

OCEANIA CUSTOMS ORGANISATION SECRETARIAT

FINANCIAL POLICIES AND PROCEDURES MANUAL

May 2017



Oceania Customs
Organisation Secretariat



FINANCIAL REGULATIONS: *pg 1 - 6*

FINANCIAL POLICIES & PROCEDURES: *pg 7-29*





CONTENTS

| | |
|------------------------------------|---|
| Financial Regulations Purpose..... | 1 |
| Definitions..... | 1 |
| The Budget..... | 2 |
| Appropriations..... | 2 |
| Provision of Funds..... | 3 |
| Funds..... | 3 |
| Custody of Funds..... | 4 |
| Investment of Funds..... | 4 |
| Bank Overdrafts..... | 4 |
| Internal Control..... | 4 |
| Accounting..... | 5 |
| External Audit..... | 5 |
| General Provisions..... | 6 |



FINANCIAL REGULATIONS

1. PURPOSE

Regulation 1

These Regulations shall govern the financial administration and activities of OCO, in relation to core and Specific funds.

DEFINITIONS

Regulation 2

In these Regulations, unless the contrary intention appears;

'Accrual Accounting' means the accounting for expenses already incurred but not yet paid, and income earned but not yet received.

'Operating Budget' means a confirmation of statements of income and expenditure for all the heads of expenditure covering the Law Enforcement and Security, Trade Management and Facilitation, Research and Development and Corporate Services.

'Annual Budget Estimates' means the annual Operating Budget and Work Programme Budget.

'Auditor(s)' mean the External Auditor(s) appointed by the Governing Body to carry out the audit functions of these Regulations. The external/commercial auditors shall be members of an accredited international body of auditors.

'Steering Committee' means the Committee of a selected Member's Administration, which deals with only subject matters as directed by the OCO Annual Conference.

'Governing Body' means the OCO Annual Conference.

'Core Funds' means the contributions from the main donors for operation purposes.

'Head of Secretariat' means the Chief Executive Officer of the Organisation, who is appointed by the Annual Conference in accordance with the process set out in the Administrative Policy.

'Fiscal Year' means the OCO's accounting year on which its budget, financial and nonfinancial reports are based.

'Balance Date' means the end of OCO's accounting year, and will be the standard financial and non-financial reporting date.

'General Reserve Fund' means the general purpose fund created out of the initial working funds of OCO, and into which the annual operation of the Operating Fund is closed off.

'Members of the Annual Conference' means all the Member Countries or other states or territories and administrations who are full members of the OCO.

'Member Countries' are the affiliate member of OCO.

'Specific Funds' means the funds contributed by the donors towards projects or activities in the Work Programme of OCO.

'Operating Fund' means the general fund used for recording all core receipts and payments on the contributions from the member countries.

'Unspecified Fund' means the funds that are neither core nor operational which the HOS has discretionary power over its usage.

'Work Programme Budget' means a consolidation of statements of income and expenditure for all budget heads approved by the Governing Body forming the Work Programme Budget and excludes expenditure heads falling under the Operating Budget.

THE BUDGET

Regulation 3 – Annual Budget Estimates

The Annual Budget Estimates shall cover income and expenditure of OCO for the fiscal year to which they relate, and shall be presented in FJD dollar. The Annual Budget Estimates will incorporate expenditure proposals for the Work Programme Budget and the Operating Budget.

Regulation 4 – Format of the Budget

The Annual Budget estimates shall be arranged in such form and in such parts, heads and sub-heads as the Annual Conference may direct from time to time.

The Annual Budget Estimates shall comprise the following documents:

- Budget document;
- Budget narratives;
- Any additional documents which the Annual Conference or Head of Secretariat may deem necessary and useful.

APPROPRIATIONS

Regulation 5 – Authority to Incur Expenditure

- The adoption of the Work Programme Budget and the Operating Budget by the Governing Body shall constitute an authorisation to the Head of Secretariat to incur commitments and make payments for the purposes for which the expenditure was approved and up to the amounts so approved.
- However, within the limits of items specified in the Budget, the Head of Secretariat may incur commitments and make payments without an appropriation of Core Funds, subject to Regulation 7(f).
- Similarly, for new funded projects which may not yet be included in the Work Programme Budget, the Head of Secretariat may incur expenditure and make payments for these projects in respect of Regulation 16, as long as funds are available.

Regulation 6 – Availability of, and Accounting for, Funds

- Core funds appropriated in the Budget shall be available for commitment during the fiscal year to which they relate.
- Core income and expenditure shall be accounted for on Accrual Accounting basis.
- Specific funds provided in the Budget shall be accessible for commitment once the funding is available.
- Non-core income and expenditure shall be accounted for on Accrual Accounting basis as soon as formal commitment is provided by the donor.

Regulation 7 – Commitment of Funds beyond the Fiscal Year

- Core funds shall remain available for six months following the Fiscal Year to which they relate to the extent that they are required to liquidate commitments considering the Development Partners requirements.
- Specific funds shall remain available for the duration of the project.
- All commitments at the close of a Fiscal Year shall include liabilities for goods supplied and services rendered during the year. *For the following, separate list will be prepared for disclosure in the financial statements:*
 - goods and services ordered but not supplied or rendered at the close of the Fiscal Year; and
 - any other commitment entered into or liability incurred, but not discharged, at the close of the Fiscal Year.
- Any Core-funded commitment not discharged at the end of the six-month period following the close of the Fiscal Year, shall at that time be cancelled. If this cannot be done and the commitment remains a valid charge, the expenditure shall be charged against the Budget appropriations of the year in which payment is actually made.
- Any Specific funds remaining at the end of a project shall be refunded to the donor, unless otherwise agreed to by the donor upon receipt of a request for variation from OCO.
- There shall be no commitment/expenditure entered into unless funds are available.

Regulation 8 – Transfer of Core Funds between Budgets

The Head of Secretariat may:

- Transfer anticipated Core fund savings under any sub-head to meet anticipated expenditure under any other sub-head of the same head.
- Under the Operating Budget, transfer available Core funds between budget heads; in the event there are excess funds under the Operating Budget these can be transferred to the Work Programme Budget.
- Within the Work Programme Budget, transfer of Core funds between budget heads and in exceptional circumstances if warranted, may transfer unutilised core funds available under the Programme Budget to rectify specific unfund unbudgeted requirements in the Operating Budget provided that the Development Partners approves. Details of such transfers are to be reported to Governing Body.

