

The Financial Instructions are contained within 8 modules. Each module has a separate table of contents. The modules and the content overview:

No.	Chapter	Contents
1	Introduction, principles, security, records and compliance	Introduction and FI principles Administration and records Security Non-compliance, Misconduct and Penalties
2	Financial framework	Indicative dates for Ministerial Instructions delay Estimates (budgets) (PSFI) Development Budget Capital and Operating Budget Accurate Coding Costing Monitoring Government Borrowing and Lending Authorities to incur expenditure Supplementary estimates/budgets Control and recording of recurrent spending Indicative dates for PSF Instructions delay
3	Roles and responsibilities of public officers	Financial duties of all public officers Accounting officers Accountable officers Accountant-General Other officers and other responsibilities
4	Asset management	Asset management principles Infrastructure assets Moveable assets Asset Disposal Safe custody of cash, stamps and public money
5	Revenue and expenditure	Collection and receipt of revenue Transfer of Cash within SIG Debit notes Deposits Government bank accounts and cheques Adjustments to SIG accounts

		Recurrent Budget Expenditure
6	Personnel	Payroll Advances
7	Supply Chain Management	Buying goods and services Tenders Contracts Purchasing Administration Local Purchase Orders and Payment Vouchers Imprest funds Payment of Goods and Services Rechargeable works and services
8	Audit	Audit Committee Internal audit
9	Index	

GLOSSARY

All first time users of these Financial Instructions (FIs) are encouraged to read this Glossary before referring to the FIs. This will help readers to understand any special words used to describe how the Government’s finance system operates.

Abbreviations

FI = Financial Instructions

PF&A = Public Finance and Audit Act 1978 (as amended)

PFMA = Public Financial Management Act 2013

PSF = Permanent Secretary, Finance and Treasury

SIG = Solomon Islands Government

AO = Accountable and Accounting Officers

Government finance system word, phrase or concept	Meaning
Account code	The accounting code number used in the Budget book to describe the type of spending that is allowed by Parliament during the year.
Accountable officer (PFTAC)	<p>Under Section 2 of the PFMA defines the accountable officer as</p> <p>“(a) the Permanent Secretary of a Ministry or a person appointed to act for the Permanent Secretary; or</p> <p>(b) a person in charge of the day to day operations of a Government agency”</p> <p>Under Section 12 of the of the PFMA</p> <p>“Accountable officers are responsible for the agency head in respect of which they are appointed, for the proper management and control of expenditures and for all revenues and other public resources received, held or disposed of by that agency, in accordance with the requirements of this Act and the subsidiary legislation”.</p>
Accounting officer	<p>Under Section 2 of the PFMA defines the Accounting officer as</p> <p>“(a) public officer, including a financial controller, who is charged under any Act or by virtue of his appointment with-</p> <p>(i) rendering an account for any public monies;</p>

Government finance system word, phrase or concept	Meaning
	<p>(ii) collecting, receiving or disbursing public or trust money;</p> <p>(iii) the purchase, receipt, custody or disposal of, or accounting for, any public resources;</p> <p>(b) a person appointed or engaged by a Government agency under contract who is charged with a responsibility referred to in paragraph (a);”</p> <p>Under Section 13 of the PFMA “Accounting officers, appointed by the Public Service Commission in consultation with the Accountant-General, are responsible to their accountable officers and the Accountant-General for carrying out the duties assigned to them under this Act and the subsidiary legislation in respect of the custody and handling of; and accounting for public money, stores or property”.</p>
Accounting Warrant	Under Section 2 of the PFMA accounting warrant” means a warrant issued by the Secretary (pursuant to a general warrant issued by the Minister) to authorise an accountable officer to make some of the expenditure authorised by the accounting warrant”
Advance	SIG money that is given into the personal care of an Officer to make SIG payments. An Advance can only be used for the reason that it was requested. If it is not used for that reason and/or the Officer does not repay the money to SIG, then the amount of the Advance will be deducted from the Officer’s salary (see also ‘Imprest’).
Annual accounts	Annual financial statements prepared and issued in accordance with section 38 of the PF&A. Refer Chapter 2.
Appropriation	Total dollar amount of spending allowed for each Account Code in the Budget.
Appropriation Act	The Act of Parliament (required by Section 102 of the Constitution) which approves spending out of the Consolidated Fund to provide SIG goods and services for the financial year. Based on an estimate of revenues and expenditure made by the

