

MUHIMBILI UNIVERSITY
OF
HEALTH AND ALLIED SCIENCES



FINANCIAL REGULATIONS

May, 2024

PREAMBLE

Muhimbili University of Health and Allied Sciences (MUHAS) is a fully-fledged University that was established under the Muhimbili University of Health and Allied Sciences Charter of 2007. The University came into existence after the then Muhimbili University College of Health Sciences, then a constituent college of the University of Dar Es Salaam, was elevated and accredited as a University by the Tanzania Commission for Universities (TCU) on 28th March 2007.

The history of the University goes as far back as 1963 when a School of Medicine was established. The School became a Faculty of Medicine of the University of Dar Es Salaam in 1970. In 1977, the Faculty and the Muhimbili Hospital were merged to form the Muhimbili Medical Center, a parastatal organization operating under the then Ministry of Health. When the Faculty of Medicine was upgraded to college level in 1991, the units under the faculty of medicine were also upgraded to faculties.

In April, 2000, the Parliament of the United Republic of Tanzania enacted Muhimbili University College of Health Sciences (Amendment) Act No.8 of 2000) which disestablished the Muhimbili Medical Centre and established two separate institutions: the Muhimbili National Hospital and Muhimbili University College of Health Sciences (MUCHS).

Vision:

A university excelling in quality training of health professionals, research and public services with conducive learning and working environment.

Mission

To provide quality training, research and services in health and related fields for attainment of equitable socioeconomic development for Tanzanian community and beyond.

To conduct its business effectively and achieve its mission, MUHAS 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 institution of financial regulations which set out the fundamental financial policies and procedures of MUHAS.

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

Compliance with the financial regulations is compulsory for all staff connected with the University. 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 may be subject to disciplinary action under the University

disciplinary policy. Contractors to the University are also expected to comply where relevant; failure may result in termination of contracts or other penalties. Any such breach will be notified to the University Council through the Grants Committee. It is the responsibility of heads of departments or units to ensure that their staff are made aware of the existence and content of the University financial regulations and that 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.

The Grants Committee is responsible for maintaining a continuous review of the financial regulations and advising the University Council of any additions or changes necessary.

Status of these Financial Regulations

This version is a review of the previous Financial Regulations version (2012). This document sets out the Financial Regulations of MUHAS. It translates into practical guidance the University's broad policies relating to financial control. The current version of the Financial Regulations was approved by the Council in September 2012. These Financial Regulations are subordinate to the University's Charter and Statutes.

The purpose of these Financial Regulations is to provide control over the totality of the University's resources and provide management with assurances that the resources are being properly applied for the achievement of the University's strategic plan and objectives including:

- financial sustainability
- achieving value for money
- fulfilling its responsibility for the provision of effective financial controls over the use of public funds
- ensuring that the University complies with all relevant legislations
- safeguarding the assets of the University

The Grants Committee is responsible for maintaining a continuous review of the Financial Regulations, through the Deputy Vice Chancellor Planning, Finance and Administration (DVC -PFA), and for advising the Council of any material additions or changes necessary. The University's Accounting Policies and Procedures set out in more details how these Regulations will be implemented.

These regulations are organised into 20 substantive Parts and 2 Appendices. All these are preceded by a 'Preamble' that sets the context for the creation of these Regulations. Part 1 is the Introduction and covers issues of definitions of terms and application of the Regulations. Part 2 addresses Duties And Responsibilities of officers of MUHAS 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 MUHAS revenue from all sources.

Part 7 is about 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 accounting for goods, stocks and stores.

Part 13 covers acquisition, care, control , charges and disposal of Fixed And Immovable Assets.

Part 14 addresses the legal requirements for financial statements and audit as well as Retention of Accounting Documents. Part 15 contains details on working of the Audit Committee. Part 16 covers the accounting policies and practices while Part 17 details requirements on financial management and investments. Part 18 is about Insurance Policies, Records and Claims. Part 19 details irregularities in the conduct of University staff. Part 20 contains details on workings of the Board of Condemnation. Part 20 contains details on workings of the Board of Condemnation. Part 21 contain procurement matters.

Appendix I is an illustrative format of the loss report.

Statement of the Vice Chancellor

Financial regulations are forms of guidelines that provide restrictions aiming to maintain the integrity of the financial system. The objectives of financial regulation are: to maintain confidence in the financial system, contributing to the protection and enhancement of stability of the financial system, securing the appropriate degree of protection for staff and reducing the extent to which it is possible for an organization to be used for a purpose connected with financial crime. In this view, the Financial Regulations the main point of reference for the principles and procedures governing the establishment and implementation of the University budget and the control of its finances.

The Financial Regulations set out in this document and any approved amendments thereto issued by or on behalf of the University Council, are binding on all employees, Principals, Deans, Directors, Principal Investigators (PI's) and, in case where they are given responsibility for the assets of the University or other financial matters, students.

Any individual or member of Muhimbili University of Health and Allied Sciences (MUHAS) – whether a project, a school, an institute a directorate or a natural person – that is subject to these Financial Regulations is required to comply with them. It should be noted that, failure to observe these regulations and attempts to circumvent them will result in disciplinary action being taken by the University and, in appropriate circumstances, the institution of criminal proceedings.

Prof. Apolinary A.R. Kamuhabwa
Vice Chancellor

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PART 1

INTRODUCTION

1. These Financial Regulations shall be cited as the Muhimbili University of Health and Allied Sciences (MUHAS) Financial Regulations and shall come into force upon approval by the MUHAS Council and after the approval of the Permanent Secretary, Establishment in consultation with Treasury Registrar. *Title and Date of Commencement*
2. The Financial Regulations shall govern the financial administration of MUHAS. The regulations provide control in totality over the University's resources and afford assurance to the Council and the University Management that resources are properly applied for the achievement of the University's plans, objectives and financial viability, value for money. Again, the Regulations provide assurance that the University is fulfilling its responsibility for the provision of effective financial controls over the use of public funds and safeguarding its assets. *Purpose*
3. These Financial Regulations shall be implemented in conjunction with the existing manuals and any other manuals that shall be introduced from time to time by MUHAS. It is the responsibility of the Vice Chancellor and Head of Schools, Institutes, Directorates and Departments to efficiently and effectively implement the Accounting Manual, Fixed Assets Manual, Staff Regulations and Procurement Regulations. *Scope and Status of the Financial Regulations*
4. These Regulations may be cited as 'Muhimbili University of Health and Allied Sciences Financial Regulations, 2024', hereinafter referred to as 'The Regulations' and shall come into force from 1st May, 2024 *Citation*
5. In these regulations unless the context otherwise requires: *Definition of Terms*
 - "Accounting Officer" means the Vice Chancellor or any person appointed by the Vice Chancellor to act in the position of the Vice Chancellor.
 - "Chief Internal Auditor" shall be the person appointed by Council to that post and includes any person duly appointed by the Vice Chancellor to act in that capacity during absence of the Chief Internal Auditor.
 - "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 MUHAS.
 - "Council" means the Council of Muhimbili University of Health and Allied Sciences established under Article 18(1) of the Muhimbili University of

Health and Allied Sciences Charter, 2007.

“Director of Finance” shall be the person appointed by the Council to that post and includes any person duly appointed by the Vice Chancellor to act for him during his absence.

“Manager Responsible for Estate” means the person appointed by the Council to that post and includes any person duly appointed by the Vice Chancellor to act for him during his absence.

“Deputy Vice Chancellor (Planning Finance and Administration)” (DVC -PFA) is the person appointed to the post pursuant to Article 11 of the Muhimbili University of Health and Allied Sciences Charter, 2007.

“Imprest” means funds in form of cash issued to staff of the University who requires cash to be readily available for immediate payments for official purpose and “Imprest Holder” means an officer of the University to whom an imprest has been issued.

“MUHAS" is the acronym for the Muhimbili University of Health and Allied Sciences.

“Grants Committee” means the Committee established by the Council and charged with the responsibility of overseeing planning, finance and administration matters of the university.

Reference to the masculine gender includes reference to the feminine gender and vice versa.

“Related Party” means

- a) In the case of a MUHAS officer, that person is the MUHAS officer’s husband, wife, domestic partner, or relative, or a husband or wife of the relative of the MUHAS officer;
- b) that person is in a partnership with the MUHAS officer; or
- c) In the case of a body corporate, the MUHAS officer is a controller of the body corporate or the MUHAS officer and the persons who are his associates together control it.

“University Budget Committee” means the Committee established by the Accounting Officer in line with S.18(2) of the Budget Act and Regulation 17(2)(e) of the Budget Regulations 2015 to:

- (a) Review revenue collection measures,
- (b) Allocate resources based on strategic plan and national priorities without exceeding the ceiling provided by the Paymaster General
- (c) Evaluate budget performance; and
- (d) Perform other functions as described in the plan and budget

guidelines, Treasury Registrar circulars and directives

“University” means the Muhimbili University of Health and Allied Sciences.

