



# THE FINANCIAL ADMINISTRATION AND AUDIT ACT

## FINANCIAL INSTRUCTIONS

MINISTRY OF FINANCE AND THE PUBLIC SERVICE

July 25, 2019

*The Ministry of Finance & Public Service (MOFPS) has overall responsibility for developing the Government's fiscal and economic policy framework; collecting and allocating public revenues and playing an important role in the socio-economic development of the country in creating a society in which each citizen has every prospect of a better quality of life.*

### **Vision Statement**

*A Centre of Excellence that enables Sustainable Growth and Development through Sound Policy, Planning and Quality Service Delivery.*

### **Mission Statement**

*We combine professionalism and expertise in the pursuit of sound socio-economic and financial policies for the achievement of sustainable growth and development.*

### **Core Values**

*The Ministry's customer service will be built on the following values (FIT TEAM):*

- *F - Fairness*
- *I - Integrity*
- *T - Teamwork*
- *T - Transparency*
- *E - Excellence*
- *A - Accountability*
- *M - Mutual Respect*

**Priority Goals:** *Enabling growth and national development through a sound and predictable macroeconomic policy framework that maintains low inflation, stable exchange rates and competitive interest rates;  
Improving revenue administration by creating a simple, equitable, and competitive tax environment to ensure greater compliance and enhance growth;  
Strengthening the level of financial accountability, and efficiency of the Public Sector;  
Strengthening the capacity of the Ministry to effectively regulate financial institutions and combat financial crimes;  
Improving the internal efficiency and effectiveness of the Ministry.*

### **MOF Desired Outcomes**

*The cumulative effort and resources will result in four (4) key outcomes:*

- *Stable Macro-Economy*
- *Effectively Regulated Ministries, Departments and Agencies (MDAs), and Financial Institutions*
- *Effectively Managed Public Funds*
- *Satisfied Clientele*

## TABLE OF CONTENTS

<b>1</b>	<b>INTRODUCTION .....</b>	<b>17</b>
1.1	Acronyms .....	20
1.2	Definitions .....	21
<b>2</b>	<b>MANAGEMENT ARRANGEMENTS .....</b>	<b>28</b>
2.1	The Enabling Legal & Regulatory Framework.....	28
2.2	Financial Instructions .....	29
2.3	Accounting and Accountable Officers .....	30
2.3.1	Financial Secretary .....	30
2.3.2	Accountant General .....	30
2.3.3	Accounting Officer .....	30
2.3.4	Accountable Officers.....	31
2.3.5	Principal Finance Officer.....	31
2.4	Financial Oversight .....	32
2.4.1	Internal Audit.....	32
2.4.2	Audit Committee .....	34
2.4.3	Public Accountability Inspectorate (PAI).....	34
2.4.4	Auditor- General.....	35
2.4.5	Public Accounts Committee (PAC).....	36
2.4.6	Public Administration and Appropriations Committee (PAAC).....	36
2.5	Establishment and Closure of Ministry, Department and Agency.....	37
2.5.1	Establishment of Ministry, Department and Agency .....	37
2.5.2	Closure of Ministry, Department and Agency.....	38
2.6	Financial Misconduct .....	39
2.6.1	Surcharge .....	39
2.6.2	Authority to Surcharge .....	39
2.6.3	Reporting Activities Liable to Surcharge .....	39
2.6.4	Surcharge Proceedings .....	39
2.6.5	Remedy for Person Surcharged .....	40

2.6.6 Notification of Surcharge .....	40
2.6.7 Recovery of Amount Surcharged .....	40
<b>3 BUDGET MANAGEMENT.....</b>	<b>41</b>
3.1 The Enabling Legal and Regulatory Framework .....	41
3.2 Financial Instructions .....	45
3.3 Financial Year/Fiscal Year.....	45
3.4 Budget Call.....	45
3.5 Preparation of Expenditure and Revenue Estimates .....	47
3.6 Supplementary Estimates .....	48
3.7 Reallocation (Virement).....	48
<b>4 TREASURY MANAGEMENT .....</b>	<b>50</b>
4.1 The Enabling Legal and Regulatory Framework .....	50
4.2 Financial Instructions .....	53
4.3 The Consolidated Fund .....	53
4.3.1 Purpose of the Consolidated Fund.....	54
4.3.2 Custody of the Consolidated Fund .....	54
4.3.3 Withdrawals from the Consolidated Fund.....	54
4.3.4 Repayment of Amounts due to Consolidated Fund through Warrant .....	54
4.3.5 Operation of the Consolidated Fund.....	54
4.4 Other Funds .....	54
4.4.1 Contingencies Fund .....	54
4.4.2 Trust Funds .....	54
4.4.3 Treasury Deposits .....	55
4.4.4 Revenue Bank Account .....	55
4.5 Central Treasury Management System (CTMS).....	55
4.5.1 CTMS Definition.....	55
4.5.2 Centralised Payments .....	55
4.5.3 CTMS Web Portal .....	56
4.5.4 Central Payment Account (CPA) .....	56
4.5.5 Treasury Single Account (TSA).....	56
4.5.6 Taxpayer Registration Number and Bank Account.....	57

4.5.7	Foreign Exchange Payments .....	57
4.5.8	Appropriations-in-Aid .....	58
4.5.9	Surrender of Balances to Consolidated Fund .....	58
4.6	Uniformed Chart of Accounts .....	58
<b>5</b>	<b>REVENUE AND EXPENDITURE .....</b>	<b>59</b>
5.1	The Enabling Legal and Regulatory Framework .....	59
5.2	Financial Instructions .....	59
5.3	Receipt of Public Money.....	60
5.3.1	Responsibility for Collection of Revenue .....	60
5.3.2	Revenue Bank Account .....	60
5.3.3	Responsibility of Principal Receivers of Revenue and Accounting Officers.....	60
5.3.4	Official Revenue Receipts .....	61
5.3.5	General Receipt Book.....	61
5.3.6	Special Receipts.....	62
5.3.7	Computer Generated Receipts .....	62
5.3.8	Preparation of Receipts.....	62
5.3.9	Cancellation of Receipt .....	63
5.3.10	Acceptance of Cheques .....	63
5.3.11	Criteria for Acceptance of Cheques.....	64
5.3.12	Stale-dated Cheques .....	64
5.3.13	Dishonoured Cheques.....	64
5.3.14	Cash Cheques .....	64
5.3.15	Bills of Exchange.....	65
5.3.16	Credit and Debit Cards .....	65
5.3.17	Foreign Currency Card .....	65
5.3.18	Daily Reconciliation of Point of Sale [Debit/Credit Cards Collection) .....	66
5.3.19	Registered Mail.....	66
5.3.20	The Value Book.....	67
5.3.21	Uncollected Revenue .....	67
5.3.22	Miscellaneous Revenue .....	67
5.3.23	Appropriations-in-Aid .....	67

5.3.24	User Fees .....	68
5.4	Lodgement of Public Money .....	68
5.4.1	Lodgement and/or Disposal of Amounts Collected .....	68
5.4.2	Auditor’s Seal on Safe .....	69
5.5	Official Bank Account .....	69
5.5.1	Authority to Open Bank Account .....	69
5.5.2	Request for Approval to Open an Official Bank Account.....	69
5.5.3	Project Bank Accounts .....	70
5.5.4	Replacement Bank Accounts.....	70
5.5.5	Transfer of an account between Branches .....	70
5.5.6	Bank Account Approval .....	71
5.5.7	Change in Signatories .....	71
5.5.8	Closure of Bank Accounts.....	71
5.5.9	Bank Overdraft .....	71
5.5.10	Reconciliation of Bank Account.....	72
5.6	Imprest.....	72
5.6.1	Request for Approval to Operate Bank Imprest .....	72
5.6.2	Requests for Approval to Operate Petty Cash and Other Cash Imprests .....	72
5.6.3	Imprest at the End of the Financial Year .....	72
5.6.4	Procedures for Termination of Petty Cash and Other Cash Imprests.....	73
5.7	Payment of Public Moneys .....	73
5.7.1	Disbursement Policy.....	73
5.7.2	Certification and Approval .....	73
5.7.3	Delegated Payment Functions .....	74
5.8	Commitment Planning and Control.....	74
5.8.1	Commitment System .....	74
5.8.2	Authority to Commit Public Funds .....	74
5.8.3	Types of Commitments .....	75
5.8.4	Commitment Manual.....	75
5.9	Payment of Public Moneys .....	76
5.9.1	Payment Voucher .....	76