Regulation 9 – Non Approval of Budget

Should the annual Budget fails to be adopted before the beginning of the fiscal year to which it relates, the Head of Secretariat is authorised, pending approval of the Budget, for a period not to exceed five months after the beginning of the Fiscal Year, to incur obligations and meet expenditure at the same rate and for similar purposes as were approved in the Annual Budget for the last preceding year, subject to any reservations which may have been placed on any individual item. Contracts falling due or effective during that period may only be continued by provisional agreement and subject to final adoption of the Budget.

PROVISION OF FUNDS

Regulation 10 – Member Contributions

The Head of Secretariat shall recommend annually to the Governing Body the level of contributions of member countries, based on the approved formula.

Regulation 11 – Notification of Assessed Contributions

After the Governing Body has adopted the Work Programme and Budget, the Head of Secretariat shall officially inform the member countries of their commitments in respect of contributions and details of the Organisation's bank account into which it is desired that the assessed contributions be paid.

Regulation 12 – Official Currency of the Organisation

Contributions shall be assessed and payable in AUD. However, the Head of Secretariat is empowered to accept, at his/her discretion, the total or partial payment of contributions by member countries in currencies other than AUD provided it is equivalent to the contributions in AUD terms.

Regulation 13 – Status of Collection of Contributions

The Head of Secretariat shall submit to each meeting of the Governing Body a status report on the collection of assessed contributions.

FUNDS

Regulation 14 – Principal Funds of the Organisation

The working funds of the Organisation shall be held in five principal funds:

- The Operating Fund, established to account for members general contributions as decided in the Annual Conference; and
- The Management Fund, core funding from donor for operation of OCO: and
- The General Reserve Fund, into which the annual operations of the Operating Fund and the Management Fund is closed off.
- Specified Fund, into which the specific Project funds will be included.
- Unspecified Fund, into which the other funds other than the above will be included.

Regulation 15 – Setting up and Use of Specific Funds and Unspecified Funds

Specific Funds may be established by the Head of Secretariat with the approval of the Governing Body. The purpose and limits of this fund shall be clearly defined and unless otherwise directed by the Governing Body, such Fund shall be administrated in accordance with these Regulations and the requirements of the development partners.

Any Unspecified funds established by the Head of Secretariat, shall be audited and the report presented to the Governing Body.

Regulation 16 – Authority to accept Funds – Contributions for new projects

The Head of Secretariat may accept contributions for new projects falling within the scope of the Work Programme approved by the Governing Body and shall inform the next Annual Conference of details of such contributions. The total value of new project contributions accepted should not exceed thirty percent of the Work Programme Budget. If the Head of Secretariat is to accept any amount in excess of the thirty percent he/she shall seek the endorsement of more than fifty percent of the members.

CUSTODY OF FUNDS

Regulation 17 – Bank Accounts

The Head of Secretariat shall authorise the opening and closing of all OCO's bank accounts.

INVESTMENT OF FUNDS

Regulation 18 – Investment of Funds

The Head of Secretariat may make short-term, low-risk; non-speculative investments of funds not needed for immediate requirements and shall inform the Governing Body of the details of such investments and interest revenue earned.

BANK OVERDRAFT

Regulation 19 – Overdraft

The Head of Secretariat shall approve any advances by way of bank overdrafts, and shall report the status of such overdrafts to the Governing Body, including applicable interest incurred.

INTERNAL CONTROL

Regulation 20 – Financial Rules and Procedures

The Head of Secretariat shall:

- Establish detailed financial rules and procedures in order to ensure effective financial administration and the exercise of economy;
- cause all payments to be made on the basis of supporting vouchers and other documents, including electronic data support, to ensure that services rendered and goods procured have been properly authorised, and that payment for these have not previously been made;
- designate the officers who may receive revenue or authorise payment and disburse funds on behalf of OCO;
- maintain an internal financial control system which shall provide for an effective examination and review of financial transactions, in order to ensure:
- the regularity of receipts, custody and disposal of all funds and other financial resources of OCO;
- the conformity of commitments and expenditure with the appropriations or other financial provisions approved by the Governing Body, or with the purposes and rules relating to agents with donors;
- take all precautionary measures necessary to safeguard the property, equipment and supplies of OCO i.e. fixed asset register etc.

Regulation 21 – Writing Off of Losses

The Head of Secretariat may, after full investigation, authorise the write-off of losses arising from obsolete stores, unrecoverable debts, obsolete or missing fixed assets, provided that the value of all such items written off shall be reported to the Governing Body.

Regulation 22 – Quotation and Tendering Procedures

The Head of Secretariat may establish when necessary the rules governing quotations and tendering procedures for the procurement of equipment, supplies and other requirements of OCO and to ensure its alignment with the requirements of the Development Partners.

ACCOUNTING

Regulation 23 – Maintenance of Accounting Records

The Head of Secretariat shall:

- (a) maintain such accounting records as are necessary and shall prepare annual statements of accounts, for the Fiscal Year to which they relate, showing:
 - (i) the income, expenditure and balance of each fund;
 - (ii) the status of core fund appropriations and the operations of the:
 - Operating Fund;
 - General Reserve Fund;
 - Specific fund;
 - Unspecified fund;
 - (iii) the assets and liabilities of the Organisation.
- (b) Provide such other information to the Governing Body as he/she may deem appropriate to indicate the current financial position of OCO;
- (c) Ensure that the annual statements of accounts are prepared in accordance with international professional accounting practices and incorporate the Accrual Accounting Concept to accommodate Regulation 7(c);
- (d) Provide for the replacement of fixed assets either through a Provision for Depreciation Account or through the established Replacement of Fixed Assets Fund.

Regulation 24 – Annual Statements of Accounts

The annual statements of accounts of the Organisation shall be presented in FJD. Accounting records may, however, be kept in such currency or currencies as the Head of Secretariat may deem necessary. The rates of exchange used in the preparation of the annual statements of accounts shall be based on the official bank rates at Balance Date of the Fiscal Year to which they relate.

Regulation 26 – Audit of Annual Statements of Accounts

The annual statements of accounts shall be submitted by the Head of Secretariat to the Auditors as soon as possible following the end of the Fiscal Year, but no later than 5 months after Balance Date.

EXTERNAL AUDIT

Regulation 27 – Appointment of Auditor(s)

The Governing Body with the recommendations of the Head of Secretariat shall appoint one or more Auditor(s) in no way connected with the Organisation. External commercial auditor(s) so appointed shall provide evidence of insurance cover against professional liability.

