

MOET FINANCIAL MANAGEMENT MANUAL



Ministry of Education & Training
Government of Vanuatu

MOET FINANCIAL MANAGEMENT MANUAL

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1. INTRODUCTION

1.1 PURPOSE

The Ministry of Education & Training (MoET) Financial Management Manual provides guidance in the application of the Public Finance & Economic Management (PFEM) Act, the PFEM Regulations (PFEMR), Financial Instructions and in the application of the Grant's Code. It details the processes required to meet MoET's financial reporting and management obligations.

As required by the PFEM Act Part 10, Part 2 section 5 and the PFEM Regulations Part 2 Section 7, the Manual is developed to assist the Director General (DG), as head of agency, to manage the affairs of the MoET to ensure or promote:

1. The efficient, effective and ethical use of public resources and public money; and
2. Proper accountability for the use and management of public resources and public money.

There are a number of key pieces of policy, regulations and legislation that determines how MOET is to conduct its financial affairs. The primary elements of this are shown below in Figure 1. It is important that a clear and consistent message is provided to guide MoET in conforming to public financial management obligations. This manual is one of the tools to achieve this.

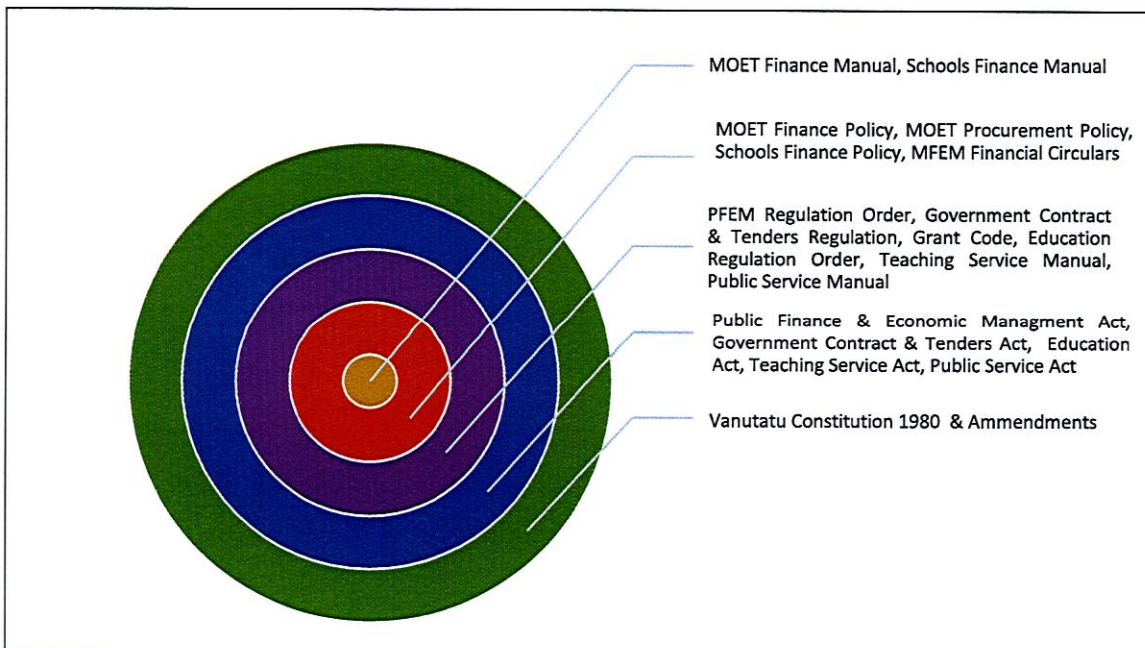


Fig. 1.a: MOET Financial Management Legislative Framework

The manual is targeted at those working directly with public financial management within MoET, particularly those working within the FinU and other staff who are delegated financial responsibilities within the MoET. The manual will also be communicated to Ministry staff who use public fund to carry out their activities.

The manual is to be updated each time a process changes, be it due to new legislations or obligations, changes in technology or changes in management practices.

As such the most recent version of this manual will be available on the MoET website, with version control the responsibility of the Principal Finance Officer.

1.2 MoET PUBLIC FINANCIAL MANAGEMENT SYSTEM OVERVIEW

The MoET Financial Management System does not operate in a vacuum but is part of the larger Government of Vanuatu public financial management system.

The primary responsible entity for the management of this system is the Ministry of Finance and Economic Management (MFEM).

MFEM have a regulatory role, through the issuance of financial circulars which determine how different acts of Parliament are to be interpreted, and an operational role through the Financial Management Information System, (FMIS) which is managed by the Department of Finance & Treasury (DoFT).

MoET in turn engages with DoFT using FMIS, however also engages with schools using Open Vanuatu Education Management Information System (Open VEMIS).

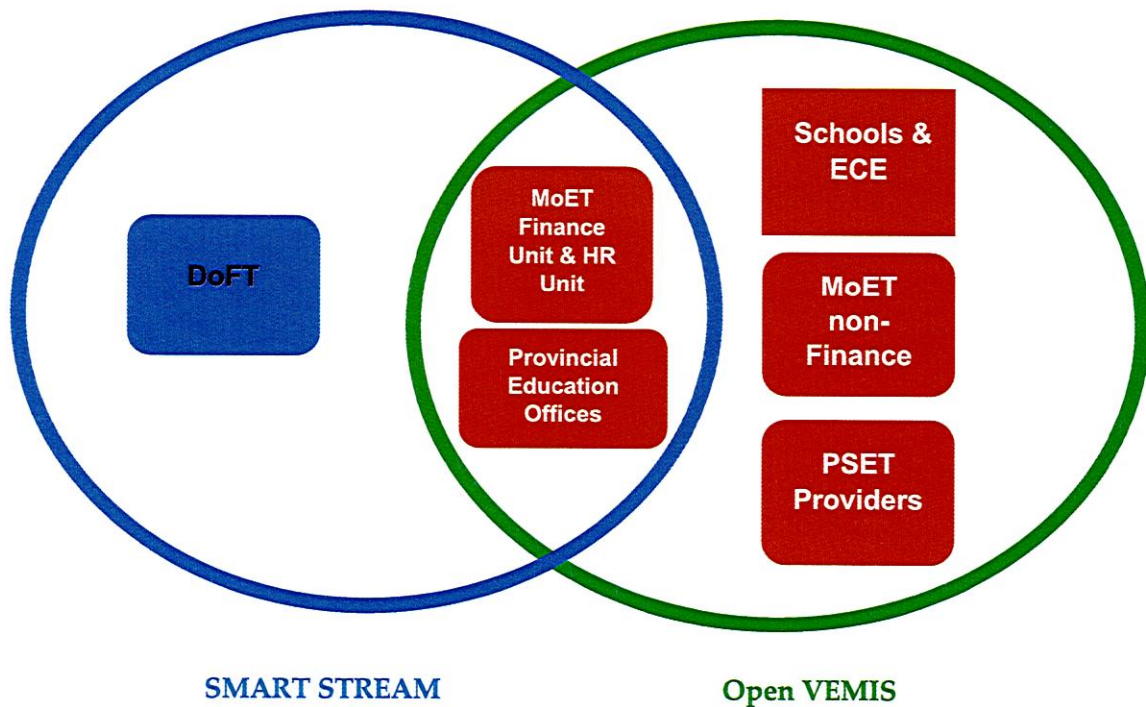


Fig. 2.a: Relationship between SMART STREAM and Open VEMIS

Similarly, post-secondary education training (PSET) providers, schools and the non-Finance Unit elements of MoET engage with Open VEMIS but not directly with FMIS.

1.3 MoET ROLES & RESPONSIBILITIES

Authority to expend public funds is provided by Parliament to the Director General through a bill for an Annual Appropriation Act or a Supplementary Appropriation Act (PFEM Act Part 8). This is managed through an approved budget, which determines how these funds are to be spent.

The flow of financial responsibility and authority is augmented by a number of institutional 'gatekeepers' that preserve the operational integrity of the public financial management system on a daily basis.

The primary gatekeeper is DoFT, who are the final approver of all payments.

Within MoET this role is undertaken by the FinU, whose responsibility primarily is ensuring that all payments requests meet legal requirements before they are approved by the Director General.

At the school level, this role is undertaken by the School Principal.

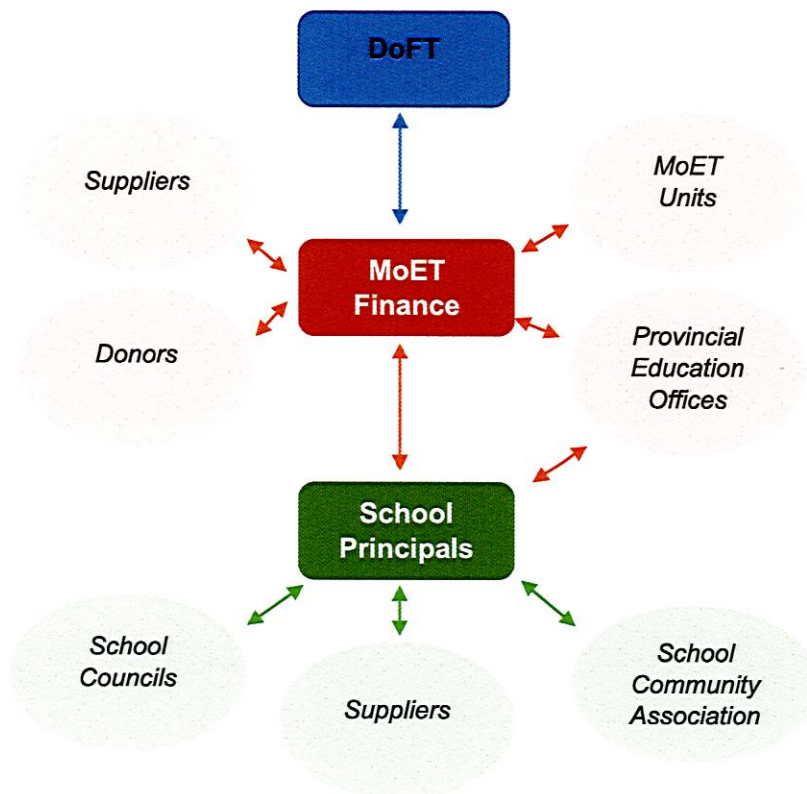


Fig. 3.a: The 'gatekeepers' of the MoET financial management system

1.3.1 MoET Director General

The Director General (DG) is the head of agency for MoET, and each year is given the legal authority by Parliament to spend the funds appropriated to MoET in the annual Appropriation Act.

The DG has the power to delegate this authority, however the ultimate responsibility remains with the DG (PFEMRO 3.2). The delegation is updated annually and MoET has the responsibility to inform MoFEM of the delegation.

1.3.2 MoET Finance Unit

The MoET Finance Unit (FinU) sits within the Directorate of Finance and Administration (DFA)¹.

The MoET FinU is the Ministry’s source of financial management operation, skills and knowledge. It has a role in preserving the integrity and accountability of public finances within the Ministry whilst enabling the smooth flow of funds to fuel education service delivery.

The FinU works to ensure that all funds approved for expenditure by the DG meet legal requirements.

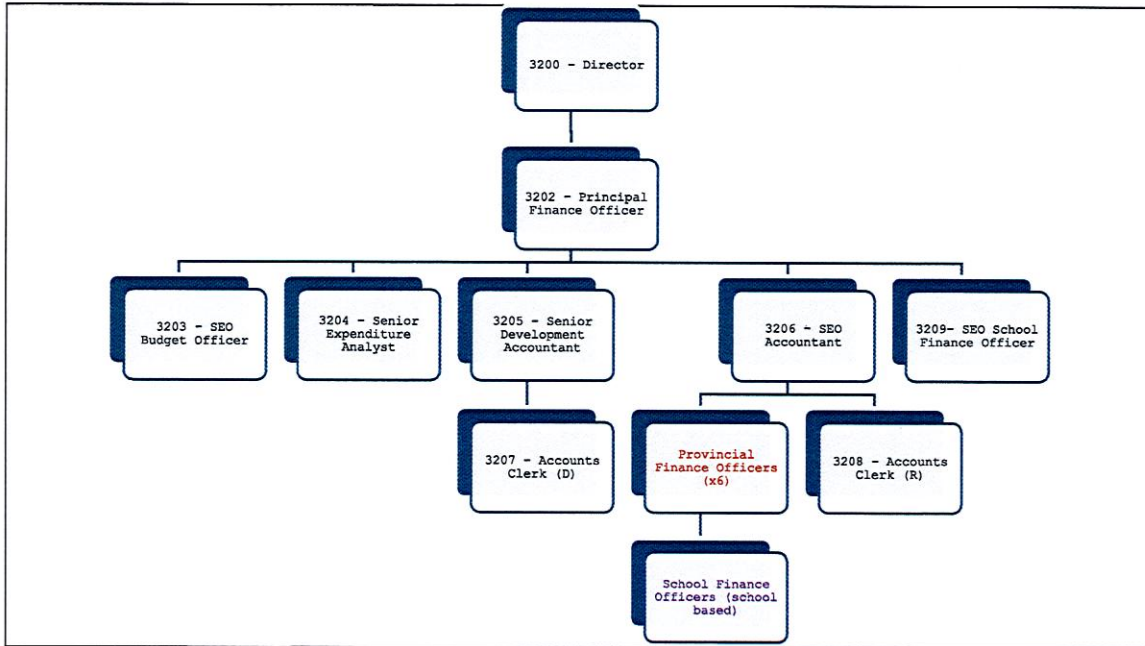


Fig. 3.b: MoET Finance Unit Structure

¹ Appendix 1: MoET DFA Structure

1.3.3 Provincial Education Offices

Provincial Education Offices provide support and guidance for their office and schools in their respective provinces, to ensure compliance with the public financial management legislation and the school financial management manual. This involves technical support as well as oversight of school planning, budgeting and reporting.

1.3.4 Principals

Principals have both the authority and responsibility for the maintenance and operation of the public financial management system at the school level.

Details on their specific duties and tasks are provided in the *'School Financial Management Manual'*.

2. APPROPRIATION

Each year Parliament passes an Appropriation Act which details the amount of funds able to be spent in each ministry. The budget must be aligned with the Ministry's annual plan.

The PFEM Act 2019 provides authority to access these funds to the head of the Ministry, being the Director-General.

In accordance with Part 17 of the PFEMRO, the Director-General (DG) is able to delegate authority to others to commit expenditure, something which is undertaken each year. DoFT will normally issue a financial circular, and the DG MoET will be required to complete a form of those within MoET to whom authority has been delegated naming the person and the amount of authority they have, to validate and verify all financial applications and payment instructions submitted to the DoFT.

This form must be delivered to the Director-General MFEM prior to the start of each financial year.

This list may vary depending upon the management policies of MoET. In 2024 this consisted of:

- (i) 4 Directors
- (ii) 1 Principal Finance Officer
- (iii) 6 Provincial Education Officers
- (iv) 1 Chairman of the Teachers Services Commission (TSC)
- (v) 1 Secretary General of the TSC

A further delegation is to be made to the Director of Finance, DoFT, so that payroll can be processed annually.


The signatories will be eligible to sign off on all documents that have financial implications on public funds appropriated to MoET. The documents include, but are not limited to, imprest forms & acquittals, financial visas, journals, virements, advances, cash flow amendments, pay cash forms, local purchase orders, payroll documents such as salary authorization forms.

A sample of the specimen form can be seen below, and as mentioned, this is also used to confirm delegation to provincial offices, and should only be approved by the DG MoET.

Annex A

GOVERNEMENT DE LA REPUBLIQUE DE VANUATU
MINISTÈRE DES FINANCES ET DE LA GESTION ÉCONOMIQUE
(MFGE)

*SERVICE DES FINANCES ET DU TRÉSOR
Rue-de-Chauvea, Premier et Deuxième Étages,
Situation de MFGE
Sac Postal 855006, 031, Port Vila, VANUATU
Tel: (678) 24543 Fax: (678) 25533*



GOVERNMENT OF THE REPUBLIC OF VANUATU
MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT
(MFEM)

*DEPARTMENT OF FINANCE AND TREASURY
Ground, First and Second Floors,
MFEM Building
Private Mail Bag 031, Port Vila, VANUATU
Tel: (678) 24543 Fax: (678) 25533*

2024 AUTHORISED SIGNATORIES SUBMISSION FORM

Section 1: Specimen Form (Port Vila)

Department Name							
Department Code							
Financial Year							
Name (Designated Authorizing Officer)	Payroll Employee ID (i.e. VNPF #)	Position or Post Title	Signature Specimen	FUNDS APPROVAL LIMITS (Please refer to the Approval Limit Table below and insert appropriate code)	Budget Activity (E.g. MFCC)	Cost Center(s)	

APPROVAL THRESHOLD TABLE

Funds Approval Limit Codes	
Limit Code	Approval Range (VT)
①	Less than 500,000
②	Less than 1,000,000
③	Less than 5,000,000
④	Unlimited range of approval

Section 3: For Head of Department and Ministry Use Only

I hereby certify that the name(s) of Officer(s) contain in the above table do have my consent and approval to arrange or approve utilization of public expenditure within the specified expenditure threshold from the budget activity (ies) and cost center(s) within my Department/Ministry.

Name: <p style="text-align: center;">(Head of Department)</p> Signature: <p style="text-align: center;">(Head of Department)</p> Date: / / (Not Valid without your Dept/Min official stamp)	Name: <p style="text-align: center;">(Head of Ministry)</p> Signature: <p style="text-align: center;">(Head of Ministry)</p> Date: / / (Not Valid without your Dept/Min official stamp)
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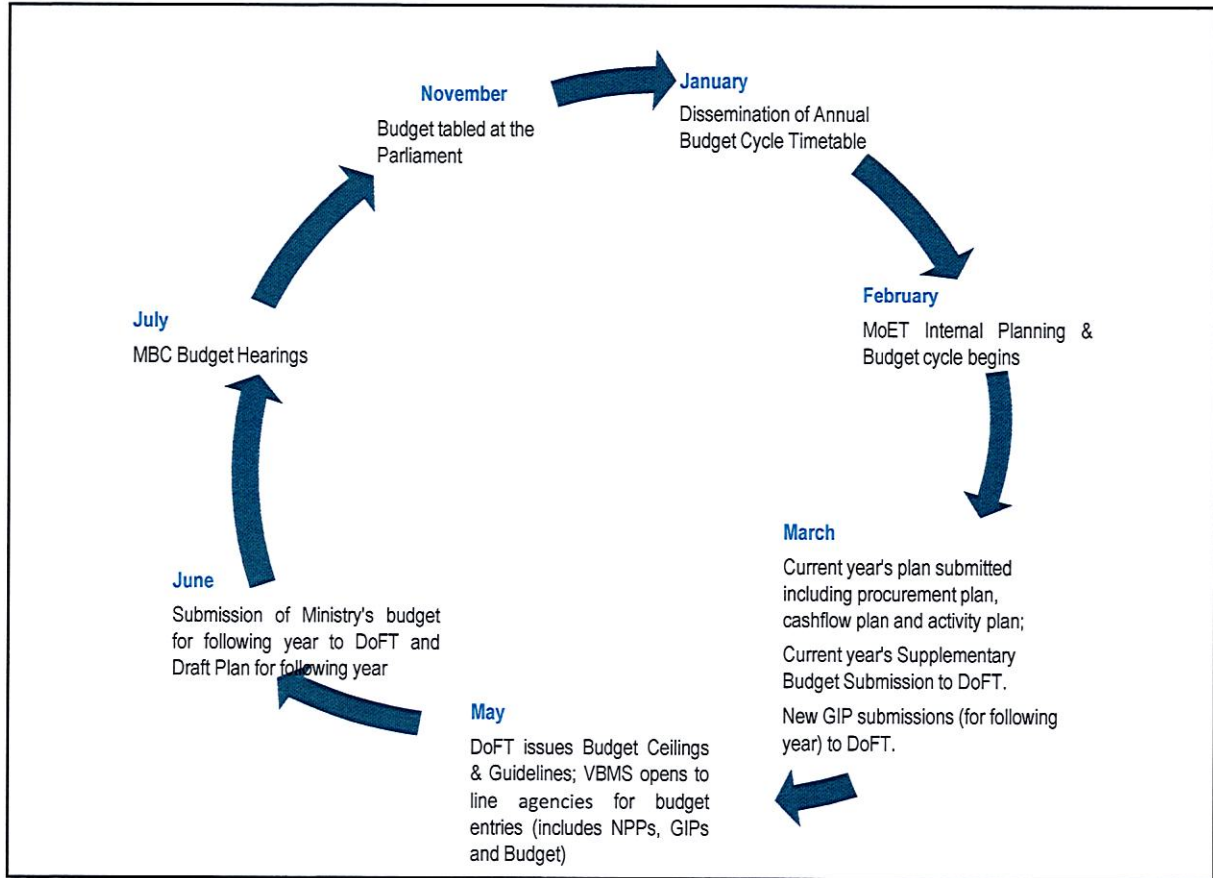
3. BUDGETING

3.1 Budget Preparation

The planning and budgeting process of MoET is prepared in alignment with Part 12, Division 1, of the PFEMRO No. 88 of 2021 (2 July 2021) and with Part 5 of the Public Finance & Economic Management Act [CAP.244].

