

**THE OPEN UNIVERSITY
OF
TANZANIA**

FINANCIAL REGULATIONS

MARCH 2007

PREAMBLE

The Open University of Tanzania [OUT] was established by the Act of Parliament No. 17 of 1992. This was preceded by a series of studies that were conducted to assess the possibility of establishing an institution to offer distance education at the university level. In December 2005 the Open University of Tanzania [OUT] was awarded a Charter of the Open University of Tanzania.

To conduct its business effectively, OUT like other organisations, needs to ensure that it has sound financial management systems in place and that they are strictly adhered to. Part of this process is the major revision of the Financial Regulations which set out the fundamental financial policies and procedures of Open University of Tanzania.

These financial regulations set out a broad framework of financial management systems, controls and procedures adopted by Open University of Tanzania in order to ensure its assets are safeguarded and its resources are utilized effectively and efficiently. The regulations shall be supplemented by more detailed procedural instructions covering specific aspects of the financial operations and the supporting financial information systems, such as the Financial, Accounting, Procurement and Stores Manual. The regulations translate into practical guidance to the Open University of Tanzania's broad policies relating to financial control. It applies to the Open University of Tanzania and all its subsidiary institutions.

Compliance with the financial regulations is compulsory for all staff connected with the Open University of Tanzania. Each member of staff will have access to a copy of the Financial Regulations and these Financial Regulations must be strictly observed. A member of staff who fails to comply with the Financial Regulations without any reasonable cause will have to be subjected to disciplinary action under the Open University of Tanzania's disciplinary policy. Any such breach will be notified to the Open University of Tanzania Council through the Planning, Development and Finance Committee. It is the responsibility of heads of departments to ensure that their staff are made aware of the existence and content of the Open University of Tanzania's financial regulations and that an adequate number of copies are available for reference within their department. Inevitably, the regulations will not cover every possible situation and it is important that in cases of doubt advice should be sought from the Director of Finance and Accounting.

The Planning, Development and Finance Committee is responsible for maintaining a continuous review of the financial regulations and advising the Open University of Tanzania Council of any additions or changes necessary.

These regulations are organised into 23 substantive Parts and 4 Appendices. All these are preceded by a Preamble that sets the context for the formulation of these Regulations. [Part 1](#) is the [Introduction](#) that covers issues of definitions of terms and application of the Regulations. [Part 2](#) addresses [Duties and Responsibilities of officers of OUT as they relate to Finances](#). [Part 3](#) covers [Budgeting and the Budgetary System](#) while [Part 4](#) covers the [Appointment of Vote Holders](#) and sub-vote holders as well as [Issue of Warrant of Funds](#). [Part 5](#) covers issues of [Authority for and Control of Expenditure](#) and [Part 6](#) addresses OUT [Revenues](#) from all sources.

[Part 7](#) covers [Bank Accounts and Banking Arrangements](#) including [Electronic Banking Arrangements](#). [Part 8](#) addresses issues on General Payments and appointment of cheque signatories. [Part 9](#) covers [Personnel Emoluments and Benefits](#) while [Part 10](#) addresses issues of [Petty Cash Payments and Other Imprests](#). [Part 11](#) covers the [Handing Over of Cash, Stores and Stocks](#). [Part 12](#) addresses [Procurement of Goods and Services](#) and incorporates provisions of the Public Procurement Act No. 21, 2004.

[Part 13](#) covers [Care and Custody of Goods, Stocks and Stores](#) and sets out responsibilities for handling stocks and stores. [Part 14](#) is on the [Selection and Employment of Consultants](#) in compliance with the provisions of the Public Procurement Act No. 21, 2004. [Part 15](#) covers the Acquisition, Control, Charges and Disposal of [Fixed And Immovable Assets](#). [Part 16](#) contains details on workings of the [Board of Survey](#) while [Part 17](#) covers the [Tender Board](#).

[Part 18](#) addresses the legal requirements for [Annual Accounts and Audit](#) as well as [Retention of Accounting Documents](#). [Part 19](#) covers Establishment, Roles and Functions of the Audit Committee, [Part 20](#) covers [Accounting Policies and Practices](#) while [Part 21](#) details requirements on [Financial Management and Investments](#). [Part 22](#) is about [Insurance Policies, Records](#) and [Claims](#). [Part 23](#) covers Losses and Irregularities.

[Appendices I and II](#) are extracts from [Regulations accompanying the Public Procurement Act No. 21 of 2004](#). [Appendix I](#) sets the [Limits of Authority](#) for the OUT Tender Board while [Appendix II](#) sets out the [Limits for Methods of Procurement for Goods, Works and Services](#). [Appendix III](#) is an illustrative format of the [loss report](#) while [Appendix IV](#) is a table with [OUT Document Retention Policy](#).

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PART 1

INTRODUCTION

Title and Date of Commencement

- 1.1 These regulations were approved by the Open University of Tanzania Council on 27th March, 2007. These Financial Regulations shall be cited as the Open University of Tanzania Financial Regulations and shall come into force on 1st April, 2007 _

Definitions

In these regulations, unless the context otherwise requires:

- 1.2 ‘Accounting Officer’ shall be the Vice Chancellor or any person appointed by the Vice Chancellor to act for him during his absence.
- 1.3 ‘Appeals Authority’ means the Chancellor, Vice Chancellor, Tender Board or the Public Procurement Appeals Authority or the court of competent jurisdiction when dealing with complaints and disputes and the resolution of procurement disputes.
- 1.4 ‘Approving Authority’ means the Vice Chancellor, Open University of Tanzania Tender Board or the Ministry Tender Board when approving procurement that is being undertaken by a procuring entity.
- 1.5 ‘Associate’ means
- (a) in the case of an officer of OUT, that person is the OUT officer’s husband, wife or relative, or a husband or wife of the relative of the OUT officer;
 - (b) that person is in a partnership with the OUT officer; or
 - (c) in the case of a body corporate, the OUT officer is a controller of the body corporate or the OUT officer and the persons who are his associates together are controllers of it.
- 1.6 ‘Board of Survey’ shall be a Board appointed by the Deputy Vice Chancellor (RM) under Section 16.1 of these Regulations.
- 1.7 ‘Director of Finance and Accounting’ shall be the person appointed by the Council to that post and includes any person duly appointed by the Vice Chancellor to act on his behalf.
- 1.8 ‘Chief Internal Auditor’ shall be the person appointed by Council to that post and includes any person duly appointed to act for him during his absence.

- 1.9 ‘Competitive tendering or tendering’ means the method of procurement whereby suppliers or contractors are invited by OUT to compete with each other in submitting priced tenders for the supply of goods, services or execution of works.
- 1.10 ‘Consultant’ means a company, corporation, organization, partnership or individual person engaged in or able to be engaged in the business of providing services in architecture, economics, engineering, surveying or any field of professional activity, and who is according to the context, a potential party or the party to a contract with OUT.
- 1.11 ‘Contract’ means the contract or agreement made between OUT and a supplier or contractor as a result of procurement proceedings, for the sale or supply of goods, provision of services or for the execution of works.
- 1.12 ‘Contractor’ means a company, corporation, organization, partnership or individual person engaged in or able to be engaged in civil, electrical or mechanical engineering or in construction or building work of any kind including repairs and renovations, and who is, according to the context, a potential party or the party to a procurement contract with OUT.
- 1.13 ‘Council’ shall be the Council of the Open University of Tanzania established by the Open University of Tanzania Charter of 2005.
- 1.14 ‘Corrupt practice’ means the offering, giving, receiving, or soliciting of anything of value to influence the action of an OUT officer in the procurement process or contract execution.
- 1.15 ‘Estates Manager’ shall be the person appointed by Vice Chancellor to that post and includes any person duly appointed to act for him during his absence.
- 1.16 ‘Fraudulent Practice’ means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of OUT and includes collusive practices among tenderers prior to or after tender submission and designed to establish tender prices at artificial non-competitive levels and to deprive OUT of the benefits of free and open competition.
- 1.17 ‘Goods’ means raw materials, products, equipment and other physical objects of every kind and description, whether in solid, liquid or gaseous form, electricity, intangible assets and intellectual property, as well as services incidental to the supply of the goods provided that the value of the services does not exceed the value of the goods themselves.
- 1.18 ‘Imprest Holder’ shall be an officer of the Open University of Tanzania who has at his disposal a specified sum of money for disbursement on the Open University of Tanzania service.
- 1.19 ‘Limit of Authority’ means the maximum value of any single contract that may be approved by an approving authority, or entered into by OUT without the prior approval of a higher approving authority as set out in the Appendix I of these Regulations.

- 1.20 'Lowest Evaluated Cost Tender' means a tender which is determined to be the most economic after consideration of all relevant factors and the calculation of any weighting for these factors, provided that such factors have been specified in the tender documents.
- 1.21 'Minor Value' means an amount of money up to a maximum limit for the procurement of goods or works of a minor nature as specified in Appendix II to these Regulations.
- 1.22 'OUT' means the Open University of Tanzania.
- 1.23 'Planning, Development and Finance Committee' shall be the Committee established by the Council.
- 1.24 'Procurement Agent' means a person or firm specialised in procurement who acts for another called the Principal in dealing with third parties in matters relating to procurement.
- 1.25 'Procurement' means buying, purchasing, renting, leasing or otherwise acquiring any goods or works by OUT and includes all functions that pertain to the obtaining of any goods, services or works including description of requirements, selection and invitation of tenderers and preparation and award of contracts.
- 1.26 Reference to the masculine gender includes reference to the feminine gender and vice versa.
- 1.27 'Deputy Vice Chancellor (Resources Management)' shall be the person appointed by the Chancellor to that post and includes any person duly appointed to act on his behalf.
- 1.28 'Services' means any object of procurement other than goods or works, which involve the furnishing of labour, time or effort including the delivery of reports, drawings or designs, or the hire or use of vehicles, machinery or equipment for the purposes of providing transport, or for carrying out work of any kind, with or without the provisions of drivers, operators or technicians.
- 1.29 'Supplier' means a company, corporation, organization partnership of individual person supplying goods and services, hiring equipment or providing transport services and who is, according to the contract, a potential party or the party to a procurement contract with OUT.
- 1.30 'Tender Board' shall be a Board established under section 28 of the Public Procurement Act 2004 and translated in Part 17 (Section 17.1 to 17.6) of these Regulations.
- 1.31 'Tender' means, depending on context, either
- (i) a request drawn by a OUT for offers or quotations to be made by suppliers or contractors, or

- (ii) offer, quotation or technical proposal made by a supplier or contractor in response to a request by OUT.
- 1.32 'University Funds' means all cash, cash equivalents and other resources generated by the Open University of Tanzania and/or availed by the Government, Donors and other sources to the Open University of Tanzania or its units for the purpose of carrying out activities of the Open University of Tanzania.
- 1.33 'Vice Chancellor' means the Vice Chancellor of OUT as appointed by the Chancellor of the Open University of Tanzania under the Open University of Tanzania Charter of 2005, and includes any person duly appointed to act for him during his absence.
- 1.34 'Vote Holder' shall be an officer of the Open University of Tanzania appointed by the Vice Chancellor as referred to under section 4.1 of these Regulations.

Application

- 1.38 These Financial Regulations shall apply to all staff and all units of the Open University of Tanzania, including its subsidiary companies.
- 1.39 The Vice Chancellor shall be the Accounting Officer and shall be responsible to the Council for the enforcement of these Financial Regulations.
- 1.40 In the application of these Financial Regulations, the Vice Chancellor shall further be guided by the relevant decisions of the Council made from time to time.
- 1.41 Where the provisions of these Regulations are at variance with statutes and circulars from the Ministry of Finance, provisions of such statutes and circulars shall prevail.
- 1.42 Should the Open University of Tanzania or the Government enter into any treaty or other form of agreement with another state or political subdivisions of such a state or any grant agreement with an inter-governmental or international financing institution, the requirements of such treaty or agreement shall prevail, but in all other respects, procurement shall be governed by provisions of the Public Procurement Act No. 21 of 2004, and these Regulations.
- 1.43 The Open University of Tanzania shall ensure that any procurement that is funded in whole or in part by such a loan, credit or grant is concluded according to procedures that will fulfil the Government's obligations to the government, agency or institution that extended that loan, credit or grant.
- 1.44 Units of the Open University of Tanzania shall not seek clearance of tender documents or award recommendations from an external government, agency or institution that extended that loan, credit or grant before obtaining internal clearance of the same from OUT Tender Board.

- 1.45 To the extent that the clearance or approval of the OUT Tender Board conflicts with the external clearance or approval of an external approving authority arising out of the loan or credit or grant agreement, the clearance or approval of the external approving authority shall prevail, but in all other respects, the internal clearance or approval shall prevail. External clearance in this case is the prior review of procurement by an external approving authority such as the World Bank when a procuring entity seeks a ‘no objection’ prior to procurement.

Updating

- 1.46 Every five years, or more frequently if appropriate, the Deputy Vice Chancellor (Resources Management) shall arrange for the Regulations to be reviewed, and for any proposed changes to be submitted to the Council, through the Planning, Development and Finance Committee for its consideration.

PART 2

DUTIES AND RESPONSIBILITIES RELATING TO FINANCES

Duties of the Vice Chancellor

- 2.1 The Vice Chancellor shall be responsible to the Council for implementation of all financial decisions of the Council.
- 2.2 The Vice Chancellor shall cause to be prepared at the end of each quarter a financial report for the quarter of the financial year.
- 2.3 The Vice Chancellor shall be the Accounting Officer of the Open University of Tanzania and shall be responsible for promoting and maintaining the efficient utilisation of the assets and finances of the Open University of Tanzania.
- 2.4 Notwithstanding anything to the contrary contained in any written law, where any expenditure is to be incurred on any procurement of goods, works or services, it shall be the duty of the Vice Chancellor to ensure that such procurement of goods, works or services is in accordance with the procedures prescribed by or under the Public Procurement Act No. 21 of 2004 and its Regulations.

Duties of the Deputy Vice Chancellor (RM)

- 2.5 The Deputy Vice Chancellor (RM) shall be the Principal Assistant to the Vice Chancellor in all planning, financial and administrative matters. He shall be responsible to the Vice Chancellor for the performance of his duties and functions.
- 2.6 The Deputy Vice Chancellor (RM) shall help plan, direct and coordinate planning, finance and development processes.
- 2.7 The Deputy Vice Chancellor (RM) shall effectively and efficiently manage all human resources and administration functions of the Open University of Tanzania.
- 2.8 The Deputy Vice Chancellor (RM) shall provide expert advice in the conceptualization, design with respect to resource mobilization, implementation, evaluation and timely feedback on Open University of Tanzania plans, projects and programmes.
- 2.9 The Deputy Vice Chancellor (RM) shall coordinate policies, procedures and practices of financial management and control. The Deputy Vice Chancellor (RM) is therefore the interpreter of these regulations. He therefore has the duty to reinforce these Regulations in all units of the Open University of Tanzania, whether independent or not.
- 2.10 He is responsible for discharging all the responsibilities required of him under the Open University of Tanzania Charter of 2005.

