



# **MOET FINANCE POLICY**

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**Ministry of Education & Training**  
**Government of Vanuatu**

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## Foreword – Director General of Education and Training

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This policy is developed to assist with the implementation of the PFEM Act [CAP. 244], the PFEM Regulations, and related government legislations and policies. The policy will be a guide on how financial resources can be managed to achieve the MoET's objective, as outlined in the Vanuatu Education & Training Sector Strategy 2020 to 2030.

This policy applies to MoET staff, at the central and provincial education offices and to staff in Government and non-Government Assisted Schools. The policy can be adopted and may be used by other Education Authorities who are not assisted by the government.

The PFEM Act [CAP.244] states that as head of agency, the Director General of MoET must manage the affairs of the MoET in a way that promotes the efficient, effective and ethical use and proper accountability of the public resources and the public money for which I am responsible.

The implementation of the policy will be supplemented by the MoET Financial Management Manual, which outlines the procedures that will need to be followed, which are aligned with the PFEM Act [CAP. 244] and the PFEM Regulations.

It is requested that all staff respect and adhere to this policy to facilitate efficient and effective financial management of resources. It is encouraged for all to practise prudent financial management, strong accountability and responsibility in the manner that you manage your expenditure and only spend for the purposes for which budget has been appropriated or allocated for. Fraud, deliberate misuse or mismanagement of public funds will not be tolerated, and this will be dealt with, in accordance with provisions in related legislations.

The policy, effective from 1st January 2025, will be reviewed periodically to keep us up to date with changes to related government legislations and policies. You are encouraged to take note of the implementation and practicalities of this policy and to provide feedback so that it may be amended, where necessary.



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**Bergmans Iati**

Director General of Education and Training



## Acronyms

<b>DoFT</b>	Department of Finance & Treasury
<b>MoET</b>	Ministry of Education & Training
<b>MoFEM</b>	Ministry of Finance & Economic Management
<b>MARC</b>	MoET Audit & Risk Management Committee
<b>Open VEMIS</b>	Open Vanuatu Education Management Information System

## Definitions

**Downstream:** Schools, institutions, agencies and bodies to which MOET provides funds.

**Financial Management System:** The MoFEM managed SmartStream.

**Financial Regulations:** The regulations issued by MoFEM for the management of public finances and any subsequent financial circulars.

**Grant:** A grant is a sum of money given to organisations or individuals for a specified purpose directed at achieving goals and objectives consistent with government policy.

**MOET Corporate Plan:** The five-year plan for Ministry implementation of government policies and education service delivery expectations.

**Misappropriation:** Any action deemed an offense under the Public Financial and Economic Management Act.

**Schools:** This will include schools, institutions, vocational centres, rural training centres, PSET institutions and any other education and training providers.

## Purpose

The purpose of this policy is to ensure efficient and compliant management of public finances in the Ministry of Education and Training (MoET), which includes the Teaching Service Commission, the Vanuatu Qualification Authority, and other MoET statutory bodies, in a fashion that meets the expectations of Vanuatu citizens and complies with the relevant policies and legislation of the government.

## Policy Statement

MOET manages and reports its finances in accordance with relevant legislation, financial guidance from the Ministry of Finance & Economic Management (MoFEM) and international public sector accounting standards.

Internal controls manage risk and guidance is provided to schools to reduce downstream risk.

All MOET funds will be guided by this policy regardless of the source of funds.

## Principles

**Accountability:** All staff, whether at central, provincial or school level, are responsible to manage public funds entrusted to them to use and to report on.

**Devolution:** Provincial Education Offices, Education Authority Offices and Schools will be encouraged to take expanded roles in the management of finances in the education sector.

**Documentation:** All payments must be supported by documentation that is clear and accessible, properly documented and filed with the Finance Unit at MoET. Documentation must be kept for the period stipulated in the Regulations and be made available to any approved Government of Vanuatu auditor.

**Effectiveness:** All payments is approved by an authorised delegate to ensure funds are expended in accordance with departmental objectives and controls.

**Efficiency:** Financial procedures will be adapted so that they result in the most efficient flow of funds and are in turn used in the most effective manner possible. This will include allowing for different procedures and practices for schools without access to banking and/or internet facilities.

**Equity:** All payments are managed efficiently and effectively to meet government and department priorities.

**Ethical:** Goods or services procured must be for solely the purpose of delivering education services or any other service requested by MoET.

**Quality:** Refers to the specifications of a good or service meeting the needs of MoET whilst having characteristics and tolerances that are superior to other offers.

**Sustainability:** Systems and procedures will be prepared in a way that can be sustained without the need for outside assistance.

**Transparency:** MOET will encourage open reporting to the public and stakeholders in such a manner that the information is simple, understandable and able to foment discussion on the use of resources for education outcomes.

