NEPO Standard Operating Procedures
Version: 1.1 - 20 August 2024

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Purpose

This document is intended to complement the FMIS User Manual available on the MFED website (www.mfed.gov.ki).

The Standard Operating Procedures (SOPs) outlined in this document are designed to:
1. Establish compliance requirements for adhering to various relevant section of the Public Finance (Control and Audit) Act, associated regulations and MFED finance instructions;
2. Ensure consistency in government operations;
3. Enhance efficiency and support improved fiduciary management in the preparation and implementation of budgets;
4. Uphold quality control, clarify accountability and responsibility requirements in relation to the management and usage of the system in implementing public finance management functions;
5. Enhance and strengthen financial management capabilities within government departments, with a particular emphasis on the efficient utilisation of the Financial Management Information System (FMIS).

Expected Key Behaviours

Accounting Officers entrusted with legislated and mandated responsibilities, acting on behalf of their Senior Responsible Officers (SROs), must exhibit the following key behaviours to ensure due diligence and compliance with the Public Finance (Control and Audit) Ordinance.

These behaviours are essential for fulfilling the financial management responsibilities of those entrusted with managing public funds. By embodying these behaviours, individuals will foster a culture of excellence and compliance, thereby enhancing public confidence in the government's financial stewardship.

1. **Good Public Financial Management**: Exhibit behaviours that promote sound public financial management. This includes prudent use of public resources, transparency in financial reporting, and accountability in managing public funds.
2. **Compliance and Integrity**: Uphold the highest standards of integrity and ethical conduct. Ensure that all actions and decisions are in compliance with relevant laws, regulations, and policies.
3. **Leadership and Responsibility**: Demonstrate initiative and take ownership of tasks. Lead by example, inspiring confidence and trust among team members and stakeholders.
4. **Attention to Detail**: Ensure meticulous accuracy in all financial transactions and documentation. Verify that all entries and processes comply with the established procedures and legislative requirements.
5. **Adherence to Procedures**: Follow the SOPs diligently, maintaining consistency in operations and ensuring compliance with the prescribed guidelines and regulations.
6. **Effective Communication**: Maintain clear and transparent communication with all stakeholders involved in financial processes. This includes timely updates, accurate reporting, and addressing any queries or concerns promptly.
7. **Collaboration and Coordination**: Work collaboratively with colleagues, departments, and external partners to ensure seamless execution of financial processes. Foster a cooperative environment to achieve common goals and resolve issues efficiently.
8. **Proactive Planning**: Anticipate potential challenges and prepare accordingly. Develop contingency plans and take proactive measures to mitigate risks and ensure smooth operations.
9. **Continuous Improvement**: Seek opportunities for innovation and improvement in financial processes. Encourage feedback and implement changes that enhance efficiency, transparency, and accountability.

Definition

Recurrent Budget

1.1. A Recurrent Budget refers to the portion of the government budget allocated for ongoing, routine expenses that are necessary for the day-to-day functioning of government operations. This includes expenditures such as salaries and wages for government employees, utilities, rentals, office supplies, maintenance/repair and renewal of physical assets and infrastructure, and other operational costs. The Recurrent Budget ensures that the essential services and administrative functions of the government continue without interruption throughout the fiscal year.

Development Budget

1.2. A dedicated fund, established under Section 10 of the Public Finance (Control and Audit) Ordinance, for financing development projects. The fund is managed separately from recurrent budgets to ensure targeted investment in long-term development initiatives.

FMIS

1.3. Refers to the 'Integrated Financial Management Information System' by Free Balance. FMIS is a computerised system used to manage government financial activities, including budgeting, accounting, and reporting. FMIS helps improve efficiency, transparency, and accountability in managing public finances.

General Warrant

1.4. A 'general warrant' refers to the FMIS authorisation granted by the National Economic and Planning Office (NEPO) to Treasury confirming the availability of budget allocations for Line Ministries (LMs) after the budget is passed by Parliament, applies to Recurrent Budget (RB).

1.5. For Development Budget (DB), the motion from Parliament is uploaded to Natural Account Code (NAC) 282198 as a holding account with an additional warranting process to be carried out when projects are being implemented.

Accounting Warrant

1.6. An 'accounting warrant' is the authorisation issued by the Accountant General (AcG) after receiving a 'general warrant' from NEPO, and typically refers to the official documents that authorises LMs to execute financial transactions in FMIS. This warrant ensures that financial transactions are properly accounted for and that they comply with established financial and budgetary controls mandated by the Public Finance (Control and Audit) Ordinance.

Statutory Warrant

1.7. A 'statutory warrant' is a form of financial authorisation issued in compliance with specific statutory or legal requirements. These warrants are usually employed to allocate funds or make payments mandated by law, which may encompass salaried positions for the Attorney General, Judges, and superannuation/provident funds etc. Additionally, they may be me used within the financial year to cover 'additional' statutory expenditures required by law, even if they were not initially budgeted.

Contingency Warrant

1.8. A 'contingency warrant' is a financial authorisation available at the discretion of the Minister of Finance to be used when unexpected situations or contingencies arise that require immediate financial action, and the agency does not have a specific budget allocation to cover those costs. Their issuance is governed by Section 9 (2) of the Public Finance (Control and Audit) Ordinance.

Development Fund Warrant

1.9. The Development Fund is mandated by Section 10 of the Public Finance (Control and Audit) Ordinance, and its operation is governed by Section 11(1) and (2) as well as Schedule 2. A 'development fund warrant' refers to the authorisation given by NEPO for LMs to utilise funding allocated under the 'expenses development fund' output (282198).

Development Fund Warrant Transfer

1.10. A 'Development Warrant' transfer refers to a request made by Line Ministries (LMs) to reallocate budget from an existing NAC to another within the same project, while ensuring that the total amount of the original warrant remains unchanged. The assumption is that these transfers occur between existing NACs. If the request involves adding a new NAC to the warrant, it necessitates the issuance of a Supersede Warrant

Supersede Warrant

1.11. A 'supersede warrant' is the authorisation granted to replace a Warrant that was submitted, approved, and released. A supersede warrant cannot be used to modify the approved amount in the original warrant, but it can be employed to add or remove NAC/Output to the existing Warrant.
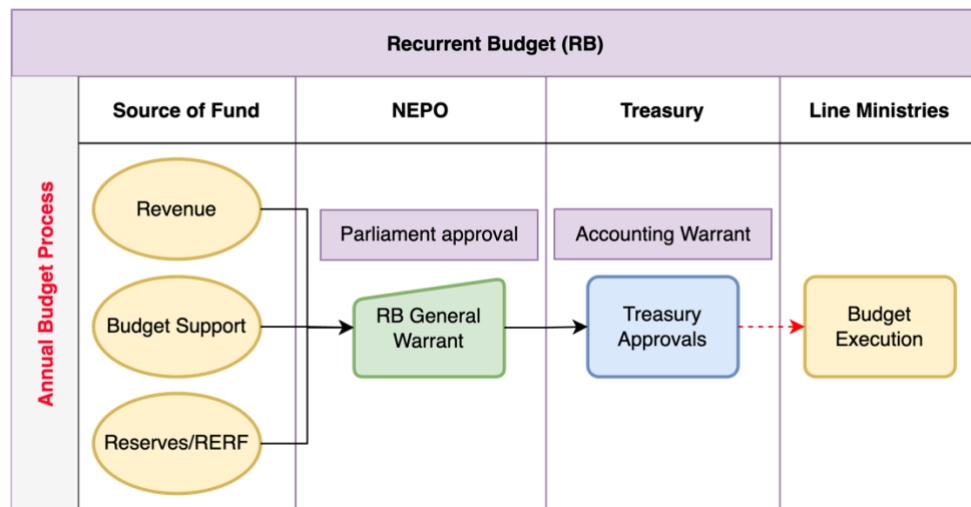
Supplementary Estimate

1.12. Additional budgetary allocations requested during the fiscal year to cover unforeseen expenditures or shortfalls in previously allocated funds. This requires approval from the Parliament.
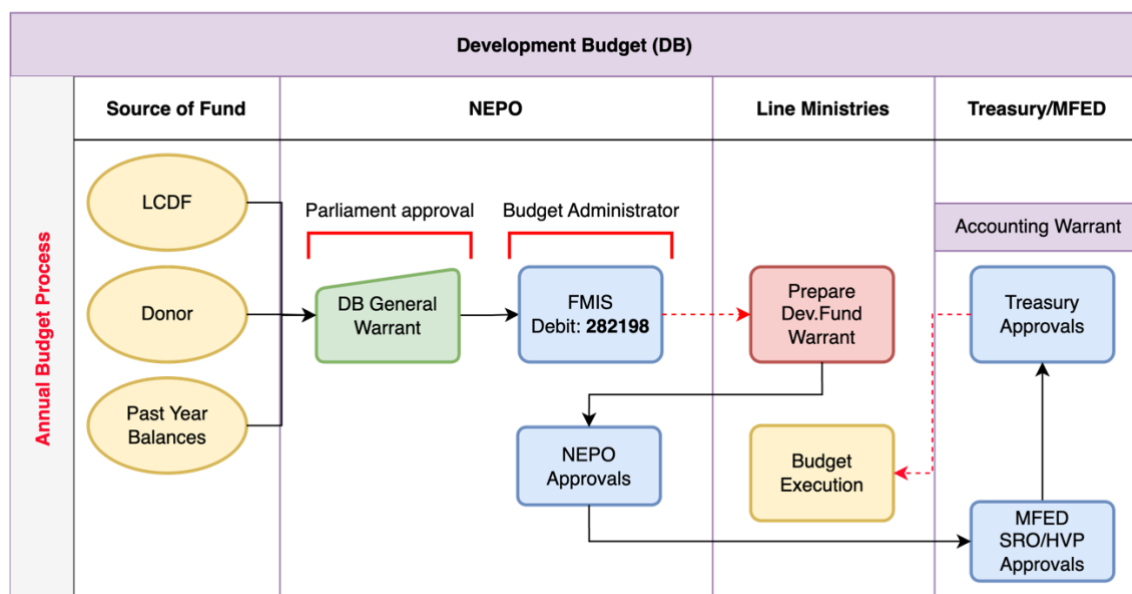
Output

1.13. An 'output' and a Natural Account Code (NAC) have the same meaning when referred to in this document. A unique code assigned to specific financial transactions to categorise and track expenses and revenues within the financial system (FMIS).

