehicles.	20%

8.2.6. The Finance Officer shall be responsible for maintaining and updating items valued at less than \$1,000 VEP but more than \$300 VEP, in an expendable items' register. The register shall provide the following details:

- i. date of acquisition;
- ii. description (including model and serial number where applicable);
- iii. physical location of asset;
- iv. staff responsible for the asset; and
- v. date of disposal (where applicable).

8.2.7. Expendable items must only be used for official purposes and is subject to Board of Survey in the same manner as fixed assets.

### **8.3 Use of Fixed Assets**

8.3.1. Fixed assets shall only be used for official purposes unless prior approval has been obtained from GM.

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

### **8.4 Board of Survey**

8.4.1 The Financial Controller shall nominate a three-member panel to undertake an

annual board of survey of fixed assets and expendable items. At least one of the members shall be from outside of FCCC, with relevant expertise in the asset categories on which Board of Survey is being conducted.

- 8.4.2 At least one Board of Survey shall be completed within a financial year.
- 8.4.3 The board of survey officers shall physically identify each item, note its working condition and verify its existence to the fixed assets register and expendable items register. Details of the board of survey must be entered on the appropriate board of survey sheets and signed by the board of survey officers.
- 8.4.4 After the board of survey has been completed, the board of survey officers shall prepare and sign the board of survey report and submit it to the Financial Controller. The report shall include:
- i. any items that were unaccounted;
  - ii. damaged, obsolete or surplus items;
  - iii. any other discrepancies; and
  - iv. recommendations on fixed assets or expendable items that should be disposed off.
- 8.4.5 The officer who has custody of an asset at the time of the board of survey shall be responsible for responding to any issues raised in the report. If an asset has been lost while in the care of that officer, he/she shall take appropriate measures to recover the asset.
- 8.4.6 Where the officer is found to be responsible for the loss of an asset, Financial Controller shall handle the matter in accordance with HR Policy and Part 11 of this Manual.
- 8.4.7 The Senior Accountant shall update the FAR after the recommendations of board of survey report have been jointly endorsed by Financial Controller and CEO and after any necessary write-offs have been approved in accordance with Part 11 of this Manual.

## **8.5 Disposal of Fixed Assets**

- 8.5.1 The CEO has authority to approve the disposal of any fixed asset based on recommendation from Financial Controller.
- 8.5.2 Approved disposal methods are set out below.

### **Sale of Assets**

- 8.5.3 The following methods of sale shall be used:
- i. trade-in;
  - ii. sale through external tender for assets valued at more than \$1,000 VEP;
  - iii. sale through internal tender for assets valued at less than and equal to \$1,000 VEP; and
  - iv. sale to scrap dealers.
- 8.5.4 A sale through external tender shall involve establishing the market value of the asset through an external consultant that shall be the minimum expected price of the asset.
- 8.5.5 All FCCC personnel; except for FCCC Board, Board Secretary and FCCC personnel involved in budget, Finance department and tender processes; can participate in the external tender and submit their bids.
- 8.5.6 All tenders shall be dealt with in accordance with section 2.4.
- 8.5.7 Internal tenders shall be handled by the Finance department, who can benchmark the processes to section 2.4, and seek approval from Chief Executive Officer.
- 8.5.8 All proceeds from the sale of assets must be deposited in FCCC nominated bank account.

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

- 8.5.9 Where the CEO has given written approval, assets may be given as a gift to a non-government organisation as a means of corporate social responsibility.

### **Use of Vehicle Fleet Beyond Useful Life**

- 8.5.10 The vehicles at the end of their useful life shall be disposed from the FAR. Those vehicles still in good condition as determined by fitness renewal from Land Transport Authority shall be recorded in the expendable items register at zero value and continue to be used by FCCC until these are in thorough need of replacement.

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

8.5.11 Assets that are damaged and cannot be used shall be disposed of as scrap once approval is obtained for their write-off in accordance with Part 11 of this Manual.

8.5.12 The destruction or dumping of such assets shall be carried out in a safe manner.

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

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

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

## **PART 9: VEHICLES**

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

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

- CEO;
- Fleet Officer;
- Authorised drivers;
- Finance Officer.

### **9.1 Responsibility for Overseeing Transport**

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

9.1.2. The Fleet Officer must ensure that:

- i. vehicle records are properly maintained and up to date;
- ii. fuel & oil usage is closely monitored;
- iii. servicing of vehicles is regularly carried out;
- iv. vehicles are properly secured when parked or garaged;
- v. drivers understand vehicle procedures outlined in this section;
- vi. necessary training on general maintenance and upkeep of vehicles are provided to drivers and officers.
- vii. reporting requirements and associated deadlines are adhered to.