Regulation 28 – Regularity of Audit

The Auditor(s) shall conduct annually, and at such other times as the Governing Body may consider necessary, an independent audit of the Organisation's records in order to certify whether or not:

- the financial statements are in accordance with the records of the Organisation;
- the financial transactions are fairly reflected in the financial statements and are in accordance with the rules and regulations, the budgetary provisions and other applicable directives;
- the securities and money on deposit and on hand have been verified by certificates received direct from the Organisation's bankers or by actual count;
- the records of stores, furniture, equipment and other property of the Organisation are accurate and the control exercised there-over is adequate.

Regulation 29 – Assistance to Auditor(s)

The Head of Secretariat shall ensure that the Auditor(s) are supplied with every facility required for the proper discharge of their duties.

Regulation 30 – Scope of Audit Report

The Auditor(s), in certifying the annual statements of accounts, shall prepare a report in which they should mention:

- the extent and character of their examination and any important changes in the financial system of the Organisation which may have affected the preparation of the annual statements of accounts;
- matters affecting the completeness or accuracy of the annual statements of accounts;
- the accuracy or otherwise of the supplies and equipment records as determined by stocktaking and examination of the records;
- the adequacy of financial procedures of the Organisation, including internal control measures and adherence to financial rules and regulations;
- the adequacy of insurance cover for the buildings, stores, furniture, equipment and other property of the Organisation;
- any other matters which they deem necessary to be brought to the attention of Annual Conference as a matter of relevance and importance to the proper running of the organisation.

Regulation 31 – Acceptance of the Audit Report

Subject to any direction which the Governing Body may issue, the Head of the Secretariat may accept the audit reports and submit to Governing Body for endorsement of the annual statement of accounts in respect of the year covered thereby.

GENERAL PROVISIONS

Regulation 32 – Responsibility and Accountability of the Head of Secretariat

The Head of Secretariat is the ultimate authority for making the final decision on any financial matter relating to the Organisation and is fully accountable to the Governing Body for such decision.

Regulation 33 – Renting/Leasing Provision

The Head of Secretariat may enter into contracts and other agreements for the purpose of:

- renting accommodation, office space, storage and any other requirements of the Organisation;
- leasing office equipment.

Regulation 34 – Scope of Financial Regulations

These Financial Regulations apply to all financial activities of the Organisation, regardless of the source of funds.

Regulation 35 – Powers of the Acting Head of Secretariat

In the absence from the Organisation's headquarters, or during the incapacity of the Head of Secretariat, or in the event of the position being vacant, the powers and responsibilities of the Head of Secretariat as provided in these Regulations shall, during such periods, devolve on the officer acting as or performing the duties of Head of Secretariat.

Regulation 36 – Commencement Date of the Financial Regulations

These Regulations shall become effective as from the date of their approval by the Governing Body, upon which date all existing financial regulations, rules, instructions and directives of the Organisation, insofar as they refer to matters provided for in these Regulations, shall be deemed to be superseded.

Regulation 37 – Power to Amend the Financial Regulations

The Head of Secretariat may recommend to the Annual Conference to amend any part of this Financial Regulation. Any amendment to this regulation becomes effective upon acceptance by two thirds of the members.



FINANCIAL POLICIES & PROCEDURES

May 2017



CONTENTS

| | |
|--|----|
| Introduction..... | 9 |
| Significant Accounting Policies..... | 9 |
| Purchasing..... | 12 |
| Travel..... | 14 |
| Reserves..... | 19 |
| Foreign Exchange Management..... | 20 |
| Credit Card..... | 21 |
| Fixed Asset Management..... | 25 |
| Head of Secretariat Claims and Entitlement | 27 |
| Payment Procedure..... | 28 |

INTRODUCTION

These Financial Policies and Procedures operationalize financial principles and guidelines contained in the OCO's Financial Regulations, and the following Overarching Financial Policy Principles approved by the 2016 OCO Annual Conference:

General financial principles:

- Stewardship;
- Transparency & Accountability;
- Integrity;
- Value for money;
- Administrative efficiency;
- International best practice.

Specific procurement principles:

- Value for money;
- Fairness;
- Transparency & Accountability; and
- Administrative efficiency.

Specific travel principles:

- Funded travelers are not out-of-pocket;
- Least cost;
- Allowance rates are independently verifiable; and
- Administrative efficiency.

The Policies and Procedures are integral components of OCO's financial governance framework and Finance Manual.

SIGNIFICANT ACCOUNTING POLICIES

1. Purpose

1.1 To guide the preparation of OCO's annual statements of account, and assist in understanding amounts presented therein.

2. Financial Regulation;

- 2.1 Regulation 23 – Maintenance of Accounting Records
- 2.2 Regulation 24 – Annual Statements of Accounts

3. Policy

3.1. Accounting System

- 3.1.1 The financial statements are prepared on the basis of historical costs and, except where stated: do not take into account current valuation of fixed assets.
- 3.1.2 The financial statements will be prepared on a going concern basis. Under the concept of going concern, the financial statements are prepared on the assumption that OCO is a going concern and that it will have the resources to continue in operation for the foreseeable future.
- 3.1.3 The accrual basis of accounting will be used unless otherwise stated. Under the concept of accrual accounting, the effects of transactions and other events are recognised when they occur (and not as cash is received or paid) and they are recorded in the accounting records and reported in the financial of the periods to which they relate.
- 3.1.4 The financial statements are prepared in accordance with the requirements of the International Accounting Standards, except where stated otherwise. The statements are prepared so as to be useful to the users. To be useful, the statements are to be readily understandable by users, relevant to the decision needs of users, reliable in that they are free from material error and bias and comparable over a number of reporting periods.

3.1.4 The financial statements will be prepared on a going concern basis. Under the concept of going concern, the financial statements are prepared on the assumption that OCO is a going concern and that it will have the resources to continue in operation for the foreseeable future.

3.1.5 The accrual basis of accounting will be used unless otherwise stated. Under the concept of accrual accounting, the effects of transactions and other events are recognised when they occur (and not as cash is received or paid) and they are recorded in the accounting records and reported in the financial of the periods to which they relate.

3.1.6 The financial statements are prepared in accordance with the requirements of the International Accounting Standards, except where stated otherwise. The statements are prepared so as to be useful to the users. To be useful, the statements are to be readily understandable by users, relevant to the decision needs of users, reliable in that they are free from material error and bias and comparable over a number of reporting periods.

3.1.7 All amounts shown in the financial statements shall be expressed in Fiji Dollars.

3.2. Fund Accounting

3.2.1 OCO adopts a fund accounting system as a considerable part of its annual revenue comprises individual grants or donations for specified projects.