Duties of the Director of Finance and Accounting

- 2.11 The Director of Finance and Accounting shall be the Finance Officer of the Open University of Tanzania and shall be responsible to the Vice Chancellor for the keeping of the accounting records and for all the financial matters of the Open University of Tanzania. He shall ensure institution and maintenance of sound internal controls throughout the Open University of Tanzania.
- 2.12 He shall be responsible for supplying quarterly statements to the Deputy Vice Chancellor (RM) which shall show the amount allocated to each recurrent account, the expenditure incurred and commitment entered into up to the end of the current quarter.
- 2.13 The Director of Finance and Accounting shall be responsible for supplying to Vote and Sub-vote Holders with quarterly statements relating to their budget performance.
- 2.14 The Director of Finance and Accounting shall be responsible for ensuring that the Vice Chancellor is supplied with all information necessary to discharge his responsibilities relating to financial matters of the Open University of Tanzania.
- 2.15 He shall be responsible to the Vice Chancellor for supplying such information as may be required by him for the preparation of a report on the activities of the Open University of Tanzania as required under provisions of the Open University of Tanzania Charter of 2005.
- 2.16 At least six months before the commencement of any Financial Year, the Director of Finance and Accounting shall prepare annual estimates of revenue and expenditure of the Open University of Tanzania for the ensuing year for consideration by the Planning, Development and Finance Committee and approval by Council.
- 2.17 The Director of Finance and Accounting shall be responsible for authorizing all orders made out by Vote and Sub-vote Holders before they are sent to the suppliers and for checking that the order will not cause the vote to be exceeded.
- 2.18 The Director of Finance and Accounting shall keep proper accounts and as soon as is practicable, but within 3 months after the end of each financial year and shall produce to the Open University of Tanzania's statutory Auditors, a statement of Income and Expenditure, Cash Flow Statement and Balance Sheet as at 30th June each year.
- 2.19 Generally, the Director of Finance and Accounting shall have the responsibility for managing the financial affairs of the Open University of Tanzania with strict regard for economy and shall inform the Vice Chancellor if, in his opinion a Sub-vote Holder fails to respond satisfactorily to advice and direction regarding the efficient and economical discharge of the Sub-vote Holder's responsibility.
- 2.20 The Director of Finance and Accounting shall consider and implement the suggestions made by the Internal Audit for improvement in application of accounting and financial controls.
- 2.21 The Director of Finance and Accounting shall be responsible for the Administration of the Senior Staff Superannuation Scheme (SSSS), the Parastatal Pensions Fund

- (PPF), the National Social Security Fund (NSSF) and any other fund administered by or participated in the Open University of Tanzania.
- 2.22 The Director of Finance and Accounting is responsible for advising heads of faculties/schools/departments in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the Open University of Tanzania. Therefore the Director of Finance and Accounting will issue instructions on compliance with statutory requirements including those concerning VAT, PAYE, Corporation Tax and Customs and Import Duty.
- 2.23 The Director of Finance and Accounting is responsible for maintaining the Open University of Tanzania's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

Duties of the Chief Internal Auditor

- 2.24 The Chief Internal Auditor shall be responsible to the Council through the Vice Chancellor and the Audit Committee of the Council.
- 2.25 The internal audit function shall remain independent in its planning and operation and will have direct access to the office of the Vice Chancellor. It shall, however, also respond to the needs of management.
- 2.26 The main responsibility of internal audit is to provide the Audit Committee, Vice Chancellor and senior management with assurances on the adequacy and effectiveness of the internal control systems. The internal auditors will report in writing to the Vice Chancellor and the Audit Committee on the completion of each audit, giving an opinion on the adequacy, effectiveness and reliability of the control framework for the areas reviewed, and making recommendations where appropriate. Similarly, the internal auditors are required to submit quarterly and an annual report to the Audit Committee through the Vice Chancellor, on the internal control system at the Open University of Tanzania and the extent to which it can be relied upon. The Chief Internal Auditor shall also appraise and report on performance by ascertaining the extent to which systems of control operate to promote the most economic, efficient and effective use of resources. The quarterly and annual reports shall cover the Open University of Tanzania's accounting period and must be submitted in time for the preparation of the Audit Committee's quarterly and annual reports to the Open University of Tanzania Council on the work of the internal and external auditors and any other work conducted during the year.
- 2.27 The Chief Internal Auditor shall advise the Director of Finance and Accounting on the soundness, adequacy and application of accounting and financial controls and shall ascertain the extent to which the Open University of Tanzania's assets are protected from losses arising from fraud, irregularity and corruption.
- 2.28 The Chief Internal Auditor shall ascertain the extent of compliance with the prescribed plans, policies, procedures and financial regulations and check the accuracy of accounts and other data developed within the Open University of Tanzania.

- 2.29 Chief Internal Auditor shall undertake special investigations directed by the Vice Chancellor from time to time.
- 2.30 The Chief Internal Auditor shall make constructive suggestions for economy in expenditure and propose measures to maximise the utilisation of Open University of Tanzania resources.
- 2.31 The Chief Internal Auditor shall check and ensure that directives given by the Council through the Audit Committee are adhered to.

Duties of Heads of Schools, Faculties, Institutes, Departments and Units

- 2.32 Accountability for financial management is delegated from the Council through the Finance and Planning Committee to the Vice Chancellor and Schools, Faculties, Institutes, Departments and Units.
- 2.33 Within schools, faculties, institutes and units, financial management may be further delegated to other budgetary units in accordance with conventions set out by schools, faculties, institutes, departments and units but within the overall framework of these Regulations.
- 2.34 At each level, the body or individual concerned must ensure that funds received or spent are properly controlled, and their use monitored.
- 2.35 Responsibility for internal control within a budgetary unit rests with the Head of that Unit, who shall ensure that appropriate and adequate arrangements exist to safeguard all assets, that university policies, including the Regulations, are complied with, and that records are maintained in a complete and accurate form.
- 2.36 Heads of Units must ensure that adequate procedures for regular independent checks of financial transactions are in place. Guidance on recommended internal control procedures will be available from the Internal Audit Unit.

PART 3

BUDGETING AND THE BUDGETARY SYSTEM

Budget Preparation

- 3.1 Under the Open University of Tanzania Charter of 2005 the Council shall cause to be prepared an annual budget which shall be approved by the Council. Budgeted resources will be allocated annually by the Council on the recommendation of the Planning, Development and Finance Committee.
- 3.2 Heads of Schools, Faculties, Institutes and Departments are responsible for the economic, effective and efficient use of resources allocated to them.
- 3.3 The Deputy Vice Chancellor (Resources Management) is responsible for preparing annually a five-year rolling strategic plan with a financial plan, including a detailed revenue budget and capital programme for the next financial year, for consideration by Planning, Development and Finance Committee before submission to the Council for approval. The Director of Finance and Accounting must liaise closely with the Heads of Schools, Faculties, Departments and the related Boards and committees in preparing the budgets and plans in order to inform the resource allocation process by Planning, Development and Finance Committee and the Council. The resource allocation decisions must be communicated to Heads of Schools, Faculties, Departments and Units as soon as possible following approval by the Council. The Director of Finance and Accounting must ensure that the detailed approved budgets for the following year are loaded into the financial management information system to enable the heads of Schools, Faculties, Departments and Units to monitor their actual financial position against the approved budget as the year progresses.
- 3.4 During the year, the Director of Finance and Accounting is also responsible for submitting revised budgets for consideration by Planning, Development and Finance Committee prior to submission to the Council for ultimate approval. These revised budgets must also be communicated to all heads of Schools, Faculties, Departments, Units and loaded into the financial management information system.

Recurrent Expenditure Budget

- 3.5 At least six months before the commencement of any financial year, the Director of Finance and Accounting shall request Deans of Schools, Directors of Institutes and Heads of Departments and Units to submit new income and expenditure proposals for the ensuing financial year.

- 3.6 Deans of Schools, Directors of Institutes and Heads of Departments and Units shall submit within one month of the request by the Director of Finance and Accounting, proposals for new expenditure on the following lines:
- (a) Changes in Establishment
 - (b) Other Charges items
 - (c) Capital Development items

Submission of Draft Estimates

- 3.7 On receipt of the proposals, the Director of Finance and Accounting shall prepare draft estimates to be submitted to the Planning, Development and Finance Committee for scrutiny and consideration after which the Planning, Development and Finance Committee will recommend them to the Council for approval.
- 3.8 The annual estimates shall be prepared to contain provision for all revenue and expenditure estimated for the ensuing financial year in accordance with the Open University of Tanzania Charter of 2005.

Budgetary Control and Incurring Expenditure

- 3.9 No expenditure shall be incurred by and for the purpose of Open University of Tanzania except in accordance with the provisions of the annual estimates or in accordance with the provisions of any supplementary estimates approved by the Council.
- 3.10 The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder who must ensure that day to day monitoring is undertaken effectively. Budget holders are responsible to their Head of Department for the income and expenditure appropriate to their budget. The budget holder will be assisted in this duty by the management information system. The types of management information available to different levels of management are described in the Open University of Tanzania's detailed financial procedures together with the timing and verification reporting requirements which they are expected to comply with. The financial management information systems maintained by the Open University of Tanzania will provide the nominated vote holders access to their accounts and budgets for monitoring, reporting and inquiry purposes.
- 3.11 The Deputy Vice Chancellor (RM) shall submit Revised Annual Estimates for the Current Financial Year to Council, through the Planning, Development and Finance Committee where:

- (a) The estimates considered and approved by Council under Section 3.3 above are different from those approved by Government.
- (b) There is a saving arising from different sources or from Government supplementary funds.
- (c) There is a necessary and unforeseen expenditure which was not considered in the budget.

Virement

- 3.12 Vote holders do not have authority for virement without first submitting a request to the Vice Chancellor. Requests for Virement relating to non-staff costs, up to a limit of 10% of the approved budget, shall be submitted to the Deputy Vice Chancellor (RM) through the Director of Finance and Accounting for consideration and approval. Any virement above 10% shall be approved by the Council.
- 3.13 The Director of Finance and Accounting is also responsible for submitting requests for virement of resources above 10% to the Vice Chancellor for approval.

Capital Expenditure Budget

- 3.14 Capital expenditure on land, buildings, major equipment, furniture and associated costs can only be considered as part of the capital programme approved by the Council. Major capital expenditure programmes shall be considered in the context of the Open University of Tanzania's Rolling Strategic Plan.
- 3.15 Proposals relating to Capital Development Programmes shall be compiled by the Estates Manager in consultation with the Director of Finance and Accounting and shall be considered by the Planning, Development and Finance Committee before they are submitted to the Council for approval. Proposed capital development projects have to be supported by:
 - a statement which demonstrates the project's consistency with the strategic plans and estates strategy approved by the Council,
 - an initial budget for the project for submission to Planning, Development and Finance Committee. The budget should include a breakdown of costs including professional fees, VAT and funding sources,
 - a financial evaluation of the plans together with their impact on revenue budgets plus advice on the impact of alternative plans,
 - where appropriate, an investment appraisal in a format which complies with accepted formats in investment appraisal,
 - a demonstration of compliance with tendering procedures and regulations, and

- a cashflow forecast.
- 3.16 The Vice Chancellor shall report to every meeting of the Council upon the progress of the execution of the Capital Development Programmes approved by the Council and on the raising of Capital Funds required thereof. He shall, where appropriate, through the machinery of the Planning, Development and Finance Committee propose to Council any adjustments to the programme which appear to him to be necessary or desirable in the light of the current financial position and shall take steps, when necessary, to secure any approval required from the Council.
 - 3.17 The Estates Manager shall be the Sub-vote Holder for Capital Expenditure and shall be responsible for detailed execution of Capital Development Programmes. He shall be responsible to the Management Committee for execution of all approved Development Plans in so far as they belong to the Open University of Tanzania. All purchases of capital works items shall be in compliance with these Financial Regulations.
 - 3.18 The Director of Planning and Development shall also be responsible for keeping the Planning, Development and Finance Committee regularly informed of the expenditure of funds allocated and shall propose, through the Director of Planning and Development, any virement necessary to the Planning, Development and Finance Committee. For capital expenditure items virement shall be approved by the Council on recommendation of the Planning, Development and Finance Committee.
 - 3.19 The engagement of architects, quantity surveyors and other professional consultants shall be in writing under a resolution of the Tender Board and such persons shall be informed of the relevant sections of these regulations.
 - 3.20 Contracts for the construction of buildings and other works shall be in writing in an approved format and executed under the common seal of the Open University of Tanzania.
 - 3.21 Contracts for the construction of buildings and other works shall normally be sanctioned by process of invitation to firms selected by the Tender Board taking into consideration the recommendation by the responsible architect to submit tenders on the basis of priced Bills of Quantities.
 - 3.22 Where, in respect of relatively small work, the Tender Board deems fit in the Open University of Tanzania's interest to do so either for reasons of economy, to save time or because no other firm has the requisite skills and equipment, it may be resolved to direct that a contract be negotiated rather than be awarded by tender. Negotiated contracts may be either in approval form under the common seal of the Open University of Tanzania, or by Variation Order or by Addition Order under the existing contract. The Tender Board shall determine what minor works are and whether a negotiated contract should be by approved form under the common seal of the Open University of Tanzania or by Variation Order.

- 3.23 The Deputy Vice Chancellor (RM) may direct that minor construction works be executed by private contractors under supervision of the Open University of Tanzania's Estates Department. Selection of individual contractors shall be under the single source mode of selection.

Payment Process for Capital Expenditure

- 3.24 The Deputy Vice Chancellor (RM) shall require through the Estates Manager the responsible architects to submit at monthly intervals, running financial estimates of the cost of works under contracts and priced copies of all Variation Orders, Omission Orders or Addition Orders as they are issued. He shall require the architects to consult with him before any use is made of the contingency sum provided in the Bills of Quantities.
- 3.25 The Deputy Vice Chancellor (RM) shall require through the Estates Manager the Architects and Quantity Surveyors to provide sums or amount of their professional fees estimated upon the contract sum, and shall scrutinise all Fee Notes and expenses submitted.
- 3.26 The Estates Manager shall report all payment of Final Accounts to the Planning, Development and Finance Committee which shall recommend virements as necessary to or from the Contingency Reserve Fund or to other allocations.