### **9.2 Authority to Drive**

9.2.1. The CEO shall authorise an officer to drive FCCC vehicles by issuing them a letter of authority.

9.2.2. The Fleet Officer shall keep these authorisations in a file.

9.2.3. Under no circumstance shall the Fleet Officer permit unauthorised persons to drive any vehicle.

9.2.4. No officer shall be allowed to drive unless he has met the following requirements:

- i. valid full driving license;
- ii. permanent staff of FCCC;
- iii. above the age of 21 years; and

- iv. has a clean driving record as evidenced by the police report.
- 9.2.5. The letter of authority issued to authorised drivers must outline the following conditions:
- i. that drivers exercise proper care when driving;
  - ii. that road rules under the Land Transport Act are strictly adhered to;
  - iii. that drivers' licenses are kept current;
  - iv. that procedures in the Finance Manual are to be complied with;
  - v. that drivers will be held personally and pecuniary responsible for any damages sustained on vehicles whilst in their custody, irrespective of the nature and extent of damage;
  - vi. every driver is responsible for the renewal of his driving license.
- 9.2.6. All drivers shall be responsible to the Fleet Officer, who shall recommend disciplinary matters to be handled in accordance with the HR Policy and Part 11 of this Manual.

### **9.3 Use of Vehicles**

#### **Official Runs**

- 9.3.1. Vehicles must only be used for official purposes unless approved in writing by the CEO or permitted under an officer's term of employment.
- 9.3.2. Any officer requiring transport for official purposes must inform the Fleet Officer. It shall be the duty of the transport officer to make the necessary arrangements for transport.
- 9.3.3. Drivers are not allowed to transport any officer unless informed by the Fleet Officer.
- 9.3.4. Assigning a vehicle to an officer other than the CEO is strictly prohibited. Vehicle will be assigned to the Department only where necessary.
- 9.3.5. Use of official vehicle to transport officers to participate in official sporting activities and social gatherings are prohibited unless authorized by the CEO.
- 9.3.6. Officers other than the CEO are not allowed to be picked up and/or dropped off home during normal working hours unless working overtime, involved in urgent and priority work assigned, or with prior written approval of the CEO.
- 9.3.7. A written approval needs to be obtained from CEO prior to use of vehicles beyond normal working and odd hours. Arrangements for the approval is the responsibility of the Fleet Officer and/or authorised driver.

9.3.8. Officers found using official vehicles for unauthorized purposes shall be dealt with in accordance with the HR Policy.

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

9.3.9. Each authorised driver must complete the vehicle running sheet to record details of each run undertaken in any of FCCC's vehicles, prior to use of the vehicle.

9.3.10. The running sheet shall document:

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

9.3.11. Separate running sheets must be kept for each vehicle.

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

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

9.3.14. Where another driver uses the same vehicle, he/she must ensure that running sheet has been properly completed by previous driver and the starting mileage matches the ending mileage on running sheet. If the running sheet has not been completed properly, the matter shall be reported to Fleet Officer prior to use of vehicle.

9.3.15. All running sheets and vehicle keys need to be submitted to Fleet at the end of the day.

9.3.16. The Fleet Officer shall check the accuracy of all running sheets for the day and certify each sheet.

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

9.3.17. All vehicles must only refill with the approved Petroleum Company. It shall be



the responsibility of drivers to ensure that vehicles have adequate fuel at all times.

9.3.18. Separate fuel cards shall be maintained for all the vehicles in the fleet.

9.3.19. Finance Officer shall liaise with approved Petroleum Company for fuel card issuance or termination for all vehicles.

9.3.20. The Fleet Officer shall provide card training and ensure prompt payment of invoices each month by providing timely reconciliation report to Finance Officer.

### **Fleet Officer's Logbook**

9.3.21. The Fleet Officer shall keep separate logbooks for each of the vehicles. The logbooks shall provide details of:

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

9.3.22. When a driver's running sheet is handed to the Fleet Officer at the end of the day, the total mileage for the day will be recorded in the logbook.

9.3.23. At the end of each month, the Fleet Officer shall check the driver's running sheets and reconcile it to the monthly mileage summary in the logbook, before signing the summary.

## **9.4 Garaging of Vehicles**

9.4.1. Drivers shall park vehicles at FCCC's official garage or car park at the end of each business day and at weekends.