Recurrent Budget Workflow Diagram

Recurrent Budget (RB)

	Source of Fund	NEPO	Treasury	Line Ministries
Annual Budget Process	Revenue / Budget Support / Reserves/RERF	Parliament approval → RB General Warrant	Accounting Warrant → Treasury Approvals	Budget Execution

Development Budget Workflow Diagram

Development Budget (DB)

	Source of Fund	NEPO	Line Ministries	Treasury/MFED
Annual Budget Process	LCDF / Donor / Past Year Balances	Parliament approval → DB General Warrant → Budget Administrator → FMIS Debit: **282198** → NEPO Approvals	Prepare Dev.Fund Warrant → Budget Execution	Accounting Warrant → Treasury Approvals → MFED SRO/HVP Approvals

SOP – Development Fund Warrant

Name	Development Fund Warrant
Owner	NEPO
Implementation	27/05/2024
Last review date	
Approver	Director for NEPO

Background	*The Development Fund is mandated by Section 10 of the Public Finance (Control and Audit) Ordinance, and its operation is governed by Section 11(1) and (2) as well as Schedule 2. The Development Fund are utilised for:*
	
	1. *Development Projects*
	   i. *The fund supports both continuing and new development projects.*
	2. *Special needs*
	   i. *In exceptional circumstances, the fund addresses special needs that are crucial for the public interest and Kiribati as a whole.*
	   ii. *These needs cannot be postponed without serious harm to the public interest.*
	   iii. *Funding for such special needs is temporary and ceases immediately when other sources become available.*
	
	*The Development Budget (DB) is prepared annually as a motion for Parliament to approve. Once approved, the DB is imported into FMIS to **NAC 282198** – 'expenses for development fund', however this is unwarranted and therefore not an authorisation to spend.*
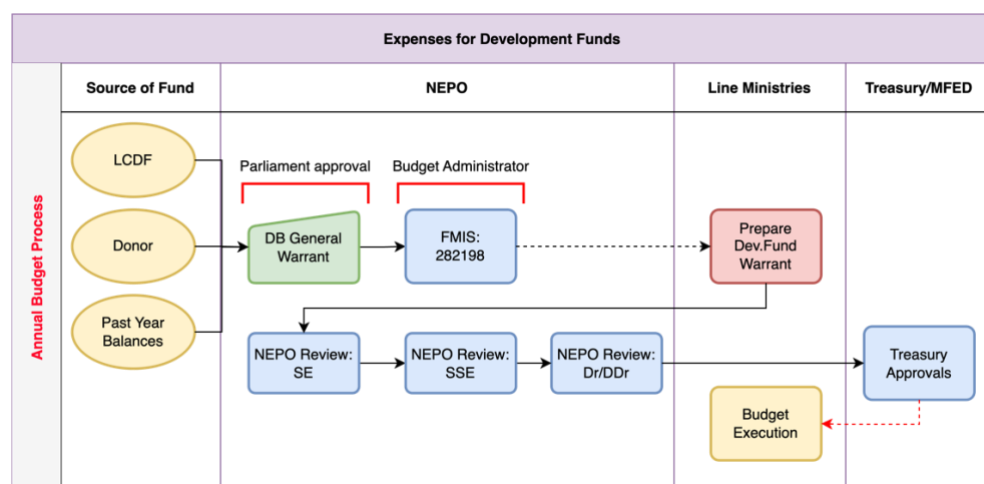	
	*A 'development fund warrant' refers to the authorisation given to LMs to reallocate funds from **282198** to other NACs to be utilised in implementing of development projects. For a visual representation, please refer to the flow diagram below.*
	
	Updating the Unwarranted Project Balance - 282198
	Updates to NAC 282198 may be necessary during the year in instances where new donors come forward to finance either new or existing projects, or when updating balances from previous years is required for ongoing projects. For more details, please refer to the 'Updating of Project Opening Balance' SOP.

Procedure	***Step 1 - Manual Warrant Procedures:***

	1. The physical paper approval of the warrant is still required. LMs submit a request to NEPO for processing, including the following documents:
	   o Project brief including the cost breakdown by output (NAC).
	   o Workplan (implementation plan).
	   o Project reconciliation (if multi-year project).
	       ▪ Run the '*Financial Budget Overview*' report (refer to *FMIS NEPO Manual section 5.1.1.1* for details) for each year since the beginning of the project and compare it to the overall budget. This will confirm any balance available to be carried over to the current fiscal year.
	   o Bank statement (for new funding).
	   o LM to confirm the NACs used in the Warrant with Treasury Accounts team.
	2. NEPO reviews and prepares the warrant document for approval by the MFED SRO and HVP.
	3. After approval, the warrant is then submitted to the Secretary to the Cabinet, for signing.
	4. Once the warrant process is completed, the NEPO informs the LM to initiate the process within FMIS.
	
	Step 2 – LM initiating the warrant in FMIS:
	
	5. The LMs perform the following checks to determine if project funds are available for warranting:
	   a. Run **'Financial Budget Overview'** report for a specific project,
	   b. NAC: 282198 – verify that there's sufficient balance before you proceed to raise the warrant. Take note of the full allotment:
	       i. Subhead/Fund/Project/Region/282198
	   c. If there's insufficient balance, the LMs liaise with NEPO to adjust the Opening balance by providing:
	       i. Project reconciliation from prior year(s)
	       ii. Proof of fund receipt if its 'new funding received' post Parliament.
	6. The LM will initiate a warrant voucher on FMIS, *refer to Section 5.1.1.2* for details.
	   a. Signed warrant from the manual process described above.
	   b. Project brief and costing breakdown by output (NAC).
	   c. Project reconciliation (if multi-year project).
	   d. Bank statements or payment advice from donor.
	
	Step 3 – NEPO Review:
	
	7. NEPO reviews the Development Fund Warrant:
	   d. <u>Approves</u> it or <u>return to LMs</u> for additional information.
	
	Step 4 – Warrant Approval:
	
	8. Treasury to issue the Accounting Warrant.
	
	Step 5 – Budget execution:
	
	9. LMs can process payments directly on FMIS.

Responsibilities	*Who is responsible in this process?* • LMs Senior Accountant – tasked with initiating the process ensuring all supporting documents are in place.

	• *NEPO Officers – tasked with review of warrant vouchers before it is approved by MFED SRO and HVP.*
Innovate	*Is there any opportunity for the user to implement an innovative approach in this procedure?* • *Collaborative platform for NEPO and LMs to communicate in real time (chat platform).* • <mark>*Consider reviewing the process to remove duplication of manual warrant process.*</mark>
Tools and supports	*What tools and supports does the user need to meet the SOP goal?* • *Conduct training sessions for LMs, NEPO officers, and other staff involved in the process.* • *Identify areas for improvement and address any discrepancies promptly.*

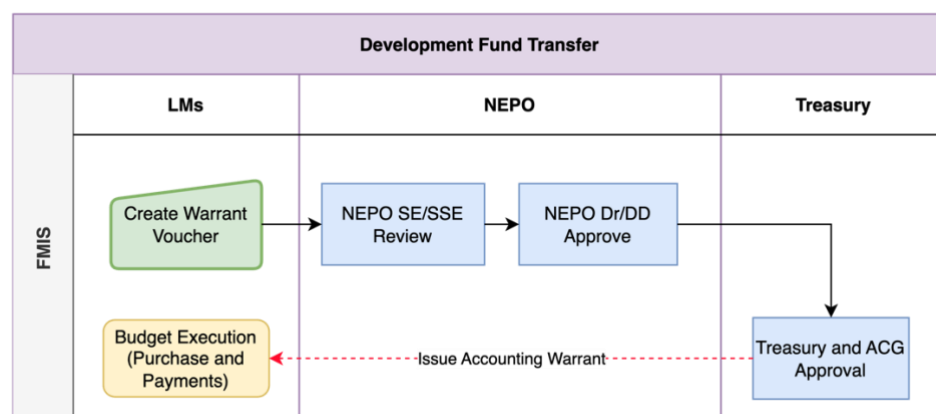# SOP- Development Warrant – Transfer

Name	**Development Warrant – Transfer**
Owner	NEPO
Implementation	27/05/2024
Last review date	
Approver	Director for NEPO