“University Funds” means all cash, cash equivalents and other resources generated by the Muhimbili University of Health and Allied Sciences and/or availed by the Government, Donors and other sources to the Muhimbili University of Health and Allied Sciences or its units for the purpose of carrying out functions of the Muhimbili University of Health and Allied Sciences.

“Vice Chancellor” means the person appointed to the post pursuant to Article 10 of the Muhimbili University of Health and Allied Sciences Charter, 2007.

“Vote Holder” means an officer of the University appointed by the Vice Chancellor as referred to under section 4.1 of these Regulations.

“MUSE” is the acronym standing for ‘Mfumo wa Uhasibu Serikalini’. This is the integrated financial management system used by the government entities

6. The Regulations apply to the conduct of all financial affairs of the University, irrespective of the source of funding. These Financial Regulations shall apply to all staff and all units of the Muhimbili University of Health and Allied Sciences, including Centre of Excellence for Cardiovascular Sciences, and sponsored projects.
7. The Vice Chancellor shall be responsible for enforcement of these Regulations.
8. 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.
9. Where the provisions of these Regulations are at variance with statutes and circulars from the Ministry responsible for Finance, then provisions of such statutes and circulars shall prevail.
10. Should MUHAS or the government enter into any agreement with another government, an agency of another government or an international financing institution for a loan, credit or grant of funds for procurement purposes, that agreement may specify rules and procedures that are to be followed in undertaking such procurement. In such cases, MUHAS shall follow the provisions of the Public Procurement Act 2011, and its Regulations (as amended from time to time) unless there is conflict with the requirements of such an agreement for a loan, credit or grant of funds, when the requirements of the agreement shall take precedence.

Application

11. Muhimbili University of Health and Allied Sciences must 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 fulfill the government's obligations to the government, agency or institution that extended that loan, credit or grant.
12. Every five years, or more frequently if appropriate, the Director of Finance shall arrange for the Financial Regulations to be reviewed, and for any proposed changes to be submitted to the Council for approval. *Amendment*

PART 2

DUTIES AND RESPONSIBILITIES RELATING TO FINANCES

13. Financial duties and responsibilities of the Council are:

*Duties of the
Council*

- a) Ensuring the solvency of the University and safeguarding its assets.
- b) Shaping the development of and approving the financial strategies and the overall annual budget, and ensuring its congruence with the overall University strategy.
- c) Ensuring that the funds provided by the donors are used in accordance with the terms and conditions specified in the award agreements
- d) Considering and approving annual accounts.
- e) Ensuring that, subject to relevant legislation, appropriate arrangements are in place for the management and operation of holding and subsidiary companies which are wholly or partly owned by the University.
- f) Acting as a trustee for any property, legacy, endowment, bequest or gift in support of the welfare of the University.
- g) To lay down Financial Regulations and Procedures for implementation by the management of MUHAS
- h) To approve Annual Budget and review all request of supplementary budget

14. In carrying out the above responsibilities, the Council governs and regulates the finances, accounts, investments, property, business and all affairs of the University. Council exercises the power afforded to the University under Article 4 of its Charter to invest and borrow money on behalf of the University and to acquire, own, maintain and dispose of assets

15. Vice Chancellor shall have the following duties:

*Duties of the Vice
Chancellor*

- a) The Vice Chancellor shall be the Accounting Officer of the Muhimbili University of Health and Allied Sciences (MUHAS) with the overall responsibility and accountability over the assets and finances of MUHAS and in respect of the duties and obligations under the Public Finance Act, 2001 (and its amendments from time to time) and its Regulations.
- b) The Vice Chancellor shall cause to be prepared at the end of each quarter a financial report for that quarter of the financial year.
- c) The Vice Chancellor shall be responsible for promoting and maintaining the efficient utilisation of the assets of the University.
- d) The Vice Chancellor may delegate in writing his or her responsibilities stipulated in these Regulations to Director responsible for Finance or any other Director or Head of Unit.

16. The Deputy Vice Chancellor (Planning, Finance and Administration) shall:

***Duties of the Deputy
Vice Chancellor
(Planning, Finance
and Administration)***

- a) 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.
- b) Help to plan, direct and coordinate planning, finance and development processes.
- c) Effectively and efficiently manage all human resources and administration functions of the University.
- d) Provide expert advice in the conceptualization, design with respect to resource mobilization, implementation, evaluation and timely feedback on University plans, projects and programmes.
- e) Coordinate policies, procedures and practices of financial management and control. He is therefore the interpreter of these regulations, and has the duty to enforce these Regulations in all units of the University, whether independent or not.
- f) Be responsible for discharging all the responsibilities required of him under the Muhimbili University of Health and Allied Sciences Charter of 2007.

17. The Director of Finance shall:

***Duties of the
Director of Finance***

- a) Be the Chief Finance Officer of the University and shall be responsible to the Deputy Vice Chancellor (Planning, Finance and Administration) for the keeping of the accounting records and for all the financial matters of the University. He shall ensure institution and maintenance of sound internal controls throughout the University.
- b) Be responsible for supplying quarterly statements to the Deputy Vice Chancellor (Planning, Finance and Administration) 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.
- c) Be responsible for supplying to Vote and Sub-vote Holders with statements relating to their budget performance at request.
- d) Be responsible for ensuring that the Vice Chancellor is supplied with all information necessary to discharge his responsibilities relating to financial matters of the University.
- e) 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 University as required under the provisions of the Muhimbili University of Health and Allied Sciences Charter, 2007.

- f) Be responsible for examining all purchase orders (LPO's) made out by Vote and Sub-vote Holders before they are sent to the suppliers and for checking that the purchase order will not cause the vote to be exceeded.
- g) Keep proper accounts and as soon as is practicable, but within 3 months after the end of each financial year shall produce to the University Auditors, a Statement of Financial Performance, Cash Flow Statement and Statement of Financial Position as at 30th June each year.
- h) Generally, have the responsibility for managing the financial affairs of the University with strict regards to 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.
- i) Consider and implement the suggestions made by the Internal Audit for improvement in application of accounting and financial controls.
- j) Be responsible for advising heads of division/department in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the University and issue instructions on compliance with statutory requirements including those concerning fiscal matters such as VAT, PAYE, Customs and Import Duty and other taxes.
- k) Be responsible for maintaining the University tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.
- l) It will be the responsibility of the Director of Finance to ensure that the Directorate of Finance maintains proper books of accounts and records culminating in the provision of Financial Statements in accordance with International Public Sector Accounting Standards (IPSAS), adopted by NBAA.

18. The Chief Internal Auditor shall:-

- a) Be responsible to the Vice Chancellor and proper functioning of the Internal Audit Service Unit.
- b) Remain independent in his planning and operation and will have direct access to the office of the Vice Chancellor. He should,

***Duties of the Chief
Internal Auditor***

however, also respond to the needs of management.

- c) Provide the Vice Chancellor and senior management with assurances on the adequacy and effectiveness of the internal control systems; and will report in writing to the Vice Chancellor, the Audit Committee or any other statutory body, as the case may be on completion of each audit, giving an opinion on the adequacy, effectiveness and reliability of the control framework for the areas reviewed and make recommendations where appropriate.
- d) Advise the Director of Finance on the soundness, adequacy and application of accounting and financial controls and shall ascertain the extent to which the university assets are protected from losses arising from fraud, irregularity and corruption.
- e) 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 University.
- f) Undertake special investigations directed by the Vice Chancellor and Audit Committee from time to time.
- g) Make constructive suggestions for economy in expenditure and propose measures to maximise the utilisation of the university resources.
- h) Check and ensure that directives given by the Council through the Audit Committee are adhered to.
- i) Work in close collaboration with the external auditors to the University.
- j) Advises the Vice Chancellor and Management of the university to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Risk Management, Control and Governance process.
- k) To prepare Annual Report on its functions, copies of which shall be sent to the Audit Committee.

19. External and internal auditors shall have authority to:

- a) access the University's premises at reasonable times;
- b) access all assets, records, documents and correspondence relating to any financial and other transactions of the University;
- c) require and receive such explanations as are necessary

***Authority of
External and
Internal Auditors***

concerning any matter under examination;

- d) require any employee of the University to account for cash, stores or any other University property under his or her control;
- e) access records belonging to third parties, such as contractors, when required.

20. Heads of Schools, Directorates, Institutes and Departments shall have the following duties

***Duties of Heads of
Schools,
Directorates,
Institutes and
Departments***

- a) Accountability for financial management is delegated from the Council through the Grants Committee to the Vice Chancellor and Schools, Institutes, Directorates and Units.
- b) Within Schools, Institutes and Units, financial management may be further delegated to other budgetary units in accordance with conventions set out by Colleges, Schools, Institutes, Directorates and Units, but within the overall framework of these Regulations.
- c) At each level, the body or individual concerned must ensure that funds received or spent are properly controlled, and their use monitored.
- d) Responsibility for internal control and risk management within a budgetary unit rests with the Head of that Unit, who shall ensure that appropriate and adequate arrangements (controls) 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.
- e) Principals, Deans, Directors and 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 Office of the Chief Internal Auditor.
- f) Principals, Deans, Directors and Heads of Units shall provide the Director of Finance with all such information as may be considered to be required to enable:
 - i) compilation of the University's financial statements
 - ii) implementation of financial planning
 - iii) implementation of audit and financial reviews, projects and value for money studies.
 - iv) any other information that the Director of Finance deems

necessary in the discharge of his/her responsibilities. Such information must be complete, accurate and timely and any issues of interpretation or doubt should be discussed with the Director of Finance.