3.2.2 Accordingly, it is necessary to establish a separate fund to record the amount received, expenditure incurred and the net balance of the funds available to be carried forward into the next financial period.

3.2.3 The identification of funds is maintained throughout the accounting system thus providing the control necessary to ensure that each fund is used only for the purpose for which funding was received for.

3.3. Depreciation

3.3.1 Fixed assets are recorded at cost or at valuation by the professional appraisers. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

3.3.2 Depreciation is provided on a straight-line basis on all intangible assets, property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. Depreciation will commence in the month following when the asset is brought in to use. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

3.3.3 The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- Motor vehicles, Equipment, Furniture, and Fittings are written down on a straight-line basis over 5 years i.e. 20% per annum. Computer equipment and software is written down on a straight-line basis over 2.5 years i.e. 40% per annum.

3.3.4 Assets transferred from the completed projects should be valued and may be included in the financial statement of the organisation at the end of the project in consultation with the Development Partners.

3.4. Impairment of Assets

3.4.1 At each reporting date, furniture and equipment, and intangible assets shall be reviewed to determine whether there is any indication that those assets have suffered impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) shall be estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount shall be reduced to estimated

and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount shall be reduced to its estimated recoverable amount, and an impairment loss shall be recognized immediately in the Statement of Comprehensive income.

3.5 Employee Benefits

3.5.1 Employees' Benefits entitlement are recognised and provided for in the financial statements.

3.6 Comparative Figures

3.6.1 Where necessary, prior period comparative figures may be adjusted to conform to the changes in presentation in the current fiscal year.

3.7 Foreign Currency Transactions

3.7.1 All foreign currency transactions during the year shall be brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at balance date are translated at the exchange rate existing at that date.

3.7.2 Exchange differences including that arising from the accounts are brought to account in the financial period in which they arise.

3.7.3 Net assets are converted at the bank buying rate as at Balance Date.

3.8 Accounts Receivable

3.8.1 Specific provisions are made against debtors to cover debts where the recovery is considered doubtful. In addition, a general provision may be made to cover unidentified and latent risks inherent in the overall issue of credit.

3.8.2 The amounts required to fund the provision for doubtful debts are charged to expenditure in period the debt is considered doubtful. Bad debts may be written off against the on the recommendation to the Head of Secretariat by the Finance & Corporate Services Manager.

3.9 Income Tax

3.9.1 OCO is exempt from income tax under the Fiji Diplomatic Privileges and Immunities Act.

3.10 Revenue Recognition

3.10.1 Revenue is recognised in the accounts using the accrual method of accounting.

3.10.2 In-kind revenue is recognised at fair value in the year of receipt.

1.0 Purpose

1.1 This policy outlines the approach that OCO will take to planning, sourcing and managing its to ensure:

- 1.1.1 purchases of goods and services are obtained efficiently and deliver value for money;
- 1.1.2 staff are aware of their obligations when procuring goods and services;
- 1.1.3 appropriate agreements are entered into which set out the obligations of each party and reduce legal, financial and reputational risk to OCO.

2.0 Procurement Principles

When considering or undertaking procurement of goods and services the following principles are to be taken into account;

2.1 Value for money;

- 2.1.1 Account for all costs and benefit over the lifetime of the goods or services;
- 2.1.2 Make balanced decisions, considering social, environmental and economic effects of the purchase;
- 2.1.3 Avoid being too prescriptive, and be receptive to new ideas and ways of doing things;
- 2.1.4 Take calculated risks and reward new ideas;
- 2.1.5 Have clear performance measures – monitor and manage to get great results;
- 2.1.6 Work together with suppliers to make ongoing savings and improvements;

2.2. Fairness;

- 2.2.1 Create competition and encourage capable suppliers to respond;
- 2.2.2 Treat all suppliers equally - don't discriminate;
- 2.2.3 Give all suppliers a full and fair opportunity to compete;
- 2.2.4 Make it easy for all suppliers (small to large) to do business with us;
- 2.2.5 Be open to subcontracting opportunities, in particular for big projects;
- 2.2.5 Clearly explain how you will assess suppliers' proposals – so they know what to focus on;
- 2.2.6 Talk to unsuccessful suppliers so they can learn and know how to improve next time.

2.3. Transparency & Accountability;

- 2.3.1 Document purchasing processes to ensure that purchasing decisions can be fully supported justified to external reviewers and stakeholders;
- 2.3.2 Ensure everyone involved in the process acts responsibly and with integrity;
- 2.3.3 Stay impartial – identify and manage any conflicts of interest;
- 2.3.4 Protect suppliers' commercially sensitive information and intellectual property.

2.4. Administrative efficiency

2.4.1 Take a balanced view of purchasing decisions, considering their effect on operational efficiency of OCO staff and the reputation of OCO as a whole.

3.0 Policy

3.1 In accordance with OCO Financial Regulation 22 – Quotation and Tendering Procedures, the HOS shall establish detailed tendering and procurement rules according to the following general guidelines:

| Procurement Value | Procurement Method |
|-----------------------------------|--|
| Less than FJ\$30,000 | Direct purchase if an existing supply arrangement exists or an appropriate competitive process |
| Between FJ\$30,000 and FJ\$50,000 | Direct purchase if an existing supply arrangement exists or a tender process which can be a closed tender (distribution to a limited, selective number of suppliers) |
| Over FJ\$50,000 | A tender process with no restrictions on participation (i.e. an open international tender) |

3.2 The detailed rules shall:

3.2.1 specify administrative requirements for each competitive process as well as publication periods and evaluation requirements;

3.2.2 ensure the procurement principles contained in this policy are adhered to; and;

3.2.3 include specific requirements for resupplies and use of existing supplier arrangements.

3.3 Ethics & Integrity – staff members must not:

3.3.1 Purchase goods and/or services for their private use through OCO agreements

3.3.2 Use their position to influence the outcome of a procurement in order to obtain, either directly or indirectly, any benefit or any advantage to themselves, a relative or friend.

3.4 Staff members must be able to justify their actions throughout the procurement process and must act lawfully, ethically, professionally and responsibly.