Background	*A 'Development Warrant' transfer is a request made by Line Ministries (LMs) to reallocate budget from an existing NAC to another within the same project, while ensuring that the total amount of the original warrant remains unchanged. The assumption is that these transfers occur between **existing NACs**.* *If the request involves adding a new NAC to the warrant, it necessitates the issuance of a Supersede Warrant. For detailed instructions, please refer to the 'Supersede Warrant' SOP.* *The authority for development fund warrant transfers is outlined in Section 10 of the Public Finance (Control and Audit) Act, with operational procedures detailed in Section 11(1) and (2).*
Procedure	***FMIS Procedures:*** ***Step 1 – LM initiate FMIS Warrant Voucher Request*** 1. *LMs initiate a warrant voucher request within the FMIS directly for authorisation, no manual paper process necessary:* • *Debit to increase an existing NAC.* • *Credit to reduce an existing NAC.* 2. *Ensure the correct 'Warrant Classification' is selected in FMIS.* 3. *Attachments required – a cover letter from the LM SRO explaining the reasons for the transfer and where the transfer will be made including the relevant output.*

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	4. Refer to the NEPO FMIS Manual <u>Section 5.1.6 Development Fund Transfers</u> for screenshot details.
	Step 2 – NEPO Review

	5. NEPO review to ensure the overall total of the warrant remains:
	    ○ *Confirm that the debit and credit entries match exactly.*
	    ○ *Ensure the correct Warrant Classification is being used; if not, return the voucher back to the LMs to be cancelled, and a new voucher must be created with the correct classification.*
	    ○ *Ensure workflow follows the diagram provided above.*

	Step 3 – Warrant Approval
	6. Treasury approvals to issue accounting warrant.
	Step 4 – Budget execution
	7. Once approved, LM can proceed to spend the funds.
Responsibilities	*Who is responsible in this process?* • *LMs Senior Accountant – tasked with initiating the process ensuring all supporting documents are in place.* • *Treasury Officers – tasked with review of warrant vouchers and issuing of accounting warrant.*
Innovate	*Is there any opportunity for the user to implement an innovative approach in this procedure?* • *Collaborative platform for NEPO/Treasury and LMs to communicate in real time (chat platform).*
Tools and supports	*What tools and supports does the user need to meet the SOP goal?* • *Conduct training sessions for LMs, NEPO officers, and other staff involved in the process.* • *Identify areas for improvement and address any discrepancies promptly.*

SOP – Supersede Warrant

Name	Supersede Warrant
Owner	NEPO
Implementation	15/05/2024
Last review date	
Approver	Director for NEPO

Background	A 'Supersede Warrant' refers to the authorisation issued to replace an initial warrant that has already been submitted, approved, and issued. Although a supersede warrant does not permit changes to the total approved amount of the original warrant, it can be used to reallocate funds by adding new NACs or removing existing NACs. The mandate for supersede warrants is established by Section 10 of the Public Finance (Control and Audit) Act, and its operation is governed by Section 11(1) and (2).
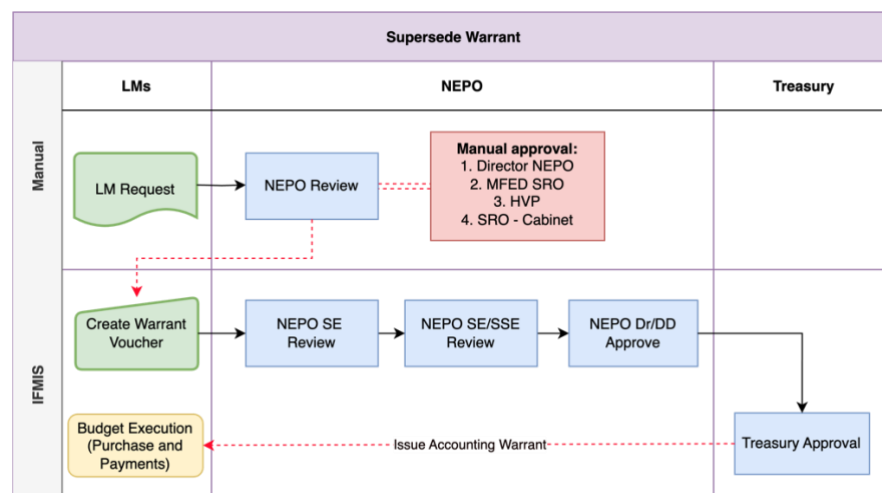
Procedure	***Step 1 - Manual Procedures:***
	
	1. The physical paper approval of the warrant is still required.
	2. Ensure that the Warrant includes ALL of the details from the original Warrant including the changes.
	3. Once the warrant is approved, Line Ministries (LMs) initiate the process within FMIS.
	
	Step 2 – Creating a voucher in FMIS:
	
	4. The LMs create a warrant voucher request in FMIS. This request involves a transfer, which necessitates both a debit and a credit entry. Refer to *Section 5.1.2 of the NEPO FMIS Manual* for details.
	5. Scan and attach the signed paper warrant to the request.
	    e. *Debit entry – to increase a new NAC.*
	    f. *Credit entry – to reduce an existing NAC based on the original warrant.*
	    g. *Only process the movement and NACs that is being revised from the original warrant.*

	Step 3 - NEPO reviews the Warrant voucher:
	6. NEPO verifies that the entries align with the physical signed warrant.
	8. Consider project reconciliation, bank statement or payment advice from donor.
	9. Review and <u>approves</u> the voucher or <u>return it to LMs</u> for additional information.
	Step 4 – Warrant Approval
	10. Treasury to issue the Accounting Warrant.
	Step 5 – Budget execution:
	11. Once approved, LMs can process payments against the warrant.
Responsibilities	*Who is responsible in this process?* • *LMs Senior Accountant – tasked with initiating the process ensuring all supporting documents are in place.* • *NEPO Officers – tasked with review of warrant vouchers before it is approved by MFED SRO and HVP.*
Innovate	*Is there any opportunity for the user to implement an innovative approach in this procedure?* • *Collaborative platform for NEPO and LMs to communicate in real time (chat platform).* • *Consider reviewing the process to remove duplication of manual warrant process.*
Tools and supports	*What tools and supports does the user need to meet the SOP goal?* • *Conduct training sessions for LMs, NEPO officers, and other staff involved in the process.* • *Identify areas for improvement and address any discrepancies promptly.*

SOP – Statutory Warrant

Name	Statutory Warrant
Owner	NEPO
Implementation	27/05/2024
Last review date	
Approver	Director for NEPO

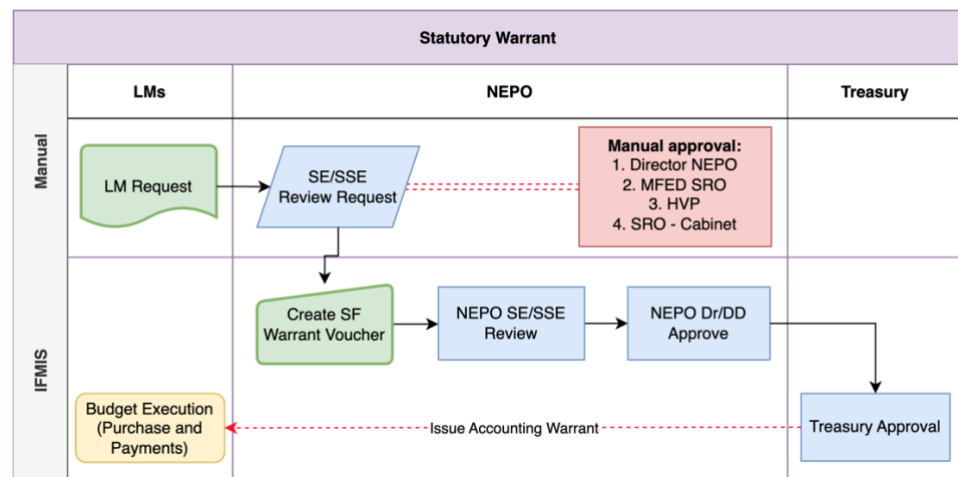| Background	*What is a Statutory Warrant?*
	A *'**Statutory Warrant**'* (SW) is a form of financial authorisation issued in compliance with specific statutory or legal requirements, even if they were not initially authorised through the annual Appropriation. *There are three forms of SW:*
	1. **Court Order**: Authorised under Section 108 and 112 of the Constitution and Section 5(1) of the Public Finance (Control and Audit) Ordinance. 2. **Bi-election**: Authorised under Section 106 and 116 of the Constitution and Section 5(1) of the Public Finance (Control and Audit) Ordinance. 3. **Public Debt**: Authorised under Section 108 and 112 of the Constitution and Section 5(1) of the Public Finance (Control and Audit) Ordinance.
	This FMIS function for SWs can only be initiated by NEPO to control any addition to the annual Appropriation Act.