21. The duties of other staff shall be as follows

Duties of staff

- a) All members of staff should be aware and have a general responsibility for the security of the University's property [both physical and intellectual], for avoiding loss and for due economy in the use of resources. They should ensure that they are aware of the University's financial authority limits and the values of purchases for which quotations and tenders are required (see detailed financial procedures).
- b) All members of staff shall make available any relevant records or information to the Director of Finance or his or her authorised representative in connection with the implementation of the University's financial policies, these financial regulations and the system of financial control.
- c) All members of staff shall provide the Director of Finance with such financial or other information, as he/she may deem necessary, from time to time, to carry out the requirements of Council.
- d) All staff should be aware of the existence of and the contents of the Financial Regulations and abide with them.
- e) All staff, irrespective of their role within the University should be aware of the existence and the contents of the Financial Regulations and are expected to abide by those regulations.
- f) The University acknowledges the risks inherent in its business processes, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health.
- g) The effective management of risk is a key component of good governance, and the University is required to demonstrate that it has in place effective procedures for managing risk at all levels. The University Council has the ultimate responsibility for effective performance and institutional risk management.
- h) Overall responsibility for day-to-day performance and risk management is held by the University management team, the Committee of Principals, Deans, Directors and Heads of Units (CDD). CDD is responsible for monitoring institutional performance, through a set of Key Performance Indicators. CDD reports through the Vice-Chancellor to the Council.

Risk Management

- i) CDD is responsible for maintaining the University's register of high-level risks which describes the key institutional risks, identifies who is responsible for managing them, and outlines how they are being managed. It is also responsible for ensuring that effective risk management is embedded at all levels of the University.
- j) CDD reviews the risk register four times per year as a standing agenda item.
- k) The Audit Committee of the University Council reviews the most important risks at each meeting and receives the full risk register on an annual basis.
- l) The internal audit function sets its annual audit plan in accordance with the University's Strategic Plan and its Risk Register and ensures that part of its work each year includes a review of the risk management arrangements in place, including their effectiveness.
- m) The University Council reviews the top ten University risks at each of its meetings.

PART 3

BUDGETING AND THE BUDGETARY SYSTEM

22. All budgetary matters at the University shall be guided by the Budget Act of 2015 and Budget Regulations of 2015 and their subsequent amendments. Where a provision of these regulations contradicts the provisions of the law or regulations, then, the relevant provision of the law or regulation shall prevail. *Budget Preparation*
23. Under the Muhimbili University of Health and Allied Sciences Charter of 2007, the Council shall cause to be prepared an annual budget which shall be approved by the Council. Budgeted resources are allocated annually by the Council on the recommendation of the Grants Committee prepared by the University Budget Committee.
24. Heads of divisions/departments are responsible for the economic, effective and efficient use of resources allocated to them.
25. The Deputy Vice Chancellor (Planning, Finance and Administration) is responsible for preparing annually, in line with the strategic plan, a financial plan, including a detailed revenue budget and capital and recurrent expenditure for the next financial year, for consideration by Grants Committee before submission to the Council for approval. The Director of Planning, Development and Investments shall liaise closely with the heads of division/department and the related boards and committees in preparing the budgets and plans in order to inform the resource allocation process by the Grants Committee and the Council. The resource allocation decisions must be communicated to heads of division/department as soon as possible following approval by the Council.
26. Prepare annual estimates of revenue and expenditure of the University for the ensuing year in collaboration with the University Budget Committee for consideration by the Grants Committee and approval by Council at least six months before the commencement of any Financial Year
27. The Director of Planning, Development and Investments must ensure that the detailed approved budgets for the following year are loaded into the Planning and Reporting Information System (PlanREP) to enable the heads of departments to monitor their actual financial position against the approved budget as the year progresses.
28. During the year, the Director of Planning, Development and Investments is also responsible for submitting revised budgets for consideration by the Grants Committee prior to submission to the Council for ultimate approval. These revised budgets must also be communicated to all heads of department and loaded into the Planning and Reporting Information System (PlanREP).

29. At least six months before the commencement of any financial year, the Director of Planning, Development and Investment shall request Principals of Colleges, Deans of Schools, Directors of Institutes and Heads of Departments to submit new income and expenditure proposals for the ensuing financial year. ***Recurrent Expenditure Budget***
30. Principals of Colleges, Deans of Schools, Directors of Institutes and Heads of Departments shall submit within one month of the request by the Director of Planning, Development and Investment, proposals for new expenditure on the following lines:
- (a) Changes in Establishment
 - (b) Other Charges items
 - (c) Capital Development items
31. On receipt of the proposals, the Director of Planning, Development and Investment shall prepare draft estimates to be submitted to the Grants Committee for scrutiny and consideration after which the Grants Committee will recommend them to the Council for approval. ***Submission of Draft Estimates***
32. The annual estimates shall be prepared to contain provision for all estimated expenditure during the ensuing financial year in accordance with the Muhimbili University of Health and Allied Sciences Charter of 2007.
33. No expenditure shall be incurred by and for the purpose of the university except in accordance with the provisions of the annual estimates or in accordance with the provisions of any supplementary estimates approved by the Council. ***Budgetary Control and Incurring Expenditure***
34. 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 management information provided by the Director of Planning, Development and Investment. The types of management information available to different levels of management are described in the University's detailed financial procedures together with the timing and verification reporting requirements which they are expected to comply with. The Planning and Reporting Information System (PlanREP) maintained by the Director of Finance provide the nominated budget holders access to their accounts and budgets for monitoring, reporting and inquiry purposes.
35. The Deputy Vice Chancellor (Planning, Finance and Administration) shall submit Revised Annual Estimates for the Current Financial Year to Council, through the Grants 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.

36. Budget holders do not have authority for virement without first submitting a written request to the Grants Committee. Requests for Virement relating to non-staff costs, up to a limit of 10% of the approved budget, should be submitted to the Deputy Vice Chancellor (Planning, Finance and Administration) through the Director of Planning, Development and Investment for consideration and approval.

Virement

37. The Director of Planning, Development and Investment is also responsible through Deputy Vice Chancellor (Planning, Finance and Administration) for submitting requests for virement of resources above 10% to the Vice Chancellor for approval.

38. Capital expenditure on land, buildings, major equipment, furniture and associated costs can only be considered as part of the capital programme after they are approved by the Council. Major capital expenditure programmes should be considered in the context of the University's strategic planning and forecasting processes.

*Capital Expenditure
Budget*

39. Proposals relating to Capital Programmes shall be compiled by the Manager responsible for estates and works management in consultation with the Director of Planning, Development and Investments, and shall be considered by Estates Committee and then by the Grants Committee before they are submitted to the Council for approval. Proposed capital projects should be supported by:

- a) a statement which demonstrates the project's consistency with the strategic plans and estates strategy approved by the Council
- b) an initial budget for the project for submission to Grants Committee. The budget should include a breakdown of costs including professional fees, VAT and funding sources
- c) a financial evaluation of the plans together with their impact on revenue budgets plus advice on the impact of alternative plans
- d) where appropriate, an investment appraisal in a format which complies with accepted formats in investment appraisal
- e) a demonstration of compliance with tendering procedures and regulations
- f) a cashflow forecast.

40. 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 Estates 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.
41. The Manager responsible for estates and works management shall be responsible for execution of Capital Development Programmes. He shall be responsible to the Estates Committee for execution of all approved Development Plans in so far as they belong to the University. All purchases of capital works items shall be in compliance with these Financial Regulations.
42. The Manager responsible for estates and works management shall also be responsible for keeping the Estates Committee regularly informed of the expenditure of funds allocated for the purpose set out in section 3.18 and shall propose any virement necessary to the Estates Committee. For capital expenditure items virement shall be approved by the Council on recommendation of the Grants Committee.
43. The Deputy Vice Chancellor (Planning, Finance and Administration) 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.
44. 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 (Planning, Finance and Administration).

