IT is hereby notified that the Minister of Finance and Economic Development, has in terms of section 78 of the Public Finance Management Act [Chapter 22:19], approved the following Treasury instructions:—

Title

1. These instructions may be cited as the Public Finance Management (Treasury Instructions), 2019.

2. These instructions shall come into effect on the date of publication in the Government Gazette, and shall henceforth replace and supersede all previous instructions.

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Interpretation

2. (1) In these Instructions—
“Accountant-General” means the person appointed as such in terms of section 9 of the Public Finance Management Act [Chapter 22:19];
“accounting officer” means a person who is prescribed to be an Accounting Officer in terms of section 10 of the Act, and charged with the duty of accounting for any service in which moneys have been appropriated by Parliament;
“accounting policies” are the specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting financial statements;
“accrual basis” means a basis of accounting under which transactions and other events are recognised when they occur (and not only when cash or its equivalent is received or paid);
“Act” means the Public Finance Management Act [Chapter 22:19];
“Auditor-General,” means the person appointed as such in terms of section 310 of the Constitution of Zimbabwe;
“bidder” means an actual or potential party to a procurement contract with a procuring entity;
“cash” comprises cash on hand, demand deposits and cash equivalents;
“cash basis” means a basis of accounting that recognises transactions and other events only when cash is received or paid;
“chart of accounts” means a structured list of accounts used to classify and record budget revenue and expenditure transactions as well as government assets and liabilities on a standard budget classifications system;
“Consolidated Revenue Fund” means the Consolidated Revenue Fund referred to in section 302 of the Constitution of Zimbabwe;
“construction work” means all work associated with the construction, reconstruction, demolition, repair or renovation of any building or infrastructure;
“consultancy services” mean services which are of an intellectual and advisory nature;
“contingent liabilities” means those obligations that may or may not become due, depending on whether a particular event occurs;
“debt charges” includes interest, sinking fund charges, the repayment or amortisation of debt and all expenditure related to the raising of loans on the security of the Consolidated Revenue Fund and the service and redemption of debt created by those loans;
“Director of Finance” means a person responsible for the financial affairs of a Ministry who is directly accountable to the Accounting Officer of that Ministry;
“face value instruments” means bonds, stocks, treasury bills and any other government financial instruments.
“financial year” in relation to the State or the finances of the Government of Zimbabwe means the twelve-month period ending on the 31st December;
“financial statements”:  
1. In relation to cash basis of accounting means—  
(a) a statement of cash receipts and payments;  
(b) accounting policies and explanatory notes;  
(c) when the entity makes publicly available its approved budget, a comparison of budget and actual amounts
either as a separate additional financial statement or as a budget column in the statement of cash receipts and payments; and
(d) other reports that the Accountant-General may require.

2. In relation to accrual basis of accounting means—
(a) a statement of financial position;
(b) a statement of financial performance;
(c) a statement of changes in net assets/equity;
(d) a statement of cash-flow;
(e) when the entity makes publicly available its approved budget, a comparison of budget and actual amounts either as a separate additional financial statement or as a budget column in the financial statement;
(f) notes, comprising a summary of significant accounting policies and other explanatory notes; and
(g) other reports that the Accountant-General may require.

“framework agreement” means an agreement between one or more procuring entities and one or more contractors, bidders, service providers or consultants the purpose of which is to establish the terms governing orders for the supply of goods and related services or repair and maintenance works to be placed during a given period, in particular with regard to price, and, where appropriate, the quantity or quantities envisaged;

“fruitless and wasteful expenditure” means expenditure which was made in vain and would have been avoided had reasonable care been taken;

“loan” means any borrowing with or without interest from any source or any issuance of a national government security;

“Minister” means the Minister responsible for Finance or any other Minister to whom the President may, from time to time, assign the administration of the Public Finance Management Act [Chapter 22:19];

“Non-consultancy services” means services consisting of physical job performance, usually by contracted labourers;

“procurement” means the acquisition by any means of goods, construction work or services (consultancy and non–consultancy);

“public debt” means domestic and external:—
(a) Government debt, lending and guarantees;
(b) local authority debt, lending and guarantees;
(c) public entity debt, lending and guarantees;

“public funds” includes any money owned or held by the State or any institution or agency of the government, including provincial and local tiers of government, statutory bodies and government-controlled entities;

“public officer or an officer” means any person as defined in the Public Service Regulations, 2000 [Statutory Instrument 1 of 2000] as amended;

“public property” means any property owned or held by the State or any institution or agency of the government, including provincial and local tiers of government, statutory bodies and government-controlled entities;

“receipt” is an official document issued as an acknowledgement for collection of public moneys;

“receiver of Revenue” means any person who is prescribed to be a Receiver of Revenue in terms of section 10 of the Act;

“revenues” means all taxes, fees and other income of the State from whatever source arising (not being moneys which are required by law to be paid into a separate fund), including the proceeds of all loans raised by the State which, in terms of section 302 of the Constitution, form part of the Consolidated Revenue Fund;

“Secretary to the Treasury” is the head of the Ministry responsible for Finance and the main national economic advisor.

“State loan” means a sum of money borrowed in terms of the Public Debt Management Act [Chapter 22:21];

“statutory fund” means any fund established by or under any enactment not including—
a fund established under section 18 of the Public Finance Management Act [Chapter 22:19]; or

a fund established by or for the purposes of a public entity which does not contain public money.

“tax” includes a duty, rate, levy or fee charged on a product, income or activity.

“thresholds” means the financial limits above or below which specified procurement methods should be applied.

“treasury” means the Department(s) in the Ministry responsible for Finance that is the lead advisor on national economic, financial management and regulatory policy.

“virement” means the application, as authorised by an Appropriation Act, of savings on a subhead of a Vote to meet excess expenditure on another subhead or expenditure on a new subhead of the same Vote;

“vote” means a head or an appropriation of Estimates.

“voted funds” means money authorised by an appropriation Act for withdrawal from the Consolidated Revenue Fund.

(2) The First Schedule contains a glossary of acronyms used in the handbook.

PART II

ADMINISTRATION AND GENERAL

Authority

3. (1) These instructions are issued in terms of section 78 read in conjunction with section 6 of the Public Finance Management Act [Chapter 22:19].
(2) Any instructions or circulars that are inconsistent or in conflict with these instructions shall be referred to Treasury for further guidance and/or clarification.

Purpose of issuing Treasury Instructions
4. These instructions are issued pursuant to the provisions of sections 6 and 78 of the Act, to provide guidance on public financial management matters relating to:
   (a) the collection, receipt, custody, control, issue or expenditure of public money;
   (b) the acquisition, receipt, custody, control, issue, sale, delivery, transfer or disposal of any State property;
   (c) expenditure on any service involving a charge on the Consolidated Revenue Fund;
   (d) the operation of any statutory fund; and
   (e) the acceptance, on behalf of the State, of any gift, donation, bequest or other grant of money or other property which is made subject to a condition or is likely to involve a charge on the Consolidated Revenue Fund.

Application of Treasury Instructions
5. (1) These instructions shall apply to Government Ministries, agencies and employees of any department or agency as defined in the PFM Act and Public Service Regulations.
   (2) It is the responsibility of every Accounting Officer to ensure that these Treasury Instructions are complied with at all times and at all levels.

Access to Treasury Instructions
6. (1) The current version of the Treasury Instructions is obtainable from Ministry of Finance's web site and the official Government Printer.
   (2) Accounting Officers shall ensure that copies of Treasury Instructions are availed to their staff for reference and guidance.

Review of Treasury Instructions
7. (1) These instructions shall be reviewed and updated every five years, and every updated version of Treasury Instructions issued shall supersede and replace all previous versions.
   (2) Once Treasury Instructions are updated, it shall be the responsibility of every Accounting Officer to ensure that the latest version is applied.

Relationship between Treasury Instructions, Treasury Circulars and Treasury Circular Minutes
8. (1) The main purpose of Treasury Circulars and Circular Minutes is to provide guidance and information, and to request financial information. Treasury Circulars and Circular Minutes may cover matters that are outside the scope of Treasury Instructions, such as the budget timetable.
   (2) Treasury Circulars or Circular Minutes may cover matters that are to take effect immediately (but may later be incorporated within Treasury Instructions as part of the update).
   (3) Treasury Circulars or Circular Minutes should be complied with in the same way as Treasury Instructions.

Suspension of Treasury Instructions Provisions
9. Only the Minister may, in writing, temporarily suspend any of the provisions contained in these Treasury Instructions.

Basis of accounting
10. (1) The basis of Accounting that the Government of Zimbabwe uses shall be determined by the Board responsible for setting Accounting Standards in Zimbabwe.
    (2) The Government of Zimbabwe currently applies the cash basis for voted funds and accrual basis for statutory and other funds.

Accounting Policies and Conventions
11. (1) Revenue under the cash basis of accounting shall be recognised and accounted for as income in the period in which it is received.
    (2) Revenue under the accrual basis of accounting is recognised as it is earned (and not only when cash or its equivalent is received) and the transactions are accounted for and reported in the period to which they relate.
    (3) Expenses under the cash basis of accounting are recognised and accounted for when the actual cash is disbursed.
    (4) Expenses under the accrual basis of accounting are recognised as they become due (and not only when cash or its equivalent is disbursed) and the transactions are accounted for and reported in the period to which they relate.
    (5) Under the cash basis of accounting, assets are expensed (fully depreciated) in the year of purchase.
    (6) Under the accrual basis of accounting, assets are depreciated in accordance with policy pronouncements from the Board responsible for setting Accounting Standards in Zimbabwe and Treasury policy directions.
Chart of accounts

12. The Government of Zimbabwe has adopted the International Monetary Fund Government Finance Statistics (GFS) Chart of Accounts. All Government Ministries, Agencies, statutory and other funds shall adopt this classification system.

Accounting package


(2) Statutory and other funds shall utilise the same accounting package unless authorised by Treasury to run independent systems.

(3) All independent systems shall be compatible with the SAP system.

Financial Year

14. The financial year of the Government of Zimbabwe shall be from 1st January to 31st December of each year.

Functional and reporting currency

15. Although Zimbabwe accepts a number of currencies, the functional and reporting currency is the United States dollar (USD).

PART III

PRINCIPLES OF PUBLIC MANAGEMENT

Principles of Public Finance Management

16. The principles that must guide Public Finance Management are provided for under section 298 of the Constitution of Zimbabwe. These include the following—

(a) transparency and accountability in financial matters. Government ministries, departments and agencies must make clear what has been done and why it has been done;

(b) public finance system must be directed towards national development, and in particular—

(i) the burden of taxation must be shared fairly;

(ii) revenue raised nationally must be shared equitably between the central government and provincial and local tiers of government; and

(iii) expenditure must be directed towards the development of Zimbabwe, and special provision must be made for marginalised groups and areas;

(c) the burdens and benefits of the use of resources must be shared equitably between present and future generations;

(d) public funds must be expended transparently, prudently, economically and effectively;

(e) financial management must be responsible and fiscal reporting must be clear;

(f) no taxes may be levied except under the specific authority of the Constitution of Zimbabwe or an Act of Parliament.

Parliamentary oversight of State revenues and expenditure

17. Section 299 of the Constitution of Zimbabwe mandates Parliament to monitor and oversee revenue inflows and expenditure by the Government in order to ensure that—

(a) all revenue is accounted for;

(b) all expenditure has been properly incurred; and

(c) any limits and conditions on appropriations have been observed.

Consolidated Revenue Fund

18. The Constitution provides for a Consolidated Revenue Fund into which must be paid all fees, taxes and borrowings and all other revenues of the Government, whatever their source, unless an Act of Parliament—

(a) requires or permits them to be paid into some other fund established for a specific purpose; or

(b) permits the authority that received them to retain them, or part of them, in order to meet the authority’s expenses.

Charges upon Consolidated Revenue Fund

19. (1) Section 304 of the Constitution of Zimbabwe provides that the costs and expenses incurred in collecting and managing the Consolidated Revenue Fund form the first charge on the Fund.

(2) All debt charges for which the State is liable must be charged upon the Consolidated Revenue Fund.
Appropriations from Consolidated Revenue Fund

20. (1) Section 305 of the Constitution provides that every year the Minister responsible for finance present, to the National Assembly, a statement of the estimated revenues and expenditures of the Government in the next financial year.

   (2) When the National Assembly has approved the estimates of expenditure for a financial year, an Appropriation Act is promulgated and it—

      (a) provides for money to be issued from the Consolidated Revenue Fund to meet the approved expenditure; and

      (b) appropriates the money to the purposes specified in the estimates, under separate Votes for the different heads of expenditure that have been approved.

Limits of State borrowings, public debt and State guarantees

21. Section 300 of the Constitution requires that limits be set on borrowings by the State; the public debt; and debts and obligations whose payment or repayment is guaranteed by the State.

   (2) The set limits shall not be exceeded without the authority of the National Assembly and in accordance with the provisions of the Public Debt Management Act [Chapter 22:21].

Safeguarding of public funds and property

22. (1) Section 308(2) of the Constitution provides that, it is the duty of every person who is responsible for the expenditure of public funds to safeguard the funds and ensure that they are spent only on legally authorised purposes and in legally authorised amounts.

   (2) Section 308(3) of the Constitution provides that, it is the duty of every person who has custody or control of public property to safeguard the property and ensure that it is not lost, destroyed, damaged, misapplied or unused.

Principles of gender balance, equality and non-discrimination

23. (1) The Constitution of Zimbabwe is informed by the principles of gender balance and gender equality. It advocates, among other things that Government institutions ensure equal representations for both men and women in all spheres.

   (2) State agencies shall take actions, including legislative measures to rectify gender discrimination and imbalances resulting from past practices and policies.

   (3) These instructions shall be gender sensitive, and the budgetary process and outcomes shall reflect the principles of gender responsive budgeting.

PART IV

ADMINISTRATIVE AND INSTITUTIONAL ARRANGEMENTS

Treasury

24. (1) Section 6 of the Act gives Treasury the responsibility to manage and control public resources. Treasury is therefore responsible for—

      (a) managing the Consolidated Revenue Fund;

      (b) determining the manner in which public resources shall be accounted for; and

      (c) exercising general direction and control over public resources.

   (2) Section 4 of the Public Debt Management Act [Chapter 22:21] gives Treasury the responsibility for debt management operations.

   (3) The powers of Treasury in relation to public resources are set forth in section 11 of the Act.

Secretary for Finance

25. The duties and powers of the Secretary for Finance who shall also be the Paymaster-General are set out in section 8 of the Act. The Secretary shall ensure that—

      (a) there is established and operated an effective system for the collection of information to ensure timely and effective preparation of the annual estimates of expenditure for consideration and approval by the Minister and submission to Parliament; and

      (b) such estimates—

          (i) are prepared in conjunction with any general or specific directions of the Minister; and

          (ii) reflect, as can best be ascertained at the time, good value for money and the effective use of public resources; and

      (c) as Paymaster-General and subject to the directions of Treasury, the Secretary shall control the issue of public money to Ministries and Departments of the Government, and perform such other functions as the Minister may prescribe.

Accountant-General

26. (1) The Accountant-General is appointed in terms of section 9 of the Act and shall be responsible to the Secretary for Finance for the compilation and management of the public accounts and the custody and safety of public resources.
(2) The Accountant-General’s powers are specified in section 9(4) of the Act.

(3) The responsibility of the Accountant-General includes the determination of appropriate investment of moneys in the Consolidated Revenue Fund in accordance with section 20 of the Act.

(4) The Accountant-General shall authorise the establishment of all banking accounts.

(5) The Accountant-General is responsible for issuing expenditure warrants authorising Accounting Officers to spend funds from the Consolidated Revenue Fund within the prescribed limits and subject to the conditions contained therein.

(6) It is the responsibility of the Accountant-General to prepare monthly, quarterly and annual consolidated financial statements and to submit such statements to the respective offices as provided for by the Act.

(7) The Accountant-General shall be responsible for the preparation and submission of Treasury Minutes explaining the action that has been taken on recommendations for improvements in public financial management by the Select Committee on Public Accounts and giving reasons for any recommendations not having been implemented.

(8) The Act gives the Accountant-General the responsibility to specify for every Ministry, reporting unit or statutory fund, the basis of the accounting system to be adopted and the classification system to be used, and ensure that a proper system of accounts is established in each of them, and that all money received and paid by the Government is brought promptly and properly to account.

Principal Director responsible for debt management

27. (1) The Principal Director responsible for Debt Management is appointed in terms of section 6 of the Public Debt Management Act and shall be responsible to the Secretary for Finance for the control and management of the operations of the Public Debt Management Office (PDMO).

(2) The functions of the PDMO are specified in section 5(2) of the Public Debt Management Act. In terms of the provisions of the said section, the PDMO shall be responsible for the following functions—

(a) preparing and publishing a Medium Term Debt Management Strategy in accordance with section 8 of the Public Debt Management Act;

(b) preparing and publishing an annual borrowing plan which includes a borrowing limit, and participate in the preparation of an issuance calendar of Government securities in line with the annual borrowing plan;

(c) advising the Minister on all Government borrowings, and participating in all negotiations with creditors on Government borrowings and guaranteed loans;

(d) undertaking annual debt sustainability analysis;

(e) assessing the risks in issuing any guarantees, including assessing the capacity of the beneficiary of a guarantee to repay the loan, and to prepare reports on the method used for each assessment and the results thereof for approval by the Minister;

(f) preparing annual reports on outstanding guarantees, and facilitating the recovery of any payments including interest and any other costs incurred by Government due to the honouring of outstanding guarantees;

(g) assessing the credit risk in any lending, and preparing reports on the method used for each assessment and the results thereof for the attention of the Minister;

(h) preparing reports on the debt of local authorities and public entities; as well as assessing, monitoring and keeping track of debt levels of all local authorities and public entities;

(i) storage of all original loan agreements and debt administration records in relation to the public debt;

(j) compilation, verification and reporting on all public debt arrears, especially Government public debt arrears, and designing a strategy for the settlement of these;

(k) keeping timely, comprehensive and accurate records of outstanding public debt, guarantees and on-lending, in a computerised database and in particular—

(i) compiling data on all debt servicing obligations of the Government, local authorities and public entities, and prepare and publish debt statistical bulletins in relation thereto regularly, either globally or on a selective basis as required; and

(ii) validating and reconciling debt data concerning creditors of the Government of Zimbabwe;

(l) preparing forecasts on Government debt servicing and disbursements as part of the yearly budget preparations;

(m) preparing balance of payments projections;

(n) monitoring and evaluating projects funded or partly funded by public debt to ensure that borrowed funds are used for their intended purposes;

(o) preparing an annual report on Government debt management activities including the debt stock position and related debt service projections, new borrowing, guarantees and lending;

(p) operating as the Secretariat to the External and Domestic Debt Management Committee in accordance with section 7(3) of the Public Debt Management Act;

(q) acting as the principal adviser in the development of domestic capital markets and issuance of domestic and external debt securities on behalf of the Government of Zimbabwe;
(r) assessing, monitoring and reporting on any other implicit and explicit public sector contingent liabilities and advising on their management;
(s) maintaining and administering a secure computerised debt management information system;
(t) initiation, facilitation and monitoring of disbursements on borrowings and on-lending; and
(u) analysing requests from local authorities and public entities for borrowings.

**Accounting officers**

28. (1) Accounting Officers are prescribed in terms of section 10 of the Act. The title “Accounting Officer” denotes the relationship in which such officers stand towards Parliament and identifies their responsibility for general financial administration of the Votes or funds in their charge. Accounting Officers shall control and be accountable for the expenditure of money applied to their Vote by an Appropriation Act and for all revenues and other public money received, held or disposed of, by or on account of their Ministry, reporting unit, public entity or constitutional entity for which the Vote provides. Accounting Authorities for reporting units, public entities or constitutional entities for which a Vote provides shall be accountable to the Accounting Officer for the management of public resources under their control.

(2) The term “Accounting Officer” must be distinguished from the term “accountant” which term is commonly used to describe officers performing duties of a technical nature in connection with book-keeping and accounting.

(3) The specific responsibilities of an Accounting Officer are set out in the Statutory Instrument in force.

(4) The Accounting Officer must communicate directly with Treasury in regard to all questions relating to their financial responsibilities which cannot be resolved by reference to these Instructions.

(5) The Accounting Officer shall be responsible for all correspondence whether signed personally or on their behalf.

(6) Accounting Officers shall not delegate responsibility for the proper conduct of financial business to subordinate officers who may be placed in charge of departmental accounts. It is incumbent on Accounting Officers to satisfy themselves, by means of statements duly certified by the officers entrusted with the operation of any account, as to the correctness and propriety of the transactions on such accounts. Accounting Officers have the right in whatever manner they choose to satisfy themselves of any action taken in their names which they may subsequently have to defend.

(7) Within the framework of these Instructions, Accounting Officers shall issue detailed written instructions governing the conduct of financial business and the control of all public moneys and the property for which they are responsible. Such instructions shall include directions as to the operation of internal check and control systems.

(8) All instructions issued in terms of Instruction No. 0332 shall be approved by Treasury and copies of the approved Accounting Officer’s Instructions shall be transmitted to the Auditor-General.

(9) Accounting Officers shall ensure that instructions issued in accordance with Instruction No. 0332, are reviewed at least every five years for the purposes of ensuring that any changes of circumstances are catered for.

(10) Accounting Officers shall ensure that the provisions of these Instructions are followed in relation to Funds set up in terms of section 18 of the Act (covered in Instruction Nos. 1200-1299 of these Treasury Instructions) and which are administered by officers in their official capacities unless specific Treasury authority for exemption has been obtained.

(11) It is the responsibility of Accounting Officers to submit to the respective Parliamentary Portfolio Committee, the unaudited annual financial statements of their respective Ministry within ninety days of the end of the financial year and in terms of Act.

**Principal Director/Director of Finance**

29. (1) The Principal Director/Director of Finance (hereinafter referred to as Director of Finance) provides the Accounting Officer with assistance in the financial administration of Votes and Funds under their charge. Their responsibility is to advise Accounting Officers on all financial matters. They may also examine and comment on the financial aspects of administrative action and ministerial policy.

(2) Every Director of Finance shall have free access to all papers relative to their duties and must report directly to the Accounting Officer.

(3) In the absence of the personal comments of the Accounting Officer, Treasury will expect the views of the Director of Finance to accompany any financial proposals submitted to Treasury.

(4) The Director of Finance is answerable for—
(a) the day-to-day running of their respective accounts offices;
(b) the keeping of financial records and books of account;
(c) the safe custody of the public moneys entrusted to them;
(d) putting in place systems of internal checks and control on financial administration;
(e) the preparation and submission of all financial statements (monthly, quarterly and annual), any returns, other statutory reports and the accounts of other public moneys that are the responsibility of the Accounting Officer;
(f) ensuring the accuracy of the accounts, and drawing the Accounting Officer’s attention to all points of importance which arise in connection with them;
(g) ensuring that the deadlines for preparation and submission of Financial Statements to the Accounting Officer in their respective Ministry and to the Accountant-General are met; and
(h) ensuring responses to Audit observations are timely.

(5) The Director of Finance shall submit to Treasury, by the 20th working day of the following month, with a copy to the Auditor-General, the Accounting Officer’s Treasury Certificate in such form as determined by Treasury from time to time. The certificate shall be signed on behalf of the Accounting Officer by the Director of Finance.

**Head responsible for the Procurement Management Unit**

30. The Public Procurement and Disposal of Public Assets Act [Chapter 22:23] provides for the establishment of a Procurement Management Unit (PMU). The Head of the PMU shall be the Accounting Officer. The Accounting Officer shall be supported by procurement officers and the PMU shall have the following responsibilities—

- (a) putting in place a transparent and competitive bidding system that affords fair and equitable treatment of all bidders;
- (b) putting in place a system that minimises fruitless and wasteful procurement;
- (c) planning the Public Procurement and Disposal of Public Assets Activities of the Ministry, Agency or Department;
- (d) recommending the appropriate procurement method;
- (e) preparing solicitation documents;
- (f) preparing bid notices and shortlists;
- (g) managing the bidding process, including pre-bid meetings, clarifications, receipt and opening of bids;
- (h) managing the evaluation of bids and any post-qualification or negotiations required;
- (i) preparing evaluation reports, including contract award recommendations;
- (j) preparing contract documents and amendments;
- (k) managing contracts or overseeing contracts management by the designated contracts manager;
- (l) preparing such procurement reports as required by the Accounting Officer; and
- (m) promoting the integrity of, and fairness and public confidence in, the procurement process.

**PART V**

**BUDGETING AND BUDGETARY CONTROL**

**Budget preparation**

31. (1) This section provides guidance on budget preparation, approval, execution, monitoring and reporting.

   Treasury shall be responsible for providing guidance and communicating with Accounting Officers regarding the budget calendar and timetable. Treasury shall issue a Budget Strategy Paper (BSP), and a Budget call circular(s).

   (2) Accounting Officers shall ensure that all the Departments and entities under their control are made aware of the budget calendar and timetable. It is the responsibility of Accounting Officers to ensure that their Ministries meet budget submission deadlines.

   (3) The budgeting process shall be participatory in nature with all stakeholders involved in public finance management getting involved in the budget formulation exercise.

   (4) The Director of Finance shall be in charge of coordinating, providing guidance on resource availability and consolidating their respective line Ministry’s budget.

**Budget submission**

32. (1) Accounting Officers shall submit to the Treasury, by such date and in such form as the Treasury may prescribe, draft estimates of revenue and expenditure, to be defrayed during the ensuing financial year from budget and financial account for each Vote under their control.

   (2) Bids for capital budgets shall be submitted by the Accounting Officer to the appropriate Minister and, if approved, shall then be referred to the Treasury for consideration by the appropriate Department. The bids for capital budgets shall include all departments and statutory bodies for which Ministries are responsible and shall be submitted by such date and in such form as the Treasury may require.

   (3) No proposal shall be submitted to the Treasury without full information on its financial aspects and as accurate an estimate as possible of the funds likely to be required.

   (4) No proposal involving additional establishment charges may be submitted to the Treasury for approval unless it has been previously examined and authorised by the Public Service Commission.

**Budget approval**

33. (1) The Accounting Officer is responsible for scrutinising and approving the respective line ministry’s budget. In executing this role, Accounting Officers shall ensure that their budget forecasts fully address the Ministry’s mandate, goals, programmes and the priorities set in the national economic blueprints, and any other policy pronouncements.
(2) It is the responsibility of the Accounting Officers to ensure that their Ministries’ budgets are gender responsive.

(3) Treasury has the prerogative to scrutinise, adjust and approve line Ministries’ Budgets after taking into account the Ministry’s mandate, goals, programmes and priorities vis-à-vis national interest.

Budget authorisation

34. (1) The responsibility for authorising budgets rests with the National Assembly which does so through the promulgation of the Appropriation Act and the Finance Act.

(2) The appropriation of money does not automatically permit line Ministries to spend. The authority to spend is conveyed through the following warrants—

(a) Paymaster-General;
(b) Constitutional and Statutory provisions; and
(c) Accountant-General.

(3) All capital expenditure releases shall be covered by an Accountant-General’s warrant.

Budget implementation

35. (1) Treasury has the responsibility of informing line Ministries of their authorised budget. This information is conveyed through a Paymaster-General’s Warrant in terms of section 23(2) of the Act. Quarterly warrants may be issued should the cash forecasts so justify.

(2) Treasury shall ensure that the authorised budgets for line Ministries are uploaded on the PFMS. For decentralised Government Units that have no access to the PFMS, the Accounting Officer shall ensure that the authorised budgets are managed through a commitment control system. The information maintained in commitment control records shall be captured into the PFMS on a weekly basis.

(3) To enable Treasury to adequately plan for future expenditure and prioritise government requests, Accounting Officers shall prepare monthly cash flow forecasts. These cash flow forecasts shall disclose the anticipated income from all sources and the forecasted expenditure.

(4) The Director of Finance shall ensure that their respective line Ministry’s cash planning is done in accordance with Treasury guidelines and cash ceilings (expenditure target) given from time to time.