The Government's fiscal year starts 1st January and ends 31st December each year.

MoET’s planning and budgeting is tied to the annual budget cycle. The timing of each budget action is determined annually with the issuance of the Financial Circular on the *Budget Cycle Timetable* from DoFT, around February each year, and provides a schedule of tasks and commitments required for the completion of the following year’s budget.



By May, DoFT issues the budget ceiling for recurrent expenditure, along with budget submission instructions, in a financial circular titled *Line Agency Ceilings and Guidelines for Submission*, an example of which is below:

Guidelines for the 2025 Budget Submission	
Main Body of the Submission	
Policy issues and challenges	Brief discussion of policy issues and challenges in the ministry (around 2 pages)
Approach taken to address these issues and challenges	<ul style="list-style-type: none"> ♣ Steps the ministry is taking to address these policy issues and challenges ♣ Link with the revised program structures and key elements in the ministry’s corporate plans
Budget proposals for 2024	<ul style="list-style-type: none"> ♣ Efficiencies the ministry has identified ♣ How resources have been reallocated to best achieve policy and service outcomes ♣ If new policy proposals are being brought forward for expenditure above ceilings, these require brief justification
Recommendations	Recommendations that the Minister wishes MBC to approve
Minister’s Signature	Submission signed and dated by the Minister
Attachments – most of these can be attained from VBMS	

Attachments – most of these can be attained from VBMS	
Attachment 1: Introduction to Ministry	<ul style="list-style-type: none"> ♣ What the ministry does (no more than one paragraph) ♣ The ministry’s current organisational structure (or proposed organisational structure) ♣ Locations of departments within the ministry (e.g., Department X has two offices located in Port Vila and Luganville) ♣ The number of people employed by the ministry at the time of budget preparation, by department ♣ The ministry’s final actual 2024 budget allocation and the budget ceiling provided for 2025 ♣ Ratio of salary and wage costs to overheads ♣ Percentage of budget allocated to capital expenditure
Attachment 2: Budget Narratives	<p>Descriptions of the programs and activities that will be included in the budget documentation.</p> <ul style="list-style-type: none"> ♣ Must be consistent with the corporate plans and business plans of ministries ♣ Priority objectives have a financial cost that should be reflected in the narrative. ♣ Give insight into how ministries intend to make use of their funds in the future. <p>The narrative must be as concise as possible, and no longer than 2 pages in total (apart from very large departments, e.g. Health, Education, Police, and Public Works).</p>
Attachment 3: Program Justification	<p>Explain the basis of your new program structure and indicate the cost and benefits of each program undertaken by departments.</p> <ul style="list-style-type: none"> ♣ The priority of the program (programs should be ranked in order of importance, 1 being the most important). ♣ The number of people who should benefit from the program (if numbers are not available, groups may be used). ♣ The estimated cost in each year from 2025 to 2029 and importance (ranked in the Program) of each Activity in the Program. ♣ How the service (Activity) is provided to those who should benefit ♣ Other methods of providing service ♣ Effect of not providing service <p>Any other supportive information that should be considered in association with your proposed budget distribution.</p>
Attachment 4: Within-Ceiling Budget Estimates	<p>Table showing estimates of expenditure for each ministry by program within budget ceilings approved by COM. Submissions that do not comply with this requirement will be returned to ministries for reworking and resubmission.</p>
Attachment 5: Recurrent Revenue Estimates	<p>All revenue-collecting ministries must enter their revenue projections into VBMS together with their recurrent expenditure budget entries for the 2025 financial year</p> <ul style="list-style-type: none"> • Revenue must be reported against the most appropriate revenue chart of account to avoid duplication of entries. • New approved revenue activities must be reported to the FMIS for appropriate creation of a new chart of account. • Ministries must ensure adequate entries are made so that the government can meet its budget expenditure forecasted for 2025. MBC will be informed of ministries that fail to comply.

Attachment 6: New Policy Proposals (if required)	<p>Where a ministry wishes to propose expenditure to meet a policy or service delivery priority that cannot be met from within the budget ceiling, these can be submitted for consideration by the MBC as 'New Policy Proposals'. The format of these new policy proposals is in the VBMS.</p> <p>New proposals should be discussed with Treasury and the accuracy of the proposed costs should be agreed before they are included in the submission and NPP cost model. It is essential to avoid bringing in any NPP to MBC without prior analysis from Treasury.</p>
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An MoET internal budget planning schedule is prepared by the FinU and shared with the Policy & Planning Unit (PPU), by February, to coordinate the program.

Once the internal planning is complete, MoET must begin working with DoFT.

STEP 1: Meeting with DOFT

Discuss your MoET's proposed new Program and Activity structure with Treasury and agree on narratives and performance criteria.

STEP 2: Review of Business Activities

Review MoET's business activities and consider where savings might be achieved.

STEP 3: Advise Grant Bodies

Advise grant bodies that fall within MoET's overview of the requirement to provide budget submissions and up-to-date financial statements to Treasury.

STEP 4: Prepare the Draft Budget on VBMS

- i). For ongoing or expanded services,
 - a. A budget submission that is prepared along the lines set above, signed by the Minister, and;
 - b. All relevant fields in the VBMS correctly filled out and printed out in hard copy attached to the budget submission.
- ii) For New Donor Projects (Donor NPP):
 - a. Budget narrative (brief but including the project number, name, donor funding source and amount as a minimum), and
 - b. Print out the VBMS summary report of these projects.
- iii) For Ongoing Donor Projects (Donor NPP):
 - a. Budget narrative (brief but including the project number, name, donor funding source and amount as a minimum), and
 - b. Print out the VBMS summary report of these projects.

Template of a NPP is shown.

Project Profile Report		Government of Vanuatu	
1. Project Id:			
2. Project Title: School Land Survey and Compensation Budget			
3. Ministry: Education and Training			
a. Department Sponsoring the Project: Asset & Administration Facilities Unit			
b. Agency Implementing the Project:			
c. Main contact for the Project:			
Name: Samson Sawan - PEO Administration and Assets Management			
Phone: 22309, VoIP: 4653			
Email: ssawan@vanuatu.gov.vu			
d. Planned Commencement Date: January 2023			
e. Planned Completion Date: December 2023			
4. Project Budget:			
Fund	Fund Description	BUDGET	
1	Leases Land	95,000,000	
2	Land Logistic & Survey	5,000,000	
Totals		100,000,000	
5. Purpose and Objectives:			
The main purpose of this New Policy Project (NPP) is to request additional budget support for school land survey and compensation to enable the Ministry of Education & Training to formalize school land agreements and compensate school <u>land owners</u> on:			
<ul style="list-style-type: none"> Outstanding land rent Land lease premiums, and, Compulsory acquisition 			
6. Project Description:			
This proposed NPP is in line with National Sustainable Development Plan 2016 – 2030 society goal:			
"SOC 2.2 Ensure every child, regardless of gender, location, educational needs or circumstances has access to the education system" and society goal:			
"SOC 2.2 Build trust in the education system through improved performance management systems, teacher training, and the reliable delivery of quality services".			
The education and training sector analysis identified the issue of inadequate management of education assets.			
Since all schools are built on land, it is important for MoET to establish a program for school land survey and land compensation to better manage its obligation to meet the customary landowners benefit in return for enjoying the rights to use the land for public purpose. The land compensation fund with the Department of Lands is insufficient to meet all government sectors land legal obligations and the failure to compensate landowners have and will continue to cause landowners to disrupt school operations.			

The proposed NPP will enable the Ministry of Education and Training to deliver school land management for registered government schools.

School Land Status for Government Schools	Primary	Secondary	Total
Schools with e- special lease	13	8	21
Schools with agreement to lease and the land being surveyed	61	13	74
Schools with agreement to lease but the land not being surveyed	117	9	126
Schools with no land lease agreement & no survey	119	29	148
Overall Total	310	59	369

The proposed NPP will enable the Ministry of Education and Training to meet the following school land obligations:

- Pay land premium for 8 schools with e-special lease but premium not yet paid in accordance to Land Premium Act.
- Commence negotiation and payment of land premium for 74 schools.
- Commence survey of school land for 126 schools.
- Commence apply for negotiator certificate and survey for 148 schools.
- Complete process for compulsory land acquisition of Bensarie College, TAFEA College, Matevulu College, Epi High School, Baldwin Lonsdale College, Nerambi Primary School and Port Resolution Primary School.

Consultation:
The Ministry of Education and Training have been requesting the Department of Lands to utilize the land compensation fund to compensate school land owners but due to insufficient budget the Ministry of Lands has requested MoET to compensate the school land owners.

Legal Implication:
Failure to compensate school land owners of their benefit may result in higher court settlements and in most cases cause disruption to school operation.

Financial Implication:
The school land compensation budget is 100,000,000 vatu and will be a recurring budget for three years or until all school land are formalized and compensated.

7. Other Background Information:

8. Donor Support & comments:
N/A

9. Vanuatu Government Funding Source: (specifically future government recurrent cost implications):
None as the ongoing maintenance will be budgeted and implemented by schools.

10. Proposed TA Positions: (TOR must be included for all T/A positions.):
N/A

11. Project Budget - Provides a summary of the major items to be included in the project budget below.

Donor Cost

The following items will be paid from the donor's contribution to the project through a Grant and cost in Vatu:

Account	Description	2024	2025	2026+	Total
Totals					

Vanuatu Government Costs:

The following items will be paid for by the Vanuatu Government (and are additional to the approved recurrent budget) and cost in Vatu:

Account	Description	2024	2025	2026+	Total
8CLL	Leases Land	95,000,000	95,000,000	95,000,000	95,000,000
8CVD	Land Logistic & Survey	5,000,000	5,000,000	5,000,000	5,000,000
Total		100,000,000	100,000,000	100,000,000	300,000,000

Director of Sponsoring Government Department: I certify that I have checked the project profile, and any other supporting information for screening this project. I am satisfied that this project proposal is ready for presentation to DSPP for approval.

Name & Signature of Director of Sponsoring Department: Gideon John – Director of Finance and Administration

Director General's Certification: I certify that I have checked the project profile, and any other supporting information for screening this project. I am satisfied that this project proposal is ready for presentation to DSPAC for approval. I understand that no Government funding will be released for the project until the project has been approved by the appropriate government authorities, any additional government contribution has been appropriated, the approved donor funding has been released and a detailed project income and expenditure form has been submitted.

Name & Signature of Director General: Bergmans Iati

Sectoral Analyst's Certification - Approval/Decline: (delete as applicable)

- I certify that I have checked the project profile, and any other supporting information for screening this project. I am satisfied that this project proposal is ready for referral to the appropriate authorities.
- The project has been declined and a review of the project is attached.

Name & Signature of Sectoral Analyst:

3.2 Budget Management (Vision Smart Stream Reports)

Each quarter, a budget report for each activity is submitted to each respective Director, with a consolidated report provided for the Director General and the Director Administration & Finance.

The report should include:

- Budget vs Actual
- Analysis of previous years' expenditure trends (if appropriate)
- Ad hoc requests from activity managers

Template of a budget vs actual report is shown.

Expenses Detail Report by Cost Centre			Government of Vanuatu		
For transactions between 1 January 2022 and 31 December 2022			Extracted on 09/06/22 13:56 on 09/06/22 13:56		
Account Description	Actual	Commitment	Total	Budget	Under/(Over)
53AA Office of the Director of Education Services					
Personnel Expenses					
8AAA Acting Allowances	86,751	-	86,751	-	(86,751)
8AAF Family Allowance	25,760	-	25,760	96,000	70,240
8AAH Housing Allowances	169,043	-	169,043	900,000	730,957
8AAO Other Allowances	-	-	-	240,000	240,000
8AAP Home Island Passage Allowances	86,663	-	86,663	-	(86,663)
8ASP Provident Fund	92,358	-	92,358	263,192	170,834
8AWP Permanent Wages	2,222,132	-	2,222,132	6,243,800	4,021,668
PAYR Payroll expenses	-	-	-	-	-
Personnel Expenses	2,682,707	-	2,682,707	7,742,992	5,060,285
Operating Expenses					
8CAB Subsistence Allowances	30,000	-	30,000	215,000	185,000
8CBL Local Accommodation	-	-	-	159,384	159,384
8CKD Advertising - Communications	-	9,250	9,250	7,000	(2,250)
8CKR Printing - Communications	-	-	-	20,000	20,000
8CKS Stationery - Communications	(40,350)	40,350	-	50,000	50,000
8CKT Telephone / Fax - Communications	-	-	-	20,000	20,000
8CMG General - Materials	90,000	-	90,000	50,000	(40,000)
8COF Refunds	86,663	-	86,663	-	(86,663)
8COI Incidentals	126,355	-	126,355	5,000	(121,355)
8COP Official Entertainment	23,061	-	23,061	200,000	176,939
8CTL Local Travel	45,274	38,922	84,196	433,568	349,372
8CZV Value Added Tax	26,486	14,583	41,069	140,000	98,931
8DGO Operating Grant	39,000	-	39,000	-	(39,000)
8EEA Equipment - Additional General	2,517	8,696	11,213	-	(11,213)
8EEC Equipment - Computer	113,913	-	113,913	90,400	(23,513)
8EFO Furniture - Office Furniture	-	-	-	50,000	50,000
OVER Overhead expenses	-	-	-	-	-
Operating Expenses	542,919	111,801	654,720	1,440,352	785,632
53AA Office of the Director of Education	3,225,626	111,801	3,337,427	9,183,344	5,845,917

A report that is also available to Managers is the Funds Control Workbench report.

CDU OPERATION BUDGET EXPENDITURE UPDATE As at 7 June 2023, 3:25pm		
OPERATION BUDGET	(VT)	(VT) 10,162,695
<i>LPOs Committed but Expenditure not yet realized</i>		
Actual Expenditure	1,162,530	
Less: Total Expenditure	1,789,290	2,951,820
Remaining Operation Budget:		<u>7,210,875</u>
* Therefore, the actual remaining operation budget to date (7-06-23, Time 3:25pm) is 7,210,875 VT.		
* Of this total operation budget remaining, 37% is currently available to use and the final 63% is the actual remaining operation budget to use till year end. See break down beneath.		
Total Budget Remaining:		7,210,875
Current Operation Budget available to use:		2,637,665
Less: Actual Remaining Operation budget to use till year end		<u>4,573,210</u>
		37%
		63%

Main	Budget	Release	Allotment	Commitment	Encumbrance
Annual Amounts:					
	Budget :				10,162,695
	Release :				5,589,485
	Allotment :				5,589,485
	Commitment :				0
	Encumbrance :				1,162,530
	Expense :				1,789,290
	Available :				2,637,665
	Payment :				0
Description 1 : Curriculum Dev Unit					
Description 2 : Overhead Expenses					

3.3 Budget Supplementary

Budget supplementary is normally submitted to DoFT by March each year. This provides an opportunity to request further funding for underbudgeted items, introduce new projects, introduce new policy funding and also for additional staff/teaching positions that may be required.

STEP 1: DoFT Deadline

Obtain from DoFT, the deadline for submission of budget supplementary.

STEP 2: Inform MoET Division Directors

Directors are informed of the submission deadline, as well as internal MoET deadlines.

STEP 3: Supplementary New Policy Proposals

Directors prepare supplementary New Policy Proposals (NPPs) using the NPP Form. According to Clause 70 of the PFEMRO, a supplementary budget request must include the same information required for a new policy proposal under PFEMRO Clause 66.

STEP 4: Budget Analysis

Supplementary NPPs are submitted to the FinU where a budget analysis and compliance check is undertaken. Non-compliant NPPs are returned to the respective Director for correction.

STEP 5: Director General Approval

Compliant supplementary NPPs are submitted, along with the budget analysis, to the Director General for approval.

STEP 6: DoFT Submission

Approved NPPs are submitted to DoFT by the FinU prior to the DoFT deadline.

STEP 7: Approval by Council of Ministers (CoM)

The supplementary NPPs are submitted by DoFT to the Council of Ministers (CoM) for approval. If a supplementary NPP is not approved, then it is removed from the list. Only approved NPPs will be submitted to Parliament for appropriation.

STEP 8: Parliament Approval

The Supplementary Budget is debated in Parliament. If the supplementary NPPs submitted by MoET are approved, they are written into an Act of Parliament and the Director General is authorised to approve related expenditure.

3.4 Cash Flow Plan

Cash Flow Plans are forecasted at the beginning of the year by DoFT to assist with their fiscal strategy. Part 12, Division 2, Clause 68 of the PFEMRO requires the DG of MFEM to issue warrants according to overall cash availability of the Government. Large adjustments to the timing of activities can impact the ability of DoFT to finance the changes. Any significant changes to the timing of a planned activity requires informing the MoET FinU.

What is a Cash Flow Plan?

Cash Flow Plans take annual budgets and use them to determine when budgeted amounts need to be spent during the course of the budget year.

So how do we prepare a Cash Plan?

All Activity Managers have prepared their budgets, which should reflect their needs for the year. And this budget should have been based on a work plan, which indicates what work the Activity will undertake for the year.

To prepare the Cash Plan, Activity Managers divides the Annual Budget for each of their units into monthly intervals. In this case, FinU will provide a template that will be used for that exercise. The process to fill the template will be outlined below. Note that the payroll cash flow is automated by the system.

The following diagram is an extract of the Cash Flow Planning Template. It is the Cash Flow Plan for Cost Centre **82AC: Administration & Asset Management Unit**. The activity manager is responsible to fill in the template.

Using the Cash Flow Planning Template

Before doing the Cash Flow Planning Exercise, the activity manager will first refer to the column labelled as **1** to view the existing Cash Flow Plan. This Cash Flow Plan was allocated based on the previous year's Cash Flow Plan and is automated by Smart Stream. This means that the current year's Cash Flow Plan is equivalent to the previous year's Cash Flow Plan in Smart Stream. Therefore, If he is satisfied with the Existing Cash Flow Plan in column label **1** then the activity manager will need to confirm by email to FinU.

However, if the activity manager is not pleased with the units existing Cash Flow Plan and wish to make further amendments, then (s)he will need to divide her/his annual budget into monthly intervals in the cell range labelled as **2** in extract below. Once (s)he completes the Cash Flow Plan (s)he will then forward it

intervals in the cell range labelled as **2** in extract below. Once (s)he completes the Cash Flow Plan (s)he will then forward it to FinU. The activity manger must ensure that the cash flow plan is within the unit's operations **budget ceiling** as depicted by the blue arrows and the equal sign in the extract.

Figure 1 Cash Flow Planning Template (Extract)

2019 CASH FLOW PLAN					
42	Cost Centre	82AC	Administration & Asset Management Unit		
	Annual Operation Budget	2,694,511			
	Operation Budget Released	71,363	January Operations Budget Release		
	Operation Budget Remaining	2,623,148	Operations budget yet to be released		
Period	Month	Activity	Budget	%	Existing CF in Smart Stream
1	January		71,363	3%	142,726
2	February			0%	388,177
3	March			0%	388,177
4	April			0%	265,451
5	May			0%	265,451
6	June			0%	142,726
7	July			0%	142,726
8	August			0%	265,451
9	September			0%	265,451
10	October			0%	216,361
11	November			0%	191,814
12	December			0%	20,000
	Total (A)		71,363	3%	FALSE
	Budget Ceiling (B)		2,694,511	100%	2,694,511
	Difference (C)	(Unallocated/Over allocated budget)	2,623,148	97%	

The FinU undertakes an analysis of all the different changes (forecasted and actual) and if deemed likely to impact the ability of MoET to finance an activity, they inform DoFT of the changes.