Completion of Contract

- 3.27 The Deputy Vice Chancellor (RM) shall authorize the payment of retention monies when satisfied that the contractor has fully discharged his liability to remedy defects as per relevant clause in the contract.
- 3.28 On satisfactory completion of the project, the Consultant shall draw up a final handing over certificate to be signed by the Consultant, the Contractor and the Deputy Vice Chancellor (RM).

PART 4

APPOINTMENT OF VOTE AND SUB-VOTE HOLDERS

Appointment of Sub-vote Holders

- 4.1 The Vice Chancellor shall appoint Deans, Directors and when appropriate Heads of selected Departments as Vote Holders.

Issue of Warrant of Funds

- 4.2 At the beginning of each financial year, the Vice Chancellor shall issue a warrant to each Sub-vote Holder authorizing him to incur expenditure in accordance with terms of the warrant. However, the Vice Chancellor may issue the warrants quarterly or half-yearly or otherwise as he may deem fit, depending on the release of funds by Government.
- 4.3 The warrant issued by the Vice Chancellor shall constitute the authority for the Sub-vote Holder to incur expenditure under sub-heads indicated in the warrant subject to these regulations.

PART 5

AUTHORITY FOR AND CONTROL OF EXPENDITURE

Approval and Issue of Warrant of Funds

- 5.1 The Annual Estimates as approved by Council shall constitute the authority necessary for charging of expenditure to the funds of the Open University of Tanzania. No sum shall, however, be withdrawn from the funds of the Open University of Tanzania except under the authority of a warrant issued by the Vice Chancellor.
- 5.2 At the beginning of each Financial Year, the Vice Chancellor shall issue a General Warrant to the Director of Finance and Accounting authorizing funds in accordance with the Estimates, with the exceptions of funds over which the Vice Chancellor wishes to exercise special control.
- 5.3 The Sub-vote Holders shall be aware of the specific purpose or purposes for which each allocation is made available and of the necessity for complying with the instructions on the warrant. A holder of a warrant is to regulate his expenditure so as to ensure that the amounts allocated to him are not exceeded or exhausted prematurely.
- 5.4 Application for additional provision is to be made by the Sub-vote Holder on the Approved Form, and submitted to the Vice Chancellor, through the Deputy Vice Chancellor [RM] and the Director of Finance and Accounting. The application is to be supported by full details of the necessity for the additional provision and the reason why it is essential.
- 5.5 No application for additional provision will be entertained unless it relates to urgent expenditure which was unforeseeable at the time the Estimates were prepared and which cannot be postponed for consideration in the following financial year without serious injury to Open University of Tanzania interests. It must also be shown that this urgent expenditure could not have been met by curtailing expenditure chargeable against the moneys provided under the same item of the Estimates. It is the duty of the Sub-vote Holders to effect all possible savings and the fact that savings may be available under other items cannot be advanced as a justification for additional provision, unless it can be clearly established that the savings accrued directly as a result of the proposed additional expenditure.
- 5.6 Heads of Departments and sub-vote holders are not authorised to commit the Open University of Tanzania to expenditure without first ensuring that there are sufficient funds allocated in the approved departmental budget to meet the purchase cost. The financial status

of each Vote and Sub-vote Holder at any point in time is ascertainable from the Director of Finance and Accounting's office. Committed as well as actual expenditures can be ascertained from the financial management system. Any doubts should be referred to the Director of Finance and Accounting for clarification prior to placing the order.

- 5.7 No commitments are to be made until authority for additional expenditure has been obtained from the Vice Chancellor through the Deputy Vice Chancellor [RM] and the Director of Finance and Accounting.
- 5.8 Where savings are guaranteed to cover the additional provision required, the Vice Chancellor may issue a special warrant on recommendation by the Director of Finance and Accounting without prior reference to the Planning, Development and Finance Committee if the application does not exceed T.Shs 1 million. Such decision shall be reported by the Vice Chancellor at the subsequent meeting of the Planning, Development and Finance Committee. An application in excess of T.Shs 1 million shall be approved by the Planning, Development and Finance Committee.
- 5.9 In cases where savings are not available, reference to the Planning, Development and Finance Committee is necessary. It follows that applications for additional provision in these circumstances must be made in sufficient time to enable the application to be submitted to the Planning, Development and Finance Committee.
- 5.10 If additional provision is approved, the Director of Finance and Accounting is authorized to make payment from and accept charges against the Open University of Tanzania funds in respect of the relevant items by a special warrant issued by the Vice Chancellor.

Liability of Vote Holders

- 5.11 A Vote and Sub-vote Holder shall be liable for an unauthorized expenditure resulting from carelessness or negligence on his part.
- 5.12 If the Director of Finance and Accounting, in his opinion, considers that a Vote Holder is consistently negligent in the discharge of his duties under these regulations, he shall report to the Deputy Vice Chancellor (RM) who shall investigate the matter. If negligence is proved, the Deputy Vice Chancellor (RM) shall report it to the Vice Chancellor for institution of appropriate disciplinary action.

Savings on Approved Estimates

- 5.13 In cases where savings are available from other items of expenditure under the same sub-head and have been guaranteed in support of an application for additional provision, the original vote from which these

savings are to be made may be reduced accordingly with prior permission of the Deputy Vice Chancellor (RM) and the Vote and Sub-vote Holder shall be required to ensure that the reduced estimate is not exceeded.

- 5.14 Where the Human Resource Management Committee has decided that no offer can be made with reference to an established post or the appointee cannot take up his post at the time envisaged in the estimates, Vote Holders may propose to the Vice Chancellor that the resultant savings on salary be used to appoint staff on temporary basis to fill the gap where the vacancy exists and the Vice Chancellor may approve such proposal.
- 5.15 The authority conveyed by any warrant normally lapses on the last day of the financial year (30th June) unless an earlier date has been indicated.
- 5.16 Savings on recurrent expenditure shall not be carried forward from one financial year to the next. These savings shall be transferred to the General Reserve Fund and shall be at the disposal of the Planning, Development and Finance Committee. Orders must therefore be made early to ensure that charges will be received in time for payment before the close of the financial year. Orders to local suppliers shall stop at the end of May except for those from the Bookshop and Library.

General Matters

- 5.17 The Director of Finance and Accounting is responsible for making payment to suppliers of goods and services to the Open University of Tanzania. All goods and services shall be ordered on the Open University of Tanzania's Purchase Order Processing system and invoices from creditors must quote the related Open University of Tanzania Purchase order number.
- 5.18 In order to ensure strict control over expenditure no charges shall be made against any vote except for the special purpose for which provision has been made and expenditure is to be charged against the appropriate item.
- 5.19 To control expenditure for which he is responsible it is essential for a Vote or Sub-vote Holder to keep a Vote Book which will record actual expenditure, commitment and the amount which is still available for expenditures at any one time. The Director of Finance and Accounting shall keep a Central Vote Book for the same purpose. These books shall be reconciled regularly.
- 5.20 These financial regulations will be supplemented by a chart of authorisation limits for authority expenditures. The Council is

responsible for setting and reviewing the authorisation limit from time to time.

PART 6

REVENUES

Notification of Revenue

- 6.1 The Director of Finance and Accounting shall be the Official Receiver of all Open University of Tanzania Funds, including fees, government grants, donor funds, dividends and interest, etc. and shall appoint collectors of revenues.
- 6.2 The Director of Finance and Accounting, in conjunction with Vote or Sub-vote Holders concerned shall make and maintain adequate arrangements:
 - (a) for the financial organization, accounting and Book-keeping necessary to ensure the proper recording of all sums due to the Open University of Tanzania, and
 - (b) for the collection, custody, control, disposal and prompt and proper accounting of the Vote or Sub-vote Holder responsible.
- 6.3 Particulars of all charges to be made for work done, services rendered or goods supplied by a Vote or Sub-vote Holder to another shall be promptly notified in writing to the Director of Finance and Accounting for the purpose of raising charges to parties concerned.
- 6.4 Rules and procedures for amounts and conditions of payments of tuition fees by students shall be set by the Open University of Tanzania and implemented by the Director of Finance and Accounting. Failure to pay tuition fees shall entail imposition of sanctions which can include termination of registration, barring from examination, withholding of results and or postponement of graduation.
- 6.5 The Vice Chancellor, the Deputy Vice Chancellor [Academic], the Deputy Vice Chancellor [PRC], the Deputy Vice Chancellor [RC], Deputy Vice Chancellor (RM), or any other Officer of the Open University of Tanzania shall notify the Director of Finance and Accounting of all monies due to the Open University of Tanzania under agreements prepared in their departments [including contracts, leases, tenancy agreements, agreements for sale of property and any other agreement that involve the receipt of money]. A copy of each of the completed documents including statements in respect of all purchases and sale of property shall be forwarded to the Director of Finance and Accounting.

- 6.6 With regard to revenue, the Director of Finance and Accounting shall ensure that:
- debtors invoices are raised promptly in respect of income due to the Open University of Tanzania
 - swift and effective action is taken to collect overdue debts in accordance with the Open University of Tanzania's formal procedures
 - outstanding debts are monitored and monthly reports are prepared.
- 6.7 The Director of Finance and Accounting is responsible for implementing credit arrangements and indicating a period in which different types of invoices must be paid. All amounts due to the Open University of Tanzania must be paid within thirty days of the date of invoice. These credit arrangements must be approved by the Planning, Development and Finance Committee. Any significant subsequent changes must be submitted to the Planning, Development and Finance Committee for approval.

Recording and Control of Revenues

- 6.8 The Director of Finance and Accounting shall be the custodian of the Open University of Tanzania funds. Vote and Sub-vote Holders are to take proper steps within their powers to collect and bank such funds daily.
- (a) Every sum received on behalf of the Open University of Tanzania by the Cashier or other authorized employee of the Open University of Tanzania shall be immediately acknowledged by the issue of an official receipt, ticket or voucher. The official receipt must be completed, in indelible writing, by the receiving officer, signed and dated. The receipt shall show clearly the purpose for which the money was paid.
 - (b) No form of receipt, ticket or voucher is to be used without authority of the Director of Finance and Accounting who will arrange for the printing of all forms of receipts, tickets or vouchers, and ensure that they are serially numbered, recorded and controlled.
 - (c) When a cheque is received the number of the cheque shall be quoted on the receipt.
 - (d) The Public should be informed by way of a notice at the Cash Office counter that an official receipt must be obtained for any sum paid to the Open University of Tanzania.
 - (e) All cashiers shall be covered by Fidelity Guarantee Insurance.

- 6.9 Every transfer of money from one employee of the Open University of Tanzania to another shall likewise be immediately acknowledged by the issue of receipt, or in appropriate cases, by signature in the cash accounting records.
- 6.10 All money received by, and on behalf of the Open University of Tanzania by any School, Institute or Department shall be deposited directly with the Open University of Tanzania's bankers. Under no circumstances shall moneys be received be handled outside the banking system.
- 6.11 All moneys received in foreign currency shall be receipted, recorded and banked in that currency. The exchange rate ruling on that date shall be noted.
- 6.12 Sums due to the Open University of Tanzania shall not be written off in the accounts except by approval of the Council of the Open University of Tanzania. Requests to write-off debts must be referred in writing to the Director of Finance and Accounting for submission to Planning, Development and Finance Committee for consideration. Such requests must be supported by evidence to indicate that all reasonable efforts have been made to recover the debt in accordance with prudent and established debt recovery procedures. The Director of Finance and Accounting shall keep a register of such amounts written off for possible future recovery.

Physical Handling of Cash and Negotiable Instruments

- 6.13 All cheques for the Open University of Tanzania should indicate the payee as Open University of Tanzania and be sent to the Director of Finance and Accounting Open University of Tanzania. Cheques received, if open, shall immediately be crossed 'Not Negotiable Account Payee Only' and endorsed 'For the Credit to the Account of the Open University of Tanzania'.
- 6.14 The Director of Finance and Accounting shall pay promptly into the Open University of Tanzania's bank account daily all monies received by him and in any event not later than the next working day.
- 6.15 Cash in physical transit shall be insured, entrusted to an officer covered by Fidelity Guarantee Insurance and shall be moved under armed escort.
- 6.16 In all cases however, where value is to be given in return for a cheque and there is doubt if the cheque will be honoured, the value is not to be given until the cheque has been honoured, or cash should be demanded. An officer shall be liable for any loss if he has not taken reasonable precautions. Personal cheques shall not be received in exchange for cash or cash equivalents. Similarly, cashing of Open

University of Tanzania cheques endorsed by payees shall generally not be permitted.

Printing and Control of Receipt Books

- 6.17 All official receipts, forms, books, vouchers and tickets shall be in approved form and all such forms, books, tickets, vouchers, licences and coupons for which fees are chargeable shall be ordered, controlled and issued to Schools, Institutes, and Departments by the Director of Finance and Accounting and all receipts and issues thereof shall be properly recorded and acknowledged.
- 6.18 Each Vote and Sub-vote Holder who receives money on behalf of the Open University of Tanzania for which he is accountable to the Open University of Tanzania shall keep such records including an accurate chronological account of all receipts and deposits as may from time to time be approved by the Director of Finance and Accounting.

Research Grants

- 6.19 Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective.
- 6.20 The term 'research grant' is restricted to research projects funded by the government, donors, research institutions and foundations, charities, etc. All other externally financed research projects are classified as 'research contracts'.
- 6.21 Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the Head of Department to ensure that the financial implications have been appraised by the Director of Finance and Accounting.
- 6.22 The Director of Finance and Accounting is responsible for examining every formal application for grant and shall ensure that there is adequate provision of resources to meet all commitments. The Director of Finance and Accounting shall ensure that the full cost of research contracts is established. The research agreement must be in line with the Open University of Tanzania's policy with regard to indirect costs and other expenses and take account of different procedures for the pricing of research projects depending on the nature of the funding body.
- 6.23 Research grants and contracts shall be accepted on behalf of the Open University of Tanzania by the Vice Chancellor.

- 6.24 The Director of Finance and Accounting shall maintain all financial records relating to research grants and contracts and shall initiate all claims for reimbursement from sponsoring bodies by the due date.
- 6.25 Each grant or contract will have a named supervisor or grant holder and will be assigned to a specific budget centre.