Government finance system word, phrase or concept	Meaning
	Minister of Finance and Treasury, also known as the Budget. It includes any Supplementary Appropriation Act(s) which provide extra money for SIG purposes in the same financial year. These Acts apply until the last day of the financial year only; and need to be replaced by new Acts in the next financial year.
Arrears	Any transaction, revenue or expenditure, not yet completed by SIG and considered to be overdue.
Arrears of expenditure	Payments due to be made, but not yet paid, by SIG.
Arrears of revenue	Revenue owed to the SIG, but not yet collected.
Asset	SIG property (all) – refer Chapter 4 for further explanation of an asset.
Asset Register	Register of all capital and inventory items
Authorised substitute (or delegate)	Any officer formally appointed to carry out the duties of the Accounting Officer
Budget	Budget means the Budget book or Estimates of Recurrent and Development Revenue and Expenditure prepared each year for approval by Parliament in support of the Appropriation Act.
Budgetary control	Continual checking of spending against the allocation for each Account Code to make sure overspending does not occur. Account Code Control Cards must be kept updated and balanced for this process to be effective.
Commitment	Any payment approved and recorded by SIG, but not yet paid. It includes any decision that requires SIG to make future payments, such as when recruiting an officer, approving a new telephone/ electricity account for SIG; or awarding a SIG contract. Some commitments may last for many years, such as leasing SIG offices, or contracts to build major roads/ bridges/ wharves or airstrips.
Commitment card (or Account Control Card) <i>(See also Vote book and Vote Ledger Sheet in this</i>	Records all the money a Ministry has spent or plans to spend; and so will also show how much is left to spend for that Financial Year. It may be prepared on a computer, with the Permanent Secretary's approval.

Government finance system word, phrase or concept	Meaning
<i>Glossary)</i>	
Conflict of interest	Any situation where an officer's decisions are influenced by opportunities for personal financial gain or other personal advantage.
Consolidated Fund	Comprising bank accounts under the control of SIG made up of revenue and any other public money raised or received for the purposes of the SIG. This includes any borrowing, donor funds (except development or special funds), grants or gifts placed into SIG control.
Contingency Warrant	The official document that allocates extra money needed before the Supplementary Appropriation Act is approved by Parliament. The Minister for Finance can issue and Cabinet can approve allocations for emergencies that could not have been foreseen. Warrants apply until the last day of the Financial Year only; and then need to be replaced with a fresh annual Warrant.
Debtor	Person or organisation owing money.
Delayed financial instruction	An instruction where the implementation is delayed until a future date to align to capacity availability improvements.
Delegation	Transfer of authority to another person.
Departmental Warrant	The official document authorised by the Minister to the transfer part of one Department's budget allocation to another Department. The Department receiving the Departmental Warrant will use this authority to pay for goods or services on behalf of the issuing Department. Accountable Officer of each Ministry exchange funds using Departmental Warrant. Copies are sent to Treasury. Warrants apply until the last day of the financial year only; and then need to be replaced with a fresh annual Warrant.
De-reservation	Where the PSF allows reserved funds to be spent.
De-reservation Warrant	The document that authorises Ministries to spend that part of their Accounting Warrant that was at first withheld from spending. Issued by the Permanent Secretary, Finance and Treasury. Warrants apply until the last day of the financial year only; and then need to be replaced with a fresh annual Warrant.

Government finance system word, phrase or concept	Meaning
Division (or Sub-Head) <i>(See also Sub-head in this Glossary)</i>	The total annual allocation for any unit within the Ministry which has a separate budget e.g. Department, Program, Project. A Sub-head is the total of a number of Account Codes .
Document	Includes all forms of physical and electronic documents.
Donor funds	Funds received from other countries or organisations to support SIG, most commonly included in the ‘development’ budget.
Emolument	Salary and wages of an officer, including any allowances
Expenditure	Spending
Expenditure (Account) Code	<i>(See ‘Account Code’ in this Glossary)</i>
Expenditure Head	The total annual allocation for all Ministry account Codes added together.
Expenditure (Account) item	<i>(See ‘Account Code’ in this Glossary)</i>
Expenditure (cash flow) profile	An estimate of actual spending to be made in each month of the Financial Year.
Files	Storage for <i>documents</i> (which may be in electronic form).
Financial year	The 12 month period between January 1 and December 31 in relation to the National Government or 12 months ended 31 March in relation to a provincial government.
General Warrant	The official document issued by the Minister for Finance to the Permanent Secretary, Finance and Treasury to fund the whole of SIG. It enables Accounting Warrants to be issued to Ministries to fund their annual budgets. Warrants apply until the last day of the financial year only; and then need to be replaced with a fresh annual Warrant.
Head	The total annual allocation for all Ministry account Codes added together. A Head is the total of a number of Sub-heads and their Account Codes.
Imprest	An advance of SIG money to an authorised officer. The authorised officer is responsible for the security, use, accounting and reporting of these funds, as required by the FIs. The authorised officer will be asked to repay any money that cannot be accounted for out of the advance.
Imprest Holder	Any officer receiving a SIG advance in the form of an Imprest.