The amended cash flow plans is normally submitted to DoFT by March of each year.

Cashflow Plan Amendment

- *Note: that the cashflow plan amendment is only applicable for the operation budgets.*
- A cashflow plan amendment refers to the change in the planned operation budget per period (month). It is an activity that managers and principals of each units / cost centres are expected to do, and it is to be done after a careful mid-year review to ensure their annual work plan and operation budgets are aligned.
- **Timeframe**

Middle of financial year (June of each financial year). It is also at this time that finance unit have to verify to ensure that all operation cashflow plan in smart stream ends in only November, one month before the end of financial year. This is to avoid unnecessary stress that finance unit normally experienced especially during the end of financial year processes. And with this stand of ending all cashflow plan in November, this will enable each unit to fully implement their budget in a smooth manner.

- **Benefits of Cashflow Plan Amendment**

- To ensure smooth spending till end of financial year
- To avoid unnecessary budget virement and advance requests. Budget virements and advances is only necessary when an emerging need arises. However, the more budget virement and advance requests per year could imply poor budget and planning management to Finance unit and the Department of Finance and Treasury (DoFT) as a whole.
- This will enable managers and principals to be well versed with the implementation of their units' activities till year end.

- **The cashflow plan Amendment Process**

By mid -year, around mid-June, all units are expected to undergo their mid-year reviews and have aligned their planned activities with their respective remaining operation budget for the year. With this assumption, these are the next steps that finance unit will follow to ensure the cashflow plan amendment process is completed successfully:

1. Finance unit to send the operation budget cashflow plan *template* to all managers and principals by email. Also inform them that the cashflow plan should only end in the month of November and not December as usual.
2. The Managers and Principals are expected to fill in the *template* with respect to the changes from their mid-year reviews. This again is to ensure that their planned activities for the remaining half of the year are aligned well with the remaining operation budget.
3. Once the Managers and principals have completed filling the *template*, then forward it to Finance unit by email.
4. Finance unit then verifies each unit's submissions and prepare the cover letter to be attached with the cashflow plan *templates* for each unit
5. Once the cover letter to DoFT is prepared, get the Director General to sign it and deliver to DoFT for process
6. Once the submission is received by DoFT, then follow up with MoET finance counterpart at DoFT which is the Expenditure Analyst, until we received a notification of the cashflow plan amendment.
7. Inform all managers and principals again on the changes to their cashflow plan and remind them again to spend accordingly.

• **Template**

Figure 1: Cashflow Plan Amendment Form

OPERATION BUDGET CASH FLOW AMENDMENT REPORT						
					18-Nov-24	
33	Cost Centre	54AA	Office of the Director General			
	Activity Code:	MEHA				
	Account:	OVER				
	Annual Operation Budget:	26,714,133	A	B		
	Budget Expenditure to date:	24,749,233				
	Budget Available:	324,844				
	Operation Budget Remaining:	1,964,900				
			CURRENT CASH FLOW PLAN		AMENDED CASHFLOW PLAN	
	Period	Month	Current Cash Flow Plan	% Cur. CF Plan	Cash Flow Plan Amendment	% Amnd. CF Plan
	1	January	488,342	2%	488,342	2%
	2	February	488,342	2%	488,342	2%
	3	March	488,342	2%	488,342	2%
	4	April	488,342	2%	488,342	2%
	5	May	488,342	2%	488,342	2%
	6	June	488,342	2%	488,342	2%
	7	July	488,342	2%	488,342	2%
	8	August	10,220,515	38%	10,220,515	38%
	9	September	4,610,154	17%	4,610,154	17%
	10	October	488,342	2%	488,342	2%
	11	November	488,342	2%	7,976,728	30%
	12	December	7,488,386	28%		
		Total (A)	26,714,133	100%	26,714,133	100%
		Budget Ceiling (B)	26,714,133		26,714,133	
		Difference ('C) (Unallocated Budget)	0		0	

The above figure 1 is part of the form used to amend the operations cashflow plan. It is the cashflow plan amendment for activity 54AA-MEHA-OVER. The purpose to amend the cashflow plan is to bring forward the period 12 cashflow budget to ensure implementation of planned activities in November (period 12) for the unit.

How to use the template:

- A. Extract the existing current cashflow plan in smart stream and enter in column A respectfully.
- B. In column B, make the necessary amendment. For example, in this case, we are amending the cashflow by moving the 7,488,386 VT in period 12, which was labelled as C in figure 1. So, in period 11, the amended cash flow increased from 488,342 VT to 7,976,728 VT.

Once this table is updated with the relevant amendments, then get the DG to sign off and submit to DoFT for processing.

3.5 Budget Virements

Over the course of the year there will be times when there is needed to be a change in the budgeted amounts to reflect changing expenditure patterns within the Ministry. This is often due to a new activity being introduced, or due to a sudden change in the costs of an activity. The PFEMRO Part 12, Division 2, Clause 69 allows for a head of agency, eg DG of MoET, to request a virement of transfer of budget within a Ministry.

STEP 1: Identify the Shortfall

When a new activity is decided, or costs in an existing activity change significantly, activity managers need to review the resources available under the existing budget. If there is a forecasted shortfall of funds, the activity manager must determine how much the shortfall is and what impact it would have on the activity.

STEP 2: Director and Senior Management's Approval

Once the shortfall has been identified, the activity manager must seek the Director's approval to begin the process of moving funds from a different part of the budget to the new activity/ underfunded activity (virement). This must be enclosed by minutes of the Senior Management Team's approval.

STEP 3: Finance Unit Analysis

Once it is agreed that a virement is required, the activity manager must take the information on the new activity/underfunded activity to the FinU for analysis.

The FinU must confirm that:

- (i) The activity is required, and
- (ii) The activity is not able to be funded within the existing budget structure, and
- (iii) There are surplus funds elsewhere in the budget that can be used to fund the activity.

STEP 4: Preparation of the Virement Form

Once a suitable virement has been determined by the FinU, the activity manager must complete a *Virement Form*.

It is important to note, and stated on the form, that:

- (i) Incomplete forms will be returned to submitting Ministry / Department or constitutional body,
- (ii) All Virements between activities will not be processed without comments and prior approval from Treasury division.
- (iii) Allow **3-4 days** for Treasury to review.
- (iv) Quotations and other related documents should be attached for purchases of equipment or contracts.
- (v) If there is a need for more justification, then the DG or Director can detail the discussions in a signed memo.

SECTION D is completed by DoFT, so MoET officers should leave this section blank.

<p>SECTION D. MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT FINAL APPROVAL</p> <p>TREASURY - ANALYSIS AND APPROVAL SECTION</p> <p>I..... Expenditure Analyst for the Ministry of: _____ Reject/Approve the request</p> <p>for virement for the following reasons: <i>(Circle your Recommendations)</i>.</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Expenditure Analyst</p> <p>“Signature for approval only”:</p> <p>Date:.....</p> <p><i>(Note that this Date is the date when Treasury checks Smart Stream Report).</i></p>
--

TREASURY - MANAGER EXPENDITURE ANALYST

Comments:.....

.....

.....

Signature for Approval: **Date:**..... **(+Stamp)**

<p>DIRECTOR GENERAL - (MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT)</p> <p>Signature FOR APPROVAL ONLY.....</p> <p>Date:.....</p> <p style="text-align: center;">(+Stamp)</p>

<p>BUDGET SECTION (MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT)</p> <p>Date Processed by Budget Section: _____</p> <p>(+Stamp)</p> <p>Budget Section Officer Signature</p>
--

3.6 Budget Advances

At times an activity may occur quicker than planned, requiring an advance.

This can be requested by an activity manager or sometimes is forecasted by the Budget Analyst.

In these instances, a budget advance request form is used. A sample of the MoET budget advance form is shown.

The MoET will draft a cover letter confirming the details of the budget advance. This must be accompanied by an extract from the Smartstream, confirming availability to budget in the relevant cost centres, that will be affected by the budget advance.

GOVERNEMENT DE LA REPUBLIQUE DE VANUATU
 MINISTRE DE L'EDUCATION ET DE LA FORMATION
 Sac De Courrier Privé 028
 Port Vila, Vanuatu
 Tel : 22309 / 55300

GOVERNMENT OF THE REPUBLIC OF VANUATU
 MINISTRY OF EDUCATION AND TRAINING
 Private Mail Bag 028
 Port Vila, Vanuatu
 Tel : 22309 / 55300

BUDGET ADVANCE REQUEST

28th April 2022

Dorothy Ericson
 Director Finance & Treasury

Attention: *Vanessa Zambona*

Dear Mrs. Ericson,

SUBJECT: To Advance 100% Payroll Budget of the PSET Teachers to Meet Scholarship Shortfall Budget

BUDGET TO BE ADVANCED (VUV):	126,647,557 VT
------------------------------	----------------

BEING FOR: To meet the projected scholarship budget shortfall to sustain the current students only. The total budget shortfall is 225,123,577 VT. However, we will advance the payroll budget to current period and then it will be added to scholarships cost 680000. The current available payroll budget in the PSET Teachers cost centre is 56,267,483 VT and we will advance the remaining of

Please advance funds according to table below:

#	Cost Centre	Description	Chapter Head	Budget to Advance:	From Period:	To Period:
1	88GA	PSET Teachers	2-88GA-MEJD-PAYR	14,070,373	1	5
2	88GA	PSET Teachers	2-88GA-MEJD-PAYR	14,070,373	2	5
3	88GA	PSET Teachers	2-88GA-MEJD-PAYR	14,070,373	3	5
4	88GA	PSET Teachers	2-88GA-MEJD-PAYR	21,105,652	4	5
5	88GA	PSET Teachers	2-88GA-MEJD-PAYR	119	5	5
Total				126,647,557 VT		

Please find attached information related to this request.
 Your attention to this request is very much appreciated.

Thank you for your understanding and we look forward to your prompt respond in actioning this request.

Sincerely Yours,

Berehara Tati
 Director General

Main	Budget	Release	Allotment	Commitment	Encumbrance	Expense
Annual Amounts						
	Budget :				182,915,040	
	Release :				56,267,483	
	Allotment :				56,267,483	
	Commitment :				0	
	Encumbrance :				0	
	Expense :				0	
	Available :				56,267,483	
	Payment :				0	

Description 1 : PSET Teachers
 Description 2 : PAYROLL Expenses

Period	Period Amount	YTD Amount
0	0	0
1	14,070,373	14,070,373
2	14,070,373	28,140,746
3	14,070,373	42,211,119
4	21,105,652	63,316,771
5	14,070,373	77,387,144
6	14,070,373	91,457,517
7	14,070,373	105,527,890
8	14,070,373	119,598,263
9	21,105,652	140,703,915
10	14,070,373	154,774,288
11	14,070,373	168,844,661
12	14,070,373	182,915,040

3.7 Carrying-over unexpended funds

If there is a budget surplus at the end of a year, the DG MoET may submit a request in the approved form to the DF MFEM to carry over the budget surplus for expenditure in the next financial year under section 37 of the PFEM Act.

4. DEVELOPMENT FUND

4.1 Establishing a Project

When an MoET office in charge of an activity is aware of external funds available for use, that officer must establish the project and ensure that it is appropriated within the GoV budget.

STEP 1: Identify the Activity

An activity manager must collect as much information as possible in relation to a project, noting in particular:

- (i) The purpose of the project
- (ii) How the project links with MoET plans
- (iii) The funding agency
- (iv) The timing of the use of funds
- (v) The amount of funds
- (vi) MoET's investment/obligations in the project

For larger projects this will involve a longer period of communication and design. This information is then used to fill the *Project Proposal Form* which is provided by the Policy & Planning Unit (PPU) Project Section.

STEP 2: PPU Project Section Compliance Check

The completed application form is provided to the PPU Project Section for a compliance check. The PPU Project Section will confirm that sections are filled correctly and may request the activity manager to provide any additional information that needs to be supplied.

STEP 3: PPU Application Approval

Once the application is completed, the PPU Project Section look at the suitability of the project in relation to other activities, policies and plans.

If the project meets the required objectives and standards then the project profile is finalized for approval.

STEP 4: Director & Director General's Approval

The activity manager must then take the application form to the Director of the Directorate in which the project is to take place for approval. Once Director has approved this, then the form will need to have the approval of the DG MoET.

STEP 5: DSPPAC Submission

Once the DG MoET has approved the project profile, it is then submitted to the Department of Strategic Policy, Planning & Aid Coordination (DSPPAC) at the Prime Minister's Office for assessment.

Here the project profile is again assessed against national policies and plans and official approval for the project is given.

If this is during the budget preparation phase, the new project can be included in the Development Budget for the following year.

If the new project is to begin in the current financial year, then a supplementary for the Development Budget must be prepared and passed in Parliament.

DSPPAC issues a Government Investment Program (GIP) number to the project, which is then supplied to MoET FinU.

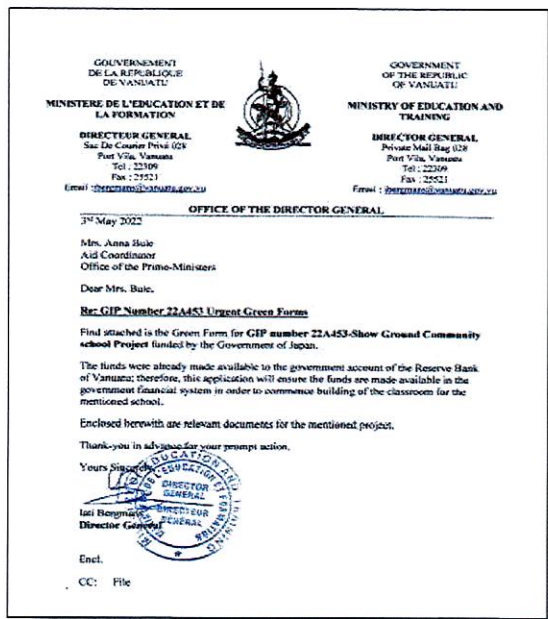
STEP 6: Confirmation

FinU receives confirmation of funds transfer via the Reserve Bank of Vanuatu (RBV) remittance advice or a bank transfer confirmation provided by donor. The FinU must make sure all support documents such as, project profile, Memorandum of Understanding (MoU) or Memorandum of Agreement (MoA) with donor partner, detailed budget breakdown (by accounts) for the amount received and the bank remittance advice confirming that the money has been paid to the Government Development Account, at the Reserve Bank of Vanuatu, are in place before the "green form" is completed and processed.

It will be the responsibility of the activity manager to provide the support documents to the FinU.

STEP 7: Complete Green Forms

The "green form" is developed by DSPPAC for all line ministries to complete to be able to access the development fund. FinU completes the green form and a green form request letter for DG MoET's approval.



STEP 9: Submission to DSPACC

Once DG has approved this, all documents are scanned for the FinU files and hard copies of documents are submitted to DSPPAC office for endorsement. Once DSPPAC office informs that approval has been granted and a new GIP number is given, DSPPAC will prepare the submission of green form to the Department of Finance & Treasury (DoFT) and VAT exemption request to the VAT office, with the Department of Customs & Inland Revenue.

STEP 10: Confirmation by DoFT

The FinU will follow up with DoFT to confirm that the project funds have been credited on the finance system, Smartstream, and is accessible by activity managers to implement the activity.

At the same time, the FinU will also follow up with the VAT Office for the issuance of the current year's VAT certificate, then inform activity managers accordingly. This process is followed each year for all ongoing or new project activities.

4.2 Project Implementation

Once funds are accessible on the finance system, the activity manager can implement activities as detailed within the project profile and according to the agreed timeframe.

Reports are provided regularly to donor partners to keep them informed of the progress of the project.

If there are any variations to the project, this will be done with approval from both the donor partner and the DG MoET.

4.3 Project Completion

At the end of the project, a project completion report will need to be prepared.

STEP 1: Remaining Project Funds & Funding Agency Bank Details

Once all project activities are confirmed to be completed, any remaining project fund will be returned to the donor. Unless the donor approves for funding to be used for other project activities, then this will be formally communicated to the Ministry, before funds can be expended.

The donor funding the project will provide the bank details for the payment of any remaining project funds to be paid to.

STEP 2: LPO Raised for Balance

A LPO is raised for the remaining funds and the amounts transferred to the funding agency's nominated account, whether to a local bank account or to a foreign bank account.

STEP 3: Final Financial Report & Closure of Project

The PPU has the responsibility to coordinate the closure of project activities by completing the Project Completion Report. This will include an extract of the final financial statements for the duration of a project, from Smartstream.

The Project Completion Report will be submitted to DSSPAC, who will then inform DoFT of project completion. DoFT will be responsible to close off project accounts from SMART STREAM.

Extract of a Project Completion Report

Government of the
Republic of Vanuatu

Project Completion Report

Explanation: The purpose of this report is to indicate to the Vanuatu Government and to the donor how the project was implemented and what the results that the project achieved are. This document serves to justify to the donor how the money has been used and how it participated to the achievement of the objective indicated in the project profile.

The budget information section is essential and should be filled carefully. All expenses are to be accompanied by justifying documents (invoices, completed LPO's) adding up to the money spent.

Correct and complete filing of the completion report is IMPERATIVE if you are expecting additional funding from donors.

Completion report must indicate progress and changes in regards to the initial Project Profile. If the space is not sufficient, use more blank paper. Attach all documents, pictures or reports showing the achievements of the project.

Project Title:	Project Number:
Executing Department:	Source of Fund(s):
Contact Person:	Amount Received in Vatu:
	Date of Funds Availability:
	Budget Line:
	Budget Requested in Vatu:

Brief Description of Project as indicated in the original project profile:

Objective of the Project as indicated in the project profile:

Activities effectively implemented and Results obtained (describe with numbers and quantities if possible)?

Was the Objective Achieved?

In your opinion, are the results sustainable and what are the future activities foreseen or needed.

Expenditures (fill in the table precisely)

STEP 4: Inform Funding Agency

Once DSPPAC and DoFT formally close off the projects on the system, they will be responsible to inform the MoET, who will in turn, inform the funding agency of the formal cessation of the project.

Item	Agreed Budget (Vatu)	Actual Expenditure (Vatu)
Salaries and/or allowances		
Equipment / Materials		
Travel		
Accommodation		
Works		
Others (specify)		
TOTAL:		

* All expenditure must be accompanied by a copy of the original justifying documents

Established at _____ The _____

By (full name and function) _____

Signature and Department Stamps:

FOR DEPARTMENT OF STRATEGIC POLICY PLANNING & AID COORDINATION USE ONLY:

Completion Date: _____	Date Completion Report Received: _____
Database Update: _____	Remaining Balance: _____
Date Forwarded to Donor: _____	
Signature of Senior Analyst: _____	Date: _____
Signature of Director: _____	Date: _____

5. Procurement

For all procurement at the office or in schools, PSET institutions and statutory bodies that exceeds VUV 1,000,000, the services of the MoET Procurement Unit is used, and all procedures outlined in the *GCT Regulations Order and MoET Procurement Manual* will apply. For any procurement that is VUV 10,000,000 or above, the services of the Central Tender Board (CTB) is used, and all procedures outlined in the current *Government Contracts and Tenders Act (GCTA)* and *GCT Regulation Order (TRO)* will be applied.

High Value Procurement (*GCTRO Part 1(2)*)

For high level procurement, the threshold is at least 10 million vatu. The Central Tender Board will appoint members of the evaluation committee.

Low Value Procurement (*GCTRO Part 1(2)*)

Low Value Procurement is a Government Contract with a value of less than 10 million vatu. This includes three categories below:

- i. Low value government contract (Category A) means a Government Contract with a value of 1 million and above, but less than 10 million vatu; Again, the Central Tender Board will appoint members of the evaluation committee.
- ii. Low value government contract (Category B) means a Government Contract with a value of over 100,000 vatu, but less than 1 million vatu. Members of the evaluation committee are nominated within the Ministry.
- iii. Low value government contract (Category C) means a Government Contract with a value of less than 100,000 vatu. Members of the evaluation committee are nominated within the Ministry.