Procedure	***Step 1 – Manual warrant Process***
	
	1. *NEPO receives instructions from the Office of the Attorney-General advising of the award of payment ordered by the High Court from the GoK consolidated funds.*
	2. *NEPO prepares the warrant document and seek authorisation from DNEPO, MFED SRO and HVP/Minister of Finance.*
	
	Step 2 – FMIS procedures
	
	3. *NEPO initiates an 'Update' warrant on FMIS with Fund code "**2101**" – this is a **one-sided debit entry**.*
	4. *The <u>Budget Office</u> will be NEPO (1704) where the approval will be processed on FMIS.*
	5. *The <u>Line items</u> field should specify the Chart of Accounts code with the LM's SUBHEAD that will be making the payment. Refer to <u>Section 5.1.5 of the NEPO FMIS Manual</u> for details.*
	6. *NEPO ensure that the warrant voucher contains all required information:*
	    a. *Court Consent Order*
	    b. *Authority from the Attorney-General's office*
	
	Step 3 – Approval
	
	7. *Treasury to issue the accounting warrant.*
	
	Step 4 – Budget Execution
	
	8. *The LM can now process payment direct on FMIS.*

Responsibilities	*Who is responsible in this process?* • *Office of the Attorney General* • *NEPO Officers* • *LMs for budget execution*
Innovate	*Is there any opportunity for the user to implement an innovative approach in this procedure?* • *There is always room for innovation to enhance efficiency, transparency, and adaptability.*
Tools and supports	*What tools and supports does the user need to meet the SOP goal?* • *NEPO end user training is being carried out regularly.*

SOP – Special Fund Warrant

Name	**Special Fund Warrant**
Owner	NEPO
Implementation	27/05/2024
Last review date	
Approver	Director for NEPO

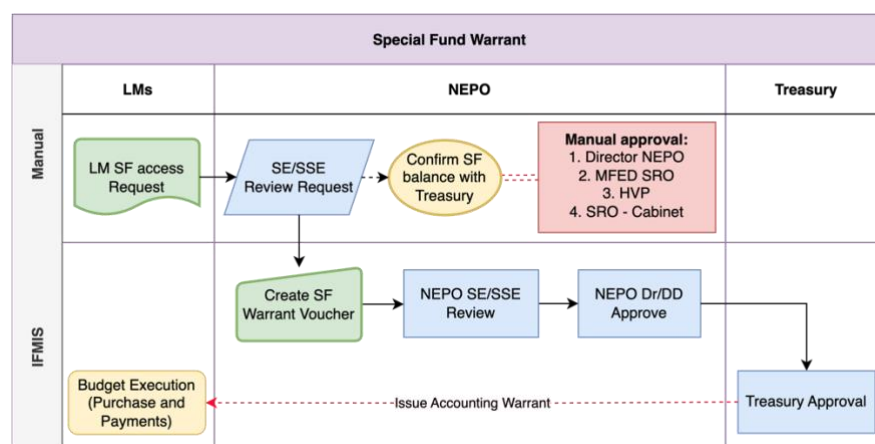| Goal/Background	*Special Funds* are established by law, and their balances are deemed to have been appropriated by the Parliament (MM) for specific purposes, as specified in Section 12 of the Public Finance (Control and Audit) Ordinance (referred to as "The Act").
	According to Section 13(1) of the Act, whenever financial provisions are made for the establishment of Special Funds in accordance with Section 107(2) of the Constitution, the Accountant General is responsible for creating these funds. Moneys appropriated are credited to these Special Funds, from which expenditures can be made for the purposes for which the funds were established.
	To expend funds from these Special Funds, a Special Fund Warrant (SFW) is required to be approved annually.
	Schedule 1 of the Act provides a list of the established Special Funds up to December 2021.

SCHEDULE I
(Section 12)
(Incorporating amendments up to 31st December 2021 Revision)

SPECIAL FUNDS

Government Savings Bank
Local Government Loans Board
Revenue Equalisation Reserve
Funds Special—Leper Trust Board
Funds Special—Lien (GIDA & RER)
Funds Special—Local Government Provident
Funds Special—Import Levy Fund
Kiritimati Plantation
Funds Special—Ellice Separation

The SFW function within the FMIS can only be initiated by NEPO to control updates to the budget ledger related to the Appropriation Act.
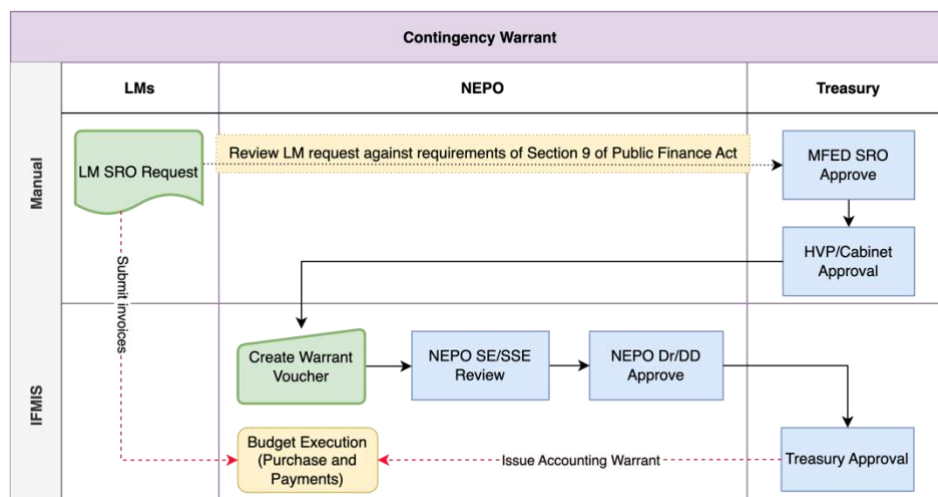
Procedure

	Step 1 - LMs request SFW directly with NEPO.
	
	1. LMs at the beginning of the financial year request the balance of a specified Special Fund to be made available on FMIS for utilisation.
	2. NEPO request account balance verification from Treasury to ensure requested amount is within the SF balance.
	3. NEPO initiate warrant update on FMIS with a one-sided debit entry:
	   a. SUBHEAD/"**7XXX**"/00000/9/NACs – enter one line item for each respective expense account.
	   b. The "**7XXX**" will depend on the type of special fund requested.
	4. Voucher Type: **Update** – Update Type: **Revision**
	5. Transition for approval.
	
	Step 2 – Approval
	
	6. Treasury will approve to issue the accounting warrant on FMIS.
	
	Step 3 – Budget execution
	
	7. LMs can now process payment vouchers charged to the approved budget.

Responsibilities	Who is responsible in this process? • *LMs Accountant* • *Treasury Accounts Officers* • *NEPO Officers*
Innovate	Is there any opportunity for the user to implement an innovative approach in this procedure? • *There is always room for innovation to enhance efficiency, transparency, and adaptability.*
Tools and supports	What tools and supports does the user need to meet the SOP goal? • *NEPO end user training is being carried out regularly.*

SOP – Contingency Fund Warrant

Name	**Contingency Fund Warrant**
Owner	NEPO
Implementation	27/05/2024
Last review date	
Approver	Director for NEPO

Background	*Contingency Warrants serve as a safety net for unforeseen expenses. They are not intended for routine use but rather for exceptional circumstances.* *Their issuance is governed by Section 9 (2) of the Public Finance (Control and Audit) Ordinance. Here are the key points:*

	1. *Criteria for Contingencies Warrants:*
	   • *No existing provision or insufficient provision exists for the expense.*
	   • *Reallocation of funds within existing budget heads is not feasible.*
	   • *Deferring the expense would be detrimental to the public interest.*
	   • *The expense was unforeseen during prior appropriation planning.*
	2. *Total Amount Limitation*
	   • *The total amount authorised under Contingencies Warrants shall not exceed 1.5% of the current Appropriation.*
	3. *Legal requirement post approval*
	   • *The Minister shall forthwith report the action taken and the reasons for it to the Cabinet.*
	   • *The CF will form a supplementary estimate for the sum required by the Contingencies Warrant, which will be tabled in the next sitting of the Maneaba ni Maungatabu.*

Procedure	
	
	Step 1 – Identifying Financing Gap:
	
	1. Review internal financing options within existing resources.
	2. If the LM budget is insufficient, prepare a Cabinet paper requesting funding under contingencies warrant.
	
	Step 2 – Preparing Cabinet Paper Submission:
	
	3. LM SRO prepares a detailed Cabinet paper outlining financial requirements.
	4. The paper should demonstrate how the request aligns with Section 9 of the Public Finance (Audit and Control) Act 2022.
	
	Step 3 – Review and Approval:
	
	5. MFED reviews the submission and provides comments for Cabinet consideration.
	6. Cabinet reviews and approves/denies the request.
	7. If approved, NEPO initiates the FMIS warrant process.
	
	Step 4 – FMIS Warrant Process:
	
	8. Create a Warrant Voucher on FMIS with the details illustrated on the image to the right:
	9. On the 'Items' CoA ensure that the code for the 'Fund' is "**5101**" (contingency fund sourced from GoK consolidated account).
	10. Verify that all required documentation is attached:
	   i. Signed Warrant
	   ii. Breakdown of cost by output
	11. Follow the FMIS workflow until fully approved.
	
	Step 5 – Budget execution
	
	12. LM submit invoices to NEPO for payment processing.

Responsibilities	Who is responsible in this process? • LMs SRO and Senior Accountant.