PART 7

BANK ACCOUNTS AND BANKING ARRANGEMENTS

Appointment of Bankers

- 7.1 The Council is responsible for the appointment of the Open University of Tanzania's bankers on the recommendation of Planning, Development and Finance Committee. The performance of the Open University of Tanzania's bankers shall be reviewed annually by the Planning, Development and Finance Committee, at which time consideration will be given to the need to subject the service to a competitive tendering process.

Opening and Maintaining Bank Accounts

- 7.2 The Council shall arrange for such accounts to be kept as may be necessary from time to time. No bank account shall be opened unless that account is for the furtherance of Open University of Tanzania lawful business and is properly approved by the Vice Chancellor on behalf of the Council. The accounts so opened shall be restricted to the specific purposes initially intended for.
- 7.3 The Director of Finance and Accounting is responsible for, on behalf of Planning, Development and Finance Committee, liaising with the Open University of Tanzania's bankers in relation to the Open University of Tanzania's bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the Director of Finance and Accounting who shall make proper arrangements for their safe custody.
- 7.4 Only the Director of Finance and Accounting may, with the approval of the Vice Chancellor, open a bank account for dealing with the Open University of Tanzania's funds. All bank accounts shall be in the name of the Open University of Tanzania or one of its subsidiary companies. No other institute, department or unit shall be empowered to operate a bank account relating to their or any other Open University of Tanzania activity unless approved by the Vice Chancellor on behalf of the Council. Similarly, no cheques or financial instruments made payable to the Open University of Tanzania shall be endorsed and credited to any other account.
- 7.5 All cheques drawn on behalf of the Open University of Tanzania must be signed in compliance to the Open University of Tanzania's Bank Mandate as approved by the Council. All cheques must be signed by two authorised persons. Details of authorised persons and limits covered by the Open University of Tanzania's Bank Mandate shall be

provided for in the Open University of Tanzania's detailed financial procedures.

- 7.6 The Director of Finance and Accounting is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

Electronic Banking Arrangements

- 7.7 All arrangements concerning the use of electronic banking facilities for the payment of staff salaries, creditors, etc. must be approved by the Council on the recommendation of Planning, Development and Finance Committee. The Director of Finance and Accounting must ensure that the controls over and access to such facilities are established and enforced. There must be strict segregation of duties between those staff responsible for setting up payment transaction files and those staff responsible for checking and executing the electronic transfer instructions. Confirmation reports from the bank relating to transfer instructions received from the Open University of Tanzania must be checked back to the originating transaction reports by staff who were independent of those processes.

Suspension or Closure of Bank Accounts

- 7.8 The Bank Account shall be closed where:-
- (i). The purpose for which the account was intended for has been fully fulfilled.
 - (ii) In the opinion of the Director of Finance and Accounting, the account does not operate in conformity with the purposes initially intended for. In such circumstances, the Director of Finance and Accounting shall request the Vice Chancellor to approve the suspension or closure of such an account.

Execution of Instruments and Charges over Assets

- 7.9 Subject to provisions of the Open University of Tanzania Charter of 2005, all conveyances, transfers, contracts, guarantees, agreements, bonds, authorities, mortgages charges, bills of exchanges, promissory notes, bank drafts, letters of credit, securities and other instruments whatsoever to which the Open University of Tanzania is a part shall be executed, on behalf of the Open University of Tanzania by:
- (a) The Vice Chancellor,

- (b) The Deputy Vice Chancellor (RM), or
- (c) Such other officer of the University as the Vice Chancellor may appoint in that behalf.

PART 8

PAYMENTS – GENERAL

Preparation of Payment Voucher

- 8.1 All requisitions for payments of whatever nature are to be supported by original payment vouchers. They are to contain full particulars of the goods or services for which payment is being made and reference to the authority for the expenditure. Supporting documents shall be attached on the vouchers. Proof of payment is not in itself evidence that the expenditure is a valid business expense – explanations and details are required. Photocopied supporting documents shall not be allowed. Credit or Debit Card slips are also not acceptable supporting documents.
- 8.2 All vouchers are to be typed or written in indelible ink. As far as possible separate vouchers are to be prepared for payments in respect of different allocations. The amount to be paid on cash voucher has to be expressed in words as well as in figures and care shall be taken not to leave any spaces for other insertions. All payment vouchers are to show the appropriate code to which the charge is to be allocated and are to be signed by the authorized Vote Holders.
- 8.3 Every voucher shall be certified and signed by the Director of Finance and Accounting. Where the voucher contains more than one certificate it is to be signed separately. Alterations on a voucher are to be signed by the person who authorised the voucher.

Authorisation and Certification of Payment Voucher

- 8.4 A person authorising a voucher is responsible for the accuracy of every detail covered by his certificate to include that:
- (a) The goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory.
 - (b) The purchase price is fair and reasonable and it is matched to the purchase order (or service agreement, letter of engagement etc.).
 - (c) The computations and casting on the voucher have been verified and are arithmetically correct.
 - (d) The authority quoted on the voucher has been obtained.

- (e) Persons named on the voucher are those entitled to receive payment.
 - (f) Payment has been recorded in the Vote Book and the invoice has not previously been passed for payment.
 - (g) Purchases through tender shall be matched with tender document.
 - (h) Purchases through Local Purchase Order shall be matched with supporting LPOs.
- 8.5 No person is permitted to sign a voucher which is made payable to himself, or his associate.
- 8.6 With the exception of vouchers paid out of standing imprest, all vouchers for payment must be submitted to the Director of Finance and Accounting for authorisation.
- 8.7 As far as possible, all payments of the Open University of Tanzania shall be made by crossed cheques.

Appointment of Cheque Signatories

- 8.8 Cheque signatories for OUT shall be appointed by the Vice Chancellor and approved by the Council through the Planning, Development and Finance Committee. Cheque signatories will be composed of the following groups:

Groups A:

1. Vice Chancellor
2. Deputy Vice Chancellor [Academic] and
3. Deputy Vice Chancellor (RS).

Groups B:

1. Deputy Vice Chancellor (RM)
2. Director of Finance and Accounting, and
3. A Senior Accountant.

Delegated Authority for Financial Transactions

- 8.9 Principal vote holders are responsible for purchases within their mandates. Purchasing authority may be delegated to designated vote holders within the University. In exercising this delegated authority,

vote holders are required to observe the University's financial procedures.

- 8.10 The Director of Finance and Accounting shall maintain a Register of Authorised Signatories and Deans and Directors will supply specimen signatures of those with budgetary authority. The Director of Finance and Accounting must be notified immediately of any changes to the authorities to commit expenditure.
- 8.11 No officer of the Open University of Tanzania is authorised to commit the University to expenditure unless sufficient funds are available in the budget.
- 8.12 Where pre-negotiated agreements exist university-wide for the supply of goods and services, these must be used by vote holders.
- 8.13 Vote holders may approve expenditure on an item up to the value of TAS. 20,000,000. For expenditure on an item in excess of TAS. 20,000,000 but no more than TAS. 50,000,000 budget holders must first obtain approval of the Director of Finance and Accounting (and in the case of the Director of Finance and Accounting, the Deputy Vice Chancellor – Resources Management), prior to the purchase order being raised.
- 8.14 For expenditure on items in excess of TAS. 50,000,000 but no more than TAS. 100,000,000 vote holders must obtain approval from the Deputy Vice Chancellor – Resources Management.
- 8.15 For expenditure on items in excess of TAS. 100,000,000 vote holders must obtain approval from the Vice Chancellor prior to the purchase order being raised.
- 8.16 These limits for delegated authority in financial transactions shall not contravene the limits for the Open University of Tanzania if non-competitive methods of procurement are used [direct contracting and direct shopping]. In this case the annual limit for the Vice Chancellor is TAS. 50,000,000 [TAS. 7,500,000 per contract] and for Heads of Departments TAS. 20,000,000 [TAS. 3,000,000 per contract].

PART 9

PERSONNEL APPOINTMENTS, PROMOTIONS, EMOLUMENTS AND ALLOWANCES

Appointment of Staff and Promotions

- 9.1 Subject to directives and circulars from the Treasury and Civil Service Department, and the Open University of Tanzania Schemes of Service, no appointment of any employee and no promotion of existing ones shall be made unless such positions have been provided for in the staff establishment.
- 9.2 Persons who are entitled to receive salaries are those officers whose posts are scheduled in the approved establishment of a School, Faculty, Institute, Department or Unit.
- 9.3 Every person on first appointment or transfer to the Open University of Tanzania service shall be issued with a Letter of Appointment. This letter is the authority for payment of salary. No payment of salary may be made unless such a letter has been issued by the appropriate authority and the employee is confirmed to have reported on duty.
- 9.4 The Director of Finance and Accounting shall be informed immediately an officer takes up his appointment and one certified copy of the Letter of Appointment is to be sent to the Director of Finance and Accounting. The Director of Finance and Accounting shall also obtain from the previous employer the last pay certificate for an officer joining the Open University of Tanzania on secondment or transfer from Government or other Institutions.

Payroll Particulars

- 9.5 Each employee shall be assigned an identification number which shall be recorded on all documents concerning any transactions of such staff e.g. Imprest application form, advances, payroll, etc. Payroll summary sheets shall be prepared according to the payroll number sequence and against each payroll, appropriate cost centre number shall be shown to facilitate cost allocation.

Payment Procedures

- 9.6 The Director of Finance and Accounting is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All time and attendance sheets and

other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Deputy Vice Chancellor (RM). All payments of salaries and wages must be made through the Payroll section of the Finance Office upon recommendation by the Director of Human Resources.

- 9.7 Cheques and Bank direct credits for payments of salaries and wages shall be prepared by the Director of Finance and Accounting or by a person authorized by him. Payroll summary sheets shall be stamped and signed by the person preparing, checking and approving.
- 9.8 Mid month advances shall be kept to a minimum and shall be cleared in the same month.
- 9.9 Salary advances and loans to the maximum of three months salary may be granted to a member of staff of the Open University of Tanzania on application to the Deputy Vice Chancellor (RM) provided that:
- (a) Funds are available,
 - (b) Net take home pay after recovery of such loan shall not fall below a third of basic salary,
 - (c) The amount so granted shall be recovered within the same Financial Year, and
 - (d) The applicant does not owe any money to the Open University of Tanzania.
- 9.10 The Director of Finance and Accounting shall be responsible for keeping all records relating to payroll of all employees of the Open University of Tanzania including those of a statutory nature. Retention of such records shall be in accordance with the Document Retention Policy of OUT as per Appendix IV.

Allowances

- 9.11 All allowances which may be paid to employees shall be paid as approved by Council.

Termination of Employment

- 9.12 The Director of Finance and Accounting shall be informed immediately when an officer's services are terminated. A letter to this effect should be sent to the Director of Finance and Accounting within a week of the event. The acknowledgement of the letter shall be monitored since delay in communication may lead the officer continue draw salaries to which he is not entitled.

- 9.13 Where an Officer absconds from the services of the Open University of Tanzania, the Head of School, Faculty, Institute or Department shall immediately report the incident to the Deputy Vice Chancellor (RM) and the Director of Finance and Accounting. Upon receipt of such information, the Director of Finance and Accounting shall arrange to suspend the Officer's salary pending final decision from the Human Resource Management Committee or the Deputy Vice Chancellor (RM) as appropriate.

PART 10

PETTY CASH PAYMENTS AND OTHER IMPRESTS

Application of Imprest

- 10.1 An Officer of the Open University of Tanzania may be provided with funds when it is expedient for him to make payments without prior submission of vouchers to the Director of Finance and Accounting. These funds are provided in the form of Imprest. The Director of Finance and Accounting shall issue imprest only on the recommendation of the Dean of the School, Director of an Institute, Head of Department or Vote Holder. An imprest shall be issued to an individual member of staff by name and not to a holder of an office.
- 10.2 Application for Imprest shall be made on appropriate forms and addressed to the Director of Finance and Accounting by the Dean of the School, Director of an Institute, Head of Department or Unit, who is to state the purpose of the Imprest, the amount required and the name of the applicant. He shall certify that the imprest is not excessive and that it is required to incur expenditure for the Open University of Tanzania's lawful business. For a large imprest a mini-budget shall be submitted together with the application.

Retirement and Renewal of Imprest

- 10.3 All imprests shall be retired within two weeks of completion of the task for which imprest was issued, failure of which recovery shall be made from his salary without notice. The Director of Finance and Accounting shall conduct quarterly review of all outstanding imprest.
- 10.4 Claims for reimbursement must be made on the standard form provided by the Finance Department, and be supported by invoices or other supporting documents.
- 10.5 A second imprest shall not be issued unless the previous imprest has been fully retired.
- 10.6 The holder of standing imprest shall renew the imprest regularly by submitting a summary of expenditure supported by certified vouchers to the Director of Finance and Accounting who will examine the documents for accuracy and correctness.
- 10.7 Any one payment out of standing imprest for Faculties, Directorates, Departments and Units shall not exceed T.Shs 100,000 except by special prior approval by the Director of Finance and Accounting.

- 10.8 All vouchers paid out of imprest must be certified as correct and coded by the Vote and Sub-vote Holder concerned.
- 10.9 The Director of Finance and Accounting shall issue receipts or certify to staff who have fully retired imprests.
- 10.10 Imprest Holders shall maintain a cash book to record all petty cash transactions made. The cash book shall be checked and balanced before any reimbursement is made.

Travelling, Subsistence and Other Allowances

- 10.11 It is the policy of the Open University of Tanzania that employees are reimbursed the actual cost of expenses incurred wholly, exclusively and necessarily in the performance of the duties of their employment. The rates and allowances for such expenses are approved by the Council on the advice of its Planning, Development and Finance Committee and included on all Open University of Tanzania Travel and Expenses Claim Forms.
- 10.12 All claims for payment of subsistence allowances, travelling and incidental expenses shall be submitted for payment using the Open University of Tanzania's Travel Expense Claim Form and in accordance with the prevailing rules, rates and allowances. All claims must be supported by original receipts, vouchers, tickets, etc.
- 10.13 Claims by members of staff must be certified by their Head of Department or Dean in the case of Heads of Departments. The Vice Chancellor shall certify the claims of Deputy Vice Chancellor and Deputy Vice Chancellor (RM). The Deputy Vice Chancellor shall also certify claims of the Vice Chancellor. However, in the case of exceptional expenses for travel/subsistence, the Deputy Vice Chancellor (RM) shall certify the expenses of the Vice Chancellor and the Deputy Vice Chancellor - in particular if both the Vice Chancellor and Deputy Vice Chancellor are involved in the same event. Certification shall be taken to mean that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Open University of Tanzania.
- 10.14 All foreign visits made by Open University of Tanzania members of staff must be formally requested, justified and approved prior to undertaking the travel, in accordance with the procedures contained in the Open University of Tanzania's Permission to Travel. The approved authorisation and reporting procedures relating to such international travel will be communicated by the Director of Finance and Accounting to all Heads of Schools, Faculties, Institutes or Department who should ensure that all their staff are made aware of them and that they are complied with.
- 10.15 Travelling imprests shall be accounted for within 14 days after the journey for which it was intended is completed. If the imprest is not

accounted for within this period, the Director of Finance and Accounting is empowered to recover the full sum issued from the officer concerned without notice. The imprest shall be accounted for by completing the appropriate imprest retirement form and submission of vouchers in respect of disbursement made and the repayment of any unexpended cash balance.