5.9.2	Unauthorised Payment.....	79
5.9.3	Improper payments .....	79
5.9.4	Disciplinary Action for Unauthorised/Improper Payment .....	79
5.9.5	Notification of Payment.....	79
5.9.6	Cash Payment Limit .....	79
5.9.7	Receipts from Payments .....	79
5.10	Control of Cheques.....	80
5.10.1	Cheque Inventory .....	80
5.10.2	Writing of Cheques.....	80
5.10.3	Alteration of Cheques .....	80
5.10.4	Crossing Cheques .....	80
5.10.5	Cheque Signing.....	80
5.10.6	Cancelled Cheques .....	81
5.10.7	Lost Cheque.....	81
5.10.8	Unclaimed Cheque .....	81
5.10.9	Stale Dated Cheques.....	81
5.10.10	Destruction of Unused Cheques .....	82
5.11	Confidential Expenditure .....	83
5.12	Government Funded Credit Card .....	84
5.12.1	Authority for Use.....	84
5.12.2	Application for Credit Card.....	84
5.12.3	Types of Government Funded Credit Cards.....	85
5.12.4	General Credit Cards (GCC) .....	85
5.12.5	Individual Credit Cards (ICC) .....	85
5.12.6	Credit Limit .....	85
5.12.7	Use of Credit Card.....	86
5.12.8	Credit Card Bills.....	87
5.12.9	Credit Card Monitoring and Control .....	87
5.12.10	Validation and Safekeeping.....	87
5.12.11	Suspension, Transfer and Termination of Card.....	87
5.12.12	Lost or Stolen Cards .....	88

5.12.13 Penalties.....	88
5.13 Payroll Disbursements and Allowances.....	88
5.13.1 Monthly Payments.....	88
5.13.2 Weekly/Fortnightly Paid Wages.....	89
5.13.3 Salaries Paid by Accountant General .....	90
5.13.4 Payroll Changes.....	90
5.13.5 Closed Period for Changes .....	90
5.13.6 Out of Time Payment .....	90
5.13.7 Leave Salary Paid in Advance.....	90
5.13.8 Payroll Register .....	91
5.13.9 Salaries Control Register:.....	91
5.13.10 Balancing Payroll Register .....	91
5.13.11 Funding of Salaries Bank Account & CPPS .....	91
5.13.12 Pensions and Allowances .....	91
5.13.13 Statutory and Other Deductions .....	91
5.13.14 Statutory Deductions Payable Form.....	92
5.13.15 Deposit of Net Pay.....	93
5.13.16 Irrevocable Order.....	93
5.13.17 Financial Institutions added to GOJ List of Approved Salary Deduction entities .	94
5.13.18 Salary Overpayment .....	94
5.13.19 Salary in Advance.....	95
5.13.20 Recovery of Debt.....	95
5.14 Communication – Human Resource, Salaries Unit and Section Head .....	95
5.15 Travelling Allowance.....	96
5.15.1 Motor vehicle Documents .....	96
5.15.2 Motor vehicle Not Owned by Travelling Officer.....	98
5.15.3 Travelling Claims .....	99
5.15.4 Loss or Disposal of Motor vehicle .....	100
5.15.5 Motor vehicle Out of Service .....	100
5.15.6 Partially and Fully Maintained Motor vehicles .....	101
5.15.7 Travel Register .....	101



5.16	Reimbursement of Toll Charges .....	101
5.16.1	Officers to be Reimbursed.....	101
5.16.2	Requests for Reimbursement.....	101
5.16.3	T-Card (Toll Card).....	102
5.17	Human Capital Management Enterprise System (HCMES).....	102
<b>6</b>	<b>PUBLIC INVESTMENT MANAGEMENT.....</b>	<b>103</b>
6.1	The Enabling Legal and Regulatory Framework .....	103
6.2	Financial Instructions .....	104
6.3	Definitions.....	104
6.4	Common Governance Framework for Public Investment.....	105
6.4.1	Authority to Commit to Undertake a Public Investment Project.....	105
6.4.2	One Entry Point for Public Investment Project Proposals.....	105
6.4.3	Full Disclosure on all Expenditure Related to the Public Investment Project.....	106
6.4.4	An Established Process for Inclusion in the PSIP .....	107
6.4.5	Justification for Continued Inclusion in the PSIP .....	107
6.4.6	Responsibility of MDAs to Provide Timely and Credible Information .....	108
6.4.7	Rigorous Review of All Project Proposals .....	108
6.4.8	Results-Based Monitoring & Evaluation.....	108
<b>7</b>	<b>ASSETS AND LIABILITY MANAGEMENT .....</b>	<b>109</b>
7.1	The Enabling Legal and Regulatory Framework .....	109
7.2	Financial Instructions .....	110
7.3	Asset Management .....	111
7.3.1	Maintenance of Asset .....	111
7.3.2	Nature of Inventory Record.....	111
7.3.3	Insurance of Government Property.....	111
7.3.4	Physical Verification .....	112
7.3.5	Annual Status Report on Fixed Assets .....	112
7.3.6	Sale of Government Property .....	112
7.3.7	Furniture and Equipment .....	112
7.3.8	Security of Accounting Machinery, Equipment and Records .....	113
7.3.9	Transfer of Furniture Office Machine and Equipment.....	113

7.3.10	Inventory Management.....	113
7.3.11	Government Owned Motor Vehicles.....	113
7.4	Accidents Involving Government-Owned Motor Vehicles .....	114
7.4.1	Duties of Driver re: Accident .....	114
7.4.2	Duties of Transport Manager re: Accident .....	114
7.4.3	Submission to Legal Officer.....	115
7.4.4	Submission to Accounting Officer .....	115
7.4.5	Submission to Attorney General.....	115
7.4.6	Submission to the Financial Secretary/Auditor-General.....	115
7.4.7	Submission of Claim to Insurers .....	115
7.4.8	Liability of Government Drivers/Transport Manager .....	116
7.5	Hiring or Rental of Motor Vehicles .....	116
7.6	Sanction for Breach of Motor Vehicle Policy.....	117
7.7	Loss of Public Property.....	117
7.7.1	Reporting Loss.....	117
7.7.2	Suspected Theft or Fraud.....	117
7.7.3	Loss permitted for Write off.....	117
7.7.4	General Conditions for Write off of Losses .....	118
7.7.5	Loss to be Written off by Accounting Officers .....	118
7.7.6	Loss to be Written off by Financial Secretary .....	120
7.7.7	Loss to be Written off by Minister .....	120
7.7.8	Loss to be Written off by Cabinet .....	120
7.7.9	Accounting Treatment for Writing off of Loss .....	120
7.8	Loans and Advances to Public Officers .....	121
7.8.1	Motor Vehicle Loan.....	121
7.8.2	Motor Vehicle Repair Loan.....	121
7.8.3	Miscellaneous Loan.....	121
7.8.4	Computer Loan.....	121
7.8.5	Terms and Conditions for Loans .....	122
7.8.6	Salary Advance.....	122
7.8.7	Recovery of Public Officers Loans and Advances.....	122

7.9	Departmental Advances .....	122
7.9.1	Departmental Advance Definition.....	122
7.9.2	Expenditure Definition .....	123
7.9.3	Sub-classification of Expenditure.....	123
7.9.4	Classification of Advances .....	123
7.9.5	Advancee vs Payee .....	124
7.9.6	Clearing Current Year Advances.....	124
7.9.7	Advance Receipts .....	125
7.9.8	Carrying Forward Advances.....	125
7.9.9	Clearing Prior Year Advances .....	126
7.9.10	Loss Transferred To Advances.....	126
7.9.11	Departmental Advances of Closed MDA.....	126
7.9.12	Salary In Advance (Vacation Leave).....	126
7.9.13	Write off of Departmental Advances.....	126
7.10	MOF Contingencies Provision Advance.....	127
7.11	Contingencies Fund Advance.....	128
7.12	Treasury Deposits Advance .....	128
7.13	Overseas Travel Advance.....	129
<b>8</b>	<b>ACCOUNTING AND REPORTING .....</b>	<b>131</b>
8.1	The Enabling Legal and Regulatory Framework .....	131
8.2	Financial Instructions .....	133
8.3	Assignment of Government Accounting and Book-Keeping Responsibilities.....	133
8.4	Basis of Accounting .....	134
8.5	The Computerisation of Government Accounting System .....	134
8.6	Government Accounting Structure.....	135
8.7	Books of Accounts – Ministries Departments .....	135
8.7.1	Cash Book.....	135
8.7.2	Petty Cash Book .....	135
8.7.3	MDA General Ledger- Voted & Statutory .....	136
8.7.4	MDA General Ledger – Departmental Deposits .....	137
8.7.5	MDA General Ledger – Miscellaneous Revenue.....	137