9.4.2. Garaging of FCCC vehicles at driver's home is forbidden unless with prior written approval has been obtained from the CEO.

## **9.5 Maintenance of Vehicles**

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

- 9.5.1 The Fleet Officer must ensure that all vehicles are regularly serviced and properly maintained. Drivers must also ensure that vehicles are kept in a clean condition.
- 9.5.2 The Fleet Officer shall obtain quote for servicing or repair works from the authorised dealer of the vehicle according the vehicle make. The Fleet Officer shall than submit a requisition to the Finance Department to facilitate the issuance of a LPO/Cheque to meet servicing or repair costs.
- 9.5.3 All vehicles shall be subjected to a Road Worthiness test annually, and those vehicles that fail the test should be taken off the road.
- 9.5.4 The Fleet Officer shall enter details of repairs or service costs in the relevant logbooks.

### **Vehicles Useful Life**

- 9.5.5 Useful life for all FCCC vehicles shall be five (5) years or 100,000km, whichever comes first. Following this, the vehicles shall be boarded in accordance with section 8.4.
- 9.5.6 This Board of Survey report must be submitted to Financial Controller together with the request for a new or replacement vehicle.
- 9.5.7 If the request for a new vehicle is approved and budgetary provision is available, a vehicle may be purchased through the normal procurement process.

## **9.6 Vehicles Damages and Accidents**

### **Vehicle Damages**

- 9.6.1 The Fleet Officer must ensure vehicles are handled properly by all authorised drivers by inspecting all vehicles prior to handing over the keys for vehicle to be used and prior to receiving keys after the vehicle has been used.
- 9.6.2 Where damages are noted, the matter shall be investigated immediately by Fleet Officer, who shall also organize a repair quote from the authorised dealer.

The cost of repairs shall be surcharged to the driver responsible in accordance with Part 11 of this Manual.

### **Vehicle Accidents**

- 9.6.3 In the event of an accident involving FCCC vehicle, the driver must immediately report the accident to the Police and inform the Fleet Officer.
- 9.6.4 Fleet Officer shall notify Finance Department about the accident immediately.
- 9.6.5 If permitted by the Police, the driver shall drive the vehicle to the official garage.
- 9.6.6 The driver shall obtain police report for the accident within five (2) days of the accident by paying for the report him/herself. This cost shall be reimbursed where it is determined that the driver was not at fault.
- 9.6.7 Within twenty-four (24) hours after the accident, the driver shall prepare an accident report. The report must outline the following information:
- i. time and date of accident;
  - ii. driver's name and vehicle registration number;
  - iii. description of how accident occurred;
  - iv. description of damage and physical injuries suffered;
  - v. details of the other vehicle involved same as "i" to "iv" above;
  - vi. names and contact addressed of witnesses;
  - vii. any other relevant information.
- 9.6.8 The accident report shall be submitted to the Fleet Officer, who shall scrutinize the report scrutinise, arrange interview the driver and contact the other driver or witness if necessary. The Fleet Officer shall await provision of Police Report to corroborate the account of accident as per the accident report. Where it is determined that the driver was at fault, Fleet Officer shall recommend to Financial Controller that the matter to be dealt with to be handled in accordance with the HR Policy and Part 11 of this Manual.

### **9.7 Vehicle Monthly Reports**

- 9.7.1 The Fleet Officer shall prepare a monthly vehicles' report on all vehicles based on the log books for each vehicle. The vehicles report must be prepared and submitted to Finance Department by the end of third working day after end of the month.

- 9.7.2 The vehicle report shall provide the following information:
- i. vehicle make and model;
  - ii. registration number;
  - iii. station/location of vehicle;
  - iv. date of vehicle acquisition;
  - v. age of vehicle;
  - vi. total mileage covered during the month;
  - vii. odometer reading at the beginning and end of the month;
  - viii. fuel and oil cost for the month;
  - ix. repair and maintenance cost for the month;
  - x. accumulated maintenance and repair cost since acquisition of the vehicle;
  - xi. date of accident or damage in the month (if applicable); and
  - xii. estimated cost of repair.
- 9.7.3 The Fleet Officer must sign and date the vehicle report before forwarding it Financial Controller for inclusion into the monthly management report.
- 9.7.4 The vehicle report shall form the basis for making payments for fuel, servicing and repairs.

## **PART 10: LIABILITIES**

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

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

- Financial Controller;
- Finance Officer;
- Finance Officer;

### **10.1 Accounts Payable**

10.1.1. When invoices and claims are received for payment, the Finance Officer shall record details in Accounts Payable module of the Accounting Software. The Accounts Payable module shall be used to record all claims for payment where LPO has been used for acquiring the good or service.