4.0 Procedures

4.1. Tender Procedures:

4.1.1 Direct Purchase

(i) This procedure can be used for purchases up to FJ\$50,000, provided an existing supply arrangement exists with the respective supplier;

(ii) An existing supply arrangement includes those where the supplier has previously provided goods or services to the OCO at an acceptable quality, and:

- The previous supply was procured using any of the competitive processes covered by this procedure; or

- It has been reasonably established that the supplier is the only supplier of a good or service in Fiji. This includes single authorised suppliers of goods or services by virtue of patent, distributorship, dealership or copyright arrangements; or

- The pool of experts in specialised knowledge areas in the region, and availability to undertake an engagement in specified timeframes is limited.

4.1.2 *Quotation procedure:*

(i) Single quotation:

- All purchases < \$1500

(ii) Competitive (up to 3) quotations:

- All purchases < \$30,000;

4.1.3 *Closed Tender:*

(i) All purchases between \$30,000 and \$50,000

(ii) Requirements: TOR/specifications & evaluation criteria to be published for minimum 1 week, justification for selecting suppliers to be specified, minimum of 3 suppliers to be consulted, evaluation by single staff member

4.1.4 *Open Tender (with or without prequalification):*

(i) All purchases > \$50,000

(ii) Requirements: TOR/specifications, evaluation criteria & tender timelines to be published on OCO website, local dailies & consultancy mailing lists for minimum 3 weeks, evaluation by a minimum 2-member panel. Any prequalification to be published for minimum 2 weeks, and Closed Tender evaluation process to be followed, with evaluation by a minimum 2-member panel.

TRAVEL

1.0 Purpose

1.1 To establish the policy basis by which the OCO funds travel, whether domestic or international.

2.0 The following Travel Principles apply;

- 2.1 Funded travelers are not out-of-pocket;
- 2.2 Least cost;
- 2.3 Allowance rates are independently verifiable; and
- 2.4 Administrative efficiency

3.0. Policy

3.1. General:

- 3.1.1 All travel shall be approved by the HOS. HOS travel shall be approved by the Chair of the OCO Steering Committee;
- 3.1.2 All travel shall be by the most direct & economical route;
- 3.1.3 All flights shall be economy class unless they exceed 6 hours, where they may be business class;
- 3.1.4 OCO staff undertaking official travel shall always produce a written trip report;
- 3.1.5 Travel to service member country priority needs takes precedence over travelling for meetings;
- 3.1.6 Travel to meetings where a paper is not presented needs justified explanation;
- 3.1.7 OCO staff require approval in advance from the HOS to represent the OCO at international meetings.

3.2. Daily Subsistence Allowances shall:

3.2.1 Be based on UN DSA rates, updated annually;

3.2.2 Be payable for each overnight stay;

3.2.3 Be payable for staff and dependents whilst in transit on appointment, termination or home leave, according to the OCO Administration Policy;

3.2.4 Cover accommodation, meals and incidentals.

3.2.5 Should accommodation be provided separately for an OCO funded attendee, per diem will be reduced by the respective accommodation portion of the UN DSA rate.

3.2.6 Should the accommodation portion of per diems be less than actual cost, OCO shall reimburse the balance of actual accommodation costs paid on production of original receipts;

3.2.7 Be calculated by the OCO for locations for which a UN DSA rate is not provided, comprising an accommodation rate based on average room rates for up to 3 appropriate standard hotels, a meal rate comprising the average cost of breakfast, lunch and dinner at those hotels, and an additional 10% to cover incidentals. These rates shall be updated at least once every 2 years.

3.3. Other travel related expenses:

3.3.1 Business related costs associated with travel apart from accommodation, meals and incidentals, including airport transfers, transport for official business, stationery, telephone and internet charges, can be claimed by OCO funded travelers on the production of receipts. Where receipts are not able to be obtained a record of the description, purpose and amount of the expenditure is to be kept and submitted with the claim;

3.3.2 High value expenditure items including car rental, additional airfares, hospitality expenses and venue hire costs, shall be approved in advance by the HOS;

3.3.3 The OCO shall also cover separately the following travel related expenditure:

(i) Travel insurance for OCO staff;

(ii) Membership for travel club and airline lounges for the HOS and OCO staff, where assessed as appropriate by the HOS;

(iii) 50% of passport fee for OCO staff (on production of original receipts);

(iv) 100% of visa costs for OCO funded travelers (on production of original receipt); and

(v) Accompanied excess baggage of up to 10kg for OCO staff, or larger amount approved by the HOS (on production of original receipt).

3.4. Use of private motor vehicle:

3.4.1 Should OCO staff use a private motor vehicle for official OCO travel, they will be reimbursed the equivalent taxi fare for airport transfers within their duty station, and mileage allowances aligned with Fiji Civil Service Rates for travel outside.

4. Procedures

4.1 Travel Booking

4.1.1 All travel shall be documented and approved by completion of the Travel Form (Annex A);

4.1.2 Once approved, travel shall be booked with OCO's travel service provider on the most direct & economical route by the OCO Logistics team;

4.2 Daily Subsistence Allowances

4.2.1 Daily subsistence allowances shall also be calculated by the OCO Logistics team, inclusive of airport transfers, and paid to the traveler prior to departure;

4.2.2 Travelers shall sign the DSA calculation sheet to confirm receipt of the allowance;

4.2.3 Payment of DSA shall be treated as a final expense, and do not require acquittal;

4.3 Mileage Allowances

4.3.1 Mileage allowances shall be paid at the following rates:

| Vehicle Rating | Rate per km |
|---------------------|-----------------|
| Greater than 2001cc | FJ\$0.50 per km |
| 1,451 – 2,000cc | FJ\$0.43 per km |
| 1,001 – 1450cc | FJ\$0.38 per km |
| Less than 1,000cc | FJ\$0.34 per km |

4.4 Trip Completion

4.4.1 OCO staff shall complete a trip report in the Trip Report format at Annex B, and submit to the HOS within 5 working days of returning from travel;

4.4.2 The trip report should contain details as to destination, purpose of travel, persons met, discussions held, and recommendations (as appropriate);

4.4.3 All boarding passes for the trip, and any related claims for business expenses incurred or additional accommodation costs, shall also be submitted to the OCO Logistics team for review and confirmation that OCO policies have been complied with.

ANNEX A

Travel Form

**This form with supporting documents must be approved before travel arrangements can be made*

| | |
|--------------------------------------|--|
| Name of officer (s) | |
| Destination | |
| Date out | |
| Date in | |
| Purpose of travel | |
| Main activities | |
| Expected outcomes or benefits | |
| Source of funding: | |

Prepared by:

Date:

Verified by:

Date:

Title:

Approved by:

Date:

Title:

ANNEX B
DUTY TRAVEL REPORT

| | | |
|--|-----------------|--|
| Staff Member(s) | | |
| Destination: | | |
| Source of funding: | | |
| Travel Dates: | Departure Date: | |
| | Arrival Date: | |
| Purpose of Travel: | | |
| Activity description: | | |
| Problems/constraints: | | |
| Recommendations/follow up activities: | | |
| Photos: | | |

Signed

Date

1.0. Purpose

1.1 To establish parameters for management of the principal funds of the OCO as established by the Financial Regulations.