8.7.6	PRR General Ledger – Revenue Accounts.....	137
8.7.7	Fixed Asset Register.....	138
8.7.8	Other Registers.....	139
8.8	Imprest Accounts.....	139
8.8.1	Imprest Operation.....	139
8.8.2	Imprest at the End of the Financial Year.....	140
8.9	Outstation Accounts.....	140
8.10	Fund Accounts.....	140
8.11	Revenue Accounts.....	141
8.11.1	Accounting for Revenues.....	141
8.11.2	Responsibility for Collecting and Accounting for Revenue.....	141
8.12	Statutory Heads Accounts.....	141
8.12.1	Statutory Heads Definition.....	141
8.12.2	Responsibility for Preparation of Monthly Statutory Heads Accounts.....	141
8.12.3	Responsibility for Preparation of Annual Statutory Heads Accounts.....	142
8.13	Project Accounts.....	142
8.13.1	Project Accounts to be maintained.....	142
8.14	Externally Funded Projects(EFP) Accounts.....	142
8.14.1	Definitions- EFP.....	142
8.14.2	Budget & Warrant for Externally Funded Projects.....	143
8.14.3	Accounting Procedures- Externally Funded Projects.....	143
8.15	Supporting Records (Vouchers).....	145
8.15.1	Purpose and Nature of Vouchers.....	145
8.16	Records Management.....	145
8.16.1	Responsibility for Records Management.....	145
8.16.2	Destruction Schedule.....	146
8.16.3	Jamaica Archives.....	146
8.16.4	Disposal of Records.....	146
<b>8.17</b>	<b>Financial Reporting.....</b>	<b>146</b>
8.17.1	The Purpose and Qualities of Financial Statements.....	146
8.17.2	Deadline for Submission of Financial Reports.....	147

8.17.3	Financial Reports – General Conditions.....	147
8.17.4	MDA’s Monthly Financial Reports.....	148
8.17.5	MDAs’ Quarterly Financial Reports .....	148
8.17.6	MDAs’ Annual Financial Statements.....	149
8.17.7	PRRs’ Monthly & Annual Revenue Financial Statements.....	149
8.17.8	Accountant General’s Annual Financial Statement.....	150
8.17.9	Statements to be tabled by the Minister of Finance.....	151
8.18	MDAs’ Ratings re Timely Preparation & Submission of Financial Statements.....	152
8.19	Electronic Bank Statement .....	153
<b>9</b>	<b>ADMINISTRATIVE MATTERS.....</b>	<b>154</b>
9.1	The Enabling Legal and Regulatory Framework .....	154
9.2	Financial Instructions .....	154
9.3	Guidelines for the Acceptance of Gifts .....	155
9.3.1	Condition for the Acceptance of Gifts.....	155
9.3.2	Approval for Acceptance of Gifts .....	155
9.4	Donation of Money .....	155
9.5	Donation In-Kind .....	156
9.6	Overpayment of Public Funds.....	156
9.6.1	Prevention and Detection of Overpayment .....	156
9.6.2	Discovery of Overpayment.....	156
9.6.3	Recovery of Overpayment.....	157
9.6.4	Irrecoverable Overpayment .....	158
9.6.5	Disputed Overpayment .....	158
9.6.6	Request for Waiver of Recovery .....	159
9.6.7	Write-off of Overpayment .....	159
9.7	Payment of General Consumption Tax .....	159
9.7.1	Who is to Pay GCT?.....	159
9.7.2	Registration as a Tax Withholding Entity (TWE) .....	159
9.7.3	Issuing of WTC from the Jamaica Tax Portal .....	159
9.7.4	When to Issue the WTC?.....	160
9.7.5	Who is to Issue the WTC? .....	160

9.7.6	Failure to Issue WTC.....	160
9.7.7	The GCT Returns - Form 4F .....	160
9.8	Investment of Public Funds.....	161
9.8.1	Investment Officer.....	161
9.8.2	Funds for Investment .....	161
9.8.3	Authorized Financial Institutions and Investments .....	161
9.8.4	Investment Approval .....	162
9.8.5	Investment Interest .....	162
9.8.6	Accounting and Reporting of Investments .....	162
9.8.7	Investments by Public Bodies.....	162
9.9	Letter of Credit Facility.....	162
9.10	Purchase of Fuel by Debit Cards.....	163
9.10.1	Authority for the System .....	163
9.10.2	Fuel Limit .....	163
9.10.3	Budgetary Provision – Fuel & Service .....	164
9.10.4	Container Card.....	164
9.10.5	Declined Transactions .....	164
9.10.6	Vehicle Odometers .....	165
9.10.7	Loss of Advance Card .....	165
9.10.8	Deactivation of Cards .....	165
9.10.9	Account Reconciliation .....	165
9.11	Use of Government Telephone .....	165
9.11.1	Personal Calls .....	165
9.11.2	Identification of Private Calls.....	165
9.11.3	Cost Recovery for Private Calls .....	166
9.11.4	Collect Calls .....	166
9.11.5	Overseas Calls .....	166
9.11.6	Private Lines.....	166
9.12	Use of Government Mobile Telephones .....	166
9.12.1	Assignment of Mobile Telephones.....	166
9.12.2	Procurement of CUG.....	167

9.12.3	Control of Mobile Telephones.....	167
9.12.4	Disposal of CUG .....	169
9.13	Use of Government Laptop Computers .....	169
9.13.1	Purchase of Laptops.....	169
9.13.2	Assignment of Laptops .....	169
9.13.3	Maintenance of Laptop Assignment Register .....	170
9.13.4	Physical Care of Laptops.....	170
9.13.5	Repairs to Laptops .....	170
9.13.6	Licensed Software-Laptops .....	171
9.13.7	Loss or Damage to Laptops .....	171
9.13.8	Board of Survey -Laptops.....	171
<b>10</b>	<b>CASH-BASED IPSAS .....</b>	<b>172</b>
10.1	The Enabling Legal and Regulatory Framework .....	172
10.2	Scope of Instruction10 .....	173
10.3	Definitions – Cash IPSAS.....	173
10.4	Relevant Cash Basis IPSAS Concepts .....	175
10.4	Requirements of the Cash Basis IPSAS.....	176
10.5	Cash Based IPSAS Financial Statements.....	176
10.5.1	General Purpose Financial Statements .....	176
10.5.2	Information to be presented in the Statement of Cash Receipts and Payments .....	176
10.5.3	Format of the Statement Cash Receipts and Payments .....	177
10.5.4	Consolidated Statement of Receipts and Payments.....	177
10.5.5	Operating Activities.....	178
10.5.6	Investing Activities.....	178
10.5.7	Financing Activities.....	178
10.6	Receipts and Payments for Capital B Projects .....	178
10.7	Departmental Advances re IPSAS .....	178
10.8	Payments by Third Parties on Behalf of the Ministry, Department or Agency .....	179
10.9	Cash IPSAS - Accounting Policies and Explanatory Notes.....	179
10.10	Selection and Disclosure of Accounting Policies .....	179
10.11	General Conditions of Annual Financial Statement.....	180

10.12	Information about the MDA and Consolidated Government.....	180
10.13	Consistency of Presentation .....	180
10.14	Comparative Information .....	181
10.15	Identification of Financial Statements.....	181
10.16	Correction of Errors .....	181
10.17	Consolidated Financial Statements .....	181
10.18	Consolidation Procedures.....	182
10.19	Consolidation Disclosures.....	182
10.20	Treatment of Foreign Currency Cash Receipts, Payments and Balances .....	182
10.21	Calculating the Unrealized Gains or Losses .....	182
10.22	Budget Information in Financial Statements.....	183
10.22.1	Presentation of a Comparison of Budget and Actual Amounts.....	183
10.23	Changes from Original to Final Budget .....	183
10.24	Recipients of External Assistance .....	183
10.24.1	External Assistance Received.....	183
10.24.2	External Assistance Disclosure .....	183
10.24.3	External Assistance to Central Government on behalf of lower tiers of Governments.....	184
10.24.4	Undrawn External Assistance.....	184
10.24.5	Receipt of Goods or Services .....	184
10.24.6	Disclosure of Debt Rescheduled or Cancelled .....	184
10.24.7	Disclosure of Non-compliance with Significant Terms and Conditions .....	184
<b>APPENDICES.....</b>		<b>185</b>
Appendix 1-	Statement of Cash Receipts and Payments for MDAs.....	186
Appendix 2-	Notes to the Financial Statements Of MDAs: - .....	189
Appendix 3-	Consolidated Annual Statement of Cash Receipts and Payments .....	192
Appendix 4 -	Notes to the Consolidated Government Statement of Cash Receipts & Payments .....	194
Appendix 5-	Foreign Currency Account Cash Book .....	199
Appendix 6-	Consolidated/Ministry Comparison of Budget and Actual Amounts .....	200
Appendix 7-	Project Summary Receipts and Payments Statements .....	201