Budget monitoring

36. (1) The Accounting Officer shall monitor the performance of the budget regularly to ensure delivery of expected results and to address any deviations from their line ministry’s targets.

(2) The monitoring of the budget shall be carried out at transaction level whereby each budget line is checked for availability of funds before authorising expenditure. Officers authorising expenditure should do so after viewing the budget on the PFMS system.

(3) The Director of Finance shall undertake budget monitoring through variance analysis where the actual expenditure per budget line is compared to the allocated budget.

(4) Under no circumstances should requests for services be made outside the PFMS. No request for service made outside the system shall be honoured by the Government. Any officer who makes such an order shall be guilty of an offence and liable to penalties set out in the Act.

(5) Accounting Officers shall ensure that all proposed expenditure for their Ministries is in line with the budget and all transactions are captured on the PFMS.

(6) For budget monitoring to be effective the Director of Finance shall ensure that all books of accounts are up to date and the monthly financial reports that compare actual expenditure against the budget are prepared on time as per Treasury deadlines.

(7) Treasury shall monitor the performance of the national budget and take remedial action on errant line Ministries.

(8) Treasury may, on occasions during the financial year, call upon Accounting Officers to submit forecasts of the total estimated expenditure to be incurred during the year from the votes under their control.

(9) Treasury has the authority to withhold from a Ministry any remaining funds appropriated for a specific function if that function is transferred to another Ministry or any other institution. Treasury shall allocate those remaining funds to the Ministry or institution to which the function has been transferred.

(10) Treasury has the authority to authorise the transfer of specific assets to a Ministry or any other Institution where the function served by that asset has been transferred to another Ministry.

Virementing

37. (1) The power to virement from one sub-vote to another or the creation of new sub-head rests only with Treasury. With the authority of Treasury a saving on any sub-head may be applied to meet excess budget requirements on another sub-head or a new sub-head within the same Vote.
(2) Unless the Treasury expressly precludes Accounting Officers from doing so, they may authorise a saving under any item within a sub-head or between sub-heads to be applied to meet expenditure under another item within the Vote. Accounting Officers may, without Treasury authority, virement funds within the same subhead.

(3) Accounting Officers shall ensure that no virements are effected on their budgets during the first six months of the financial year.

(4) Accounting Officers shall ensure that their respective line Ministries follow proper virementing procedures and approvals are obtained in advance not after the event. It is an act of financial misconduct, as defined by the Act, to virement funds between sub-votes without Treasury approval.

(5) Treasury has the authority to place restrictions on virementing from certain budget line items. Savings on employment costs may not be applied to meet excess expenditure under any item or sub-head without prior Treasury authority. Savings on capital expenditure or capital projects shall not be viremented to recurrent expenditure items or sub-votes. All transfers between capital expenditure projects shall require Treasury approval.

Additional and supplementary estimates

38. (1) The expenditure on voted service is arranged and limited by the printed estimates of expenditure. Should it become apparent that a provision is inadequate and the Accounting Officer is satisfied that no savings exist which could, in terms of Instructions Nos. 0436 and 0437, be applied to the meeting of the additional expenditure, Accounting Officers shall approach Treasury for supplementary or additional estimates as provided for in the Act.

(2) The responsibility for dealing with line ministries’ requests for supplementary or additional funds rests with Treasury. These shall be dealt with in accordance with the provisions of the Act. Accounting Officers shall also ensure that bids for supplementary or additional funds are not made unnecessarily.

(3) Accounting Officers shall, in a timely manner, notify Treasury of any cases of inescapable expenditure. Should it be agreed by the Treasury that special authority may be sought in terms of section 24 of the Act, the Accounting Officer concerned shall submit to the Treasury an application in the format determined by Treasury.

(4) The application referred to in Instruction No. 0443 above shall be signed by the Accounting Officer personally and shall be accompanied by a memorandum setting out the full details of the expenditure to be incurred and the reasons why it cannot be delayed. An indication shall also be given of savings effected or to be effected on other sub-heads of the Vote and of the position of the Vote in general.

Special warrants on budgets

39. (1) If the Appropriation Act for a financial year has not come into operation by the beginning of that financial year, Treasury shall, with the authority of the President, withdraw money from the Consolidated Revenue Fund to meet expenditure necessary to carry on the services of the government for the first four months of the financial year. The money withdrawn shall—

(a) not exceed one third of the amount included in the estimates for the previous financial year; and

(b) be included in an Appropriation Act for the financial year concerned.

(2) Treasury shall with the authority of the President, withdraw money from the Consolidated Revenue Fund to meet expenditure which was unforeseen or whose extent was unforeseen and for which no provision has been made under any other law. The money withdrawn—

(a) shall not exceed one and one-half percent of the total amount appropriated in the last main Appropriation Act;

(b) must be included in additional or supplementary estimates of expenditure laid without delay before the National Assembly; and

(c) if the National Assembly approves the estimates, the money must be charged upon the Consolidated Revenue Fund by an additional or supplementary Appropriation Act.

(3) If Parliament is dissolved before adequate financial provision has been made for carrying on the services of the Government, Treasury shall, with the authority of the President, withdraw money from the Consolidated Revenue Fund to meet expenditure needed to carry on those services until three months after the National Assembly first meets after the dissolution. The money withdrawn shall be included in an Appropriation Act under respective votes for the different heads of expenditure.

Budget reporting

40. (1) The Director of Finance shall prepare for the Accounting Officer, monthly, quarterly and annual budget reports comparing budgeted to actual receipts and disbursements. The reports shall also provide explanatory notes on variances.

(2) The Accounting Officer shall submit the monthly, quarterly and annual budget reports to Treasury under his/her signature. The provisions of section 83 of the Act require that annual reports submitted by the Accounting Officer include a report on the activities, outputs and outcomes of their respective line Ministry.

Condonation of unauthorised excess expenditure

41. (1) Accounting Officers shall notify Treasury in writing of any unauthorised excess expenditure in accordance with the provisions of section 19(2) of the Act.

(2) Failure to report unauthorised excess expenditure constitutes an act of financial misconduct as defined in the PFM Regulations.
PART VI

Revenue Management

Receivers and collectors of revenue

42. (1) The objective of this section is to ensure that there are adequate systems in place for the proper management of public funds. The instructions in this section are meant to ensure that all money received is properly accounted for and that there is separation of responsibilities between the handling and the recording of cash.

(2) Receivers of revenue are appointed in terms of section 10 of the Act, to be responsible for the collection, receipt, custody, issue and control of public moneys.

(3) The Secretary for Finance shall be responsible for revenue from loans raised by Government and all revenues that is not the responsibility of any other Receiver of Revenue.

(4) It is the duty of Receivers of Revenue to supervise and as far as possible enforce the punctual collection and disposal of revenue and other public moneys in accordance with the laws, regulations, instructions or agreements relating thereto and to take such action as may be necessary to ensure that revenue collections are safeguarded and properly brought to account in accordance with these instructions. Receivers of Revenue shall issue, to the Departments under their control, such detailed instructions in connection with the foregoing functions as they deem appropriate.

(5) Receivers of Revenue may appoint Collectors to assist them in carrying out their functions and such Collectors shall comply with all lawful instructions and directions as may be issued to them by Receivers of Revenue.

(6) Where Receivers of Revenue have been authorised to run computerised systems that are independent of the PFMS, they shall ensure that full, proper and auditable books of accounts are kept for the transactions for which they are responsible. The minimum set of books to be maintained both in electronic and hard copy shall be prescribed by the Accountant-General from time to time.

(7) Receivers of Revenue shall institute and maintain, in addition to the primary and detailed examination undertaken by accountants, appropriate independent systems of internal check and control in respect of revenues and other public moneys for which they are responsible. Copies of all written instructions issued by Receivers of Revenue shall be transmitted to the Accountant-General for approval and the Auditor-General for information.

(8) Receivers of Revenue shall, whenever called upon to do so, submit estimates and/or forecasts of revenue collections to the Treasury by such date and in such form as the Treasury may require.

(9) Receivers of Revenue shall, whenever practicable, ensure that all contracts and agreements involving the payment of moneys to Government by which their Ministries may be concerned are in writing and expressed in appropriate terms. Where appropriate the Government Attorney shall be consulted in the drawing up of agreements to ensure that their terms adequately safeguard Government interests. Receivers of Revenue shall ensure that, so far as it is possible, the month of December will not be used in setting the date on which moneys due to Government become payable.

(10) Receivers of Revenue shall ensure that particular care is taken when concluding contracts and agreements between the Government and minors and shall be certain that—

(a) minors are assisted by their guardians and that this is properly recorded in the contracts by the inclusion of the words “assisted by their guardian” in the appropriate place; and

(b) in case where minors make themselves liable for monetary obligations, sureties are insisted upon.

(11) Every officer shall take cognisance of the requirements of any law (including a rule of court) regarding the stamping of any instrument which may come before them in their official capacity. No instrument which is liable to duty or fee, or any fine, additional to such duty or fee and which is not duly stamped, may be issued, received, lodged, filed, enrolled or registered until it is duly stamped as required by law. For computer generated instruments, officers shall make use of the digital stamping system within the PFMS. Access to the digital stamping system shall be limited to authorised officers only. Officers manning the system shall not give access codes to unauthorised personnel. Desktops from which the system is accessed shall be kept in secured offices and shall be safeguarded in the same manner as physical stamps.

(12) These instructions shall apply to statutory funds in so far as such funds are administered by Receivers of Revenue in their official capacity.

(13) Any new rates, scales or tariffs or any change in existing rates, scales or tariffs which may affect revenue shall be referred to the Treasury for approval before being submitted for the assent of the President or other requisite authority. Before any new rates, scales or tariffs are brought into operation, the Receivers of Revenue shall be advised and it is their responsibility to convey such advice to the officer primarily responsible for the collection of such revenue.

(14) Wherever possible and relevant, Receivers of Revenue should require the electronic transfer of funds, cheques, and any other authorised methods of transfer of funds to be made payable to the Exchequer Account of the Consolidated Revenue Fund.

(15) If a Receiver of Revenue is directed by a Minister or Deputy Minister to refrain from collecting any public moneys which such Receiver of Revenue believes he/she should collect; or to deal with public moneys in a manner which the Receiver of Revenue is not authorised, he/she shall proceed in terms of section 14 of the Act. Similarly if an officer is so directed by a superior officer, he/she shall proceed in terms of section 14 of the Act.
Receipts and licences

43. (1) The preferred method of acknowledging receipt of funds is through electronic receipts. All Receivers of Revenue shall issue electronically generated receipts from the PFMS and in duplicate. One copy shall be given to the customer and the other one shall be placed on file. Only authorised officers shall accept revenue and issue electronic receipts from the PFMS.

(2) Manual receipts shall only be issued on occasions where the PFMS is not operational or when the issuing office does not have immediate access to the PFMS. Receivers of Revenue shall ensure that manually issued receipts are posted onto the PFMS as soon as the system becomes available and within three (3) working days of issue of such receipt. Receivers of Revenue that do not have immediate access to the PFMS shall ensure that manually issued receipts are posted onto the system on a weekly basis. The failure to post manually generated receipts within these time limits constitute an act of financial misconduct.

(3) If any computer generated receipt has to be voided or cancelled a short explanation of the reason for the cancellation shall be written on the back of the printed receipt, and the receipt stored with documents relating to the day’s revenue collections.

Manual receipt books

44. (1) Receipt and licence forms for manually generated receipts shall be obtained by purchase orders from the authorised Government printers. The authorised Government printers shall issue these receipt and licence forms in sequential order and shall furnish the Auditor-General with details of all such issues.

(2) A holder of receipt and licence forms may, with the written authority of their Receiver of Revenue, supply forms in numerical sequence to any other office or department, at the same time notifying the Auditor-General of the transfer. An acknowledgement shall be obtained from any office to which books or forms have been transferred. Every officer having possession of receipt and licence forms shall maintain a register showing the name of supplier of the forms; the location, and usage of every such loose form or book of forms from the time of its receipt until its final disposal in terms of these instructions.

(3) The Head of Office, or an officer appointed by them, shall be responsible for the safe custody and controlled disposal of receipt and licence forms. When not actually in use all receipt and licence forms shall be kept under lock and key, and if possible in a safe or strong-room.

(4) At least once in every three months the existence of all forms recorded in the register shall be verified and the Head of Office shall forward a written report of the serial letters and numbers of any missing forms to their Receiver of Revenue who shall thereupon advise the Auditor-General of the loss.

(5) Provided that there are no unadjusted errors to the period covered by the counterfoils or fixed copies of used receipts, they may be destroyed after the expiry of six years from the date of their examination by the Auditor-General. Electronic records shall be destroyed in accordance with guidelines set by National Archives.

Stamps and face value instruments

45. (1) The main distributors and sub-distributors are appointed by the Treasury and they shall provide the Auditor-General with details of all stamps, face value instruments and other security items issued by them. Accounting Officers and Receivers of Revenue shall provide receipts to distributors for stamps and instruments received by them and shall account for them in such manner as their Departmental Instructions may direct. Where Treasury appoints or has appointed a distributor of stamps and face value instruments the Accounting Officer or Receiver of Revenue shall cause to be maintained an independent record of expended revenue out-turns to be reconciled with payments from such distributors at such intervals as the Receiver of Revenue might deem necessary.

(2) Distributors, Receivers and Collectors of Revenue shall maintain records of stamps, instruments and other security items issued, received, sold, spoiled and destroyed and of stamps and instruments on hand.

(3) Stocks of stamps and face value instruments shall be kept in safes or strong-rooms under the control of the responsible officer. Supplies held for immediate use shall be treated as cash and controlled accordingly.

(5) No holder of stamps and face value instruments apart from a distributor shall supply stamps and instruments to another office except in cases of extreme urgency. All such transfers and any returns to distributors shall be recorded in the register of both supplying and receiving offices and shall be reported by both offices to the Auditor-General. The receiving officer shall give the supplying officer a receipt which shall be retained in or with the register for audit purposes.

(6) At the close of each month, and at regular intervals, Heads of Office shall examine the stock of stamps, face value instruments and other security items in the custody of their collectors. They shall check and certify any reports prepared for transmission to the Receiver of Revenue.

In the event of stamps (both physical and digital) or face value instruments becoming damaged or otherwise unfit for use, the facts shall be reported by the responsible officer to their Receiver of Revenue.

(7) Provided the Receiver of Revenue is satisfied with the explanations given, they may authorize the write-off of the items in question. The Receiver of Revenue shall advise the Auditor-General of all items dealt with in terms of this instruction.

(8) Spoiled or obsolete stamps and face value instruments shall be destroyed by one responsible officer in the presence of another responsible officer nominated by the Receiver of Revenue. Both officers shall sign a certificate of destruction in duplicate, specifying the items destroyed and the means of destruction. The original shall be sent to the Receiver of Revenue and the duplicate shall be filed by the collector for audit purposes.

(9) Where any loss or deficiency of stamps, face value instruments, or other security items is discovered the procedure laid down in Instruction Nos. 0528 and 0529 shall be followed.
PART VII

RECEIPT AND RECORDING, CUSTODY AND DISPOSAL OF PUBLIC MONEY

Receipt and recording of public moneys

46. (1) Receipts in these Instructions are considered to include currency, coins, electronic funds transfers (EFT), cheques, bank drafts, money orders and any other method of receiving funds that is authorised by Treasury. Electronic funds transfers include the following—

(a) real time gross settlement (RTGS) and telegraphic transfers (TT);

(b) online bank transfer at point of sale;

(c) use of payment card at point of sale [swipe cards (debit card or credit card)]; and

(d) mobile based payment at point of sale (i.e. telecash, eco-cash, one wallet etc.).

(2) The preferred mode for receipt of revenue is cash or EFT. Receivers of Revenue shall ensure that the EFT methods adopted are secure, safe and obtained from reputable financial institutions. The brand and type of electronic payment cards that are acceptable shall be determined by Treasury from time to time. Where practicable an officer accepting an electronic based payment, shall recover any commission or bank charges in respect of that payment. Bank charges which are not recovered in this manner shall be charged against the Vote of the Ministry or Department receiving the payment.

(3) Where funds are collected through EFT method, PFMS generated receipts shall only be issued once the transaction has been successfully completed. The following information should be obtained for all EFT transactions—

(a) name of the person transferring funds;

(b) national identity number;

(c) physical address;

(d) phone number; and

(e) signature (where applicable).

(4) In addition to the requirements in Instruction No. 0533, the following controls shall be observed on funds received through mobile based platforms—

(a) a merchant number and a near-field communication (NFC) enabled point of sale (POS) machine that is linked to the Receiver’s authorised bank account must be used. Receivers of Revenue are not allowed to use mobile phone lines to collect public funds. Under no circumstances shall an individual’s mobile account be used to receive funds on behalf of Government;

(b) the NFC enabled POS merchant machines must be owned by the Ministry and not by individuals. It is the responsibility of Accounting Officers to ensure that this Instruction is complied with at all times;

(c) in addition to the receipt printed on the POS printout, a PFMS generated receipt should also be issued when the mobile transfer transactions have been successfully completed;

(d) arrangements should be made with the commercial bank to sweep the funds received to the Sub-Exchequer Account at the end of each day;

(e) reconciliations on the funds received through mobile funds transfer should be carried out on a daily basis; and

(f) the NFC enabled POS machines must be treated as security items and access to these machines should be restricted to authorised officers.

(5) Where Receivers of Revenue have authorised the use of card swipe POS machines, these machines as is provided in Instruction No. 0534, shall be linked to the Ministry’s Sub-Exchequer Account and not to individual accounts. The POS machines shall be owned by the Ministry and shall be treated as security items.

(6) The receipt of revenue through online bank transfers, RTGS and TTs shall be linked to the Ministry’s Sub Exchequer Account. Reconciliations shall be done daily to confirm receipt of funds. A PFMS generated receipt shall only be issued once the bank transfers are reflected on the Ministry’s bank statement.

(7) In cases where revenue is received through direct deposits, Receivers of Revenue shall ensure that the banking codes are aligned to the revenue heads in the PFMS to facilitate automatic updates. The revenue heads shall therefore be pre numbered on each deposit slip. It is the responsibility of Receivers of Revenue to ensure that reconciliations are carried out daily to confirm receipt of funds. A PFMS generated receipt shall only be issued once the deposited funds are reflected on the Ministry’s bank statement.

(8) Receivers of revenue shall exercise discretion in regard to the acceptance of cheques, provided that where personal cheques are involved, they shall be bank certified. Cheques, money orders, or other negotiable instruments for the account of Government shall be crossed “not negotiable” as soon as they are received. This instruction shall not apply to those instruments which are received for subsequent encashment. Where a cheque for the account of Government is drawn in favour of a payee other than the Exchequer Account, the payee shall endorse the cheque by writing at the back of the cheque “Pay to the Order of the Exchequer Account” and appending their signature.

(9) Instructions Nos. 0540 to 0546 relate to remittances and registered items received through the post or courier services. Where a Receiver of Revenue deems the instructions to be impracticable in respect of their Ministry or any department or office therein, they shall in terms of this instruction frame alternative instructions for the prior approval of the Accountant-General and forward a copy thereof to the Auditor-General.
(10) All cash, negotiable instruments, payment instructions and registered mail received through the post or courier services shall be recorded in the register prescribed for the purpose and obtained from the authorised Government Printer.

(11) The Head of Office shall assign to a responsible officer the duty of receiving mail and recording in the prescribed register, details of all remittances or other negotiable instruments received through the post. Wherever practicable a second officer shall be assigned to assist in this duty and verify the entries. Receivers of Revenue shall, wherever practicable ensure that officers assigned this duty are not the same officers responsible for receipting and banking.

(12) In the case of incoming registered letters, the date of receipt and number of the registered slip with details of all letters recorded on each slip or advice shall be entered in the register before the registered slip is signed and returned to the Post Office or mail delivery agent. The registered letters shall be recorded in the relevant register immediately on receipt.

(13) All moneys, payment instructions or other negotiable instruments received and entered in the register shall be handed over without delay to the officer responsible for bringing them to account and due acknowledgement obtained in the register. The moneys shall remain the responsibility of the officer whose duty it is to enter them in the register until an acquittance for them has been received from some other officer.

(14) Where the responsible officer is not immediately available to receive remittances delivered by hand, they shall be recorded in the register and disposed of in the same manner as remittances received through the post. If the sender has entered the item in a “letter delivery book” the receiving officer shall verify the contents of the envelope or packet with the entry in the book and shall sign the latter in acknowledgement of receipt.

(15) At least once a week the Head of Office or a responsible officer delegated by them, shall examine the remittance register to ensure that all entries are complete and correct and that the remittances have been duly brought to account. Heads of Office shall, at the completion of their examination, sign, date and stamp the register accordingly.

(16) No receipt or licence form shall be issued in the case of moneys received in respect of—
   (a) stamps (physical or digital) or tokens impressed by means of a die denoting any fee or duty or rate of duty; or
   (b) cash sale invoices, in respect of which Treasury has agreed that receipts need not be issued.

(17) Subject to the provisions of Instruction No. 0546 officers shall, immediately upon receiving money in their official capacity, issue an electronic receipt or licence prescribed for the purpose, as appropriate. No receipt shall be issued for a cheque until the due date of such cheque. The same applies to payment instructions relating to RTGS. If the due date falls on a Sunday or a non-business day the payment shall be received and brought to account in the month relative to the date of the cheque or payment instructions though the cheque may be deposited in the ensuing month.

(18) Whether revenue has been collected directly from individuals, through the mail or by EFT, the receipt issued should include as a minimum—
   (a) payer’s name;
   (b) amount of payment. The amount shall be stated in figures and in words. The currency tendered should also be stated;
   (c) mode of payment (cash, bank transfer, debit card, money order, etc.);
   (d) the date in bank and service provider transaction number (for electronic bank transfers);
   (e) cheque or money order number (if applicable);
   (f) purpose of payment;
   (g) date of payment;
   (h) name of officer collecting the money.

(19) Where payment is made by cheque and the receipt is made out to a name other than that of the drawer of the cheque, then the receipt must include the name of the drawer. Where payment is made by a direct deposit to an official banking account the actual date of the deposit shall be noted on the receipt.

(20) All receipt and licence forms that are written manually shall be issued in sequential order. Blue or black ink or indelible pencil shall be used. The amount and figures on a receipt shall not be altered. If a mistake is made the receipt or licence form shall be cancelled and a fresh one issued in lieu thereof.

(21) If more than one person in a department are issuing manual receipts, each person shall be assigned their own receipt book and shall be responsible for the maintenance and deposit of revenue recorded in that book. In addition, a separate Receipt Book or series of licence forms shall be used for each Cash Book. All receipts, including voided and cancelled receipts, must be accounted for. The receipts should be entered in sequential order in the relative Cash Book.

(22) The original and all copies of voided, cancelled or spoiled forms shall be retained for subsequent examination by the Auditor-General except as is provided for in Instruction No. 0558.

(23) When a cheque for which a receipt has been issued has been returned to the drawer for any reason, no further receipt shall be issued on re-presentation to the bank. The same applies to a merchant card transaction rejected by the bank and the anomaly is rectified.

(24) Cash, cheques or other instruments tendered or expressed in a foreign currency shall be receipted using the exchange conversion rates provided by the PFMS system on a daily basis. Where a Receiver of Revenue deems the instructions to be impracticable in respect of their Ministry or any department or office therein, they shall in terms of this instruction frame alternative instructions for the prior approval of the Accountant-General and forward a copy thereof to the Auditor-General.

(25) Manual receipts issued may, if administrative convenience is better served thereby, be separately scheduled and the total of the receipts posted to the Cash Book daily or at such other intervals as the Receiver of Revenue or Accounting Officer may prescribe; provided that on the last day of the month all receipts not posted for that month shall be brought to account.
(26) The date on which moneys are received governs the date of the recording of the transaction. All receipts dated up to and including the last day of the month or financial year shall be brought to account in that month or financial year notwithstanding the fact that the relative moneys are still on hand or in transit. However, this will not apply in the case of Funds (see Instruction Nos. 1200-1299) operating on an accrual basis where the Accounting Officer will have issued specific instructions, with Treasury approval, to the contrary.

(27) Moneys received by direct deposit into an official banking account shall be introduced by journal into the books of account if it is not possible to issue the relative receipts or licences before the end of the financial year to which they relate. Such action shall not obviate the necessity to issue receipts or licences in respect of such moneys in the new financial year.

(28) Where the Receiver of Revenue directs, the carbon copy of every receipt or licence form issued by a branch office together with the bank stamped deposit slips, shall accompany the cash schedules submitted to Head Office. The original and duplicate copies of voided, cancelled or spoiled forms shall, if the Receiver of Revenue so directs, be included to prove the numerical sequence of the issues.

Custody of public moneys

47. (1) Except when required for immediate use, or when being temporarily stored in the course of collection under the immediate control of the officers handling it, money shall not be left in cash-boxes or drawers even if locked. Loose cash and cash-boxes shall be lodged in a safe or strong-room at every possible opportunity. Where no safe is available in the office of officers holding public moneys, they shall, where practicable, lodge the money or cash-box in the safe of some other officer who should furnish a receipt for such money or cash-box.

(2) Money shall not be left in the care of, nor shall it be transferred to, another person unless they have given an acknowledgement in writing thereof to the responsible officer.

(3) The Heads of Office or officers delegated by them shall, at irregular intervals and in any case not less frequently than once a month and at the month end, compare the entries in the Cash Books with the duplicate copies of receipts, counterfoils of licences, stocks or stamps and face value instruments, bank deposit slips and cheque counterfoils and any other relevant documents. They shall satisfy themselves that the instructions in this section have been carried out and shall certify their examination by signing and dating the relevant records.

(4) Any surplus of cash discovered shall be brought to account as revenue—“Unclaimed and confiscated money or property” and a receipt shall be issued accordingly.

(5) Where any deficiency of cash or face value instruments is discovered and it is not suspected to be due to theft or fraud the following procedure shall be carried out—

(a) where the deficiency does not exceed the threshold set by Treasury, the Head of Office shall invite the officer whom he or she deems to be responsible for the deficiency to make good the amount involved. At the same time the Head of Office shall advise the officer that he or she is not compelled to make good the deficiency and may choose to have the matter reported to Treasury. If the officer elects to make good the amount of such deficiency the matter shall then be referred to the Treasury giving all the relevant details with a recommendation by the Receiver of Revenue, supported by reasons, as to the amount if any, which he or she considers should be reimbursed to the officer concerned. No case shall be submitted to the Treasury until the full amount of the deficiency has been made good. Any reimbursement authorised by the Treasury shall be paid from the Vote of the officer’s department unless otherwise directed by the Treasury; and

(b) where the deficiency exceeds the threshold for Accounting Officer that are set by Treasury, the matter shall be reported by the Receiver of Revenue to the Accountant-General.

(6) Where any loss or deficiency of cash, stamps or negotiable instruments is discovered and after preliminary investigation it is suspected that such loss or deficiency is attributable to criminal action it shall immediately be reported to the police for investigation and to the Receiver of Revenue who shall report the matter to the Treasury.

Disposal of public moneys

48. (1) The Commissioner-General of the Zimbabwe Revenue Authority and those Receivers of Revenue who have been authorised to operate contingency accounts in respect of their revenue may retain in their deposit or contingency accounts such sums as are required for making refunds of revenue and for clearing collections to other receivers. The balance shall be paid into the Exchequer Account at such intervals as the Treasury may direct.

(2) Refunds of overpayments of revenue or moneys brought to account in error will, except in the instance mentioned in Instruction No. 0565, be made by the Treasury from a statutory appropriation. Receivers must submit properly certified vouchers to the Treasury in this respect.

(3) Except when authorised in any written instructions given by Receivers of Revenue, all revenues and other public moneys received by collectors shall be deposited daily in the local bank for the credit of the Exchequer Account or other separate accounts applicable and moneys not so disposed of shall be deposited on the next banking day.

(4) All money received must be banked intact and in the currency in which they were received. No personal cheques or any other moneys including cashback shall be made from the money that has been received. No receiving officer shall under any circumstances receipt any money, other than in the currency in which they received the payment from a third party.