Government finance system word, phrase or concept	Meaning
Imprest Warrant	The official document used to give an advance of SIG money called an Imprest Fund into the personal care of an Officer. The officer receiving the advance is called the Imprest Holder.
Inventory	Stores of other non-capital item recorded for security.
Issuing Officer	The officer of SIG responsible for that task.
Item (account code)	A detailed spending summary under a Ministry Sub-head. (<i>See 'Account Code' in this Glossary</i>)
Item of expenditure	<i>(See 'Account Code' in this Glossary)</i>
Journal Entry	Adjustment to accounting records
Journal Voucher	Document that requests an adjustment to SIG accounting records.
Last accounting day	Last working day of the calendar month, or financial year, for Public Officers.
Minister	Refers to the Minister of Finance who is responsible for issuing the General Warrant to SIG; approving transfers of funds between Account Codes within a Sub-head; reserving funds in Account Codes; and authorizing Contingency Warrants to provide emergency funds.
Ministerial Financial Instruction	Financial Instructions (FIs) issued in accordance with section 6 of the Public Finance and Audit Act, that pronounce matters of policy and strategic direction, and, secondly, also instructions that delegate responsibility to the Permanent Secretary, Finance and Treasury certain accounting and accountable matters that the Permanent Secretary must issue 'Permanent Secretary' instructions to elaborate on, implement and guide management and operational matters that achieve the SIG strategies and policies pronounced by the Ministerial Instructions.
Ministry	The unit of SIG for which Parliament has approved a separate appropriated estimate or budget.
National Budget	Budget means the Estimates of Recurrent and Development Revenue and Expenditure prepared each year for approval by Parliament in support of the Appropriation Act.
Officer Authorised to Incur Expenditure	Officer Authorised to Incur Expenditure on behalf of the Accounting Officer. This special <i>delegation</i> is formally approved by the Accounting Officer on Treasury Form TY15 . (<i>See 'Delegation' in this Glossary</i>)

Government finance system word, phrase or concept	Meaning
Organisation	Includes Partnerships; Companies, whether incorporated or unincorporated; Associations; Fellowships; Societies, whether incorporated or unincorporated; and Trustees.
Permanent Secretary	Refers to Permanent Secretary, Ministry of Finance & Treasury and abbreviated as PSF. Responsibilities for Permanent Secretaries from other Ministries are indicated.
Permanent Secretary Financial Instructions	Financial Instructions (FIs) issued in accordance with section 7 of the Public Finance and Audit Act; that elaborate on, implement and guide management and operational matters that achieve the SIG strategies and policies pronounced by the Ministerial Instructions.
Procurement	Buying goods and services for use by SIG. See also the ' Procurement Manual ' and ' Contract Administration Manual ' available at the Ministry responsible for infrastructure when buying major assets.
Project proposal	Refers to the standard format that needs to be followed for any Development Project funded out of the Development Budget. For details on how to properly complete this standard format see the ' Solomon Islands Project Planning Guide ' available at the Ministry responsible for planning.
Public Accounts Committee	Means the Public Accounts Committee of Parliament.
Public monies/money	Includes all revenue or money raised for providing SIG goods and services; and any other money held by any public or accountable officer. This includes any other monies held, temporarily or otherwise, such as borrowing, loans, donor funds, grants or gifts placed into SIG control. See also 'Consolidated Fund'.
Public Officer	Any officer appointed or paid by SIG, includes Accountable Officers. A Public Officer is subject to the General Orders administered by the Public Service Commission. Refer Chapter 3.
Records	<i>(See 'Documents' in this Glossary)</i>
Recurrent accounts code	<i>(See 'Account Code' in this Glossary)</i>
Registers	Main record for all documents.
Remittance	Outflow of public money to a supplier or provider of SIG services, accompanied by a notice to confirm payment.