Appendix 8- Project Detail Receipts and Payments Statements .....	202
Appendix 9 - Procedure For Daily Reconciliation of Point of Sale (Debit/Credit Cards Collections).....	203
Appendix 10 - Approved Credit Card Ceilings.....	<b>Error! Bookmark not defined.</b>
Appendix 11- Preset Limits on Call For Government Mobile Telephone .....	205
Appendix 12- Authority for Write-Off of Loss of Public Money .....	206
Appendix 13- Jamaica Public Investment Management System .....	207
Appendix 14 -Document Retention Schedule .....	208
Appendix 15- Point of Sale Reconciliation Statement.....	215
Appendix 16 -Acceptance of Gift Form.....	216
Appendix 17- Statutory Deductions Payable Form.....	217
Appendix 18- Mobile Telephone Register .....	218
Appendix 19- Laptop Assignment Form.....	219
Appendix 20- laptop Assignment Register .....	221
Appendix 21- Declaration by Owner of Motor Vehicle Assigned to Travelling Officer .....	222
Appendix 22- Declaration of Travelling Officer with Assigned Vehicle .....	223
Appendix 23 - Chauffeur's Allowance Certificate .....	224
Appendix 24- Travel Register .....	225
Appendix 25- Transport Allowance Claim Form .....	226
Appendix 26- Quarterly Report on Losses Written Off .....	228
Appendix 27- Utility Register – Electricity , Water and Electricity .....	229
Appendix 28- Private Telephone Call Register.....	231
Appendix 29- Rent Payable Register .....	232
Appendix 30 - Contract Register.....	234
Appendix 31- Voucher Forms.....	238
Appendix 32 MDA's Monthly Financial Reports.....	264
Appendix 33 MDA's Quarterly Financial Reports .....	280
Appendix 34 – MDA Annual Financial Reports.....	287
Appendix 35 Revenue Financial Statements.....	293
Appendix 36 T-Card Register .....	303

Appendix 37 – Requirements for addition to the Government List of Financial Institutions for which Salary Deduction Orders are accepted .....	304
<b>INDICES .....</b>	<b>305</b>

# 1 INTRODUCTION

January 1, 2017

The Constitution of Jamaica and the Financial Administration and Audit Act lay down the basic principles for the management of public moneys.

The Financial Instructions (FIs) have been established in order to improve and clarify the standards of financial control within Government. It is developed to be consistent with the Financial Administration and Audit Act, Financial Management Regulations and international best practices. The FIs will assist in providing appropriate levels of management and governance of public finance.

In the management of public funds there must be probity, economy, accountability and transparency. These FIs are intended to ensure that financial transactions are properly recorded and reported on a consistent basis and that the appropriate controls are in place.

The FIs will inform the minimum standard for financial controls in all Ministries, Departments and Agencies and where applicable to public bodies that are funded from the Consolidated Fund. Accounting Office may in accordance with section 24F of the FAA Act issue written instructions to other accountable officers to meet their specific needs. However, these instructions shall not be in conflict with the FIs herein or contravene any other related legislation.

Special mention must be made of the Instructions relating to the Public Investment Management System (PIMS) that have been implemented by Government and the Cash Basis International Public Sector Accounting Standards that have been adopted for the preparation and reporting of the accounts in Ministries and Departments. These are included to provide a reference to the established procedures and standards; however, detailed information can be sourced from the Government of Jamaica Public Investment Management System Operational Guidelines and the Cash Basis International Public Sector Accounting Standards published by the International Public Sector Accounting Standards Board.

Implementation of the provisions of the FAA Act, and any instructions and regulations issued thereunder, is the responsibility of each Accounting Officer appointed under Section 16 of the FAA Act, in the manner set out in his/her letter of appointment. Accounting Officers have a responsibility to ensure that the FIs are brought to the attention of all public officers under their control and that there is access and compliance to the prescribed policies and procedures. Accounting Officers must ensure that financial systems and procedures for which they are responsible are operating in accordance with appropriate internal controls and governance frameworks.

Government employees have a responsibility to read, interpret and consistently apply the FIs in their daily operations. It is necessary for all officers that have a fiduciary duty for government funds/assets to understand the relevant FIs and to seek clarification or interpretation where there is doubt.

Public officers must be made fully aware of the legal and constitutional framework within which the Government of Jamaica operates, and of the instructions and regulations issued, in order that their duties may be adequately performed in strict compliance therewith.

The previous Instructions of 1977 issued under the Financial Administration and Audit Act are hereby rescinded.

A handwritten signature in blue ink, appearing to read 'E. McFarlane', with a long horizontal flourish extending to the right.

Everton McFarlane  
Financial Secretary

**Effective Date**

The FIs become effective on January 1, 2017.

**Legal Authority**

The FIs are issued under the authority of the Financial Secretary in accordance with Section 51 of the Financial Administration and Audit Act.

**Application**

The FIs are applicable to the operations of all Ministries, Departments, Agencies and Public Bodies which are funded from the Consolidated Fund.

**Amendment of FIs**

The Ministry of Finance (MOF) will review the FIs annually. However, where it becomes necessary to revise a FI because of a change of policy before the prescribed period, the FI will be updated and this information communicated to stakeholders via an advisory or published on the website of the Ministry of Finance: <http://www.mof.gov.jm>

**Interpretation**

The Ministry of Finance must be contacted for clarification where there is need for such clarification.

**Departure from Financial Instructions**

Permission must be sought in writing and approval obtained in writing from the Ministry of Finance to depart from these Financial Instructions.

**Notification of Breaches**

The Financial Secretary and the Auditor-General must be advised immediately of breaches of the FIs.

## 1.1 Acronyms

ACHS	Automated Clearing House System
AG	Accountant General
AGD	Accountant General's Department
AIA	Appropriation in Aid
AuG	Auditor-General
AuGD	Auditor-General's Department
BOJ	Bank of Jamaica
CAE	Chief Audit Executive
CCP	Consolidated Cash Plan
CIF	Client Information Form
CPA	Central Payment Account
CTMS	Central Treasury Management System
FAA Act	Financial Administration and Audit Act
FI	Financial Instructions
FMR	Financial Management Regulations
FPP	Fiscal Policy Paper
GCC	General Credit Card
GPFS	General Purpose Financial Statements
ICC	Individual Credit Card
IPSAS	International Public Sector Accounting Standards
HRMD	Human Resource Management Division
JCA	Jamaica Customs Agency
MDAs	Ministries Departments and Agencies
MoF	Ministry of Finance
NHT	National Housing Trust
PAAC	Public Administration and Appropriation Committee
PAC	Public Accounts Committee
PAI	Public Accountability Inspectorate
PBMA Act	Public Bodies Management and Accountability Act
PCE	Project Concept Evaluation
PIMC	Public Investment Management Committee
PIMS	Public Investment Management System
PFO	Principal Finance Officer
PPP	Public Private Partnership
PSIP	Public Sector Investment Programme
RTGS	Real Time Gross Settlement System
TAJ	Tax Administration Jamaica
TRN	Taxpayer Registration Number
TSA	Treasury Single Account
TWE	Tax Withholding Entity
UEOI	Unsolicited Expression of Interest
USP	Unsolicited Proposal

## 1.2 Definitions

References in these instructions to a department include references to a ministry. In these instructions, unless the context otherwise determines the following terms have been used as described:

“**Accountable Officer**” is any public officer including an “Accounting Officer” concerned in/or responsible for the collection, receipt, custody, issue or payment of public moneys or other public property.

“**Accounting**” is the system of identifying, classifying, summarising and recording business and financial transactions and analysing, verifying, interpreting, and communicating financial information.

“**Accounting Records**” are all of the documentation and books involved in the preparation of financial statements or records relevant to audits and financial reviews. Accounting records include records of assets, monetary transactions, ledgers, registers, journals and any supporting documents such as cheques and invoices

“**Accounting Officer**” is any person designated as such by the Minister pursuant to Section 16 of the Act and charged with the duty of accounting for any expenditure on any service in respect of which moneys have been appropriated under the Financial Administration and Audit Act or any other enactment.