5.1 Planned Procurement

STEP 1: Planning

Each activity managers in MoET, school, PSET institution or MoET statutory body need to prepare an annual plan and annual budget. This budget will include the procurement of large items (goods or services) and an estimate is made of these items.

STEP 2: Letter from the Procurement Unit

In January of each year, the Procurement Unit sends a letter to each school, institution, statutory body, provincial education office and each activity manager in MoET, requesting information on procurements that are planned through the year which will require the assistance of the Procurement Unit.

STEP 3: Preparation of the Annual Procurement Plan

These are collated by the Procurement Unit and put into an Annual Procurement Plan, which will be approved by the Director General.

STEP 4: Finance Unit Analysis

The FinU reviews the items for procurement and confirms they are budgeted for.

STEP 5: Confirmation to Start Procurement Process for a Good or Service

Once the procurement plan is approved, each Director can prepare a letter to the Procurement Unit to confirm the beginning of the procurement process for a particular good or service to be provided. Procurement over 1 million vatu and less than 10 million vatu must have the approval of the Senior Management Team, MoET, unless it is a normal operational activity.

This can be provided at the start of the year by each Director.

STEP 6: Procurement

Procurements occur in accordance with the schedule in the Annual Procurement Plan and in accordance with procedures outlined in the *'MoET Procurement Guidelines' and MFEM GCT Regulation*.

GCT Regulation Division 3, subsection (35)(1) states that the Ministry must have sufficient funds to meet the requirements of the proposed contract. In addition, quotations will be requested from suppliers who have the capacity to supply the goods or services, or to execute the public works.

The activity manager or the Director implementing the activity will be part of the procurement assessment panel to select the best supplier who will meet the eligibility criteria to supply the good or service.

The confirmation of panel members and decision of the panel must be based on merit, and their assessment must be enclosed with the payment request. The activity manager or Director may formally nominate a representative to be part of the assessment panel. A person must not be nominated as a member of the evaluation committee if the person has an actual, potential or perceived conflict of interest in relation to the tender GCTRO 16(5).

A contract will be awarded to the successful bidder within 5 days after the evaluation committee has confirmed its recommendation. In the case where a contract is necessary to be developed between MoET and the supplier, the activity manager or Director concerned will be the contract manager. A contract is developed following the decision of the evaluation panel and signed by the Director General.

Note that CTB requirement for low value or high value government contract must be followed.

STEP 7: Receipt of Goods

Procurement is complete once goods or services are received by the MoET activity manager, school, PSET institution or statutory body. The activity manager or Director must inform the Procurement Unit of the time the goods/services were received and that these matched the description in the LPO.

5.2 Unplanned Procurement

Procurement that falls outside of the Annual Procurement Plan is deemed 'Unplanned'. Unplanned procurement proceeds in accordance with the procedures outlined earlier.

6. PAYMENT

Making a Payment

When a MoET officer requires a good or service, a process needs to be followed:

STEP 1: Identify a Need

First an MoET officer needs to determine if the good or service they require is needed to undertake their work and fulfil their operational plans.

Assets, such as mobile phones, internet devices or related devices, are not encouraged to be procured for staff, unless it is clearly stated in the Public Service Staff Manual, a staff contract, or in the Official Salaries Act, that it is a staff entitlement.

Similarly, with staff uniform, which may be inclusive of shirts, skirts, dresses, shoes, ties and formal suits, will only be purchased if clearly stated in the Public Service Staff Manual, a staff contract, or in the Official Salaries Act, that it is a staff entitlement.

The MoET senior management team, comprising DG and Directors, may set limitations on purchasing of certain goods and services. But this must also be a minuted SMT decision enclosed.

Process in Response to an Emergency

During an emergency period, approval of expenditure will be directed through the MoET Emergency Operations Centre (EoCs), which will be aligned with the EoCs early response and recovery plan. The decision taken must be minuted and enclosed with the payment request.

During the response period, payments from 10 million vatu, must have the approval of the National Disaster & Management Office Recovery Committee, as outlined in the CTB legislation, prior to any payment being raised. Minuted approval of the NDMO Recovery Committee must be enclosed.

Similarly in the recovery period, payments must have the approval of the National Recovery Committee.

STEP 2: Line Manager Approval

The MoET officer must determine an estimate of the cost and approach their line manager for approval.

This cost can be estimated through sourcing quotes, looking at similar past procurements or making a professional estimate (for larger, complex procurement).

If the amount is between 1 million and 10 million then three quotes can be sought.

Line Managers need to determine that:

- (1) The procurement is needed
- (2) There is sufficient budget

The Line Manager then prepares a "Purchase Order Approval Form".

Complete the date, supplier name and details according to your payment request.

Make sure the account code is correct. If unsure, ask the FinU or PFO.

Any asset, ICT or related purchase must have this section completed by the Administration & Asset Management Unit (AAMU) and the IT Unit.

Signatures need to be clear, with the name and position of the approver clearly legible.

Purchase Order Approval Form
(Note: This form must be completed and signed before any LPOs can be raised)

Date: 2/08/24

Name of Supplier: Computer World
 Details: Registration & Licensing Laptop

(Attach pro-forma invoice and other relevant documents, such as cover letter, contract completion report, workshop details, catering approval, imprast support documents, etc.)

Net Amount: 152,686 VAT Amount 22,903 Total Amount 175,589

Activity Title: A07.01.02
 Activity Chapter Head: MEHA - SEEC

Please fill in the following section if related to Asset or ICT materials & equipment (Also need to attach MFEM form, where applicable)


Approval Granted by Manager responsible for Assets (Please Circle): Yes No
 Remarks: Additional Laptop for BC / To be Reg # Claudia's laptop

Name & Signature of Manager responsible for Assets: _____

Approval Granted by ICT Manager (Please Circle): Yes No
 Remarks: Approved quotation for TSC Laptop

Name & Signature of ICT Manager: Emergy lining

Request is approved by Angell
 (Name & Signature of Activity Manager)

Payment is granted by: Claudia L. Lopez
 (Name & Signature of Responsible Director or Director General) + 

Confirmed Chapter Head for Commitment by Senior Finance Officer

If the request is for domestic travel, the request must be accompanied by a *Domestic Travel Approval Form*.

DOMESTIC TRAVEL APPROVAL FORM

Name of Claimant: _____ Payroll Number: _____
 Post Title: _____ Post No: _____
 Employment status (i.e. permanent, daily casual etc.): _____
 Normal Work Location: _____

1. PURPOSE OF TRAVEL (Please Indicate by ticking the appropriate box)

Duty Travel (Please give a brief explanation of the duty to be undertaken)
 Workshop/Training
 Temporary Transfer
 Others (please specify): _____

2. ITINERARY & ACCOMMODATION EXPENSES

Place to Visit	Arrived		Departed		Type of Accommodation	Cost
	Date	Time	Date	Time		
TOTAL AMOUNT (VT.)						

I certify that to best of my knowledge the information provided above is correct and true. And in the event that it is found to be intentionally incorrect or misleading I can be discipline for breaching Employees obligation as provided for in Section 34 (1) (k) of the Public Service Act 1998. I also undertake to reimburse any amount paid to myself as a result of the incorrect or misleading information.

Travelling Staff members Signature: _____
 Date: _____

I certify that the above staff member will attend the Duty Travel/In-service workshop/training at the location indicated, on dates and times specified in the above information. The above staff member will be on official duty away from his normal work location.

Head of Department/Ministry: _____
 (Signature)

 (Print name)

Date: _____

For Director Generals/Directors/Secretary Generals- Final Approval by PSC

Following the purpose of travel mentioned in 1) above, I have assess and given approval for the above DG/Director/SG/TC to do domestic travel in order to carry out the mentioned duties/workshop on dates and times specified in 2) above.

PSC Secretary: _____ Signature: _____
 Date: _____

STEP 3: Administration & Asset Management Unit Approval & ICT Approval

If the procurement is related to asset purchases, maintenance/construction or ICT materials & equipment, approval from the Administration & Asset Management Unit (AAMU) and IT Unit must be granted. There is a section of the *Purchase Order Approval Form* which needs to be filled in.

The Purchase Order Approval Form is then taken to the Line Manager's Director or PEO for approval.

If the procurement is not related to assets, maintenance/construction or ICT then it may be taken directly to the Director or PEO for approval.

STEP 4: Director or Provincial PEO's Approval

The Purchase Order Approval Form (and if required the Domestic Travel Approval Form) is then taken to the Director of the Directorate or Provincial PEO from where the request is being made.

The Director, or one with delegated authority from the Director General, may approve or not approve the procurement.

If the Director, or one with delegated authority from the Director General, is unavailable then the Director General is able to approve the procurement.

STEP 5: Procurement Unit

If the procurement is VT 1,000,000 or greater, it must be forwarded to the MoET Procurement Unit who will administer the procurement as outlined in the *MoET Procurement Manual*. For any procurement that is VUV 10,000,000 or above, the services of the Central Tender Board (CTB) is used, and all procedures outlined in the current *Government Contracts and Tenders Act (GCTA)* and *Tenders Regulation Order (TRO)* will be applied.

The FinU will be required to provide confirmation on the available budget for the activity. The procurement must be made within the available budget and agreed by the evaluation panel members.

The activity manager or the Director implementing the activity will be part of the procurement assessment panel to select the best supplier who will meet the eligibility criteria to supply the good or service. The confirmation of panel members and decision of the panel must be based on merit, and their assessment must be enclosed with the payment request. The activity manager or Director may formally nominate a representative to be part of the assessment panel.

Split contracting can be approved by the head of an agency, GCT RO Part 1(3)(2). Staff are encouraged to process payment requests to the Procurement Unit if the total worth of goods or services exceeds 1 million vatu. This will enable suppliers to competitively bid to provide goods or services with value for money. Staff must avoid requesting supplier to amend the quotation and/or invoice so that the value does not exceed 1 million vatu. This ensures transparency and improved accountability in procuring goods or services for the Ministry.

In the case where a contract is necessary to be developed between MoET and the supplier, the activity manager or Director concerned will be the contract manager. A contract is developed following the decision of the evaluation panel and signed by the Director General.

If a procurement is unplanned, a formal confirmation must be received by the Director or Director General who will finance the activity, to confirm that an activity within his/her Directorate will be foregone, in order to finance the unplanned activity. Reasons must be stated on why the unplanned activity is to be funded, and prioritized over a budgeted activity. All support documents stated above must be attached.

If amount is VT 1,000,000 or greater and the nature of the procurement precludes normal procurement (e.g. the payment of bills) the Purchase Order Approval Form is taken to the FinU for confirmation.

This is discussed in more detail in the Procurement section.

STEP 6: Raising a Local Purchase Order

Once the Director or Provincial PEO has approved the Purchase Order Approval Form and, if required, the Procurement Unit has completed the tender process, a *Local Purchase Order (LPO)* is raised.

To do this this Purchase Order Approval Form is delivered to the FinU or Provincial Finance Officer (PFO) who review the support documents to ensure all the proper steps have been taken and the correct approvals sought.

Once the form has passed the review an LPO is prepared using the FMIS.

GOVERNMENT OF THE REPUBLIC OF VANUATU
GOVERNMENT DE LA REPUBLIQUE DE VANUATU

ORIGINAL: For supplier to submit for payment / ORIGINAL: à remettre par le fournisseur pour règlement

PAGE 1 L.P.O. No. 820-006338
 Change Order No. 0

LOCAL PURCHASE ORDER / ORDRE D'ACHAT LOCAL

TO (Supplier) / A (Fournisseur): SOUTH PACIFIC INFORMATION TECHNOLOGY (SPIM), PO BOX 5005-PORT VILA, Email: spim@spim.vu

Please supply to the / Prière de fournir au Service: Finance & Admin Directorate, Finance & Admin Directorate, P.M. BAG 028, PORT VILA

Order Date	Date Required	Ship Via	Vendor ID	Payment Terms
31/07/2024	31/07/2024	Collect	SP002	Payment 30 days after invoice date

Line	Description of goods or services / Description des fournitures ou services	Quantity / Quantité	Unit Price / Prix Unitaire	Total Cost/VUV / Coût Total/VUV
1	Ubiquiti Unifi Protect Network Vise	1	63,470.00	63,470
2	VATI Ubiquiti Unifi Protect Network	1	9,520.00	9,520
TOTAL COST VUV				VT 72,990
TOTAL en VUV				VT 72,990

NOTES:
 Purchase Order contains 1 pages

REFER ALL ENQUIRIES TO:
 Name: Rinah Cyrus, Telephone: 22 596

NOTE TO SUPPLIER: This document must be sent with your invoice to the ordering ministry or department after the goods or services have been received.

NOTE AU FOURNISSEUR: Ce document doit être adressé avec votre facture au ministère ou au département après livraison des biens ou services.

Local Purchase Order approved by authorized officer / Order d'Achat approuvé par l'agent autorisé
 Signature: _____, Print Name / Nom en majuscule: _____

Goods or Services Received / Fournitures ou Services contenues
 Signature: _____

Not Valid Without Official Stamp/Seal

Support documents may include, but are not limited to the following: Director or Director General’s approval to procure goods and/or services, CTB approval for payments over 10 million vatu, evaluation report from panel, confirmation of funding by either FinU or DoFT, details of payment of services, contract with supplier. For final payment of contracts, confirmation of goods and/or services satisfactorily received, delivery dockets and completion reports.

Note: All payments from the PEB account will follow the same process. Staff refund will be paid by LPO or via payroll.

STEP 7: Director or Provincial PEO's Approval

When the FinU has prepared the LPO, it is delivered to the Director in charge of the Directorate where the procurement is taking place. In the case of the Provincial Education Office, the PFO will prepare the LPO and will deliver to the Provincial PEO who will be responsible to sign off on the LPOs.

The FinU delivers all printed LPOs to each Director for signature. PEO Finance also has delegated authority for all divisions and is able to sign in the absence of any given Director.

It is this signature that is the final approval to commit public funds for expenditure.

STEP 8: Acquiring Goods or Services

Once the LPO has been signed by the Director or Provincial PEO the goods or services may be acquired by the officer involved in the procurement.

The purchasing officer takes the LPO to the supplier and receives the good/service. This officer must fill out the section of the LPO which confirms that the goods or services have been satisfactorily received.

If an asset has been purchased, an *Asset Entry Form* needs to be completed so that the asset details can be entered into the asset registry on the FMIS.

Everything in the lower half of the form is optional except the responsible officer field, but fill out as much as you can!

STEP 9: Payment

Once the goods or services have been received then the MoET will either deliver the LPO to the supplier to attach an invoice and submit to DoFT for payment, or MoET, upon receiving invoice, will submit direct to DoFT for payment.


The MoET FinU or PFO must check to confirm the LPO has been delivered and payment made to supplier.

This can be done on a periodic basis and any overdue LPOs need to be listed and if necessary investigated to determine the reason for non-delivery and payment.

If a supplier does not exist on the Finance system then a *Vendor Direct Deposit Form* is filled, stamped and submitted to DoFT. DoFT now requires suppliers to complete the form with their bank details so that payments can be made direct to their bank account, rather than printing cheques for suppliers to collect. This will also apply to staff who will require to apply for an accountable or standing imprest, subsistence allowance or any other payment which will require a vendor code to be created so that payment can be raised to the staff.

Support documents for suppliers to attach include a valid business license and bank confirmation letter confirmation bank details for supplier. For staff, this will include staff identification card, preferably the national identification card or VNPF identification card and bank confirmation letter confirming bank details for a staff.

Sample of Vendor Direct Deposit Form

<p style="text-align: center;">GOUVERNEMENT DE LA REPUBLIQUE DE VANUATU MINISTRE DES FINANCES ET DE LA GESTION ECONOMIQUE</p> <p style="text-align: center;">(MFGE)</p> <p style="text-align: center;">SERVICE DES FINANCES ET TRÉSORIE <i>Rez-de-Chaussée, Premier et Deuxième Étages, Bâtiment du MFGE Sac Postal Reçu n° 9033, Port Vila, VANUATU Tel: (678) 24543 Fax: (678) 25533</i></p>		<p style="text-align: center;">GOVERNMENT OF THE REPUBLIC OF VANUATU MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT</p> <p style="text-align: center;">(MFEM)</p> <p style="text-align: center;">DEPARTMENT OF FINANCE AND TREASURY <i>Ground, First and Second Floors, MFEM Building Private Mail Bag 9033, Port Vila, VANUATU Tel: (678) 24543 Fax: (678) 25533</i></p>	
VENDOR DIRECT DEPOSIT FORM			
<input type="checkbox"/> New <input type="checkbox"/> Amendment			
Operating Name: _____			
Contact Details			
Postal Address: _____			
Email Address: _____			
Phone Number: _____			
Fax Number: _____			
Purchasing: Will the vendor be used for LPOs Y / N			
Business License No.: _____ CT No.: _____			
Banking Details			
Name on Account:	Bank Name:	Branch Name:	Account Number:
_____	_____	_____	_____
Country if not Vanuatu: _____			
Select Bank Account: <input type="checkbox"/> Deposit <input type="checkbox"/> Investment <input type="checkbox"/> Savings			
Bank Address: _____			
Authorised Cheque Collector for ad-hoc cheque payments: _____			
I hereby agree that Government payments are deposited directly into my bank account in accordance with the details provided above.			
Vendor Signature: _____		Requested By: _____	
Department: _____			
For Office Use Only			
Vendor Code: _____		Entered By: _____	
Date Received: _____			
All correspondences should be addressed to the Director, Department of Finance and Treasury.			

At times a supplier may wish to cash their cheque, particularly if for some reason they do not have a bank account.

To do this they must complete a *Request Note to Cash My Cheque Form* and cash their cheque at the Reserve Bank of Vanuatu.

GOVERNMENT OF THE REPUBLIC OF VANUATU
 DEPARTMENT OF EDUCATION Administration and Finance Division
 Private Mail Bag 9028 Port Vila, Vanuatu Tel: (678) 22309

GOVERNEMENT DE LA REPUBLIQUE DE VANUATU
 DEPARTEMENT DE L'EDUCATION Division des Services Administratifs Et Finances
 Sac Postal Réserve 9028 Port Vila, Vanuatu Tel: (678) 22309

Date: _____

To: DIRECTOR Department of Finance and Treasury Vanuatu PMB-9031 PORT VILA

And, GOVERNOR Reserve Bank of Vanuatu PMB 9062 PORT VILA

Dear Sir/Madam,

Subject: Request Note to Cash My Cheque.

I the undersign, hereby submit this request to cash my RBV cheque at the Reserve Bank of Vanuatu.

The details of my cheque payment are as follows:

Cheque Number: _____
 Cheque Date: _____
 Amount (VT): _____
 Payment Description: _____

Thank you in advance for your assistance in facilitating this payment request. Should you have any queries regarding this request, please do not hesitate to contact me at telephone # _____ or email me at this email address, _____

Yours faithfully,

 (Your Signature)

(Print your full Name)

Note: Include a copy of your ID that contains your photo

Endorsement by Head of Ministry/Department:
 I hereby certify that this cash cheque request is in order and endorse the encashment of the above cheque payment for Ms/ Mrs/ Mr _____

Signature: _____
 Name: _____
 Designation: _____
 (Note: an official stamp is required.)

A copy of a photo ID must be included

The DG needs to approve the request

A supplier may at times wish for another person to collect their cheque for them and to cash it. For this an *Authorisation Note to Cash Cheque on My Behalf Form* is completed and then the authorised person can cash their cheque at the Reserve Bank of Vanuatu.

GOVERNMENT OF THE REPUBLIC OF VANUATU
 DEPARTMENT OF EDUCATION & TRAINING Administration and Finance Division
 Private Mail Bag 9028 Port Vila, Vanuatu Tel: (678) 33500

GOVERNEMENT DE LA REPUBLIQUE DE VANUATU
 DEPARTEMENT DE L'EDUCATION ET LA FORMATION Division des Services Administratifs Et Finances
 Sac Postal Réserve 9028 Port Vila, Vanuatu Tel: (678) 33500

Date: _____

To: DIRECTOR Department of Finance and Treasury Vanuatu PMB 9031 PORT VILA

And, GOVERNOR Reserve Bank of Vanuatu PMB 9062 PORT VILA

Dear Sir/Madam,

Subject: Authorisation Note to Cash Cheque on My Behalf.

I the undersign hereby authorize Ms/ Mrs/ Mr _____ to collect and to cash my RBV cheque on my behalf at the Department of Finance & Treasury and the Reserve Bank of Vanuatu.