2.0 Financial Regulation;

2.1 Regulation 14 – Principal Funds of the Organisation;

2.2 Regulation 15 – Setting up and use of Specified Funds and Unspecified Funds;

2.3 Regulation 16 – Authority to accept Funds – Contributions for new projects.

3.0 Policy

3.1 The minimum level of the General Reserve Fund shall be sufficient to cover 3-months basic operations of the OCO assessed against the next three months of the monthly budget profile of the approved OCO annual budget.

3.2 Funds in excess of the minimum level of the General Reserve Fund shall be brought back into operations through the year-end and annual budget process.

3.3 Miscellaneous income shall be credited to the Operating Fund, as a component of the General Reserve Fund.

3.4 Guidelines for Specified Funds;

3.4.1 The HOS may establish Specified Funds, and appropriate parameters governing operation and use of those funds, with the approval of the OCO Steering Committee and/or annual conference;

3.4.2 The HOS may apply surpluses from the annual core budget operations to the Specified Funds, within relevant parameters approved by the OCO Steering Committee;

3.4.3 The HOS may draw down Specified Funds during the fiscal year only for the purposes for which they were established.

3.4.4 Any approved Specified Funds shall be audited as part of the OCO annual financial audit and the report presented to the Annual Conference.

3.5 Guidelines for Unspecified Funds;

3.5.1 The HOS may establish Unspecified Funds, and appropriate parameters governing operation and use of those funds, with the approval of the OCO Steering Committee;

3.5.2 The HOS may draw down Unspecified Funds during the fiscal year only for the purposes for which they were established.

3.5.3 Any approved Unspecified Funds shall be audited as part of the OCO annual financial audit and the report presented to the Annual Conference.

4.0 Procedures

4.1 Disclosures

4.1.1 The levels of each of OCO's funds at balance date shall be disclosed in the annual statement of accounts, and shall be confirmed by the OCO's auditor;

1.0 Purpose

- 1.1 To establish parameters for governing the management of foreign currency exposure to the OCO.
- 1.2 To establish exchange management mechanisms to manage transactional risk related to payment of payroll.
- 1.3 To maximise the return while minimising the cost of foreign currency transactions.

2.0 Financial Regulation;

- 2.1 Regulation 24 – Annual Statement of Accounts.

3.0 Policy

- 3.1 The HOS shall establish procedures and guidelines to appropriately manage the foreign exchange exposure of the OCO;

- 3.1.1 Special Drawing Right (SDR) stabilisation mechanism;

- (i) A fixed annual SDR exchange rate will be established to convert all SDR payments made in the relevant fiscal year, so long as the current SDR rate is within the applicable SDR ceiling and floor rates;

- 3.2 Foreign currency bank accounts;

- 3.2.1 Foreign currency bank accounts may be opened to hold major trading currencies.

4.0 Procedures

- 4.1 SDR stabilisation mechanism;

- 4.1.1 An annual SDR exchange rate will be calculated at the beginning of each fiscal year based on the average exchange rate for the previous 12 months.

- 4.1.2 SDR ceiling and floor rates +/- 5% of the average exchange rate will also be calculated at the beginning of each fiscal year;

- 4.1.3 Should the current SDR rate during the year fall outside the ceiling and floor rates in a particular month, the annual SDR exchange rate, as well as the corresponding ceiling and floor rates, will be adjusted so that it is within either the ceiling or the floor for that particular month. The new adjusted floor and ceiling rate will be applied for the remainder of the fiscal year.

- 4.2 Foreign currency payments;

- 4.2.1 Foreign currency payments to be paid from same currency bank accounts in the first instance, and where conversion is required, use special rate from the bank.

1.0 Purpose

1.1 To set out the policy that applies to credit cards issued to the account of the Oceania Customs Organisation.

1.2 To ensure that payment and purchase transactions comply with suitable standards of accountability, transparency and the requirements of the OCO financial regulation.

2.0 Financial Regulation:

2.1 Regulation 20 – Financial Rules and Procedures

3.0 Policy

3.1 Credit cards are recognised as a useful mechanism to facilitate financial transactions in specific circumstances and to mitigate situations where OCO staff might otherwise have to use their own funds to enable legitimate OCO business to be undertaken.

3.2 A periodic review is to be undertaken to ensure that OCO's credit card(s) are delivering the expected benefits, and that the risks and costs around credit card use are being managed.

3.3 The issuing of credit cards will be at the discretion of the Head of Secretariat.

3.4 An OCO credit card will be issued with a standard limit of AUD \$5,000 with the ability to increase the limit on a temporary basis to cover special cases, as determined and approved by the Head of Secretariat.

3.5 Credit cards can be used to facilitate financial transactions within and in respect of OCO. Adherence to the Purchasing Policy and Procedures, Travel Policy and Procedures and other established payment mechanisms must still be met when payment is made by credit card. Regard is also to be given to purchase discounts, whether there are tender requirements and other contractual obligations and whether other policies and procedures are complied with before a decision to use a credit card is made.

3.6 Cash withdrawals or cash advances are not permitted unless there are special circumstances related to a specific OCO operation or task. In such circumstances the Head of Secretariat must pre-approve the transaction.

3.7 Withdrawing cash for non-work related purposes through the use of an OCO Credit card is not permitted under any circumstances.

3.8 Personal expenditure on an OCO credit card is not normally permitted.

3.9 There may be one-off exceptions (such as loss of personal belongings while travelling overseas) to the requirements set out in 3.8. Should an emergency or unusual circumstance arise the staff member is to advise their manager as soon as practicable so an approval to an exception from the personal expenditure and/or cash withdrawal rules can be obtained from the Head of Secretariat.

3.10 Under no circumstances are OCO credit cards to be used to finance private travel by spouses or family of OCO staff.

3.11 Where personal expenditure is incurred in connection with business expenditure (e.g. tolls/alcohol on hotel/meals accounts), and is unavoidable, the cardholder must identify this as "personal" on the tax invoice/receipt and provide full details of the expenditure to the Head of Secretariat.