Petty Cash

- 10.16 The Director of Finance and Accounting shall make available imprests to a School, Faculty, Department, Unit or Institute for the purpose of defraying petty cash expenses. The Dean of the School, the Director of an Institute or the Head of Department shall submit an application in the appropriate pre-designed form to the Director of Finance and Accounting requesting him to issue a standing imprest. Cash receipts must not be added to the petty cash float.
- 10.17 Such a petty cash float is provided to pay minor expenses and may not be used for wages or salaries, or for payments to regular suppliers. Petty cash floats must not be used for personal expenditure.
- 10.18 It may be used to reimburse travel expenses under an amount prescribed from time to time by the Director of Finance and Accounting, on condition that a travel claim form is used.
- 10.19 Where a single item is for less than TAS. 20,000 it should, wherever possible, be paid from School, Faculty, Department, Department or Unit petty cash. All purchases must be supported by receipts or vouchers.
- 10.20 Requisitions for reimbursement must be sent to the Director of Finance and Accounting, together with appropriate receipts or vouchers, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.
- 10.21 The relevant Unit is responsible for the security of the float and the member of staff granted a petty cash imprest is personally responsible for its safekeeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of the Open University of Tanzania's insurers when not in use. Petty cash records and floats will be subject to periodic checks by the Head of Department or other independent person nominated by him or her.
- 10.22 Standard Open University of Tanzania petty cash books shall be supplied by the Director of Finance and Accounting and must be used for recording all imprest accounts.
- 10.23 The Director of Finance and Accounting shall arrange for surprise checks of cash balances to be made at least once every three months.

10.24 At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float and counter-signed by the Head of Department or Manager of a Regional Centre.

Standing Imprest Funds at Regional Centres

10.25 This section is applicable to Standing Imprest Funds that are maintained at Regional Centres.

10.26 All Standing Imprest Funds should be established in accordance with the procedures for Petty Cash and Imprest Funds outlined in these regulations. It is prohibited to establish Petty Cash Funds by any other means.

10.27 Standing Imprest Funds are limited to specified purposes and may not be mixed with other cash funds.

10.28 The Director of Finance and Accounting must approve the establishment of all Standing Imprest Funds at Regional Centres.

10.29 Regional Centres will take responsibility for a Standing Imprest Fund not exceeding TAS. 1,000,000 and these centres must maintain the fund in a bank account for security and control. As set out in these regulations the Director of Finance and Accounting must approve all bank accounts opened for all purposes including the Standing Imprest Accounts in Regional Centres.

10.30 A Standing Imprest bank account name for a Regional Centre must indicate the following:

Open University of Tanzania, Standing Imprest, Name of Regional Centre

10.31 The only allowable deposits to a Standing Imprest bank account are cheques or bank transfers from the Open University of Tanzania issued to establish, increase, or replenish the fund. Under no circumstances shall fees from students be deposited in a Standing Imprest bank account.

10.32 Appropriate accounting records must be maintained by the Regional Centre for all cash disbursements to ensure that appropriate reports as required by the Director of Finance and Accounting are able to be prepared and submitted to the head office on a monthly basis.

10.33 Reimbursement for Standing Imprest payments must be documented with an original invoice, purchase order, receipt, or other proof of payment.

10.34 Replenishment requests by the Regional Centre must be processed as required to replenish the Standing Imprest Fund but no less than once each month. Frequent reimbursements will keep sufficient funds

on hand while keeping the imprest balance at a minimum. Exceptions to processing replenishment requests in less than the prescribed once a month will have to obtain prior authorization from the Director of Finance and Accounting.

- 10.35 Standing Imprest Funds maintained in Regional Centres are subject to internal and external audit. Therefore, all records must be maintained properly and securely for ease of retrieval.
- 10.36 Where a petty cash fund is maintained, institution of appropriate security measures, e.g., a locked box, a locked drawer, etc., must be taken at all times to ensure that unauthorized persons are prevented from having access to cash funds. This is the responsibility of the Managers of Regional Centres. The Petty Cash Fund will be maintained at Regional Centres, similar to other units, as prescribed in these regulations.
- 10.37 Standing Imprest Funds in Regional Centres may not be used for purchasing of products and/or services that are normally obtained university-wide through central purchasing and supply arrangements of the Open University of Tanzania.
- 10.38 As a matter of good financial accounting practice the Manager of the Regional Centre shall not be the Custodian of the Petty Cash Fund. A full-time Open University of Tanzania employee at the Regional Centre shall act as the Petty Cash Custodian.
- 10.39 Fees charged for any programmes offered by the Open University of Tanzania must be deposited in the Open University of Tanzania bank account. Under no circumstances shall such fees be deposited in the Regional Centers' Standing Imprest bank account or any other account.

PART 11

HANDING OVER OF CASH, STORES AND STOCKS

Handing and Taking over Procedures

- 11.1 When the duties of an officer, which involves the custody of Open University of Tanzania money and other property, are handed over to another officer, the following procedure shall be adopted.
- (a) The officer handing over is to ensure that the books, which record Open University of Tanzania money and other property in his custody are entered up to date, ruled off and balanced and that the cash and other property in his custody agrees with the balance shown in his books.
 - (b) The Officer taking over is to check the cash taken over in the presence of the Officer handing over, and to satisfy himself that the cash agrees with the balance shown in the records.
 - (c) The keys of the safe, cash box, store house, etc., are to be handed over immediately.
- 11.2 On completion of the above procedure both officers shall sign a certificate which will show the cash and bank balances and the keys, etc., which have been handed and taken over. Signing of this certificate should be witnessed by one representative from the Director of Finance and Accounting's office and one representative from the Office of the Chief Internal Auditor. Signed copies of this certificate shall be retained by both officers and the original sent to the Director of Finance and Accounting.
- 11.3 If any discrepancy between the books and actual balances are revealed at the time of handing over, whether or not the handing over is of a temporary nature, the certificate accompanied by a report of the discrepancy should be forwarded to the Director of Finance and Accounting. The Director of Finance and Accounting shall then take immediate action to ensure that the discrepancy is investigated and/or settled.
- 11.4 Where the handing/taking over involves security documents (for example, receipts, LPO books, cheque books, etc.) the officer taking over must satisfy himself and ensure that such documents tally with the Index Registers.
- 11.5 These provisions shall also apply to the handing/taking over of all cash equivalents, stores and stocks.

PART 12

PROCUREMENT OF GOODS AND SERVICES

Administrative arrangements for Stocks and Stores

- 12.1 Heads of School, Faculty, Department or Unit are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments.
- 12.2 Heads of School, Faculty, Department or Unit are responsible for ensuring that regular inspections and stock checks are made and that reconciliations of all stock movements are carried out. Stocks and stores of a hazardous nature such as chemicals and medicines should be subject to appropriate security checks.

Methods of Procurement

- 12.3 Procurement of Goods, Works and Services is governed by the Public Procurement Act No. 21 of 2004 including Regulations in Government Notice No. 97 and No. 98 of 15th April 2005. Therefore all procurement shall be made by competitive tendering using the methods prescribed in the Regulations, as determined by the Tender Board, depending on the type and value of the procurement. In any case, the successful tender shall be the tender offering the lowest evaluated cost. [PPA 2004, s. 58, GN 97 2005, r. 7(1)]
- 12.4 In circumstances where:-
- (i) Suppliers, contractors or consultants have already been pre-qualified, or
 - (ii) there is an urgent need for the goods, works, or services such that it would be impracticable to engage in open national or international tendering on competitive selection; or
 - (iii) there is need to achieve certain social objectives by calling for the participation of local communities.

The Open University of Tanzania Tender Board, as the procuring entity, may either restrict the issue of tenders in accordance with the procedures set out in the Regulations or engage in procurement as provided for in sections [12.6] and [12.7] below, provided that -

- (i) the circumstances giving rise to the urgency were neither foreseeable by the procuring entity nor caused by dilatory conduct on its part; and

- (ii) the Open University of Tanzania shall include in the records a statement of the grounds for its decision and the circumstances on which it relied to justify the restriction. [PPA 2004, s. 59(1) and 59(2)]

12.5 The Open University of Tanzania may engage in procurement by means of a receipt of competitive priced quotations for goods or services from at least three different suppliers or contractors provided that the estimated value of the procurement contract is less than the amount set forth in the Regulations as being the maximum allowed for such procurement and the successful quotation shall be that offering the lowest evaluated cost. [GN 97 2005, r. 68(1 -7)]

12.6 The Open University of Tanzania may engage in single source procurement and contract directly with a supplier, contractor or consultant for goods, works or services provided that OUT shall include in the records a statement of the grounds for its decision and the circumstances on which it relied to justify the restriction to procurement from single source. Single source procurement is only justified under the following circumstances [GN 97 2005, r. 69(1)(a-i)]:

- (a) The goods or services are available only from a particular supplier or service provider or a particular supplier or service provider has exclusive rights in respect of the goods or services, and no reasonable alternative or substitute exists;
- (b) There is an urgent need for the goods or services, and engaging in tendering proceedings or any other method of procurement would therefore, be impractical, provided that the circumstances giving rise to the urgency were neither foreseeable by the procuring entity nor the result of dilatory conduct on its part;
- (c) The procuring entity, having procured goods, equipment, technology, services or spare parts from a supplier, following national or international competitive tendering satisfactory to Regulations in GN. 97 of 2005 determines that additional supplies of the same type as those purchased under an existing contract are required;
- (d) The procuring entity seeks to enter into a contract with the supplier or service provider for the purpose of research, experiment, study or development, except where the contract includes the product or goods in quantities to establish their commercial viability or to recover research and development costs;
- (e) Where standardization of equipment is essential for economic and technical reasons and it has been proved to the tender board's satisfaction that compatibility of the existing equipment with another make of equipment cannot be established and that there is no advantage in having another alternative supplier;

- (f) Where an ongoing project, additional items need to be purchased for the completion of implementation.
- 12.7 Goods, works and services of minor value as per Appendix II may be procured directly by OUT without seeking competition in accordance with the procedure prescribed in these Regulations [GN 97 2005, r. 71].
- 12.8 Vote and Sub-vote Holders placing orders are responsible for ensuring that:
- (g) Purchases are made from suppliers appointed by Tender Board.
 - (h) Funds are available to cover the purchase.
 - (i) Articles are not bought at enhanced prices as a result of neglect to order through the approved channels.
 - (j) An entry has been made in the Vote-Book recording the estimated or known commitment.
 - (k) The amount committed in the Vote Books is within their powers to authorize.
 - (l) Orders are not placed for quantities in excess of requirement.
 - (m) Storage facilities are in existence for such stores as will require special storage facilities.
 - (n) Overseas orders are placed at the correct time.
- 12.9 The Head of Supplies Office or such other person as shall be designated by the Director of Finance and Accounting will be responsible for placing orders on the basis of the method prescribed in section 12.4 above.
- 12.10 The Head of Supplies Office shall maintain all stores records necessary for the efficient running of stores.

Prohibition of Splitting Tenders and Contracts

- 12.11 As per the Public Procurement Act No. 21 of 2004, procurement by OUT procuring entities shall be planned in a such a manner that shall avoid emergency procurement whenever possible, aggregate its requirements whenever possible to obtain value for money, make use of framework contracts whenever appropriate to provide an efficient, cost effective and flexible means in procurement and avoid splitting of procurement to defeat the use of appropriate procurement methods. It is therefore not permitted to subdivide the requirements in order to

bring the total value of an order within the lower limits of the authorization. [PPA 2004, s. 45]

Placement of Orders

12.12 Ordering of goods or services shall be made with an official Local Purchase Order (LPO) which shall be signed by the Vote and Sub-vote Holder and passed on to the Director of Finance and Accounting for authorisation. The order shall show the description of goods or services required, and an estimate of the cost.

Receipt of Stores

12.13 Vote and Sub-vote Holders receiving stores are required to:

- (a) Check that the number of packages is correct.
- (b) Examine the package for external signs of rough handling or having been tempered with while on transit.
- (c) Check that the weights are correct, and expiry dates.
- (d) If any of the weights disagree or signs of damage are seen the goods should not be accepted.
- (e) Initiate a claim where appropriate.
- (f) Check the stores against the invoice and or delivery note.
- (g) Where appropriate goods or stores received will be inspected by a technical or other suitably qualified person for quality and quantity.

12.14 It is the duty of Vote and Sub-vote Holders and Store Keepers to ensure that the stores received are recorded correctly in the stores records.

Issue of Stores

12.15 The Head of Supplies Office or Vote and Sub-vote Holder shall issue stores upon presentation of a stores requisition. The Requisitioning Officer will complete the appropriate order form, and submit it in triplicate to the Head of Supplies Office for necessary action, in accordance with the Stores procedures.

12.16 Issue of stores by Head of Supplies Office or other person having charge of stores shall be supported by requisition signed by an Authorizing Officer stating the quantity of goods required and account

chargeable. A receipt of the stores issued shall be obtained on a Stores Issue Voucher.

- 12.17 Issues should normally not be made from a fresh consignment of stores while any balance of previous consignment remains, i.e. First In First Out (FIFO).