“**Accounting Policies**” the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

“**Accrual Accounting**” is a system of accounting based on the accrual principal, under which revenue is recognized (recorded) when earned, and expenses are recognized when incurred regardless of whether cash is received or paid.

“**The Act**” is the Financial Administration and Audit Act.

“**Advance**” an authorized loan from (or to) one part of the public sector to (or from) another or any authorized payment made by an entity for goods and services to be received in due course.

“**Annual Budget**” means an approved budget for one year.

“**Appropriation**” is an authorization voted by Parliament, allocating funds to ministries, departments and agencies for a financial year..

“**The Appropriation Bill**” is a Bill tabled in Parliament containing the sums to be voted and approved by Parliament for expenditures of ministries, departments and agencies including Appropriations-in-Aid for specific fiscal year.

“**The Appropriation Act**” otherwise called the “budget law” is the voted provision passed by the Houses of Parliament.

“**Appropriations-in-Aid**” means any revenue which a department collects in the ordinary course of business which have been approved by Parliament to be used by the department; “**Assets**” are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

“**Automated Communications Device**” means a computer programme or an electronic or other automated device used to initiate or respond to electronic communications in whole or in part, without review or action by an individual.

“**Budget**” is a document presenting the government's proposed revenues and spending for a financial year that is passed by Parliament.

“**Budget Call**” means written instructions issued by the Minister to departments for the submission of proposals for their budgets, corporate plans and operational plans in respect of the ensuing financial year;“

**Budget Execution** is the process by which the financial resources made available to Ministries, Departments and Agencies are directed and controlled toward achieving the purposes and objects for which the budget was approved. This shall be done in accordance with laws, regulations, instructions and established policies and procedures.

“**Capital Budget or Capital Expenditure**” is expenditure for acquisition of land, intangible assets, and non-financial assets, or for permanent structures and major purchases to be used for more than one year in the process of production. All expenditures which are not capital are "current".

“**Capital A Budget**” is a budget approved by Parliament to enable a ministry to undertake projects designed to effect social, economic or infrastructural development of the country through the use of funds derived entirely from taxation.

“**Capital B Budget**” is a budget approved by Parliament to enable a ministry to undertake projects designed to effect social, economic or infrastructural development of the country through the use of funds derived jointly from taxation plus loans or grants from bilateral or multilateral organisation(s).

“**Cash Accounting**” is an accounting method which records cash receipts, payments and balances. The cash basis of accounting recognises transactions and events only when cash has been received or paid.



“**Central Treasury Management System**” is a set of procedures, supported by automation, which enables the Accountant General’s Department (AGD) to assume full responsibility of cash management functions of Government.

“**Collecting Officer**” is any public officer to whom the duty of collection of public money has been assigned.

“**Commitment**” means an obligation on the part of ministries/departments to pay for goods, services or some civil works upon submission of a valid and authorised invoice or claim..

“**The Consolidated Fund**” is the Consolidated Fund established pursuant to Section 114 of the Jamaica (Constitution) Order in Council, 1962, and Part II Sections 3-5A of the Financial Administration and Audit Act.

“**Contingency Provision**” is a provision approved by Parliament under the Ministry of Finance Head of Estimates for making advances to Ministries, Departments and Agencies to allow them to meet certain payments, such as salary revision which were not provided for in their budget and which will be recovered by the Ministry of Finance when such funds are provided in Supplementary Estimates to such ministries and departments..

“**Corporate Plan**” is a document which sets out clearly:-

- (a) A Ministry’s objectives
- (b) The means to achieve them, and
- (c) The system of monitoring and evaluating the performance of the plan

“**Data**” includes: –

- (a) any material stored in whatever form in an electronic communications system;
- (b) the whole or part of a computer program; and
- (c) a representation suitable for processing in an electronic communications system.

“**Electronic**” means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities, and references to carrying out any act "electronically" shall be similarly construed.

“**Electronic Certificate**” means any record that:

- (a) identifies the person or body that issues it;
- (b) names or otherwise identifies the signatory or a device (including an automated communications device) under the control of the signatory;
- (c) specifies its operational period;
- (d) is digitally signed by the person or body that issues it;
- (e) contains a public key that corresponds to a private key under the control of the originator of the electronic document to which the certificate relates; and
- (f) specifies any other matter required to be specified under these Regulations.

**“Expenditure Clearing Accounts”** are bank accounts operated by ministries and departments in commercial banks into which approved budgetary funds are lodged by the Accountant General based on warrants issued by the Minister of Finance. These accounts except for Executive Agencies have been replaced by the Central Payment Account operated by the AGD under the Central Treasury Management System.

**“External Auditors”** mean the auditors of an organisation who are not under the direct or indirect control of the organisation.

**“Extra Budgetary Funds”** Government transactions; often with separate banking and institutional or legal arrangements that are not included in the Estimates of Expenditure.

**“Fair value”** is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

**“Financial Reporting”** is the process of producing statements that disclose a ministry, department or agency’s financial performance and status.

**“Financial Statements”** are reports prepared by a ministry, department or agency to present the financial performance and position of the entity at a point in time.

**“Fund Accounts”** are the accounts maintained for Revolving Funds, Special Funds or Statutory Funds operated by a Ministry, Department or Agency.

**“Government Company”** is a company registered under the Companies Act, in which the Government or any of its agencies by the holding of shares is in a position to direct the policy of the company.

**“Government Department”** is a government entity that has autonomy over its budget, accounting, personnel management etc. A Government department is authorised by Cabinet to be established as such and is assigned a separate Head number in the Estimates of Expenditure.

**“Government Property”** means land, buildings, furniture, equipment, fixtures, inventory, stores, supplies, artifacts and other assets, both tangible and intangible, owned by the Government

**“Head of Estimates”** means a budget approved by Parliament for a Ministry or Department.

**“Imprest”** is any bank account maintained whether in local or foreign currency as

- a subset or part of a principal bank account, or fund of a MDA.
- or any cash or other assets kept by an imprest holder under the control of a MDA.

**“Inescapable Expenditure”** means recurring expenses that cannot be avoided in the short term example, salaries, fixed travel, rental, public utilities, food for institutions and the security

services, drugs for hospitals, petrol for security services and any other essential services, contractual/nondiscretionary expenditure.

**“Internal Audit”** Internal audit is an independent management function, which involves a continuous and critical appraisal of the functioning of an entity with a view to suggest improvements thereto and add value to and strengthen the overall governance mechanism of the entity, including the entity's strategic risk management and internal control system.

**“Internal Control”** Internal control are systems or processes designed to provide a Reasonable assurance in achieving:

- Effective and efficient operations
- Reliable financial reporting and
- Compliance with laws and regulations

**“Inventory”** are assets:

- in the form of materials or supplies to be consumed in the production process;
- in the form of materials or supplies to be consumed or distributed in the rendering of services;
- held for sale or distribution in the ordinary course of operations; or
- in the process of production for sale or distribution.

**“Lease”** is an agreement conveying the right from a lessor to a lessee to use the leased items for a stated period of time in return for a series of payments by the lessee to the lessor.

**“Market Value”** is the price at which an asset could trade in an open competitive market.

**“Miscellaneous Revenue”** means any non-tax revenue item, such as user fees cost recoveries etc. charged by departments for goods and services, the proceeds of which must be paid over or lodged to an account held by the Accountant General for Miscellaneous Revenue.

**“Minister”** means the Minister of Finance.

**“Non-Tax Revenue”** means those revenues that do not constitute a tax, levy, licence or duty e.g. postal revenue, dividends, interest, Departmental and Other Miscellaneous Revenue etc..

**“Officer” or “Public Officer”** is any person in the employment of the Government of Jamaica.

**“Official receipt”** means a receipt prescribed by the Financial Secretary for the collection of public funds.

**“Performance Reports”** means reports designed to provide information on the achievement of performance targets.

**“Principal Receiver of Revenue”** means the main officers charged with the duties and responsibilities for collecting and accounting for revenue;

**Public Moneys**” mean:-

- (a) Revenues and other receipts collected by MDAs for deposit to the Consolidated Fund or for the operation of the business of Government;
- (b) any trust or other moneys received and held, whether temporarily or otherwise, by a MDA for the business of Government.

“**Public Officials**” include individuals having public official functions or acting in a public official capacity and includes any of the following:

- Ministers of Government,
- Judges and the holder of any other judicial office,
- Civil Servants,
- Local Government Members and Officials,
- Members of statutory bodies and Government companies,
- The police, Correctional Officers and other Government security officers,
- Teachers, doctors, nurses and other health care personnel and
- any other official working in public institutions.