3.12 Any personal expenditure charged to an OCO credit card is to be reimbursed to OCO at the earliest opportunity.

3.13 In the event that a breach of this policy is alleged or detected, it will be fully and promptly investigated in accordance with established policies and procedures of the OCO.

3.14 Misuse or alleged misuse of an OCO credit card would be considered a serious matter in terms of the OCO Administration Policy.

4.0 Procedures

4.1. Obtaining a Credit Card;

4.1.1 The employee shall request for an OCO credit card in writing from the HoS;

4.1.2 Once approved, the employee shall complete the credit card application form and attached all necessary documentation;

4.1.3 OCO credit cards will be restricted to those issued by OCO bankers;

4.1.4 All credit cards will be issued with a standard limit of AUD \$5,000;

4.1.5 Corporate Services will maintain a register of OCO credit card holders.

4.2 Online Purchasing of Goods and Services;

4.2.1 The credit card is to be used only if other established payment mechanisms cannot be used;

4.2.2 A payment voucher is raised to the intended supplier following the normal OCO voucher approval processes;

(i) Attach the invoice or equivalent of an invoice to support the payment;

(ii) Attach the receipt of the payment to the voucher as proof of payment made;

4.2.3 File the voucher for auditing.

4.3 Travel Expenditure;

4.3.1 The employee shall request for HoS approval to use the credit card on business travel prior to departure;

4.3.2 When incurring expenditure using a credit card, all cardholders must retain the customer copy of each credit card transaction and also, the supporting tax invoice, docket etc;

4.3.3 The tax invoice/receipt from the supplier is to be retained alongside the "Customer copy" of the credit card slip so that the expenditure can be verified and reviewed;

4.3.4 Where personal expenditure is incurred in connection with business expenditure, and is unavoidable, the cardholder must identify this as "personal" on the tax invoice/receipt, provide full details of the expenditure to an immediate manager and reimburse OCO at the earliest opportunity.

4.3.5 The cardholder will complete the Credit Card Acquittal form (Annex A) when the credit card statement is received and submitted to the HoS for approval;

4.4 Special circumstances;

4.4.1 Special circumstances related to a specific OCO operation or task may require the card holder to withdraw cash from the credit card;

4.4.2 In this case the HoS must pre-approve the withdrawal before cash is withdrawn from the credit card.

4.4.3 All business expenses paid from cash advanced from credit cards must be fully acquitted with tax

invoices, receipts and docket;

4.4.4 Un-acquitted balances of cash advanced from credit cards must be reimbursed to OCO at the earliest opportunity.

4.5 Settlement of Credit Card Balances

4.5.1 Settlement of monthly credit card bills will be made on the basis of full acquittal of the expenses specified under section 4.2, 4.3 and 4.4;

4.5.2 Any transaction that has not been authorised by the cardholder shall also be identified, and the issuing bank will be notified for further investigation; Any personal expenses identified under section

4.5.3 and un-acquitted balances of cash advances shall be deducted from the card holders next pay unless settlement by alternate means has been arranged with the HoS.

4.5.4 All original documentation must be maintained in a single source file of credit card documentation.

4.6. Cancellation of cards;

4.6.1 In the event of the staff member/cardholder either leaving OCO or where it is not necessary to hold the card, the card is to be returned to the Finance and Corporate Service Manager who will arrange to have it cancelled. The register of card holders will be amended by Corporate Services;

4.7. Lost cards;

4.7.1 If any cardholder loses their OCO credit card, they must immediately notify Corporate Services who will arrange to have the credit card cancelled and if necessary will facilitate reissue action.

4.8. Audit procedures;

4.8.1 All records and original documentation pertaining to the use of all cards will be held, maintained and be made available to auditors upon request.

**ANNEX A
CREDIT CARD ACQUITTAL FORM**

| | | | | |
|--|--------------------|--|-------------|--|
| | Name | | Date | |
| | Designation | | | |

| Date | Receipt # | Description | Amount |
|-------------|------------------|--------------------|---------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Total \$0.00

| | |
|----------------------------------|-----------------|
| Cardholder Sign & Date | Comments |
| Approved by HoS | Comments |

1.0 Purpose

- 1.1 The purpose of this policy is to ensure OCO makes responsible asset purchases, accounts for and maintains assets, and retains control over assets.
- 1.2 All staff at OCO will have the necessary and suitable equipment to perform their duties.
- 1.3 Fixed assets includes both tangible and intangible items of economic value. For this policy it refers to physical items such as motor vehicles, machinery, office equipment and buildings along with intangible items such as computer software.

2.0 Financial Regulation;

- 2.1 Regulation 20 - Financial Rules and Procedures;
- 2.2 Regulation 21 – Writing off losses.

3.0 Policy

- 3.1 The cost of an item of property, plant and equipment is recognised as a fixed asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the OCO and the cost of the item can be measured reliably. A fixed asset includes both tangible and non-tangible items with a useful life greater than one fiscal period, and which exceeds the minimum capitalisation limit specified in Sub-Section 3.8
- 3.2 Constructed assets will be capitalised when the asset is deemed to be complete and ready for use. When individual components of the asset have a value of less than \$1,500 they will not be treated as consumable items, but as part of the total cost of the asset. The amount capitalised includes all the costs incurred in the construction including materials, labour and any indirect costs incurred during the construction period.
- 3.3 Expenditure incurred subsequent to the acquisition, development or construction of an asset must be capitalised, either wholly or in part, when:
 - i. it is probable that the expenditure increases the economic benefits of the asset over and above the original or most recent assessment of economic benefits and;
 - ii. the expenditure would have been included in the cost of the item when the item was initially recognised had the expenditure been incurred at that time.
- 3.4 OCO acquires, uses, maintains and replaces assets to assist the organisation to meet its objectives.
- 3.5 There will be periodic reviews of staff equipment to ensure it will enable staff to perform their duties efficiently, effectively and safely.
- 3.6 All assets are to be appropriately insured and recorded on the asset register.
- 3.7 Acquisition;
 - 3.7.1 Asset acquisition must be in accordance with OCO's purchasing policy;
 - 3.7.2 Asset acquisition must be properly justified by following the acquisition guidelines defined in the procedures.

3.8 Asset Register;

3.8.1 An asset register of all capital purchases greater than \$1,500 in value is maintained by the organisation.

3.8.2 An expensed asset register will also be maintained to record capital purchases between \$300 to \$1,499 in value.

3.8.3 Assets are depreciated by class at a rate determined by the OCO's Significant Accounting Policy

3.8.4 A periodic stocktake of the OCO's fixed asset must be carried out to ensure asset on the register do exist and assess their condition for any impairment.