(5) When preparing cheques for depositing, the responsible officer shall ensure that the name of the account to be credited is indicated on the reverse side of each cheque. The officer shall also indicate for each cheque separately on the deposit slip the following information—
(a) cheque number;
(b) drawer’s name;
(c) drawee bank;
(d) the amount of cheque and ensure the slip contains details of—
   (i) account number;
   (ii) deposit number; and
   (iii) depositor’s banking station number.

(6) Wherever practicable, a second officer shall be assigned to cross-check the casting and other details on the deposit slip.

(7) When a dishonoured cheque is returned by the bank immediate steps shall be taken to contact the drawer and obtain payment. Where the cheque is to be re-presented it shall be entered on a separate deposit slip, across which shall be marked boldly “Re-deposit” to facilitate identification of such deposits. For rejected payment card transactions, steps should be taken to communicate with the owner of the dishonoured merchant card with a view to correct the irregularity or to obtain payment.

(8) All monetary gifts to Government from any source which fall under the category of section 6(2)(c) of the Act shall be notified by the Receiver of Revenue to the Treasury immediately on receipt of the gift or the offer of the gift. The Treasury shall direct whether the gift shall be accepted or not and how it shall be disposed of and will advise the Auditor-General. Gifts of a non-monetary nature shall be dealt with in accordance with Instruction No. 1104.

(9) Except in regard to overpayments or erroneous payments which are subject to disallowances, in all other cases, receipts or recoveries against Voted expenditure shall be credited to revenue.

(10) Where any amount which is authorised to be appropriated in aid of a Vote is related to a specific item of expenditure within that Vote, any receipts in excess of the actual expenditure on that item as at the end of the relevant financial year shall be paid into revenue notwithstanding that there are shortfalls in receipts related to other expenditure items or on the appropriation-in-aid as a whole.

(11) No officer shall include any private moneys in an official banking account nor any public moneys in a private account and no officer shall permit any moneys other than public moneys to be kept in a Government cash-box, safe or strong-room.

Recovery

49. (1) As a general rule, Receivers of Revenue are responsible only for the collection of their own revenues and debts but they may assist other Ministries or departments by accepting, on an agency basis, moneys which may be tendered in respect of debts due to those other Ministries or departments.

(2) Officers responsible for collecting debts shall take adequate steps to collect any sums due to the Government on due date and shall on no account allow a debt to become extinguished through lapse of time. The rule of “set-off” should be applied where appropriate. Any debt having a clearly determined money value, of the same nature, payable unconditionally, and legally due and payable by any person, may be set off against or deducted from any moneys owing by the Government to such person.

(3) All officers responsible for the collection of moneys due to the Government shall note in Government contracts with debtors and, if they are experiencing difficulty in collecting sums due, shall request the appropriate Accounting Officer, subject to Instruction No. 0579, to arrange for the deductions of such amount from any payment to be made to the debtor.

(4) When a debt owed to Government is collected by set-off, the department concerned shall in all cases ensure that the full amount payable by Government is properly charged to the Vote and that the amount withheld is credited to the debtor’s outstanding account. Full details of the action taken shall be provided, for the information of the debtor, by the Department effecting the set-off.

(5) Amounts owing by officers may be set-off against their salaries or wages. If the setting-off of the whole amount in one lump sum will result in financial embarrassment to the officers the Accounting Officer shall, after consultation with the Department requiring them to apply the set-off, deduct the total amount by such instalments as are approved by the Treasury in terms of the Act.

(6) Except in the case of debts due from the estate of a deceased officer, when Instruction No. 0586 shall apply, an amount owing by a person who has ceased to be a Government officer may be set-off against any salary, pension or other benefit payable to them. The Pensions Officer may, with agreement of the department requiring them to do so, deduct the amount due by such instalments as are fixed by the Treasury in terms of the Act.

(7) Any moneys recovered from a person who has ceased to be a Government officer shall be applied in the first instance to the liquidation of debts due to Government. Where the moneys recovered are insufficient to cover all debts due to Government, they shall be appropriated as directed by the Treasury.

(8) When an officer gives notice of resignation or is to be discharged from the service, it is the responsibility of the Accounting Officers to ascertain whether the officer is indebted to any Government Ministry or Department. The form prescribed for this purpose shall be forwarded to the appropriate addressess and any other Ministry or department to which the officer may be indebted. Debts which have been advised too late for collection by the Establishment Officer shall be deducted by the Accounting Officer from the final pay and forwarded to the creditor Ministries.

(9) Where adequate steps have been taken by Receivers of Revenue or Accounting Officers to recover a debt due to the Government and such efforts have proved fruitless they may request the Government Attorney to take legal action for the recovery of the debt. The Government Attorney shall thereafter be solely responsible for the collection of the debt.
(10) Once a debt has been handed over to the Government Attorney for collection no negotiations shall take place between the Ministry or department and the debtor and any moneys paid by the debtor shall be accepted only by the Government Attorney. The department shall, however, remain responsible for maintaining records of debts handed over.

(11) Where in the opinion of the Government Attorney the information provided is insufficient for them to proceed satisfactorily with the case they may refuse to accept it. In addition, where the costs of an action are likely to be disproportionately high when compared with the amount of the debt, the Government Attorney may decline to take legal action for recovery and shall inform the Ministry or department of the reasons for their decision.

(12) The Receiver of Revenue or Accounting Officer shall ensure that claims are submitted against insolvent, deceased or assigned estates and shall depute an officer to prove such claims by attending all necessary meetings of creditors. Claims should not be submitted where it appears that such a course will result in the Government being called upon to contribute to the estate. In any case of doubt regarding the legal aspect of a claim, the advice of the Government Attorney shall be sought.

PART VIII

Recovery or Write-off of Public Moneys

Abandonment of claims and write-off of public resources

50. (1) No claim shall be waived or set aside and no compromise accepted without the prior approval of the Treasury.

(2) No debt owing to the Government may be written off without prior general or specific authority of the Treasury.

Treasury surcharges

51. (1) The procedure for the raising and recovery of Treasury surcharges is set out in the Act. It is the duty of Accounting Officers and Receivers of Revenue to bring to the notice of the Treasury, subject to the provisions of Instruction Nos. 0563, 0564 and 1049, any deficiencies or irregularities disclosed by their accounts or records and any loss of or damage to Government property.

(2) When a surcharge has been raised by Treasury, it is the duty of the Accounting Officer or Receiver of Revenue to notify the person or persons surcharged, in writing, of the amount of and the reason/s for the surcharge. The person(s) surcharged shall acknowledge receipt of the notification by signing the letters served by the Accounting Officer.

(3) Surcharges shall be recorded in a register specifically opened for this purpose and Accounting Officers and Receivers of Revenue are responsible for the recovery of Treasury surcharges or the adjustment of the records in accordance with decisions which may be made by Treasury. Any appeal against a Treasury surcharge by the person surcharged shall be actioned in terms of section 12 of the Act, in the same manner as Treasury orders, without delay.

(4) Accounting Officers shall submit statements of outstanding surcharges within one month of the 30th June and 31st December in each year to the Auditor-General and the Accountant-General. The statements shall show in respect of each surcharge—

(a) the date on which it was raised;
(b) the reason for the surcharge;
(c) the amount of the surcharge;
(d) details of any recoveries or adjustments;
(e) the balance outstanding; and
(f) the arrangements made for recovery.

(5) Recoveries in respect of surcharges shall be credited to revenue in accordance with the reason for the surcharge, or to the separate account in respect of which the surcharge was raised. No surcharge may be written off without the prior authority of the Treasury.

Temporary deposits

52. (1) When moneys are received they shall only be placed to the credit of a temporary deposit account if they—

(a) cannot be immediately credited to revenue or a fund; or
(b) are to be held temporarily pending payment to some person or organisation.

(2) A temporary deposit account may be maintained at any office and may have a separate bank account subject to the approval of the Accounting Officer or Receiver of Revenue and in compliance with Instruction No. 0698.

(3) Financial records in respect of temporary deposit accounts shall be maintained in accordance with instructions issued by the Accounting Officer or Receiver of Revenue. It is the duty of the Accounting Officer or Receiver of Revenue to ensure that temporary deposits are cleared by payment or adjustment without delay.

(4) At least once in each financial year all temporary deposits must be reviewed and any money which have been on hand and unclaimed for a period in excess of six months shall, unless the Accounting Officer, Receiver of Revenue or other responsible officer appointed for the purpose decides otherwise, be paid into revenue—“Unclaimed and confiscated money or property.”

(5) Accounting Officers shall submit, in respect of temporary deposits and within one month of the 30th June and 31st December in each year, a statement of balances held to the Accountant-General and the Auditor-General. The statements shall—

(a) the person or account due to receive the ultimate benefit of the deposit;
(b) the nature of the deposit;
(c) the date on which the deposit was received;
(d) the amount held; and
(e) the arrangements made for its disposal.

(6) The outstanding balance of temporary deposits held shall be brought forward to the new financial records immediately after the accounts for each financial year have been closed. In the case of temporary deposits which are held at district offices the accounts shall be administered as directed by the Accounting Officer or Receiver of Revenue.

PART IX
Expenditure Management
Expenditure control and classification

53. (1) Instructions in this section are meant to ensure that all payments made are appropriately authorised, all transactions are accurate and complete and there is adequate supporting documentation.

(2) After the Appropriation Act has been promulgated the Treasury through the Paymaster General’s Warrant shall issue a general authority to Accounting Officers to incur expenditure on the services under their administration to the extent to which provision has been made in the estimates of expenditure and subject to any limitations imposed therein or by direction of the Treasury.

(3) Where provision is made in an Appropriation Act and in an authority issued in terms of Instruction No. 0601, such provision shall lapse and cease to have effect at the close of the financial year to which that Appropriation Act relates and the unexpended balance of any money withdrawn from the Consolidated Revenue Fund shall be repaid to the Exchequer Account. Authority for continuing services or payments due under the law, regulation, contract or accepted tender shall be regarded as renewed by the general authority issued by the Treasury in terms of Instruction No. 0601.

(4) The date from which expenditure may be commenced or incurred, if not indicated specifically or by the nature of the authority, shall be the date of the document conveying the authority.

(5) Treasury may direct that certain expenditure, although provided for in the estimates, shall not be incurred without the Treasury’s specific or general approval. Wherever possible such direction shall be recorded in the estimates.

(6) The Treasury shall be approached for prior authority for any expenditure contemplated which does not fall within the provision of Instructions Nos. 0606 to 0609.

(7) A Minister, an Accounting Officer or any officer specifically authorised to do so may enter into commitments for expenditure or enter into contracts or arrangements involving expenditure from a Vote provided that such expenditure—

(a) is in respect of a service included in the estimate;
(b) is not in excess of the sum provided under the appropriate sub-head;
(c) is in accordance with any legislation, regulations, scale, tariff or contract that may be applicable; and
(d) in case of aid funded projects, all conditions precedent to the disbursement have been met.

(8) No payment shall be made from Voted moneys except for—

(a) services rendered; or
(b) value received; or
(c) amounts due to be payable in terms of—

(i) the Constitution; or
(ii) an enactment; or
(iii) payments that have been authorised by the Treasury.

(9) Except as is provided in Instruction No. 0609, no payment shall be made before it is properly due. In addition, no expenditure on supplies or services shall be incurred in advance of the time when such supplies or services would normally be obtained whether for the purpose of utilising an expected saving on a Vote or for any other reason.

(10) Where in pursuance of a written contract, it becomes necessary to make a payment prior to the supply of the goods or the rendering of the service, such expenditure shall be charged to the appropriate sub-head of the Vote at the time the payment is made. Particular care shall be taken in all cases to ensure that the payment is not duplicated and that the goods or services to which the advance payment relates are dealt with in accordance with Instruction No. 0658.

(11) Specific Treasury authority is required for any transaction of sale, hire or purchase between a department and an officer. Copies of all financial authorities shall be transmitted to the Auditor-General.

(12) If an Accounting Officer is directed by a Minister or Deputy Minister to order or commit a payment which such Accounting Officer believes they are not authorised to make in terms of any law, they shall proceed in accordance with the provisions of section 14 of the Act. Similarly, if an officer is so directed by a superior officer, they shall proceed in terms of section 14 of the Act.

(13) Verbal or telegraphic/electronic authority for making any payment shall be given in cases of genuine urgency only and shall be regarded as provisional only pending receipt to a formal application through the proper channel for the necessary written authority.

(14) Accounting Officers shall ensure that adequate arrangements are made within their Ministries to secure the presentation, within a reasonable time, of all claims payable through their offices in order to prevent arrear claims being made long after the
services have been rendered and to ensure that any discount for prompt payment is obtained. As far as is possible expenditure should be spread evenly throughout the year and peak periods at the year-end should be avoided.

(15) Whenever it appears to an Accounting Officer that expenditure has been committed which is in excess of the sums appropriated by Parliament or which is not covered by competent authority he/she shall immediately report the fact to the Treasury and the Auditor-General giving full information as to the circumstances in which such expenditure was incurred.

(16) Accounting Officers shall ensure that all contracts with which their Ministries may be associated, or that are likely to involve the expenditure or commitment of substantial sums of money, shall be in writing and expressed in appropriate terms. The Government Attorney shall be consulted in the drawing up of contracts to ensure that their terms safeguard Government interests.

(17) Any payment which is withheld to ensure due performance of a contract may be charged to the relevant appropriation account in the financial year in which the money is provided and, in this case, shall be credited to Temporary Deposits for subsequent payment upon expiry of the retention period laid down in the contract or, where no such period is provided for, the retention period laid down by the Treasury.

(18) Moneys provided in estimates in respect of statutory bodies, statutory funds and other funds shall be drawn down as directed by the Treasury.

(19) Money voted in respect of grants, which is in excess of the thresholds Accounting Officers are permitted to authorise, shall be drawn down as directed by Treasury.

(20) No contracts of insurance which would confer a benefit upon an officer or other person shall be entered into without the specific approval of the Treasury.

**Classification of expenditure**

54. (1) All expenditure on Voted services shall be classified under the appropriate sub-heads and items as shown in the estimates, and as directed by the Treasury. If any question arises as to the proper classification of a charge it shall be referred to the Treasury whose decision shall be final. Where, for departmental purposes, it is necessary to account for expenditure in more detail than is prescribed in the estimates, the Accounting Officer shall maintain such subsidiary accounts as may be appropriate.

(2) The sub-head “Employment costs” shall be debited with such expenditure in respect of all officers/staff included therein according to the estimates, and such additional establishment as may be authorised by the Treasury.

(3) Without the sanction of the Treasury no charge in respect of personal remuneration shall be made to any sub-head other than “Employment costs” except where the terms of the estimates clearly show that the whole or some portion of any other sub-head is to be devoted to meeting such charges. The remuneration of unestablished officers/staff members employed for a specific work or works shall, however, be charged to the sub-head where provision is made for such work or works.

(4) Except where otherwise authorised by the Treasury or by these Instructions all transport expenses (including the cost of transport of personal effects) and subsistence expenses of officers/staff whose remuneration forms a charge against the sub-head for “Employment costs” shall be charged against the sub-head for “Goods and Services “ in the same Vote irrespective of the duty on which they travel.

(5) The subsistence and transport expenses of officers or employees, whose remuneration is charged to other sub-heads in accordance with Instruction No. 0624 shall, unless special provision is made to the contrary, be defrayed from the sub-head to which their remuneration is charged.

(6) The subsistence and transport expenses of an officer temporarily transferred to another department shall be charged to the Vote of the borrowing department. The cost of providing a substitute for any officer temporarily seconded to another department shall be charged to the Vote of the lending department.

(7) Should any officer be appointed as a commissioner, their salary shall continue to be paid from the Vote to which it is normally charged, but any additional fees and expenses authorised by the Treasury to be paid to or incurred by them in connection with the business of the commission shall be met from the Vote of the commission. The cost of any authorised temporary assistance required by an officer’s/employee’s department by reason of their absence on duty for a commission shall be charged to the Vote of the officer’s department.

(8) The subsistence and transport expenses of an officer/employee travelling on duty for any statutory body or commission of inquiry shall be charged against the funds of such body or be paid from the Voted provision made for the commission of inquiry, unless provision to the contrary is made in the Act or the Proclamation establishing the statutory body or commission of inquiry.

(9) All expenses incurred in connection with the first appointment of an officer shall, unless there is a specific item for the purpose, be charged to the “Goods and services” subhead.

(10) Services rendered by one department to another are usually free. When, therefore, provision is made on the Vote of one department for supplies and services to other departments no payment shall be made by the receiving department or is payable from a special provision made for the purpose in the estimates of the receiving department.

(11) Where a department provides a service as agent in connection with an item, the basic cost of which is provided for on the Vote of another department, any expenses, other than administrative expenses, to which the agent department is put, shall be paid for by the department receiving the service.

(12) When assets are traded in for new goods, the total cost of the new goods shall be charged to the relevant Vote and the recovery in respect of the trade-in shall be credited to revenue as “Sale of Government Property”.
EXPENDITURE ON EMPLOYMENT COSTS

Establishments, appointments and records

55. (1) The establishment of a Ministry is limited and arranged by the estimates of expenditure and may not be exceeded or varied without the specific or general approval of the Public Service Commission with Treasury concurrence.

(2) No officer shall be appointed unless an appropriate vacancy exists on the authorised establishment and no unestablished officer shall be appointed for specific work unless adequate provision has been made for the purpose.

(3) No officer shall be paid from Voted funds until their appointment and scale of pay have been duly authorised. No officer shall receive an increment, an allowance or an increase in salary payable from Voted funds until such increment, allowance or increase has been duly authorised.

(4) All authorities for appointments, changes of emoluments, leave of absence and other matters affecting officers’ remuneration shall be forwarded to the Principal Establishment Officer of the Ministry concerned by the officer responsible for granting such authorities. Copies of all authorities affecting the appointment and remuneration of officers shall be forwarded to the Auditor-General.

(5) Human Resources Officers shall ensure that a personal file is maintained for every officer and the Establishment Officer shall ensure that a staff history card is maintained for every officer. The Human Resources Officers shall ensure that every officer furnishes for record purposes—

(a) satisfactory proof of date of birth;
(b) such proof of qualifications and previous experience as may be required in connection with the assessment of commencing salary or subsequent alterations to salary;
(c) if applicable, a marriage certificate or a certificate of divorce;
(d) if applicable, the full names of any children and proof of their dates of birth; and details of next of kin.

(6) The date of birth of an officer shall be proved by the production of an official birth certificate, and National Registration Certificate.

(7) On the termination of the service of any officer whether by retirement or otherwise their personal file shall be retained by the human resources office and history card by the establishment officer for ten years and both shall then be forwarded to the Government Archives.

Salaries and wages calculations

56. (1) The scales of salaries and wages of officers will be found in the appropriate subsidiary legislation or in administrative instructions issued with the approval of the Public Service Commission and the Treasury. These scales shall not be varied or exceeded without the approval of the Public Service Commission and the Treasury.

(2) The remuneration of an officer on first appointment shall commence from date of appointment provided that they assume duty on that date or on the first working day following the assumption of duty. The proportion of a salary payable for part of a month shall be calculated by dividing one-twelfth of the annual salary by the number of days in the month in question and multiplying the result by the number of days for which pay is due.

(3) When an officer is temporarily seconded by one department to another they shall be paid for the number of hours or days actually worked. The seconded Officer shall be paid as follows—

(a) if the period does not exceed three months, from the Vote of the lending department; and
(b) if the period exceeds three months, from the Vote of the borrowing department.

Any extra remuneration authorised for special services shall be paid from the Vote of the borrowing department.

(4) Persons employed at the daily equivalent of monthly or annual rates of pay shall be paid for the whole period of engagement, including Sundays and public holidays falling within that period. Persons employed on an hourly or working-day basis shall be paid for the number of hours or days actually worked.

(5) When the services of an officer are placed temporarily at the disposal of a commission or committee, any fee, bonus or honorarium which may be payable in respect of his/her work shall be paid into the Exchequer Account of the Consolidated Revenue Fund as a miscellaneous receipt.

(6) An officer appointed as a member of a commission or committee shall be entitled to board fees and sitting allowances in addition to their usual remuneration and the normal subsistence and transport expenses. The board fees and sitting allowances paid shall be determined by Treasury from time to time.

Deductions

57. (1) Payment of salaries and wages shall be made in accordance with pay-sheets compiled from the staff records of the department, showing the gross amount of salaries, wages and allowances and details of all deductions.

(2) The moneys relating to deductions shown on pay-sheets shall be paid over to the officers or other persons authorised to receive them as soon after pay-day as is practicable. No deductions from the gross salaries, wages and allowances shown on a pay-sheet shall be made except for such purposes and upon such conditions as the Treasury may from time to time approve.
Payment of salaries and wages and statutory returns

58. (1) For those departments which do not prepare their own pay-sheets—

(a) as soon as pay-sheets have been compiled for the month, the Director Salary Service Bureau shall submit to each Ministry and department concerned an invoice for the gross salary supported by details of the allocations;

(b) these invoices shall be delivered by hand, signed for in a special despatch book and on receipt shall immediately be the subject of a payment by EFT;

(c) payments shall never be withheld or delayed and the EFT shall be effected within 24 hours of receipt of the invoice;

(d) any adjustments that may be necessary shall be effected in the following month; and

(e) any unclaimed wages shall be recorded immediately after the payout is concluded.

(2) Except as provided in Instruction No. 0648 salaries and wages become due and payable on the last business day of each month. In order, however, to accommodate banks and other financial institutions, the Salary Service Bureau will publish in advance the days on which payment of salaries and wages shall be made in each year or month.

(3) Salaries and wages may be paid fourteen days prior to the commencement of vacation leave, subject to the approval of the Head of the Department, provided that—

(a) advances may be made only in multiples of a complete month’s pay;

(b) advances may amount to as many month’s pay as there are pay days falling within the period of leave with a maximum of three months; and

(c) in exceptional circumstances the Treasury may authorise an advance to an officer of a round sum representing the whole or part of the emoluments falling due during a period of leave in excess of three months.

(4) On the death of an officer, the salary for the month in which they die, shall be paid to the Master of the High Court or their estate as circumstances dictate. For the purpose of expediting the payment to surviving spouses or beneficiaries, of the sums provided for by this Instruction, Establishment Officers may accept an official notification of death from the relevant Ministry but a death certificate must be produced subsequently.

(5) Accounting Officers shall ensure that the responsibilities of hiring employees, payroll computation, and the payment of employees are segregated. Wages and salaries pay-outs shall be done by persons not involved in any way with payroll preparation or payroll EFT operations.

Expenditure documentation and validation

59. (1) All officers concerned in the issuing of purchase orders for supplies and services shall ensure that the provisions of Instruction Nos. 0800 to 0999 have been satisfied before proceeding to issue any purchase orders.

(2) As far as is practicable the prescribed purchase order (issued in the system), shall be issued for all supplies and services. The fulfilled purchase order shall be attached to the supplier’s invoice and these documents when properly certified may then be used as supporting documents to a payment voucher. Where a number of purchase orders on the same supplier are to be paid they should be attached, together with other supporting documents, to a covering payment voucher.

(3) As a precaution against dual payment of claims the following rules must be observed—

(a) purchase orders for goods shall not be issued after the goods have been supplied. In such circumstances the responsible officer shall certify the payment voucher to the effect that no purchase order was issued;

(b) on no account shall a duplicate be issued for a Purchase Order which has been lost. The supplier shall be requested to submit their invoice for the amount claimed and this shall be attached to a separate voucher which shall be certified to the effect that the invoice has not been previously paid and that the original purchase order has been mislaid; and

(c) on no account shall a payment be on the basis of a quotation only. The supplier shall be requested to submit an original invoice for the amount claimed and this shall be attached to the voucher.

(4) The copies of internal requisitions and purchase orders shall be retained as follows—

(i) an internal requisition shall be destroyed 1 year from the date of annual audit;

(ii) purchase orders shall be destroyed 3 years from the date of annual audit; and

(iii) at diplomatic and consular missions purchase orders shall be destroyed three years from the date of annual audit.

(5) All claims against Government shall be dealt with promptly and in terms of any contract. Payment Vouchers must be completed and processed through the PFMS without delay. Where a payment voucher is submitted covering a number of invoices or statements, the voucher shall contain sufficient information to enable the expenditure to be verified in the event of any of the documents becoming detached. All such documents shall be clearly marked “supporting voucher only” or stamped PAID.

(6) A Payment voucher for a progress payment to a contractor shall—

(a) not be regarded as an advance but as a payment chargeable to the appropriate Vote; show—

(i) the total amount payable under the contract;

(ii) the total amount paid to date, including the payment made by the voucher; and

(iii) the balance due and all other relevant information; and

(b) be supported by a certificate from a duly authorised officer to the effect that, in terms of the contract, the payee is entitled to the payment.
(7) The final payment under a contract shall be supported by the certificate of a duly authorised officer to the effect that the terms of the contract have in every respect been satisfactorily carried out.

(8) Payments required for goods consigned but not received at the time payment is made shall be recorded in a register. Entries shall be cleared when the goods are received. The register shall be examined at least once a month and at year end and uncleared items shall be thoroughly investigated in order that claims on suppliers, shippers, etc., may be submitted without delay.

(9) Whenever a specific authority for expenditure is issued, a copy shall be filed in the paying office and all vouchers paid in pursuance of that authority shall quote full details of such authority.

(10) Payments to third parties shall be made only under a proper legal authority which shall be attached to the voucher.

(11) Officers shall take note of the provisions of Instructions Nos. 0633 to 0637 when preparing any voucher concerned with the payment of employment costs.

(12) When an error is made on an invoice or an invoice contains an item which cannot be accepted as a charge against public funds or when for any other reason a payment voucher differs from the invoice submitted, the Department concerned shall notify the payee of the alterations it has made and the reasons therefor.

(13) Certificates in support of payment vouchers shall be in accordance with facts and shall be given only by officers with actual knowledge of these facts. No certificate shall be given based on hearsay evidence. The certifying officer shall be responsible for any unauthorised or excess payment made in consequence of an incorrect certificate and any such payment shall be disallowed or, where applicable, a departmental surcharge shall be raised.

(14) The following are the usual forms of certificates required to be incorporated in a payment voucher before it is submitted for payment—

(a) in respect of goods—
   (i) supplied: that the supplies were demanded on the public service; were received in good condition and that rates charged are according to tariff or contract or are alternatively fair and reasonable;
   (ii) taken into store: that the receipt of the goods has been recorded in the store records; and
   (iii) classed as departmental assets: that such goods have been entered on the relevant schedule of departmental assets;
(b) for services rendered: that such services were demanded on the public service; were carried out in a satisfactory manner and that the charges are according to tariff or contract or are alternatively fair and reasonable;
(c) for a payment “on account” : that the amount is fully covered by the supplies or services received up to the date of the certificate;
(d) for an invoice submitted for payment after the calendar month following that in which the expenditure was incurred: that it has not been previously paid; and
(e) for other claim forms: such other certificates as may be incorporated in a claim form or payment voucher.

(15) Before forwarding a cash voucher for payment or a journal voucher for adjustment, the officers initiating the transaction shall satisfy themselves that the claim is a proper charge against public funds, and is—

(a) according to regulation, tariff or agreement or is alternatively fair and reasonable;
(b) covered by competent authority;
(c) correct in regard to date and period of service;
(d) correct in regard to computations;
(e) supported by the relevant purchase orders or an explanation for their absence;
(f) generally in order; and properly certified.

(16) Where a certificate is considered by the examining officer to be imperfect or where there are grounds for doubting its accuracy, the payment voucher shall be returned to the certifying officer who shall sign any amendment found to be necessary in the payment voucher or certificate. Although certificates should not be lightly challenged it is the duty of examining officers to question any which in their opinion are inconsistent with the facts.

(17) The Director of Finance shall institute a system of internal check and control to guard against the dual payment of claims and shall, with the approval of the Accounting Officer; require spending officers to establish and maintain an effective system of commitment control.

(18) Except in regard to vouchers framed in their own office, a Director of Finance shall not be held responsible for inaccuracies in vouchers, properly certified by the officers initiating transactions, and submitted to them for payment.