*Completion of
Contract*

PART 4

AUTHORITY FOR AND CONTROL OF EXPENDITURE

45. The Vice Chancellor shall appoint Principals, Deans, Directors, Head of Units, and when appropriate Heads of Departments as Sub-vote Holders.
46. 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, semi-annually, or otherwise as he may deem fit, depending on availability of funds.
47. The warrant issued by the Vice Chancellor constitutes the authority for the Sub-vote Holder to incur expenditure under sub-heads indicated in the warrant subject to these regulations.
48. The Annual Estimates as approved by Council shall constitute the authority necessary for charging of expenditure to the funds of the University. No sum shall, however, be withdrawn from the funds of the University except under the authority of a warrant issued by the Vice Chancellor.
49. At the beginning of each Financial Year, the Vice Chancellor shall issue a General Warrant through the Deputy Vice Chancellor (Planning, Finance and Administration) to the Director of Finance authorizing funds in accordance with the Estimates, with the exceptions of funds over which the Vice Chancellor wishes to exercise special control.
50. 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.
51. 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 (Planning, Finance and Administration) and the Director of Research Publication and Innovation. The application is to be supported by full details of the necessity for the additional provision and the reason why it is essential.
52. 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 University 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.
53. Heads of department and budget holders are not authorised to commit the University 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

*Appointment of
Sub-vote Holders*

*Issue of Warrant of
Funds*

*Approval and Issue
of Warrant of
Funds*

ascertainable from the Director of Finance'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 for clarification prior to placing the order.

54. No commitments are to be made until authority for additional expenditure has been obtained from the Vice Chancellor through the Deputy Vice Chancellor (Planning, Finance and Administration).
55. A Vote and Sub-vote Holder shall be liable for an unauthorized expenditure resulting from carelessness or negligence on his part.
56. Where savings are guaranteed to cover the additional provision required, the Vice Chancellor may issue a special warrant on recommendation by the Deputy Vice Chancellor (Planning Finance and Administration).
57. In cases where savings are not available, reference to the Grants 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 Grants Committee.
58. If additional provision is approved, the Director of Finance is authorized to make payment from and accept charges against the University funds in respect of the relevant items by a special warrant issued by the Vice Chancellor.
59. 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 is reduced accordingly and the Vote and Sub-vote Holder is to ensure that the reduced estimate is not exceeded.
60. Where the Appointments and 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 estimate, Sub-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.
61. 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.
62. 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 Grants 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.
63. The Director of Finance is responsible for making payment to suppliers of goods and services to the University. All goods and services shall be ordered on the University's Purchase Order Processing system MUSE, and invoices from creditors must quote the related University Purchase Order number.
64. 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.

***Savings on
Approved Estimates***

General Matters

65. 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 shall keep a Central Vote Book for the same purpose. These books shall be reconciled regularly.
66. These financial regulations are supplemented by a chart of authorisation limits for authority expenditures. Council is responsible for setting and reviewing the authorisation limit from time to time.
67. The Director of Finance shall provide itemized expenditure and commitment report to Vote holders and Sub-vote holders.

PART 5

REVENUE

68. The Vice Chancellor, being the University Accounting Officer shall be responsible for ensuring that adequate safeguards are in place and are applied for the prompt collection, proper recording, accounting and use of all University revenue. *Responsibility for Revenue Collection*
69. The Vice Chancellor shall ensure through the Deputy Vice Chancellor (Planning Finance and Administration) that all persons liable to pay revenue are informed by bills, demand notes or other appropriate notices of debts which are due and that they are reminded promptly and frequently of revenue which is in arrears and that adequate measures are taken to obtain payment including through the courts where circumstances require.
70. The Director of Finance shall be the Official Receiver of all University Funds, including fees, government grants, donor funds, dividends and interest, etc. and shall appoint collectors of revenues. *Notification of Revenue*
71. The Director of Finance, 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 University, and
 - (b) for the collection, custody, control, disposal and prompt and proper accounting of the Vote or Sub-vote Holder responsible.
72. 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 for the purpose of raising charges to parties concerned.
73. Any Officer of the University shall notify the Director of Finance of all monies due to the University under agreements prepared in their departments. 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.
74. Rules and procedures for amounts and conditions of payments of any fees by students shall be set by the Council of the University and implemented by the Vice Chancellor through the Deputy Vice Chancellor (Planning, Finance and Administration). Failure to pay any fees shall entail imposition of sanctions which can include termination of registration, barring from examination, withholding of results and postponement of graduation.
75. With regard to revenue the Director of Finance shall ensure that:
- a) debtors invoices are raised promptly in respect of income due to the University
 - b) swift and effective action is taken to collect overdue debts in

accordance with the University's formal procedures

c) outstanding debts are monitored and monthly reports are prepared.

76. The Director of Finance is responsible for implementing credit arrangements and indicating a period in which different types of invoices must be paid. All amounts due to the University must be paid within thirty days of the date of invoice. These credit arrangements must be approved by the Grants Committee. Any significant subsequent changes must be submitted to the Grants Committee for approval.

77. The Director of Finance shall be the custodian of the University funds. Vote and Sub-vote Holders are to take proper steps within their powers to collect and bank such funds daily.

***Recording and
Control of Revenue***

a) All income of the University shall be recorded through electronic receipt

b) Every sum received on behalf of the University by cashier or other authorized employee of the University shall be immediately acknowledged by the issue of an official receipt. The official receipt must be completed, printed (or in case in indelible writing, by the receiving officer, signed and dated. Where electronic receipt is issued must also be complete in all respect including signature and date. The receipt shall show clearly the purpose for which the money was paid.

c) No form of receipt or voucher is to be used without authority of the Director of Finance who will arrange for the printing of all forms of receipts or vouchers, and ensure that they are serially numbered, recorded and controlled.

d) When a cheque is received the number of the cheque shall be quoted on the receipt.

e) 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 University.

f) All cashiers shall be covered by fidelity guarantee insurance.

78. Every transfer of money from one employee of the University to another shall likewise be immediately acknowledged by the issue of receipt, or in appropriate cases, by signature in the cash accounting records.

79. All money received on behalf of the University by any School, Institute or Department shall be deposited to the university's collection account after obtaining a control number for the amount. Cash payment to the cashier is not entertained.

80. All moneys received in foreign currency shall be receipted, recorded and banked in that currency. The exchange rate ruling on that date should be noted.

81. Sums due to the University shall not be written off in the accounts except by approval of the MUHAS Council. Requests to write-off debts must be referred in writing to the Director of Finance for submission to Grants 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 shall keep a register of such amounts written off for possible future recovery.

82. All cheques for the University should indicate the payee as Muhimbili University of Health and Allied Sciences and be sent to the Director of Finance, Muhimbili University of Health and Allied Sciences. Cheques received shall immediately be crossed “Not Negotiable Account Payee Only” and endorsed “For the credit to the account of the Muhimbili University of Health and Allied Sciences”.

***Physical Handling
of Cash/Negotiable
Instruments***

83. The Director of Finance shall pay promptly into the University’s relevant bank account, daily, all monies received by him and in any event not later than the next working day.

84. Cash in physical transit shall be insured, entrusted to an officer covered by fidelity guarantee insurance and shall be moved under armed escort.

85. Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective.

***Research and Other
Grants***

86. 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’.

87. 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 or Principal Investigator to ensure that the financial implications have been appraised by the Director of Finance.

88. The Director of Finance 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 should ensure that the full cost of research contracts is established. The research agreement must be in line with the University’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.

89. Research grants and contracts shall be accepted on behalf of the University by the Vice Chancellor.

90. The Director of Finance 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.

91. Each grant or contract will have a named supervisor or grant holder and will be assigned to a specific budget centre.

92. Before taking off of any research project it will be the responsibility of the University to ensure that account staff who will be involved in financial reporting have undergone sufficient training in terms of preparation of the required financial reports and applicable guidelines.

PART 6

BANK ACCOUNTS AND BANKING ARRANGEMENTS

93. Council is responsible for the appointment of the University's bankers on the recommendation of Grants Committee.
94. The Vice Chancellor 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 Muhimbili University of Health and Allied Sciences lawful business and is properly approved by the Accountant General on behalf of the Permanent Secretary -Treasury. The accounts so opened shall be restricted to the specific purposes initially intended for.
95. The Director of Finance is responsible for, on behalf of the Grants Committee, liaising with the University's bankers in relation to the University's bank accounts and the banking transactions.
96. Only the Vice Chancellor may, with the approval of the Accountant General, open a bank account for dealing with the University's funds. All bank accounts shall be in the name of the University or its projects. No other division, department or section shall be empowered to operate a bank account relating to their or any other University activity. Similarly, no cheques or financial instruments made payable to the University shall be endorsed and credited to any other account.
97. All cheques drawn on behalf of the University must be signed in compliance to the University's Bank Mandate as approved by Council. All cheques must be signed by two authorised persons. Details of authorised persons and limits covered by the University's Bank Mandate shall be provided for in the University's detailed financial procedures.
98. The Director of Finance is responsible for ensuring that all bank accounts are subject to monthly reconciliation and that large or unusual items are investigated as appropriate, and all reconciling items are resolved.
99. All arrangements concerning the use of electronic and internet banking facilities for the payment of staff salaries, creditors, etc. must be approved by the Council on the recommendation of Grants Committee.
100. The Director of Finance must ensure that the controls over and access to such facilities are rigorously 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 University must be checked back to the originating transaction reports by staff who were independent of those processes.