	• *NEPO Officers.*
Innovate	*Is there any opportunity for the user to implement an innovative approach in this procedure?* • *Explore digital tools or streamlined approval processes to enhance efficiency, transparency, and adaptability.*
Tools and supports	*What tools and supports does the user need to meet the SOP goal?* • *NEPO end user training is being carried out regularly.*

SOP – Departmental Warrant Budget Transfers

Name	Departmental Warrant (DW) – Budget Transfers
Owner	NEPO
Implementation	22/05/2024
Last review date	
Approver	Director for NEPO

Overview	Departmental Warrants (DW) – Budget Transfers serve as crucial budget transactions that empower a Line Ministry (LM) acting as the recipient to incur and pay expenses on behalf of another LM, which serves as the source. These warrants facilitate the transfer of budget funds that have already been "warranted" either through the standard budget process (as outlined in Section 5(2) of the Public Finance (Control and Audit) Act for recurrent budget items or via a development fund warrant issued under Section 10 of the same Act. However, due to security access limitations within the FMIS, the 'Source' LM initiates the process in FMIS. Instead of directly specifying the 'Recipient' LM, they utilise the SUBHEAD "9901". *NOTE:* DW budget transfers apply only to transfers within the same project, 'recurrent' is a project in FMIS. For reimbursements of costs paid for other projects, an inter-ministry Journal Voucher (JV) is required to transfer the actual costs to the appropriate LM/Project.
Procedure	 *Steps in IFMIS:* *Step 1 – LM initiating the DW – Budget Transfer Warrant* 1. LMs to refer to the NEPO FMIS manual section 5.1.8 for detailed screenshots. This is available from the MFED website. 2. Navigate to 'Budget Appropriation Warrants>Supplements & Virement Voucher> Insert mode'. 3. Set Budget Control type to '**Allotment**', Voucher type to '**Transfer**', and Warrant Classification to '**Department Warrant – Budget Transfers**'. 4. Ensure that the '**Budget Office**' is assigned to the LM that is the source of funds.

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	5. In the **Description** – please clearly specify the appropriate SUBHEAD for the recipient LM for NEPO's reference.
	
	6. In the 'Items' section:
	    ○ Add new items with SUBHEAD "**9901**" plus the CoA code for the LM that will receive the funds (this represents the <u>Debit</u> entry).
	    ○ Add the corresponding <u>Credit</u> entry from where the budget will be sourced.
	
	7. Multiple entries may be required for different NACs.
	
	8. Ensure the total amounts debited and credited match exactly.
	
	9. Transition to the LM SRO for approval.
	
	Step 2 – NEPO review process
	
	10. NEPO will need to change the '**9901**' SUBHEAD to match the appropriate SUBHEAD of the 'Recipient' LM, based on the description which should be provided by the source LM.
	
	11. Before NEPO transition, verify that all '9901' debit entries are replaced by the correct SUBHEAD.
	
	12. Confirm that appropriate supporting documentation is attached.
	
	Step 3 – Approval
	
	13. NEPO Director will be the final approval.
	
	Step 4 – Budget Execution
	
	14. The recipient LM can now process payments on FMIS based on the funds being 'received'.

Responsibilities	Who is responsible in this process?
	
	• Line Ministries:
	    ○ SA to ensure accurate and appropriate documentation is provided.
	    ○ SA confirms CoA entries are correct.
	• NEPO Officer – Economists
	    ○ Transition requests for timely approval, ensuring LMs receive funds for implementation.

Innovate	Is there any opportunity for the user to implement an innovative approach in this procedure? • Foster innovation to improve efficiency, transparency, and adaptability. • Encourage users to propose enhancements.
Tools and supports	What tools and supports does the user need to meet the SOP goal? • Conduct regular NEPO end-user training sessions to familiarize users with SOP and IFMIS functionalities.

SOP – Departmental Warrant Location Transfer

Name	**Departmental Warrant – Location Transfer**
Owner	NEPO
Implementation	15/05/2024
Last review date	
Approver	Director for NEPO

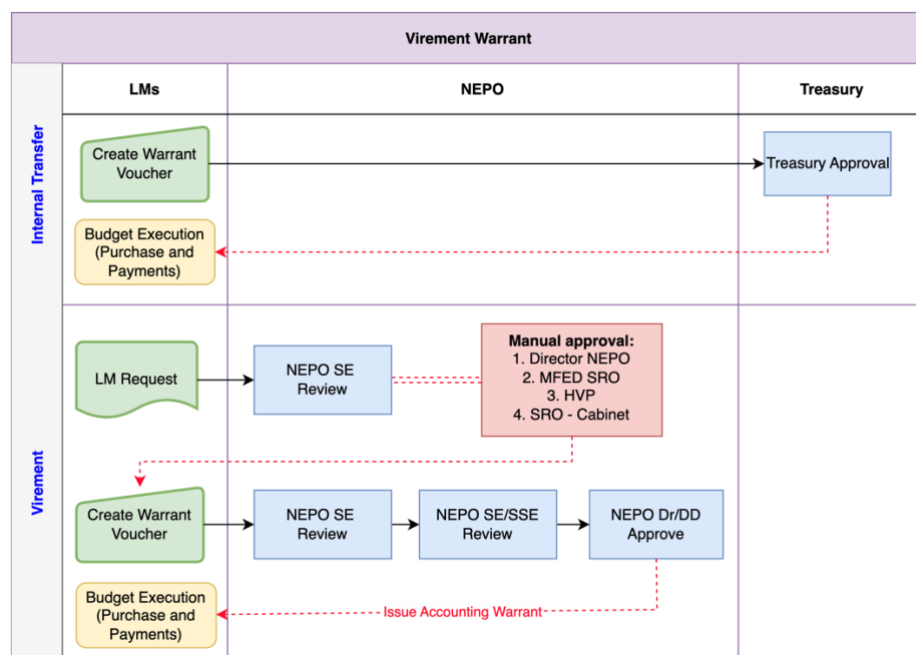|	
Background	*Departmental Warrant (DW) location transfers are utilised when Line Ministries (LMs) in South Tarawa dispatch staff to the outer islands for work-related duties. This mechanism enables the staff to undertake the travel and claim a travel allowance from the MLPID. Subsequently, the MLPID is authorised to process a payment voucher against the budget authorised by a DW Location transfer warrant.* *The mandate for supersede warrants is established by Section 10 of the Public Finance (Control and Audit) Act, and its operation is governed by Section 11(1) and (2).* *It is important to note that Departmental Warrant – Location Transfers are exempt from NEPO reviews as they constitute internal transfers within 'Region' only.*
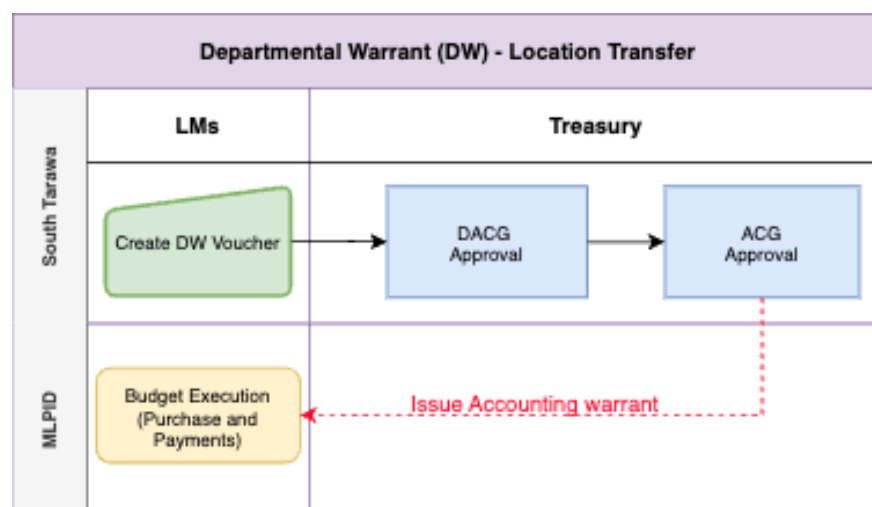
Procedure	___**FMIS Procedures:**___
	
	Step 1 – Warrant Voucher Request
	
	1. *LMs initiate a warrant voucher request within the FMIS for authorisation, refer to the [FMIS Manual for LMs Section 9.3](.)*
	2. *This pertains exclusively to regional transfers, necessitating both a debit and a credit entry:*
	    • *Debit to increase one REGION – where the work is being conducted.*
	    • *Credit to reduce an existing REGION.*
	3. *Scan and attach relevant documents relating to the transfer.*
	
	Step 2 – Treasury Review

	4. The Treasury conducts a review of the request and subsequently provides approval. **Step 3 – Payment Voucher Processing** 5. The MLPID generate a payment voucher in FMIS, utilising the Chart of Accounts (CoA) code associated with the South Tarawa LM.
Responsibilities	*Who is responsible in this process?* • *LMs Senior Accountant – tasked with initiating the process ensuring all supporting documents are in place.* • *Treasury Officers – tasked with review of warrant vouchers and issuing of accounting warrant.*
Innovate	*Is there any opportunity for the user to implement an innovative approach in this procedure?* • *Collaborative platform for NEPO/Treasury and LMs to communicate in real time (chat platform).*
Tools and supports	*What tools and supports does the user need to meet the SOP goal?* • *Conduct training sessions for LMs, NEPO officers, and other staff involved in the process.* • *Identify areas for improvement and address any discrepancies promptly.*

SOP – Recurrent Budget Virements and Internal Transfers

Name	Recurrent Budget Virements
Owner	NEPO
Implementation	27/05/2024
Last review date	
Approver	Director for NEPO

Background	*As a fundamental principle, funds may only be expended in accordance with an approved appropriation and exclusively for its intended purpose.*

Pursuant to section 23 (1) and (2) of the Public Finance Control and Audit Act:

1. ***Transfers within SUBHEAD****:*

Should there be a need to transfer additional funds between line items within a sub-head, the accounting officer must inform the Accountant General (ACG) for approval. This excludes any line item that the ACG has expressly prohibited for fund transfers in writing. The accounting officer may employ the 'Recurrent Budget Internal Transfer' feature in FMIS for this purpose.