The details of my cheque payment are as follows:

Cheque Number: _____
 Cheque Date: _____
 Amount (VT): _____
 Payment Description: _____

The details of the authorized personnel are as follows:

Occupation: _____
 Department/Ministry/Company: _____
 Telephone Contact: _____
 ID Provided (with photo): _____
 (Specify type of ID)
 Signature Specimen: _____

Thank you in advance for your assistance in facilitating this payment request. Should you have any queries regarding this authorization instruction, please do not hesitate to contact me at telephone # _____ or email me at this email address, _____

Yours faithfully,

 (Your Signature)

 (Print your full Name)

Note: Include a copy of your ID that contains your photo

Endorsement by Head of Ministry/Department:
 I hereby certify that this authorization request is in order and endorse the collection and encashment of the above cheque payment for Ms/ Mrs/ Mr _____

Signature: _____
 Name: _____
 Designation: _____
 (Note: an official stamp is required.)

Also include a photo ID of the person for whom the cheque is made out

Make sure a copy of photo ID of the person collecting the cheque is included

Payments Overseas

Payments in overseas currency must be processed in the same way as payments in vatu, except for the following procedures:

- (a) Enter the foreign currency amount on the voucher;
- (b) Attach the currency convertor to confirm vatu amount when raising the LPO;
- (c) Note on the voucher whether the payment is to be by bank draft or telegraphic transfer;
- (d) Raise the LPO and send it to DoFT for processing;
- (e) DoFT will send swift confirmation that payment has been made to the supplier's bank account.

7. Imprests / Cash Advance

The FinU assists the DG to ensure that adequate financial controls are in place for any imprests or cash advance as outlined in Part 6 of the PFEM RO. The management of imprests has been identified as an area of risk by internal and external auditors. MoET staff needs clear guidance to prevent mismanagement of funds or fraud.

Responsibilities of the Imprest Holder

- Imprest holder must sign the approved form for imprest holders, and follow the requirements for accounting for an imprest.
- Imprest holder must ensure that the imprest is used only for the purpose for which the imprest is issued.
- Imprest holder must take all reasonable precautions against the loss or theft of cash held on the imprest.
- An imprest must not be transferred or lent by the holder to another person unless approved by the Director of Finance.
- An imprest must be acquitted to the FinU or PFO, within 10 working days after the end of the official activity.

7.1 Types of Imprest

MoET operates two types of imprest:

Standing imprest which is to be used for petty cash purposes for purchases of a small amount which may be replenished from time to time as required; and

Special imprest which is to be advanced for a specific purpose and must be accounted for in full within a fixed period, and includes advances for:

- (i) Official travel (international or local); and
- (ii) Workshops; and
- (iii) Special projects or activities approved by the respective Principal Education Officers (PEOs), Directors or the Director General.

7.2 Standing Imprest or Petty Cash

The procedure for the standing imprest aims to ensure that:

- There is an accurate account of all expenditure;
- Control is maintained over both the nature and level of expenditure; and
- Secure measures are in place to minimize the potential for fraud/misuse of funds.

Definitions

Petty Cash Float: An amount of money given to a petty cash holder at the beginning of a period to enable staff to make payments;

Imprest System: A system that allows that money held in the petty cash float to be restored to the original amount when the cash float is low;

Standing Imprest or Petty Cash holder: Person responsible and accountable for maintaining the standing imprest system.

Conditions for the Use of Standing Imprest

- The standing imprest must be used exclusively for expenditure directly related to the requesting department business;
- Usually these funds are used for urgent and small cash payments for specific small purchases, up to 5,000 vatu;
- Expenditure claims should always be authorized by, at least, a Principal Education Officer (PEO) or an Activity Manager (AM);
- Examples of authorized expenditure include postage, small items of stationary, parts for urgent repairs or maintenance;
- Expenses that are not permitted in a standing imprest include personnel expenses, payment of travel expenses or advances to employees, wages, and reimbursement of fuel, goods or services already contracted to regular suppliers;

Storage/Security of Cash and Cheques within Departments

- The nominated staff to manage the standing imprest is responsible for ensuring that cash, cheques and receipts are kept secure until they are retired/acquitted to the FinU.
- In the event of cash, cheques or receipts being lost, missing, or stolen, staff responsible to manage the standing imprest must notify immediately the PEO FinU or PEO IAU. If cash, cheques, or receipts are lost, missing or stolen and cannot be verified, then the staff responsible for the standing imprest will be liable to reimburse the petty cash float.
- A transfer of a standing imprest holder is not allowed. The responsible officer will need to retire/acquit the current standing imprest before a new standing imprest can be issued to another officer. Respective Directors or the Director General will need to confirm and approve, in writing, the issue of a new standing imprest to another officer within the respective directorate.

Independent Checks

- Internal Audit can carry out random independent checks to the standing imprest which will include checking balances, receipts and use of the imprest;
- At any one time, the sum of cash and acquittals should correspond to the cash float.

Departments Request for a petty cash float

- Requests for a standing imprest, or increase to the float must be made in writing by the Director, clearly stating the amount required;
- No cash float will be higher than 100,000 vatu per standing imprest.

Replenishment of the petty cash float

- At the central level, a copy of the complete imprest form and all accompanied receipts should be passed to the FinU when the petty cash float is low to replenish the float to the agreed limit.
- At the provincial level, a copy of the complete imprest form and all accompanied receipts should be passed to the Provincial Finance Officer to replenish the float to the agreed limit.

7.3 SPECIAL IMPREST or CASH ADVANCES

Imprest Eligibility Criteria

- No previous imprest is outstanding in the name of the requester.
- Imprest applicant must be a permanent employee. Contracted or temporary staff must be approved by the Director concerned, as their employability is short term.
- Imprest applicant must not have ongoing deductions because of an outstanding imprest which applicant failed to retire within the given time.
- Requester cannot use another staff to apply for an imprest on their behalf to access funds.
- Activity Manager or a PEO and a Director must approve any advance.
- The limit for overseas travel is 2 million vatu and local travel is 1 million vatu, or such higher amounts as are approved by the Director of Finance. Amounts may vary, as determined by DoFT.

Imprest Application Process

Step 1 Applying for an Imprest

- All imprest holders must read the Agreement on the Conditions of the Advance before they are to sign the imprest application form.
- After reading the Agreement on the Conditions of the Advance the Applicant and Director or Director General will sign the imprest application form.

REPUBLIC OF VANUATU
APPLICATION FOR ACCOUNTABLE IMPREST ADVANCE FOR LOCAL TRAVEL

REFERENCE NUMBER : _____

1. **Application to Director General of Finance and Agreement to Conditions of Advance :**

a) I apply for an Accountable Imprest Advance of VT _____ to be issued on _____ for the purpose of :- _____

To be returned before : _____

PLEASE READ CAREFULLY

b) I undertake to submit, before the above date, an accounting of my expenses, with supporting receipt, and return the unspent part of the Imprest to you. I understand and acknowledge that if I fail to comply with the above that the Government may take disciplinary action and commence prosecution against me for mis-use of funds.

c) In addition, I authorise the Government to deduct any overdue amounts from my salary in accordance with provisions of the Employment Act No.1 of 1982, commencing on the pay day following the due retirement date, in such instalments as the Director General of Finance may decide. I also authorise the deduction from salary of any interest charges the Hon. Minister of Finance may direct on overdue amounts, subject to a maximum of 10% above Commercial Bank Rates. I UNDERSTAND THAT BORROWING FROM THIS IMPREST, OR USING IT FOR PERSONAL EXPENDITURE, IS MIS-USE OF PUBLIC FUNDS. I CONFIRM I HAVE NO PREVIOUS IMPRESTS OUTSTANDING.

d) I Undertake that any deduction from my salary will not be Refundable in the event that an imprest holder fails or neglects to retire an accountable imprest on the day upon which is due to be retired, his or her salary deducted up to the date of his or her retirement shall NOT BE REFUNDABLE

e) I accept that any deductions from my salary will not be refundable due to my failure to retire my imprest by due date.

f) However any deductions effected after the date to which submitted my accounts shall be refunded.

Signed: _____
 Name (Print) _____ Position _____
 Employee ID: _____ Email Address _____ Normal Work Location _____

2. **Recommendation and Chapter Heading**

(a) Recommended _____ Date _____
 Head of Department / Minister / Prime Minister
 (b) Chapter heading for Expenses Incurred _____

FOR USE IN THE DEPARTMENT OF FINANCE :

3. **Application Approval**

Entered in Imprest Register by _____ (Signed) Date _____	Application Approved _____ (Signed) Date _____
---	---

ADVICE TO IMPREST HOLDER :-

3. Please read this attached notes carefully. According to the FR 6.4.3 - as holder of the imprest, you must wherever possible obtain records, Receipts, Income, etc to support all expense from the imprest.

Distribution : 1 for Department
 1 for Imprest Holder
 1 for the Department of Finance

CP 200
 Citicorp Graphics Printers

Step 2 Attach all Support Documents to Imprest Application

- Attach a cover letter.
- Attach copy of an extract of annual plan or project profile that mentions the plan of the activity / travel;
 - In case of an activity not mentioned in the annual action plan, a plan of the activity, with the detail of the beneficiaries of the activity and expected outcomes.

ANNEX 2: IMPREST APPLICATION FOR UNEXPECTED PROJECTS/ACTIVITIES

Project/Activity Title:
Unit & Division:
Activity Manager:
Duration of the Project/Activity:
Project Budget:
Project Chapter Head:
Location of Project/Activity:
Number of People Affected (Directly & Indirectly)/Beneficiaries:
Purpose of Project/Activity:
Objectives of Project/Activity:
Project/Activity Benefits
Project/Activity Description:
How does the Project/Activity fit in with the Sponsoring Department/Ministry's Plans:
How will the Project/Activity be monitored:

I certify that I have checked the project/activity proposal, and any other supporting information for screening this project/activity. I am satisfied that it will be beneficial to the Ministry and will contribute to achieving the objectives of the Ministry.

Name of Director/Director General/Minister: _____
 Signature of Director/Director General/Minister: _____
 Date: _____

- For travelling, enclose:
 - Approved mission form signed by the Director, Director General or Minister for domestic travelling; or approved mission form signed by the Director, Director General, Minister, and Prime Minister's Office for international travelling;
 - Cover letter confirming official visit;
 - Confirmed itinerary of proposed travel;

- Confirmed number of persons involved in the activity;
 - Details of payments to be paid from the imprest;
 - Invitation to attend workshop or conference or meeting;
 - Program of workshop, conference, or meeting; and
 - Confirmation on whether a different agency or government will be funding the activity.
- Submit to respective PEO or AM or at Provincial Office, to Provincial Finance Officer (PFO).
 - PEO or AM, and at Provincial Office PFO should make internal checks to ensure all relevant documents attached.



Step 3 Approval for Imprest



- PEO or AM get approval from Director to raise a Local Purchase Order (LPO) for the cash advance;
- At the provincial level, the PFO will get approval from PEO to raise a cheque for the cash advance.

Step 4 Payment of Imprest

Once the LPO has been paid, the applicant must make sure that they have access to the following:

- A cheque to cash;
- A MoET receipt book, either a General Receipt Book or a Transport Receipt Book. All MoET receipt books should be accounted for;

	MINISTRY OF EDUCATION & TRAINING	
GENERAL RECEIPT		
Date _____	47292	
Received cash from _____		
The sum of _____		
_____ vatu		
Being for _____		
Vatu _____		
	Signature	
Name of Individual / Business _____		
Contact of Individual / Business _____		

	MINISTRY OF EDUCATION & TRAINING	
TRANSPORT RECEIPT		
Date _____	40133	
Received cash from _____		
The sum of _____		
_____ vatu		
Being for _____		
From _____		
To _____		
Vatu _____		
	Signature	
Name of Driver/Captain _____		
Transport Number Plate _____		
Driver/Captain Phone Contact _____		

Allocation of Receipts:

White – Enclose with imprest acquittal.

Blue – Copy for supplier or customer who has provided goods and/or services.

Yellow – Retaining in the receipt book for audit purposes.

- For subsistence allowance that was paid, completed and signed DSA form approving staff travel.
- Other necessary documents as requested by the FinU.
- Complete the imprest acquittal form.
- At the central level, the imprest holder needs to return the cash not spent to the Government Cashier at the DoFT by detailing the reference of imprest.
- At the provincial level, the imprest holder needs to return the cash not spent to the Financial Services Bureau (FSB), representing the DoFT.
- Receipt for cash not spent must be received by the imprest holder, either from the cashier at DoFT, or the FSB.
- Officers will be required to submit to the PEO (at the provincial level), Activity Managers or Directors (for individual officers of each Division at the central level) or Director General (for Directors & Managers of the DGs Office & Cabinet staff) to endorse:
 - The printed report of the acquittals, including receipts of the activity/trip;
 - The printed report of the achievements/ outcomes of the activity / trip.

Step 2 Verification of Imprest Acquittal by FinU

After endorsement by the PEOs, Activity Managers, Directors or Director General, the imprest holder, hands over the remaining MoET receipt books not used and the referred documentation to be verified by the Finance Unit centrally and by the PFO in the Provinces.

Once all verification complete, in the Provinces, PFO sign off on the imprest acquittal form. Centrally PEO Finance signs off on the imprest acquittal form. Imprest acquittal forms are forwarded to Director Administration & Finance centrally and PEO in the provinces for their approval.

MINISTRY OF EDUCATION AND TRAINING DIVISION OF ADMINISTRATION AND FINANCE FINANCE UNIT		
Imprest Reference Name		_____
Chapter Head		_____
DESCRIPTION OF ACTIVITY	EXPENDITURE CODE	AMOUNT (In vats)
TOTAL EXPENSES		0
Imprest Advanced		0
Imprest Expensed		0
Amount refunded via gov't cashier, receipt @		0
<i>Report of Trip/Workshop/Purpose of Imprest received?</i>		
Please tick: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>		
<i>Chart of Account Correction Journal Attached?</i>		
Please tick: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>		
<i>Refund LPO Raised to Imprest Holder?</i>		
Please tick: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>		
Prepared by:	_____	
Date	_____	
Checked by:	_____	
Date	_____	
Approved by:	_____	
Date	_____	
Verified by:	_____	
Date	_____	

Step 3 Prepare Journals to Correct Expenditure Incurred

PFO and Accounts Clerk must prepare journals to correct the expenditure incurred while using the imprest. This will properly record the accounts that were expensed.

Step 4 Submission of Imprest Acquittal to DoFT

PFO and Accounts Clerk updates the Imprest Register, scans the originals of the imprest acquittal, including all support documents, and submits the originals of the documentation to DoFT.

Copies are uploaded to FinU share drive.

7.5. Checks and balances of Imprests

Activity Managers or PEOs will be responsible to analyse and approve the achievements/outcome report against respective Unit's annual work plan.

The FinU and the PFOs in the Provincial Offices will be responsible to select a sample of at least 50% of each of the acquittals and contact suppliers to confirm expenditure.

7.6. Overall Reporting

The FinU and the PFO must maintain a full record of all imprest, amounts and expected dates for retirement.

FinU will prepare adhoc report of all imprests not acquitted, with reference to the imprest holders, departments amount, expected date to retire, number of days lapsed from the date mentioned. The PFOs will be responsible to prepare the same report and submit to PEO Finance and respective PEOs.

7.7 Control of MoET Receipt Books

The FinU or PFO is responsible to ensure that there is a reasonable stock of receipts books available to staff.

Returned receipt books will be kept with the FinU or PFO;

FinU or PFO will maintain a record in the "Receipt book Registry" confirming receipt books that are in possession of imprest holders and receipt books that have been returned.

7.8 Discipline

Staff that have not acquitted their imprest by the due date, will face the following actions:

Failure to return their imprest following the reminder, will lead to a Director or Director General to proceed with instructions to the Director of Finance & Treasury to deduct a staff salary to recover the total amount of imprest. No advance warnings will need to be given to staff.

In addition, failure to return their imprest following the reminder, the Director General will proceed with instructions to PSC on disciplinary action to be taken on staff, for deliberate misuse of public funds.

8. Human Resources

The management of human resource personnel entitlement is done in accordance with Part 7 of the PFEM RO. The Director of Finance is responsible for the government payroll system which is managed on Smartstream.

8.1 Annual Processes

As soon as the budget is appropriated by Parliament, the DG writes a letter to the Director of Finance MFEM delegating authority for the payment of payroll, as adjusted from time to time upon advice from MoET.

8.2 Filling a Non-Teacher Vacancy

If there is a non-teacher vacancy in the establishment, the division responsible may seek to have the position filled.

STEP 1: Identification of a Vacancy

The responsible Director informs MoET Human Resources (HR) of a vacancy that is required to be filled.

STEP 2: Confirm Budget

If approval is given, HR requests the FinU to prepare a **Financial Visa**, which is a confirmation that there is sufficient budget for the position. The form is signed off by the Director concerned and the DG.

Department Of Finance and Economic Management
Financial Visa Request Form

The following information must accompany all requests for a Financial Visa to the Department of Finance and Economic Management. This form must be completed and passed on to the Budget Section (along with the attached PSC Form 3-1 when applying for additional staff) before any application for a Financial Visa can be considered.

Ministry: Education & Training, Department: 820

Chapter Heads under above department accommodating the Budgeted Vacancies

Vacancies Per Cost Centre	Count of Post	Payroll Cost
=2- EDAB - MEIA - PAYR	2	3,978,092
3206 - SEO - Accountant	1	2,420,696
3208 - Accounts Clerk (Contract)	1	1,557,396
=2- EDAC - MEIA - PAYR	4	7,863,622
3213 - Asset and Registry Officer	2	1,647,248
3219 - Driver/Messenger (Contract)	1	1,557,596
3221 - Architect 1	1	2,329,384
3222 - Architect 1	1	2,329,384
=2- EDAD - MEIA - PAYR	1	3,128,624
3226 - IT Manager	1	3,128,624
Grand Total	7	14,970,328

Purpose of request: To request the financial visa for the vacant Budgeted Positions in these three-chapter heads under department 820 – Administration & Finance Dept. This financial visa is important to ensure these 7 vacant positions are filled to implement the year 2025 business plan. Find attached the details of the vacant post.

(Please explain briefly the particular type of expenditure(s) for which the Financial Visa is being sought)

1. What are the current salary and wage commitments and allowances for the Department? Please include all allowances including housing allowances.

The Actual Payroll Expenditure for the cost centre under Department 820 is (after pay period 2312): 16,273,501 VT. Refer to column 3 in the table beneath to see individual chapter heads.

Chapter Head	Payroll Expenditure			Payroll Budget		Payroll Cost	Sum of Total Payroll Cost	Is the budget sufficient?
	PAID Budget	Expenditure	Remaining	Forecasted Exp to Yr End	Estimated Remaining			
2- EDAB - MEIA - PAYR	16,177,962	6,717,329	11,460,633	14,504,628	3,573,364	2	3,978,092	404,728 No
2- EDAC - MEIA - PAYR	22,652,872	4,675,257	17,977,615	22,154,075	12,480,797	4	7,863,622	4,625,185 Yes
2- EDAD - MEIA - PAYR	13,825,848	4,889,315	8,936,533	22,611,652	3,154,215	1	3,128,624	65,592 Yes
Grand Total	54,656,712	16,273,501	38,383,211	59,266,355	18,208,377	7	14,970,328	4,286,049

2. What are the Department's plans in terms of further allowances, recruitment and /or redundancy for the remainder of the year?

All allowances will be sourced from within the accommodating cost centres payroll budget savings.

3. What is the total cost of the Department's plans as outlined in question 2?


The Total cost of the department's plans for these positions total up to: 14,970,328 VT. Refer to column 8 of the second table, beneath, in page 1.


4. What is the total Departmental Budget for salary and wages and other allowances (including housing)?

Total Payroll Budget for the cost centre is: 54,636,712 VT. Refer to column 2 of the second table, beneath, in page 1.

5. If there is an increase in costs associated with this request for a Financial Visa, how are these costs to be met?

The cost will have to be met within each Departments Recurrent Budget.