*Appointment of
Bankers*

*Opening and
Maintaining Bank
Accounts*

*Electronic and
Internet Banking
Arrangements*

***Closing of Bank
Accounts***

101. The Bank Account shall be closed if:-

- a) The purpose for which the account was intended for has been fully fulfilled.
- b) The account is redundant due to use of collective accounts for the same purpose
- c) In the opinion of the Deputy Vice Chancellor (Planning, Finance and Administration) upon recommendation by the Director of Finance, the account does not operate in conformity with the purposes initially intended for.
- d) In such circumstances, the Vice Chancellor shall request the Council to approve the closure of such an account.
- e) The Vice Chancellor shall write to the Permanent Secretary Ministry of Education Science and Technology to request the closure of the account.

102. Subject to provisions of the Muhimbili University of Health and Allied Sciences Charter of 2007, 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 University is a part shall be executed, on behalf of the University by:

- (a) The Vice Chancellor,
- (b) The Deputy Vice Chancellor Planning, Finance and Administration
- (c) The Deputy Vice Chancellor Academics,

- (d) The Deputy Vice Chancellor Research and Consultancy,
or
- (e) Such other officer of the University as the Vice Chancellor may appoint in that behalf.

PART 7

PAYMENTS – GENERAL

103. All payments of university money shall be in accordance with these Regulations.
104. The date of payment of any amount shall govern the date of record of the transaction in the accounts. Payments may however be made before they are due for the purpose of utilizing an anticipated saving on an item.
105. The expenditure properly chargeable to the account of a given year must as far as possible be met within that year and must not be deferred for the purpose of avoiding an excess on the amount provided in approved budget.
106. All requisitions for payment of whatever nature are to be supported by original supporting documents. 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. The supporting documents shall be attached on the vouchers.
107. All vouchers are to be generated from the system. As far as possible separate vouchers are to be prepared for payments in respect of different allocations. The amount has to be expressed in words as well as in figures. All payment vouchers are to show the appropriate code to which the charge is to be allocated.
108. Every voucher shall be certified and signed by the Director of Finance or his assignee. 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.
109. 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)
 - d) The computations and casting on the voucher have been verified and are arithmetically correct.
 - e)
 - f) Persons named on the voucher are those entitled to receive payment.
 - g)
 - h) Payment has been recorded in the Vote Book and the invoice has not previously been passed for payment.
110. No person is permitted to sign a voucher which is made payable to himself, or his associate.

*Control and
Vouching of
Payments*

*Preparation
of Payment
Voucher*

*Authorisation
and
Certification
of Payment
Voucher*

111. With the exception of vouchers paid out of standing imprest, all vouchers for payment must be submitted to the Director of Finance for authorisation.

112. Payment must be made to the persons named on the vouchers or their accredited agent and as far as possible must be made by means of a direct bank transfer.

Modes of Payment

113. Where payments are made in cash, signed receipts (duly stamped where necessary) must be taken at the time of payment.

114. Where the recipient of payment is unable to write he shall make his mark in acknowledgement of receipt, the act being witnessed by a finance officer other than the paying officer and the witness shall certify on the payment voucher that the payments were made to persons entitled to receive them.

115. For the purpose of avoiding the danger of duplicate payment being made on a voucher, as soon as a voucher has been paid the officer making the payment will stamp "PAID" across the face of the voucher and all attachments thereto; and in the event of a duplicate or irregular payment being made because of a failure to comply with this instruction the paying officer responsible for the omission shall be liable and be charged for the amount of any loss.

116. Signatories for MUHAS bank accounts shall be appointed by the Vice Chancellor and approved by the Council.

Appointment of Bank Signatories

117. Signatories will be composed of the following groups:

Groups A:

- 1) Vice Chancellor
- 2) Deputy Vice Chancellor (Academic)
- 3) Deputy Vice Chancellor (Research and Consultancy)
- 4) Deputy Vice Chancellor (Planning, Finance and Administration) and
- 5) Any other person appointed by the Vice Chancellor

Groups B:

- 1) Director of Finance
- 2) Principal/Senior Accountant and
- 3) Any other person appointed by the Vice Chancellor.

118. No officer of the University is authorized to commit the University to expenditure unless sufficient funds are available in the budget.

Delegated Authority for Financial Transactions

119. Where pre-negotiated agreements exist university-wide for the supply of goods and services, these must be used by all Sub-vote Holders.

120. Vote and Sub-vote holders may initiate expenditure on an item up to the value stipulated in the Procurement Regulations that have been prepared in accordance with the Public Procurement Act and associated Regulations. For expenditure on

an item in excess of values allowed in the Procurement Regulations; Sub-vote Holders must first obtain approval of the Deputy Vice Chancellor (Planning, Finance and Administration) and in the case of the Deputy Vice Chancellor, the Vice Chancellor prior to the purchase order being raised.

121. For expenditure on items in excess of maximum thresholds provided for in the Procurement Regulations, Sub-vote Holders must obtain approval from the Vice Chancellor prior to the purchase order being raised.

PART 8

PERSONNEL EMOLUMENTS AND BENEFITS

122. Subject to directives and circulars from the Treasury and UTUMISHI, and the Muhimbili University of Health and Allied Sciences Scheme 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. *Appointment of Staff and Promotions*
123. Persons who are entitled to receive salaries are those officers whose posts are scheduled in the approved establishment of a School, Institute, Department or other unit of the University.
124. Every person on first appointment or transfer to the University 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.
125. 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. *Payroll Particulars*
126. The Director of Finance shall be responsible for all payments of salaries and wages to project staff including payments of overtime/extra duty allowances for entitled staff and time compensation for staff involved in Research/Projects. Director of Finance shall also be responsible in paying fees/allowances payable to external examiners, visiting lecturers, Researchers and Part-time Faculty. *Payment Procedures*
127. All salaries shall only be paid through bank account and therefore all staff are obliged to submit their bank account numbers to Director of Finance through the Director of Human Resource Management and Administration.
128. All overtime/extra duty allowances to eligible staff shall be paid after filling in a prescribed form that must be signed by the employee, his immediate supervisor and verified by the Head of Human Resources Management and Administration for onward transmission to DVC-PFA for final approval.
129. Payments related to fees/allowances payable to external examiners, visiting lecturers/researchers and part-time faculty shall be made through a prescribed form signed by the Head of Department, Dean of the respective School/Director of the Institute and approved by DVC-A.
130. Bank direct credits for payment of salaries and wages for project staff shall be prepared by the Director of Finance or by a person authorised by him.
131. Vouchers related to salary payments shall only be written when are accompanied with duly approved Bank lists.
132. The salary bank lists shall be valid documents only after an approval by the Director of Human Resources Management and Administration who is ultimately responsible for the accuracy of information in the payroll.
133. Salary advances and loans to the maximum of three months' salary may be

granted to a member of staff of the University on application to the Deputy Vice Chancellor (Planning, Finance and Administration) 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, and
- c) The amount so granted shall be recovered within the same financial year.

134. The Director of Finance shall be responsible for keeping all records relating to payroll of all employees of the University including those of a statutory nature. Retention of such records will be in accordance with the MUHAS Document Retention Policy and Government Policies and Regulations.

135. All allowances which may be paid to employees other than those directly appropriated from the Treasury shall be paid as approved by the Treasury Registrar and Public Service Standing Order as per Section 35(5) of the Public Service Act, Cap.298 as amended from time to time.

Allowances

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

*Termination of
Employment*

137. Where an Officer absconds from the services of the University, the Head of School, Institute or Department shall immediately report the incident to the Deputy Vice Chancellor (Planning, Finance and Administration) and the Director of Human Resources Management and Administration. Upon receipt of such information, the Director of Human Resources Management and Administration shall arrange to suspend the officer's salary pending final decision from the Appointment and Human Resource Management Committee or the Deputy Vice Chancellor (Planning, Finance and Administration) as appropriate.

PART 9

PETTY CASH PAYMENTS AND OTHER IMPRESTS

138. An Officer of the University may be provided with funds when it is expedient for him to make payments without prior submission of vouchers (accountability documents) to the Director of Finance. These funds are provided in the form of Imprest. The Director of Finance shall issue imprest only on the recommendation of the Dean of the School, Director of an Institute, Directorate or Research, or Grant Holder (Principal Investigator). An imprest shall be issued to an individual member of staff by name and not to a holder of an office.

*Application of
Imprest*

139. Application for Imprest shall be made on appropriate forms and addressed to the Deputy Vice Chancellor (Planning, Finance and Administration) by the sub-vote holder, 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 wholly and exclusively for the University's business. For a larger imprest (which exceeds maximum amount allowable per imprest) a mini-budget shall be submitted together with the application.

140. Imprest, being funds in form of cash, that may be issued to the University staff who requires cash to be readily available to meet immediate payments for official purposes fall into two main categories; standing imprest, which is issued to officers to meet payments during financial year and temporary imprest, which is issued to University officers to meet travelling and hotel expenses necessarily incurred on official duty.

141. Request for imprest must be made as the need arises and should be submitted to the Sub-vote Holder or the Deputy Vice Chancellor (Planning, Finance and Administration) where relevant at least 14 days before the money is required.

142. An imprest must be restricted to the minimum amount required for the purpose for which it is issued.

143. All imprests of whatever nature shall be issued in the names of the officers who hold them and they will remain their personal responsibility until they are refunded or discharged by the submission of properly completed payment vouchers or handed over to another officer responsible.