**Value for Money:** Looks at the best combination of cost, quality and sustainability for any good or service. Cost refers to the entire lifecycle costs, not just the purchase price. As such issues such as maintenance costs, replacement costs and operational costs need to be taken into consideration.

## Requirements

### BUDGET

- Budgets are prepared in line with the national and MoET specific planning documents and strategies.
- Annual Budgets are to conform to the format as prescribed by the Department of Finance & Treasury (DoFT).
- Budgets are only developed for authorised and permitted purposes.
- Budgets must be recorded accurately in the MoFEM's financial management system, or a system approved by the Director General MoFEM, which will maintain audit trails and allow reporting objectives and accountability requirements to be satisfied.
- Budgets are to be monitored to ensure that the Department is managing its operations efficiently, effectively and economically.
- Budgets are to be appropriated and reported annually.

## **EXPENDITURE**

- All expenditure is for authorised and permitted purposes.
- Expenditure must be undertaken following procedures as identified in the MoFEM Financial Regulations, MoET Procurement Policy and other key related legislations and policies.
- Any obligation to commit an expenditure must be promptly recorded in MoFEM's financial management system, for central and provincial offices, and in Open VEMIS for all schools. Any other financial management systems must have the approval of the Director General of the MoFEM.
- Expenditure must be value for money, merit based and non-discriminatory.
- Expenditure committed on behalf of MoET must be approved and within budget, and other requirement of the MoFEM.
- Scholarships will be treated in-line with the requirements specific to each scholarship type.

## **GRANTS**

- Grants will be administered in the manner specified by the MoET.
- Any financial management requirements that are specific to the grant and are additional to normal financial management processes will be clearly communicated with the grant recipient and made available on Open VEMIS for reference.

## **REVENUE**

- All revenue received by MoET is to be treated as general revenue for MoFEM, but may be recorded on different systems, as approved by the Director General MoFEM.
- Segregation of duties must be enforced so that no one individual has sole control and/or visibility in receiving income.
- Revenue derived from activities must not negatively impact the ability of students to receive an education.
- All revenue received by the schools, will be promptly recorded in Open VEMIS.
- Independent checks and/or reconciliations can be carried out.



## **ASSET MANAGEMENT**

- Assets may only be used for authorised and permitted purposes.
- All Assets must be recorded in the Asset Register, whether at MoET or in Open VEMIS.
- The Asset Register will be reviewed annually.
- Any gifted asset must be promptly recorded in the MoET asset register or in Open VEMIS.
- Assets must be disposed following procedures in the MoFEM Financial Regulations.

## **INTERNAL CONTROLS**

- Induction training and refresher training on financial management systems and compliance shall be scheduled and ongoing.
- Manuals will be regularly updated and in a user-friendly format.
- Allegations of misappropriation will be treated seriously and in-confidence.
- Any misappropriation may adhere to the MoET Whistle Blowing Policy.

## **REPORTING**

- Reporting will be undertaken in a manner that supports planning and informs the MoET Corporate Plan Results Framework.
- Reporting shall be sufficient to fulfil the MoET's compliance obligations and transparency goals.
- Reporting will be prompt.
- All reports must be prepared in a fashion that allows non-education or finance experts to read and understand.



## AUDIT & RISK

- Audit can be performed at any time during a year.
- Internal Audit will be adequately resourced and responded to.
- Internal audits can be performed by the MoET Internal Audit Unit, the MoFEM Internal Audit Unit or the Office of the Auditor General.
- External audits must be approved by the Office of the Auditor General.
- All audit reports must be endorsed by the MoET Audit & Risk Management Committee (ARMC).
- The MoET Internal Audit Unit will oversee the implementation of the recommendations in the audit reports, and will report to the MoET ARMC.

## FRAUD

- The Ministry will have zero tolerance for fraud.
- All staff must prevent fraud from happening.
- Any staff that becomes aware of a fraud or suspected fraud, must report the suspected fraud to the audit manager within MoFEM or the Director of Finance MoFEM.

## OFFENCES

- All staff will be made aware of offenses and the related penalties.
- Staff will be made aware of disciplinary actions that managers at different levels have authority to undertake.
- Staff will be made aware of the appeals processes.

## Key Related Legislation & Policies

The following documents were consulted in developing this:

- Education Act & Education Regulations
- Government Contracts and Tenders Act [CAP. 245] & Government Contracts and Tenders Regulation
- MoET Grants Code
- MoET Maintenance Policy
- MoET Open VEMIS Policy
- MoET Procurement Policy
- MoET Whistle Blowing Policy
- National Gender Equity Policy
- Public Financial & Economic Management Act [CAP. 244] & Public Financial & Economic Management Financial Regulations & Financial Circulars
- Public Service Commission Act & Public Service Commission Manual
- Teaching Service Commission Act & Teaching Service Commission Manual