(19) The Director of Finance, before passing a voucher for payment, must be satisfied that it has been subjected to scrutiny by an examining officer to ensure that it is in order in accordance with Instruction No. 0665, that the payee is the person entitled to payment, that the invoice has not been previously paid and that it is properly classified.

(20) Government currently operates on a cash accounting basis such that “the date of payment is the date of charge”. All payments made shall therefore appear in the accounts of the department concerned for the financial year in which they are made.

(21) Paid vouchers and all other accounting records (electronic and physical) shall be disposed of in accordance with the guidance from Treasury and Government Archives.

(22) Month end or interim “print-out”, whichever is most convenient, must be checked for mis-allocations and posting errors.
Cash payments and acquittances

60. (1) Every officer collecting cash from a bank or other collecting point for the purpose of making any cash payments shall check the money before leaving such collecting point. This is to ensure that the correct amount has been drawn and it shall be assumed that they have done this.

(2) When cash is drawn for the payment of salaries or wages and for any reason payment cannot be made within forty-eight hours such cash shall, if banking facilities are available, be deposited to the credit of an official account or alternatively be receipted into a local temporary deposit account where practicable. Accounting Officers may authorise the holding of the cash for a longer period provided that there are adequate means of safeguarding it.

(3) The procurement of a receipt may be dispensed with where salaries or wages are deposited to the credit of an officer’s personal account at a financial institution or any other payment method authorised by Treasury.

(4) The payee’s receipt for any sum paid in cash shall either be obtained on the payment voucher or attached thereto. When a separate receipt is attached the voucher shall be endorsed to this effect. Any alteration to the receipt shall be signed by the person giving the receipt.

(5) Where no creditors’ records are maintained the cheque number; RTGS; Paynet; Batch; etc. reference shall be recorded on the payment voucher where appropriate.

(6) When a payee cannot sign their name they shall be paid in the presence of the paying officer and one other responsible person, both of whom shall sign the receipt or voucher as witnesses to the payment having been made. When no second witness is available a certificate to this effect shall be given.

(7) Where the use of the “ticket” system or any similar system has been authorised by the Treasury, at least one senior officer or other responsible person must be present during the whole time that payments are being made. Such witnesses shall certify on the voucher that the persons named were paid in their presence the amounts due according to the “tickets” or other records. Neither the paying officer nor a foreman or gangmaster may sign as a witness unless no other person is available in which case some other officer should attest to this effect.

(8) The certificates required on a pay-sheet shall not be completed in advance of the full acquaintance of the pay-sheet or before the end of the period to which any of the payments relate.

PART XI
PAYMASTER GENERAL’S ACCOUNT: ELECTRONIC FUNDS TRANSFERS, CHEQUES, AND OFFICIAL BANKING ACCOUNTS

Paymaster General’s Account

61. (1) The Director of Finance shall submit, to the Accountant-General on or before the seventh working day of each month, a reconciliation of the Sub Paymaster General’s Account for their respective ministry, covering the previous month’s transactions.

(2) When any one payment transaction in excess of thresholds set by the Accountant-General is about to be drawn on the Paymaster General’s Account, the estimated due date of the payment shall be notified to the Treasury immediately.

Processing of payments

62. (1) The preferred method for disbursing funds to vendors, individuals and organisations shall be Paynet (a system that deposits funds directly into bank accounts), EFT or other EFT compliant alternatives that are approved by Treasury from time to time. Accounting Officers shall ensure that their Ministries utilise electronic payment mechanisms to the fullest extent possible.

(2) It is the responsibility of Accounting Officers to ensure adequate safeguards on the Paynet system. Accounting Officers shall ensure that only authorised officers have access to the Paynet system.

(3) Where Accounting Officers have been authorised to operate systems that are independent of the PFMS, they shall ensure that payment details or information on the Paynet is the same with that on the accounting package. Accounting Officers shall institute internal controls that verify that the vendor or supplier details on the source system is the same as those to be paid through Paynet.

(4) Accounting Officers shall ensure that there is adequate segregation of duties on initiation and authorisation of payment instructions relating to RTGS and TTs. Under no circumstances shall an officer be allowed to prepare, approve and pass for payment instructions for RTGS and TTs. All RTGS and TT transactions shall be approved by the authorised bank signatories.

(5) Where it is not possible to process payments through Paynet or EFT, Accounting Officers may make cash or cheque disbursements. Accounting Officers shall ensure that adequate safeguards including those cited in Instruction No. 0673 are observed when withdrawing cash from the bank and in the issuance of cheques.

(6) Blank cheque forms and unused cheque books shall be treated as security items and controlled in the manner laid down in Instruction No. 0520. The number of cheques drawn should be kept to a minimum. Where several payments are due to one firm and proper use is made of the sundry creditors system, one cheque should suffice.

(7) Unless suitably pre-printed all cheques issued shall be crossed “not negotiable” at the time of issue, and, where applicable, the word “bearer” shall be deleted. The “not negotiable” crossing may be omitted at the request of the payee or in cases where a bulk cheque for wages is required subject to the following restrictions—

(a) where the payee requests an open cheque an indemnity must be obtained and the cheque signed for if collected personally. When sent by post it must be registered; and

(b) in the case of a bulk cheque/payment instruction/cash withdrawal the payee must be a person known to the bank or other office where it is to be cashed and, as in (a) above, the cheque must be signed for or sent by registered mail.
(8) Whenever possible cheques, RTGS or TT instructions drawn upon an official account shall bear the signature of one senior official. The responsibility for the regularity of payments rests on both signatories and before signing a cheque/payment instruction, each signing officer must satisfy themselves that the payment is a correct charge against the account concerned, that it has been duly authorised and that it may properly be made.

(9) The extent of the check by all signatories should be the same, but in cases where there is only one person in an accounts office the second signatory shall be limited in responsibility to seeing only that the cheque corresponds with the voucher and that it is correctly drawn. It is sufficient, in computerised accounting offices, for officials signing cheques to do so against the remittance advice slips if they are satisfied that the relative payment vouchers have been checked by a responsible accounts officer and that a check of the postings to the correct creditors’ ledger has been carried out.

(10) Should it be necessary to cancel a cheque, the cancellation shall be made across the face of the cheque and, if the instrument has been signed before cancellation, the signature of the signing officers shall be defaced. The cancelled cheque shall be retained for subsequent audit examination. Adjustments to appropriation accounts in respect of cancelled cheques shall be made by journal debiting the Paymaster General’s Account and crediting the relative Vote.

(11) Whenever a cheque is to be replaced and the original is not available payment must be stopped at the bank. The number of the replacement cheque must be noted against the original cash book entry.

(12) Whenever a cheque has been lost, stolen or has never been received by the payee, the payee shall submit the facts in writing before any replacement action is taken. Where the cheque never reached the payee, a replacement cheque may be issued after taking action in accordance with Instruction No. 0689 and subject to a guarantee being given by the payee that the original cheque will be returned if it is subsequently found or delivered. The payment should be debited to an advances account until such time as the original becomes stale or is returned.

(13) Where a cheque never reaches a payee and there is evidence that it has, or could have been fraudulently negotiated, the additional steps as outlined in (a) below shall also be taken. If the cheque has been lost or stolen after it reaches the payee it must be ascertained that the Police have been informed and no replacement action may take place without the authority of the Treasury in consultation with the Attorney-General. An indemnity may be called for in addition to the guarantee described in Instruction No. 0694.

If the lost or stolen cheque relates to an officer or employee’s pay an advance of a like sum may be given immediately subject to the guarantee described in Instruction No. 0694.

(14) When a cheque for more than the threshold given by Treasury is about to become stale an attempt must be made to notify the payee. In the case of cheques for less than the threshold set by Treasury and where the payee cannot be found cheques should be reversed and the amounts paid into revenue.

(15) Alterations to cheques must be signed for by the original signatories. If this is not possible the cheque must be cancelled and a fresh one issued.

Official Banking Accounts

63. (1) Official banking accounts shall only be opened with the written authority of the Accountant-General in terms of section 22(3) of the Act. Applications to open such accounts shall be submitted to the Accountant-General by the Accounting Officer or Receiver of Revenue concerned, who shall nominate the Head of Office responsible for the account. If the application is approved, the Accountant-General will notify the bank and the Head of Office concerned and specify any conditions pertaining to the operation of the account.

(2) The following instructions shall apply in respect of authorised signatories’ panels for official banking accounts—

(a) the Accounting Officer shall approve all recommended signatories;

(b) the panel shall consist of not less than three and not more than six persons, except in the case of the Sub Paymaster General’s Account, where six or more persons may be required;

(c) the Head of Office and the Director of Finance shall invariably be one of the authorised signatory and they shall nominate the remainder;

(d) the list of signatories shall be submitted to the bank in such form as the bank may require together with specimen signatures. An alteration to the panel shall be effected by detailing the alterations and giving specimen signatures of any new members followed by a full list of the new panel;

(e) in the case of the Sub Paymaster General’s Account the actions listed above may only be carried out through and with the authority of the Accountant-General and specimen signatures must be verified by the Director of Finance; and

(f) a record of authorised signatories’ panels shall be maintained by the Director of Finance or Head of Office.

(3) As a general rule, transactions on official banking accounts shall be authorised by two (2) signatories from a panel appointed for that purpose. Where local circumstances demand, a single signature account may be operated after obtaining written clearance from the Accountant-General. It is the duty of the Head of Office to convert such accounts to two (2) signature accounts as soon as this is possible.

(4) When a change in the Head of Office takes place, the outgoing official shall give notice of the new appointment to the bank and shall issue an authority for the incoming official to operate on the accounts.

(5) Official banking accounts shall not be overdrawn. An account shall be deemed to be overdrawn when the cash book shows a credit balance.
Advances

64. (1) Advances in general may only be made in terms of the provisions of section 25 of the Act.

(2) An Accounting Officer may authorise such advances as he considers necessary—

(a) to Ministers, officers and employees on account of subsistence and transport expenses or salaries, subject to the limitations imposed by any regulations or these instructions; and, in the case of salaries, subject to the approval of the Establishments Officer; and

(b) for the purposes set out in section 25(1)(d) of the Act.

(3) To enable the Treasury to exercise control over the aggregate balance of advances, a limit shall be imposed upon the unadjusted balance of each Accounting Officer’s advances account. Accounting Officers shall therefore seek Treasury authority for such standing allocations as they consider necessary and they shall thereupon be responsible for ensuring that their advances account balances do not exceed the amount of their allocations without the prior authority of the Treasury.

(4) Given the emergency of plastic money, the level of advances paid in cash shall be determined from time to time by Treasury. Advances requirements in excess of such cash limits shall be transferred into the Visa account of the officer receiving the advance.

(5) Accounting Officers shall be responsible for the recovery of all advances made by them and for ensuring that the terms and conditions of the advance are complied with. They shall ensure that efficient controls and accounting records are maintained in respect of all advances made, including imprests, and in particular shall ensure that all advances are restricted to the minimum amount compatible with requirements.

Travelling and subsistence allowances

65. (1) The travel and subsistence allowances that officers are entitled shall be governed by the provisions of sections 21 to 26 of the Public Service Public Service Regulations, 2000. It is the responsibility of Accounting Officers to ensure that all officers entitled to travel and subsistence comply with these provisions.

(2) Government shall meet travel expenses for travel on official duty and travel on transfer in the interest of the Public Service. Travel within Zimbabwe shall be by Government vehicles, public transport, transport on hire or an officer’s own vehicle. It is the responsibility of Accounting Officers to ensure that official travel is by the most efficient and economic means.

(3) Where the Accounting Officer has authorised officers to use their own vehicles on official duty, the officers shall be entitled to claim distance rates approved, from time to time, by the Commission with the concurrence of Treasury.

(4) Where the Accounting officer has authorised officers to hire vehicles or to travel by air on official duty, they shall ensure that such officers are issued with a requisition for payment only to the operator of the transport service concerned.

(5) Government shall not be responsible for costs incurred when officers on official duty travel with spouses, children or dependants. When officers have been authorized to use a Government vehicle for official duty, they shall not, except with the express permission of the Accounting Officer, carry unauthorised passengers, including members of their family. Where the Accounting Officer has granted such permission, Government shall not be liable in the case of a road traffic accident leading to the death or injury of any passenger.

(6) Officers may, on application, be paid a subsistence allowance in advance for a period not exceeding one month or such longer period in advance as the Accounting Officer may authorize. The subsistence allowance shall cover the cost of meals and accommodation when an officer is away from their home station.

(7) Where officers are paid a subsistence allowance in advance—

(a) it may be for the full amount of the allowance or such lesser amount as the travelling officer requires;

(b) it shall be used for the purpose for which it has been made and be adjusted as soon as possible after the date on which the officer returns to home station; and

(c) no new advance shall be made before the existing one is cleared, unless otherwise authorised by the Accounting Officer.

(8) The cost of breakfast, lunch and dinner when an officer is out of their home station on official duty shall not require submission of documentary proof and shall be reimbursed on daily rates determined and reviewed from time to time by the Public Service Commission and with Treasury concurrence.

(9) The travel expenses that require documentary proof shall be the cost of accommodation where Government accommodation is not provided. These proved expenses shall be supported by receipts for accommodation in the hotel or other rented housing in which the officer was accommodated. Accounting Officers shall ensure that the proved expenses do not exceed the rates prescribed by the Public Service Commission with Treasury concurrence.

(10) The Government shall pay the expenses of conveying the immediate family and all household goods of a member travelling on transfer. Accounting Officers shall reimburse officers on transfer the following expenses where—

(a) accommodation is not provided on transfer and the member, their family or both are required to live in a hotel or any rented accommodation temporarily proved meals and accommodation shall be at—

(i) full rate for the first thirty days;

(ii) half rate for the next thirty days; and

(iii) thereafter at the officer’s expense unless otherwise directed by the Commission with the concurrence of the Treasury;
(b) accommodation is not provided on transfer and the officer, their family or both make private arrangements in this regard, the cost of meals shall be at unproved rates; and

(c) officers are obliged to move with their household effects they shall be paid in accordance with such rules governing such movement as are approved by the Commission and at different rates depending on the marital status of the officer—

(i) the cost of moving such effects;

(ii) a disturbance allowance; and

(iii) the cost of storage of the member’s belongings for periods of up to thirty days before and thirty days after the transfer.

(11) Travel and subsistence advances shall only be approved by the Accounting Officer or an Officer delegated by them. Accounting Officers or Officers delegated by them shall ensure that there are sufficient funds in the related sub-head to fund the advances before approving the travel.

(12) Where a trip is funded partly or fully by a development partner, Accounting Officers shall ensure that members are paid the subsistence allowances that are recommended by the relevant development partner. Accounting Officers shall authorise the topping up of subsistence allowances for such trips in accordance with Treasury circulars that are issued from time to time.

(13) Penalties for cancellation of airline tickets and failure to take up hotel accommodation shall be paid only if the cause for the cancellation is in the best interest of Government or was due to circumstances beyond the control of the person travelling. Accounting Officers shall ensure appropriate justification is submitted in writing. Penalties for cancellations of tickets and hotel accommodation that arise from a traveller’s negligence shall be recovered from the member concerned.

(14) Where a member is issued an advance and he/she fails to travel, the advance shall be repaid to the Consolidated Revenue Fund in full. The bank charges relating to the repayment shall be met by Government if the member was not responsible for the cancellation of the trip. If the trip was cancelled for the convenience of the member, he/she shall meet the cost of bank charges.

(15) Travelling advances shall be acquitted within thirty (30) working days of the completion of travel by submission of a travelling and subsistence claim voucher. Where a travelling advance has not been fully expended, it shall be repaid to the Consolidated Revenue Fund within thirty (30) working days of the completion of travel. In cases where the trip was funded by a development partner, the acquittal of the advance shall be in the same manner as voted funds.

(16) Any claim for refund or reimbursement of any travel related or other costs incurred and considered to be official expenses shall be submitted within thirty (30) working days from the date of return to the work station. These shall be submitted together with complete original documents to support, and justify the claim.

(17) The outstanding balance of any advance to a public officer becomes a debt to government and is fully recoverable within thirty (30) working days of the completion of travel, or if an officer leaves the service on the date the public officer leaves the service, and shall be aggregated with other debts due to government.

(18) The balance of an advance due from an officer who is transferred to another department shall be reported to the head of the new department and this shall be treated as an inter-departmental payment.

(19) No advance in respect of subsistence and transport expenses shall be made to an officer in any calendar month until such time as advances made in previous months have been accounted for to the appropriate accountant. Any balance left after approved expenditure on official travel abroad shall be paid back in foreign currency. The Accounting Officer shall authorise the deduction from salary of the whole amount of an advance that has remained outstanding after one month of an officer’s return to their home station. If the salary is insufficient to meet such advance, the outstanding balance shall be charged to any subsequent month’s salary until the whole advance is cleared.

(20) Accounting Officers shall submit statements of their advances accounts as at 30th June and 31st December each year, to the Treasury and the Auditor-General, within one month of the dates mentioned. The statements shall show—

(a) the nature of the advance;

(b) from whom it is recoverable;

(c) the date on which the advance was made;

(d) original amount of advance;

(e) the amount of claim;

(f) the amount outstanding; and

(g) the arrangements made for its recovery.

(21) The balance of outstanding advances shall be brought forward to the new financial records immediately after the accounts for each financial year have been closed.

(22) Appropriate ledger accounts shall be maintained for all advances made for the purpose set out in section 25(1) of the Act.

(23) Accounting Officers may, with the written approval of the Treasury, charge advances which have proved to be irrecoverable to their own Votes after having furnished full details of each case to the Auditor-General and provided that he/she does not intend to take any action in the matter.

Disallowances and departmental surcharges

66. (1) If, before the appropriation accounts for a financial year are closed, a paid voucher already debited to a Vote is found to be erroneous or otherwise unacceptable, the amount of the payment so made shall be disallowed by the Accounting Officer.
(2) Any payment from a Vote which is disallowed shall immediately be removed from the account of the Vote and entered to the debit of the disallowances section of the advances ledger.

(3) In the event of a disallowance being subsequently withdrawn for any reason, the amount shall be charged again to the Vote from which the disallowance was made or, if the appropriation accounts for the relevant year have been closed, to the corresponding Vote for the current year.

(4) Accounting Officers must take into account outstanding disallowances when comparing the total of outstanding advances with the block grant authorised by the Treasury in terms of Instruction No. 0705.

(5) A disallowance may not be raised after the closing of the appropriation accounts for the year to which it relates. Accounting Officers will instead raise a departmental surcharge which shall be entered in a register specifically opened for the purpose.

(6) Accounting Officers are responsible for the recovery or adjustment of disallowances and departmental surcharges and shall ensure that this is done as soon as possible.

(7) Accounting Officers shall submit statements of outstanding disallowances and departmental surcharges within one month of the 30th June and 31st December in each year to the Treasury and the Auditor-General. The statements shall show, in respect of each disallowance or departmental surcharge—

(a) from whom it is recoverable;
(b) the reason for the disallowance or departmental surcharge;
(c) the amount outstanding;
(d) the date on which it was raised; and
(e) the arrangements made for its recovery.

(8) Disallowances and departmental surcharges which have proved to be irrecoverable may be treated in the same manner as irrecoverable advances in terms of Instruction No. 0730.

(9) Recoveries of departmental surcharges shall be credited to “Refunds of miscellaneous payments from votes”.

(10) The balance of outstanding disallowances shall be brought forward to the new financial records immediately after the accounts for each financial year have been closed.

PART XII

PROCUREMENT OF GOODS, SERVICES AND WORKS

Procurement policy

67. (1) This section provides guidance on procurement policies and procedures, purchase orders and requisitions, receipt of goods and services, and monitoring of procurement and payments. The instructions in this section are aimed at ensuring a procurement system which is fair, equitable, transparent, competitive and cost-effective.

(2) Accounting Officers shall be responsible for the management of all public procurement activities within their Ministries, Departments and Agencies (MDAs). Every Ministry shall have a Procurement Management Unit set up in terms of the Public Procurement and Disposal of Public Assets Act [Chapter 22:23] and whose role shall be to—

(a) ensure that procurement is effected in a manner that is transparent, fair, honest, cost-effective and competitive;
(b) promote competition among bidders for the supply of the subject matter of the procurement;
(c) provide for the fair and equitable treatment of all bidders leading to contracts that represent good value for money;
(d) promote the integrity of fairness and public confidence in the procurement process; and
(e) implement any environmental, social, economic and other policies of Zimbabwe authorised or required by the procurement regulations or other provisions of the laws of Zimbabwe to be taken into account by the procuring entity in the procurement proceedings.

(3) The Procurement Regulatory Authority of Zimbabwe (PRAZ) shall be responsible for regulating public procurement within MDAs.

(4) No goods, services, works and consultancy services shall be purchased from public funds except in accordance with the provisions of the Public Procurement and Disposal of Public Assets Act, Procurement Regulations as amended from time to time and other instructions that may be issued by the Minister responsible for administering the statute governing public procurement. The exception to these instructions are the exemptions provided for by the statute governing public procurement and any development partners funded procurement where it would have been agreed to follow the specific development partner’s procurement guidelines.

(5) It is the responsibility of Accounting Officers to ensure that all public procurement activities within their respective MDAs comply with the provisions of the statute governing public procurement with regard to annual procurement plans that are aligned to the authorised budget. Such procurement plans shall be prepared using guidelines and templates prescribed by the PRAZ.

(6) All approved annual procurement plans shall be uploaded on the PFMS with assistance of the Treasury. Accounting Officers shall ensure that any requests for procurement of goods, services, works or consultancy services, are derived from the approved annual procurement plan.
(7) Accounting Officers shall ensure that their MDAs plan their public procurement activities with a view to achieving maximum value for money spent. They should also ensure that these activities are carried out within available financial resources and other applicable limitations and at the most favourable time. Where appropriate, MDAs shall aggregate their procurement requirements in order to achieve economies of scale.

(8) All procurement requests must be justified as to the need, so as to avoid fruitless and wasteful expenditure; surplus and unwanted goods and redundant assets. There should be proof that the required goods, services, works and consultancy services are catered for in the procurement plan and budgeted for. Accounting Officers shall ensure that their MDAs, before commencing any procurement process, carry out the following—

(a) inquire as to whether or not its requirements can be met by the transfer of goods from another department or agency;
(b) ensure that an accurate estimate of the cost of the procurement including the cost of contingencies that might reasonably be expected to arise under a contract for the procurement has been prepared; and
(c) commit the amount of the estimate in accordance with the provisions of the approved annual estimates enacted in the applicable Appropriation Act.

(9) It is the responsibility of Accounting Officers to ensure that all officers involved in the procurement of goods, services, works and consultancy services are familiar with the legal framework governing procurement in Zimbabwe and that they comply with the established government procurement policies at all times.

(10) Accounting Officers may only dispense with or depart from the provisions of the Procurement Regulations with the express authority of the PRAZ. The submission for the departure from or dispensing with the requirements of Procurement Regulations must be in writing and copied to Treasury and the Auditor-General. The application for authority to depart from procurement regulations shall provide the following information—

(a) reason or justification;
(b) the amount involved;
(c) whether it is in the public interest; and
(d) the period for which the departure is required.

(11) The application referred to in Instruction No. 0809 must only be made in advance, not after the event. Any departure from the procurement regulations without authority from PRAZ constitutes an act of misconduct.

(12) Where there is competition between local and foreign suppliers, the preference for domestic companies shall be exercised in accordance with the provisions and guidance provided in the Public Procurement and Disposal of Public Assets Act and procurement regulations. All MDAs shall have guidelines regarding employees’ use of preferential procurement. The Head of the PMU shall ensure that the selection of suppliers is in the MDAs’ interest and is not affected by the availability or possibility of purchasing privileges to employees.

(13) Accounting Officers shall ensure that the procurement function for goods, services, works and consultancy services is separated from the payments function.

(14) Where a Ministry initiates long-term procurement proceedings for multi-year contracts that have the effect of committing the Ministry to making payments in subsequent fiscal years, the Ministry shall—

(a) obtain the approval of Treasury, prior to contract award;
(b) ensure that funds for the current fiscal year are budgeted and forecasts; and
(c) ensure that funds for future fiscal years are included in budgets for subsequent fiscal years and reported to Treasury, without prejudice to a reservation by the procuring entity in the contract of the right to cancel subsequent years of the contract in the event the necessary funding is not allocated in the budget.

(15) Ministries shall make use of framework agreement arrangements for the procurement of common use items and recurrent purchases (such as hotel accommodation and fuel) in accordance with the provisions of the Public Procurement and Disposal of Public Assets Act. The PFMS shall provide monthly comparative reports on cost variances reflected by different Ministries for common use items and distribute these to the relevant Ministries and Agencies.

(16) The threshold or limits set by the PRAZ apply to the total value of goods, services, works or consultancy services to be obtained from a single supplier or consortium for a particular project or contract. The splitting of tenders (artificial division of procurement) to avoid tender thresholds is prohibited. The artificial division of procurement constitutes an act of misconduct that attracts disciplinary measures in terms of the PFM regulations.

(17) Tenders can only be divided into lots in accordance with the provisions of the Public Procurement and Disposal of Public Assets Act and guidelines issued by PRAZ.

(18) An advance payment shall only be made pursuant to a written contract and after an advance payment guarantee has been furnished covering the amount of the advance payment and satisfies other terms set forth in the bidding documents. It is an act of financial misconduct to make any advance payment that is not covered by an advance payment guarantee.

(19) The Accounting Officer shall ensure that the Conditions of a contract are complied with and applied consistently throughout the procurement cycle. There shall be no variations on quality of goods and service; delivery time; and payment methods and timing. Failure to uphold and comply with the conditions of contract is an act of financial misconduct.

(20) All benefits or rewards realised and gained by any member of staff in the course of performing their duties in purchasing of goods, services, works, or consultancy service shall be declared and transferred to the relevant Ministry, Department or Agency. Such benefits and rewards shall be—

(a) the property of the Ministry;
(b) applied as soon as is practical for the benefit of the Ministry, such as to reduce costs, but not for personal benefit of the individual member of staff.

**Evaluation Committee**

68. (1) The Accounting Officer shall be the final authority for procurements at the Ministry level. The statute governing public procurement permits the Accounting Officers to appoint an evaluation committee for each procurement above the prescribed threshold. The duties of the evaluation committee shall include—

(a) receiving from the procurement unit the bid opening records and bids;
(b) evaluating bids and preparing the bid evaluation report and recommendations for award of a contract;
(c) submitting its evaluation reports to the procurement management unit; and
(d) exercising any other functions conferred or imposed on the committee by or the statute governing public procurement or regulations.

(2) The composition of the Evaluation Committee shall promote the principle of gender balance and equity, and the members shall be appointed on merit. The composition of the committee shall include skills, knowledge and experience relevant to the procurement requirement, which may include—

(a) one member from the PMU;
(b) at least three other members, including—
   (i) the person responsible for preparing the requirements and additionally, or alternatively, the technical specifications for the procurement concerned, or a person with equivalent technical expertise;
   (ii) a financial officer of the MDA; and
   (iii) one or more other members to provide technical, legal, financial or commercial expertise, as appropriate.

(3) In the exercise of its functions an evaluation committee shall be answerable to the PMU and the Accounting Officer. The responsibility of the Evaluation Committee shall not interfere with administrative roles of the PMU. The PMU shall act as the secretariat to the committee. The representative of the PMU shall attend as an adviser and shall be a non-voting member.

(4) The purpose of the bid evaluation process shall be to determine which of the bids received are responsive and thereafter compare the responsive bids against each other to select the lowest evaluated bid. The overall evaluation criteria shall be value for money, which may not necessarily be the lowest cost response. Corrections, errors and omissions noted during bid evaluations should be dealt with using guidelines provided in the Public Procurement and Disposal of Public Assets Act and Regulations.

(5) The Chairperson of the Evaluation Committee shall be a senior individual who has thorough knowledge and understanding of the procurement process and is independent of the procurement and payment processes.

(6) All tenders for competitive bids shall be deposited into a tender box. Tenders received by e-mail shall be printed and deposited into the tender box. E-based bids shall be handled through secure servers and only officers with the authorised profiles shall have access to tenders sent by e-mail. Quotations collected from suppliers by Officers within the PMU must be in sealed envelopes and shall also be deposited in the tender box awaiting tender opening. The PMU shall be responsible for the opening and the security of the tender box. A tender box shall at all times be opened in the presence of a witness.

