

# MINISTRY OF ECONOMY CIRCULAR

MINISTRY OF ECONOMY

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## ECONOMY CIRCULAR NO: 06/2017

**FROM:** Permanent Secretary for Economy

**Date:** 15/9/17

**TO:** All Ministries and Departments

**File No:** FIN 10/1/69

**SUBJECT:** Amendments to the Finance Instructions 2010

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### 1.0 Objective

1.1 The objective of this Circular is to update Ministries and Departments on the latest amendments to the Finance Instructions ('FI') 2010.

### 2.0 Background

2.1 The FI is a subsidiary legislation of the Financial Management Act 2004 and specifies the minimum required standards and procedures of prudent financial management for all Ministries and Departments.

2.2 To ensure processes and procedures support an effective public expenditure and financial management system, changes to modify and update these processes are required periodically.

2.3 As such, recent changes to the 2010 Financial Instructions have been made to facilitate the need for devolved financial authority, and to streamline processes while maintaining prudent management of government finances.

### 3.0 Major amendments to the Finance Instructions

3.1 The major amendments to the FI feature the following:

3.1.1 Clause 8A pertaining to Head 50 disbursements:- Notwithstanding that the Ministry of Economy is responsible for finances under Head 50, once funds have been disbursed to Ministries and Departments, the responsibility of how the funds are being used, will now be the responsibility of respective Permanent Secretaries.

3.1.2 Instruction 9 pertaining to Requisitions to Incur Expenditure (RIE):- it is now specified that any RIEs below the value of \$1m will require approval of the Permanent Secretary for Economy. Additionally, any RIEs above the value of \$1m will require the endorsement of the Minister of Economy.

- 3.1.3 Clause 10A pertaining to Independent Bodies and Independent Commissions:- This clause refers to institutions that fall under Heads 9 and 13 and are funded via one line items on the Government Budget. These offices will now be required to prepare and submit a copy of it's budget to the PS for Economy. Additionally, they will not be required to submit any form of acquittals to the Ministry of Economy but will be required to account to the Auditor General how the institution has utilized government funding.
- 3.1.4 Clause 14 (8) pertaining to Advance Payments:- whilst the approval of the Chief Accountant must be sort prior to making any advance payments, the head of the agency will be responsible for any liability incurred where the other party/vendor fails to honor its contractual terms and conditions.
- 3.2 Permanent Secretaries and Heads of Departments are humbly requested to take note of these changes and instructions.

#### **4.0 Clarification**

- 4.1 For any further clarification on the contents of this Circular, please contact Salaseini Raiwalui on telephone 3221284 or email [salaseini.kurusiga@economy.gov.fj](mailto:salaseini.kurusiga@economy.gov.fj) or Davina Whippy on telephone 3221150 or email [DWhippy@economy.gov.fj](mailto:DWhippy@economy.gov.fj).

Thank you.



**Makereta Konrote**  
**Permanent Secretary for Economy**