144. An imprest should not be charged in the accounts as final expenditure but must be entered in the cash book as a payment and will be allocated under a separate account entitled "Imprests Receivable".

145. It is the duty of imprest holder to:

- a) Account for the imprest in accordance with these Regulations.
- b) Ensure that the imprest to him is exclusively used for the purpose for which it was issued;
- c) Ensure that imprest monies and any payment vouchers awaiting replenishment are adequately safeguarded;
- d) Arrange for proper payment vouchers to be prepared in support of all expenditure from the imprest, showing the amounts chargeable to each item;
- e) Obtain proper receipts on all payment vouchers for disbursements from the imprest;

*Duties of Imprest
Holder*

- f) Ensure that the full amount of the imprest can be fully accounted for at all times in cash/money at bank and /completed payment vouchers;
- g) Ensure in the case of standing imprest that the imprest is replenished as and when necessary but not less frequently than once each month and
- h) Be ready at any time to produce to the Director of Finance or his appointed officer the amount of the imprest in cash/ bank balance or completed vouchers
- i) To indicate on the imprest application form the expected date of completion of the activity for which the imprest is requested

146. All imprests shall be retired within seven (7) days after completion of the activity; failure of which recovery shall be made from his salary without notice. The Director of Finance shall conduct quarterly review of all outstanding imprest.

***Retirement and
Renewal of Imprest***

147. Claims for reimbursement for prior approved activities must be made on the standard form provided by the Directorate of Finance, and be supported by invoices or other supporting documents.

148. A second imprest shall not be issued unless the previous imprest has been fully retired.

149. 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 who will examine the documents for accuracy and correctness.

150. All vouchers paid out of imprest must be certified as correct and coded by the Vote and Sub-vote Holder concerned.

151. All retirement documents including receipts and other documents shall be stamped as posted to avoid re-use.

152. 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.

153. The Director of Finance or delegate shall issue receipts or certify to staff who have fully retired imprests.

154. It is the policy of the University that employees are paid or 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 Government or Council on the advice of its Grants Committee and included on all University Travel and Expenses claim forms.

***Travelling,
Subsistence and
Other Allowances***

155. All claims for payment of subsistence allowances, travelling and incidental expenses shall be submitted for payment using the University'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.

156. 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 (Academic) and Deputy Vice Chancellor (Planning,

Finance and Administration). The Deputy Vice Chancellor (Academic) shall also certify claims of the Vice Chancellor. However, in the case of exceptional expenses for travel/subsistence, the Deputy Vice Chancellor (Planning, Finance and Administration) shall certify the expenses of the Vice Chancellor and Deputy Vice Chancellor (Academic) - in particular if both, the Vice Chancellor and Deputy Vice Chancellor (Academic) are involved in the same event. Certification by any officer 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 University.

157. Where subsistence allowance has been paid, but the payee has spent fewer days than expected, the amount of subsistence allowance for the unspent days shall be retired within seven (7) days after the payee has returned back. If the said amount is not retired within this period, the Director of Finance shall request Director of Human Resources and Administration to recover the amount from the staff salary without notice.
158. The Director of Finance shall make available imprests to a School or Directorate or Institutes for the purpose of defraying petty cash expenses. The Dean of the School or the Director shall submit an application in the appropriate pre-designed form to the Director of Finance requesting him to issue a standing imprest. Cash receipts (collections) must not be added to the petty cash float.
159. Such a petty cash float is provided to pay for 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.
160. It may be used to reimburse travel expenses under an amount prescribed from time to time by the Director of Finance, on condition that a travel claim form is used.
161. The University shall maintain a petty float of Tshs. 5,000,000.00 from which petty cash expenses will be funded.
162. A single item for petty cash shall not be more than Tshs. 100,000.00. All purchases must have proper supporting documents.
163. Requisitions for reimbursement must be sent to the Director of Finance for approval, 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.
164. The Unit (school, institute or directorate) 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 University's insurers when not in use. Petty cash records and floats will be subject to periodic checks by the head of department or another independent person nominated by him or her.
165. Standard University petty cash books are supplied by the Director of Finance and must be used for recording all imprest accounts.
166. The Director of Finance shall arrange for surprise checks of cash balances to be made at least once every year.

Petty Cash

167. 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.

PART 10

HANDING/ TAKING OVER OF CASH, STORES AND STOCKS

168. When the duties of an officer, which involves the custody of University money and other property, are handed over to another officer, the following procedure shall be adopted. *Handing/Taking over Procedures*

- a) The officer handing over is to ensure that the books, which record University 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 to the safe, cash box, store house, etc., are to be handed over immediately.

169. 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'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.

170. 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. The Director of Finance shall then take immediate action to ensure that the discrepancy is investigated and/or settled.

171. 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 Index Registers.

172. These provisions shall also apply to the handing/taking over of all cash equivalents, stores and stocks.

173. On leaving the University the Director of Finance shall prepare a handover certificate relating to financial matters detailing:

- a) any deeds or certificates held by him;
- b) a statement of all cash book balances, bank balances, debtors

*Handing over by
Director of Finance*

and creditors at the date of handing over;

- c) a status of various financial statements and maintenance of books of accounts
- d) working documents
- e) bank reconciliation statement
- f) accountable documents
- g) previous audited reports
- h) safe and strong room's keys
- i) cash in hand certificates; and
- j) computerized accounting system status.

174. The Outgoing Director of Finance shall hand over to his successor or to the Vice Chancellor and a copy be given to the Deputy Vice Chancellor (Planning, Finance and Administration).

PART 11

ACCOUNTING FOR GOODS, STOCKS AND STORES

175. Heads of Schools, Institutes and departments are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. The systems in use for stores accounting in departments must have the approval of the Director of Finance.
176. Heads of Schools, Institutes and Departments 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.
177. Heads of Schools, Institutes, Directorates 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 the Procurement Regulations.
178. 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.
179. Every officer in 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; Vote and Sub-vote Holders, shall also ensure that sufficient levels of stores and stocks are maintained to avoid stock-outs or over-stocking.
180. Inventories shall be bought in bulk and maintained at the main storehouse. Users shall requisition inventories from the main store and this will be charged against their vote codes. Director of Finance will be availed with a copy of the Combined Stores Requisition and Issue Voucher. Inventories will be accounted for on First-In-First-Out (FIFO) basis. For inventories issued to sponsored projects, equivalent amount shall be transferred from the project's bank account to the University's collection account.

*Responsibility for
Goods, Stocks and
Stores*

PART 12

NON-CURRENT (FIXED) ASSETS

181. The purchase, lease or rent of land or buildings can only be undertaken with authority from the Council. Such considerations will normally be allowed only as part of the University Annual Capital Development programme requirements under the strategic planning procedures. *Acquisition of Fixed and Immovable Assets*
182. All non-current assets of the university will be administered through Government Assets Management Information System (GAMIS) or any other government assets management system as may be directed from time to time by the ministry responsible for finance and planning. *Care of Non-Current (Fixed) and Immovable Assets*
183. It shall be the overall responsibility of the Deputy Vice Chancellor (Planning, Finance and Administration) to ensure that all Non-Current (fixed) assets of the University are accorded appropriate safeguards and protection against waste, misuse, fraud, theft, pilferage, misappropriation, destruction and any other untoward acts and circumstances.
184. In particular and without prejudice to the generalities of the foregoing, the Deputy Vice Chancellor (Planning, Finance and Administration) 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 firefighting equipment in all University'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.
185. The Deputy Vice Chancellor (Planning, Finance and Administration) shall ensure that any asset whether movable or immovable issued to every officer and every employee of the University 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. *Control of Fixed and Immovable Assets*
186. The Director of Finance is responsible for maintaining the University's fixed asset register of land, buildings, equipment, plant and machinery. The register will record all assets of capital nature. The Director of Finance shall ensure that all the University's movable fixed assets are properly indexed and marked.
187. In addition to the asset register maintained by the Director of Finance, heads of division/departments are responsible for maintaining inventories of all plant, equipment and furniture and stores in their Schools, Institutes Directorates with an individual or collective purchase value in excess of Tshs. 500,000.00. 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.

188. 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, 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 a copy to the Director of Finance for control purposes.

189. No charge shall be made on any non-current asset of the University without prior approval of the Council after a recommendation from the Grants Committee.

***Charges on
University Assets***

190. No non-current or immovable asset of the University shall be disposed of without the approval of Council

***Disposal of Non-
Current and
Immovable Assets***

191. Depreciation on assets shall be calculated using the straight-line method to write off the cost of each asset value over its estimated useful life at a given rate per annum as detailed below:

Depreciation

Category	Rate (%)
Land	Nil
Buildings	4.0
Furniture and Fixtures	20.0
Equipment	12.5
Computers	33.3
Motor Vehicles	5.0
Library Books	25
Graduation Gown	20.0
Computer Software	33.34

192. Depreciation shall be charged on assets from the date when they are ready for use and stop on the date when the asset is derecognized by the University.