(7) If any member of staff involved in procurement or a committee member has direct or indirect interest in a tender or proposed tender, that person shall as soon as practicable after relevant facts have come to their knowledge, declare the nature of their interest to the Accounting Officer and shall be excluded from further evaluation or approval of that tender.

(8) Accounting Officers shall ensure that the PMU and MDAs keep records of procurement proceedings in accordance with the provisions of the statutes governing public procurement. The provisions of the Public Procurement and Disposal of Public Assets require that the PMU and MDAs keep a separate record for each procurement, which shall be marked with a reference number for easy identification.

(9) The procurement record in Instruction No. 0828 shall contain correct copies of all documents and communication related to the procurement concerned and shall include at least the following—

(a) a description of the procurement requirement;
(b) a list of the participating bidders and their qualifications;
(c) any requests for clarifications and any responses thereto;
(d) where applicable, a statement of the reason for choosing a procurement method other than competitive bidding or request for proposals;
(e) the bid prices;
(f) a summary of the evaluation of bids;
(g) a summary of any review proceedings, and the resulting decisions; and
(h) such other information as may be prescribed.

(10) Accounting Officers shall ensure that procurement records are kept for a minimum period of six years following completion or termination of the contract or cancellation of the procurement proceedings.

(11) Accounting Officers shall provide the PRAZ with summaries of their procurement proceedings at such times and in such form as the PRAZ may require.

**Types of tender**

69. (1) All PMUs within Ministries shall be responsible for issuing all national tenders for the supply of goods, services or works and consultancy services.
(2) National tenders shall be advertised in at least one national newspaper for a minimum of thirty (30) days. Whenever possible, local tenders are also to be advertised on a Government website or broadcast over the radio or television or through other web based means as appropriate.

**International tender**

70. (1) All PMUs within Ministries shall be responsible for issuing all international tenders for the supply of goods, services or works.

(2) In addition to the requirement to advertise in Instruction No. 0833, all international tenders shall also be advertised in at least two English language independent international newspapers of wide circulation and on the Internet, and where appropriate, the notice may also be published in a relevant trade publication or technical or professional journal. Tenders shall also be advertised on a Government website or through other means as are considered appropriate.

**PART XIII**

**Procurement Process for Goods, non-consultancy Services and Works**

**Internal purchase request for goods, non-consultancy services and works**

71. (1) The procurement process for goods, non-consultancy services and works requires an authorised internal requisition, request for quotation (RFQ), a purchase order and a payment voucher/invoice verification regardless of the procurement method adopted. The only exception is the procurement of public utilities and the payment of rentals where no purchase order is raised. In these Instructions, public utility bills cover power, communication and water.

(2) The responsibility for initiating the procurement of goods, non-consultancy services and works is vested with user departments. The PMU shall only procure goods, non-consultancy services and works that have been requested by a specific user.

(3) Before a purchase request is initiated the proposal should be reviewed against the approved plan and the budget on the PFMS system. Where the request is for the purchase of assets, specifications shall comply with the requirements of the Procurement Regulations and shall also take into account the useful life and subsequent disposal of the assets concerned.

(4) The Head of Office or a Senior Officer delegated by them shall be responsible for approving internal purchase requisitions raised by their respective user departments. In approving internal purchase requests the Head of Office shall ensure that the proposed purchase is in line with the Ministry’s annual procurement plan and available resources as reflected on the PFMS.

(5) All internal purchase requests must be authorised by the Accounting Officer or a senior officer delegated by them before they are submitted to the PMU. The Accounting Officer shall authorise internal purchase requests only when there are enough uncommitted funds to meet the estimated costs on the purchase requisition.

(6) Accounting Officers shall ensure that specifications for the procurement of goods, non-consultancy services and works are done in accordance with procurement guidelines, best practice standards and in a manner that will promote fair competition and not result in fruitless and wasteful expenditure. The specifications shall not make reference to a particular trademark or name, patent, design or type, specific original producer or service provider, unless there is no other practical way of describing the procurement requirements. In such situations terms such as “or equivalent” shall be included in the specifications.

(7) All officers requesting for procurements shall ensure that, where appropriate, the following information is included—

(a) the purpose and objectives of the object of procurement;
(b) a full description of the requirement;
(c) a generic specification to an appropriate level of detail;
(d) a functional description of the requirements, including any environmental or safety features;
(e) performance parameters, including outputs, timescales and any indicators or criteria by which satisfactory performance can be judged;
(f) process and materials descriptions;
(g) inspection and testing requirements; and
(h) any applicable standards (where possible international standards or national standards incorporating international standards).

(8) All approved purchase requests shall be posted on the PFMS. It is the responsibility of Accounting Officers to ensure that officers involved in the procurement function comply with the authorisation profiles provided by the Accountant-General in the PFMS. Any officer who gives another officer access to their profile, commits an act of financial misconduct under the Act and an offence in terms of section 4 of the Official Secrets Act.

(9) The Head of the PMU shall be responsible for processing all authorised internal purchase requests for goods, non-consultancy services and works.

**Procurement methods for goods, non-consultancy services and works**

72. (1) The threshold values set in the Procurement Regulations from time to time; the value; potential source; and nature and circumstances surrounding the procurement request for goods, non-consultancy services and works determines the procurement method that Accounting Officers shall adopt.

(2) Accounting Officers shall ensure that officers involved in procurement comply with the procurement regulations and limits set by the PRAZ from time to time.

(3) Accounting Officers shall procure goods, non-consultancy services and works from both the national and international market. The PMU shall use only those standard bidding documents produced and issued by the PRAZ and in accordance with the provisions of the statute governing public procurement and Regulations as well as guidelines issued from time to time.
(4) It is the responsibility of Accounting Officers to ensure that all relevant bidding and pre-qualification documents provide objective descriptive information that does not unnecessarily favour a particular bidder by stating the desired performance or output requirements of the object of the procurement wherever possible rather than design or descriptive characteristics.

(5) The Head of PMU shall ensure that the detailed procurement requirements of a tender, with respect to quality and quantity, including any certification, testing and test methods or other means for evaluating the conformity of the performance of the contract to the procurement requirements; are set out clearly in the bidding documents.

**Competitive bidding**

73. (1) The procurement of goods, works and non-consultancy services shall be undertaken by means of a single stage competitive bidding, advertised in accordance with the provisions of the statute governing public procurement and in a manner that ensures equal access to all eligible and qualified bidders without discrimination. The single stage competitive bidding entails asking bidders to submit one envelope containing the technical proposal and the price proposal. The envelope is opened in the presence of bidders’ representatives who choose to attend and the total amount of each bid and any alternative bid, and other relevant details are read out and recorded. The bid is evaluated and the award of contract is made to the lowest evaluated substantially responsive bidder.

(2) The Head of PMU shall ensure that competitive bidding is only held in two stages in accordance with the provisions of the statute governing public procurement and within the guidelines given in the regulations. In the case of particularly high value or complex procurement; competitive bidding may be preceded by pre-qualification for the purposes of identifying, prior to the submission of bids, those bidders that are qualified. Accounting Officers shall ensure that where competitive bidding is preceded by pre-qualification the PMU accepts all the companies that meet the minimum thresholds.

(3) The method of procurement adopted shall be determined by the threshold values set in the Procurement Regulations from time to time.

(4) When a method of procurement other than competitive bidding is used, Accounting Officers shall ensure that their MDAs include, in the record of the procurement proceedings, a written justification of the decision to utilise the procurement method, including the grounds for taking that decision.

(5) Where the cost of procurement of goods, works or non-consultancy services exceeds the estimated cost approved in the annual procurement plan, the PMU shall advise the Accounting Officer and justify why such procurement should be carried out at such cost.

**PART XIV**

USE OF PROCUREMENT METHODS OTHER THAN COMPETITIVE BIDDING

**Restricted bidding method**

74. (1) The restricted bidding method of procurement entails a process in which the bidders are limited to those selected or invited by the MDAs. Accounting Officers shall ensure that this method is used—

(a) when the time and cost of considering a large number of bids is disproportionate to the estimated value of the procurement requirement;

(b) where urgency renders impracticable the time-limit prescribed for bidding period;

Provided that the urgency shall not be due to the procuring entity’s unjustifiable delay; and

(c) for procurement contracts with an estimated value that does not exceed the prescribed threshold.

(2) Accounting Officers shall ensure that—

(a) their MDAs invite bids from a standing list of qualified bidders established and maintained by the PMU; and

(b) in all other respects, the procedures for the single stage competitive bidding method are employed.

**Direct procurement method**

75. (1) The direct procurement method of procurement is one where MDAs procure their requirements from one bidder or supplier without having received bids from other bidders.

(2) Accounting Officers shall ensure that the direct procurement method is only adopted in the following cases—

(a) where no responsive bids have been submitted in response to a competitive bidding procedure, on condition that the requirements of the initial bid are not substantially modified;

(b) when, for technical or artistic reasons, or for reasons connected with protection of exclusive rights, the contract may be performed only by a particular supplier and no reasonable alternative or substitute exists;

(e) for reasons of extreme urgency brought about by events not attributable to anything foreseen by the MDAs and the products or services cannot be obtained in time by means of competitive bidding procedures;

(d) for additional supplies of goods or services by a supplier, where a change of supplier would cause problems of interchangeability or incompatibility with existing equipment or discontinuity of services, which would cause significant inconvenience or substantial duplication of costs to the MDAs;

(e) where MDAs procure a prototype or a first product or service from a research institute which is then developed at their request for a particular procurement contract for research, experiment, study or original development;

(f) when additional services which were not included in the initial contract but which were within the objectives of the original bidding documents have, through unforeseen circumstances, become necessary to complete the services described therein, provided that the total value of contracts awarded for the additional services shall not exceed fifty (50) percent of the amount of the original contract;
(g) for new services that repeat similar services provided under a procurement contract awarded following the competitive bidding method of procurement, where the procuring entity indicated in the original procurement notice that a direct procurement method might be used in awarding contracts for such new services;

(h) for acquisitions made under exceptionally advantageous conditions from unusual disposals such as legal forfeitures, liquidation, insolvency, judicial sale in execution or other forced sale or disposal;

(i) for the procurement of immovable property; and

(j) for the procurement of spare parts of a proprietary nature.

Request for quotations method

76. (1) The request for quotations method entails a process in which MDAs solicit at least three competitive quotations for their procurement requirement from reputable suppliers, and the procurement requirement is below the prescribed threshold.

(2) It is the responsibility of Accounting Officers to ensure that the request for quotations method is effected in accordance with the procedures prescribed by PRAZ from time to time.

Tender invitation

77. (1) In competitive bidding procedures, bids shall be invited—

(a) through the publication of an announcement of bidding proceedings or from the list of pre-qualified bidders where pre-qualification is used; or

(b) from a shortlist of bidders in the case of restricted bidding.

(2) Where the PMU considers that it is necessary to ensure wide competition, it may send the notice directly to potential bidders after the date of publication of the notice. The Head of the PMU shall ensure that the unit keeps a record of any bidders to whom the notice is sent directly and this shall form part of the procurement record.

(3) All invitations to tender must allow reasonable time for potential providers to respond. The bidding period shall start on the date of the first publication of the announcement and shall end on the date of the bid submission deadline. The minimum bidding period for each procurement method shall be in accordance with guidelines set by the procurement regulatory authority.

(4) All invitations to tender must contain sufficient information to enable potential bidders to prepare tenders that are responsive to the needs of the Ministry. Where goods, non-consultancy services or works to be procured cannot be described in detail in the advertisement, additional information must be readily available from the Ministry or a Government website. The invitation shall include—

(a) the evaluation criteria to be used;

(b) any requirement for a bid security;

(c) any requirement for a performance security;

(d) any requirement for after sales service; and

(e) the amount and essential terms of the insurance that the successful bidder may be required to obtain.

(5) The PMU shall keep a record of the names, postal addresses, telephone numbers and email addresses of all bidders to whom invitations to bid are issued together with the details of the relevant contact persons. A copy of this record shall be filed in the procurement records.

(6) The Head of the PMU shall ensure that all potential bidders that respond to a tender or have been pre-qualified are provided with bidding documents, in an expeditious and non-discriminatory manner.

(7) The Director of Finance shall ensure that the price charged for bidding documents only reflects the cost of printing and distributing the documents. Where bidding documents are delivered by electronic means, they shall be free of charge.

(8) The PMU shall ensure that procedures relating to timeframes on bid clarifications (during bidding and evaluation), form of communication, bid modifications and tender extensions, are handled in accordance with the provisions of the Public Procurement and Disposal of Public Assets Act and regulations.

(9) Accounting Officers shall ensure that the cancellation of procurement proceedings is avoided whenever possible except in cases allowed by the provisions of the Public Procurement and Disposal of Public Assets Act. In the event of cancellation, the Accounting Officer shall take the necessary action to inform all the potential bidders.

(10) MDAs may, if so specified in the bidding documents or in a request for proposals or a request for quotation, reject all bids, proposals or quotations at any time prior to their acceptance. The justifiable grounds for rejection of bids, proposals or quotations submitted is when they are not substantially responsive, or where there is evidence of lack of competition. The Accounting Officer shall give notice of the rejection promptly to all participating bidders.

(11) Where no responsive bids are received or procurement proceedings are otherwise unsuccessful, the PMU shall investigate the failed procurement proceedings and record in the procurement record the reason for failure and the course of action taken.

(12) Accounting Officers shall disqualify bidders if they find that the information submitted in a bid concerning a bidder’s qualifications is false or misleading and materially inaccurate or materially incomplete.

(13) It is the responsibility of the Head of PMU to ensure that the procedures for bid submission, bid amendment or withdrawal and bid opening are carried out in accordance with the guidelines set out in the statute and regulations governing public procurement. Late submissions shall not be accepted and shall be handled in accordance with provisions of the Public Procurement and Disposal of Public Assets Act.
(14) Accounting Officers are prohibited from negotiating with a bidder with respect to a bid submitted by the bidder. The only exception is where the lowest evaluated responsive bid exceeds the budget for the contract by a substantial margin (in accordance with PRAZ thresholds). In such cases the PMU after investigating the causes for the excessive cost may—

(a) consider requesting new bids; or

(b) negotiate a contract with the lowest evaluated bidder to try to obtain a satisfactory contract through a reduction in the scope which can be reflected in a reduction of the contract price.

Request for quotations for goods, non-consultancy services and works

78. (1) All requests for quotations (RFQ) shall be generated through the PFMS. Manual RFQs shall only be issued on occasions where the PFMS is not operational or when the issuing office does not have immediate access to the PFMS. The Director responsible for the procurement function shall ensure that the system for communicating and the delivery of requests for quotations (RFQ) to vendors is in writing and guarantees honesty, transparency and fairness.

(2) For the purposes of these instructions “in writing” means communication in hand or machine written type and includes messages by facsimile, e-mail and other electronic forms of communications”.

Receipt and opening of bids

79. (1) The Head of the PMU or an Officer delegated by them shall be responsible for receiving bids from potential suppliers, contractors and consultants. Quotations collected from suppliers by Officers within the PMU shall bear the signature of the officer concerned and must be in sealed envelopes. All bids shall be deposited in a lockable tender box until tender opening. Bids received through e-mail shall be in PDF format and should be printed and deposited into the lockable tender box.

(2) The Head of PMU shall be responsible for managing the participation of bidders in procurement proceedings in accordance with the provisions of the Public Procurement and Disposal of Public Assets Act, Regulations, any announcement issued by PRAZ and other provisions of law. The PMU shall keep a register, whose copy shall be made available to any bidder on request, of the attendance of bidders that captures the following information for each opened bid—

(a) the name of the bidder;

(b) the total amount of the bid;

(c) any discounts or alternatives offered by the bidder;

(d) whether or not bid security has been given, if required; and

(e) any essential supporting documents.

Selection of vendor and notice of award of tender

80. (1) The selection criteria for vendors must be in line with the provisions of the Public Procurement and Disposal of Public Assets Act and the Head of PMU shall ensure that it is transparent, fair, cost effective and competitive.

(2) The selection of providers of goods, non-consultancy services or works shall be informed by the guidance provided by the Public Procurement and Disposal of Public Assets Act; Regulations; Procurement Guidelines; principles of gender equality and non-discrimination; the Indigenisation policy framework; and any other pronouncements relating to procurement issued from time to time.

(3) It is the responsibility of the PMU to adjudicate and recommend tenders for award. Whenever a tender adjudication process has been carried out by an Evaluation Committee, the Accounting Officer shall ensure that minutes of proceedings of every meeting and a comparative schedule for prices of goods and services tendered for are compiled. The minutes of the Evaluation Committee shall be signed and numbered sequentially.

(4) The decision of the PMU or committee, the basis for tender award and the amount of award to the approved supplier should be clearly stated on the comparative schedule and in the minutes. All PMU and Evaluation Committee minutes should be filed for audit and future reference.

(5) The Accounting Officer or a Senior Officer delegated by them shall monitor and scrutinise the decisions of the PMU or Evaluation Committees to ensure transparency, gender responsiveness, non-discrimination and optimum value for money on all public procurement activities.

(6) In the case of contracts awarded by way of competitive bidding, the Accounting Officer shall formally inform all tenderers of the outcome of the bid. The notice given to all bidders shall specify the name and address of the proposed successful bidder and the price of the contract.

(7) The Accounting Officer shall ensure that the contract with the successful bidder is not signed until at least 14 days have passed following the giving of the notice referred to in Instruction No. 0900.

Signing of contracts

81. (1) The responsibility for signing contracts lies with the Accounting Officers or persons delegated by them in writing. Contracts shall come into effect as stated in the Contract Agreement.

(2) It is the responsibility of the Accounting Officers to ensure that procurement contracts are awarded to the bidder who—

(a) submitted the lowest bid which meets the price and non-price criteria specified in the bidding documents; or

(b) offers the most economically advantageous tender.

(3) Accounting Officers shall request a performance security, where applicable, to secure the contractor’s obligation to fulfil the contract. The requirement for a performance security shall be set out in the contract and the contractor shall be requested to provide such security prior to contract signing. Procurement Regulations provide guidelines regarding requirements for performance securities.
(4) The Head of the PMU shall ensure that the successful bidder is notified, within the bid validity period and subject to any intervening complaints that may arise, of the proposed award and the time within which the contract shall be signed.

(5) In the event that the successful bidder fails to sign a written contract when required to do so or fails to provide any required security for the performance of the contract prior to the time for contract signature, the Accounting Officer shall accept the next ranked bidder from among the remaining bids that are in force. However, in selecting the next ranked bidder, the Accounting Officer shall comply with the provisions of the statute governing public procurement as well as with the notice requirements stated in Instruction No. 0900.

**Issue of purchase orders**

82. (1) All purchase orders to suppliers shall be generated through the PFMS. Only officers with authorised profiles for purchasing should execute this function. The provisions of Instructions 0843 on providing access to unauthorised officers also apply.

(2) In the event of the system not working, purchasing officers may issue manual purchase orders. The manual purchase orders should be entered into the PFMS system as soon as the system starts working. No purchase order should remain outside the system for a period exceeding three days without reasonable cause. No manual purchase order shall be issued where there is no adequate budget provision.

(3) For offices with no immediate access to the PFMS the purchase orders shall be done manually, but must be captured on the PFMS within 14 days. It is an act of misconduct that attracts disciplinary action to have purchases that remain outside the system for a period exceeding 14 days.

(4) The Head of PMU shall ensure that all vendors selected receive official purchase orders. The purchase orders may be emailed, posted, hand delivered to or collected by the selected vendor.

(5) The officers responsible for placing orders shall keep a register of all purchase orders issued, to facilitate following up of orders.

(6) Officers authorising internal purchase requisitions shall not be allowed to also authorise purchase orders.

(7) The generation of a purchase order must be supported by sufficient documentation as proof that the appropriate procurement regulations have been complied with. The documentary proof should include—
   (a) copies of written quotations;
   (b) the comparative schedule of prices in which the tender award and recommendations are made; and
   (c) the evaluation Committee minutes.

**Purchases exempted from tender procedures**

83. (1) Goods and services that are received by public officers such as entitlements that are not paid through the payroll system like airtime, data bundles and internet subscriptions are exempt from tender procedures.

(2) The Purchases for all exempted items are authorised using a Payment Voucher only.

**PART XV**

**PROCUREMENT PROCESS FOR CONSULTANCY SERVICES**

**Request for proposal**

84. (1) The PMU shall use a request for proposal (RFP) for the procurement of consultancy services. The RFP shall be generated through the PFMS and shall be used on shortlisted consultants and for services that are within the financial thresholds prescribed by PRAZ from time to time.

(2) Where the estimated value of the procurement exceeds the financial threshold prescribed in Procurement Regulations, the PMU shall seek expressions of interest (EOI) in order to come up with a short-list of consultants. The EOI shall be sought through publishing of notices in a local or international newspaper of wide circulation and on the Internet and on the MDAs’ website. Where appropriate, the notice may also be published in a relevant trade publication or technical or professional journal.

(3) For consultancy services whose value is lower than the financial threshold prescribed in the Procurement Regulations, the short-list for consultants may be established from market knowledge or other sources of information. As part of the pre-qualification procedures, MDAs shall prepare a short-list of not fewer than three and not more than six firms which they shall provide the request for proposals for services. The short-list must be on the basis that the firms—
   (a) are of the same category and similar capacity and business objectives; and
   (b) have the capacity to perform the required services.

(4) In the case of consultancy assignments which have an estimated value above the thresholds prescribed in the Procurement Regulations or are particularly complex, the PMU shall utilise advertisements as stated in Instruction No. 0833.

(5) The Head of PMU shall ensure that the RFPs sent to shortlisted bidders have sufficient information to enable them to participate in the procurement proceedings and to submit proposals that are responsive to the needs of their Ministry. The information provided to shortlisted bidders shall include—
   (a) the name and address of the Ministry, Department or Agency;
(b) the nature, time-frame and location of the services to be provided;
(c) the consultant’s terms of reference (TOR) and the manner in which he or she is to provide the services;
(d) criteria to be used in evaluating and comparing bids, and their relative weights as compared to price;
(e) the terms of the procurement contract, and the manner in which it will enter into force;
(f) instructions for the preparation and submission of bids, and the deadline for their submission;
(g) the procedure for the final selection of bids;
(h) notice of any rules, restrictions or precautions against conflicts of interest, fraud or corruption, including potential debarring of persons who contravene those rules, restrictions or precautions from participating in future procurements; and
(i) any other information that may be prescribed or stated in standard bidding documents issued by PRAZ.

Methods of soliciting, evaluating and selecting consultant bids

85. The PMU shall use the methods listed in Table 1 when selecting consultants. The Accounting Officer shall ensure that the PMU and MDAs promote the principles of gender equality and non-discrimination when selecting consultants.

Table 1: Selection Methods for Consultants

<table>
<thead>
<tr>
<th>Selection Method</th>
<th>Condition of Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Quality and Cost Based Selection (QCBS)</td>
<td>Method used whenever practicable and appropriate</td>
</tr>
<tr>
<td>2 Selection under Fixed Budget (SFB)</td>
<td>Method used where the consultancy service sought is simple and precisely defined and the budget is fixed.</td>
</tr>
<tr>
<td>3 Least Cost Selection (LCS)</td>
<td>Method used where the consultancy service sought is of a standard or routine nature and well-established practices and standards exist, and in which the cost is small.</td>
</tr>
<tr>
<td>4 Quality based selection</td>
<td>Method appropriate where the consultancy service sought is of a highly technical nature.</td>
</tr>
<tr>
<td>5 Selection amongst community Service Organisations (CSO)</td>
<td>Method used where the involvement and knowledge of community needs, local issues and community participation are important in the preparation, implementation and operation of a community development project.</td>
</tr>
<tr>
<td>6 Single Source Selection (SSS)</td>
<td>Method used: (i) for services that continue a previous completed assignment; (ii) for very small assignments; (iii) when only one consultant is qualified or has experience of exceptional worth for the assignment; and (iv) where, owing to a catastrophic event, there is an urgent need for the service sought.</td>
</tr>
<tr>
<td>7 Selection of Individual Consultants (SIC)</td>
<td>This method shall be used when: (i) the qualification and experience of the individual are the paramount requirement; (ii) teams of personnel are not required; and (iii) no outside professional support is required.</td>
</tr>
</tbody>
</table>

PART XVI

ASSET MANAGEMENT

Evaluation of consultancy proposals and tender award

86. The selection criteria for consultants must be in line with the provisions of the Public Procurement and Disposal of Public Assets Act. It is the responsibility of the Head of PMU to ensure that the evaluation process is transparent, fair, cost effective and competitive. Each evaluation method is presented below.

Quality and cost based selection

87. (1) The QCBS method entails a competitive process among short-listed firms that takes into account the quality of their bids and the price of the services they offer, the relative weight given to quality and price being determined for each case according to the nature of the service sought by the line Ministry.

(2) Bidders shall submit their technical bids and their financial bids in separate sealed envelopes. The evaluation of proposals shall be carried out in two stages. The technical bids shall be evaluated first as to the quality of the services offered, and then the financial bids as to the price of the services. Evaluators of technical proposals shall not have access to the financial bids until the qualitative evaluation is completed.

(3) In evaluating the technical bids, the PMU shall take into account, in relation to each bid—
(a) the consultant’s relevant experience for the assignment;
(b) the manner in which the service is proposed to be provided, including any transfer of knowledge if that is specified in the terms of reference in the request for proposals;
(c) the qualifications of the key personnel who will provide the services; and
(d) such other criteria as may be prescribed.

(3) The PMU shall ensure that the weights used in an evaluation are appropriate to the specific assignment and shall be the ones stated in the bidding documents for the specific assignment. Accounting Officers shall consider a technical proposal unsuitable and shall reject at the first stage if it does not respond to important aspects of the TOR or it fails to achieve a minimum technical score specified in the RFP.

(4) Where technical proposals do not meet the minimum qualifying mark or are considered nonresponsive to the RFP and TOR, the PMU shall notify the affected consultants that their financial proposals will not be evaluated and shall be returned to them unopened after contract signing.

(5) Where consultancy technical proposals have secured the minimum qualifying mark, the PMU shall simultaneously notify the consultants on the date, time and place set for the opening of the financial bids. The Head of the PMU shall ensure that determination of opening date of the financial proposals allows sufficient time for consultants to make arrangements to attend the opening.

(6) Accounting Officers shall only consider the price of a proposal after the completion of the technical evaluation. The PMU shall open the financial proposals publicly in the presence of representatives of the consultants who choose to attend. The Head of PMU or the procurement officer responsible for the opening of the financial bids shall ensure that the name of the firm, the quality score achieved by the bid, and the proposed price of the service, as stated in the financial bid, is read aloud and recorded.

(7) In considering the financial bids, the PMU shall deal with correction of errors, conversion to single currency and methodology for scores and weights in accordance with the conditions specified in the bidding documents as well as the guidelines set out in the Public Procurement and Disposal of Public Assets Act and Procurement Regulations.

(8) The total score to be awarded to a bid shall be obtained by weighting the quality and financial scores achieved by the technical bid and the financial bid respectively and adding those scores. After ascertaining the total scores to be awarded to bids, the Head of PMU shall ensure that the bidder with the highest total score is invited without delay to enter into negotiations regarding—

(a) the terms of reference of the consultant;
(b) the manner in which the consultant is to provide the service;
(c) personnel needed to provide the service;
(d) any service or facility to be provided by the procuring entity;
(e) special terms and conditions of the procurement contract; and
(f) any other matters that may be prescribed or that the procuring entity and the bidder may consider necessary to discuss:

Provided that the negotiations shall not result in any substantial alteration in the terms of reference or the terms of the procurement contract, and the price of the service shall not be negotiated.

(9) If negotiations in Instruction No. 0941 fail to result in an acceptable procurement contract, the Accounting Officer shall—

(a) terminate the negotiations, informing the firm concerned in writing of the reasons for termination; and
(b) invite the next ranked firm for negotiations and after such invitation the PMU shall not reopen the earlier negotiations.