2. ***Transfers between SUBHEAD****:*

In cases where additional funds are needed for an existing sub-head or to establish a new sub-head, and such funds can be sourced from a surplus within the same main head, the accounting officer may request the Minister of Finance for authorisation. This is done through a virement request, provided that:

- *The total budgetary provision for the main head is not surpassed.*
- *The reallocation for creating a new sub-head falls within the scope of the main head.*
- *Application for virement shall not be made within the first four months of a fiscal year.*
- *Virement will not normally be made between a personal emoluments sub-head and other charges.*
- *The mere fact that funds are not expended under one sub-head is not a sufficient reason for incurring additional expenditure under another sub-head.*

For executing such transfers, the accounting officer should use the 'Recurrent Budget Virements' option in FMIS.

Procedure

1. Recurrent Budget Internal Transfer

Step 1 – Financial Review by LM

1. reviews the financial reports year-to-date to pinpoint areas of underspending and initiates a voucher in the FMIS for the transfer.
2. All process is carried out directly on FMIS, *no manual paper process necessary*. *Refer to Section 9.1 of the FMIS Manual for LMs* for details.

Step 2 – Treasury Approval

3. The Treasury examines the transfer request and issues accounting warrant. Note: *NEPO is not involved in this process*.

Step 3 – Budget Execution by LM

4. Upon approval, the LM carries out the budget execution.

2. Recurrent Budget Virement

Step 1 – Underspending Assessment by LM

1. The LM reviews the financial reports year-to-date to identify underspending that needs to be repurposed. LM can use the Financial Budget Overview report to assist – refer to *FMIS NEPO Manual section 5.1.1.1* for details.
2. This assessment is documented, seeking approval on paper prior to initiating the process in FMIS.

Step 2 – Initiate the Warrant voucher in FMIS

3. The LM initiate a Recurrent Budget Virement transfer in FMIS and attach:
    o A letter articulating the reasons for the transfer, adhering to the virement policy as per the GoK Financial Instructions.
    o Ensure the total of the debit entries matches the total of the credit entries.
    o *Refer to Section 9.2 of the FMIS Manual for LMs* for details.

	Step 3 – NEPO Review 4. *NEPO evaluates the appropriateness of the request to support the submission to the MFED SRO for final consideration.* *Step 4 – Budget Execution by LM* 5. *Following approval, the LM is authorised to proceed with the spending execution.*
Responsibilities	*Who is responsible in this process?* • *LMs SRO and Senior Accountant.* • *NEPO Officers.*
Innovate	*Is there any opportunity for the user to implement an innovative approach in this procedure?* • *Explore digital tools or streamlined approval processes to enhance efficiency, transparency, and adaptability.*
Tools and supports	*What tools and supports does the user need to meet the SOP goal?* • *NEPO end user training is being carried out regularly.*

SOP – Development Project Acquittals

Name	Development Project Acquittals
Owner	NEPO
Implementation	13/06/2024
Last review date	
Approver	Director for NEPO

Background	Project acquittals and the return of unspent funds are crucial practices in the management of funded development projects. They ensure accountability, compliance, and transparency, and help maintain a trustworthy relationship between donors and GoK.
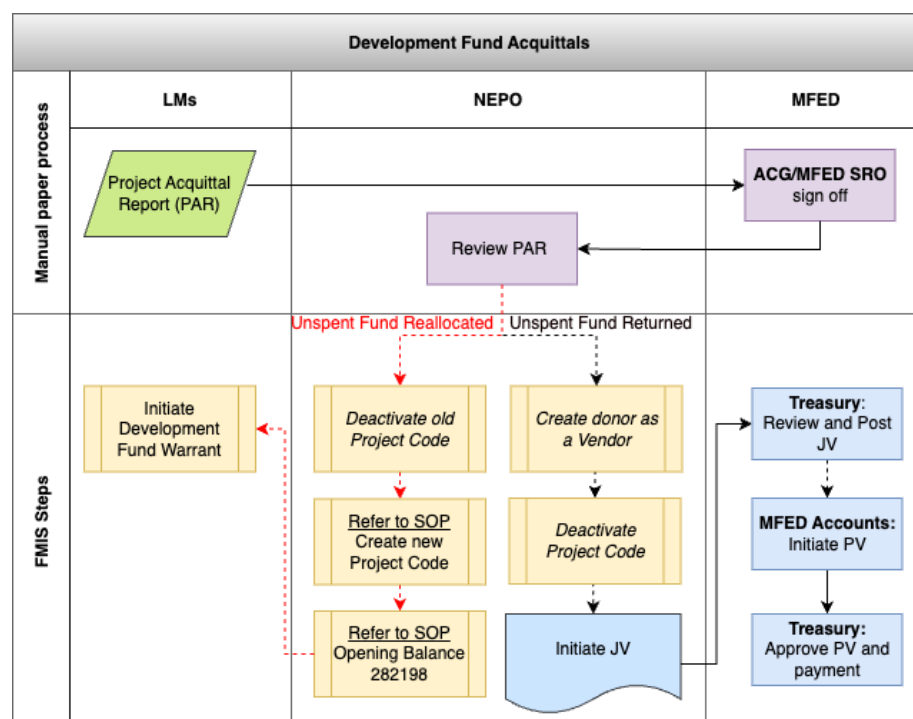
Procedure	**Acquittals at the completion of the Project**
	Step 1 – Project reconciliation
	1. The implementing LM will prepare and finalise the Project Acquittal Report (PAR), which includes project financials that will confirm the exact amount of unspent funds.
	2. The PAR will include a reconciliation statement certified by the Project Unit of Treasury.
	3. The PAR will be signed by the MFED SRO and the Accountant General.
	Step 2 – NEPO processing of the Acquittal
	4. NEPO will review the acquittal report to verify the unspent amount.
	5. Note, there is no need to prepare an 'Acquittal Warrant' to pay back unspent funds to the donor.

6. *NEPO will liaise with the LM to inform the donor about the unspent funds and the reasons they were not used. NEPO will request written agreement from the donor regarding the unspent balance, specifying if it should be reprogramed or returned.*

7. *If the unspent fund is to be returned, skip **Step #3** and go to **Step #4.***

Step 3 – If donor agrees to reallocate unspent funds to another project

8. *If the balance is to be reprogrammed to a new project, the existing project is closed and a new project and code is created, refer to the SOP for creating a new project code for details.*

9. *NEPO will initiate an opening balance voucher on FMIS to reflect the redirected amount with a one-sided debit entry to account 282198. For detailed instructions, refer to the 'Opening Balance Voucher' SOP.*
   a. *If the project is completed within the same financial year as the acquittal, a two-sided debit and credit entry will be required to transfer the remaining balance from one project to another.*

10. *NEPO will advise the LM to process warrants against the new project code. Refer to the 'Development Fund Warrant' SOP for details.*

11. *NEPO will initiate a Chart of Accounts (CoA) element voucher to deactivate the acquitted project code, ensuring no future transactions can be posted to it.*
    a. *FMIS > Insert New:*
       i. <u>*Name*</u>*: Deactivate CoA - Project code*
       ii. <u>*Segment*</u>*: Project*
       iii. *Updated Elements > Add new*
       iv. <u>*Element*</u>*: "Enter the completed Project Code here"*
       v. <u>*Valid Date to*</u>*: "Enter a closing date here"*
    b. *Save and transition.*