 Signature of the Director-General of Ministry


 Signature of the Director of Department

(For Department of Finance use only)

Date request received: _____ Reference No. _____

Approved / Not Approved

Budget Manager, Signature: _____ Date: _____

Approved / Not Approved

Director Finance, Signature: _____ Date: _____

Ministry informed on: _____

The following support documents must be enclosed with the Financial Visa:

- (i) MoET Organization structure;
- (ii) Job description for the position being advertised; and
- (iii) Analysis of cost centre affected.

STEP 3: DoFT Confirmation

The Financial Visa is forwarded to DoFT who confirm budget availability.

Once confirmation is received from DoFT that the financial visa is approved, FinU will inform HR. Once informed, HR will prepare a letter for the DG to the Public Service Commission (PSC) to request approval for recruitment.

STEP 4: Director's Approval to Recruit

PSC will inform HR on approval to advertise the position.

HR then requests the Director of the MoET Division responsible to sign payment request to advertise position.

STEP 5: Recruitment

Once advertised, HR will ensure that all relevant recruitment forms are prepared and recruitment process begins. A panel will be nominated to review the applications and a shortlist will be prepared for eligible candidates who meet the criteria. Shortlisted candidates will be requested to attend an interview and the successful candidate, and another proposed candidate will be confirmed after the interview.

Step 6: PSC Approval

HR will submit the confirmed candidate to the Public Service Commission for approval.

PSC will inform HR once approval is granted.

8.3 Filling Teacher Vacancies

Teachers are managed by the Teacher Services Commission (TSC).

STEP 1: ESD Advises TMU of Recruitment of Teacher

If a new teacher is entering the service, the Education Services Directorate (ESD) or Tertiary Education Directorate (TED) provides the Teacher Management Unit (TMU), at the TSC, with payroll information for the new teacher.

STEP 2: Confirm Budget

If approval is given, TMU requests the FinU to prepare a **Financial Visa**, which is a confirmation that there is sufficient budget for the position (similar to the PSC process). The form is signed off by the Director concerned, the Director Finance & Administration and the DG, then submitted to the TSC for approval.

STEP 3: TSC Approval and Advises DoFT of Changes

TSC approves the financial visa which is then provided to DoFT with the new payroll information so the teacher can be added to the payroll.

STEP 4: Teacher Confirmation on Payroll

After the next payroll run from DoFT, TSC confirms the new teachers are in the system using information available on SMART STREAM.

8.4 Additional Teachers and Non-Teaching Staff

Additional Teachers, or additional Non-Teaching staff that are outside of the existing establishment require both approval and budget.

Permission is sought from the PSC via the MoET HR Unit, and for TSC via the ESD or TED.

If permission is granted, the new positions must be included in either a supplementary budget or in the annual budget for the following year. In both cases the additional funds for the position must be approved by parliament before recruitment can proceed.

8.5 Salary Adjustments

Staff salary may be adjusted during the year as confirmed by either TSC or PSC. In addition, this may be done in accordance with Section 38 of the PFEM RO.

STEP 1: Payroll Adjustment Letter

For each payroll run adjustments may need to be made, allowances, new employees or other adjustments such as penalties for non-imprest payment.

These adjustments are approved by PSC and administered by MoET HR for PSC employees and approved by TSC and administered by the TSC TMU for teachers.

For Acting Allowances and Salary Advances, advice for payment comes directly from the Director General or from the TSC.

The PSC, TSC and DG compile a Payroll Adjustment Letter which is sent to the FinU.

STEP 2: Finance Unit

The FinU checks the payroll adjustments against the budget to ensure that sufficient funds are available.

Once confirmed, the letters are returned to the Director of Finance & Administration.

STEP 3: Director of Finance & Administration Approval

The Director of Finance & Administration receives the Payroll Adjustment Letters, confirms they are correct, is within budget and approves the payroll adjustments.

STEP 4: HR Unit Advice Preparation

The approved Payroll Adjustment Letters are then given to the Payroll Section who prepare the advice for DoFT.

STEP 6: DoFT Advice

The MOET HR sends the payroll advise to the Payroll Section DoFT who then make the adjustments for the upcoming payroll run.

STEP 7: Confirmation

Once payroll has been processed by DoFT, the payroll run is reviewed on SMART STREAM by the MoET HR to confirm adjustments have been made and are correct.

8.6 Salary Deductions

From time to time it may be necessary to make deductions from salaries to reclaim funds. The reasons for this may vary, however there are two categories.

(i) Reclaiming Unacquitted Imprest Amounts

When imprest holders sign for an imprest, it includes providing MoET the right to reduce their salary for any unacquitted imprest amounts.

STEP 1: Determining the Amount

For any amounts more than 10 days overdue the FinU prepares advice for the Director of Finance & Administration to approve deduction of salary for staff.

STEP 2: Director's Approval

The Director of Finance & Administration either approves the deduction or addresses the matter with the imprest holder.

STEP 3: DoFT Advice

Once approval for a deduction has been made, the FinU prepares advice for DoFT to deduct the approved amount from the salary of the imprest holder.

STEP 4: Confirmation

Once payroll has been processed by DoFT, the payroll run is reviewed on SMART STREAM by the FinU to confirm deductions have been made and are correct.

(ii) Reclaiming Other Amounts

For all other deductions, such as reclaiming unused allowances a different approach is used.

STEP 1: Determining the Amount

The FinU prepares advice for the Director of Finance & Administration on any amounts to be reclaimed.

STEP 2: Director's Approval

The Director of Finance & Administration approves or disapproves of the amounts to be deducted.

STEP 3: DoFT Advice

The approved amounts and details are provided to the Payroll Section who prepare the deductions as part of the regular payroll advice provided to DoFT.

STEP 4: Confirmation

Once payroll has been processed by DoFT, the payroll run is reviewed on SMART STREAM by the MoET HR and TSC TMU to confirm adjustments have been made and are correct.

8.7 Allowances

Allowances are administered by the MoET HR and TSC TMU require PSC/TSC approval. These include:

- ✚ Child Allowance
- ✚ Housing Allowance
- ✚ Additional Responsibility Allowance
- ✚ Acting Allowance
- ✚ Medical Refund
- ✚ Home Island Refund
- ✚ And other staff entitlement

STEP 1: Staff Application

An MoET staff wishing to apply for an allowance makes a request to their immediate manager, who passes the request to the MoET Director responsible.

PSC and TSC application forms are similar in nature and must be completed by a staff to be able to receive the allowance.

PSC FORM 4-8

CHILD ALLOWANCE CLAIM FORM

Application on new appointment
 Application for additional child allowance

Name of officer: _____ Payroll No: _____
 Post Title: _____ Post No: _____
 Ministry: _____ Department: _____
 Location: _____ Employment Status: _____
(N.B. Must be a permanent officer or full entitlement exists)

Is your spouse or de-facto partner a Public Servant or an employee of a Government Agency which pays child allowances? Yes No
(Ministry PSC only)

If your answer is yes, please state name of spouse: _____
 What Department/Government Agency does he or she work in: _____

Does your spouse or de-facto partner receive a Child Allowance from the Government? Yes No
(Only one spouse can claim the child allowance)

Has Ministry HR confirmed this with other Ministry? Yes No

NAMES AND DATE OF BIRTH OF YOUR CHILDREN:

Name of children	Date of birth	Natural or adopted child

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PSC FORM 4-8

DOCUMENTS REQUIRED:
(Please attach copies of these documents relating to the child)

- Birth Certificate
- Adoption certificate (if certified by chief, needs to be countersigned by magistrate)

CERTIFICATION:
 I hereby certify that the information provided above is true and correct.
 I also certify that I have legal custody of the above children and I am financially responsible for them.
 I also understand that any false declaration made by me to obtain a child allowance to which I am not entitled may be subject to disciplinary action by the Public Service Commission.

SIGNATURE: _____ DATE: _____

APPLICATION SHOULD BE MADE WITHIN THREE MONTHS OF COMMENCING EMPLOYMENT OR FOLLOWING THE BIRTH OF A NEW CHILD FOR THE ALLOWANCE TO BE BACK DATED.

APPROVED/NOT APPROVED BY DIRECTOR/DIRECTOR GENERAL:
 Name: _____ Signature: _____
 Name of Department: _____ Date: _____
 Name of Ministry: _____

OR IN THE CASE OF DIRECTORS-GENERAL AND STAFF OF THE OPSC:

APPROVED/NOT APPROVED BY SECRETARY, OPSC:
 Name: _____ Signature: _____
 Date: _____ Name of Ministry (if applicable): _____

For Officer Use Only
OFFICER INFORMED ON: _____
DEPARTMENT OF FINANCE INFORMED ON: _____

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PSC FORM 4-3

RESPONSIBILITY ALLOWANCE FORM

Name of Officer: _____ Payroll No: _____
 Post Title: _____ Grade: _____
 Post No: _____

Additional responsibilities to be given to the Officer in addition to his/her normal duties and responsibilities *(Please attach a copy of the officer's job description)*

Are these additional responsibilities currently being undertaken within the Department? Yes or No (otherwise if Yes, who is currently undertaking the duties):

Name of Officer: _____ Post Title: _____
 Post No: _____ Grade: _____
(Please attach a copy of this officer's job description)

Why are these responsibilities being transferred to the officer appointed to receive the allowance:

I recommend that the Officer should receive a responsibility allowance of VT _____ per annum, in addition to his/her substantive salary for the period from _____ to _____
(This period is not to exceed six months)

Director - Name: _____ Signature: _____
 Name of Department: _____ Date: _____

I support the Director's recommendation
 Director-General - Name: _____ Signature: _____
 Name of Ministry: _____ Date: _____

TO BE COMPLETED BY THE SECRETARY, OPSC
 APPROVED: YES or NO (Please circle decision of PSC) Date of PSC meeting: _____
 Secretary - Name: _____ Signature: _____

Page 1 of 1

PSC FORM 4-2

ACTING ALLOWANCE APPLICATION FORM

I certify that the following officer will be absent from duty for the dates indicated below and that it will be necessary for the post to continue to be filled during this absence. No officer of corresponding substantive rank is available for transfer to the position.

Name of absent officer: _____ Payroll No: _____
 Post Title: _____
 Post No: _____ Grade: _____

Reason for Absence: _____
 Date of absence from: _____ to _____

I recommend that the following officer, who is the most suitable officer, should be appointed to the above post on an acting basis for the period from: _____ to _____
(This period must not exceed twelve months unless the nature of the duties or the nature of the absence requires otherwise. Leave without pay or full time training program)

Name of Acting Officer: _____ Post Number: _____
 Substantive Post Title: _____ Post Number: _____
 Gender: _____ Salary Level of Acting Officer: _____
 Minimum Incremental Point of Acting Post: _____
(The rate of pay should be an amount between 100% of the minimum rate and 100% of the maximum rate)

The Acting appointment is essential because _____

(Note: Acting appointments will only be approved where a clear priority need has been established and funding is available)

The Acting Officer will assume the duties and responsibilities of the post to the following extent *(tick one box only)*:

5
 In full (100%) About 75%
 About 50% About 25%

Is funding available to pay acting allowance? Yes No *(Please tick appropriate box)*

Manager Name: _____ Signature: _____
 Name of Section: _____ Date: _____

Page 1 of 2

Approval is granted *(withhold these acting salaries for the above mentioned officer to be appointed on an acting basis to the post detailed above and to receive, in addition to his/her substantive salary, an acting allowance on a per annum basis of VT _____)*

Director - Name: _____ Signature: _____
 Name of Department: _____ Date: _____

OR

Director-General - Name: _____ Signature: _____
 Name of Ministry: _____ Date: _____

NOTE: Acting arrangements for all posts up to the maximum period of 6 months, other than Director-General and Director positions, may be approved by either a Director-General or Director. Acting arrangements to cover an officer below Director level (ie. sub-director, secondment, leave without pay or on a full-time training course for a period in excess of six months) may be approved by a Director-General, subject to the provisions specified in section 4.5 of Chapter 4 of this manual. Acting arrangements to cover a Director who has been approved to proceed on sabbatical leave, secondment, leave without pay or on a full-time training course for a period in excess of six months must be submitted to the PSC for approval as specified in section 4.5 of Chapter 4 of this manual.

OR

Approval is granted *(withhold these acting salaries for the above mentioned officer to be appointed on an acting basis to the post detailed above and to receive, in addition to his/her substantive salary, an acting allowance on a per annum basis of VT _____)*

Decision taken at PSC meeting held on: _____

Secretary - Name: _____ Signature: _____
 Public Service Commission Date: _____

NOTE: PSC approval is only required for Director-General and Director posts, where the acting arrangements proposed exceed 20 days.

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STEP 2: Director's Approval

The MoET Director responsible for the Unit approves or does not approve the allowance.

STEP 3: MoET HR and TSC TMU Collates Requests

If the allowance is approved, it is taken to the MoET HR or TSC TMU who gather all requests from different Divisions to submit to the PSC or TSC.

STEP 4: PSC/TSC Approval

PSC/TSC approve or does not approve the allowance.

STEP 5: DoFT Advice

The approved amounts and details are provided to the Payroll Section who prepare the deductions as part of the regular payroll advice provided to DoFT.

STEP 6: Confirmation

Once payroll has been processed by DoFT, the payroll run is reviewed on SMART STREAM by the MoET HR or TSC TMU to confirm adjustments have been made and are correct.

8.8 Severance

A staff is entitled to be paid a severance entitlement upon completion of employment with TSC or PSC, after at least one year of service.

STEP 1: Line Manager informs MoET HRM or TSC TMU

The staff informs the MoET HRM or TSC TMU that he/she wishes to cease employment (as undertaken in accordance with *PSC Manual or Teaching Service Staff Rules (TSSR)*).

STEP 2: PSC or TSC Approval

The MoET HR and TSC TMU prepares notification to inform PSC or TSC Board that staff wishes to cease employment. PSC or TSC approval is received by MoET HR and TSC TMU who will be responsible to prepare severance calculation according to PSC Manual or TSSR.

STEP 4: Finance Unit/Internal Audit Feedback

The MoET HR or TSC TMU advise the IAU and the FinU of the MoET officer's pending disengagement.

The IAU and FinU inform HR regarding any outstandings. If there are funds owing, salary deductions are made as per Section 38 of the PFEM RO.

STEP 5: Payment of Severance and Removal from System

MoET HR or TSC TMU submits payment request for severance to DoFT and informs DoFT of the final salary payment for staff.

DoFT de-activates staff from SMART STREAM once severance is paid to staff.

STEP 6: Confirmation

The MoET HR or TSC TMU reviews the payroll data on SMART STREAM to confirm that payments to the departed employee have ceased.

9. Grants

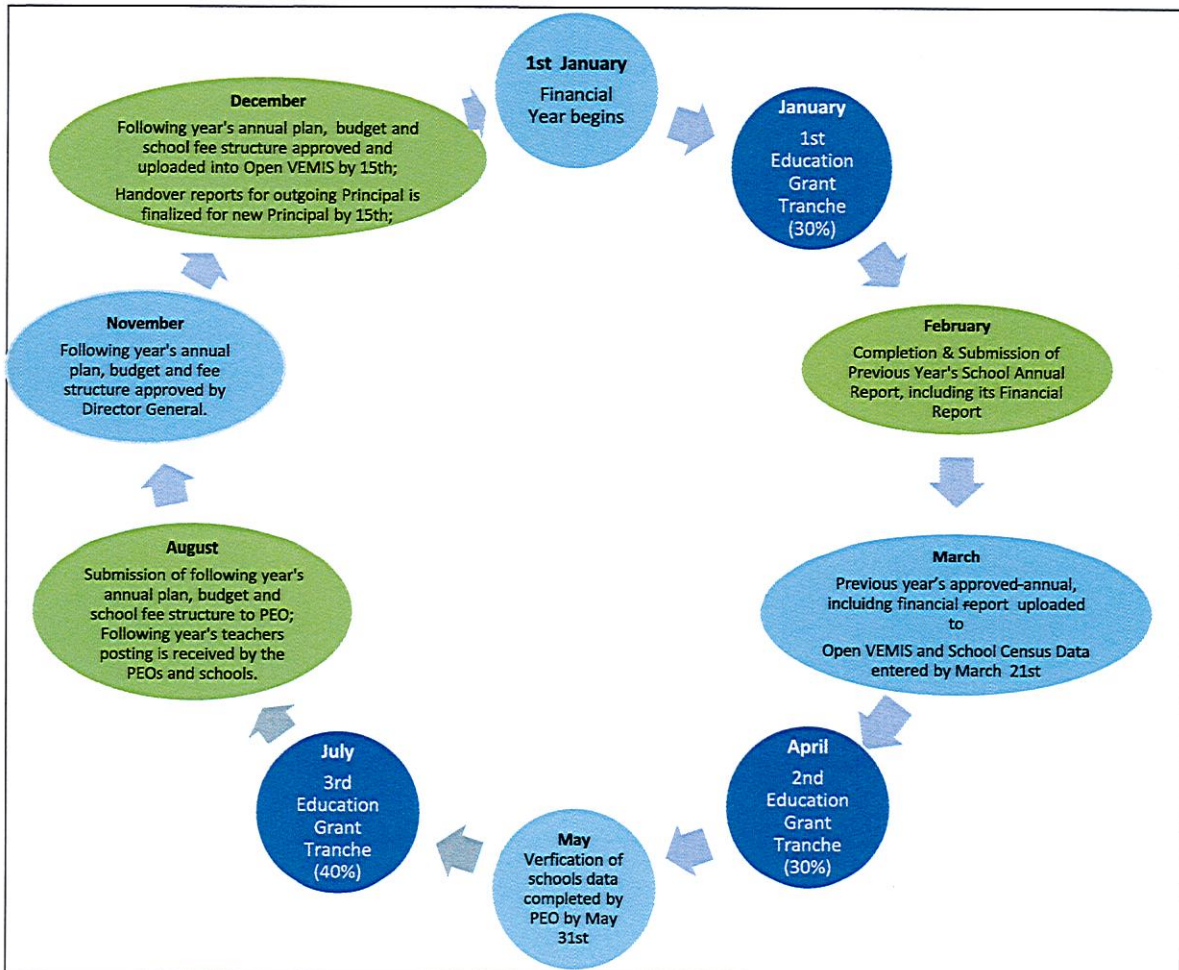
Grants, are paid by the GoV or donors partners and usually come with conditions. These conditions vary from grantee to grantee, so it is important that MoET FinU understands the requirements of each.

Schools receive annual grants or stimulus grants or any other types of grants, are required to comply with finance procedures outlined in the *School Financial Management Manual*.

9.1 Education Grants

These are periodic grants which occur three times in a year, normally in January, April and July. 30% of each grant is paid in January (Tranche 1), 30% in April (Tranche 2) and 40% in July (Tranche 3). Tranche 1 and 2 criteria is based previous year's enrolment and grant criteria guided in the Grant Code Part 2 Section 2. The administration of these is determined by the articles in the *Grants Code*.

Education Grants follows a regular cycle, as demonstrated below.



Tranche 1 and 2 is based on previous year's grant criteria and enrolment while tranche 3 is based on the current year's grant criteria and enrolment. Schools grant may vary depending on the enrolment of a school in the past and in the current year.

Scenario 1: School Grant Paid When Increase in Enrolment in Following Year

Enrolment in previous year: 50 students

Enrolment in current year: 80 students

Annual grant rate: VUV 8,900 per student

Calculation of Grant:

Tranche 1: $50 \text{ students} \times 8,900 \text{ vatu} \times 30\% = \text{VUV } 133,500$

Tranche 2: $50 \text{ students} \times 8,900 \text{ vatu} \times 30\% = \text{VUV } 133,500$

Tranche 3: Total grant to be paid to school – Tranche 1 grant paid – Tranche 2 grant paid
 $80 \text{ students} \times 8,900 \text{ vatu} = \text{VUV } 712,000 - \text{VUV } 133,500 - \text{VUV } 133,500$
 $= \text{VUV } 445,000$

Total tranche paid in current year = VUV 133,500 + VUV 133,500 + VUV 445,000 = VUV 712,000

Scenario 2: School Grant Paid When Decrease in Enrolment in Following Year

Enrolment in previous year: 50 students

Enrolment in current year: 40 students

Annual grant rate: VUV 8,900 per student

Calculation of Grant:

Tranche 1: $50 \text{ students} \times 8,900 \text{ vatu} \times 30\% = \text{VUV } 133,500$

Tranche 2: $50 \text{ students} \times 8,900 \text{ vatu} \times 30\% = \text{VUV } 133,500$

Tranche 3: Total grant to be paid to school – Tranche 1 grant paid – Tranche 2 grant paid
 $40 \text{ students} \times 8,900 \text{ vatu} = \text{VUV } 356,000 - \text{VUV } 133,500 - \text{VUV } 133,500$
 $= \text{VUV } 89,000$

Total tranche paid in current year = VUV 133,500 + VUV 133,500 + VUV 89,000 = VUV 356,000

In cases, where there is a huge decrease in school enrolment then this may result in overpayment of school grant to schools in Tranche 1 and 2, and a school may not receive Tranche 3. The overpayment in grants may be deducted in future years grant payments.