“**Reconciliation**” is the checking of one set of records with another.

“**Revenue**” means all tolls, taxes, imposts, rates, duties, penalties, forfeitures, rents and dues, proceeds of sale and all other receipts of the Government from whatever source arising over which Parliament has the power of appropriation.“

**Recurrent Budget**” means a budget for housekeeping expenditure approved by Parliament for a Ministry, Department or Agency for a financial year..

“**Special Funds**” mean moneys (loans or grants) provided by funding Agencies (local or international), to the Government of Jamaica for specific projects and deposited in specially designated Bank Accounts in accordance with the terms of an Agreement.

“**Supplementary Estimates**” mean revision to the original approved budget passed by the Houses of Parliament.

“**Treasury Deposits**” mean funds held by the Accountant-General pending repayment or application to the purposes for which they were deposited as established by law or otherwise or any other deposits of which the Accountant-General is the custodian (other than Trust Funds or the balances of the Consolidated Fund and the Contingencies Fund).

“**Treasury Single Account**” is a concept of a unified structure of government bank accounts under the control of the Accountant General that gives a consolidated view of Government cash resources. It is a set of linked accounts through which the Government transacts its receipts and payments.

“**User Fees**” are moneys collected by ministries and departments to cover the cost of certain services; e.g. hospital fees; audit fees. Such fees, unless stipulated otherwise by Parliament, are to be lodged to the Accountant General for Miscellaneous Revenue.

## 2 MANAGEMENT ARRANGEMENTS

### 2.1 The Enabling Legal & Regulatory Framework

#### I. Constitution of Jamaica:

##### ***Chapter VIII Finance:***

*Section 114* establishes the Consolidated Fund

*Sections 120 to 122:* refer to the role of the Auditor-General

#### II. Financial Administration and Audit (FAA) Act, 1959 as Amended 2015

*Section 2 defines:*

- 2(1) Accountable Officer, Accounting Officer, Audit Commission, Audit Committee, Consolidated Fund Bank Account; Government Company, Public Body, Public Moneys and Revenue.
- 2(2) Reference in this Act to a department includes a Ministry and, except where the context otherwise requires, a public body which is designated as an Executive Agency pursuant to the Executive Agencies Act.
- 2(3) References in any enactment or instrument, in whatever terms to the "General Revenue" and to its variations and cognate expressions shall be deemed to be references to the Consolidated Fund.
- 2(4) References in any enactment or in any instrument to "Revenue Commissioner" shall be deemed to be references to the Minister.

*Section 3 (6): establishes the role of the Accountant General:*

The Accountant General shall have the management of the Consolidated Fund Principal Bank Account and all Consolidated Fund Subsidiary Bank Accounts and the supervision, control and direction of all matters relating to the operation of those accounts.

##### ***Part III Administration:***

*Section 15:* refers to the Accountant General.

*Section 16:* refers to the Accounting Officers.

*Sections 20 to 24:* refer to Surcharge.

*Sections 24A (4):* Ministerial Oversight

##### ***Part IV Audit:***

*Sections 25 to 32:* refer to the Auditor-General.

*Sections 33 and 34:* refer to Internal Audit.

##### ***Part VII General:***

*Section 49* details the functions of Accountable Officers

### **III. Financial Management Regulations (FMR) 2011, as Amended 2015**

#### ***Part III Administration:***

*Regulations 23 – 27:* provide for the appointment, etc. of Accounting Officers and Accountable Officers.

#### ***Part VI Loss of Public Property:***

*Regulation 90 :*provides for procedures when a Criminal Offence has been committed;

*Regulation 91:* provides for Disciplinary Action.

#### ***Part VII Surcharge:***

*Regulations 110 – 112:* provide for the imposition of surcharge and the procedures to be used.

#### ***Part VIII Government Property:***

*Regulations 113 – 144:* provide for the management, control and sale of Government property.

#### ***Part IX Audit:***

*Regulations 142, 143, 147 to 149:* provide for establishment and operations of audit functions:

*Regulations 144 to 146:* cover *Internal Audit Risk Management*; and

*Regulations 150 and 151:* Internal Controls, Auditor-General.

### **IV. Fiscal Responsibility Framework Regulations (FRFRs) 2012, as amended 2015**

#### ***Regulation 7***

*Section 7(1)* provides that before any excess or supplementary expenditure may take place, the Permanent Secretary generating the request for the expenditure shall submit a report to the Financial Secretary.

*Section 7(4)* further identifies the role of the PAAC. The Financial Secretary shall send a report to the Public Administration and Appropriations Committee of the House of Representatives, and the Financial Secretary shall appear before the Committee as required to discuss the implications of the excess expenditure

*Section 14(1)* provides that for the purposes of Part VII of the Act, the Auditor-General shall, in accordance with this regulation, certify that a public body primarily carries out functions that are of a commercial nature if the Auditor-General is satisfied that the public body meets the criteria that are set out in the Schedule.

## **2.2 Financial Instructions**

The Financial Instructions herein is the full and complete updated Financial Instructions regarding the above Law and Regulations at the date of publication. All previous Instructions, Circulars listed at the end of this document and or any other publication are considered incorporated and revoked to the extent that the matter is covered in this document.

## **2.3 Accounting and Accountable Officers**

### **2.3.1 Financial Secretary**

- (i) The Financial Secretary shall be the principal advisor to the Government on matters pertaining to financial administration and public financial business and who is responsible for:
  - (a) reporting to the Minister any Accounting Officer or Principal Receiver of Revenue whose financial statements are consistently late in submission and are in arrears. FMR, Regulation 71(3);
  - (b) the continuous improvement of financial and accounting systems throughout the departments of Government;
  - (c) the establishment and issue of the Code of Conduct for Public Sector Accountants; and
  - (d) ensuring that the mechanism for the collection of and accounting for public moneys is satisfactory in principle and being complied with in practice.

### **2.3.2 Accountant General**

- (i) The chief function of the Accountant General is to maintain control of Government's finance. The Accountant General is responsible for management of the Treasury including:
- (ii) Management of the Consolidated Fund, Contingencies Fund, Extra Budgetary Funds and any other Fund assigned by law or by the Minister of Finance and the Financial Secretary.
- (iii) Other responsibilities of the Accountant General include but not limited to:
  - (a) Management of Treasury Deposits;
  - (b) Payment of salaries and pensions to public officers;
  - (c) Payment of and recovery of loans to public officers;
  - (d) Management of the Central Treasury Management System; and
  - (e) Management of selected public assets and securities.
- (iv) A key function of the Accountant General is the preparation and submission of financial statements including the consolidated government General Purpose Financial Statements.

### **2.3.3 Accounting Officer**

- (i) Accounting Officers shall be accountable to the Minister of Finance for the administration of their departments and the management of their Votes.
- (ii) Accounting Officers have a responsibility to appoint public officers as Accountable Officers and to submit within thirty (30) days following the end of each financial year, a list of these officers and their positions to the Financial Secretary.
- (iii) Accounting Officers are responsible for designating Accountable Officers to sign monthly financial statements.



- (iv) Accounting Officers must sign the relevant appropriation, and other accounts for the services assigned and in doing so, accept personal responsibility for the statements accuracy, and completeness.
- (v) Accounting Officers shall ensure that proper financial procedures are established and followed and that accounting records are maintained in the prescribed manner.
- (vi) Accounting Officers shall ensure that the public funds for which they are responsible are properly managed and safeguarded, with independent and effective checks of cash balances, stores, equipment and property of any kind.

#### 2.3.4 Accountable Officers

- (i) Accountable Officers are appointed by the Accounting Officers in accordance with section 24F of the FAA Act. Copies of each letter of appointment must be submitted to the Financial Secretary.
- (ii) Accountable Officers are public officers with responsibilities for the collection, receipt, custody, issue or payment of public monies or other public property in their ministry and/or departments.
- (iii) An officer though not formally appointed as an Accountable Officer may by nature of his/her function and responsibility be construed to be an Accountable Officer.
- (iv) An officer shall remain accountable for any act or omission made prior to their separation from the responsibilities of an Accountable Officer in respect of the said position.
- (v) An appointment as Accountable Officer shall be automatically terminated upon:
  - (a) separation of duties by resignation, transfer, retirement, dismissal, etc.;
  - (b) conviction of a criminal offence;
  - (c) being declared bankrupt;
  - (d) becoming mentally incapacitated; and/or
  - (e) afflicted by a condition of substance abuse.