Stock Taking

- 12.18 Those Heads of Department whose stocks require valuation in the Balance Sheet must ensure that the stock-taking procedures in place have the approval of the Director of Finance and Accounting and that instructions to appropriate staff within their departments are issued.
- 12.19 Annually on 30th June each year the stocks as shown by the Head of Supplies Office shall be extracted on stock sheets. A complete stock taking shall be carried out by a responsible officer annually as near as practicable to 30th June – the actual stocks on hand being shown against ledger balances together with any resulting deficiencies or surplus provided that annual stock-taking may be waived where a satisfactory system of continuous stock-taking has been in operation during the year.
- 12.20 One representative from the Finance Department and one representative from Internal Auditor shall be present at any stock-taking for the purpose of test-checking.
- 12.21 Each Vote and Sub-vote Holder shall sign the stock sheets or stock-records in respect of stores under his control and certify that the particulars shown thereon are correct and forward a stock certificate to the Director of Finance and Accounting.
- 12.22 Any surplus or deficiencies exceeding T.Shs 500,000/= revealed in terms of stock either at the annual stock taking or at any time shall be reported to the Planning, Development and Finance Committee in order that authority to write off the deficiencies or to bring surplus into charge may be obtained where necessary.
- 12.23 Stores and other assets deemed to be surplus to requirements or obsolete shall not be disposed of either by sale or destruction except upon the authorisation of the Deputy Vice Chancellor (RM), where the value is less than T.Shs. 500,000/=. Authority of the Planning, Development and Finance Committee is required where the value exceeds T.Shs. 500,000/=. Where the value exceeds T.Shs. 500,000/= the disposal shall be by tender or auction unless it can be shown that there will be a financial loss to the Open University of Tanzania if this is done.

PART 13

CARE AND CUSTODY OF GOODS, STOCKS AND STORES

Responsibility for Goods, Stocks and Stores

- 13.1 Heads of Schools, Faculties and Departments shall be responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. The systems used for stores accounting in departments must have the approval of the Director of Finance and Accounting.
- 13.2 Heads of Schools, Faculties and Departments shall be responsible for ensuring that regular inspections and stock checks are made and that reconciliations of all stock movements are carried out. Stocks and stores of a hazardous nature shall be subject to appropriate security checks.
- 13.3 Heads of Schools, Faculties and Departments shall arrange for the complete check of their inventories annually towards the end of the financial year and deficiencies or surpluses revealed or items surplus to requirements or obsolete shall be dealt with in accordance with regulations 12.22 and 12.23 of these regulations.
- 13.4 Inventory forms will be prepared in duplicate, one copy to be retained by the person having charge of the inventory and original sent to the Director of Finance and Accounting.
- 13.5 Every officer having charge of stores and Vote and Sub-vote Holders are responsible for safeguarding the stores and ensuring that they are properly sheltered, protected and maintained. These officers and Vote and Sub-vote Holders shall also ensure that sufficient levels of stores and stocks are maintained to avoid stock-outs or over-stocking.

Storage of Goods, Stocks and Stores

- 13.6 All stores subject to deterioration by heat, cold, damp, exposure to light, insects or vermin shall be protected, maintained in suitable storage conditions and frequently examined.
- 13.7 Fluids in tins and drums shall wherever possible, be stored off the ground to enable leakage to be detected.
- 13.8 Chemicals, kerosene, petrol and other inflammable stores shall not be kept in general stores unless separate space is not available in which case stringent precautions must be taken against fire.
- 13.9 Stores subject to deterioration shall not be allowed to remain in stock for a long period of time without being routinely inspected.
- 13.10 All stores subjected to risks shall be adequately insured.

PART 14

SELECTION AND EMPLOYMENT OF CONSULTANTS

General Selection Procedures

- 14.1 The selection procedure and evaluation criteria to be adopted shall be determined by the procuring unit prior to the invitation of consultants to submit proposals. Such criteria shall be considered by the Tender Board which will verify their suitability and make possible comments concerning them, and be included in the request for proposals. In any case procurement of consulting services shall follow provisions of the Public Procurement Act No. 21 of 2004.
- 14.2 The Tender Board reserves the right to give its approval or make comments on the effective application of the selection procedure defined by the procuring unit.
- 14.3 Types of selection procedures that shall be applied according to the characteristics of the services required are as follows [GN 98 of 2005 r. 36(1)]:
- (a) selection procedure based solely on technical quality, that is to say, the evaluation of the firm's competence, the staff seconded to the assignment and the technical value of the proposal. This is applicable to assignments of a complex technical nature and those with risks likely to have a negative impact on the resulting final project.
 - (b) selection procedure based on technical quality with price consideration. This is applicable to assignments of variable complexity.
 - (c) selection procedure which establishes the compatibility of technical proposal and the services and makes a selection on the basis of the lowest price.
 - (d) Selection procedure based on quality and fixed budget.

Selection based on technical quality

- 14.4 Quality based selection is appropriate for the following types of assignments [GN 98 of 2005 r. 37(5)]:
- (a) complex or highly specialized assignments for which it is difficult to define precise terms of reference and the required input from the consultants to demonstrate innovation in their proposal;

- (b) assignments that have a high downstream impact and in which the objective is to have the best experts, such as feasibility and structural engineering design of such major infrastructure, policy studies of national significance, management studies of large government agencies;
 - (c) assignments that can be carried out in substantially different ways, such that proposals will not be comparable such as management advice, and sector and policy studies in which the value of the services depends on the quality of the analysis; and
 - (d) architectural services obtained through architectural competition.
- 14.5 In quality based selection, the request for proposals may request submission of a technical proposal only or request for submission of both technical and financial proposals at the same time, but in separate envelopes, that is, two – envelope system and the request for proposals shall not provide the estimated budget, but it may provide the estimated number of key staff time, specifying that this information is given as an indication only, and that consultants shall be free to propose their own estimates. [GN 98 of 2005 r. 37(6)]
- 14.6 If technical proposals alone were invited, after evaluating the technical proposals, the procuring unit shall ask the consultant with the highest ranked technical proposal to submit a detailed financial proposal so that the procuring unit and the consultant shall then negotiate the financial proposal and the contract. [GN 98 of 2005 r. 37(7)]
- 14.7 If consultants were requested to provide financial proposals initially together with the technical proposals, safeguards shall be built in as in quality and cost based selection to ensure that the price envelope of only the selected proposal is opened and the rest returned unopened, after the negotiations are successfully concluded. [GN 98 of 2005 r. 37(8)]
- 14.8 In the selection procedure based solely on technical quality, the firm which has submitted the best technically acceptable proposal shall be the first to be invited for negotiations. [GN 98 of 2005 r. 37(1)]
- 14.9 The envelope containing the financial proposal shall be opened in the firm's presence and its contents examined and where no agreement is reached, then the consultant whose technical proposal is ranked the second shall be invited for negotiations. [GN 98 of 2005 r. 37(2)]
- 14.10 The exercise may continue until an agreement is reached with one of the firms whose technical proposals are considered satisfactory and retained. [GN 98 of 2005 r. 37(3)]
- 14.11 The financial envelopes containing the proposals of firms not invited for negotiations will be returned unopened. [GN 98 of 2005 r. 37(4)]

Selection based on combined technical quality and price considerations

- 14.12 The selection procedure based on the combined technical quality and price consideration shall start with the evaluation of technical proposals. [GN 98 of 2005 r. 38(1)]
- 14.13 The technical proposals considered satisfactory and classified by order of merit shall have the corresponding financial proposals opened. [GN 98 of 2005 r. 38(2)]
- 14.14 After the necessary correction of arithmetic errors have been made, a score of 100% shall be given to the lowest financial proposal and the score given to each of the other financial proposals is proportionately reduced. [GN 98 of 2005 r. 38(3)]
- 14.15 The technical and financial proposals are weighted as specified in the request for proposal and the combined value of the two proposals will be calculated for each firm. [GN 98 of 2005 r. 38(4)]
- 14.16 Negotiations shall be initiated with the firm with the highest combined score until an agreement is reached with one of the firm whose technical proposals are considered satisfactory and retained. [GN 98 of 2005 r. 38(5)]

Selection based on technical proposals and least cost considerations

- 14.17 The selection procedure based on the comparability of technical proposals and services involves evaluation of the technical proposal. Firms whose technical proposals are retained shall be those who scored equal or above the minimum specified threshold. [GN 98 of 2005 r. 39(2)]
- 14.18 At the stage of examination of financial proposals, only the envelopes containing the financial proposals of the best ranked consultant shall be opened. The necessary arithmetic corrections will then be made for the purposes of comparison and the consultant whose financial offer is considered the lowest shall be invited for negotiations. [GN 98 of 2005 r. 39(3)]
- 14.19 If an agreement is not reached, the consultant whose financial offer is ranked second lowest, shall in turn be invited to negotiate and so on until an agreement is reached with one of the best ranked consultants. [GN 98 of 2005 r. 39(4)]

Selection based on quality and fixed budget

- 14.20 Selection under a fixed budget is a method that is appropriate only when the assignment is simple and can be precisely defined and when the budget is fixed. [GN 98 of 2005 r. 40(1)]

- 14.21 The request for proposals shall indicate the available budget and request the consultants to provide their best technical and financial proposals in separate envelopes, within the budget. [GN 98 of 2005 r. 40(2)]
- 14.22 Terms of reference shall be prepared to make sure that the budget is sufficient for the consultants to perform the expected tasks. [GN 98 of 2005 r. 40(3)]
- 14.23 Evaluation of all technical proposals shall be carried out first and the price envelopes of those scoring above the minimum threshold shall be opened in public. [GN 98 of 2005 r. 40(4)]
- 14.24 Proposals that exceed the indicated budget shall be rejected. The consultant who has submitted the highest ranked technical proposal among the rest shall be selected and invited to negotiate a contract. [GN 98 of 2005 r. 40(5)]
- 14.25 The selection procedure based on quality and fixed budget involves evaluation of the technical proposal first. Firms whose technical proposals score equal or above the minimum specified threshold are opened in public. Proposals that exceed the fixed budget are rejected and negotiations start with the consultant with the highest ranked technical proposal.

Other methods of selection

- 14.26 In the circumstances, quality and cost based selection is not the most appropriate method for selecting consultants, and other methods are more appropriate, selection methods and the type of services to which they apply shall be determined by agreement between the Tender Board and the procuring unit. Some of these alternative methods are: selection based on consultant's qualification and single source selection.

Selection based on consultants' qualifications

- 14.27 Selection based on consultants' qualifications is a method that may be used for very small assignments for which the need for preparing and evaluating competitive proposals is not justified. For the purposes of these Regulations 'very small assignments' means services whose value does not exceed the value of minor procurement as specified on Appendix II. [GN 98 of 2005 r. 41(1)]
- 14.28 In such cases, the procuring unit shall prepare the terms of reference, request expressions of interest and information on the consultants' experience and competence relevant to the assignment, establish a short list, and select the firm with the most appropriate qualifications and references. [GN 98 of 2005 r. 41(2)]
- 14.29 The selected firm shall be asked to submit a combined technical financial proposal and then be invited to negotiate the contract. [GN 98 of 2005 r. 41(3)]

Single source selection

- 14.30 Single source selection of consultants is a method that does not provide the benefits of competition in regard to quality and cost and lacks transparency in selection, and could encourage unacceptable practices.
- 14.31 The single source selection shall be used only in exceptional cases.
- 14.32 The justification for single-source selection shall be examined in the context of the overall interests of a procuring entity and the project, and a Tender Board's responsibility to ensure economy and efficiency and provide opportunity to all consultants to the extent possible.
- 14.33 Single-source selection may be appropriate only if it presents a clear advantage over competition in which case single source selection may be justified such as for tasks that represent a natural continuation of previous work carried out by the firm; where a rapid selection is essential such as in an emergency operation; for very small assignments; or when only one firm is qualified or has experience of exceptional worth for the assignment.
- 14.34 When continuity for downstream work is essential, the initial request for proposals shall outline this prospect and, if practical, the factors used for the selection of the consultant shall take into account the likelihood of continuity for downstream work.
- 14.35 Continuity in the technical approach, experience acquired, and continued professional liability of the same consultant may make continuation with the initial consultant preferable to new competition, subject to satisfactory performance in the initial assignment and for such downstream assignments, the procuring entity shall ask the initially selected consultant to prepare technical and financial proposals on the basis of terms of reference furnished by the procuring entity which shall then be negotiated.
- 14.36 If the initial assignment was not awarded on a competitive basis or was awarded under tied financing or reserved selection or if the downstream assignment is substantially larger in value, a competitive process acceptable to the Tender Board shall normally be followed in which the consultant carrying out the initial work is not excluded from consideration if it expresses interest and the Tender Board will consider exceptions to this rule only under special circumstances and only when a new competitive process is not practicable.

Selection of individual consultants

- 14.37 Individual consultants are normally employed on assignments for which:
- (a) teams of personnel are not required,
 - (b) no additional outside professional support is required, and
 - (c) the experience and qualifications of the individual are the paramount requirements. [GN 98 of 2005 r. 77(1)]

- 14.38 Individual consultants are selected on the basis of their qualifications for the assignment and may be selected on the basis of references or through comparison of qualifications among those expressing interest in the assignment or approached directly by the procuring entity. [GN 98 of 2005 r. 77(2)]
- 14.39 Individuals employed by a procuring entity shall meet all relevant qualifications and shall be fully capable of carrying out the assignment. [GN 98 of 2005 r. 77(3)]
- 14.40 Capability shall be judged on the basis of academic background, experience and, as appropriate, knowledge of the local conditions, such as local language, culture, administrative system, and government organization. [GN 98 of 2005 r. 77(4)]
- 14.41 From time to time, permanent staff or associates of a consulting firm may be available as individual consultants. In such cases, the conflict of interest provisions described in these Regulations shall apply to the parent firm. [GN 98 of 2005 r. 77(5)]
- 14.42 In the selection and use of individual consultants, consultancy services whose value is less than TAS. 50 million shall be reserved for individual national consultants. [GN 98 of 2005 r. 77(6)]
- 14.43 The selection process for individual consultants comprises the following stages:
- (a) preparation of the terms of reference and contract format;
 - (b) advertisement of the consultancy job;
 - (c) preparation of the estimated budget;
 - (d) preparation of the short list;
 - (e) evaluation of qualification and experience;
 - (f) negotiation of fees and contract terms;
 - (g) signing of contract;
 - (h) supervision and evaluation of services.
- 14.44 For short-term assignments of a few weeks to one or two months, the procuring unit may, after approval by the Tender Board, recruit a qualified individual consultant directly on the basis of information available to it. [GN 98 of 2005 r. 79(2)]
- 14.45 The procuring unit shall consider the consultant's curriculum vitae and references and if these are satisfactory and the latter is available, the fees and the contract terms may be negotiated. [GN 98 of 2005 r. 79(3)]
- 14.46 For longer term assignments, the procuring unit shall prepare a shortlist of three to seven consultants selected on the widest possible geographical base, containing no more than two consultants of the same nationality and includes at least one national consultant using the procuring unit's own sources of information. The individual consultant may also be recruited through governmental or international academic organizations or consulting firms. [GN 98 of 2005 r. 79(4-5)]

- 14.47 Once the shortlist is established the procuring unit shall, on the basis of the curriculum vitae and other relevant information available to it, evaluate the qualifications and experience of each consultant, particularly in the field of the assignment concerned and classify them by order of merit. [GN 98 of 2005 r. 79(6)]
- 14.48 The criteria to be used in the evaluation are the following [GN 98 of 2005 r. 79(7)]:
- (a) general qualifications and suitability of the task to be performed [30 to 60 percent],
 - (b) experience in the specific assignment described in the terms of reference [30 to 50 percent],
 - (c) language proficiency [5 to 15 percent], and
 - (d) knowledge of the country [0 to 10 percent].
- 14.49 The procuring unit shall contact the first individual consultant on the ranking and if he is available, fees and contract terms shall be negotiated. [GN 98 of 2005 r. 79(8)]
- 14.50 The negotiations, which may sometimes begin with interviews, continue until one of the short listed individual consultants is definitively retained for the assignment. [GN 98 of 2005 r. 79(9)]

PART 15

FIXED AND IMMOVABLE ASSETS

Acquisition of Fixed and Immovable Assets

15.1 The purchase, lease or rent of land, buildings or any other fixed assets shall only be undertaken with authority from the Council. Such considerations will normally be allowed only as part of the Open University of Tanzania's Annual Capital Development Programme requirements under the strategic planning procedures.