10.1.2. At the end of each month, the Finance Officer shall review the Accounts Payable ageing report to ensure that invoices and claims do not become overdue.

10.1.3. A list of all invoices and claims overdue for payment shall be prepared by the Finance Officer and submitted to Financial Controller. The report shall include reasons for payments being overdue.

### **10.2 Employees Leave Entitlements**

10.2.1. A proper record shall be maintained and updated for all employees' leave entitlement. This shall include a Human Resources Information System (HRIS) that may incorporate contract management, leave management and payroll management.

10.2.2. The HRIS software should be able to provide an annual summary report for annual leave for all employees that shall include:

- i. the balance of leave at the beginning of the year;
- ii. dates and number of leave days taken during the year;
- iii. balance of leave accrued on pro-rata during the year; and
- iv. balance of accumulated leave at the end of the year.

### **10.3 Leases**

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

10.3.2. The analysis must consider the:

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

10.3.3. Where leasing is the preferred option, a proposal outlining the conclusions found in the analysis report shall be submitted to CEO for approval.

10.3.4. All lease documents and records shall be properly kept by Financial Controller.

10.3.5. A lease register shall be maintained by Finance Officer to record all relevant particulars of the lease arrangement.

### **10.4 Contingent Liabilities**

10.4.1. The Financial Controller shall maintain a register of contingent liabilities. The register shall provide the following information:

- i. to whom the payment is expected to be made to;
- ii. nature of contingent liability;
- iii. expected cost of settlement;

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

## **PART 11: LOSSES**

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

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

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

- Board of Commissioners
- CEO
- Financial Controller;
- Finance Officer;
- Finance Officer.

### **11.1 Incurring Losses**

#### **Loss Reports**

11.1.1. Officers responsible for managing assets, revenue collection or cash shall prepare a loss report whenever a loss is incurred.

11.1.2. The loss report shall describe the following information:

- i. the nature of the loss,
- ii. circumstances leading to it; and
- iii. recovery measures taken.

11.1.3. Any loss arising from theft or fraud shall be reported immediately to the Police and Fiji Independent Commission Against Corruption.

11.1.4. The CEO shall initiate an internal investigation when any loss over the value of \$50 occurs or if fraud or theft is suspected. An officer not connected with the area in which the loss occurred shall conduct the investigation.

#### **Recording Losses in a Loss Register**

11.1.5. A copy of the loss report must be submitted to the Finance Officer who shall record details of each loss in the Losses Register.

11.1.6. Where any loss recorded in the register is recovered or written-off, the Finance Officer shall update the register accordingly. The Finance Officer shall regularly follow up losses and recovery action with the relevant officers who

shall supply copies of relevant documents.

## **11.2 Recovery Measures**

11.2.1 The following actions shall be taken, where applicable, to recover losses:

- i. issue of reminder notices;
- ii. legal action initiated by Legal Department;
- iii. investigations and recovery by the Police;
- iv. salary deductions for staff; and
- v. surcharging officers responsible for the loss.

### **Legal Action**

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

### **Salary Deductions for Staff**

11.2.3 Where losses arise from overpayments to staff, the Financial Controller shall approve recovery through direct salary deduction. Officers must be informed of the overpayment and the rate of deduction from their salary and must sign the salary deduction form before the deduction is carried out.

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

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

11.2.5 The Financial Controller shall approve the surcharging of officers responsible for a loss. Other recovery options must be taken into account before surcharging is approved.

11.2.6 All approved salary deductions shall be actioned by the Finance Officer.

## **11.3 Writing off Losses**

11.3.1 Writing off losses shall be considered after all practical and cost-effective recovery measures outlined in section 11.2 have been undertaken.



11.3.2 Where avenues of recovery have been exhausted, the Finance Officer shall seek approval to write off losses. The Board of Commissioners shall approve all write-offs.

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

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

11.3.4 All write-off applications approved or otherwise, must be properly filed by the Finance Officer.

11.3.5 Once write-off approval has been obtained, the Finance shall ensure that the losses register is updated and that, where required, losses are cleared from the respective accounts.

## **PART 12: TRUST ACCOUNTS**

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

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

- Financial Controller;
- Finance Officer;
- Finance Officer;
- Customer Service Officer.

### **12.1 Operating a Trust Account**

12.1.1. Where FCCC becomes responsible for managing trust money, CEO shall approve the opening of separate trust bank account.