193. Fully depreciated asset means an asset whose value is the same as its salvage value. An asset can become fully depreciated in two ways:

195. Fully
Depreciated

- a) If the asset useful life expires;
- b) If there is impairment charge equal to the original cost of the asset, or the asset's accumulated depreciation is equivalent to the asset's original cost.

194. Where fully depreciated asset is still in use Director of Finance shall obtain expert opinion from persons who are expert in that area in order to revisit the useful life all fully depreciated assets which are still in use.

PART 13

FINANCIAL STATEMENTS AND AUDIT

196. The Vice Chancellor shall submit or cause to be submitted to the University Statutory Auditors the annual Financial Statements of the University, in accordance with International Public Sector Accounting Standard (IPSAS Accrual Basis), within three months after 30th June each year for audit. *Legal Requirement*
197. The University statutory auditors shall have authority to: *Statutory Audit*
- a) access University premises at reasonable times, access all assets, records, documents and correspondence relating to any financial and other transactions of the University,
 - b) require and receive such explanations as are necessary concerning any matter under examination,
 - c) require any employee of the University to account for cash, stores or any other University property under his/her control, and
 - d) access records belonging to third parties, such as contractors when required.
198. The primary role of external audit is to express an opinion on the University's Financial Statements whether or not the financial statements give, in all material aspects, a true and fair view of the financial state of the university. In achieving this, auditors carry out such audit tests and examination of the financial statements and underlying records and internal control systems.
199. It shall be the duty of the Director of Finance 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 University Statutory Auditors for conducting the audit of the Financial Statements of the University.
200. The Vice Chancellor shall give the University Auditors every facility necessary to carry out the audit.
201. It shall be the duty of the Vice Chancellor to reply promptly to any observations and queries raised by the University Statutory Auditors.
202. The use of green pencil and ink shall be exclusively reserved for University Statutory Auditors and officers of the Internal Audit Department, and the Director of Finance 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 University.

203. All accounting documents and records shall be retained in an orderly manner and satisfactory condition within the University as per the Muhimbili University of Health and Allied Sciences Document Retention Policy and Government Policies and Regulations.

***Retention of
Accounting
Documents***

204. The Vice Chancellor shall submit to the Council through the Audit Committee, the Auditor's Report on the accounts of the University as soon as practicable but not later than the subsequent Council meeting.

Auditor's Report

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

Other Audits

PART 14

THE AUDIT COMMITTEE

206. The University Council shall have an Audit Committee, which is an independent advisory organ that reports directly 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 University.

Establishment of the Audit Committee

207. The role of the Audit Committee is to provide effective, informed and independent oversight of management of the University and to reassure stake holders of the integrity of the financial statements and the control systems in place. The audit committee provides a forum whereby key players in the University, namely the management, internal audit and external audit, can interact, discuss and resolve any issues of concern.

Role and Responsibility of the Audit Committee

208. 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 and as part of its responsibility in monitoring Value for Money Work.

209. The Audit Committee has the right of access to obtain all the information it considers necessary and consult directly with the internal and external auditors.

210. The functions of the Audit Committee, subject to the Audit Committee Charter, shall include:

Functions of the Audit Committee

- a) To advise the Council on the appointment of the external auditor, the audit fee, the provision of any non-audit services by external auditor, fees for such non-audit services, and any questions of resignation or dismissal of the external auditor appointed by the Controller and Auditor General;
- b) To approve the internal audit and annual strategic audit plans of the University 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 advise the Vice Chancellor (Accounting Officer) on action to be taken on matters of concern raised by the internal auditor or the report of the Controller and Auditor General concerning the University;
- d) To discuss, if necessary, with the external auditor, before the audit commences, the nature and scope of the audit;
- e) To discuss with the external auditor on the nature and scope of audit prior to commencing of audit, problems and observations 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);

- f) To consider and advise the Council on the appointment and terms of employment of the internal auditor and questions of resignation or dismissal of the internal auditor;
- g) To review the internal auditors' audit needs assessment and the audit plan; to consider major findings of internal audit investigations and management's responses and promote co-ordination between the internal and external auditors;
- h) To keep under review the effectiveness of internal control systems and in particular to review the external auditors' management letter, the internal auditor's annual report and management responses;
- i) To monitor the implementation by management of agreed audit-based recommendations as well as directives given by the Parastatal Organizations Accounts Committee, Social Affairs Committee of the Parliament of the United Republic of Tanzania or any other parliamentary body appointed or formed to handle such issues;
- 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 University.

211. The Audit Committee shall meet at least quarterly in each financial year.

***Reporting procedure
for the Audit
Committee***

PART 15

ACCOUNTING POLICIES AND PRACTICES

212. The University shall determine from time to time the appropriate accounting policies in conformity with International Public Sector Accounting Standards and Public Finance Act of 2011.
213. The policies shall be approved by the Council before they are effected in the preparation of Financial Statements of the University.
214. The detailed accounting procedures and practices shall be embodied in Financial Accounting, Financial Management and Costing Standard Operating Procedures (Accounting Manual).
215. Standard Operating Procedures shall supplement these regulations but not replace them.

*General
guidelines*

PART 16

FINANCIAL MANAGEMENT AND INVESTMENTS

216. The Council has power to invest funds, properties, and other assets of the University in such Investments, and subject to such conditions as are prescribed by the Trustee Investment Act 1967, in relation to investment by a Trustee. *Authority to Invest*
217. The University may establish economically viable investment/projects for the purposes of : *Objectives*
- a) Augmenting the University's sources of Income.
 - b) Improving and facilitating the provision of goods and services to the University and its community.
 - c) Providing, whenever possible areas for practical training.
218. All projects envisaged to be established by the University 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 (Planning, Finance and Administration) in consultation with the Director of Finance shall recommend the project proposal to the Council through the Estates Committee and/or Grants Committee. *Viability Study*
219. Responsible for the custody and investment of all of the University's funds. It is advised in this respect by the Grants 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. *Reporting Relationships*
220. The Director of Finance is 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.
221. The Grants Committee is responsible to the Council for approving a treasury 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 University and the control of the associated risks. The Grants Committee has a responsibility to ensure implementation, monitoring and review of such policies.
222. All executive decisions concerning short-term borrowing, investment or financing shall be delegated to the Deputy Vice Chancellor (Planning, Finance and Administration) an appropriate reporting system set up. All borrowing shall be undertaken in the name of the University.
223. The Deputy Vice Chancellor (Planning, Finance and Administration) will report to each meeting of the Grants Committee on the activities of the financial management operation and on the exercise of financial management powers delegated to him.

224. All donations, gifts, bequests etc. shall be received on behalf of the University by the Council. Details of all such receipts and any conditions attached to them will be reported to the Deputy Vice Chancellor (Planning, Finance and Administration) who shall prepare a report to the Grants Committee for final reporting to the Council. Similarly, where the bequest, donation etc. stipulates that the capital should be used to endow a scholarship or prize fund or that it should be used for a specific 'academic' purpose, a report should also be made to the Senate.

***Donations, Gifts
and Bequests***

225. 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.

226. 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 Grants Committee.

***Appropriation of
Incomes from
Capital Funds***

PART 17

INSURANCE

227. All the Insurance policies of the University shall be under the direction and control of Deputy Vice Chancellor (Planning, Finance and Administration).
228. All Vote and Sub-vote Holders and Heads of Departments shall give prompt notification to the Deputy Vice Chancellor (Planning, Finance and Administration) 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 (Planning, Finance and Administration) shall take such steps as are desirable to insure adequately against the risk involved.
229. The Director of Finance 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.
230. Each Vote and Sub-vote Holder and Head of Department shall keep suitable 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.
231. The Director of Finance shall keep a register of all Insurance policies effected by the University and the risk covered.
232. Each Vote and Sub-vote Holder and Head of Department shall notify the Director of Finance 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 shall complete and transmit the claim to insurers within seven (7) days from the date of accident, death or loss.
233. All money due and received from the insurers shall be payable to 'Muhimbili University of Health and Allied Sciences' and immediately deposited into MUHAS bank account.

*Policies and
Records*

Claims

PART 18

IRREGULARITIES

234. On occurrence of any loss of University's money or property from whatever cause, an immediate report is to be made by the Head of Department where the loss occurred to the Deputy Vice Chancellor (Planning, Finance and Administration), the Director of Finance, 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 II. *Duty to Report Occurrence of Losses and Irregularities*
235. Where the loss is:
- a) Not due to negligence or dishonesty of an officer of the University, the Deputy Vice Chancellor (Planning, Finance and Administration) 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 University, the Deputy Vice Chancellor (Planning, Finance and Administration) 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 University's money or property is not apparent, the Deputy Vice Chancellor (Planning, Finance and Administration) shall immediately appoint an Inquiry Board for detailed investigation. On receipt of such report, the Deputy Vice Chancellor (Planning, Finance and Administration) shall report to the police or take such measure, as he may deem necessary.
236. An Officer of the University who discovers a loss or irregularities regarding the handling of University's assets, money and 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 234
237. 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.
238. Whistle blowing is the disclosure by an employee or any other party about malpractice in the workplace. A whistleblower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc.) miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential or public. *Whistle Blowing*
239. Normally, any concern about a work place matter at the institution should be raised with the relevant member of staff immediate line manager or head of department. However, the University recognizes that the serious or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible. A member of staff may,

therefore, make the disclosure to the Chief Internal Auditor. If the member of staff does not wish to raise the matter with this person, or with the Vice Chancellor, it may be raised with the Chairman of the Council.