3.9 Asset Security;

3.9.1 OCO staff who are issued with work equipment are responsible for the security of those assets and to ensure that they are used safely.

3.9.2 The cost to repair damage to, or replace, any of the OCO issued equipment as a result of negligence on the part of the staff may be charged to the staff responsible.

3.9.3 All assets are to be safeguarded against theft and damage and removed from the premises only with approval of the Head of Secretariat.

3.10 Asset disposal;

3.10.1 Asset disposal may occur through auction, tender, private sale, destruction, donation and transfers to other organisations.

3.10.2 The method of asset disposal will be based on consideration of what offers the best return or the OCO taking into account environmental responsibilities.

3.10.3 The Head of Secretariat is to authorise the write-off of obsolete or missing assets from the register.

4.0 Procedures

4.1 All capital expenditure greater than \$1,500 in value will be reflected as an asset in the fixed asset Register and are subject to depreciation. Refer to the OCO purchasing policy for fixed asset purchases and procedures.

4.2 If assets are purchased through operating expenditure with a value between \$300 and \$1,499 in value must still be entered into the FAR but under a separate split labelled "Expensed Assets". These assets are not depreciated but are on the FAR to assist in accountability purposes and for audit purposes.

4.3 All fixed assets must be separately identifiable and should have a fixed asset control number and be tagged or marked, unless they are uniquely identifiable by some other means (e.g. vehicle registration numbers, serial numbers);

4.4 The Fixed Assets Register includes all assets that are in use (or have a book value). Fixed assets that are in use and have a zero book value should still be included in the Fixed Assets Register until it is approved for disposal.

4.5 Fixed asset will be disposed of and removed from the Fixed Asset Register only at the approval of the HoS.

4.6 All fixed assets will be subject to regular stock take, differences identified in the stock take between the physical count of fixed assets and the Fixed Asset Register shall be notified in writing to the HoS.

4.7 Any missing assets will be investigated to determine the reasons the assets went missing and where required corrective actions taken to ensure further assets do not go missing.

HEAD OF SECRETARIAT CLAIMS AND ENTITLEMENTS

2.0 Purpose

2.1 To confirm the payment approval process for contractual entitlements to, and expenditure claims submitted by the Head of Secretariat.

3.0 Financial Regulation

3.1 Regulation 20 - Financial Rules and Procedures.

4.0 Policy and Procedures

4.1 HoS Contractual Entitlements

4.1.1 Fixed base salary and rental assistance

(i) Payment towards salary and rental assistance as approved per the signed employment contract, is paid monthly through the OCO payroll.

4.1.2 Utilities

(i) A budget for Utilities shall be prepared and included as part of the overall OCO annual budget estimates that is presented to the OCO Annual Conference each year for approval.

(ii) On the approval of the annual budget by the Annual Conference, the Finance and Corporate Service Manager (FCSM) can authorise payment vouchers relating to the HoS utilities as long as it is within the approved annual budget amount.

(iii) Any changes to the total approved budget during the fiscal year will require the OCO Steering Committee approval.

(iv) The actual spending for HoS utilities will be audited annually as part of the overall annual audit of the OCO and be reported to the Steering Committee.

4.1.3 Education assistance

(i) The FCSM will approve payments related to education allowance as approved per the OCO Administration Policy.

(ii) The HoS is required to advise the FCSM of any changes to educational assistance entitlements with any new entitlements to be approved by the Chair of the Steering Committee.

4.1.4 Travel

(i) HoS travel will need to be approved by the Chair in advance of travel.

(ii) Once travel has been approved, the Finance Manager will approve the payment of per diems and travel claims in accordance with the approved OCO Travel Policy & Procedures.

4.1.5 Other

(i) The Chair shall approve all other expenditure claims submitted by the HoS such as hospitality, gifts, etc and paid in accordance with OCO policies.

5.0 Procedures

5.1 As per section 3.0

PAYMENT PROCEDURE

This procedure establishes the process for raising payments, and comprises the following steps.

1. **Preparing the Payment Voucher (PV)** – Use the PV template to enter detail of the payment. Use the OCO chart of accounts and job codes to code the particular payment to the appropriate account, attaching all relevant supporting documentation to ensure that the requirement of the Financial Regulations have been fulfilled. The responsibility of ensuring that the PV is being paid to the supplier rests with the staff preparing the PV during this step.
2. **Checking the PV for compliance** – The Finance and Corporate Service Manager (FCSM) or the Operations Manager (OM) will be the first step to check and confirm that the PV is in order for payment, sign and pass it on to the final stage of the approval process. This check involves ensuring goods or services have been received, contractual requirements have been met, complete documentation has been attached, the expenditure has been budgeted for, and Financial Regulations have been complied with.
3. **PV Approver** – The final stage of the approval process is the approval by the Head of Secretariat (HoS) or the appointed Acting HoS. In the case of payments to the HoS, the approver shall be the FCSM or the OCO Steering Committee Chair. The process involves checking the PV and approving if he/she is satisfied that due process for clearance of the payment has been followed.
4. **Payment Initiator** – The next step is to either write a cheque if the supplier does not have a bank account or initiate the payment online using internet banking. The PV preparer will initiate this process before elevating it on to the first authorisation step.
5. **First authorisation** – This can be either the HoS, FCSM or the OM, who either sign the cheque or authorise on-line. In the case of payments to one of the three authorisers, the other two are required to authorise.
6. **Second Authorisation** – This can be either the HoS, FCSM or the OM, who either sign the cheque or authorise on-line. In the case of payments to one of the three authorisers, the other two are required to authorise.
7. **Remittance advice** – The final step is the sending out of the remittance advice to the supplier, if the payment was made online. For cheques, the process is completed once the supplier signed on the PV that they have received the cheque. This process is the responsibility of the PV preparer before the PV is given to Finance & ICT Officer for filing.

Notes to the Payment Procedure;

- All payments are to be made within two working days provided that OCO Financial Regulation (FR) has been followed and that all documentation are in place.
- The staff preparing the PV will be responsible for following up on the PV until payment is being made to the Supplier.

Monitoring PV status – The soft copy of all new PVs will be saved in the “PVs in Progress” folder placed in the root directory. Once the payment is fully authorised, the Payment Initiator will be responsible for moving the soft copy of the PV to the general PV filing area. The FCSM will be responsible for regular monitoring the “PVs in Progress” folder.

OCO Payment Procedure