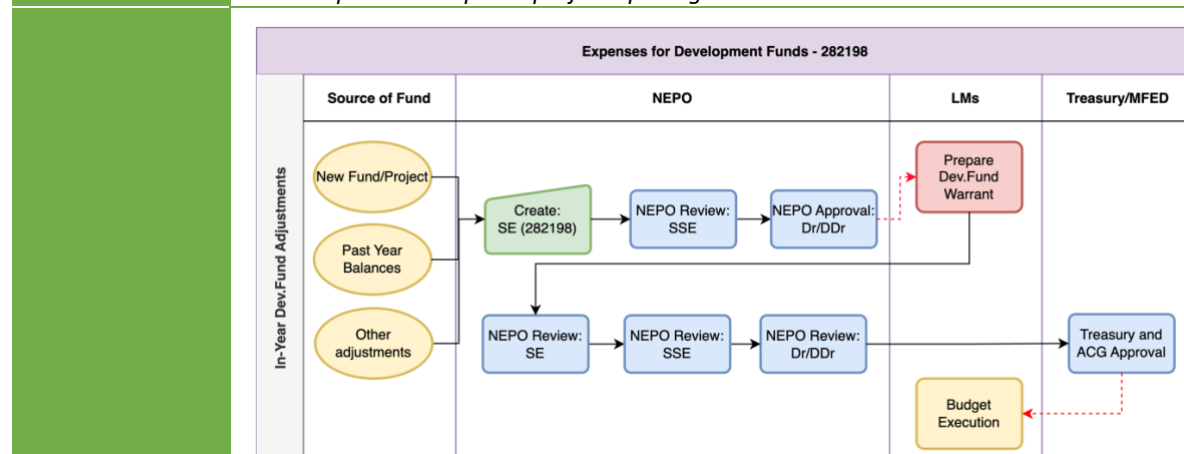***Step 4 – If donor requires return of unspent fund***

12. *NEPO will review if the donor is an existing vendor, by logging into the IFMIS and navigate to Admin > Common Entities > Vendors > search by vendor name.*

13. *If the donor does not exist as a Vendor, refer to the <u>Vendor Approval SOP</u> for details on creating a new vendor in addition to the <u>FMIS Vendor Bank account Process</u>.*

14. *To create a new vendor, the donor will provide the following bank account details:*
    a. *Donor Name and Address*
    b. *Donor Bank Account name and number*
    c. *Donor Bank Name and Address*
    d. *Donor Bank SWIFT Code*

15. *Review that the new vendor will be setup as a subledger with account <u>632830</u> – "External Creditors- Payables against Acquittal".*

16. *NEPO to deactivate the acquitted project code, refer to **Step #3(11)** for details.*

17. *NEPO will initiate a Journal Voucher (JV) with the details below and transition to Treasury for approval. Refer to the <u>LMs FMIS Manual Section 8.1</u> for details.*
    a. *Debit <u>631512</u> – Retained Income (Development Fund)*
       i. *9901/3101/00000/91/631512/000*
    b. *Credit <u>632830</u> – External Creditors- Payables against Acquittal*

	i. *9901/3101/00000/91/632830/000*
	Step 5 – MFED Accounts and Treasury payment processing
	18. *The MFED Accounts Officer will prepare a Payment Voucher (PV) on FMIS to settle the payment with the donor, refer to the* <u>*LMs FMIS Manual Section 6.1*</u> *for details.*
	a. *Debit 632830 – External Creditors- Payables against Acquittal*
	19. *Once approved, Treasury will prepare payment against the Bank Account No. 4 and remit the funds back to the donor.*
Responsibilities	*Who is responsible in this process?*
	• *NEPO/Treasury Officers – tasked with review of warrant vouchers, issuing of accounting warrant and payment processing.*
	• *MFED Accounts Officers*
Innovate	*Is there any opportunity for the user to implement an innovative approach in this procedure?*
	• *Collaborative platform for NEPO/Treasury and LMs to communicate in real time (chat platform).*
Tools and supports	*What tools and supports does the user need to meet the SOP goal?*
	• *Conduct training sessions for LMs, NEPO officers, and other staff involved in the process.*
	• *Identify areas for improvement and address any discrepancies promptly.*

SOP – Development Project Balance Adjustments

Name	Development Project Balance - Adjustments
Owner	NEPO
Implementation	14/03/2024
Last review date	
Approver	Director for NEPO

Goal	*The Development Fund finances, manages, and accounts for capital works and services under the Development Budget. It receives funds from Development Partners and the Government of Kiribati through its annual contribution in the Annual Recurrent Budget.* *The Development Fund is established by Section 10 of the Public Finance (Control and Audit) Act, and its operation is governed by Section 11(1) and (2).* *Project funds confirmed after the budget process (in-year adjustments) will follow this SOP to upload and update project opening balances in the FMIS.*

Procedure	
	
	There are two main categories of in-year development fund adjustments:
	
	1. ***New Fund/Project***
	   - *Applies to funding confirmed or received from external donors after the DB has been presented in Parliament.*
	   - *LMs will request through NEPO to initiate the process to establish the balance within FMIS.*
	   - *NEPO Officers will verify and confirm donor agreement, project documents and funding receipt before loading to IFMIS.*
	   - *NEPO Officers to create 'New Project Code' (refer to the relevant SOP) in FMIS before initiating the balance adjustment.*
	2. ***Ongoing projects balance adjustments***
	   - *LMs to request update of balances from previous financial year(s) based on project reconciliation.*
	   - *NEPO Officers review LMs request and update the current FY ledger with the reconciled balance.*
	     - *NEPO Officer to verify project reconciliation and may require liaising with Treasury to confirm prior year(s) balances.*

	• *Once confirmed, NEPO Officer will proceed to the FMIS processes.*
	Step 1 – FMIS Procedures
	1. *Budget and Appropriations > Warrant, Supplements & Virement Voucher > New (Plus sign)*
	2. *Complete the required fields, ensuring a one-sided __DEBIT__ entry with the project's CoA to NAC 282198.*
	3. ***Budget Office****: **1704** – this is a NEPO workflow only, refer to the flow diagram above.*
	4. *Attach relevant bank or project reconciliation statements.*
	Step 2 – LM Development Fund Warranting Process.
	5. *LM can now process a Development Fund warrant – refer to the relevant SOP.*

Responsibilities	Who is responsible in this process?
	
	 • *Line Ministries*
	     o *Provide payment references to verify the funding has been received in the NO.4 Account.*
	     o *Provide reconciliation statements to confirm the remaining balance.*
	 • *NEPO Officers:*
	     o *Economist – review LMs request and update balance on FMIS.*
	     o *Senior Economist – to review.*
	     o *Director/Deputy Director – to approve.*

Innovate	*Is there any opportunity for the user to implement an innovative approach in this procedure?* • *Innovation is encouraged to enhance efficiency, transparency, and adaptability within the procedure.*
Tools and supports	*What tools and supports does the user need to meet the SOP goal?* • *NEPO provides regular end-user training to facilitate adherence to this SOP.*

In the Step 1 section, a form screenshot displays the following fields:

- Budget Control Type: ALLOTMENT
- Fiscal Year: FY 2024
- Fiscal Period: JUNE
- Voucher Date: 13/6/2024
- Voucher Type: Update
- Update Type: Revised
- Warrant Classification: Opening Balance

SOP – Creating New Project Code

Name	Creating NEW Project codes
Owner	NEPO
Implementation	13/06/2024
Last review date	
Approver	Director NEPO

Goal	This SOP outlines a standardised process for creating new Charts of Accounts (CoA) tailored for projects. This is a function of NEPO.
Procedure	

1. *Coordination and Control of Project Code Numbering:*

   o A **Senior Officer from NEPO** *is designated to coordinate and control project code numbering, ensuring consistency across all projects.*

   o *This Officer also manages the Excel CoA updates on Google Drive.*

2. *New Project Code Creation During Budget Process:*

   o *During the budget process, new project codes are created by the **NEPO Senior Officer** to facilitate the issuance of a general warrant through the IFMIS to NAC 282198.*

3. *Handling New Funding Received After Budget Process:*

   o *If new funding is received post-budget process, the request for a new project code is directed to the **NEPO Senior Officer**.*

   o *The Senior Officer ensures the project has not been previously created in IFMIS, investigates any discrepancies, and reviews NEPO's procedures for projects created after the motion in Parliament.*

   o *Upon approval, the Senior Officer issues the new project code to the requesting Officer for IFMIS code creation.*

	○ *The requesting Officer then initiates the process on IFMIS CoA element voucher.* **4. CoA Project Code Creation in FMIS** ○ *Refer to section* **6.1.2 Register new Project Code** *NEPO FMIS Manual for details.* ○ *Ensure that all 6 side elements are assigned to every project.* ○ *Alignment to KDP Sector, KV20 Pillars, Climate Change, Donor grouping etc.*
Responsibilities	*Who is responsible in this process?* • *The NEPO Senior Officer is responsible for overseeing the entire process outlined above.*
Innovate	*Is there any opportunity for the user to implement an innovative approach in this procedure?* • *Employees are encouraged to suggest improvements to enhance efficiency, transparency, and adaptability within this procedure.*
Tools and supports	*What tools and supports does the user need to meet the SOP goal?* • *NEPO provides regular end-user training to ensure familiarity with the SOP and its objectives.*

SOP – Vendor Creation and Approval

Name	Vendor Approval
Owner	NEPO
Implementation	4/03/2024
Last review date	
Approver	Director for NEPO

Goal	*This SOP outlines the process for seeking approval for existing vendors to ensure operational efficiency and compliance with NEPO's standards.*

Procedure	1. **Vendor Approval Process:**
	
	    ○ *The NEPO Officer initiates the process by obtaining, verifying and providing the vendor's bank details and other required information to the* **Treasury Accounts Officer***.*
	
	    ○ *The* **Treasury Accounts Officer** *creates a vendor approval request in the IFMIS.*
	