STEP 1: Determination of Eligible Schools

For all grant payments, the Provincial Education Boards determine the eligibility of individual registered schools and that they meet the criteria for receiving the education grant. This is done through Open VEMIS using the criteria outlined in the *Grants Code, part 2 division 2*.

School Grant Criteria			
View Grant Criteria for this school in year:		2024 ▼	
Grant Criteria ID:	NEW		
Financial Report Approved:	<input type="checkbox"/>	Active School Council Approved:	<input type="checkbox"/>
School Improvement Plan Approved:	<input type="checkbox"/>	No Audit Issues:	<input type="checkbox"/>
No Student Enrollment Issues:	<input type="checkbox"/>	Offers National Curriculum:	<input type="checkbox"/>

In-eligible schools may only be paid their grants if a school's cheque book is given to the PEO to manage the school fund on behalf of the Principal, and the PEO also provides evidence of plans that are in place that schools will be supported to meet all the school grant criteria to be eligible to receive the grant.

Once a school meets all the school grant criteria then the school cheque book may be returned to the Principal.

STEP 2: Internal Audit Unit Confirmation

The internal audit unit also provides their confirmation on schools that have outstanding audit issues. For schools that have audit issues, their grants will be with-held until confirmation is received from the PEOs that they will be managing the schools cheque book. The PEO will manage the schools cheque book until such time that the Internal Audit Unit confirms that the school has satisfactorily responded to the auditor's report.

STEP 3: Data Quality Confirmation

Policy and Planning Unit are responsible to ensure that any schools who have closed or are dormant are not included in the list of registered schools. The list of schools deemed eligible & cleared by the Provincial Education Board is endorsed by the Education Services Directorate for approval.

The list is then taken to the FinU who reconfirm school financial compliance, and a checklist is signed by all involved Principal Education Officers.

TRANCHE 1 2023 SCHOOL GRANTS CHECKLIST

I. Disbursement of School Grants

The following process will be followed for the transfer of each of the annual fund tranches

Action	Completed (signature)/ date	Indicative timeline
A. Preparation for Grants Disbursement		
1. PEO Finance to inform PEO Education Services, PEO Higher Education, PEO Policy & Planning and PEO Internal Audit of the school grant payment schedule.	Sept	1 st Tranche Nov 23 rd 2 nd Tranche Feb 23 rd 3 rd Tranche May 23 rd
2. MOET data validation process completed on Open VEMIS, following MoET Census data on 21 st March.		31 st May
3. PEO Policy and Planning provides an approved schools registry, signed by the DG, of all Government and GAEA schools to the PEOs, Education Services, Finance & Audit. This will include new schools/year levels, closed schools/year levels.		1 st Tranche Jan 17 th 2 nd Tranche Apr 5 th 3 rd Tranche July 5 th
4. PEO Internal Audit with the assistance of the PEO Finance to confirm any changes (new or closing or joint) bank accounts references of all Government and Government-Assisted Schools.		1 st Tranche Jan 17 th 2 nd Tranche Apr 5 th 3 rd Tranche June 9 th
5. PEO Policy and Planning issues with PEO Education Services, PEO Internal Audit, and PEO Finance to confirm status about completeness and accuracy of data on Open VEMIS (OVU).		1 st Tranche Jan 17 th 2 nd Tranche Apr 5 th 3 rd Tranche June 13 th
B. Grant Disbursement Process for Compliant Schools		
6. PEO Education Services will compile signed notification from the 6 PEOs to confirm which schools are eligible to receive the school grant, and which schools are not. The 6 PEOs will need to confirm that: <ul style="list-style-type: none"> • All schools offer and teach the Vanuatu National Curriculum. • All the students' information in a school is complete and entered accurately on Open VEMIS, with no duplicate students recorded. • All eligible schools financial reports have been approved. • All eligible schools improvement plans have been approved. • All eligible schools have an approved school council. • All eligible schools have no audit issues. 	1 st Tranche Jan 17 th 2 nd Tranche Apr 5 th 3 rd Tranche June 15 th	
7. PEO Internal Audit Unit signs confirmation of schools that have audit issues, at time of payment of grant.		1 st Tranche Jan 17 th 2 nd Tranche Apr 5 th 3 rd Tranche June 15 th
8. Director Education Services signs cover letter to confirm schools that are eligible to receive the school grant, and which schools are not.		1 st Tranche Jan 17 th 2 nd Tranche Apr 5 th 3 rd Tranche June 15 th
9. School Finance Officer provides PEO Finance with the listings of the school grants calculator, including for each school any correction of over/under payment from previous tranches, and PEO Finance discusses any errors/discrepancies and way forward, with School Finance Officer.		1 st Tranche Jan 17 th 2 nd Tranche Apr 15 th 3 rd Tranche July 5 th
10. PEO Finance provides School Finance Officer and Director A&P with a signed copy of the final eligible school list.		1 st Tranche Jan 22 nd 2 nd Tranche Apr 15 th 3 rd Tranche July 8 th
11. Director of Finance and Administration signs the checklist, indicating approval of eligible schools to be paid the school grant.		1 st Tranche Jan 22 nd 2 nd Tranche Apr 15 th 3 rd Tranche July 13 th
12. Finance Unit raises LPO to NBV for eligible schools according to the approved checklist.		1 st Tranche Jan 23 rd 2 nd Tranche Apr 20 th 3 rd Tranche July 22 nd

1

STEP 4: Raise a LPO

A LPO is raised for each grant for January (tranche 1) and April (tranche 2) for each level: ECCE, Primary and Secondary Grants and Tuition Fee Subsidy for (see section 5.1 Normal Payments).

The amounts for each transfer are determined by policy and are calculated by using the *Grants Calculator* on Open VEMIS. At the moment the Grants Calculator is only available for Primary & Secondary grants which means that ECCE grant and Tuition Fee Subsidy is compiled manually in accordance with policy.

The LPO must be supported by:

- The signed school grant checklist;
- Letter from PPU confirming registered schools, signed by the DG;
- Letter from IAU confirming schools with audit issues;
- Letter from ESD confirming data validity from PEB;
- Letter from PEB confirming eligibility of schools to receive grant;
- List of schools for tranche payment with payment details (from the *Grants Calculator*).

STEP 5: Tranche Payment

The DoFT issues a cheque for the grant payment which is scanned and saved in the MoET FinU share drive. The cheque is then taken to the National Bank of Vanuatu with the printed list of individual schools from the *Grants Calculator*.

NBV then deposits the funds into individual school accounts as per the list from the *Grants Calculator*.

STEP 6: Determination of Compliance and Student Levels

By the 21st of March each year, schools will have their financial records and school census data uploaded onto Open VEMIS.

A compliance check is undertaken by the VEMIS Officers at the PEOs (from the 21st of March to the 31st of May) to confirm the integrity of the data in Open VEMIS as it will determine if subsequent payments will be made to the school.

The school census data is extracted by 1st June and is used to restructure the remaining tranches for each school so the total grant reflects the student enrolment for that year.

STEP 7: Subsequent Tranche Payments

Schools that were non-compliant for the 1st Tranche can be included in subsequent tranches (with the prior missed tranches included in the payment) once they have rectified issues that resulted in their non-compliance and this rectification is confirmed by the Provincial PEO.

Further LPOs are raised in accordance with the grant schedule. These LPOs must be accompanied the support documents as mentioned earlier.

9.2 Other Grants

There are other grants that are made available to schools from time to time. Examples are stimulus grants in response to emergencies, such as the COVID-19 grant and support grants following natural disasters such as TC Harold.

Each of these grants comes with specific conditions that must be understood and followed.

9.3 Stimulus Grant Paid by the Ministry of Finance & Economic Management

Stimulus grants paid by the Department of Finance and Treasury (DoFT) follows specific criteria, as approved between DoFT and MoET. A checklist is designed for each specific grant and is signed by PEOs before each tranche payment request.

The process is essentially the same as for the education grants, where an LPO is raised and advice provided to DoFT on how the funds are to be distributed.

Step 1: The PEB confirms the list of eligible schools to receive the stimulus grant.

Step 2: FinU verifies that all schools meet the stimulus criteria

Step 3: A purchase order is completed and a cover letter is written and signed by the Director Administration & Finance.

Step 4: Enclose support documentation such as:

- a. Signed check list;
- b. List of confirmed eligible schools;
- c. Calculation of stimulus grants to be paid;
- d. Signed purchase order form; and
- e. Signed cover letter.

Step 5: Payment request is submitted to DoFT for LPOs to be raised for each stimulus grant for a specific school type.

Step 6: The DoFT issues a cheque which is scanned and saved in the MoET FinU share drive. The cheque is then taken to the National Bank of Vanuatu (NBV) with the printed list of individual schools from the *Grants Calculator*.

NBV then deposits the funds into individual school accounts as per the list from the *Grants Calculator*.

Officers must ensure that:

- (i) Grant recipients are aware of the purpose of the grants; and
- (ii) Grant recipients are aware of the administrative requirements, particularly regarding timing of expenditure and reporting.

i. Queries

There are often queries in relation to grants. These should be directed to the Provincial Education Offices, who collate queries and respond to them.

ii. Monitoring

The Provincial Finance Officers (PFOs) supported by the FinU must carry out monitoring of schools in implementing the procedures outlined in the Schools Financial Management Manual each year.

iii. Reporting

By the end of February, all schools are required to submit their previous years' annual financial reports to their Provincial Education Offices. By mid-March, Provincial Education Offices submit a consolidated financial report for their province. This should provide a summary of all grant expenditure in the province.

iv. Communications

The FinU is required to develop materials for publication of information on social media, the Open VEMIS public view area and the MoET public website.

Schools are also required to print the school grant certificate once they receive a grant and place on a visible notice board so that the school community is informed on the amount of grant paid to the school.

9.4 Grants Paid to PSET Institutions

Grants paid to PSET institutions such as Vanuatu Institute of Technology (VIT), School of Education (SoE) and National University of Vanuatu (NUV) are also paid in 3 tranches and apply similar criteria as the schools.

The process is essentially the same as for the education grants, where an LPO is raised and advice provided to DoFT on how the funds are to be distributed.

Step 1: The PSET institution writes to request the payment of each grant.

Step 2: FinU verifies that PSET institution meet the grant criteria.

Step 3: A purchase order is completed and a cover letter is written and signed by the Director Tertiary Education.

Step 4: Enclose support documentation such as:

- i. Request letter for grant payment from PSET institution;
- ii. Confirmation that students data is accurately captured in Open VEMIS;
- iii. Copy of previous year's audited financial report or confirmation from the Office of the Auditor General that they are currently undertaking audit of the institution, enclosed with tranche 3 payment;
- iv. Signed purchase order form; and
- v. Signed cover letter.

9.5 Grants Paid to Statutory Bodies

Grants paid to statutory bodies such as Vanuatu Qualification Authority (VQA) are also paid in 3 tranches and follow similar criteria as the schools.

The process is essentially the same as for the education grants, where an LPO is raised and advice provided to DoFT on how the funds are to be distributed.

Step 1: VQA writes to request the payment of each grant.

Step 2: FinU verifies that VQA meet the grant criteria.

Step 3: A purchase order is completed and a cover letter is written and signed by the Director General.

Step 4: Enclose support documentation such as:

- i. Request letter for grant payment from VQA;
- ii. Copy of previous year's audited financial report or confirmation from the Office of the Auditor General that they are currently undertaking audit of the institution, enclosed with tranche 3 payment;
- iii. Signed purchase order form; and
- iv. Signed cover letter.

10. Revenue

The collection of revenue is in alignment with Part 8 of the PFEM RO.

Officers will, from time to time, encounter members of the public who wish to make a payment. This may be for a variety of reasons including tender fees, registration fee, purchases of disposed assets, teacher's license, exam levies and others collectable fees.

Money may only be received by a designated "*revenue collector*". A revenue collector is assigned by Director of Finance and Treasury upon advice from the MoET Director of Finance & Administration as approved by the DG. **No other MoET officer can receive any money paid to the Ministry.**

It is not the practice of MoET to receive funds and as such the "*revenue collector*" is at the MoET FinU. At the Examination & Assessment Unit (EAU), the money received from the printing of attested examination results that are requested by parents and students is also collected by an appointed staff at the EAU. At the provincial level, any money will be received by the Provincial Finance Officer (PFO). At the school (including institutions) level, any money will be received by the school finance officer or the Principal and will only be received in the school office or paid directly to the schools registered bank account.

The MoET makes a practice of engaging in electronic transfers directly to DoFT or to NBV.

10.1 Bank Transfer

STEP 1: Direct Individual to DoFT

Any individual wishing to pay funds to MoET must make a direct payment to DoFT.

MoET officers need to ensure that the payee has:

- MoET revenue account details;
- Supporting payment information; and
- Account Code for identifying the payment.

STEP 2: Confirmation of Payment

The MoET FinU confirms that a payment has been made using SMART STREAM Revenue report and cashier receipts. An individual will also be required to provide a copy of the receipt as evidence that payment has been made.

STEP 3: Inform Activity Manager

Once confirmed, the activity manager concerned, in relation to the payment, is informed by the FinU.

10.2 Cash Payment

If a cash payment is to be made, it can only be made at the MoET FinU to the *Revenue Collector*, EAU office, PEOs or School concerned.

STEP 1: Payment Code Identified

The Revenue Collector must first identify the type of payment and its relevant code from the Chart of Accounts to confirm it is a payment that can be received by MoET.

STEP 2: Receipt Issued

A receipt is issued for the payment, stating the code, related activity and the payee details using the official Vanuatu Government receipt book.

STEP 3: Entry into Log Book

The funds received are entered into a logbook kept for such purposes, taking care to note the details from the receipt.

STEP 4: Bank Funds

Funds received can be temporarily stored in a safe deposit box that does not include any cash from standing imprests until such time as it can be deposited at DoFT.

Depositing at DoFT should occur at the earliest opportunity.

Once receipt is acquired, a copy of the receipt must be given to the individual paying for the goods or services. The receipt must also be scanned to the FinU share drive.

STEP 5: Inform Activity Manager

Once secured, the activity manager relating to the payment is informed by the FinU.

10.3 Report

A report on the revenue collected by the MoET must be prepared on a quarterly basis and included in the FinU quarterly report.

10.4 Losses of Public Money

In Section 54 of the PFEM RO, a revenue collector must immediately inform a senior officer if there are any loss, shortage or theft or other irregularities in cash holding under revenue collector's name. A report must be submitted to the DG and the Director of Finance.

Upon consultation with the Director of Finance, the DG may take appropriate actions as outlined in the PFEM RO.

11. Asset Management

The asset management is conducted in alignment with Part 9 of the PFEM RO and the *MoET Asset Management Manual, once finalized*.

Schools will follow the procedures set out in the *School Financial Management Manual*. Otherwise, the following procedure will apply to MoET offices.

11.1 Register of Assets

Assets are deemed to be valuable and are included in the financial statements of the government. All assets must be recorded in the Ministry's assets register, and for schools, in Open VEMIS.

STEP 1: Identification of Assets

Prior to procuring an asset the following process must be completed:

- The PEO identifies the need for a new asset;
- PEO ensures procurement process is followed and complete purchase order form;
- PEO is responsible to submit to Asset Officer and IT Unit for their assessment;
- The asset officer approved assets before the payment was made;
- If ICT related equipment the PEO ITU will confirm whether purchase is relevant or not;
- The asset officer will complete the asset registry form as a new or replaced asset;
- The LPO is committed from relevant chapter head;
- A copy of the LPO is forwarded to the Asset Office to update the asset registry;
- The asset is tagged.

STEP 2: Value of the Asset

The value of the asset must be recorded and should be inclusive of its original costs, freight and installation costs, where necessary.

Donated assets should be valued at "fair value" (market value, if available).

Second hand donated assets may be valued at "fair value" (market value considering its condition).

11.2 Use of Assets

Directors and PEOs must be responsible for the proper use of the assets and the safeguarding of the assets.

When assets are given to staff, particularly IT and attractive items, it is important to note the staffs that is responsible for them. Managers should take note of this information.

When assets are used outside of the locations, by staff or community, some procedures should be considered to ensure that the use of the assets outside of the site map locations are duly authorized by the manager to ensure the protection of the assets. Considering this, an asset borrowing form will be used to include:

- Description of the asset (classification, type, model, condition);
- Reason the asset was allowed to be used outside the office;
- Authorization (signature of the manager) and date, of the manager responsible for the care of the assets;
- Clear specification on who will be responsible for asset if damaged;
- Signature of the person who will become temporary responsible to care about the asset(s) and date of handover of the asset and estimated date of return; and
- Bond fee to be paid prior to use of the asset by staff concerned.

11.3 Maintenance of Assets

PEOs and Directors must be responsible for the maintenance of the assets, to increase the life span of such assets.

Physical inspections to the assets must be conducted regularly to ensure accuracy on reports.

11.4 Disposal of Assets

Managers are responsible to ensure that assets are disposed of properly and in accordance with the Part 6, Section 46 of the GCT RO. This may include disposal according to a particular Government policy, it is no longer required due to change in policies, procedures, function or usage patterns, not needed in the foreseeable future, reaching the end of their economic or useful life, or beyond repair, or not suitable for an alternative use from their original use or to disposed in accordance with a Court Order.

The disposal of assets must be carried conducted in an efficient, fair, transparent, and accountable manner (GCT RO Section 49).

i. Assets to be Sold

The following process must be followed:

- PEOs to identify assets to be auctioned with Director's approval;
- Declaration of auction of identified assets by PEO FinU;
- Notice of auction and sale by Director DFA;
- Asset officer is responsible to display items for sale in a specified location;
- Appoint a 3-member panel for assessing items to be disposed as part of the valuation requirement;
- Pricing of disposed items will include consideration of price of item when purchased, and the depreciation value, if applicable;
- Approval for sale of items by Director DFA;
- Endorsement by Asset Management and Valuation Manager, DoFT;
- Asset officer will coordinate the sale of items. Cash will be paid and receipt issued by the FinU before goods can be released;
- FinU will be responsible to deposit funds into the MoET revenue account.
- Asset officer will delete items from Asset Registry.

ii. Assets to be Donated

The following process will be followed:

- PEO to identify assets to be donated, and to whom the asset will be donated to;
- Respective Directors and Director DFA will give approval for donation;
- DoFT Asset Management and Valuation Manager must approve the donation;
- Asset officer will donate assets to nominated recipients;
- Asset officer will delete items from Asset Registry.

iii. Assets to be Disposed

The following process will be followed:

- PEO to identify assets to be disposed;
- Respective Directors and Director DFA will give approval for disposal;
- DoFT Asset Management and Valuation Manager must approve the disposal;
- Asset officer will dispose of asset, preferably to the dump site;
- Asset officer will delete items from Asset Registry.

The Ministry must keep and maintain an up-to-date record of any Government assets being disposed as stated in Section 52 of the GCT RO.

11.5 Stock Take of Assets

The Ministry will be required to carry out a stock take of assets every 6 months.

11.6 Reporting of Assets

Assets must be reported each quarter and also included in the Ministry's annual report.

12. Financial Reporting

Following Part 13 of the PFEM RO, the DG must provide to the DG MFEM and the Auditor General a draft annual financial statement in an approved form on or before 1 March following the financial year to which the statement relates.

The DG must provide any other information requested by the DG MFEM or the Auditor General relating to the annual financial statement.

In addition, Part 2 of the PFEM RO, states that on or before 31 May of each year, the DG MFEM must prepare a report assessing the financial management of each Ministry for the previous financial year.

And on or before 31 July of each year, the DG MFEM must give a copy of the report to the Public Accounts Committee, the Public Service Commission and the Auditor General.