Care of Fixed and Immovable Assets

15.2 It shall be the overall responsibility of the Deputy Vice Chancellor (RM) to ensure that all fixed assets of the Open University of Tanzania are afforded appropriate safeguards and protection against waste, misuse, fraud, theft, pilferage, misappropriation, destruction and any other untoward acts and circumstances.

15.3 In particular and without prejudice to the generalities of the foregoing, the Deputy Vice Chancellor (RM) shall:

- (a) Ensure that the assets are adequately insured against fire, theft and other hazards.
- (b) Institute and maintain necessary physical controls.
- (c) Take precautions against fire by placing and maintaining serviced fire fighting equipment in all Open University of Tanzania's Buildings and Stores. Provided that the benefits derived from such safeguards and controls justify the cost of setting up and maintaining such safeguards and controls.

Control of Fixed and Immovable Assets

15.4 The Deputy Vice Chancellor (RM) shall ensure that any asset whether movable or immovable issued to every officer and every employee of the Open University of Tanzania whether they are issued to such officer or employees as a tenant, or for use in doing his work, or for mere custody is made fully responsible for the care, safety and proper use of such assets.

15.5 The Director of Finance and Accounting is responsible for maintaining the Open University of Tanzania's fixed asset register of land, buildings,

fixed plant and machinery. The register will record all assets whose purchase cost or balance sheet valuation is more than TAS. 500,000. The Director of Finance and Accounting shall ensure that all the Open University of Tanzania's movable fixed assets are properly indexed and marked.

15.6 In addition to the asset register maintained by the Director of Finance and Accounting, Heads of Schools, Faculties, Departments or Units shall be responsible for maintaining inventories of all plant, equipment and furniture and stores in their Schools, Faculties, Institutes, departments or units with an individual or collective purchase value in excess of TAS. 500,000. The inventory must include items donated or held on trust. Inventories must be checked at least annually and retained in the form prescribed by the Director of Finance and Accounting.

15.7 Every Vote and Sub-vote Holder shall prepare at least once in a year an inventory in a form agreed by the Director of Finance and Accounting of buildings, all movable plant and machinery, and vehicles. As for furniture, equipment and fittings the Vote and Sub-vote Holder shall prepare an inventory to indicate condition and location of each item of asset with intimation to the Director of Finance and Accounting for control purposes.

Charges on the Open University of Tanzania's Assets

15.8 No charge shall be made on any fixed or immovable asset of the Open University of Tanzania without prior approval of the Council after a recommendation from the Planning, Development and Finance Committee.

Disposal of Fixed and Immovable Assets

15.9 No fixed or immovable asset of the Open University of Tanzania shall be disposed of without the approval of the Council.

PART 16

BOARD OF SURVEY

Appointment, Composition and Duties

16.1 (a) The Deputy Vice Chancellor (RM) shall appoint a Board of Survey to examine and verify any assets of the Open University of Tanzania where it is found necessary and at times considered appropriate.

(b) The Board shall consist of not less than five members appointed by the Deputy Vice Chancellor (RM). The Deputy Vice Chancellor (RM) shall also appoint the Chairperson of the Board of Survey and the Head of the Section responsible for procurement and supplies shall be the Secretary to the Board of Survey.

(c) At any meeting of the Board of Survey one half of members shall constitute a quorum.

(d) Any person, who has been appointed but is unable to serve on the Board because of emergency, shall report the fact immediately to the Deputy Vice Chancellor (RM) who will nominate another suitable member to serve on the Board.

(e) The Board of Survey may establish sub committees which shall consist of persons who are, or are not members of the Board for the purpose of advising the Board on any specific matter.

16.2 An Officer whose assets [e.g. cash balances, securities and inventory] are to be surveyed must be present in his office at the time when the Board has arranged to attend, and ensure that the survey can be carried out with as little interference as possible. He/she must have all books of accounts balanced, inventory records, cash and securities readily available for inspection.

16.3 The Chairman of the Board of Survey is to advise Deans of Schools, Directors of Institutes, Heads of Department or Units concerned and members of the Board as to the time and place at which the Board will assemble.

Reporting

16.4 After the survey, the Board shall submit a report to the Deputy Vice Chancellor (RM) signed by all members of the Board. The Deputy Vice Chancellor (RM), on receipt of the report shall arrange to implement the recommendations in an appropriate manner.

Special Board of Survey

16.5 The Board of Survey may, from time to time, be appointed by the Deputy Vice Chancellor (RM) to sit as a Special Board of Survey for the disposal of assets that are either surplus to requirements or no longer serviceable, or to verify existence and condition of any asset as desired by the Deputy Vice Chancellor (RM).

16.6 In instances of disposal of assets, if the Board of Survey is satisfied that disposal is the best course of action for assets under consideration it shall make such recommendations in a report to the Deputy Vice Chancellor (RM).

16.7 With the approval of the Deputy Vice Chancellor (RM) the Board of Survey shall advise on the best manner of disposal of the assets proposed for disposal.

PART 17

TENDER BOARD

Appointment, Membership and Proceedings

17.1 The Tender Board for OUT shall consist of eight (8) members appointed by the Vice Chancellor as follows [PPA of 2004, Second Schedule, s. 1(1)]:-

- (a) The Chairman,
- (b) Six members who are Heads of Departments or persons of similar standing; and
- (b) The Secretary who shall be a procurement specialist.

17.2 The Vice Chancellor shall inform the Public Procurement Regulatory Authority the composition of the Tender Board and the qualifications of its members not later than fourteen days from the date of its appointment. [PPA of 2004, s. 29]

17.3 The Chairman of the Tender Board shall be one of the Heads of Department or a person of similar standing and who shall be appointed by the Vice Chancellor. The Chairman and members of the Tender Board shall be appointed for a period of three years and shall be eligible for re-appointment for a further period of three years. [PPA of 2004, Second Schedule, s. 2(a), s. 3(1)]

17.4 The Head of the Procurement Management Unit or the Unit responsible for procurement and supplies shall be the Secretary to the Tender Board. [PPA of 2004, Second Schedule, s. 2(c)]

17.5 The Tender Board may invite Government Officers from within the procuring authority or other public authority, whose presence is, in its opinion, desirable to attend and to participate in the deliberations of the meeting of the board for the purpose of assisting the Tender Board, but such a person shall have no vote. [PPA of 2004, Second Schedule, s. 4]

- 17.5
- (1) Except as provided for in the Public Procurement Act No. 21 of 2004 as included in these Regulations, the Open University of Tanzania Tender Board shall determine its own procedure.
 - (2) The Tender Board shall meet at such times and places being not less than once in a month as the Chairman may determine.
 - (3) The Tender Board may establish sub-committees which shall consist of persons who are, or are not, members of the board for the purpose of advising the board on any specific matter.
 - (4) The Tender Board shall cause minutes of the proceedings of every meeting to be kept in a proper form and shall be confirmed by the Board and signed by the Chairman and the Secretary at the next meeting of the Board.

- (5) At any meeting of Tender Board, one half of the members shall constitute a quorum.

Duties of the Tender Board

17.6 The Open University of Tanzania Tender Board shall be responsible for the following [PPA of 2004, s. 30]:

- (a) Adjudication of recommendations from the Procurement Management Unit and award of contracts,
- (b) Review all applications for variations, addenda or amendments to ongoing contracts.
- (c) Approving tendering and contract documents.
- (d) Approving procurement and disposal by tender procedures.
- (e) Ensuring that best practices in relation to procurement and disposal by tender are strictly adhered by procuring entities.
- (f) Ensure compliance with the Public Procurement Act No. 21 of 2004, and
- (g) Liaising directly with the Public Procurement Regulatory Authority on matters within its jurisdiction.

PART 18

ANNUAL ACCOUNTS AND AUDIT

Legal Requirement

18.1 The Vice Chancellor shall submit or cause to be submitted to the Open University of Tanzania Statutory Auditors the annual Financial Statements of the Open University of Tanzania within three months after 30th June each year for audit.

Statutory Audit

18.1 The Open University of Tanzania statutory external auditors shall have authority to:

- access Open University of Tanzania premises at reasonable times,
- access all assets, records, documents and correspondence relating to any financial and other transactions of the Open University of Tanzania,
- require and receive such explanations as are necessary concerning any matter under examination,
- require any employee of the Open University of Tanzania to account for cash, stores or any other Open University of Tanzania property under his/her control, and
- access records belonging to third parties, such as contractors when required.

18.1 The primary role of external audit is to report on the Open University of Tanzania's annual Financial Statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds.

18.1 It shall be the duty of the Director of Finance and Accounting to obtain written acknowledgement of all accounting books and records and returns and any other documents related to these and hand them over to the Open University of Tanzania Statutory Auditors for conduct the audit of the Accounts of the Open University of Tanzania.

18.1 The Vice Chancellor shall give the Open University of Tanzania Statutory Auditors every facility necessary to carry out the audit.

18.1 It shall be the duty of the Vice Chancellor to reply promptly to any observations and queries raised by the Open University of Tanzania Statutory Auditors.

18.1 The use of green pencil and ink shall be exclusively reserved for Open University of Tanzania Statutory Auditors and officers of the Internal Audit Department, and the Director of Finance and Accounting shall ensure that they are not, in any circumstances used in the preparation of receipts, payment vouchers or other accounting entries or returns in any of the other offices of the Open University of Tanzania.

Retention of Accounting Documents

18.1 All accounting documents and records shall be retained in an orderly manner and satisfactory condition within the Open University of Tanzania. Appendix IV lists types of documents and retention periods as per the Open University of Tanzania Document Retention Policy.

Auditor's Report

18.1 The Vice Chancellor shall submit to the Council through the Audit Committee, the Auditor's Report on the accounts of the Open University of Tanzania as soon as practicable but not later than the subsequent Council meeting. The Audit Report shall state whether or not requirements of the Public Procurement Act No. 21 of 2004 have been complied with [PPA of 2004, s. 44(2)].

Other Audits

18.1 The Open University of Tanzania may, from time to time, be subject to audit or investigation by external bodies such as the National Audit Office, Tanzania Revenue Authority, Parliamentary Committees, etc. They have the same rights of access as external and internal auditors.

PART 19

THE AUDIT COMMITTEE

Establishment of the Audit Committee

- 19.1 In line with the principles of good governance, the Council of the Open University of Tanzania established the Audit Committee as independent and advisory organ that reports to the Council. Appointment to the Audit Committee shall be for a period not exceeding three years. The Audit Committee has the objective of promoting and raising the standards of corporate accountability and governance within the Open University of Tanzania.

Role and Responsibilities of the Audit Committee

- 19.2 The role of the Audit Committee is to provide effective, informed and independent oversight of management of the Open University of Tanzania and to reassure stakeholders of the integrity of the financial statements and the control systems in place. The audit committee provides a forum whereby key players in the Open University of Tanzania, namely the management, internal audit and external audit, can interact, discuss and resolve any issues of concern.
- 19.3 The committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It is responsible for monitoring the University's internal control and risk management systems and accounting policies. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness as part of its responsibility in monitoring Value for Money work. The Audit Committee has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors.

Functions of the Audit Committee

- 19.4 The functions of the Audit Committee shall include:
- (a) To advise the Council on the appointment of the external auditor, the audit fee, the provision of any non-audit services by the external auditor, fees for such non-audit services, and any questions of resignation or dismissal of the external auditor;
 - (b) To approve the internal audit and annual strategic audit plans of the Open University of Tanzania and to monitor the conduct of both the internal and external auditors during the course of execution of their assignments and to ensure maintenance of their independence;
 - (c) To discuss if necessary with the external auditor, before the audit commences, the nature and scope of the audit;

- (d) To discuss with the external auditors problems and reservations arising from the interim and final audits, including a review of the management letter incorporating management responses and any other matters the auditor may wish to discuss (in the absence of management where necessary);
- (e) To consider and advise the Council on the appointment and terms of employment of the internal auditors and any questions of resignation or dismissal of the internal auditors;
- (f) To review the internal auditors' audit needs assessment and the audit plan; to consider major findings of internal audit investigations and management's response and promote co-ordination between the internal and external auditors;
- (g) To keep under review the effectiveness of internal control systems and in particular to review the external auditor's management letter, the internal auditor's annual report and management responses;
- (h) To monitor the implementation by management of agreed audit-based recommendations as well as directives given by the Public Accounts Committee and the Social Affairs Committee of the Parliament of the United Republic of Tanzania;
- (i) To monitor the performance of the external and internal auditors and to make recommendations to the Council concerning their re-appointment, where appropriate;
- (j) To consider elements of the annual financial statements in the presence of the external auditor, including the auditor's formal opinion and any corporate governance statement.
- (k) To form independent investigation teams with respect to fraud and irregularities when and if the Council raises concern over the management of resources of the Open University of Tanzania.

Reporting procedure for the Audit Committee

- 19.5 The Audit Committee shall meet quarterly each financial year and the minutes of the meetings shall be circulated to all members of the Council.