(10) After negotiations have been successfully completed, it is the responsibility of the Accounting Officer to promptly notify other firms on the short-list that they were unsuccessful. The Accounting Officer shall not sign a procurement contract with the successful firm until at least fourteen days have elapsed following the giving of that notice.

Selection under fixed budget

88. (1) The SFB method entails a process whereby MDAs evaluate the bids submitted by short-listed bidders—

(a) first according to the quality of the services they offer, disregarding the price at which they offer them;
(b) then according to the price at which the bidders offer their services, rejecting all the bids that exceed the proposed budget; and
(c) then selecting from the remaining bids the one whose quality of service ranks highest.

(2) Where MDAs choose to employ the SFB method, the Head of PMU shall ensure that the RFP indicates the available budget and request the firms to provide their technical and financial proposals in separate envelopes and within the budget.

(3) The evaluation of the quality of all technical bids submitted shall be carried out in accordance with the QCBS method. The financial bids shall be opened in public and read out and the Accounting Officer shall reject any bids that exceed the budget stated in the RFP.

(4) It is the responsibility of the PMU to select from the remaining bidders the technical bid that achieved the highest quality score and to invite the bidder to negotiate a procurement contract.
Least Cost Selection (LCS)

89. (1) The LCS method entails a process whereby the MDAs establish minimum standards for the quality of service required, and—
(a) the bids which offer less than those minimum standards are rejected; and
(b) of the remaining bids the one offering to provide the service at the lowest price is accepted, so the bidders compete only on price.

(2) When MDAs choose to employ the LCS method, the Head of PMU shall ensure that the minimum qualifying standards are specified in the RFP and bidders are requested to provide their technical bids and their financial bids in separate envelopes.

(3) The opening and evaluation of the quality of all technical bids submitted shall be carried out first, and those that fail to meet the minimum qualifying standards shall be rejected.

(4) Following evaluation of the technical bids, the financial bids of the remaining bidders shall be opened and the Accounting Officer shall select the bidder offering to provide the service sought at the lowest price, and shall invite the bidder to negotiate a procurement contract.

Quality based selection method

90. The quality-based selection method entails a process whereby the MDAs establish the best technical offer regardless of cost, subject however to the Accounting Officer engaging in negotiations around the issue of cost to achieve value for money.

Selection amongst community service organisations

91. (1) The CSO method entails a process whereby all or most of the firms on the PMU’s short-list consists of community service organisations because the service sought requires local participation and knowledge of local issues and community needs.

(2) Under the CSO method, technical bids submitted shall be evaluated using criteria reflecting the unique qualifications of community service organisations, such as voluntarism, non-profit status, local knowledge, scale of operation, and reputation.

Single-source selection

92. (1) The SSS method entails a process whereby the Accounting Officer, without inviting competitive bids, selects a firm to provide a service even though other firms are available to provide the service.

(2) Under the SSS method, the Accounting Officer shall ensure that the PMU—
(a) prepares written terms of reference, and request from prospective firms information regarding their qualifications, experience and competence;
(b) draws up a short-list of prospective firms;
(c) from the short-list, select the firm that the PMU considers has the most appropriate qualifications, experience and competence;
(d) invites the selected firm to submit a combined technical and financial bid; and
(e) if the bid submitted by the selected firm is responsive and otherwise satisfactory, negotiate a procurement contract with that firm.

Selection of individual consultants

93. (1) The SIC method entails a process whereby the Accounting Officer, without inviting competitive bids, selects an individual person, rather than a firm that is an organisation or association, to provide a service even though other persons are available to provide the service.

(2) The procedure to be followed when employing the SIC method shall be the same as that for the SSS method in Instruction No. 0956.

Confidentiality in procurement

94. (1) The Head of the PMU shall ensure that bidder debriefing is carried out in accordance with the provisions of Procurement policies and procedures and in a manner that is transparent, timely and non-discriminatory. It is the responsibility of the Head of PMU and officers involved in procurement to ensure that the debriefing does not disclose details of any other bids, other than information that is publicly available from bid openings or published notices.

(2) Accounting Officers shall promptly publish all procurement contract awards within one month from award in accordance with guidelines issued by PRAZ. A copy of such notice shall be sent to PRAZ for publication.

(3) Accounting Officers shall maintain procurement records and prepare reports as per the provisions of the Public Procurement and Disposal of Public Assets Act and templates provided by the PRAZ. The Head of PMU shall ensure the records are marked with the relevant procurement number and the information contained complies with the requirements of the Public Procurement and Disposal of Public Assets Act.

(4) The Head of PMU shall ensure that the duties relating to recording, preparation and disclosure of tender details are carried out in a manner that avoids exposure of proprietary commercial information.

Receipt of goods, services, works and consultancy services

95. (1) It is the responsibility of Accounting Officers to put in place systems for receiving and inspecting goods, works and services being procured. Accounting Officers shall ensure that their MDAs carefully inspect and examine the compliance of goods, services, works or consultancy services with the requirements set forth in procurement contracts.
(2) The statute governing public procurement allows Accounting Officers to appoint an Inspection Committee for the purposes of carrying out the inspection, as well as a special technical committee to inspect and accept the performance of a bidder under a contract. In case of any inconsistency the Accounting Officer shall prepare a report on the problem and refrain from accepting contract performance.

(3) It is the responsibility of the officers in administration or stores to receive goods or services. In discharging these duties, receivers of goods and services should satisfy themselves that the goods or services match the purchase order or contract and are in good order. They should sign the goods received note or the delivery note to indicate their satisfaction with the goods or services received. All items received should have a PFMS generated Goods Received Note (GRN). The GRN should be raised only when goods have been received.

(4) Any discrepancies between the goods or services ordered and those received, must be recorded in a register. Each entry must be signed by the agent making the delivery. The supplier shall be notified immediately and in writing of the discrepancy. If goods delivered do not match the order, in terms of description, specification, price, quantity, not in a good state or quality, they should not be received but immediately returned to supplier.

(5) The officers responsible for receiving goods shall record the items in the goods received registers and file the goods received notes in date order. The goods received register should contain information relating to the description of items, supplier and serial numbers where appropriate.

(6) Upon receipt of the suppliers’ invoice, prices must be matched with the contract or the purchase orders. No price variations are allowed on delivery of goods and services. The exception is where the variations arise from increases in costs such as statutory increases (duty, VAT or currency). Price variations in such cases are paid only if approved by Treasury in writing.

(7) The payment for goods and services delivered shall be the responsibility of the Accounts Office. Accounting Officers shall ensure that the functions of ordering, receiving, accounting for and paying for goods and services are appropriately segregated.

Management of procurement contracts

96. (1) Accounting Officers are responsible for the administration of and for monitoring the general performance of procurement contracts entered into by their MDAs.

(2) Ministries shall adopt the contract models that are developed by PRAZ. Where no appropriate model contract exists or the available document requires amendment to tailor it to the specific circumstances of the contract, Accounting Officers shall seek guidance from the Government Attorney. The Head of PMU shall ensure that the following items are addressed in any procurement contract they adopt—

(a) complete names and addresses of the parties to the contract;
(b) the listing by order of priority of contract documents;
(c) specifications of the goods, works or service;
(d) quantity or number of the goods or amount of the works or services;
(e) price of the goods, works or services or how the price will be determined and the payment method;
(f) procuring entity’s right of inspection;
(g) location, conditions of delivery or completion, delivery or completion schedule and acceptance procedures;
(h) required securities or bank guarantee, if applicable;
(i) methods for termination of the contract;
(j) other issues describing the obligations of the parties and clarifying the transaction, including price revision, if applicable, warranties, contract modification, subcontracting, insurance obligations, shipment terms, after sale service and remedies for delay and non-performance;
(k) the unforeseen events (force majeure) with respect to responsibilities for delay in fulfilling the obligations or termination of the contract; and
(l) dispute settlement clause.

(3) The price of a procurement contract shall be set either on the basis of a unit price applied to the quantities actually delivered, or on a lump-sum basis, applied to the entirety or to a part of the contract, irrespective of the actual quantity needed to be delivered in order to fulfill the procurement contract. Accounting Officers shall ensure that their ministries adopt pricing approaches that comply with the provisions of Procurement Regulations.

(4) Procurement contracts shall be concluded on the basis of a fixed-price term. A procurement contract may be concluded on the basis of a provisional price, specifying the manner in which the price is to be made definite. The grounds for the use of such a pricing clause shall be noted in the record of the procurement proceedings.

(5) Procurement contracts may include incentive clauses linked to improved delivery periods, improved quality or cost reduction.

(6) Price adjustments are not permitted unless provided for in the procurement contract. Where the procurement contract provides for the possibility of price adjustment, it is the responsibility of the Accounting Officers to ensure that the contract stipulates the conditions, under which price adjustment shall be permitted and that such conditions comply with the provisions of the procurement regulations.

(7) Accounting Officers shall ensure that procurement contracts with an allowance for price variations have a provision to the effect that, when the application of price adjustment leads to a modification exceeding a certain percentage (as provided by the Procurement Regulations) of the initial price or the balance of the contract, the Accounting Officer will have the option of terminating the contract.
(8) It is the responsibility of Accounting Officers to ensure that contract modifications do not result in a contract that is materially different to the original contract or significantly alter the nature or scope of the contract. Any contract modifications shall comply with the provisions of the Public Procurement and Disposal of Public Assets Act and Procurement Regulations.

(9) Where a contract provides for after sale service, Accounting Officers shall ensure that the period of the contractor’s commitment in this regard should correspond to the average operating life of the goods in question.

(10) Accounting Officers shall ensure that procedures relating to sub-contracting, remedies for breach of contract, liquidated damages for delay and contract termination are dealt with in a manner that ensures observance of the terms of the contract agreements and compliance with the provisions of the procurement regulations.

Payments relating to contracts

97. (1) It is the responsibility of Accounting Officers to ensure that payments are made in a timely manner in order to avoid unnecessary expenditure in terms of penalties.

(2) Accounting Officers shall ensure that where a procurement contract provides for the disbursement of progress payments, these shall be done in compliance with the provisions of the contract and within the guidelines set out in the Public Procurement and Disposal of Public Assets Act and Procurement Regulations. Accounting Officers shall ensure that progress payment certificates are issued in accordance with the progress of performance of the procurement contract.

(3) Unless otherwise stipulated in the procurement contract, an advance payment shall not be made unless an advance payment guarantee is furnished covering the amount of the advance payment and satisfies other terms set forth in the bidding documents.

(4) Accounting Officers shall ensure that where procurement contracts provide for advance payments, the total amount of advance payment made under the procurement contract shall not exceed the percentages permissible in the provisions set out in the procurement regulations.

PART XVII

Assets Management

Policy

98. (1) The instructions contained in this section are aimed at ensuring that there is a system with adequate safeguards to protect public property from fraud, waste and abuse.

(2) Assets comprise of all property owned by the Government or for which it is responsible, whether acquired through purchases, cultivation, donations, or other means. For the purpose of these instructions Government Assets comprise of the classes of assets described in Table 2 below—

<table>
<thead>
<tr>
<th>Table 2: Categories of Government Assets</th>
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<tbody>
<tr>
<td>311 Fixed Assets</td>
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<tr>
<td>3111 Buildings and Structures</td>
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<tr>
<td>31111 Dwellings</td>
</tr>
<tr>
<td>31112 Non-residential</td>
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<td>31113 Other Structures</td>
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<tr>
<td>3112 Machinery and Equipment.</td>
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<td>31121 Transport Equipment</td>
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<tr>
<td>31122 Other Machinery and Equipment</td>
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<tr>
<td>3113 Other Fixed Assets</td>
</tr>
<tr>
<td>31131 Cultivated Assets</td>
</tr>
<tr>
<td>31132 Intangible Fixed Assets</td>
</tr>
</tbody>
</table>

Source: PFMS Chart of Accounts

(2) Accounting Officers are responsible for all assets held by their respective ministries and shall issue instructions governing the method of accounting for and the procedure regarding the purchase, receipt, recording, custody and physical verification for all such assets. Such instructions shall make adequate provision for—

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(a) clear instructions on control of assets;
(b) a physical verification of assets at least once in every twelve months;
(c) proper asset records that will ensure a distinction between fixed assets and inventories;
   (i) recording of monetary values where appropriate;
   (ii) responsibility for custody of assets;
   (iii) responsibility for control of assets; and
   (iv) inspection of assets.

(3) These instructions shall be submitted to the Accountant-General for approval before they are issued, and a copy of the approved instructions forwarded to the Auditor-General.

(4) Accounting Officers shall review their instructions for the control of assets at least every five years for the purpose of ensuring that any changes of circumstances are catered for.

Acquisition of Government assets

99. (1) Ministries, Agencies and Department shall acquire assets using the following methods—
   (a) procurement from suppliers and contractors;
   (b) compulsory acquisition;
   (c) donations;
   (d) production (manufacture, cultivation, biological); and
   (e) transfers from other departments.

(2) Accounting Officers shall ensure that the procurement of Government property satisfy the following conditions—
   (a) fair and transparent process;
   (b) purchases are made on the basis of need or to secure benefit to the public;
   (c) the intended purpose is the best use of the property;
   (d) the process shall comply with the Government procurement guidelines; and
   (e) all relevant statutory requirements are observed.

Recording of assets

100. (1) Accounting Officers should ensure that all public assets under their control received from whatever source are recorded promptly and accurately in the appropriate manual registers. The assets should also be captured immediately on the PFMS system.

(2) All assets registered on the PFMS system shall also be recorded on to the Central Government Master Assets Register maintained on the system. All subsequent adjustments to the assets including transfers, disposal, reevaluations and depreciation shall be reflected on this Master Assets Register.

(3) The classification that shall be used in recognising and capturing assets on to the system shall be determined by the Accountant-General. In cases of doubt Accounting Officers shall approach the Accountant-General for guidance.

(4) Accounting Officers shall ensure appropriate and up to date records for both fixed assets and inventories are kept at Head Office and within Departments. Master asset registers shall be maintained at Head Office and departmental asset registers at departmental level. The register should reflect the following information for each asset—
   (a) date of acquisition, receipt and place;
   (b) if transferred, where it was transferred from;
   (c) if donated name of donor;
   (d) name of receiving officer;
   (e) Goods Received Voucher/Note number;
   (f) source/supplier;
   (g) quantity;
   (h) location
   (i) value—where appropriate;
   (j) identification particulars of each asset (engine number, chassis number, serial number, ear tag, etc.); and
   (k) date of disposal or transfer to another department and authority.

(5) The Director responsible for Administration shall ensure that the manual asset registers are reconciled regularly with the respective ministry’s asset control account maintained on the PFMS.

(6) Accounting Officers shall ensure that all Government assets are clearly and visibly marked with a mark of Government ownership.
Use of assets

101. (1) Accounting officers shall ensure that there is no waste, reckless spending or abuse in the use of Government property under the custody or control of their agencies or departments.

(2) Accounting Officers shall ensure that assets are used for official purposes only, unless otherwise approved in writing by them or permitted under an officer’s terms of employment.

(3) Accounting Officers shall ensure that proper systems of control are established and clear guidance is provided on the acceptable level of use of Government assets for private purposes and the circumstances under which costs will be recovered. This includes the use of photocopiers, telephones, cell-phones, and any other assets.

(4) The use of the Ministry, Department or Agency’s assets for any private business that any employee may operate is prohibited. Accounting Officers shall report any such abuses to Treasury.

Control of assets

102. (1) The Accounting Officer shall institute adequate controls to safeguard both fixed assets and inventories against abuse and misappropriations.

(2) Accounting Officers shall ensure that proper controls are put in place for fixed assets under their charge, taking into account the following, among other factors—

(a) the useful life that can be reasonably expected; and

(b) the circumstances under which the asset will be used.

(3) Each office shall have an inventory list of all the assets (working or redundant) contained therein. Individuals occupying offices should be made responsible for the assets held in that office and a senior officer should be appointed as Asset Control Officer in respect of each group of offices. The Asset Control Officer shall be responsible to for maintaining the Master Asset Register for their Ministry.

(4) Any transfer of assets from one department or station to another shall only be made on the authority of the Accounting Officer to whom the cost of the asset has been charged. Such movement shall be recorded appropriately. The distribution or issue of movable assets or stores shall be accompanied by an issue voucher. The transfer of a movable asset from one location to another shall be accompanied by a movable asset advice.

(5) An Accounting Officer may, by agreement in writing with another Accounting Officer, transfer assets under their control to the control of the latter with the written approval of the Treasury.

(6) In the case of any transfer referred to in Instruction No. 1025, the Asset Register held in the PFMS for the Ministries, Departments or agencies concerned shall be adjusted accordingly. Accounting Officers shall ensure that the manual Master Assets Registers are also adjusted.

Government vehicles

103. (1) Accounting Officers shall be responsible for taking care of all Government vehicles under their Ministries and ensure that the related policies are duly adhered to by all Officers.

(2) Accounting Officers should ensure that they issue detailed instructions that give guidance and procedures required for an effective and efficient administration of Government vehicles.

(3) Accounting Officers shall appoint Transport Officers whose roles shall include the management, control and maintenance of Government vehicles under their Ministry’s control.

(4) Accounting Officers shall ensure that all Ministry vehicles (including donated vehicles) have been registered under the Ministry. All vehicles, with the exception of conditions of service fleet, should be clearly labelled with the Ministry’s name.

(5) Drivers of government vehicles shall only be those stated in Public Service Commission policy pronouncements and shall comply with the related requirements of such policy. All drivers shall have a current driver’s licence of the relevant class or type of vehicle and Government Authority to drive.

(6) Accounting Officers shall keep the complete and updated records of staff and the approval granted to them to drive government vehicles as per Public Service Commission policy pronouncements.

(7) Drivers of Government vehicles shall be indemnified in accordance with the provisions of Part VI of the Public Service Regulations, 2000, or any other pronouncements that may be issued from time to time.

(8) Government vehicles shall only be used for official purposes, except for those with transport privileges as per Public Service Commission policy pronouncements. Unless expressly authorised by the Accounting Officer, the use of a Government vehicle between a member’s place of residence and place of work is deemed to be private travel. Members of staff authorised to use Government vehicles between place of work and residence shall not be paid transport allowance.

(9) Where an officer has been granted transport privileges as per Public Service Commission policy pronouncements the conditions of use of such vehicles shall be clearly communicated to the officer including but not limited to the authorisation of spouse or other individuals to drive the condition of service vehicles.

(10) Accounting Officer shall ensure that log books are allocated to each Government vehicle under their control. These vehicle log books shall be correctly and comprehensively completed for each official journey.

(11) Any staff authorised to drive government vehicles shall keep a record of each and every official journey made by that government vehicle in its log book for each government vehicle.
(12) The vehicle log book shall be reviewed by a senior officer independent of the officer’s recording it on a regular basis and sign as evidence of the review.

(13) Government vehicles shall be used and maintained so as to maximize their useful life and their value on disposal.

(14) Accounting Officers shall ensure that the following registers are maintained for Government vehicles under their control—
(a) vehicle register detailing the make, model, engine and chassis number;
(b) vehicle accident and incident register - capturing accidents and incidences involving state vehicles; and
(c) vehicle maintenance register in which all maintenance and repairs performed on vehicles must be documented and retained for the life of the vehicle.

(14) In the event of a Government vehicle getting involved in an accident, the member involved in the accident shall—
(a) report to police within 24 hours;
(b) report to Transport Officer immediately after occurrence;
(c) fill the accident report form; and
(d) write a report explaining the causes of or circumstances surrounding the occurrence of the accident.

(15) Upon receipt of the written reports stated in Instruction No. 1045, the Transport Officer shall ensure that, a Board of Inquiry convening order is issued within 14 working days. The process of carrying out a board of inquiry in accordance the provisions of the PFM Act shall also be instituted within five weeks.

Fuel coupons

104. (1) All Ministries, Departments and Agencies shall keep a record of fuel coupons received and issued in sequential order. The register shall indicate—
(a) the date of issue;
(b) quantity issued;
(c) issuing officer;
(d) purpose;
(e) receiving officer; and
(f) vehicle registration number.

(2) Stocks of fuel coupons shall be kept in safes or strong-rooms under the control of the responsible officer. Supplies held for immediate use shall be treated as cash and controlled accordingly.

(3) Where any loss or deficiency of fuel coupons is discovered and after preliminary investigation it is suspected that such loss or deficiency is attributable to criminal action it shall immediately be reported to the Accounting Officer for appropriate action and to the police for investigation. If the deficiency is not suspected to be of a criminal nature, the provisions of Instruction No. 0563 shall apply.

Asset verification

105. (1) Accounting Officers shall carry out physical asset counts regularly and at least twice a year to establish existence, status and usability.

(2) Not later than two months after the close of each financial year, Accounting Officers shall forward to Treasury a certificate confirming that the assets under the control of their Ministries have been physically compared with the records at least twice during the financial year and that the records have been properly maintained in accordance with Treasury and Accounting Officers’ Instructions.

(3) The certificate referred to in Instruction No. 1052 shall be accompanied, where necessary, by a report which shall be copied to the Treasury, giving—
(a) details, including the value, of any surpluses and/or deficiencies discovered and of any items found to be damaged, unserviceable or redundant;
(b) a further certificate to the effect that, after investigation all surpluses have been taken on charge and that all deficiencies and damaged and unserviceable items have been dealt with in accordance with Treasury Instructions;
(c) an assessment of the adequacy and suitability of the equipment, stores, etc., for departmental requirements in respect of both quantity and quality and of the general condition of the assets; and
(d) notes on any general matters which it is considered should be brought to notice.

Disposal of unserviceable, obsolete or surplus assets

106. (1) Accounting Officers shall be responsible for ensuring that their line Ministries and MDAs dispose of public assets that are unserviceable, obsolete or surplus in accordance with the provisions of the Public Procurement and Disposal of Public Act.

(2) Accounting Officers or Senior Officers delegated by them shall establish a disposal committee for the purpose of recommending the best method of disposing of unserviceable, obsolete or surplus public assets. The composition of the disposal Committee, scope, powers and reporting requirements shall be as prescribed by PRAZ from time to time.
(3) It is the responsibility of Accounting Officers to ensure that the composition of the committee promotes the principles of gender balance and equity. Accounting Officers shall also ensure that the majority of the committee members are persons having no direct interest in the public assets being disposed.

(4) Assets Officers in line Ministries shall without delay report to the Ministry’s disposal committee whenever assets under their charge become unserviceable, obsolete or surplus. The disposal committee shall without delay consider the Asset Officer’s report and make recommendations to the Accounting officer on the appropriate method for disposing of the asset concerned and these may include—

(a) transfer to another department with or without financial adjustment;
(b) sale by public tender;
(c) sale by public auction;
(d) destruction, dumping or burying;
(e) trade-in;

and any other method that may be prescribed or recommended by PRAZ from time to time.

(5) It is the responsibility of the Accounting Officers to ensure that the reports submitted by the disposal committee are dealt with within the period prescribed by the regulations issued by PRAZ. The Accounting Officer shall notify the committee whether or not he/she accepts the recommendations. If the Accounting Officer accepts the recommendations of the disposal committee, the asset shall be disposed of in accordance with those recommendations. In cases where the Accounting Officer rejects the recommendations of the disposal committee, he or she shall, when notifying the disposal committee of the rejection or as soon as possible thereafter—

(a) provide the committee with written reasons for the rejection; and
(b) send the PRAZ a copy of the notice of rejection and the reasons for it; and
(c) refer the matter back to the disposal committee for further consideration.

(6) When assets are to be disposed of by public auction, the provisions of the relevant circular on auctioneering services shall be observed. A senior official shall be assigned to attend auction sales, firstly to check upon sales which take place and secondly to be available to give advice or information to the auctioneer during the course of sales. The importance of this would naturally be judged in relation to the quantity and value of items to be auctioned.

(7) No assets may be sold by private treaty without the specific or general authority of the Treasury.

(8) The proceeds from the sale of assets shall be credited to “sale of Government property” or to the relative separate account in accordance with the source from which they were purchased.

(9) Accounting Officers shall ensure that their Ministry does not dispose of an unserviceable, obsolete or surplus asset to any of its employees or any of its disposal committee members except in such circumstances and subject to such conditions as may be prescribed by PRAZ from time to time.

Inventory

107. (1) Wherever a store is established it should be placed under the direct control of a responsible officer. This officer’s duties should embrace the responsibility for the security of the stores, the keeping of proper records and the replenishment of stocks and consumable stores.

(a) the expected level of usage;
(b) lead times for delivery;
(c) volume discounts;
(d) holding costs;
(e) the availability of secure storage; and
(f) the likelihood of deterioration.

(3) All items should be brought on charge by means of receipt vouchers prepared, if possible, by someone other than the person maintaining the stores records. Issues should be recorded on issue vouchers.

(4) When personal issues are made which will be required to be returned at some future date, an appropriate register of such items should be maintained as they will require to be included in any stocktaking carried out.

(5) Where large and/or valuable stores are held and in order to avoid the unnecessary tying up of public funds, the Head of Office shall exercise control over the level of stores holding. The officers responsible for the stores shall be given clear instructions on the quantities and descriptions of items they are authorised to requisition, the times or periods at which they may requisition and the procedure they must adopt for urgent or excessive demands.

(6) The Accounting Officer shall appoint an independent officer to carry out a stock take of inventory at least once a year.

(7) Senior Officers shall carry out random checks regularly. In the event of any discrepancies, the Accounting Officer shall report to Treasury.

Livestock

108. Appropriate and up to date records shall be maintained in respect of livestock. Such record shall show—

(a) number on hand at the beginning of the year;
(b) animals taken on charge during the year;
(c) natural increase during the year;
(d) animals transferred during the year;
(e) decreases due to death, sales or other causes; and
(f) number on hand at the end of the year.

**Deficiencies in, damage to and destruction of Government property**

109. (1) Heads of Office shall report immediately to the Accounting Officer, any deficiency in, damage to or destruction of Government property. In the case of damage to or destruction of buildings, reports shall be sent to the nearest office of the Ministry responsible for public works.

(2) Where any of the events mentioned in Instruction No. 1078 appear to be due to criminal action, the matter shall be reported to the Police immediately. An acknowledgement of this fact shall be obtained from the Police and forwarded to the Accounting Officer.

(3) The Accounting Officer shall institute an enquiry, in terms of section 12 of the Act, into any deficiency, damage or destruction reported to them.

(4) If the Accounting Officer is satisfied that no person can be held responsible for the deficiency in, damage to or destruction of any Government property and they assess the value to be within the threshold set for Accounting Officers by Treasury, they may take steps to write it off.

(5) Any write-off of an amount in excess of the thresholds set for the Accounting Officer will require the authority of the Treasury.

(6) The provisions of Instruction Nos. 0589 to 0593 shall apply to Orders made by Treasury in terms of section 12 of the Act with the proviso that the word “Order” shall replace the word “Surcharge”.

(7) Accounting Officers shall maintain a losses and damages register containing the following particulars—

(a) the date of the occurrence;
(b) the nature of the loss or damage;
(c) the valuation of the loss or damage;
(d) the amount of any recovery; and
(e) the resultant loss to public funds.

(8) A return summarising losses of and damage to Government property and losses of public moneys as at 31st December each year shall be submitted to the Auditor-General and Accountant-General with the Financial Statements for that year.

**Securities**

110. (1) For the purposes of the foregoing instructions, “securities” shall include stock and share certificates, bonds and surety agreements.

(2) All securities held in any Government office shall be lodged in a safe or strong-room under the control of a nominated officer.

(3) Every officer responsible for the custody of securities shall maintain a register showing the following particulars—

(a) date of security;
(b) date of lodgement;
(c) nature of security;
(d) by whom given and in whose favour;
(e) amount or estimated value;
(f) date and particulars of realisation, substitution or alteration, etc.;
(g) date of prescription; and
(h) references to any relevant departmental papers.

(4) Securities shall be examined at least once in each year by the Head of Department or a senior officer specially appointed by them. The examining officer shall satisfy themselves that—

(a) the securities are correctly recorded in the register;
(b) none is in danger of prescription;
(c) no surety has died or ceased to be competent or sufficient; and
(d) the securities are generally in order.