#### 2.3.5 Principal Finance Officer

- (i) The Principal Finance Officer (PFO) is an accountable officer as designated under section 24(F) of the FAA Act and reports to the Accounting Officer.
- (ii) The duties of the PFO include but not limited to, ensuring that:
  - (i) The work of the department is planned and carried out with due dispatch, having regard to the policy laid down by the Government and the intentions of Parliament;
  - (ii) All expenditure or commitment incurred are within the limits of his Votes or other authorised financial provisions and covered by adequate authority;
  - (iii) The FAA Act, FAA Act Regulations and FAA Instructions are adhered to and where necessary that they are supplemented by other departmental instructions;
  - (iv) The department is organised with adequate and effective financial and accounting controls to:
    - (a) allow for prompt collection of all dues to the Government;

- (b) bring to account all monies received;
- (c) authorise all commitments on behalf of the Government;
- (d) supervise and examine all services and supplies rendered; and
- (e) ensure the correct payment from public funds;
- (v) An adequate system of internal check for receipts, payments and issues under their control is maintained and tested from time to time;
- (vi) Special arrangements are made to recover outstanding revenues, overpayments and other amounts due to Government. .
- (vii) Ensure that the relevant officer(s) assigned the task of recovery at (vi) submit a report on a quarterly basis or as otherwise directed stating the unrecovered balance and the actions being pursued to expedite their recovery;
- (viii) Adequate systems for ongoing review and monitoring of investment projects during implementation to ascertain financial and physical progress against set performance objectives;
- (ix) The activities of the department are undertaken with due regard to economy, efficiency, propriety and integrity expected in the transaction of public business;
- (x) Such information, statements and returns required by the Financial Secretary are prepared correctly and submitted within the prescribed timelines;
- (xi) Relevant support is provided to the Permanent Secretary when required to appear before any Parliamentary Committee; and
- (xii) Any other related financial duties delegated by the Accounting Officer and the Financial Secretary.

## **2.4 Financial Oversight**

### **2.4.1 Internal Audit**

Accounting Officers are required to establish an Internal Audit Unit for examining accounting systems, internal controls, risk management and governance processes of their departments.

#### **2.4.1.1 Role and Function**

- (i) The Head of Internal Audit shall be called the Chief Audit Executive (CAE).
- (ii) Internal Audit shall be:
  - (a) a staff function and shall not be involved in any way in the preparation of original data or doing any other form of original work;
  - (b) an independent appraisal function established by management for the review of the internal control system as a service to the organization;
  - (c) an advisory function, but has no authority to make or direct changes; and
  - (d) an objective function where their judgment is not subordinate to that of others on audit matters.

- (iii) Internal Auditors shall be required to perform such functions as may be prescribed by the Financial Secretary while carrying out duties assigned by the relevant Accounting Officer and to submit quarterly reports and other reports as required to the Financial Secretary and to the Audit Committee.
- (iv) The functions of Internal Audit shall include the following:
  - (a) ascertaining the maintenance of an effective system of internal control and the reliability of accounting and other records;
  - (b) ascertaining that there is compliance with the laws, rules and regulations and approved policies and management directives;
  - (c) examining financial operations and transactions;
  - (d) examining financial statements to verify adequacy and correctness of information to management;
  - (e) ascertaining the effectiveness of control adopted in preventing and detecting waste, idle capacity and extravagance in the use of resources;
  - (f) ascertaining the existence of adequate systems and procedures to safeguard assets and stores from losses of all kinds;
  - (g) conducting special investigations in problem areas;
  - (h) reporting on inadequacies observed, and recommending corrective action;
  - (i) appraising the progress of works, schemes and projects and the extent to which programmes and schedules are on target; and
  - (j) appraising the adequacy and effectiveness of management controls on the organization's activities. (In the case of technical operations the Internal Auditor appraises the quality of managerial controls and not the quality of technical performance).

#### 2.4.1.2 Access to Records

- (i) The Internal Auditor shall have access to all records, books and documents relevant to the internal audit functions.

#### 2.4.1.3 Internal Auditor's Report

- (i) The Chief Audit Executive must submit a monthly report to the Accounting Officer within five working days of the end of each month.
- (ii) A report of the previous three months must be submitted to the Financial Secretary on a quarterly basis. This report must also be copied to the Audit Committee and the Auditor General. The Accounting Officer shall maintain an Internal Audit Report Register which must detail when an Internal Audit Report was received, its recommendations and actions taken.
- (iii) The Internal Audit Report Register must be made available to both the Financial Secretary and the Auditor General if requested.
- (iv) Detailed guidelines for the performance of internal audit functions are outlined in the GOJ internal Audit Manual promulgated by the Ministry of Finance.

#### 2.4.2 Audit Committee

- (i) Audit Committee is an internal committee of the Ministry that reports to the Government of Jamaica Audit Commission. It is charged with responsibility to assist the entity in its oversight of the integrity of the financial statements, compliance with the relevant acts and policies and the performance of the entity's internal audit function and external auditors.
- (ii) The relevant Audit Committee Handbook, Revised Audit Committee Policy and section 33 of the FAA Act provide further details on the operation of Audit Committees.
- (iii) Accounting Officers must ensure that there is an operational Audit Committee within their Ministry.
- (iv) The function of the Audit Committee is to act as a focal point for both internal and external audits; and to ensure that audit reports and queries are dealt with promptly and effectively.
- (v) Audit Committee must ensure that the Accounting Officer is aware of areas of serious weakness and that he/she takes the necessary action.
- (vi) Accounting Officers must examine the Audit Committee's meeting reports and its Annual Report to identify reported areas of weak controls and institute such measures to rectify same (See further information on Audit Committees, in the GOJ Audit Committee Policy and Audit Committee Handbook: <http://www.mof.gov.jm/documents/documents-publications/document-centre/file/1341.html>)

#### 2.4.3 Public Accountability Inspectorate (PAI)

- (i) The PAI is a division of the Ministry of Finance which acts on behalf of the Minister to inspect public offices. The PAI must be given access to all official books, documents and other records necessary for the Minister to exercise his functions.
- (ii) The role and function of the PAI is:
  - To examine public offices as directed by the Minister and the Financial Secretary;
  - (a) to inspect designated public offices, projects and programs for the purposes of establishing that public funds and assets are being expended and utilized in the most efficient, effective and economical manner and in accordance with the law and the wishes of Parliament;
  - (b) to be directly responsible for ensuring that Accounting and Accountable officers implement the recommendations of the Public Accounts Committee (PAC);
  - (c) to assist the Public Administration and Appropriations Committee (PAAC) with its function of :
    - (i) examining budgetary expenditure of Government agencies to ensure that expenditure is done in accordance with parliamentary approval.
    - (ii) monitoring expenditure as it occurs and keeping the Parliament informed of how the budget is being implemented.
    - (iii) enquiring into the administration of the Government to determine

- (iv) hindrances to efficiency and to make recommendations to the Government for improvement of public administration.
- (d) to advise the Minister of the capacity and capability of any public sector entity, project or program in undertaking any proposed large outlay of public funds.

#### 2.4.4 Auditor- General

- (i) The Auditor-General has a duty to ensure that the government expenditure is incurred with due regard to economy, efficiency and effectiveness and that there are effective systems in place to achieve this.
- (ii) The Auditor-General shall examine the accounts of ministries, departments and agencies and shall give an opinion as to whether financial transactions comply with the applicable financial reporting framework.

##### 2.4.4.1 Auditor-General's Report to Parliament

- (i) The Auditor-General shall report to Parliament the results of his/her examination annually by the 31st day of December following the end of the financial year.
- (ii) The Auditor-General is required to indicate whether the conventions and assumptions underlying the preparation of the Fiscal Policy Paper (FPP) comply with the principles of prudent financial management and give an opinion on the reasonableness of the justifications for deviations from the said targets outlined in the FPP.

##### 2.4.4.2 Access to Records

- (i) Accounting Officers are required to ensure that the Auditor-General, or an authorized representative, have at all reasonable times, access to all books, records, vouchers, documents, returns, reports, information storage devices, cash, stamps, securities, stores or other Government property in the possession of any officer under his control.
- (ii) The Auditor-General shall be entitled, at all reasonable times, to call upon any officer for an explanation and information that may be required for an audit. The Auditor-General may also require any Accounting Officer to present accounts of the transactions for which that officer is responsible, up to such date as the Auditor-General may specify.