PART 20

ACCOUNTING POLICIES AND PRACTICES

- 20.1 The Open University of Tanzania shall formulate and pronounce accounting policies in conformity with International Financial Reporting Standards and Tanzania Financial Accounting Standards.
- 20.2 The policies shall be approved by Council before they are effected in the preparation of Financial Statements of the Open University of Tanzania.
- 20.3 The detailed accounting procedures and practices shall be embodied in Financial Accounting, Financial Management, Costing, Purchasing and Stores, and Authority Manuals.
- 20.4 The Council shall approve such Financial Accounting, Financial Management, Costing, Procurement and Supplies, and Authority Manuals to be companion guides to the Open University of Tanzania's Human Resources Management Policy and Operational Procedures. These shall supplement these regulations but not replace them.

PART 21

FINANCIAL MANAGEMENT AND INVESTMENTS

Authority to Invest

- 21.1 The Council has power to invest funds, properties, and other assets of the Open University of Tanzania in such Investments, and subject to such conditions as are prescribed by the Trustee Investment Act 1967, in relation to investment by a Trustee.

Objectives

- 21.2 The Open University of Tanzania may establish economically viable investment/projects for the purposes of :
- (a) Augmenting the Open University of Tanzania's sources of Income.
 - (b) Improving and facilitating the provision of goods and services to the Open University of Tanzania and its community.
 - (c) Providing, whenever possible areas for practical training.

Viability Study

- 21.3 All projects envisaged to be established by the Open University of Tanzania must be supported by feasibility studies and project write-ups and reports showing the economic viability of such projects. On receipt of such reports the Deputy Vice Chancellor (RM) in consultation with the Director of Finance and Accounting shall recommend the project proposal to the Council through the Planning, Development and Finance Committee.

Reporting Relationships

- 21.4 The Council is responsible for the custody and investment of all of the Open University of Tanzania's funds. It is advised in this respect by the Planning, Development and Finance Committee in the case of cash, money market investments and borrowings – i.e. the traditional treasury management function as well as in the case of endowment asset investments and fixed asset investments – i.e. investments held for the longer term and not for immediate realisation.
- 21.5 The Director of Finance and Accounting shall be responsible for maintaining records of all investments, both capital and income, for arrangements to ensure the safe custody of all relevant documents and for reporting investment performance regularly to the responsible committees.

- 21.6 The Planning, Development and Finance Committee is responsible to the Council for approving a financial management policy concerning the management of all cash, money market investment and capital market transactions in connection with the cash and funding resources of the Open University of Tanzania and the control of the associated risks. The Planning, Development and Finance Committee has a responsibility to ensure implementation, monitoring and review of such policies.
- 21.7 All executive decisions concerning short-term borrowing, investment or financing shall be delegated to the Director of Finance and Accounting and an appropriate reporting system set up. All borrowing shall be undertaken in the name of the Open University of Tanzania.
- 21.8 The Director of Finance and Accounting will report to each meeting of the Planning, Development and Finance Committee on the activities of the financial management operation and on the exercise of financial management powers delegated to him/her.

Donations, Gifts and Bequests

- 21.9 All donations, gifts, bequests etc. shall be received on behalf of the Open University of Tanzania by the Council. Details of all such receipts and any conditions attached to them will be reported to the Council by the Planning, Development and Finance Committee. Similarly, where the bequest, donation etc. stipulates that the capital should be used to endow a scholarship or prize fund or that it shall be used for a specific 'academic' purpose, a report should also be made to the SENATE.
- 21.10 The Council will exercise the duties of trustees for any bequests made under Trust. Such bequests must be invested in accordance with the Trustee Investments Act 1967.

Appropriation of Incomes from Capital Funds

- 21.11 The interests on capital funds invested shall be credited to the Capital Reserve Fund; save in so far as a benefactor prescribes that it shall be otherwise employed. The Council will approve regulations governing the use of such funds after having received advice from the Planning, Development and Finance Committee.

Formation of Companies

- 21.12 In certain circumstances it may be advantageous to the Open University of Tanzania to establish a company to undertake services on its behalf. In this respect the Council shall be responsible for approving the establishment of companies and the procedure to be followed in order to do so. The process involved in forming a company and arrangements for monitoring and

reporting on the activities of subsidiary undertakings shall be approved by the Council acting on advice from the Planning, Development and Finance Committee.

- 21.13 It is the responsibility of the Council to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the Open University of Tanzania.
- 21.14 The directors of companies where the Open University of Tanzania is the majority shareholder must submit, via the Planning, Development and Finance Committee, quarterly and annual reports to the Council.

PART 22

INSURANCE

Policies and Records

- 22.1 All the Insurance policies of the Open University of Tanzania shall be under the direction and control of the Deputy Vice Chancellor (RM).
- 22.2 All Vote and Sub-vote Holders and Heads of Departments shall give prompt notification to the Deputy Vice Chancellor (RM) of all new risks and additional property and equipment which require to be insured and the amount of cover required and of any alterations affecting existing risks or insurances, and the Deputy Vice Chancellor (RM) shall take such steps as are desirable to insure adequately against the risk involved.
- 22.3 The Director of Finance and Accounting shall at least once in each year, furnish Vote and Sub-vote Holders and/ or Heads of Departments with details of all Insurance policies in force affecting their department. Each Vote and Sub-vote holder or Head of Department shall review the Insurance policies in order to ensure that all the properties, equipment and other risks for which insurance should be affected are adequately covered. Particulars of any risks not insured shall be notified to the Director of Finance and Accounting.
- 22.4 Each Vote and Sub-vote Holder and Head of Department shall keep appropriate records to ensure that inspection of engineering plants under his control, which are normally carried out by the Inspector of Works and Factories are indeed carried out within the prescribed periods.
- 22.5 The Director of Finance and Accounting shall keep a register of all Insurance policies effected by the Open University of Tanzania and the risk covered.

Claims

- 22.6 Each Vote and Sub-vote Holder and Head of Department shall notify the Director of Finance and Accounting of all claims and losses within 48 hours of occurrence of the event, giving full account of the loss, the time of the incident and any person injured or property damaged. The Director of Finance and Accounting shall intimate/transmit the claim to insurers within seven (7) days from the date of accident, death or loss.
- 22.7 All money due and received from the insurers shall be payable to 'Open University of Tanzania' and immediately deposited into OUT bank account.

PART 23

LOSSES AND IRREGULARITIES

Duty to Report Occurrence of Losses and Irregularities

- 23.1 On occurrence of any loss of Open University of Tanzania money or property from whatever cause, an immediate report must be made by the Head of Department where the loss occurred to the Deputy Vice Chancellor (RM), the Director of Finance and Accounting, the Chief Internal Auditor and Insurance Office. Such a loss report shall contain information on where the loss occurred, officers involved, circumstances in which the loss occurred, proposed action or action taken, etc. A detailed illustrative example of a loss report is shown on Appendix III.
- 23.2 Where the loss is:
- (a) Not due to negligence or dishonesty of an officer of the Open University of Tanzania, the Vice Chancellor shall take such action as he may deem fit.
 - (b) Due to dishonesty and/or negligence on the part of the member of staff of the Open University of Tanzania, the Vice Chancellor shall immediately report the matter to the Police depending on the materiality and the circumstance under which the loss happened.
 - (c) Where the circumstances under which the loss of Open University of Tanzania money or property is not apparent, the Vice Chancellor shall immediately appoint an Inquiry Board for detailed investigation. On receipt of such report, the Vice Chancellor shall report to the police or take such measure, as he may deem necessary.
- 23.3 An Officer of the Open University of Tanzania who discovers a loss or irregularities regarding the handling of Open University of Tanzania assets, money or property shall report immediately the circumstances to the Vote Holder or Head of Department who shall take up the matter as required by Regulation 23.1.
- 23.4 It is not within the discretion of any member of staff to withhold a report of any case of loss notwithstanding that restitution is to be made.

APPENDIX I: LIMITS OF AUTHORITY

Limits of Authority for the Vice Chancellor of the Open University of Tanzania [First Schedule GN. 97]

Method of Procurement	Maximum procurement value per annum subject to the limit of T.Shs 7.5 million per contract for the Accounting Officers and T.Shs 3 million for the Head of Department.	
	Head of Department	Accounting Officers
Direct contracting for works and services on quotation basis with minimum three quotations.	20,000,000	50,000,000
Direct shopping for goods on quotation basis with minimum three quotations.	20,000,000	50,000,000

APPENDIX II: LIMITS FOR METHODS OF PROCUREMENT - GOODS, WORKS AND SERVICES

Limits for Methods of Procurement – Goods, Works and Non Consulting Services [Second Schedule GN. 97]

Method of procurement	Goods	Works	Non Consulting Services
	T.Shs.	T.Shs.	T.Shs.
International Competitive Tendering	No Limit	No Limit	No Limit
National Competitive Tendering	800,000,000	3,000,000,000	500,000,000
Restricted Tendering	400,000,000	1,500,000,000	200,000,000
Competitive Quotations	80,000,000	100,000,000	50,000,000
Single Source Procurement	500,000,000	800,000,000	100,000,000
Minor Value Procurement	10,000,000	20,000,000	10,000,000

Limits for Methods of Procurement – Consulting Services

Method of procurement	Limits, T.Shs
International Competitive selection	No Limit
National Competitive selection	1,000,000,000
Restricted Competitive Selection	500,000,000
Single Source Selection	300,000,000
Individual Selection	150,000,000
Minor Value Procurement	7,500,000

APPENDIX III: ILLUSTRATIVE FORMAT OF THE LOSS REPORT

LOSS REPORT

Department:

Office where loss occurred:

Date of loss occurrence:

Amount of loss [in currency, TAS, etc].:

Whether the loss was made good in whole or part:

In case of fraud, the votes or sub votes charged:

Name of the officer[s] responsible for safe custody of lost property:

Length of time the property has been in custody of the officer:

Names of other officers involved with the loss:

Names of Officers with inspection or supervisory duties:

Precise circumstances in which the loss occurred:

Details of arrangements in existence for safeguarding of public property:

Statement whether these arrangements had been properly carried out:

Details of arrangements in existence for periodic checking, and for depositing of money into banks or hand over of cash:

Statement whether these arrangements had been properly carried out:

Date of the last check by a Supervising or Inspecting Officer:

Date of the last check by the Internal Auditor:

Statement whether the loss arose directly or indirectly from negligence of any Officer:

Date Police were informed:

Result of Police investigation [attach copy of Police Report]

Whether prosecution of any person has taken place:

The result of prosecution, if any, giving details of any compensation to OUT:

Any further action proposed for recovery of the loss:

Details of accounting action taken:

Name of Officer reporting loss:
Designation
Date:

APPENDIX IV: DOCUMENT RETENTION POLICY

The period for retaining documents is a complex issue and it is a decision that must be taken by the management of the Open University of Tanzania. The most favourable retention period will allow for records to be kept only as long as they are really needed for legal and commercial purposes. A programme should be drawn up to select records that are to be retained or destroyed in order to keep the volume of records under control. The retention policy should be just one of the elements comprised in a much broader programme covering records management.

In determining appropriate retention periods the following aspects need to be considered:

- economy;
- legal and related requirements;
- potential demand within the organisation;
- historical value.

There are few firmly established regulations to follow in deciding how long to keep documents. However, this guideline covers recommended minimum retention periods for accounting records to discharge the Open University of Tanzania's legal and statutory obligations in respect of the various taxing authorities and audit requirements.

	Document type	Retention period
1.	Finance	
<i>1.1</i>	<i>Financial Planning:</i>	
	Financial Forecasts and Budgetary Working Papers.	Current Financial Year plus 6 years
	Final Estimates.	Permanent
	Financial Strategy: 5 year plan.	Permanent
<i>1.2</i>	<i>Financial Reporting:</i>	
	Closing papers and notes related to year end accounts.	Current Financial Year plus 10 years
	Financial Statements and Detailed Accounts	Permanent
<i>1.3</i>	<i>Ordering</i>	
	Tendering documentation (RFPs, invitations, bids, evaluations, etc.).	Current Financial Year plus 7 years
	Official Orders.	Current Financial Year plus 7 years
	Delivery Notes, Goods Received Notes.	Current Financial Year plus 7 years
<i>1.4</i>	<i>Purchasing</i>	
	Purchase invoices, credit notes, including expense claims, petty cash floats, etc.	Current Financial Year plus 7 years
	Cheque authorisation reports.	Current Financial Year plus 7 years

	Document type	Retention period
	Management of relationship with suppliers.	Termination dates plus 2 years
1.5	<i>Sales</i>	
	Sales Invoices/Credit Notes.	Current Financial Year plus 7 years
	Sales Receipts documentation, till rolls, etc.	Current Financial Year plus 7 years
	Sales Ledgers	Current Financial Year plus 7 years
	Statements	Audit plus 2 years
1.6	<i>Management of Bank Accounts</i>	
	Paying-in Books.	Current Financial Year plus 7 years
	Bank Statements.	Current Financial Year plus 7 years
	Cancelled Cheques.	Current Financial Year plus 7 years
2.	Payroll	
	Payroll amendment notifications.	Permanent
	Deduction authorities.	Permanent
	Tax Code notifications.	Permanent
	Salary advices.	Permanent
	Bank transfer reports.	Permanent
3.	Personnel	
	Individual staff files.	Date of leaving plus 10 years
	Redundancy records < 20	Redundancy date plus 3 years
	Redundancy records > 20	Redundancy date plus 12 years
	Organisational Development: Staffing Structures.	Permanent
	Staff Performance Appraisal Reports.	6 years from end of employment
	Application forms/interview notes	Interview date plus 1 year
4.	Insurance	
	Insurance management.	Policy termination plus 6 years
	Insurance claims.	Settlement plus 7 years
5.	Tax Management	
	VAT assessments, tax returns	Current Financial Year plus

	Document type	Retention period
		7 years
	Income Tax year end returns, etc.	Current Financial Year plus 7 years
	Tax claims	Current Financial Year plus 7 years
6.	Investments/Treasury, etc.	
	Cash management (short loans, etc.)	Current Financial Year plus 7 years
	Long-term investments policy	Permanent
	Acquisition of Investments – contracts, etc.	Disposal plus 7 years
	Disposal of Investments – contracts, etc.	Disposal plus 7 years
	Portfolio Valuations	Permanent
	Portfolio Ledgers	Permanent
7.	Rent and Lease Administration	
	Booking forms, etc.	Termination of Agreement plus 6 years
	Conferences/Special Catering provisions, etc.	Current plus 6 years
8.	Estate Management	
	Legal Aspects of Ownership Deeds, Licences, Leases, Planning Applications, etc.	Permanent
	Administration of Properties, etc.	Disposal plus 10 years