

MINISTRY OF ECONOMY CIRCULAR

MINISTRY OF ECONOMY

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CIRCULAR NO: 04/2020-2021

31 August 2021

From: Permanent Secretary for Economy

To: All Permanent Secretaries and Head of Departments

File: 12/3

Subject: SURCHARGE IRRECOVERABLE AMOUNT POLICY

1.0 OBJECTIVE

1.1 The purpose of this circular is to inform Permanent Secretaries and Head of Departments of the Surcharge Irrecoverable Amount Policy (the "Policy") and implementation across whole of Government.

2.0 BACKGROUND

2.1 Irrecoverable surcharge amounts are the balances owed by surcharged officer(s) that become uncollectible upon their resignation, retirement, termination from the service or death.

2.2 Over the years, irrecoverable surcharge amounts have continued to accumulate because full recovery was not made by Ministries and Departments. This Policy will guide Accounting Heads to ensure full recovery of amounts owed by surcharged officer(s) in a timely manner.

3.0 LEGISLATIVE REQUIREMENTS

3.1 Section 63-(1) of the Finance Instruction 2010 states that a surcharge must be imposed on an officer who is directly or indirectly responsible for –

- (a) Expenditure which has not been properly authorized in accordance with the law;
- (b) The destruction, damage, theft or other loss of property; or
- (c) The loss of money, including public money, other money and trust money;

3.2 Section 65-(4) of the Finance Instruction 2010 (Amendment Legal Notice 1, 15/07/2020) states that upon the death, termination, resignation or retirement of the surcharged officer, Government must make full recovery of the outstanding amount of the surcharge including through any dues outstanding by Government.

3.3 Section 71 of the Finance Management Act 2004 states that the amount of any surcharge imposed under this division is recoverable from the surcharged person as a debt due to the State.

4.0 RESPONSIBILITY OF RESPECTIVE MINISTRIES & DEPARTMENTS

4.1 Ministries & Departments responsible of officer(s) needs to understand the Terms & Conditions which are outlined in Section 7.0 of the Policy. The section provides steps to be carried out by responsible officer(s) as follow:

- i. Make concerted effort to arrange with an alleged surcharged officer(s) before he/she resigns, retire or is terminated from the service and while his/her surcharge case is still being processed;
- ii. Promptly inform the Surcharge Unit upon the death of a surcharged officer(s);
- iii. When to fill and submit the surcharge related forms (Form A – Information Form & Form B – Debt Agreement Form); and
- iv. What to do before a surcharged officer(s) who still owe money to government is approved to leave the Service.

4.2 The Policy also provide in Section 8.0 specific responsibilities for Permanent Secretary or Head of Department, Accounting Head and Administration officer.

4.0 POLICY IMPLEMENTATION

4.1 This policy will become effective from 01 September 2021.

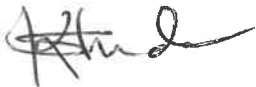
4.2 Ministries and Departments are required to follow the requirements of the Policy from the implementation date.

4.0 AWARENESS & COPY OF THE POLICY

4.1 The Surcharge Unit of the Ministry of Economy will conduct awareness sessions and we kindly request Ministries and Departments representatives to contact Tomasi Raqina on phone no. 3221253 or email address traqina@finance.gov.fj or Saimoni Vuatalevu on phone no. 3221325 or email address svuatalevu001@economy.gov.fj for details.

4.2 E-copy of the Policy will be uploaded into the Ministry of Economy website for Ministries & Departments responsible officers to download.

Thank you.



Shiri K Gounder

Acting Permanent Secretary for Economy

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