(5) Stocks may be sold at a loss provided that there is a reasonable expectation that the loss will be more than recouped over the remaining life of the investment through a better yield from a new investment.

(6) In all cases where investments are held, an investment plan shall be formulated and recorded for future reference.
PART XVII

GIfts AND DONATIONS

Responsibility for management public debt

111. (1) The objective of this section is to provide guidance on gifts and donations to, and by the State as well as the acceptance, on behalf of the State, of any gift, donation, bequest or other grant of moneys or other property which is made subject to a condition or is likely to involve a charge on the Consolidated Revenue Fund.

(2) These instructions do not apply to matters relating to the National Development Fund (NDF) which are contained in section 12 of the Instructions. For the purposes of these instructions gifts, donations and acceptance have the following meaning—

(a) a gift is an item purchased for an individual or group of officials in recognition of an event or performance;

(b) a donation is a voluntary gift given in recognition of a worthy cause; and

(c) acceptance is a voluntary receipt of cash, goods or service offered.

Policy

112. (1) The approval for granting of gifts and donations using state funds and property is the responsibility of Treasury. The Treasury shall also direct whether gifts or donations shall be accepted or not and how these shall be disposed of.

(2) It is the prerogative of Treasury to approve the offer or acceptance of any gifts or donations in the form of immovable property such as land and buildings. Accounting Officers must submit, with the request for offer or acceptance, the justification for and the conditions under which the immovable property is offered or accepted.

(3) All gifts to Government from any source which are conditional or are likely to involve a charge on the Consolidated Revenue Fund shall be notified to the Treasury immediately on receipt of the gift or the offer of the gift.

(4) Treasury may from time to time, delegate to Accounting Officers, the approval for the acceptance of gifts and donations. The value limits set for Accounting Officers’ approval shall be determined by type of gifts and donations, and the circumstances under which they are offered.

(5) Public officials are prohibited from soliciting gifts. No employee of the Government shall accept gifts, grants and donations in their individual capacity.

(6) On applying for authority to accept gifts and donations, Accounting Officers shall submit the following information—

(a) description of the gift or donation;

(b) the estimated value of the gift or donation. It may also be advisable to request an assessment by an independent estimator for gifts with high value;

(c) the estimated costs to the Consolidated Revenue Fund of the acceptance of the gift (including needed repairs, costs of accessories, periodic/regular maintenance, etc.);

(d) justification for accepting the gift (i.e. present advantages and disadvantages of acceptance of the gift);

(e) any conditions restricting the use of the donation and disposal of residual balance, if any;

(f) donor’s name and address;

(g) statement on any official relationship between the donor and the Ministry; and

(h) recommendations for acceptance or rejection of the gift or donation.

Rejecting an offer of a gift or donation

113. (1) Where the Accounting Officer is recommending rejection of an offer of a gift or donation, the reasons should be clearly stated. Justifiable reasons include the following—

(a) conflict of interest in accepting the gift;

(b) acceptance of the gift is unlawful;

(c) acceptance of the gift will obligate the ministry to an unbudgeted expenditure of funds; and

(d) if it is equipment, the operation of the equipment would not be practicable.

(2) The Auditor-General shall be advised of the Accounting Officer’s or Treasury decision.

Accounting for gifts and donations

114. (1) All gifts or donations in the form of cash shall be paid into the Consolidated Revenue Fund or relevant public fund. All gifts or donations in the form of assets will form part of public property and shall be treated and accounted for through the PFMS as such.

(2) In circumstances where there is no clarity on the purpose for which a gift or donation shall be applied, Treasury shall provide guidance.

(3) Accounting Officers shall maintain a register of all gifts and donations offered or accepted during the year.

(4) It is the responsibility of Accounting Officers to ensure that any conditions restricting the use of donations are complied with.

Reporting and audit on gifts and donations

115. (1) All gifts, donations or sponsorships received during the course of the financial year shall be disclosed as a note to the financial statements of the Ministry.
(2) The records relating to gifts and donations should be made available for audit by internal audit, Auditor-General, and private audit firms that may be engaged by donors. Internal Audit shall audit the gifts and donations registers at least once a year.

PART XIX

FUND ACCOUNTING

Policy

116. (1) The objective of this section is to give guidance to those Funds set up in terms of Section 18 of the PFM Act. The administration of finances within Statutory Funds shall be governed by the provisions contained in the relevant Acts that set them up.

(2) Section 302 of the Constitution permits Ministries to retain all or part of the funds meant for the Consolidated Revenue Fund for the purposes of paying them into some other fund established for a specific purpose or meeting part of the respective ministry’s expenditure. These funds are appropriated in aid of the Vote and their expenditure should be based on authorised annual budgets.

(3) No Accounting Officer shall retain funds meant for the Consolidated Revenue Fund except as provided for by section 302 of the Constitution.

(4) Accounting Officers shall comply with the provisions of section 18 of the Act when setting up Treasury Funds. No fund shall operate without a constitution to regulate its affairs. The constitutions of Funds shall be approved by Treasury and these shall be tabled in the House of Assembly.

(5) Funds established in terms of section 18 of the Act shall operate on an accrual basis and shall comply with Financial Reporting standards set by the Board responsible for setting Accounting Standards in Zimbabwe. When any changes in accounting standards are contemplated (e.g. migration from IPSAs to IFRS), Accounting Officers shall submit the proposals for Treasury approval before implementing them.

(6) The annual budgets of all Funds shall be approved by Parliament. Monies so appropriated, shall not be used, to meet expenses incurred under an appropriation account without Treasury approval.

(7) Treasury may direct that any monies from the Funds be paid into the Consolidated Revenue Fund.

(8) Treasury may, on such terms and conditions as they may fix, make loans or advances for a period not exceeding three hundred and sixty days to any Fund. The money loaned or advanced by Treasury shall not be used for capital expenditure unless the Minister responsible for Finance has approved such use.

(9) Accounting Officers shall not borrow money from Funds within their Ministries in order to finance Appropriation budgets unless authorised by Treasury in writing.

(10) Accounting Officers shall periodically review the uncommitted balances held in statutory and other funds for which they are responsible and shall seek Treasury guidance regarding the disposal of any balances which are surplus to requirements.

Submission of annual budgets

117. (1) It is the responsibility of Accounting Officers to ensure that every Fund within their Ministry submits an annual budget to Treasury at the same time they present the estimates for revenue and expenditure for Voted funds.

(2) The Treasury shall, before approving budgets submitted by Funds, subject them to the same scrutiny that is applied to estimates for Voted funds to ensure that they are aligned to the mandate, programmes and priorities of their respective line Ministries. The Funds’ revenue and expenditure budget and rates shall be tabled before the House at the same time as the Appropriation and revenue budgets. All in a year adjustments to budget lines should be subject to the same Treasury controls as the annual appropriation budgets.

Management committees

118. (1) Accounting Officers shall be responsible for setting up competent management committees to manage the affairs of Funds within their respective ministries. The Accounting Officer shall ensure gender balance and equity in the composition of the management committees and members shall be appointed on merit.

(2) It is the responsibility of the Accounting Officer to ensure the following in respect of management committees set up in terms of Instruction No. 1216—

(a) a clear mandate in writing;
(b) keep a record of all minutes of their meetings;
(c) limited term of office; and
(d) the composition of the committee includes skills, knowledge and experience relevant for the effective management of the Fund.

(3) As stated in Instruction No. 0643, an officer appointed as a member of a committee shall be entitled to fees and sitting allowances in addition to their usual remuneration and the normal subsistence and transport expenses fees and expenses. The fees and allowances paid to committee members shall be determined by Treasury from time to time.

Accounting for funds

119. (1) All financial management transactions relating to Funds shall be accounted for through the PFMS, unless the Accountant-General has authorised the Fund to operate an independent accounting package.

(2) Where Funds are operating accounting packages independent of the PFMS, Accounting Officers or officers delegated by them, shall ensure that full and proper accounts are kept of the transactions for which they are responsible. The minimum set of books to be maintained shall include the following—
(a) cashbook which keeps a record of all the bank transactions. For all the transactions recorded the following details should be included—
(i) transaction date;
(ii) payee;
(iii) description of the Transaction; and
(iv) EFT number;
(b) journal book which is used for non-cash transactions and also used for the correction of errors. All journals should indicate the date, journal number, details, transaction amount, a statement indicating the nature of the journal;
(c) the asset register, in which the Ministry maintains the records of the assets. It should include the date of purchase, description of the asset, asset number, serial number, location, user, source of funding, cost, current and accumulated depreciation and the net book value;
(d) advances register for advances that might be issued by the Fund; and
(e) ledger; that gives a day to day listing of accounting transactions that occur through the bank account and non-cash transactions.

(3) Where separate funds are authorised under their constitutions to invest surplus moneys and no investment advisory committee has been established, stocks and other investments may be bought and sold on the written authority of the responsible Accounting Officer after seeking such professional advice as is available. The Reserve Bank of Zimbabwe can be approached for advice regarding the purchase and sale of investments.

Financial reporting

120. (1) The Financial Statements for Funds shall be prepared and presented in accordance with the Accounting Framework prescribed by the Board responsible for setting Accounting Standards in Zimbabwe.

(2) The Director of Finance shall ensure that Funds under their respective Ministries prepare Financial Statements as follows—
(a) monthly financial statements that shall be submitted to the Accounting Officer and Accountant-General within 14 days after the end of respective month;
(b) quarterly financial statements that shall be submitted to the Accounting Officer and Accountant-General within 14 days after the end of respective quarter; and
(c) annual financial statements that shall be submitted to the Accounting Officer and Accountant-General within 30 days after the end of the year and these annual financial statements should be subjected to an external audit.

Audit of funds

121. (1) All Funds shall be subjected to internal and external audit. Accounting Officer shall ensure that Funds within their Ministry are audited by the Ministry’s Internal Auditors at least once a year.

(2) It is the responsibility of Accounting Officers to ensure that Funds under the control of their Ministry submit annual financial statements to the Auditor-General for audit. The Auditor-General shall audit or cause to be audited the financial statements of the Funds.

(3) The Director of Finance shall ensure that audit observations are responded to timeously and any corrective action recommended by audit is taken.

PART XIX
Public Debt Management

Public Debt Management

122. This section provides guidance on the raising, authorisation, receipt, recording, accounting and reporting of Public Debt. The main objective of public debt management according to the Public Debt Management Act [Chapter 22:21] is to ensure that Government’s financing needs and its payment obligations are met at the lowest possible cost over the medium to long term, with a prudent level of risk, and to promote the development of the domestic debt market. Under the Public Debt Management Act, all Government commitments that are outstanding for more than three months are classified as debt.

Responsibility for managing Public Debt

123. (1) The management of public debt in Zimbabwe is centralised and the responsibility lies with the PDMO within Treasury. For the efficient and effective management of Government debt, Treasury shall segregate the functions of the PDMO into front, middle and back office and each of these offices shall have specific responsibilities from the functions set forth in the Public Debt Management Act.

(2) The Front Office shall be responsible for functions relating to mobilisation of funding which includes contracting loans, issuing guarantees and issuing government securities. The Principal Director heading the PDMO shall ensure that the functions of this office are carried out—
(a) in a manner that ensures borrowing is within the legal and policy frameworks;
(b) in an efficient and effective manner to minimise government’s cost of borrowing; and
(c) in a manner that takes into account the risk parameters established by Treasury.
(3) The middle office shall be responsible for undertaking analytical functions that enable government to meet its financing needs and its debt service obligations at the lowest possible cost with a prudent degree of risk exposure. This office shall also monitor the front office’s performance in terms of compliance with the Medium Term Debt Management Strategy, risk parameters and borrowing cost limits.

(4) The Back Office shall be responsible for maintaining a database of the GoZ debt portfolio that is complete, accurate and consistent. This database shall be linked to the PFMS so that the Back Office can confirm debt settlements and payments as well as produce reports on debt instantaneously.

(5) The Secretary for Finance shall issue detailed procedures for the effective operation of each office. The detailed procedures shall be reviewed and updated every three (3) years to take into account debt management dynamics in PDMO and the evolving international best practice.

**Borrowing powers, limits and monitoring**

124. (1) The Minister responsible for Finance, with the authority of the President, shall have the sole responsibility to borrow on behalf of the GoZ. For the avoidance of doubt, the authority to borrow money or issue a guarantee, indemnity or security or enter into any other transaction that binds or may bind the Consolidated Revenue Fund to any future commitment is solely vested with the Minister. No other person, local authority or public entity shall, without the prior and written approval of the Minister, raise any loan or issue any guarantee, government security or take any other action which may in any way either directly or indirectly result in a liability being incurred by Government.

(2) The Minister shall have the sole authority to conclude loan agreements; issue Government securities; enter into supplier credit agreements; and issue Government guarantees in Zimbabwe in both local and foreign currencies.

(3) Treasury shall, if satisfied that it is in the public interest to do so and in order to maintain the public debt at sustainable levels, review or revoke any unutilised borrowing authorisations. The PDMO shall be responsible for undertaking annual debt sustainability analyses.

(4) The aggregate amounts that Treasury shall borrow in any financial year shall not exceed the limit fixed by the National Assembly. This limit shall be proposed by the Minister to the National Assembly for approval by resolution or by means of a provision in a Finance Bill. Treasury shall ensure that the fixed limit does not result in the total outstanding public and publicly-guaranteed debt, as a ratio of the gross domestic product at current market prices, exceeding 70 per cent at the end of any fiscal year.

(5) The borrowing limit stated in Instruction No. 1309 can only be exceeded in situations where Treasury obtains a resolution of the National Assembly to do so under one or more of the following conditions—
(a) where there is an occurrence of natural disasters or other emergencies requiring exceptional expenditure;
(b) where a large investment project in the public sector is deemed by Cabinet to be timely and prudential; and
(c) in case of a general economic slow-down requiring fiscal and monetary stimulus.

(6) The External and Domestic Debt Management Committee (EDDMC), whose functions are set out in Section 7 of the Public Debt Management Act, shall for each financial year set forth the recommended maximum amount of new Government borrowing and Government guarantees which may be undertaken throughout the year. The Minister shall take into account the Committee’s recommendations when exercising his/her authority to borrow and making any proposal for exceeding borrowing limits. The PDMO shall operate as the secretariat to the EDDMC.

(7) Accounting Officers shall ensure that local authorities and public entities under the control of their Ministries comply with the provisions of section 22 of the Public Debt Management Act on sourcing of loans and annual borrowing limits. The PDMO shall assess the credit risk in any lending and prepare reports on the method used for each assessment and the results thereof for the attention of the Minister.

(8) It is the responsibility of Accounting Officers to ensure that public entities under the control of their Ministries act in accordance with the conditions set forth in section 23 of the Public Debt Management Act when borrowing money or issuing a guarantee, indemnity or security or entering into any other transaction that binds or may bind that entity or the Consolidated Revenue Fund to any future financial commitment.

(9) The PDMO shall be responsible for preparing reports on the debt of local authorities and public entities; as well as assessing, monitoring and keeping track of debt levels of all local authorities and public entities.

**Public debt and budgeting**

125. (1) Treasury shall formulate a Medium Term Debt Management Strategy for managing GoZ debt. It is the responsibility of the PDMO to prepare and publish the Medium Term Debt Management Strategy and it shall take into account—
(a) the existing public debt portfolio especially (but not exclusively) the Government component of the public debt portfolio;
(b) the macroeconomic framework;
(c) the future borrowing requirements of Government;
(d) domestic and international economic and financial conditions; and
(e) such other factors or considerations as may be relevant for the development of the Medium Term Debt Management Strategy, including proposed guidelines or specified targets for acceptable debt levels and risks in the public debt portfolio.

(2) As part of the yearly budget preparations, the PDMO shall be responsible for preparing forecasts on Government debt servicing and disbursements. They shall also prepare balance of payments projections.
(3) It is the responsibility of the PDMO to prepare and publish the annual borrowing plan for GoZ which includes a borrowing limit. The PDMO shall also participate in the preparation of an issuance calendar of Government securities in line with the annual borrowing plan.

(4) The PDMO shall be responsible for requesting borrowing programs for the year from local authorities, constitutional and public entities. It is the responsibility of PDMO to analyse the requests for borrowings from local authorities and public entities.

(5) The PDMO shall prepare an annual report on Government debt management activities including the debt stock position and related debt service projections, new borrowing, guarantees and lending. The Minister shall at the same time as the estimates of revenue and expenditure are laid before the National Assembly, table in Parliament a comprehensive statement of the public debt.

Purpose for borrowing

126. (1) Treasury shall borrow money on behalf of Government to—
(a) finance national priority infrastructure and productive sector projects with high economic and social impact provided debt shall only be incurred on projects that can generate sufficient revenues to repay the loan;
(b) finance Government budget deficits;
(c) maintain a credit balance on the Treasury main account at a level determined by the Minister;
(d) provide such Government loans or credits to local authorities, public entities and any other entities as defined by legislation;
(e) honour obligations arising under Government guarantees;
(f) refinance outstanding debt or repay a loan prior to its date of repayment;
(g) immediately protect, mitigate or eliminate effects caused by a natural or environmental disaster or any other national emergency;
(h) replenish international reserves;
(i) meet requests by the Reserve Bank to issue Government securities for the sole purpose of supporting monetary policy objectives; and
(j) fulfil any other purpose as the National Assembly may by resolution approve.

(2) Treasury in consultation with PDMO shall, in writing, permit a public entity or a constitutional entity to borrow money for operational expenses up to a prescribed limit, including a temporary bank overdraft, subject to such conditions as the Treasury may impose.

Raising loans

127. (1) Treasury shall raise loans upon such terms and conditions as to interest, repayment or otherwise as may be negotiated by the Minister and in the manner prescribed in the Public Debt Management Act through any of the following methods—
(a) loans; or
(b) the issue of bonds or stock; or
(c) the issue of Treasury bills; or
(d) an advance or bank overdraft; or
(e) a combination of any of the above.

(2) The PDMO shall participate in all negotiations with creditors on Government borrowings. It is the responsibility of PDMO, prior to borrowing money, to—
(a) ensure that it is in the public interest to do so;
(b) ensure that it is consistent with Government economic and financial policies and the Medium Term Debt Management Strategy;
(c) satisfy themselves that the Government has or is likely to have on current projections the financial ability to meet all the obligations under the loan, including future loan payments; and
(d) consult with the Government Attorney and obtain in writing from them an opinion approving the legal aspects of the loan agreement.

(3) Treasury shall ensure that all external loans are subject to ratification by Parliament in accordance with the provisions of the Public Debt Management Act to ensure that the loan is within the established guidelines and laws and can be serviced within the national budget.

Government guarantees

128. (1) Treasury shall, in such manner and upon such conditions as they think fit on advice of the EDDMC and the PDMO, guarantee the repayment of the capital of, and the payment of expenses or charges incurred on or in connection with any indebtedness or other financial obligation raised, incurred or established, as the case may be, inside or outside Zimbabwe in accordance with the provisions of section 20 of the Public Debt Management Act.

(2) In fixing the conditions of a guarantee, Treasury may set specific requirements that debtors should meet, as set out in section 20(2) of the Public Debt Management Act.
(3) Prior to issuance of loan guarantees, the PDMO shall conduct or cause to be conducted a due diligence audit on the capacity of the beneficiary to repay the loan. The PDMO shall prepare reports on the method used for each assessment and the results thereof for approval by the Minister.

(4) Treasury shall prescribe any fees that may be payable by a beneficiary of a Government loan guarantee, including fees payable on the fulfilment of a guarantee.

(5) Treasury shall direct the manner in which the beneficiary of the loan guarantee shall reimburse or pay Government, as the case may be for—
   (a) all moneys paid by Government to fulfil the guarantee;
   (b) all expenses incurred by Government in relation to the guarantee;
   (c) interest on all moneys paid by Government to fulfil the guarantee; and
   (d) any fees prescribed by the Minister.

Publishing of loans and guarantees

129. (1) Within sixty days after Government has concluded a loan or guarantee agreement, Treasury shall cause its terms to be published by notice in the Gazette.

(2) Where a guarantee is given the Minister shall lay the guarantee before the National Assembly or the Public Accounts Committee in accordance with the provisions of section 29 of the Public Debt Management Act.

(3) Accounting Officers shall ensure that each public entity or local authority under the control of their Ministry submits to the PDMO a record of the public entity or local authority’s borrowing no later than ten working days from the date of signing of a loan agreement or obtaining an overdraft, as the case maybe.

Accounting for proceeds in connection with loans and guarantees

130. (1) The PDMO shall keep a record of all proceeds from loans. They shall also keep a record of any sum received by way of repayment of any monies or fees paid in connection with a guarantee.

(2) It is the responsibility of the Accountant-General to account for proceeds from loan and any sum received by way of repayment of any monies or fees paid in connection with a guarantee.

(3) The proceeds of all State loans shall be brought to account in the Consolidated Revenue Fund or, if Treasury so directs, in the National Development Fund established as a fund in terms of section 18 of the Act. Any sum received by way of repayment of and any fees paid in connection with a guarantee shall be paid into the Consolidated Revenue Fund.

Payments in connection with loans and guarantees

131. (1) All State loans and guarantees and expenses or charges incurred thereon or in connection therewith shall be secured and charged upon the assets and general revenues of Zimbabwe and all such securities shall rank equally without priority.

(2) The PDMO shall be responsible for initiating and facilitating payments on loans, guarantees and on-lending.

(3) It is the responsibility of the Accountant-General to repay loans, pay expenses in connection therewith and monies required to be paid in connection with a guarantee. The repayment of loans and payments relating to guarantees and expenses or charges relating to borrowing shall be made from the Consolidated Revenue Fund. The Accountant-General shall not make any payment or accept any charge in government accounts, unless authorised by the Principal Director responsible for debt.

(4) The Accountant-General may authorise the Reserve Bank in its capacity as the banker of the State, to act as agent of the State in the repayment of interest and principal amounts and also in the issuance of Government securities in repayment of the public debt.

(5) Treasury shall, on such terms and conditions as it may determine, and when necessary, with the concurrence of the lender—
   (a) repay any State loan prior to the redemption date of that loan;
   (b) convert the State loan into any other loan;
   (c) consolidate two or more State loans into an existing or new State loan; or
   (d) convert the State loan into equity or other securities held by Treasury.

Administration of Public Debt

132. (1) It is the responsibility of the PDMO to store all original loan agreements and debt administration records in relation to GoZ debt.

(2) The PDMO shall keep timely, comprehensive and accurate records in a computerised database of all outstanding public debt, guarantees and on-lending.

(3) It is the responsibility of the PDMO to prepare annual reports on outstanding guarantees and facilitate the recovery of any payments including interest and any other costs incurred by Government due to the honouring of outstanding guarantees.

(4) The PDMO shall be responsible for compiling, verifying and reporting on all public debt arrears, especially Government public debt arrears and design a strategy for the settlement of these.
Reporting on Public Debt activities

133. (1) It is the responsibility of Accounting Officers to ensure that each public entity or local authority under the control of their Ministry submit monthly, quarterly and annual accounts and reports together with any documents as may be requested, on their total outstanding debt, government guarantees or on-lending facilities to the PDMO during the subsistence of such guarantee or on-lending.

(2) The PDMO shall prepare the monthly, quarterly, and annual report on state loans and guarantees and submit such reports to the Secretary and the Accountant-General within thirty days of the respective month, quarter or year concerned. The contents of the report shall disclose information on—

(a) the loans obtained in the respective year and month;
(b) the loans that have been repaid during that year and month; and
(c) the total amount of loans outstanding at the end of that year or month.

(3) The Accountant-General shall use the reports from PDMO to obtain details of all financial assets of government for the purpose of computing the country’s net debt position.

(4) At least twice a year, Treasury shall furnish Parliament with a report on Government debt management activities, guarantees and lending. The report shall be inclusive of the following—

(a) information on how the debt management strategy has been implemented over the course of the financial year;
(b) bi-annual reporting of debt management activities covering an evaluation of outcomes against the debt management objectives;
(c) a list of all guarantees issued by Government including a classification of guarantees according to their probability of being called in; and
(d) a list of all outstanding borrowings and related debt service projections including classification of the loans by Government, public entities and local authorities.

Establishment of sinking funds

134. (1) The provisions of the Public Debt Management Act permits Treasury to establish sinking funds for the purpose of redeeming State loans unless they are satisfied that arrangements for the repayment of the State loans are such as not to require the establishment of sinking funds.

(2) The Accountant-General shall be responsible for making payments into the sinking funds and these shall be paid out of the Consolidated Revenue Fund.

PART XX

INTERNATIONAL DEVELOPMENT ASSISTANCE

Policy

135. (1) This section gives guidance on the mobilisation, accounting, monitoring and reporting of funds received from foreign governments, multilateral institutions and other organisations for financing development project. The objective is to ensure that resources obtained from foreign sources are accounted for properly, in a transparent manner and used for their intended purposes.

(2) Foreign financed development of a recurrent nature is controlled by Treasury. Line ministries shall participate in consultations and negotiations of loan or grant agreements for projects and programmes under their control as directed by Treasury.

(3) No commitment may be made on a development project funded from foreign sources without the approval of Treasury and no expenditure may be incurred without the specific authority of the Public Sector Expenditure section within Treasury.

(4) Accounting Officers shall be responsible for preparing project proposals and for submission of the proposals to Treasury for approval.

(5) All resources received and payments made on foreign financed projects shall comply with the related requirements in these Treasury Instructions unless a specific requirement has been agreed upon by development partners/lenders and the GoZ.

(6) It is the responsibility of Accounting Officers to ensure that foreign financed project expenditure is accounted through the PFMS and is capable of separate identification in respect of each foreign agency and each project.

(7) Accounting Officers shall be responsible for implementing, monitoring and evaluation, in close collaboration with Treasury, all projects and programmes that are financed by development partners/lenders.

(8) Implementing ministries must be thoroughly familiar with the conditions attaching to the foreign funds provided to them and Accounting Officers shall ensure that they comply with the requirements agreed upon with the development partner/ lender.

(9) Resources obtained as loans shall be brought into the accounts as Public Debt and those received as grants shall be brought to account as Revenue. In each case there must be a flow of cash into the Consolidated Revenue Fund, notwithstanding such loans and grants may be channelled through the National Development Fund (NDF) or any other method as directed by Treasury.

(10) All foreign financed development expenditure shall be accounted for on the line ministry’s Vote; whether directly in the estimates of expenditure or through a transfer from the Vote of Credit or any other method as directed by Treasury.
(11) Accounting Officers shall ensure that resources received in the form of cash donations are paid directly into the Consolidated Revenue Fund and not into Temporary Deposit accounts.

(12) The cash value of grants received by way of commodities (e.g. goods received from the development partner instead of money) and services in kind shall also be accounted for through the Consolidated Revenue Fund.

(13) Goods and services received under aid financed grants must be differentiated from unsolicited gifts to government (which are dealt with in Instruction Nos. 1100-1199). Goods or services which are subject to a written agreement, memorandum of understanding or exchange of notes between government and another government or international organisation shall be considered as international aid. All development partner funded expenditure shall not be subject to local taxes.

(14) Accounting Officers shall ensure that foreign financed expenditure by their ministries is accounted for in the same manner as other expenditure although the following additional requirements must be met—
(a) expenditure on each project must be separately identifiable from other expenditure;
(b) if more than one aid agency is involved in a project, expenditure must be further identifiable by each agency; and
(15) Separate computer codes or sub codes must be used for each project.

(16) Accounting Officers shall, unless authorised by the Accountant-General to use independent accounting packages, ensure that all foreign financed projects are accounted for through the PFMS.

(17) Directors of Finance shall prepare and submit to Treasury the following information relating to all development projects, including those projects that are managed outside the government accounting system—
(a) copy of the project document before the projects commenced;
(b) a copy of regular financial reports or acquittal statements of the projects activities;
(c) a copy of project’s end of financial year report for each financial year;
(d) a copy of progress reports on the physical and financial status of the projects; and
(e) a copy of completion report at the end of the projects.

(18) Accounting Officers and Project Managers shall ensure that any information requested by the Treasury relating to development projects is made available and provided on a timely basis and as requested.

(19) The PDMO shall be responsible for monitoring and evaluating projects funded or partly funded through public debt to ensure that borrowed funds are used for their intended purposes.

Receiving development assistance

136. Line ministries shall benefit from development assistance in one or more ways—
(a) the development partner/lender makes direct payment to the supplier/contractor, or
(b) the development partner/lender may supply a commodity or offer services to a line ministry; or
(c) the development partner/lender makes finance available through the Treasury.

Accounting for direct payment to the supplier or contractor

137. (1) Once the line ministry has received appropriate documentation to support loan/grant expenditure (e.g. shipping documents, or certified progress certificates by the supplier) the Director of Finance shall send these to the Accountant-General.

(2) It is the responsibility of the Accountant-General to check the documentation against the terms of the relevant loan agreement related to the conditions precedent to drawings on the loan/grant. The Accountant-General’s office shall send the checked documents to the development partner/lender for disbursement of funds direct to the supplier/contractor.

(3) On receipt of notification of transfer of funds from development partner/lender to supplier (drawing on a loan), the Accountant-General’s Office shall convert the amount expressed in foreign currency to the functional currency at the rate prevailing on the date of the disbursement to the supplier/contractor. The Accountant-General’s Office shall raise an invoice to the line ministry purchasing the commodities and the invoice shall capture the following information—
(a) the name of Ministry;
(b) the description of project;
(c) the lender;
(d) the foreign currency amount and exchange rate used; and
(e) the amount in the functional currency.

(4) On receipt of the invoice from the Accountant-General’s Office, the Director of Finance within the line ministry shall, where necessary, request in writing the transfer of funds from the Vote of Credit or any other Fund as directed by Treasury.

(5) Once the allocation has been made available by Treasury, the Director of Finance shall ensure that the invoice is processed for payment promptly.

Goods and services received in kind under grant agreement

138. (1) In the case of goods and services received in kind under grant /loan agreements (i.e. where a development partner has paid directly to a supplier or contractor), Accounting Officers shall notify the Accountant-General of the estimated value of the goods and services received in kind.
(2) Accounting Officers shall prepare monthly returns on project expenditure which shall include a record of the receipt of these goods or services broken down according to the budget items agreed to by the development partner with Treasury concurrence.

Resources provided through Treasury

139. (1) Where payment is to be effected by GoZ and where moneys are provided on the Vote of Credit, if necessary, Accounting Officers shall request in writing, from the Accountant-General’s Office, a transfer from the Vote of Credit. Directors responsible for Finance shall ensure that at the time the request is prepared; a monthly forecast for expenditure is attached as this forms the basis for transfers from the vote of credit to the ministry’s vote.

(2) For those project costs where payment has been effected by GoZ direct to a supplier, the Accounting Officers shall send monthly project expenditure reports to the Accountant-General’s Office.

(3) The Accountant-General’s Office shall, on receipt of project expenditure reports from a line ministry, prepare a claim for reimbursement from the development partner/lender in the format prescribed and agreed to with the development partner/lender.

(4) The Accountant-General’s Office shall, on receipt of funds from the development partner/lender, prepare a PFMS generated receipt which shall include the following information—

(a) name and address of development partner/lender;
(b) description of receipt;
(c) method of payment (e.g. EFT);
(d) date issued; and
(e) signature of receiving officer.

(5) The Accountant-General’s Office shall mail the receipt to the correct address of the development partner/lender.

(6) The Accountant-General shall account for the reimbursement through the Consolidated Revenue Fund or the NDF or any other account as directed by Treasury. The banking procedures followed shall be as stated in Instruction Nos. 0698 to 0702.

(7) Any Accounting Officer who receives and disburses development partner funds on behalf of and for GoZ and operate a separate bank account as agreed with a development partner/agency and channel funds outside the PFMS, shall provide a copy to Treasury of the same financial reports prepared and sent to development partner organizations on a regular basis and at end of the financial year.

PART XXI

General

Claims by and claims against the Government

140. (1) No offer of compensation or ex-gratia payments in settlement of any claim against the Government shall be made without the prior authority of Treasury.

(2) Every accident or other occurrence likely to result in a claim against or a claim by the Government for compensation shall be reported immediately to the Accounting Officer of the Department concerned. The Accounting Officer shall report the matter to the Treasury and the Auditor-General and shall direct what further inquiries shall be made to determine any liability of the Government or, in the case of a possible claim for compensation or damages by Government, shall take the necessary steps, in consultation with the Government Attorney, to prefer a claim when this is warranted.

(3) The Government Attorney must be consulted in any case where the validity of a claim is in doubt or where an admission of liability may prejudice Government in resisting further claims likely to arise in the same case.

(4) When a claim is made by any person arising out of an alleged breach of contract on the part of Government, the Accounting Officer shall consult the Government Attorney to determine the manner in which the claim shall be settled. Where the contract in question was awarded by the PRAZ, the Authority’s Board shall be advised of the claim.

(5) Claims in respect of injuries on duty shall be submitted on the prescribed form to the Pensions Officer to be dealt with in accordance with prevailing regulations.

(6) Accounting Officers may incur expenditure on claims awarded against Government by the Courts or on payments made with the object of avoiding litigation and charge expenditure on their own Votes when—

(a) the amount involved does not exceed thresholds set by Treasury at their discretion; or
(b) the amount involved exceeds set thresholds and is recommended by the Attorney-General or the Director of Legal Services as the case may be.

(7) When the amount involved in an award by a court or in the settlement of a claim exceeds set thresholds, the Treasury shall be consulted before payment is due.

(8) No claim by Government may be waived without the authority of the Treasury.

Pensions

141. (1) Pension contributions shall be deducted from every payment of pensionable emoluments made to a person who is required to make contributions in accordance with the provisions of any rules or regulations.

(2) The contributions deducted in terms of Instruction No. 1511 shall be paid over to the Pensions Officer before the close
of each month.

(3) If the services of any person are terminated for any reason, or if they attain retiring age or die, full details of an application for a refund of contributions, a pension or a gratuity including a forwarding address, shall be entered on the prescribed form which shall be forwarded by the Establishment Officer to the Pensions Officer after having been independently checked. The fact that an application has been made and, where applicable, the reason for termination of employment shall be recorded on the relevant history card, the former action being taken to guard against the dual payment of benefits.

(4) Where an application for a refund of contributions or a gratuity is to be made such amounts as are known to be owed by the officer concerned to Government as well as any outstanding current or arrears pension contributions shall be noted for recovery on the prescribed form as provided in Instruction No. 0582.

(5) If retirement is for a reason other than reaching retiring age, a copy of the authority of the President for the retirement shall be attached to the application made in terms of Instruction No. 1516.

(6) On the death of a pensioner the Pensions Officer shall obtain from the surviving spouse or, where necessary, the legal guardian of the children, a completed application for a surviving spouse and/or a children’s pension on the prescribed form.

PART XXII
LIABILITIES
Commits

142. (1) Accounting Officers shall ensure that all commitments and invoices are promptly and accurately recorded in the PFMS to meet management and external reporting needs.

(2) It is the responsibility of Accounting Officers to submit monthly reports to Treasury with reasonable explanations on the reasons for the outstanding debts and the proposals on how they intend to settle them.

(3) Within the period prescribed by the Accountant-General from time to time, the Director of Finance shall prepare an Aging Commitment Report, which they shall submit to the Accounting Officer. Accounting Officers shall review such reports on a regular basis, sign and date them before submitting them to Treasury by the deadline set by the Accountant-General.

(4) The information that the Director of Finance shall include in the monthly reports on outstanding and overdue debts shall be in accordance with the format specified by the Accountant-General.

Employee entitlements

143. Accounting Officers shall keep accurate and up-to-date records of all leave and other employee entitlements. Accrued leave in excess of 30 days shall be included in the monthly report on outstanding debts as they have a financial implication.

Contingent liabilities

144. (1) Contingent liabilities have to be estimated, monitored and controlled. Guarantees issued by GoZ are a legal and most explicit contingent liability that Treasury shall monitor and report to Parliament as provided for by the regulatory framework. Implicit liabilities on the other hand remain hidden and only get realized ex-post when government recognises their gravity and consequences that compels government to act. Because government contingent liabilities can only become real liabilities when the entities that are principally liable have failed to honour their commitments, it is essential that reports on the liabilities distinguish between those that are likely to be called up from those that are likely not to be.

(2) The PDMO shall be responsible for assessing, monitoring and reporting of any implicit and explicit public sector contingent liabilities and advising on their management.

(3) Accounting Officers shall be responsible for maintaining a register on contingent liabilities, which shall include the following information—
(a) a description of the contingent liability;
(b) its value, if this can be measured reliably;
(c) the way in which the contingency arose;
(d) details of any action required to minimise the potential loss; and
(e) details of progress in managing the risk.

PART XXIII
TRANSACTIONS THROUGH DIPLOMATIC AND CONSULAR MISSIONS
Policy

145. (1) All Diplomatic and Consular missions shall, where applicable, adhere to all the provisions of Treasury Instructions relating to the receipts, disbursements and safe custody of public funds and public resources.

(2) According to section 5 of the Public Procurement and Disposal of Public Assets Act, procurement by Zimbabwean diplomatic or consular missions outside Zimbabwe need not be conducted in accordance with the statute governing public procurement in Zimbabwe. However, it is the responsibility of the Officers in Charge of such missions to ensure that their procurement is conducted through a competitive process compliant with the general principles set out in the Public Procurement and Disposal of Public Assets Act.

(3) In situations where the application of any provisions of these Treasury Instructions is not practical in Diplomatic and Consular missions, Treasury’s guidance shall be sought in advance on the handling of specific matters.
146. Instructions in this section provide guidance on the PFMS to ensure transparency, consistency and accountability. The key objectives of the PFMS are to ensure that public resources are used for the intended purposes; achieve value for money when spent; and are properly recorded and fully accounted for.

Policy

147. (1) All funds from whatever source shall, by the year 2019, be accounted for through the PFMS. For the avoidance of doubt, this instruction applies to Voted funds; International Development Assistance; funds retained by line Ministries; funds managed under Statutory Funds; and Public Debt.

(2) The rights and permissions over the budget and the financial transactions of a line Ministry rest with the Accounting Officer and their staff. At no time shall officers in Treasury be responsible for carrying out public financial management transactions on behalf of line Ministries. It is an offence for Treasury officials to undertake financial duties on behalf of line ministries.

(3) The Accountant-General shall be responsible for the configuration of the PFMS, training line ministries personnel and providing technical assistance when problems arise.

(4) It is an act of misconduct for officers involved in public financial management to post erroneous documents.

(5) It is the responsibility of Accounting Officers to issue detailed instructions relating to administrative responsibilities within the PFMS, specifying clearly the roles and responsibilities of concerned officials at all levels.

System security

148. (1) It is the responsibility of the Accountant-General to manage passwords and profiles. Line Ministries shall, with the permission of the Accountant-General, have the authority to edit their passwords electronically. The responsibility for creating and changing profiles rests with the Accountant-General.

(2) The PFMS Account lock out policy shall allow users three failed logon attempts before the SAP system is disabled.

(3) Accounting Officers shall ensure that all officers involved in public financial management comply with the security requirements of the PFMS as is provided for by section 4 of the Official Secret Act.

(4) When an officer changes ministries, resigns or passes away, the Accounting Officer shall notify the Accountant-General so that the relevant official’s profile is deleted and/or a new one assigned as appropriate.

System administration

149. The PFMS shall be administered centrally by the Accountant-General’s Department, which shall be responsible for producing system user analysis reports on a regular basis. The system user analysis report shall provide statistics on users that—

(a) have logged on;
(b) accessed the system; and
150. The Accountant-General, with the assistance of the Ministry responsible for ICT shall be responsible for the disaster recovery arrangements and offsite back-up plan for the PFMS.

Documentation for the PFMS

151. Accounting Officers shall ensure that there is a paper trail for all transactions posted on the PFMS. The documents used shall be standardised and serially numbered.

Vendor database creation and maintenance

152. (1) The Accountant-General shall be responsible for maintaining a comprehensive, accurate and credible vendor database.

(2) The vendor database shall be reviewed, updated and cleaned regularly to take into account new requirements and the need to, for any compelling reason, remove some vendors.

PART XXIV

FINANCIAL REPORTING

Basis of preparation and presentation of financial statements

153. (1) The purpose of this section is to provide guidance on the preparation and presentation of financial statements that help enhance comprehensive and transparent reporting of the receipts, payments, liabilities and cash balances of the Government.

(2) The Financial Statements for Voted funds shall be prepared in accordance with the Accounting Framework prescribed by the Board responsible for setting Accounting Standards in Zimbabwe and guidance set out in the Act.

(3) The Financial Statements for Funds set up in accordance with the provisions of the Act shall be prepared in accordance with the Accounting Framework prescribed by the Board responsible for setting Accounting Standards in Zimbabwe and guidance set out in the Act.

(4) The Director of Finance shall ensure that their respective Ministries meet the deadlines set out in the Act as follows—

(a) monthly financial statements that shall be submitted to the Accounting Officer and Accountant-General within 14 days after the respective month;

(b) quarterly financial statements that shall be submitted to the Accounting Officer and Accountant-General within 14 days after respective quarter; and

(c) annual financial statements that shall be submitted to the Accounting Officer and Accountant-General within 30 days after the end of the year and these annual financial statements should be subjected to an external audit.

(5) The preparation of the annual financial statements of Government as a whole shall be the responsibility of the Accountant-General in accordance with the provisions of the Act.

(6) The Accountant-General shall prepare Consolidated Financial Statements on a monthly, quarterly and annual basis. Treasury shall publish the consolidated monthly financial statements or cause them to be published in the Gazette, within 30 days of the following month.

Contents of Financial Statements

154. (1) The contents of the Financial Statements for Voted funds shall be prepared in compliance with the pronouncements of the Board responsible for setting Accounting Standards in Zimbabwe and with the concurrence of the Accountant-General.

(2) The contents of Financial Statements for Funds shall be determined by the Accounting Standards recommended for adoption by the Board responsible for setting Accounting Standards in Zimbabwe.

(3) Financial Statements under the cash basis of accounting comprise of—

(a) a statement of cash receipts and payments;

(b) accounting policies and explanatory notes; and

(c) when the entity makes publicly available its approved budget, a comparison of budget and actual amounts either as a separate additional financial statement or as a budget column in the statement of cash receipts and payments.

(4) Financial Statements under the accrual basis of accounting comprise of—

(a) a statement of financial position;

(b) a statement of financial performance;

(c) a statement of changes in net assets/equity;

(d) a statement of cash-flow;

(e) when the entity makes publicly available its approved budget, a comparison of budget and actual amounts either as a separate additional financial statement or as a budget column in the financial statement; and

(f) notes, comprising a summary of significant accounting policies and other explanatory notes.

Other reports

155. (1) Apart from the financial statements stated in Instruction Nos. 1813 and 1814, Treasury expects Accounting Officers
to submit other reports as listed in Table 3 below.

### Table 3: Reports requested by Treasury

<table>
<thead>
<tr>
<th>Report Description</th>
<th>Statutory Deadline</th>
<th>Submission Date to Treasury</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Outstanding Advances including Disallowances</td>
<td>January 31</td>
<td>January 25</td>
</tr>
<tr>
<td>2 Outstanding Departmental Surcharges</td>
<td>January 31</td>
<td>January 25</td>
</tr>
<tr>
<td>3 Outstanding Public Service Surcharges</td>
<td>January 31</td>
<td>January 25</td>
</tr>
<tr>
<td>4 Outstanding Temporary Deposits</td>
<td>January 31</td>
<td>January 25</td>
</tr>
<tr>
<td>5 Outstanding Treasury Orders</td>
<td>January 31</td>
<td>January 25</td>
</tr>
<tr>
<td>6 Outstanding Treasury Surcharges</td>
<td>January 31</td>
<td>January 25</td>
</tr>
<tr>
<td>7 Contingent Liabilities</td>
<td>February 28</td>
<td>February 15</td>
</tr>
<tr>
<td>8 Other Capital Liabilities</td>
<td>February 28</td>
<td>February 15</td>
</tr>
<tr>
<td>9 Public Financial Assets</td>
<td>February 28</td>
<td>February 15</td>
</tr>
<tr>
<td>10 Bank Reconciliation Statements</td>
<td>February 28</td>
<td>February 22</td>
</tr>
<tr>
<td>11 Departmental Assets</td>
<td>February 28</td>
<td>February 22</td>
</tr>
<tr>
<td>12 Gifts, Legacies and Donations</td>
<td>February 28</td>
<td>February 22</td>
</tr>
<tr>
<td>13 Losses of and Damage to Government Property</td>
<td>February 28</td>
<td>February 22</td>
</tr>
<tr>
<td>14 Outstanding Revenue</td>
<td>February 28</td>
<td>February 22</td>
</tr>
<tr>
<td>15 Revenue Written Off</td>
<td>February 28</td>
<td>February 22</td>
</tr>
<tr>
<td>16 Compensatory and Ex-Gratia Payments</td>
<td>February 28</td>
<td>February 25</td>
</tr>
<tr>
<td>17 Payments to Ministers and Members of Parliament</td>
<td>February 28</td>
<td>February 25</td>
</tr>
<tr>
<td>18 Statement of Donor Funded Projects</td>
<td>February 28</td>
<td>February 25</td>
</tr>
<tr>
<td>19 Unvouched Expenditure</td>
<td>February 28</td>
<td>February 25</td>
</tr>
<tr>
<td>20 Payments by Ministers and Members of Parliament</td>
<td>February 28</td>
<td>February 25</td>
</tr>
</tbody>
</table>

(2) If submission dates fall on a non-working day, the due date for reports shall be the next working day.

**Audit of Financial Statements**

156. (1) It is the responsibility of Accounting Officers to ensure the timely submission of their financial statements for audit. Accounting Officers shall also respond to audit observations in a manner that ensures the completion of audits in time.

(2) The annual reports and audited financial statements shall—

(a) contain a report on the activities, outputs and outcomes of the Ministry;

(b) fairly present the state of affairs of the Ministry; include, where appropriate—

(i) particulars relating to losses arising through criminal activities, and criminal and disciplinary action taken;

(ii) instances of unauthorised expenditure;

(iii) instances of irregular expenditure;

(iv) instances of fruitless and wasteful expenditure;

(v) recoveries and write-offs of public resources; and any other matters as may be prescribed.

**PART XXVI**

**INTERNAL CONTROLS**

**Policy**

157. (1) The instructions in this section seek to give guidance on the effective design and operation of internal controls as well as the establishment of Audit Committees to enhance corporate governance and accountability in the management of public resources.

(2) It is the responsibility of Accounting Officers to put in place a cost effective system of internal controls that—

(a) addresses the Ministry’s risks;

(b) safeguards money and property against loss;

(c) avoids or detects accounting errors; and

(d) avoid unfavourable audit reports.

**Officers or employees responsible for the receipt, recording and disposal of public moneys**

158. (1) Accounting Officers or Receivers of Revenue shall ensure that any officer whose duties have a direct bearing on the receipt, recording, custody or disposal of public moneys shall take their leave when it becomes due. Accounting Officers shall
take note of the Public Service Commission requirement that the Principal Establishment Officer rotates Ministry staff regularly.

(2) Accounting Officers shall ensure that there is segregation of duties between placing orders, verification, and approval of invoices for payment.

(3) In those departments that sell goods or services, Accounting Officers shall ensure the segregation of duties between accepting orders from clients, control and despatch of goods or services, processing of and recording of sales invoices and cash collection.

(4) The distribution of responsibilities for the payment of wages and salaries shall be as outlined in Instruction No. 0650.

(5) Whenever there is any suspicion that acts have been or are being performed involving public moneys or state property which may involve dishonesty, criminal intent, or corruption the Head of Office shall immediately report the matter to the Police, Anti-Corruption Commission and their Accounting Officer. Any report made to the Police shall be the subject of a written acknowledgement which shall be forwarded by the Head of Office to their Accounting Officer.

**Handing over and taking over of duties**

159. (1) Accounting Officers and Receivers of Revenue shall issue detailed instructions governing the procedures to be followed by every officer handing over their duties to or taking over duties of another officer and shall furnish the Auditor-General with a copy of such instructions.

(2) The instructions issued shall, inter alia, make provision for the following—

(a) the verification of stocks of security items and face value instruments;

(b) the ruling-off of and balancing of all accounting records and the verification of cash on hand and at the bank; and

(c) the verification of the existence of any Government property for which the officer handing over is responsible.

(3) The officer taking over shall submit a report to the Accounting Officer or Receiver of Revenue regarding the results of his inspection of the office including any unusual features or other matters to which he considers the attention of the Accounting Officer or Receiver of Revenue should be drawn.

(4) When an accounting function is transferred between Ministries, the Ministry taking over the functions shall signify in writing to the Ministry handing over its acceptance of the books of accounts and other records. The acceptance shall also include a list of the balances shown in the books of account taken over and a statement to the effect that such balances are accepted as being correct.

**Safes, strong-rooms, strong boxes and cash-boxes**

160. (1) Accounting Officers are responsible for the control of safes, strong-rooms, cash-boxes and strong-boxes on charge to their departments and they shall cause all such items to be given distinctive numbers. Registers showing the distinctive numbers, types, makes and locations of all such items shall be established.

(2) Any department taking occupation of leased premises containing strong-rooms or built-in safes shall request the ministry responsible for public works to arrange for the wards of the locks to be changed before they are taken into use for Government purposes.

(3) In the event of a department vacating leased accommodation which contains strong-rooms or built-in safes the Accounting Officer shall ensure that all keys relating to these items are handed over to the Ministry responsible for public works.

(4) When Government itself has arranged for the installation of a fixed safe or a strong-room door in leased premises, arrangements shall be made with the lessor to enable these items to be removed on the expiry of the lease, unless arrangements can be made for the lessor to purchase them at a satisfactory price.

(5) Where safes and strong-rooms have combination locks, the combinations of the locks shall be changed prior to their being taken into use. The combination should be changed periodically thereafter and in particular when it is considered advisable consequent to the transfer or resignation of any person possessing the combination.

(6) The Head of Office may delegate to one or more responsible officers the custody of the keys of safes, strong-rooms, etc.

(7) At all times the keys shall be carried on the person of the officer responsible for them. If this should prove to be impracticable or unsafe at any time, the keys should be placed in a labelled and sealed envelope in an alternative safe or strong-room in the charge of another officer. A receipt should be obtained from the latter officer.

(8) Any loss of keys shall be reported immediately to the Accounting Officer who shall advise the Auditor-General and the Government Protective Security Officer. The use of the item in question shall be discontinued until the lock has been altered and new keys cut. The cost of altering the lock and cutting new keys shall, unless the Accounting Officer otherwise directs, be borne by the officer delegated under Instruction No. 1921. The damage to any key shall similarly be reported to the Accounting Officer.

(9) Accounting Officers shall arrange for the safe custody of duplicate keys of safes and strong-rooms with their own head office or with other Government departments and failing this with a commercial bank. Other duplicate keys shall be the responsibility of the head of the department who shall keep them in sealed and labelled envelopes under security conditions.

(10) Requests for the release of duplicate keys shall not be acceded to unless accompanied by the receipt for the lodgement and a statement in writing of the reasons for the request. In the case of lodgement with a commercial bank, applications for the release of duplicate keys shall be made only by the Head of the department or branch office concerned.

(11) At suitable intervals and not less than once in each year, a check of duplicate keys shall be carried out by the Head of
Office to which they relate. A report on this examination shall be forwarded to the Accounting Officer.

(12) Any attempted or successful burglary, or damage to a safe or strong-room by fire shall be reported immediately to the Accounting Officer who shall advise the Auditor-General. After a burglary or a fire, a safe or strong-room should not be disturbed until after police investigations have been completed and the approval of the Accounting Officer or Head of Office has been obtained.

Internal Audit

161. (1) It is the responsibility of the Accounting Officer to ensure internal audit is carried out in accordance with the provisions of the Act and the Internal Audit Manual.

(2) Accounting Officers shall ensure that Internal Auditors do not participate in the day to day transactions of a line ministry such as pre-audit of payment vouchers and development of Risk Frameworks.

(3) Where accounting personnel is transferred to internal audit due to staff rotation or promotion, such personnel should refrain from auditing the work for which they were responsible.

(4) The Accounting Officer and Heads of Departments shall ensure that internal audit observations are promptly responded to and in any case not later than the expiration of two months from the date of receipt. If under any circumstances a reply within the period prescribed above is not possible, the Auditor-General and the Accountant-General, should be informed of the reasons for the delay and the timelines within which such responses would be availed.

Risk assessment

162. (1) Accounting Officers shall carry out a risk assessment of their Ministries operations on an annual basis. They shall take deliberate steps to identify, quantify, assess and come up with mitigation measures for the risks identified. Every Accounting Officer shall maintain complete records and related documents on the risks identified. Such risk records shall be updated, monitored and reviewed on a regular basis.

(2) Accounting Officers shall ensure that specific control objectives are set and related internal controls are put in place to mitigate the identified risks.

(3) Accounting Officers shall submit a copy of their Ministry’s risk profile report to the Treasury and the Auditor-General by the end of February every year.

(4) The Head of Internal Audit shall provide independent assurance to the Accounting Officer on the effectiveness and adequacy of risk management controls and risk mitigation measures.

Audit Committees

163. (1) The Accounting Officer shall be responsible for establishing the Ministry’s Audit Committee and appointing members to the committee. Accounting Officers shall ensure that the appointments, composition and functions of the Ministry’s Audit Committee complies with the provisions of section 84 of the Act and Audit Committee Framework guidelines issued by Treasury.

(2) The primary role of the Audit Committee shall be to assist the Accounting Officer and Treasury in the discharge of their responsibilities for ensuring the effective management of and accountability for public resources in accordance with the provisions of the Act. The Accounting Officer shall ensure that every new audit committee member is provided with an induction programme that helps them to understand the mandate of audit committees; scope; powers and reporting requirements among other things.

(3) Accounting Officers shall ensure that the composition of the Audit Committee promotes the principles of gender balance and equity; and the members are appointed on merit. The composition of the Committee shall include skills, knowledge and experience as provided for in the Audit Committee Framework.

(4) Accounting Officers shall ensure that Audit committee meetings, attendance, and access to proceedings complies with the provisions of the Act and the guidelines issued by Treasury from time to time. It is the responsibility of Accounting Officers, in consultation with Treasury, to ensure that Audit Committees are provided with sufficient financial resources to effectively discharge their mandate.

(5) The Accounting Officer shall ensure that the Head of Internal Audit provides secretariat and advisory services to the Audit Committee. It is however the responsibility of the Chairperson of the Audit Committee to ensure that the minutes of each committee meeting are prepared on a timely basis and copied to the Accounting Officer, Treasury and the Auditor-General.
APPENDIX A

GLOSSARY OF ACRONYMS

BSP	 Budget Strategy Paper
CSOs	 Community Service Organisations
EDDMC	 External and Domestic Debt Management Committee
EFT	 Electronic Funds Transfer
EOI	 Expressions of Interest
GFS	 Government Finance Statistics
GoZ	 Government of Zimbabwe
GRN	 Goods Received Note
LCS	 Least Cost Selection
IPSAS	 International Public Sector Accounting Standard
MDAs	 Ministry, Department and Agencies
NFC	 Near Field Communication
NDF	 National Development Fund
PDMO	 Public Debt Management Office
PFM Act	 Public Finance Management Act
PFM Regulations	 Public Financial Management Regulations
PFMS	 Public Financial Management System
PMU	 Procurement Management Unit
POS	 Point of Sale
PRAZ	 Procurement Regulatory Authority of Zimbabwe
QCBS	 Quality and cost based selection
RFQ	 Requests for Quotations
RFP	 Request for Proposal
RTGS	 Real Time Gross Settlement
SAP	 System Application Products
SFB	 Selection under fixed budget
S.I	 Statutory Instrument
SIC	 Selection of Individual Consultant
SSS	 Single Source Selection
TOR	 Terms of Reference
TT	 Telegraphic Transfer
USD	 United States Dollar