	    ○ *The Procurement Officer reviews the request for completeness and accuracy.*
	
	    ○ *Final approval is granted by the Deputy Accountant General (DAcG).*
	
	2. **Confirming Vendor Bank Details and Address**
	
	    ○ **NEPO must directly verify the correct vendor information with the vendor.** *This includes confirming the bank name, account number, bank address, SWIFT CODE, etc., to ensure accuracy.*
	
	    ○ *The NEPO Officer then assists the Treasury Accounts Officer by providing the verified information for IFMIS entry.*
	
	3. **Checking Vendor Approval Status**
	
	    ○ *Log in to the IFMIS.*
	    ○ *Navigate to Admin > Common Entities > Vendors.*
	    ○ *Search for the vendor using the vendor code or name.*
	    ○ *Select the vendor to view the Workflow History.*
	    ○ *Follow up with the* **Officers** *assigned in the initial step.*
	    ○ *Confirm the vendor is approved.*

Responsibilities	*Who is responsible in this process?* • *The NEPO Officer,* **Treasury Accounts Officer***, Procurement Officer, and DAcG are responsible for executing the steps outlined in this SOP.*
Innovate	*Is there any opportunity for the user to implement an innovative approach in this procedure?*

	• *Continuously seeking opportunities to streamline the vendor approval process through innovative solutions.*
Tools and supports	*What tools and supports does the user need to meet the SOP goal?* • *Providing regular training and resources to NEPO end-users to ensure familiarity with the SOP and its efficient execution.*

SOP – Correcting Errors in Approved Warrants

Name	Correcting Errors in Approved Warrants.
Owner	NEPO
Implementation	1/08/2024
Last review date	
Approver	Director for NEPO

Goal	*This SOP outlines the steps to follow when correcting budget ledger entries in FMIS.*
Procedure	***Correcting Errors in Approved Warrants.***

Step 1 – Check for Incorrectly Posted Transactions
1. *Run a financial budget overview report with the necessary filter.*
2. *Review the report to confirm the error reported.*
3. *If the error is from the signed warrant, this needs to be amended before proceeding.*
4. *Take note of the error and determine whether it is in the 'Original Budget' or the 'Revised Budget' column:*

Coding Block	Original Budget	Revised Budget	Difference Current - Original
SUB_HEAD / FUNDING AGENCY / PROJECTS / REGION / NATURAL ACCOUNT CODE	A	B	C = B - A
1706 NSO	(3,800.00)	2,439.00	6,239.00
1101 Government of Kiribati	(3,800.00)	2,439.00	6,239.00
00000 Not Defined	(3,800.00)	2,439.00	6,239.00
9 National	(3,800.00)	2,439.00	6,239.00
229811 Purchase of Office Equip, Furniture and Software- Local	(3,800.00)	2,439.00	6,239.00
Total	(3,800.00)	2,439.00	6,239.00

5. *When creating the 'Opening Balance' voucher, the NEPO officer must specify the amount to be adjusted, indicating whether it pertains to the 'original' or 'revised' budget:*

Voucher Number	
* Budget Control Type	ALLOTMENT ▾
* Voucher Date	7/8/2024
* Voucher Type	
* Update Type	(NA) Forecast / ✓ Original / Revised
* Warrant Classification	Opening Balance ▾

6. *If actual transactions exist, skip step 2 and go straight to step 3.*

Step 2 – Adjust the Budget if No Actual Transactions Exist

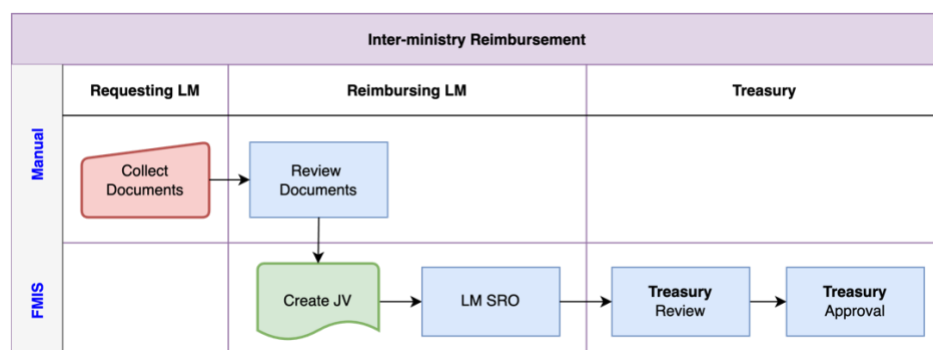|	

	7. *If no actual transactions were found in Step 1, the NEPO officer will create an opening balance voucher on FMIS with double entries to transfer the budget:*
	     o *Debit the correct code*
	     o *Credit the wrong code*
	8. *This completes the correction process for the budget, and LMs can now process payments to the correct code.*
	
	Step 3 – Adjust the Budget if Actual Transactions Exist
	9. *If actual transactions were found, the NEPO officer will create an opening balance voucher on FMIS with a one-sided entry:*
	     o *Debit the correct code*
	10. *The LM officer should then process a JV to correct the actual transactions:*
	     o *Debit the correct code*
	     o *Credit the wrong code*
	11. *The LM officer will notify the NEPO officer once step 3 is completed.*
	
	Step 4 – Remove the Budget from the Wrong Code
	12. *Once the JV is approved, the NEPO officer will process another opening balance voucher with a one-sided entry to remove the budget from the wrong code:*
	     o *Credit the wrong code*

Responsibilities	*Who is responsible in this process?* • *The NEPO and the respective line Ministry's Officer.*
Innovate	*Is there any opportunity for the user to implement an innovative approach in this procedure?* • *Continuously seeking opportunities to streamline the vendor approval process through innovative solutions.*
Tools and supports	*What tools and supports does the user need to meet the SOP goal?* • *Providing regular training and resources to NEPO end-users to ensure familiarity with the SOP and its efficient execution.*

SOP – Inter-ministry Reimbursement

Name	Inter-ministry Reimbursement
Owner	NEPO
Implementation	1/08/2024
Last review date	
Approver	Director for NEPO

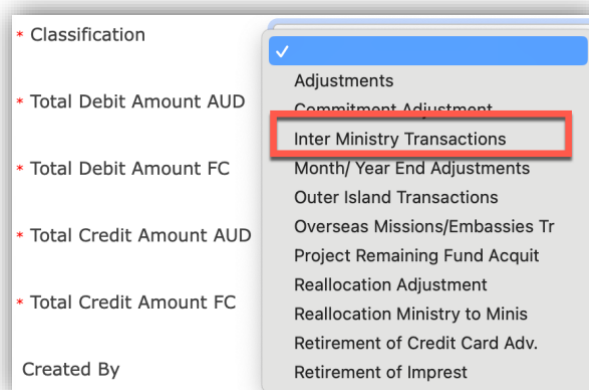| Goal	Inter-ministry reimbursement refers to the financial compensation provided by one ministry to another for shared services, resources, or expenses. In FMIS, however, inter-ministry reimbursement is recorded as a book entry without any actual payment. This is accomplished by processing a Journal Voucher (JV) within the system.
Procedure	**Step 1 – Identify reimbursement need** 1. The requesting ministry identifies the need for reimbursement and gathers all necessary supporting documents (invoices, receipts, service agreements). These documents are then submitted to the reimbursing ministry for processing in FMIS. **Step 2 – Processing in FMIS (Reimbursing Ministry)** 2. The reimbursing ministry reviews the submission. If the reimbursement request is agreed upon, they proceed to process a Journal Voucher (JV) in the system. 3. Navigate to FMIS>General Ledger>Journal Vouchers (*refer to Section 8.2 FMIS Manual*) a. Ensure 'Inter Ministry Transactions' is selected as the Classification.

	b. In the 'Items' section, ensure there are both debit and credit entries. The debit entry represents the reimbursing ministry's share of the cost, and the credit entry corresponds to the requesting ministry. The journal's effect will be to reduce the costs charged to the requesting ministry. For instance:
	
	    i. Debit: 1901/1101/00000/91/251111/043
	    ii. Credit: 9901/1101/00000/91/631813/000
	
	c. The credit entry using SUBHEAD: 9901 with Liability NAC: 631813, because the reimbursing ministry does not have access to the requesting ministry's SUBHEAD and NACs.
	
	4. Transition the JV to Treasury with a 'Step Note' that includes instructions for Treasury to change the credit entry to the requesting ministry's nominated Chart of Accounts (CoA), including their SUBHEAD and NAC.
	
	Step 3 – Treasury Review and Approval
	5. Treasury performs an initial review to make changes to the JV, modifying the credit entry as instructed in the 'Step Note,' and then transitions the JV for final approval.
	
	6. Treasury provides final approval of the JV.
	
	Step 4 – Review report to confirm
	7. The requesting ministry reviews the report to confirm that the actual costs have been reduced as a result of the credit entry from the JV.

Responsibilities	Who is responsible in this process? • The Ministry's Senior Accountant/Officer and Treasury Approvers..
Innovate	Is there any opportunity for the user to implement an innovative approach in this procedure? • Continuously seeking opportunities to streamline the vendor approval process through innovative solutions.
Tools and supports	What tools and supports does the user need to meet the SOP goal? • Providing regular training and resources to NEPO end-users to ensure familiarity with the SOP and its efficient execution.