12.1.2. Names, signatures and designations of officers nominated to operate the bank account shall be maintained by the Finance Officer.

12.1.3. Relevant procedures in Part 5 of this Manual relating to cheque signatories, cash books, bank reconciliations, and custody of cash on hand also apply to trust accounts.

### **12.2 Receipt and Payment of Trust Money**

#### **Receiving Trust Money**

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

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

#### **Trust Payments**

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

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

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

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

### **12.3 Keeping Proper Trust Records**

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

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

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

### **12.4 Trust Reports**

#### **Trust Reconciliation & Reporting**

12.4.1 Finance Officer shall prepare bank reconciliation of all trust accounts in accordance with Part 5 of this Manual.

12.4.2 Audited trust account balances shall be included in FCCC's annual report.

## **PART 13: GENERAL FINANCIAL PROCEDURES**

The Financial Controller is responsible for maintaining ledgers and reconciling balances in such ledgers to ensure the accuracy of financial information and the timeliness of management reports.

This Part assigns specific responsibilities to:

- Financial Controller;
- Finance Officer;
- Finance Officer.

### **13.1 Raising Journal Vouchers**

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

13.1.2. Only the Financial Controller shall approve journal adjustments.

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

13.1.4. The Financial Controller must check that:

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

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

13.1.6. An electronic journal voucher register must be maintained by the Financial Controller to record all journal vouchers raised during the year. The register shall provide the following information:

- i. date and voucher number;
- ii. description of the transaction;
- iii. amount on voucher;
- iv. account codes debited or credited.

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

## **13.2 Posting into the Automated Information System**

- 13.2.1. Financial transactions shall be posted into the automated information system (General Ledger System) using journal vouchers or directly from source documents such as receipts or payment vouchers.
- 13.2.2. Only Finance Officer or Finance Officer shall input transactions into the general ledger system.
- 13.2.3. When inputting journal vouchers, the Finance Officer or Finance Officer must check that details on the voucher correspond to the attached source documents.
- 13.2.4. The Finance Officer or Finance Officer must input data daily and ensure all transactions for the month are posted by the close of business on third working day following the end of month.

## **13.3 Maintaining Ledgers**

- 13.3.1. Ledger shall be maintained for all profit/loss and balance sheet accounts.
- 13.3.2. Any transactions affecting these accounts shall be entered in the ledger.

### **Reconciling Ledgers**

- 13.3.3. The Finance Officer shall carry out general ledger reconciliation by close of business on fifth working day following the end of month.
- 13.3.4. Any errors or misallocations must be adjusted through journal vouchers.
- 13.3.5. Ledger reconciliation statement shall be signed and dated by the Finance Officer.
- 13.3.6. The ledger reconciliation statement shall be forwarded to the Financial Controller for verification and approval. The Financial Controller must ensure that:
  - i. all balances are accurate and adequately supported;
  - ii. any misallocations or outstanding balances from the previous month have been dealt with.
- 13.3.7. The Financial Controller shall certify and date the reconciliation.

## **PART 14: INTERNAL CONTROLS**

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

The procedures in this Part assign specific responsibilities to:

- CEO;
- Financial Controller;
- Finance Officer;
- Internal Auditor.

### **14.1 Design and Operation of Internal Control**

14.1.1. The Financial Controller is responsible for the effective design and operation of internal controls in FCCC.

14.1.2. The Financial Controller is responsible for designing a system of internal control for any new initiative or projects undertaken by FCCC. He/she may refer to the Internal Auditor for input when designing or changing any internal control.

14.1.3. The Internal Auditor shall properly document all system of internal control implemented by FCCC.

### **14.2 Internal Control Procedures**

#### **Separation of Duties**

14.2.1 The Financial Controller must ensure that payments documents are processed correctly by having different officers involved in the process. He/she must make sure that different officers are assigned to:

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

## **Payments**

14.2.2 The Financial Controller must make sure the following checks are done before authorising any payment:

- i. review vendor invoices for accuracy by comparing charges to purchase order.
- ii. verify that the goods and services purchased have been received.
- iii. perform monthly reconciliation of operating ledgers to ensure accuracy and timeliness of expenses.
- iv. Make sure that the expenses accounts used have enough funds and are correct.
- v. Make sure that invoices are paid within thirty (30) days of receiving the invoices.

## **Reconciliation**

Reconciliation is an internal control mechanism established to ensure the accuracy of financial reports being produced for FCCC.