13. Risk and Audit

The risk and audit process is conducted in alignment with Part 15 of the PFEM RO. In accordance with subsection 82(1), the DG must appoint a Risk and Audit Committee (RAC), comprising of at least 3 persons and at least one member must be independent of the Ministry. The RAC must provide oversight on the risk management policy of the Ministry, once it is developed, and also provide oversight to identify and monitor financial risks, implement risk management practices and report risk-related information to the DG, as per paragraph 81(2)(b).

13.1 Audit Plan

Audits are planned to occur throughout the year. For this to occur the Internal Audit Unit (IAU) will be responsible to develop an audit plan.

STEP 1: Draft the Audit Plan

The Audit Plan is drafted in October of each year by the IAU. The PEO Internal Audit leads the drafting of the plan and circulates the draft to all PEOs, including Provincial PEOs for their feedback on the proposed audits to be conducted in the following year.

The Audit Plan must also be circulated to Donor Partners so that the audits or spot checks to be carried out for projects must be included in the Audit Plan.

STEP 2: Director General Approval

In November of each year, the draft Audit Plan for the following year is presented to the Director General for approval.

STEP 3: PEO Notification

Once finalized, the Audit Plan is shared with the PEOs, including the Provincial PEOs, in January each year.

Spot Audits are audits in response to information or requests received during the year and are not specifically identified in the plan.

13.2 Scheduled Audits

Scheduled audits are conducted throughout the year, and throughout the country, in accordance with the Audit Plan.

STEP 1: Central and Provincial Education Office Notification

In January, each Directorate and each Provincial Education Office is informed of the schedule of audits for the year.

STEP 2: Office and School Notification

For MoET office audit, an engagement letter is normally sent to the relevant Director and manager to inform them of the upcoming audit. For schools, an engagement letter, with the Provincial Education Office copied, is sent to schools three weeks before the audit is to commence.

STEP 3: Scheduled Audit

The audit is undertaken at the MoET office and school in accordance with the Audit Guidelines. When conducting school audit, the Provincial Education Office will assist the Internal Audit Unit to inform schools and ensure that the Principals are available during the visit.

STEP 4: Audit Report

The final MoET office Audit Report with findings is sent to the Director concerned and to the DG, with copies to the FinU.

The final school Audit Report with findings is sent to the school and copied to the Provincial Education Office, MoET FinU, Director Education Services Division and the Auditor General.

If issues arise that the IAU deem serious, the relevant Directors, and/or the Teaching Services Commission and/or the Public Service Commission are informed for review and possible action. The Auditor General and Provincial Education Office (for the schools) are copied.

STEP 5: Follow-up on Audit Recommendations

The PEO or Director concerned will inform the IAU if the audit recommendations have been or are being implemented.

The Provincial Education Advisors (PEA) determines if the IAU recommendations for schools have been implemented. The PEA informs the IAU of the findings, through the provincial PEO.

STEP 6: Closing of Audit

If the audited MoET office has complied with recommendations the audit is closed.

If the school has complied with recommendations the audit is closed.

If the school has not complied, the IAU will inform the school of their non-conformance and copy the Director-ESD and the Teachers Service Commission for action. In addition, the IAU will inform FinU to withhold grants for the school.

If the matter involves the Police Fraud Unit, then the matter is managed by the Auditor General and the Teacher Services Commission. The IAU will assist the investigation as requested.

13.3 Central Audits

Similar to school audits, central audits look at MoET functions and practices, including payroll and accountable imprests.

The process is the same as with school audits, though the Director of the Division where the audit is taking place is informed rather than the Provincial Education Office.

If there are concerns arising from the audit, the Public Service Commission (PSC), rather than TSC, is informed as is the Director General MoET and the Auditor General.

13.4 Spot Audits

Spot Audits are surprise audits that occur without warning.

The IAU normally plans Spot Audits to occur throughout the year. These may also occur if information is received that raises concern regarding financial practices in any given area.

13.5 Investigations

Investigations normally occur due to a complaint being received, though they may also occur due to the IAU discovering items of concern during a regular audit.

Investigation may be undertaken as a result of the "*Whistle Blower Policy*" (Appendix 2).

STEP 1: Complaint Lodged

Either an item of concern is identified by an MoET Officer responsible for a procedure, or a complaint is lodged by an MoET Officer using the *Whistle Blower Procedure*.

The issue, once received by a line manager, may be forwarded to the Director General or TSC Chairperson to determine if further action is required.

STEP 2: Internal Audit Engaged

If the Director General or TSC feel the issue warrants and investigation, the IAU is authorised to undertake an investigation.

If the Director General or TSC feel the matter is sufficiently serious, they may request the Auditor General directly who would then work with the IAU to investigate.

STEP 3: Parties Informed

Those who are under investigation are informed formally through a letter from the agency leading the investigation.

STEP 4: Investigation

The investigation is undertaken in accordance with the *Office of the Auditor General's Guidelines*.

STEP 5: Report

The Audit report is submitted to the DG/Chairman of the Audit & Risk Committee who then make a recommendation to the PSC/TSC regarding further action.

13.6 External Auditors

At times external auditors are required to audit grant funds and project activities funded by donor partners.

STEP 1: Terms of Reference

The FinU and IAU collaborates with the donor partner to develop a term of reference (ToR) for the audit.

STEP 2: External Auditor Procurement

The agreed ToR is passed to the Auditor General who conducts the procurement of an external auditor. The external auditor will be operating under the authority of the Auditor General.

STEP 3: Audit

The audit is undertaken by the external auditor who is assisted by the IAU as stipulated in the ToR. The IAU's participation is important in ensuring the external auditor does not exceed the scope of the ToR.

STEP 4: Report

The external auditor submits a report to the Auditor General who approves the report for release to the donor partner and the DG.

14. Fraud

In the absence of the Ministry's fraud control plan, the FinU will assist the Ministry in complying with the PFEM Act and PFEM RO to confirm that the Ministry has a zero tolerance for fraud, PFEM RO subsection 92(2)(a). Part 16 of the PFEM RO clearly outlines procedures in dealing with fraud.

14.1 Prevention of Fraud

All staff with the Ministry must prevent fraud by:

- Complying with the Ministry's fraud control plan, once it is developed; and
- Acting honestly in the handling and use of public money and public resources; and
- Reporting immediately to a senior officer of the Ministry if they suspect that a fraud has been committed or become aware of any suspicious circumstances; and
- Cooperating fully and honestly with any person who is conducting fraud investigations, fraud risk assessments or reviewing and testing fraud controls within the agency; and
- Being alert to the possibility that unusual events or transactions could be indicators of fraud.

14.2 Accepting Offers in a Staff's Capacity

If a staff receives in his or her official capacity a gift, a benefit, an event invitation, the officer must report the offer.

If to refuse the offer would be culturally insensitive or considered to be inhospitable, the gift is to be accepted.

If officer fails to report the offer, the staff commits an offence.

The Director of Finance will be responsible to maintain a register of gifts, benefits and event invitations or similar benefits.

14.3 Accepting Cash or In-Kind Payments

If a staff receives in his or her official capacity accepts any cash or in-kind payment or any other money form, or goods or services:

As an inducement or reward for doing, or refraining from doing, anything; or

Showing favour or disfavour to any person,

The staff commits an offense.

14.4 Reporting Fraud to DoFT

As soon as possible after a staff becomes aware of a fraud or a suspected fraud, the officer must report the fraud or suspected fraud to the audit manager within MFEM or the Director of Finance.

A report must be prepared within 2 months after the fraud is reported.

The DG MFEM may provide a report to:

- iv. The Commissioner of Police;
- v. The Ombudsman;
- vi. The Public Accounts Committee.

A person reporting a fraud or suspected fraud may give the information in confidence and may remain anonymous.

15. Offences

As this Manual is written in alignment with the PFEM Act and PFEM RO, then any offences committed will be subject to provisions as stated in either the PFEM Act and/or the PFEM RO.

In relation to this, any offences committed against the Schools Financial Management Manual, the Grant Code and the School Fee Regulation Order, which supplement the MoET Policy and MoET Financial Management Manual, will be subject to the provisions outlined above.

Appendix 2: Whistle Blower Policy

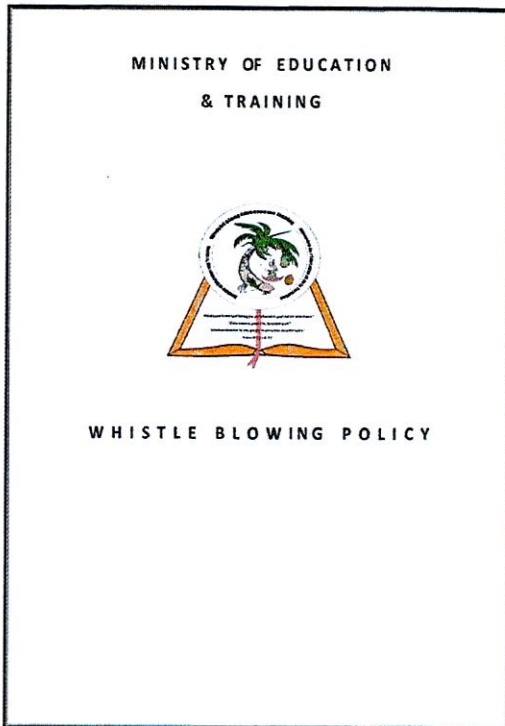


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1. Preface

a) The Ministry of Education and Training (the Ministry) believes in the context of the affairs of its constituents is a fair and transparent manner by setting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Ministry has adopted the Public Service Commission Code of Conduct and the Teaching Service Commission Code of Conduct, inclusive of the Teachers & Principals Standards (the Code), which sets down the standards and standards that should govern the actions of the Ministry and its employees. Any actual or potential violation of the Code or Manual, however insignificant or perceived as such, would be a matter of serious concern for the Ministry. The role of the employees in pointing out such violations of the Code cannot be undermined. Thus it is provided under the PSC & TSC Code requiring employees to report violations which state:

Paragraph 34, PSC Manual Employee Obligations

Every employee, Director General, Director, or Senior Administration (as the case may be), shall in the course of his or her employment in the Public Service:

Refer to these (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k) and (l).

CHAPTER 4, TSC Manual Code of Conduct

The Code of Conduct governing the actions and behavior of staff of the Teaching Service issued by the Ministry in consultation with the Commission in accordance with section 47 of the Teaching Service Act No. 29 of 2011. This code of conduct applies to all categories of staff within the Teaching Service i.e. permanent staff members, temporary staffed employees and contract teachers.

b) Accordingly, this Whistle Blower Policy (the Policy) has been formulated with a view to provide a mechanism for employees of the Ministry to approach the Director General, Directors and PSC Internal Audit of the Ministry of Education and the Chairman/Chairwomen of the Public Service Commission (PSC) & the Teaching Service Commission (TSC), this is in accordance with Part 2, Section 12, Paragraph 2 (a), of the Education Act No. 9 of 2014.

2. Definitions

The definitions of some of the key terms used in this Policy are given below. Capitalized terms not defined herein shall have the meaning assigned to them under the Code.

4. "Audit Committee" means the Ministry's Audit Committee constituted by the Director General, MOET Director and Senior Executive Managers of the Ministry.

5. "Employee" means every employee of the Ministry, including the Director General and Directors of the Ministry.

6. "Code" means the PSC Code of Conduct and the TSC Teachers Manual, inclusive of the Teachers & Principals Standards.

7. "Investigation" means those persons authorized, appointed, constituted or approached by the Director General/Chairman of Audit Committee and includes the Ministry's Internal Auditors and any other external parties, such as the Police.

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a. "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may be confirmed during the course of an investigation.

1. "Subject" means a person being sought in an investigation in relation to whom a Protected Disclosure has been made during the course of an investigation.

2. "Whistle Blower" means an Employee making a Protected Disclosure under this Policy.

3. "Ministry" means the Ministry of Education & Training.

3. Scope

a. This Policy is an extension of the PSC and TSC Code. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigator or finder of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Director General or Director of the Investigation.

c. Protected Disclosures will be appropriately dealt with by the Director General or Directors, as the case may be.

4. Eligibility

All employees of the Ministry are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Ministry.

5. Disqualification

a) While it will be intended that genuine Whistle Blowers are accorded complete protection from any kind of undue treatment as being set out, any abuse of the protection will warrant disciplinary action.

b) Protection under this Policy would not mean protection from disciplinary action arising out of false or vague allegations made by a Whistle Blower knowing it to be false or bogus or with a bad intention.

c) Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported adversely in a good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

6. Procedure

1. All Protected Disclosures concerning harassment involving matters should be addressed to the Director General of Ministry for Investigation.

2. In respect of all other Protected Disclosures, those concerning the Director General, Directors should be addressed to the Chairman of the PSC and TSC.

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1. The current details of the Director General and its Office:
 Director General
 Ministry of Education & Training
 P.O. Box 2020
 POB 2020

The current details of the Chairman of the PSC or TSC are as follows:
 Chairman of the Public Service Commission
 Public Service Office
 P.O. Box 1017
 Dar es Salaam

Or
 Chairman of the Teaching Service Commission
 Ministry of Education & Training
 P.O. Box 2020
 POB 2020

4. If a Protected Disclosure is received by any PSCs and Directors of the Ministry other than the Director General or the Chairman of Audit Committee, then all documents relating to the Protected Disclosure should be forwarded to the Chairman of the PSC or TSC, if necessary, for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.

5. Protected Disclosures should preferably be reported in writing or in a video or a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, French or Kiswahili. Alternatively, Protected Disclosures can also be reported orally by calling on the telephone. Oral reports will normally be documented by the receiver by a written transcription of the oral report.

6. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Director General/Chairman, in the case may be shall attach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

7. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow proper assessment of the nature and extent of the concern.

8. For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose as far as possible in the covering letter forwarding such Protected Disclosure.

7. Investigation

4. All Protected Disclosures reported under this Policy will be thoroughly investigated by the MOET Internal Audit Unit who will investigate/oversee the investigations under the purview of the Director General of Ministry.

Ministry of Education & Training Whistle Blowing Policy Page 4

2. The Director General may at his discretion, consider involving any external investigators for the purpose of investigation.

3. The decision to conduct an investigation taken by the Director General is by itself not an admission that it to be treated as a criminal fact-finding exercise. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.

4. The identity of a subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

5. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

6. Subjects shall have a duty to co-operate with the Director General or any investigators during investigation to the extent that such co-operation will not compromise self-incrimination protection available under applicable laws.

7. Subjects have a right to consult with a person or persons of their choice, other than the Director General/Chairman / Investigator and/or Member of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigative proceedings. However, if the allegations against the subject are not substantive, then the Ministry of Education may see reason to terminate such cost.

8. Subjects have a responsibility not to interfere with the investigation. Evidence that not be withheld, destroyed or tampered with, and witnesses shall not be intimidated, coerced, threatened or influenced by the Subjects.

9. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond material findings contained in an investigation report, no allegation of wrongdoing against a Subject shall be considered as substantiated unless there is good evidence in support of the allegation.

10. Subjects have a right to be advised of the outcome of the investigation. If allegations are not sustained, the Subject should be permitted to be present at an another public disclosure of the investigation results would be in the best interest of the Subject and the Ministry of Education & Training.

11. The investigation shall be completed normally within 3 months of the receipt of the Protected Disclosure.

8. Protection

4. Any unfair treatment will be covered up to a Whistle Blower by issue of whether having received a Protected Disclosure under this Policy. As a policy, the Ministry condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore be given to Whistle Blowers against any unfair and/or like retaliation, threat or interference of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including training further education.

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Disclosures. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Ministry will arrange for the Whistle Blower to receive advice about the protection, etc.

2. A Whistle Blower may report any violation of the above clause to the Director General, Main Director, Chairman of Public Service Commission, PSC Principal Auditor, who shall investigate into the state and recommend suitable action to the management.

3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.

4. Any other employee dealing in the said investigation shall also be protected to the same extent as the Whistle Blower.

5. The Director General or Chairman of the Audit Committee will ensure that the information shared by the Whistle Blower is not contain confidential, and will only be shared with appointed Investigators.

8. Investigators

4. Investigators shall derive their authority and acting rights from the Audit Committee when acting within the course and scope of their investigations. Investigators are required to conduct a process towards fact finding and analysis.

5. Technical and other resources may be drawn upon as necessary to supplement the investigation. All investigations shall be independent and unbiased both in fact and as perceived by the public. Investigators have a duty of honesty, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.

6. Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee or the Director General, as the case may be, which establishes that:

- The alleged act constitutes an improper or unethical activity or conduct, and
- The allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the matter is worthy of management review.

10. Discipline

If an investigation leads the Director General/Chairperson of Audit Committee to conclude that an improper or unethical act had been committed, the Director General/Chairman of Audit Committee shall recommend to the PSC or TSC to take such disciplinary or corrective action as the Director General/Chairman of Audit Committee may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject(s) as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

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11. Reporting

The Director General shall submit a report to the Chairman of Public Service Commission and Teaching Service Commission on a regular basis about all Protected Disclosures referred to him/her under the said report together with the results of investigations, if any.

12. Retention of documents

All Protected Disclosures in writing or documented along with the results of investigations relating thereto shall be retained by the Ministry for a minimum period of seven years.

13. Amendment

The Ministry reserves the right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.

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ANNEX 2: DECLARATION OF CONFLICT OF INTEREST

MINISTRY OF EDUCATION & TRAINING WHOLE SCHOOL POLICY
INDEPENDENCE AND QUALIFICATION STATEMENT

To be filled in by teachers, including contractors.

CONFLICTS OF INTEREST (Please put an X in the Yes or No column). If you answered Yes to any of the below, please detail in the Yes column and discuss with the Manager of Internal Audit before commencing work.

Details	Yes	No
1. Do you have any of financial, financial or personal relationship with anyone that might lead to the value of the equity or share-hold, or financial involvement?		
2. Do you have any professional claim regarding permits, permits, registrations or objectives of an audit programme, which could influence or bias your audit opinion?		
3. Have you any previous involvement in the delivery, making, or management capacity that could affect the current operations of the entity or programme to be audited?		
4. Do you have any political or social connections, including from a former employment or from non-profit places, from a particular group, organization or government body?		
5. Have you previously approved any bills, money orders and other securities, or payments for the entity to be audited?		
6. Have you previously examined the books of accounts for the entity to be audited?		
7. Have you any direct or financial, indirect interest regarding the audited entity or programme?		

If finally confirm that if during the course of an audit, any personal, interest, or organizational conflicts of interest occur that may affect your ability to do the work and report the findings impartially, I will notify the Manager of Internal Audit immediately.

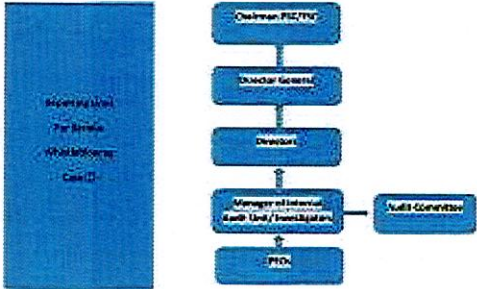
Name: _____ Signature: _____

Date: _____

ANNEX 3: INVESTIGATING CASES PROCESS MAP

Policy Responsibility: Quality Assurance Officer is responsible for the implementation of the WHOLEschool Policy. Policy is an official document for the Ministry. Manager of Finance Unit or Internal Audit Unit is responsible to provide annual report of the system of accounts to the DED Audit Committee.

Day to Day Oversight: All Internal Investigations are overseen by Quality Assurance Officer. Quality Assurance Officer under the investigation team is responsible for monitoring quality of investigation through quality assurance framework. The Manager of Internal Audit must sign all completion concerning the handling of investigation.



Note: Internal Audit or Appointed Investigator may investigate the most serious complaints, the reports will be investigated by the Manager, Controller or a senior staff that are able to get involved by a line Manager, must not be used for Internal Audit Unit or investigators.

Ministry of Education & Training "Whole School Policy"

To be filled in by the Manager of Internal Audit if there are any answer of Yes on the previous page. If not, leave blank and sign if as required.

1. Personal financial details to be reported on the previous page of form on any answer of Yes.

2. Can the responsibility be assigned to anyone? If yes, explain how it can be assigned to someone.

Manager of Internal Audit Signature _____

Date: _____