PART 19

BOARD OF CONDEMNATION

240. Where it is considered that certain items are due for disposal lists of the items should be prepared giving details of articles and where appropriate their age and approximate value. Four copies of the list shall be submitted by the Accounting Officer to the Accountant General with the request that a Board be appointed to inspect the stores, and to make recommendations as to their condemnation and disposal *Establishment, Duties, Reporting and Disposal*
241. Board of Condemnation shall be convened as established by the Public Finance Regulations (Section 253 to 257) *Establishment*
242. Inspection of stores, vehicles, plant or equipment which have reached the end of their economic useful life or are beyond economic repair or are unserviceable for any other reasons or have become redundant through obsolescence *Duties*
243. Provide opinion and recommendations on the assets so inspected
244. After the survey, the Board shall submit their report to the Permanent Secretary with copies to the Accountant General and the Controller and Auditor General. *Reporting*
245. The covering report shall draw attention to any items which are not considered to be unserviceable, or which could be re-used in another context and also to any case where in the Board's opinion, unserviceability has arisen through neglect, misuse, inadequate maintenance, improper storage etc.
246. Stores, vehicles, plant, equipment or such items which, although serviceable, are no longer required by the Government, if they are sold, must be disposed of by public auction or by tender after public advertisement, unless the specific approval of the Permanent Secretary has been obtained for them to be sold by other means. *Disposal*
247. The voucher in respect of the proceeds of the sale must be supported by the auctioneer's account or tender document. In the case of sale by auction the amount brought to account will be the net amount realized after the deduction of the auctioneer's commission.

PART 20

PROCUREMENT

248. The procurement of goods and services shall be made in accordance with provisions to be set out in the Financial Instructions, in order to optimize the use of resources and to maximize *transparency* in the selection of suppliers, service providers, and contractors. To this effect, the Financial Instructions shall define the conditions under which the relevant competitive procurement processes, including invitation for tender, shall be carried out.

Purpose

249. All procurement at MUHAS shall be guided by the following key principles:

Guiding principles

- a) *Cost effectiveness:* Head of Procurement Management Unit (HPMU) or his assignee shall obtain quality and reliable goods and services at the reasonable price (lowest evaluated price). Competitive and independent quotes shall be solicited when more than one supplier is available and offers (tenders) shall be reviewed objectively and impartially.
- b) *Transparency and documentation:* HPMU shall always do transparent procurement. Price comparison analysis shall be done to ensure that MUHAS obtains reasonable prices in the most transparent way. All documents related to procurement shall be kept in secured files. Relevant documents include; quotations, invitation to tender, tenders, the tender evaluation records and the final decision (Tender Board Resolution) shall be kept securely for a period of ten 7 years.
- c) *Non-discrimination:* MUHAS is an equal opportunity organization, and shall not discriminate any service provider/supplier on the basis of race, ethnicity, age, sex, marital status, origin, disability, creed, political belief, religion or social status in procuring any product or service. Procurement from any supplier who is related to a MUHAS employee or member of management team should generally be avoided, and in all cases fully disclosed, and the employee concerned shall absent him/herself in the procurement decision or process.
- d) *Zero Tolerance on Corruption:* MUHAS shall exercise zero tolerance for corruption in all matters, including procurement. No MUHAS employee or member of the management team may benefit or seek to benefit in any way whatsoever from any procurement. Any MUHAS employee or member of management team who is offered any inducement, payment, gift or other reward to influence the procurement process, or is aware of another employee being involved in the same, must report the

matter immediately to the Vice Chancellor (or the Chairman of the Council where it involves the Vice Chancellor).

- e) *Accountability*: All persons involved in the procurement process, shall seek to ensure that both the letter and spirit of the procurement regulation is adhered to. The officer responsible for procurement shall exercise prime responsibility in ensuring that procurement is consistent with these principles, Public Procurement Act, 2011 and its Regulations. In addition, the accountant shall exercise due scrutiny to ensure procurement is consistent with MUHAS Policies and Regulations before an order is placed and/or payment is made. All procurement decisions and documentation shall be subject to scrutiny during both internal and external auditing processes.

250. Regular major purchases of Common Use Items shall be sourced from suppliers and service providers who are pre-qualified by the Government Procurement Service Agency (GPSA). HPMU shall solicit bids from at least five suppliers /service providers for each and every min competition. The officer responsible for procurement shall analyze the bids and recommend the lowest evaluated bidder for decision by the MUHAS Tender Board. The awarded supplier or service provider shall normally be used for all relevant purchases for a specified period of time not exceeding 24 months. MUHAS may purchase goods and services from a different supplier where this can secure comparable quality and reliability at better rates.

Recurring Purchases

251. In case of Common Use Items and Services (CUIS) falling under framework agreement, HPMU shall seek approval of award from the Tender Board after conducting mini competition and recommend the lowest evaluated bidder amongst the suppliers or service providers invited for.

252. Tender documents shall contain all relevant information such as technical specifications, terms of reference, and commercial conditions. Such conditions shall include the time frame for the provision of the goods/services. Tenders shall be required to be submitted in sealed envelopes, which may only be opened at the time set in the solicitation document. Tenders shall be evaluated on the terms and conditions specified in the invitation document. The recommendations of the evaluation committee shall be documented and forwarded to the MUHAS Tender Board for further action.

Tenders

253. Any procurement should be initiated by end user (user department) by filling in the procurement requisition (PPRA Form No.2). The procurement request form before any approval shall pass through the Directorate of Finance for confirmation of availability of funds and appropriate vote code to be used for. However, no request will be entertained if it has no funds or sufficient funds for the subject under the request. Procurement procedures shall be determined after identifying

Procedures for Tender

procurement method to be used and led by procurement value from received fully approved procurement requisition. Procurement of works, goods, and services shall be made through the procedures listed below, in accordance with the prevailing Tanzania Public Procurement Act and its regulations.

254. The open call for tenders procedure shall be applied prior to the conclusion of contracts for the procurement of goods or services, when the amount of the transaction is equal to or exceeds TZs 120,000,000.00 unless is prescribed otherwise in the principal law.

***Open Tenders
(competition)***

255. In application of Prevailing Public Procurement Regulation, restricted competition procedures may be applied at unlimited amount but it must be justified. Application of restricted help procuring entity to reduce open tendering time and assurance of getting intended quality from supplier, service provider and or contractor whom are clearly known by organization and where the market is dominated by the identified by a known number of suppliers or service providers.

***Restricted Tender
(Competition)***

Notwithstanding the rule above and upon justification or law, only certain suppliers are able to execute contracts and their identities are known to the Procuring entity, the latter may apply to the restricted competition procedure, after getting approval of Tender Board.

256. When there is justification such as procuring entity enjoy advantages using a particular contractor, supplier or service provider may solicit quotation direct from a vendor, negotiate and enter into contract. Amount of the transaction is of no limit but only justification.

***Single Source
(Direct negotiation)***

Single source method (direct negotiation) procedure may be applied in cases where, the proper application of security measures or protection of confidential information connected with the Organization's activities is incompatible with the nature of the open call for tenders procedure or the limited competition procedure, the quality of the services required is intrinsically linked with the supplier's person, the matter is so urgent that there is no enough time to apply the open call for tenders or limited competition procedures, a contract that was satisfactorily performed is to be extended or renewed, it being understood that in such cases the open call for tenders or limited competition procedure should be reapplied after an economically or technically appropriate period and but not limited to, a new contract is to be signed for the same object with a contractor who has been chosen after an open call for tenders.

257. Goods or Minor works may be procured directly from a supplier or contractor where no advantage is likely to be obtained by seeking further quotations and where price quoted is reasonable and value of goods and services does not exceed TZs 10,000,000.00 or value of minor works does not exceed TZs 20,000,000.00 and for non-consultancy services does not exceed TZs 10,000,000.00 as specified in the prevailing Public Procurement Act and its regulations.

***Minor Value
Procurement***

258. Records of all petty cash expenditure must be kept and supported by receipts. These records shall be reported to MUHAS Tender Board for noting and they will be the subject of periodic inspection and auditing.

***Procurement
through petty cash***

APPENDIX I: ILLUSTRATIVE FORMAT OF THE LOSS REPORT

LOSS REPORT

Department:

Date of loss occurrence:

Details of Items Lost/Stolen:

Amount of loss [in currency, TShs., 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 the police were informed:

Result of the 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 MUHAS:

Any further action proposed for recovery of the loss:

Details of accounting action taken:

Name of Officer reporting loss:

Designation

Date: