

## **PART 1**

## **INTRODUCTION**

### **1.1 LEGISLATIVE REQUIREMENT**

The Fiji Arts Council Corporate Manual outlines my responsibilities as a Director of Fiji Arts Council to issue a Finance Manual Guide for the agency.

This Finance Manual Guide sets out policies and procedures needed for the efficient and effective management of the agency and effective operation of internal controls in the use of Public Funds.

All officers in this agency are required to comply with the Finance Manual and suggest changes to the manual where a more efficient or effective procedure / process is warranted.

The Manual will be updated as required to effect the progressive changes to the Accounting standards.

### **1.2 APPLICATION OF FINANCE MANUAL GUIDE**

The Finance Manual Guide includes a set of processes and procedures that has been drafted to assist the Director of Fiji Arts Council.

The manual will also set a platform for Accounting officers to understand the importance of proper accountability in the use of monies.

## **PART 2 : EXPENDITURE**

The proper management of expenditure is fundamental to ensuring value –for – money in delivering services to the community . 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.

### **2.1 PROCUREMENT AUTHORITIES**

**2.1.1** The following officers are delegated to approve procurement of goods and services :

|                           |                               |
|---------------------------|-------------------------------|
| <b>President of Board</b> | <b>\$ 30,001 - \$ 50,000</b>  |
| <b>Director</b>           | <b>\$ 5,001 - \$ \$30,000</b> |
| <b>Accounts Officer</b>   | <b>up to \$ 5,000</b>         |

In the case when a Board is not in place , the Director has the authority to approve any procurement of goods & services from \$ 5,001 - \$ 50,000.

**2.1.2** The officer authorising a Procurement / Purchase order must ensure that a purchase is not split to bring it within the limits above.

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

## **2.2**

### **COMPETITIVE PROCUREMENT**

**2.2.1** Quotations may be received verbally for the purchase of goods and services estimated to cost less than **\$ 1,000**. These quotes must be recorded by the receiving officer.

**2.2.2** Competitive quotes must be obtained for any procurement of goods and services in excess of **\$1,000 up to \$ 50,000**.

**2.2.3** Public tenders must be called for any procurement exceeding **\$ 50,000**.

**2.2.4** Officers must ensure that all quotes / purchases are made from reputable registered companies / suppliers and not from companies operating from their residences.

## **2.3**

### **LOCAL PROCUREMENT**

**2.3.1** 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.

**2.3.2** All purchase orders issued must be paid by the end of the financial year.

**2.3.3** All Section Heads / Directors must now take charge of all purchases.

**2.3.4** They are accountable for all purchases and ensure that receipt of the goods is delegated to another person other than the person ordering as an internal control measure.

**2.3.5** All requests must be approved by the Section Heads / Director / Board first before purchases are carried out.

**2.3.6** Before approvals are made , it must be ensured that funds are available for any purchases.

**2.3.7** Manual Local Purchase Order shall be issued first for procuring goods and services locally.

### **RECEIPT OF GOODS , SERVICES OR WORKS**

**2.3.8** Upon receipt of the goods , services or works , the receiving officer must verify that their receive in good order and that the invoice is in accordance with the Purchase order.

**2.3.9** The receiving officer must be an officer other than the officer authorising / raising the Purchase order.

**2.3.10** For goods , services or works subject to a written contract or agreement , the receiving officer must verify that the claims for progress payments are in order and delivered in accordance with the contract or agreement.

## **2.4 INTERNATIONAL PROCUREMENT**

**2.4.1** An indent shall be issued to the Director Fiji Procurement Office for the procurement of goods from overseas suppliers , unless a contract or agreement has been entered into.

**2.4.2** Indent forms can be obtained from Fiji Procurement Office website or the Ministry of Education.

**2.4.3** The indent form must be signed by an officer with the authority to approve the international procurement.

**2.4.4** The Ministry of Education will be responsible through the Department of Heritage & Arts to procure Overseas purchase on behalf of Fiji Arts Council.

**2.4.5** Fiji Arts Council will be responsible for paying the expenses including customs clearance charges to Ministry of Education , Heritage & Arts.

## **2.5 PAYMENTS**

**2.5.1** All official payments are to be made by cheque except where payable from Petty cash.

**2.5.2** All payments must be processed through payment vouchers prepared by the payments officers.

**2.5.3** Separate vouchers are to be used for separate payees and for the payment of different services.

**2.5.4** The Accounting officers preparing the payment vouchers must ensure that all information required is attached / enclosed.

**2.5.5** The Accounting Officers must not process payment unless they are satisfied that :

- i. it is in accordance with the Purchase order , indent , contract and or agreement.
- ii. there is documentation that the goods , services or works have been received or rendered.
- iii. funds are available for payment.
- iv. correct expenditure is charged.
- v. invoice and or delivery dockets are available.
- vi the account has not been previously paid.

**2.5.6** Any alteration(s) to the payment vouchers must be initialled by the preparing officer.

**2.5.7** Immediately after a payment has been effected , the Accounts staff must stamp ‘ **PAID** ’ on all vouchers to avoid double payment.

**2.5.8** All payments vouchers must be filed in an appropriate manner and under proper custody.

## **PART 3                      PAYROLL**

### **3.1                      APPOINTMENTS**

**3.1.1** The Director must provide a contract of appointment to all staff employed.

The letter must include the following:

- i. Job classification
- ii. Salary scale and starting point
- iii. Date of appointment to the position
- iv. Termination date of contract.
- v. Job description

**Note : All staff should provide the original birth certificate , TIN letters or Number and FNPF registration if they are already registered.**

**3.1.2** All staff must have a file with an employment number and all staff information must be filed in the officer’s file.

**3.1.3** Established staff are to be paid on a fortnightly basis , whereas Unestablished staff to be paid weekly.

**3.1.4** Salaries and Wages are to be credited to the officer’s bank accounts except for Cash payees.

**3.1.5** The Accounting officers must ensure that all deductions from employees salaries and wages are paid to the appropriate authorities on a monthly basis i.e FNPF , PAYE , Insurance , Union dues , Credit Union dues , Housing payments ,e.t.c.

**3.1.6** Accounting officers must also prepare the following :

i. Monthly / Six monthly PAYE deductions from employees / Cumulative deductions for preparation of P 4 – 1 at year end for tax purposes.

ii. Monthly Provisional Tax deductions and payment on a Quarterly basis .

iii. Monthly VAT Payments

The above are the key financial information required by FRCA as stipulated in their decree.

iv. Preparation of salary or wages slips for staff for Audit purposes.

**3.1.7** Any salary or wages unclaimed within 48 hours must be receipted back to the account where it was paid from and banked.

## **3.2 RESIGNATIONS**

**3.2.1** Any officer who wishes to resign must give 30 days notice to the Director , Fiji Arts Council.

# **PART 4 REVENUE MANAGEMENT**

## **4.1 AUTHORITY TO COLLECT REVENUE**

**4.1.1** The Director must issue a letter to all officers who are authorised to collect cash or monies as an authority.

## **4.1.2 DISTRIBUTION OF RECEIPT BOOKS**

**4.1.2.1** The Accounts Officer must maintain a Stock register to record all receipt books , purchase order books and accounting forms.

**4.1.2.2** The Accounts officers must issue the receipt books to the revenue collectors upon written request.

**4.1.2.3** Revenue Collectors receiving the receipt books and forms must sign for it in the Stock register

**4.1.2.4** All ordering of receipt books and accounting forms are to be made by the Accounts officer.

## **4.2 RECEIVING REVENUE**

### **REVENUE RECEIVED OVER THE COUNTER**

**4.2.1** When cash or bank cheques are received , the revenue collector shall immediately issue an official receipt.

**4.2.2** The revenue collector must enter relevant details specified on the receipt before signing it. Carbon copies of the receipt should be checked to ensure that the details on the original receipt are also legible on these copies.

**4.2.3** No amendments shall be made to the carbon copies.

**4.2.4** The original receipt should be detached from the receipt book and issued to the payer. The revenue collector shall retain the book copy and ensure that the receipts match the banking.

**4.2.5** If a receipt is spoilt, it shall be marked ‘ **cancelled** ’ and retained in the receipt book.

**4.2.6** The Revenue Collectors must ensure to prepare a Cash Receipts Journal on a monthly basis for onward submission to Accounts for the compilation of the Financial Statements.

**4.2.7** The Accounts Officer must record all monies received by the organisation for Transparency and Accountability.

**4.2.8** All copies of Bank Lodgements together with the receipts must be verified for accuracy and filed by the Accounts Officer.



### **4.3 DAILY BANKING**

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

**4.3.2** All banking must be done on a daily basis.

**4.3.3** The Accounts Officer must verify the banking to ensure that all monies lodged reconciles with the receipts.

**4.3.4** Revenue cash collections must not be mixed with the Petty cash.

### **4.4 ACCOUNTING FOR REVENUE**

**4.4.1** The Revenue Collector shall maintain a Cash register or Cash Receipts Journal to record all monies received with the following information :

- i. Date of receiving cash / cheque
- ii. Name of Payer
- iii. Receipt number and amount received.
- iv. Revenue code

## **PART 5 CASH MANAGEMENT**

### **5.1 SAFE CUSTODY OF CASH**

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

**5.1.2** Only the Accounts Officer and accounts personnel are authorised for the safekeeping of cash and other valuables in the safe.

**5.1.3** The Safe or cabinet / draw must be locked at all times and the key is to be kept by the Accounts Officer.

**5.1.4** The Accounts Officer must record all the valuables in the safe.

**5.1.5** Removal of any item from the safe must be immediately notified.

**5.1.6** The Accounts Officer can handover the responsibilities to the accounting staff when required with the approval of the Director.

**5.1.7** In case of any handing over , a Handing over statement shall be prepared and authorised by the Director.

## **5.2 KEYS**

**5.2.1** One ( 1 ) set of keys for Fiji Arts Council must be maintained in the Directors office.

**5.2.2** If any keys are lost , the officer responsible must inform the Director immediately.

**5.2.3** The responsible officer is liable to pay for the replacement of the lost keys and also the charges associated with it in terms of opening the draw , safe , locker or door.

**5.2.4** As per **5.2.3** above , only the Director has the authority to approve payment of such services from Fiji Arts Council accounts , however this must be repaid.

## **PART 6 PETTY CASH**

**6.1.1** Fiji Arts Council shall hold a Petty Cash amounting to **\$ 500.00**.

**6.1.2** The Accounts Officer is responsible for maintaining the Petty Cash .

**6.1.3** The Accounts Officer is responsible for the replenishment on a timely basis so that operations to Fiji Arts Council is not affected.

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

**6.1.5** All payments made from Petty Cash must be approved by the Director / Accounts officer.

**6.1.6** All Petty cash payments must be approved in principle prior to payment.

**6.1.7** All Petty cash payments must have receipts and or invoices to justify the use.

**6.1.8** All Petty cash payment vouchers must be stamped ' **PAID** ' and filed properly.

**6.1.9** All Petty cash payments shall include the following information :

- i. name of payee
- ii. reason for payment.
- iii. voucher date and number
- iv. expenditure account paid from.

**6.1.10** Petty cash must be retired at the end of the financial year and reissued at the commencement of the new financial year.

## **PART 7                    BANK ACCOUNTS**

**7.1.1** Fiji Arts Council is to operate bank accounts as approved by the Director and or Board of Governors .

## **PART 8                    ACCOUNTING FOR CHEQUES**

### **8.1                    STALE CHEQUES**

**8.1.1** If a cheque is not presented within 6 months and becomes stale , the Accounts Officer is responsible for making the adjustment in the Cash Payments Journal and the Bank reconciliation.

**8.1.2** The Accounts Officer shall verify the stale cheque in the Unpresented cheque list.

**8.1.3** If the payee claims the cheque , then a new cheque is to be issued.

### **8.2                    DISHONORED CHEQUES**

**8.2.1** If a cheque is dishonoured, the Accounts officer shall pay the bank fees from the Operating account.

**8.2.3** The Accounts Officer must ensure that there is sufficient balance in the bank accounts before issuing a cheque.

### **8.3                    LOST CHEQUE**

**8.3.1** If any cheque is lost , the Accounts Officer must inform the bank immediately for ‘**STOP PAYMENT** ‘ .

**8.3.2** Replacement cheque must be issued upon complete verification that the cheque has not been presented to the bank.

## **PART 9                INVENTORY MANAGEMENT**

### **9.0                MAINTAINING INVENTORY / ASSET REGISTER**

**9.1** All sections / units / departments of Fiji Arts Council must maintain an Inventory register.

**9.2** All stores / items / assets must be recorded in the Inventory Register.

**9.3** Annual Board of Survey must be carried out to write –off unserviceable and or obsolete items.

**9.4** The Board of Survey must be approved by the Director / Board of Governors prior for replacements to be purchased.

**9.5** Stocktakes to take place regularly to ensure that the records match with the physical items.

**9.6** The Director must appoint 3 staff as members to carry out the Board of Survey , however 2 members must not be from the same Department.

**9.7** The Accounts Officer must maintain an Asset Register to record all Plant , Property and Equipment. The following information must be recorded :

i. date of acquisition ( including if assets is acquired by transfer , gift or donation )

ii. cost

iii. serial number and model

iv. location

v other relevant information e.g if asset is sold or written off.

## **PART 10                    LOANS & ADVANCES**

**10.1** Any loan or advance paid to staff of Fiji Arts Council must be approved by the Director.

**10.2** Officers requesting for Loan or Advance must apply in writing to the Director.

## **PART 11 TRAVELLING ADVANCE**

**11.1** Any travelling advance paid to staff must be approved by the Director.

**11.2** A full itinerary must be provided by the officer travelling, detailing the purpose of the visit such as travel itinerary , estimated costs including travel and accommodation and purpose of travel.

**11.3** Upon return the receiving officer must provide the receipts and supporting documents to the Accounts Officer for record keeping.

## **PART 12 VEHICLES**

### **12.0 RESPONSIBILITY FOR OVERSEEING TRANSPORT**

**12.1** The Accounts Officer is responsible for the control of transport to oversee all matters relating to vehicle usage.

**12.2** The Accounts must ensure that :

- i. vehicle records are properly maintained.
- ii. fuel & oil is closely monitored.
- iii. servicing of vehicles is regularly carried out.
- iv. vehicles are properly secured when parked or garaged.
- v drivers to fully understand vehicle procedures.
- vi reporting requirements are adhered to.

### **12.3 AUTHORITY TO DRIVE**

**12.3.1** The Director must issue an 'Authority to Drive ' letter to an officer under the care of the Fiji Arts Council.

**12.3.2** Any unauthorised personnel is not allowed to drive .

**12.3.3** The officer authorised to drive the vehicle must have a valid licence and Defence Driving Course Certificate is an added advantage.

**12.3.4** The Driver must understand all the Road rules under the Land Transport Act.

**12.3.5** The Driver must exercise proper care when driving.

### **12.4 USE OF VEHICLES**

**12.4.1** Vehicles must only be used for official runs unless approved by the Director.

**12.4.2** Any officer requiring transport must inform the Accounts officer to make necessary arrangements.

**12.4.3** Officers are not allowed to be picked and dropped home unless approved by the Director.

**12.4.4** Officers found using the vehicle for unauthorised purposes shall be liable for disciplinary action.

**12.4.5** Officers are not allowed to park the vehicle at their residence unless approved by the Director.

**12.4.6** Officers who use their Private vehicles for official use with the Directors approval shall claim mileage at Government rates.

### **12.5 HIRING OF VEHICLES**

**12.5.1** The Director has the authority to approve any hiring of vehicles for official use.

## **12.6 DRIVER'S RUNNING SHEETS**

**12.6.1** Driver(s) must keep daily running sheets to record details of each run undertaken.

**12.6.2** The running sheet must document the following:

- i. vehicle registration number
- ii. date and mileage at start of the day.
- iii. runs during the day and the purpose.
- iv. arrival and departure time including mileage.
- v fuel details if vehicle is filled during the day.

**12.6.3** The Accounts officer to check the running sheets regularly and sign.

## **12.7 FUEL FOR VEHICLE**

**12.7.1** If drivers fuel up the vehicle , they must inform the Accounts Officer.

**12.7.2** The driver must provide the receipts to the Accounts Officer for payment.

## **12.8 TRANSPORT OFFICER'S LOG BOOK**

**12.8.1** The Accounts officer must keep a separate logbook for each vehicle. The Log Book must provide the following details :

- 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.



## **12.9 MAINTENANCE / SERVICING OF VEHICLES**

**12.9.1** The Accounts Officer must ensure to repair / service the vehicle(s) as and when required.

**12.9.2** The Accounts Officer shall obtain 3 quotations for the repairs or use the agents of the vehicle , whichever is applicable.

**12.9.3** Pursuant to Land Transport Authority regulations , all vehicles are subject to Road Worthiness test for passing.

## **12.10 ACCIDENTS INVOLVING VEHICLE**

**12.10.1** In an event of an accident , the driver must immediately report the matter to Police and inform the Accounts Officer / Director.

**12.10.2** The Driver must prepare an Accident report with the following details :

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

**12.10.3** The accident report must be submitted to the Accounts Officer , who must interview the driver and witness.

**12.10.4** A copy of the Accident report must be submitted to the Director / Board of Governors for information and next course of action.

**12.10.5** If the accident is caused by the driver , then the Director / Board of Governors will determine the disciplinary action to be taken.

**12.10.6** If the driver is at fault , then he will have to pay for the damages.

## **PART 13                      LOSSES**

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

- i. normal wear & tear of assets.
- ii. ineffective internal controls
- iii. uncontrollable circumstances e.g weather conditions , natural disasters , e.t.c
- iv. wasteful and fraudulent activities.

**13.2** The Accounts Officer must maintain a Loss Register to record all losses.

**13.3** The Director has the authority to refer any cases of Loss to Police if fraud is suspected.

**13.4** Only the Director /Board of Governors has the authority to write-off losses.

## **PART 14                      LEDGER ACCOUNTS**

**14.1** The Accounts Officer is responsible for maintaining the following ;

- i. Cash Receipts Journal
- ii. Cash Payments Journal
- iii. Bank Reconciliation
- iv. Cash Book
- v. Income & Expenditure Statement

**14.2** The Accounts Officer must ensure to maintain the above ledger accounts for Audit purposes and also assist in the preparation of the Financial statements by the External auditors.

**14.3** The Accounts Officer must ensure that all payments vouchers , transactions & supporting documents must be filed and kept safely in sequence on a monthly basis.

## **PART 15                    INTERNAL CONTROLS**

### **15.0                    SEPARATION / SEGREGATION OF DUTIES**

**15.1** The Director must ensure that payment documents are processed correctly by having different officers involved in the process. The Director must make sure that different officers are assigned to :

- i. raise Purchase orders
- ii. approve Purchase orders
- iii. receive ordered goods
- iv. approve invoices for payment.
- v review and reconcile financial records before payment is done.

### **15.2                    RECONCILIATIONS**

**15.2.1** The Accounts Officer must ensure that all reconciliations are carried out on a monthly basis before Financial reports are prepared.

### **15.3 REVIEW OF INTERNAL CONTROL**

**15.3.1** The Director is responsible for the effective design and operation of internal controls of the Agency.

**15.3.2** Section Heads are responsible for designing new initiatives or projects undertaken by the Agency.

**15.3.3** The Director has the authority to review the internal controls in place to determine their effectiveness.

### **15.4 PAYMENTS**

**15.4.1** The Accounts Officer must ensure that all relevant financial information is provided before any payment is made.

### **16.0 REPORTING**

**16.1** The Accounts Officer must prepare the following reports :

- i. Monthly Cash Receipts and Payments Journal
- ii. Quarterly Cash Receipts and Payments Journal
- iii. Financial reports for the Agency
- iv. Monthly Bank reconciliations
- v any other Financial report required.

## **PART 17**

## **MISCELLANEOUS**

### **17.1 USE OF PROPER FORMS**

Proper forms must be used for :

- i. receipting
- ii. purchasing
- iii. payments
- iv. board of survey
- v vehicle usage

### **17.2 AUDIT**

**17.2.1** The Director has the authority to write to the External Auditors for an audit to be carried out in order for an Audited Financial Statement at the end of the financial year.