Government finance system word, phrase or concept	Meaning
Remitted	SIG has issued a cheque or electronic transfer in payment.
Replenish, or Replenishment	A payment bringing the amount of a Standing Imprest Fund up to the original amount of the SIG advance. The Imprest Holder must give Treasury a replenishment report with supporting documentation showing how the original Imprest was spent before replenishment will be paid to the Imprest Holder.
Requisition	Purchase request made on the Treasury approved form. This needs to be completed for all purchases using Public money.
Requisitioning Officer	Officer responsible for getting approval to procure goods and/or services with public money and then confirming that goods and/or services ordered have been received.
Reservation	Where the Permanent Secretary, Finance and Treasury withholds part of the Accounting Warrant so that it cannot be spent by the Ministry. Any reservation of the Ministry's allocations will be written onto the Accounting Warrant.
Reserved funds	Funds allocated under the Accounting Warrant that have been withheld and cannot be spent until the Permanent Secretary Finance and Treasury gives the approval to do so in the form of a De-reservation Warrant.
Revenue collector	Any public officer who officially receives any revenue or other public money and who must give a receipt, keep an official cash book and account for all money received to an accounting officer or chief accountant.
Revenue item	The accounting Code used in the Budget book to describe the types of revenue that are to be collected by SIG.
Security documents	Includes receipt books, licence books, Local Purchase Orders, requests for payment, and any pre-numbered document used in the receiving or spending of public money.
Service	Any activity involving expenditure for which SIG is responsible.
Special Fund	A fund created by the Minister of Finance with the approval of Cabinet (section 5, PF&A), which is held and managed separately from the Consolidated Fund. It may have its own accounting procedures, but needs to report to the Minister.
Statutory expenditure	Any spending of Consolidated Funds by Solomon Island law excluding the Appropriation Act. This spending is the responsibility of the Minister for Finance under Section 102 (5) of

Government finance system word, phrase or concept	Meaning
	the Constitution.
Sub-accountant	A public officer authorized to receive, hold and make payments of public money; keep a cash book and account for transactions to an accounting officer or other officer approved in writing by the Permanent Secretary.
Sub-head <i>(See also Division in this Glossary)</i>	The total annual allocation for any unit within the Ministry which has a separate budget e.g. Division, Department, Program, Project. A Sub-head is the total of a number of Account Codes.
Supplementary Appropriation Act	An act of parliament which approves extra allocations in addition to those already approved by the Appropriation Act for that year.
Supply chain management	‘Supply chain management’ in the public sector: an ‘inbound’ chain of all processes relating to suppliers delivering goods and services into the organisation to support its operational objectives, from supply need identification to acquittal to suppliers.
Treasury information	Accounting records held in the Treasury, which are the official SIG records.
Treasury Division accounts	Accounting records held in the Treasury, which are the official SIG records.
Treasury Records	Accounting records held in the Treasury, which are the official SIG records.
Unacceptable charge	Any payment that in the opinion of the Minister is for obviously excessive price(s) or corrupt or fraudulent activity. The reasons for a refusal to pay an unacceptable charge must be documented and signed by the Minister. Any decision to overrule the Minister’s refusal to pay must also be documented and signed by the authority making the decision to overrule.
Virement	The complete or partial transfer of allocations between Account Codes within the same Sub-Head.
Virement Warrant	The official document that authorises Ministries to transfer budget allocations from one Account Code to another within the same Sub-head.
Vote	<i>(See ‘Account Code’ in this Glossary)</i>
Vote book	<i>(See ‘Commitment card’ in this Glossary)</i>
Vote ledger	<i>(See ‘Commitment card’ in this Glossary)</i>
Vote ledger sheet	<i>(See ‘Commitment card’ in this Glossary)</i>
Voted	The allocation of SIG funds to an Account Code in the Budget.

Government finance system word, phrase or concept	Meaning
	<i>(See also 'Appropriation' in this Glossary)</i>
Vouched	The process of approving a Payment Voucher or Local Purchase Order for payment in the Treasury Payments Section.
Waived	The usual procedures in the FIs are exempted.
Waiver	A document detailing the reasons why the usual steps in the FIs are exempted.
Warrant	A Warrant is a document that gives the holder the right to act in the way described in the Warrant. Warrants apply until the last day of the financial year only; and then need to be replaced with a fresh annual Warrant.