

SLG84 REPORTING GUIDE



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SLG84 Reporting Guide

1.0 Introduction

1.1 This guide has been developed to assist agencies in the reporting of SLG 84 account mainly used for the posting of aid, grant and project funds between agencies.

2.0 Scope

2.1 The policy applies to all agencies using SLG 84 account for their operations.

2.2 These include funds directed from paying agencies to receiving agencies and recorded under SLG84.

3.0 Purpose

3.1 The purpose of this Policy is to:

- (i) Analyze and monitor the effective and efficient usage of SLG84 funds;
- (ii) Check implementations of projects;
- (iii) Ensure funds are being used for its intended purpose;
- (iv) Ensure proper clearing for each completed SLG84 project funds;
- (v) Encourage accountability in the handling of donor funds;
- (vi) Prevent and reduce corruption.

4.0 Legislative Requirements

4.1 Section 53 (1) of the Finance Instructions 2010 (for Accounts Payable), outlines the need for agencies to ensure that all commitments and invoices are promptly and accurately recorded in the accounting system to meet management and external reporting needs.

5.0 Terms and Conditions

5.1 All funds released from agencies and recorded on SLG84, shall be reconciled on a monthly basis and a report sent to the paying agency.

5.2 In cases where the contract is between two government agencies, the request for carry over may be exercised by the paying agency pursuant to the Carry-Over policy.

5.3 Carry-overs are not applicable to ODA funds [840102].

6.0 Responsibility of the Ministry of Finance

6.1 The Budget Section of the Ministry of Finance shall scrutinize all applications for request of release of Aid funds.

- 6.2 The Budget Section shall monitor and scrutinize all acquittals received, to ensure that funds are being used for its intended purpose and that projects are implemented according to plan and set timelines.
- 6.3 Non-compliance of the necessary requirements shall result in the non-release of funds regardless of it being part of the agency's budget appropriation.
- 6.4 The relevant section of the Ministry of Finance shall check all monthly reconciliations and all relevant documents to ensure proper usage of funds.

7.0 Responsibility of the Receiving Agency

- 7.1 When receiving funds from other agencies (other than Budget Section of the Ministry of Finance), it is the responsibility of the receiving agency to:
- a) Ensure that proper and up to date **monthly** reconciliation is carried out on the approved SLG84 funds and the reconciliation sent to the paying agency that supplied the funds.
 - b) Provide justifications as to why funds are not used in the current financial year (if any);
 - c) Ensure that any funds received has a monthly feedback report provided to the paying agency;
 - d) Monitor progress on projects;
 - e) Provide time frame when the funds will be fully expended with proper documentation to support the time frame given;
 - f) Ensure that terms and conditions of this guide are strictly adhered to;
- 7.2 Non-compliance of the necessary requirements in 7.1, shall allow the paying agency to revoke the SLG 84 transaction with assistance from the Ministry of Finance.

8.0 Responsibility of the Paying Agency

- 8.1 When issuing funds to other agencies, it is the responsibility of the paying agency to:
- a) Provide a time frame on when the funds will be fully expended with proper documentation to support the time frame given and submit these details to the Budget Section of the Ministry of Finance;
 - b) Ensure that all supporting documents for acquittals are sent with applications for speedy facilitation and processing to the Budget Section of the Ministry of Finance (as per Finance Circular 16/2011); and
 - c) Obtain a monthly reconciliation of SLG84 funds from receiving agencies;

- d) Provide a monthly reconciliation and update of SLG84 funds to the Budget Section and FMIS Unit of the Ministry of Finance;
- 8.2 Non-compliance of the necessary requirements from paying agencies shall result in the non-release of funds, from the Budget Section of the Ministry of Finance, regardless of it being part of the agency's budget appropriation.
- 9.0 SLG84 Reporting and Clearing**
- 9.1 At the end of each month, agencies are to monitor and reconcile all SLG84 funds.
- 9.2 Receiving agencies are to submit their monthly reports within one week at the end of each month to the paying agency.
- 9.3 The paying agency shall submit their monthly reports to the Budget Section/FMIS within two weeks at the end of each month.
- 9.4 All SLG84 monthly reconciliation shall be submitted to the paying agencies/ Budget Section/FMIS Unit of the Ministry of Finance (whichever applicable), in the described format attached as **Appendix I**.
- 9.5 At the end of each project, agencies are required to ensure proper clearing of the SLG84 account; and any outstanding balance in the SLG84 account are to be accounted for.
- 9.6 Any savings made in the usage of Aid funds shall **not** be retained by the agency, but sent back to the ODA Section at the Ministry of Finance.
- 9.7 If and when necessary, agencies may request for a carry over to the next financial year as per authorized under Section 19(2) of the Financial Management Act 2004.
- 9.8 This carry over is subject to the approval of the Carry Over Committee and the Carry Over policy will be applied.
- 9.9 Accounting Heads must also adhere to the clearing processes set out by the Ministry of Finance as at year end/ close of accounts period.
- 10.0 Revocation**
- 10.1 In cases where it has been determined that funds approved for this initiative has been used for other purposes other than what it was approved for, the CA(T) with the approval of the Permanent Secretary of Finance shall deactivate the account.
- 10.2 Failure of ministries and departments to strictly adhere to the time frame given to provide reports shall be reasonable grounds for their accounts to be deactivated.

11.0 Penalties and Corrective Action

11.1 **Misuse – Recipient Agency:** Unauthorized expenditure.

Penalty: Disciplinary or surcharge action in accordance with financial regulations and procedures and criminal charges, as appropriate may be pursued. Restitution for all illegal transactions will be required

11.2 **Illegal Transaction:** Component, separate or sequential purchases, that is, for intentionally splitting purchases for the purpose of circumventing the law is illegal and prohibited.

Penalty: Disciplinary or surcharge action in accordance with financial regulations and procedures and criminal charges, as appropriate may be pursued. Restitution for all illegal transactions will be required.

11.3 **Fraud:** This is a deliberate action taken for personal gain or to deceive the Agency. Intentional use of funds or resources for personal use or for another is fraudulent and prohibited.

Penalty: Disciplinary or surcharge action in accordance with financial regulations and procedures and criminal charges, as appropriate may be pursued. Restitution for all illegal transactions will be required.

Appendix 1

Aging Summary Report		Monthly Balance	Accumulative Balance
Opening Balance		\$(115.00)	\$(115.00)
Add	January Debits		
Less	January Credits	\$150.00	\$(265.00)
Add	Feb Debits	\$200.00	\$ (65.00)
Less	Feb Credits		
Add	March Debits	\$15.00	\$ (50.00)
Less	March Credits		
		\$ (50.00)	\$ (50.00)

Detail Report

Opening Balance

\$ (115.00)

Phase 3/Project
carryover from 2012

Date	Credits	Debits					Balance	Remarks
		Salary	Transportation	Logistic	Procurement	Sundry		
11/2/13		\$100.00					\$100.00	Pmnt. for Casual workers FNPF
		\$100.00					\$ (15.00)	

Phase 4/ Project 2
undertaken in 2013

Date	Credits	Debits					Balance	Remarks
		Salary	Transportation	Logistic	Procurement	Sundry		
1/1/13	\$(150.00)						\$(150.00)	Funding Received from Finance
11/2/13		\$100.00					\$(50.00)	Payment of Wages
15/3/13			\$15.00				\$(35.00)	Payment of Airfare
	\$(150.00)	\$100.00	\$15.00				\$(35.00)	

Closing Balance

\$(50.00)

*.The categorized Debits will depend on the Projects undertaken. The categories are to be more in line with what is in the Project Plan.