14.2.3 Reconciliation of all ledger accounts shall be prepared and approved in accordance with Part 13 of this Manual.

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

14.3.1 The CEO must ensure that FCCC internal control system is reviewed on a regular basis to ensure that they are meeting the intended purposes.

14.3.2 The Financial Controller is responsible for rectifying all discrepancies identified in the review within three (3) month after the review.

## **PART 15: REPORTING**

The preparation of management reports allows senior management to analyse the standing of FCCC for a particular period and plan for the rest of the financial year. Timely and accurate management are necessary for effective management decisions.

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

The procedures in this Part assign specific responsibilities to:

- CEO;
- GM;
- Department Heads;
- Financial Controller.

### **15.1 Monthly Management Reports**

15.1.1. The GM is responsible for coordinating the preparation of a monthly management report outlining the performance of FCCC. The management report shall focus on, but not limited to:

- i. service delivery reports by operations;
- ii. financial performance; and
- iii. open local purchase orders report.

15.1.2. The monthly management report will be discussed at the Executive management meeting to be chaired by the CEO / GM.

#### **Service Delivery Performance**

15.1.3. Each Department Head shall submit to GM, a service delivery performance report comparing actual levels of service against the targets in their business plan or their part of the corporate plan, by close of business on seventh working day following the end of month.

#### **Financial Performance Report**

15.1.4. The Financial Controller shall submit to GM a financial performance report providing an analysis of the financial and budget position of FCCC by close of business on seventh working day following the end of month.

15.1.5. The financial performance report shall include the following information:

- i. actual revenue collected against budget;



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

## **15.2 Internal Audit Report**

15.2.1. The internal control report provides the Board of Commissioners with assurance that internal controls within FCCC are effective.

15.2.2. The Internal Auditor shall submit to Board Secretary an internal audit report based on the approved Internal Audit Program.

## **15.3 Annual Reports**

15.3.1. The annual report of FCCC shall consist of a consolidation of the information in the monthly performance reports.

15.3.2. The Financial Controller shall provide the necessary financial statements and reports for inclusion in the annual report as necessary.

### **Annual Financial Statements**

15.3.3. The financial statements must be prepared in accordance with International Financial Reporting Standards for Small to Medium Enterprises. The financial statements shall include the Auditor General's opinion.

15.3.4. To ensure that the financial statements are prepared on time and all "end of the year" adjustments are carried out within the first two (2) weeks following the financial year end.

15.3.5. The Management letter on Audit Findings and Management responses to these shall be presented to the Finance & Audit Committee prior to final submission to the external auditors.

## **15.4 Quarterly Reports to Ministry of Industry Trade & Tourism**

15.4.1. The Financial Controller shall certify all financial reports to be submitted to Ministry of Industry Trade & Tourism and must ensure that these are submitted within the timeframes set by the Ministry.

## **PART 16: MISCELLANEOUS**

### **16.1 Use of Proper Forms**

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

### **16.2 Accounting Records**

- 16.2.1 The Financial Controller is responsible for the safekeeping and proper maintenance of all accounting records or documents.
- 16.2.2 Accounting records may be destroyed after a period of current year plus seven (7) years provided that these records are not required for audit purposes or have already been audited.
- 16.2.3 The Financial Controller shall prepare a list of all records or documents to be destroyed, which shall also indicate whether these records have been audited and the year of audit.
- 16.2.4 A certificate of destruction shall be prepared outlining the items that were destroyed. The certificate must be signed by two of the officers' present during the destruction.
- 16.2.5 The original certificate shall be submitted to the Financial Controller, who shall file the certificate together with the approved list of records to be destroyed.
- 16.2.6 If the records are to be retained beyond current year plus seven (7) years, these shall be stored in a more convenient form of record-keeping.

## **PART 17: INTERNAL AUDIT**

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

### **17.1 Authority to Carry Out Audit**

17.1.1 The Board of Commissioners have the authority to authorize the conduct of any audit of the Commission by the Internal Auditor.

17.1.2 The CEO must allow full, free and unrestricted access to all functions, premises, assets, personal records, accounting records, returns and other documentation and information to officers conducting the audit.

17.1.3 The Internal Auditor shall report directly to the FCCC FITSC.

Ratification by the Board of Commissioners:

				
<b>Ms. Joann Young</b> Chairperson	<b>Mr. Isikeli Tikoduadua</b> Deputy Chairperson	<b>Mr. Virnlesh Sagar</b> Commissioner	<b>Ms. Lyanne Vaurasi</b> Commissioner	<b>Mr. Romil Patel</b> Commissioner

**The End**