##### 2.4.4.3 Auditor-General's Queries

- (i) Accounting Officers and Heads of Department must assign a senior officer with responsibility to ensure that prompt action is taken to provide replies to all audit queries, inspection reports and other observations.
- (ii) Continuous dialogue must be maintained with the Auditor-General's Department to inform of the steps taken to implement the recommendations made and to settle unresolved issues.
- (iii) Accounting Officers must ensure that an Audit Query Register is kept in every department showing:
  - (a) the date of receipt of all queries, feed-back and letters from the Auditor-General;
  - (b) the subject matter of the query;

- (c) the date on which a reply was sent to the Auditor-General (this must be within 14 days of receipt); and
- (d) the date on which the related recommendations were implemented.

#### 2.4.4.4 Accounts of the Auditor-General's Department

- (i) The accounts of the Auditor-General's Department shall be audited by the Minister with responsibility for finance.

#### 2.4.5 Public Accounts Committee (PAC)

- (i) The annual report of the Auditor-General shall be examined by the Public Accounts Committee (PAC) of the Houses of Parliament which is a select committee of the House of Representatives.
- (ii) The PAC has the duty of examining and reporting their recommendations on:
  - (a) the accounts showing the appropriation of sums granted by Parliament to meet public expenditure;
  - (b) such other accounts as may be referred to the Committee by the House or under any law;
  - (c) the Report of the Auditor-General on any such accounts;
  - (d) all accounts and financial statements laid upon the Table of the House in respect of Statutory Boards, Public Corporations and Public Companies in which the government holds majority shares.
- (iii) Accounting Officers may be summoned to appear before the Committee to answer questions on points raised by the Auditor-General.
- (iv) Officers attending the PAC must be sufficiently briefed on the proceedings of the Committee and be adequately prepared to respond to questions raised.
- (v) A report setting out the Audit Query and the response must be submitted by the Accounting Officer at least three clear working days before appearance at the PAC sitting.
- (vi) Accounting Officers are responsible for implementing the recommendations of the PAC.

#### 2.4.6 Public Administration and Appropriations Committee (PAAC)

- (i) The Public Administration and Appropriations Committee (PAAC) is a select Committee of Parliament which monitors and examines budgetary expenditure as it occurs and keep the Parliament informed of how the budget is being implemented.
- (ii) The PAAC has the duty of:
  - (a) examining and reporting their recommendation on budgetary expenditure of Government agencies to ensure that expenditure is done in accordance with parliamentary approval;
  - (b) monitoring expenditure as it occurs and keeping the Parliament informed on how the Budget is being implemented; and
  - (c) enquiring into the administration of the Government to determine hindrances to efficiency and to make recommendations to the Government for improvement of public administration.

- (iii) Accounting Officers may be summoned to appear before the Committee to answer questions on any budget related issue including the efficiency of systems for its implementation.
- (iv) Any officer so attending must be adequately prepared to respond to questions on issues that may be raised from the PAAC deliberations and sufficiently briefed on the proceedings of the Committee.
- (v) Accounting Officers are responsible for implementing the recommendations of the PAAC.

## **2.5 Establishment and Closure of Ministry, Department and Agency**

### **2.5.1 Establishment of Ministry, Department and Agency**

- (i) The Cabinet Secretary on the advice of the Prime Minister shall issue documents on the assignment of subjects, departments, agencies and other public bodies to be assigned to the new ministry. The document shall also state the Minister and the Permanent Secretary of the Ministry.
- (ii) The Financial Secretary shall, on the advice of the Cabinet Secretary ensure that the name of an appropriate accountable officer is submitted to the Minister for appointment as Accounting Officer.
- (iii) Based on the size, complexity, location and nature of business of a new ministry, the Financial Secretary may require it to have its own accounting unit, or have its accounting services performed by shared services (i.e. an Accounting Unit performing accounting services for multiple ministries/departments).
- (iv) Where a corporate accounting unit exists, the Accounting Officer for each client Ministry shall maintain the same functions and has the same level of responsibility as that of an Accounting Officer who has his/her own accounting unit.
- (v) Where, on account of changes in subject areas of responsibility, the work load and responsibility of a division, branch or unit has been increased or has been reduced, the matter must be referred to the Ministry with responsibility for the Public Service for determination of an appropriate structure.
- (vi) Divisions, Units and other entities that have been reassigned or merged with another ministry, department or agency shall be physically relocated only where absolutely necessary to ensure integration and operational efficiency.
- (vii) New ministries are required to obtain a Tax Registration Number, and NIS Employer's Number.
- (viii) New ministries must submit application to the Ministry of Finance for approval of issue of credit cards in accordance with Financial Instructions#3.
- (ix) Where a new Ministry needs to purchase furniture, motor vehicle, and other capital goods, this must be done with due regard to economy and within the constraint of the budget.

- (x) Accounting Officers of new Ministries must ensure that Audit and Procurement Committees are established as soon as the relevant Supplementary Estimates is passed by the House.

### 2.5.2 Closure of Ministry, Department and Agency

- (i) The Accounting Officer of the Ministry that takes over majority of the subjects of a closed Ministry or Department shall be responsible for the following in respect of the closed Ministry:
  - (a) preparation and submission of its final set of accounts and all outstanding prior year accounts;
  - (b) reconciliation and closure of all its bank accounts and appropriate amounts to be surrendered to the Consolidated Fund;
  - (c) collection of all amounts receivable;
  - (d) clearance or recovery of all outstanding advances;
  - (e) transfer of deposits held to the respective entities that now have responsibility for operating such deposits;
  - (f) transfer of trust funds and any other funds to the respective entities that now have responsibility for operating such trust or fund;
  - (g) stock of invoice order books and receipt books must be checked and reassigned to new ministries through the use of proper handing over certificates;
  - (h) the proper disposal of all unused cheques, receipt book, invoice order book and any other unused record in accordance with the Retention Schedule;
  - (i) submit an inventory of the ministry's assets such as motor vehicles, office equipment, furniture and a proposal for the transfer/reassignment of these assets;
  - (j) the arrangement for the proper disposal of all stores, fixed assets and other items of inventory;
  - (k) termination, reconciliation and settlement of all credit cards;
  - (l) responding to all outstanding audit queries; and
  - (m) attend the Public Accounts Committee to answer any questions in respect of the closed Ministry/Department.
- (ii) Where no ministry takes over the subjects of the closed ministry, the Financial Secretary shall be responsible for the above functions.
- (iii) The budget of a closed ministry or department shall be adjusted, via Supplementary Estimates to reflect the closure of ministry or department.
- (iv) Warrant reflecting the changes in portfolio responsibilities, shall be issued as soon as the relevant Supplementary Estimates have been approved by Parliament.
- (v) Outgoing ministries must prepare and submit to the Ministry of Finance within the stipulated period, all relevant cash flow and expenditure schedules that are necessary for assisting in the preparation of the warrant.
- (vi) Ministries that have made payments in respect of subjects that have been transferred to other ministries must treat these payments as advances.



- (vii) Ongoing contracts or contracts in progress that have been signed by outgoing Ministries, must remain in effect under the Ministry to which the contract's subject area has been reassigned.
- (viii) The Audit and Procurement Committees of outgoing ministries shall be dissolved as soon as practical.

## **2.6 Financial Misconduct**

### **2.6.1 Surcharge**

- (i) Surcharge is a provision of the FAA Act which allows for the recovery of moneys lost or the value of the loss of property or other assets that have been destroyed or stolen as a result of negligence on the part of public officers. Surcharge allows for the recovery of the amount from the person(s) found being negligent.

### **2.6.2 Authority to Surcharge**

- (i) The Financial Secretary based on any report from an Accounting Officer or the Auditor-General shall, in accordance with the Provisions of Section 20 of the FAA Act, have the authority to impose a surcharge on any Accountable Officer in respect of:
  - (a) failure to collect revenue;
  - (b) making "Improper Payments";
  - (c) deficiency or loss of public moneys; and/or
  - (d) loss or destruction of government assets;
  - (e) or any other loss as detailed in the FAA Act sections 20 (1) (c) and 49(5).
- (ii) Surcharge imposed, shall not exceed the sum total of the deficiency or loss suffered by Government.
- (iii) Where the deficiency or loss is caused by more than one officer, the surcharge must be apportioned to all liable officers on the basis of their level of responsibility for the breach

### **2.6.3 Reporting Activities Liable to Surcharge**

- (i) Where it appears to any Accounting Officer or the Auditor-General that there has been a breach of Section 20 of the FAA Act, he/she shall forthwith make a report to the Financial Secretary. This report shall include information as to:
  - (a) the amount or value of the deficiency or loss;
  - (b) the circumstances leading to such deficiency or loss; and
  - (c) the officer(s) alleged to be responsible therefor.

### **2.6.4 Surcharge Proceedings**

- (i) The following steps are to be followed when the Financial Secretary is considering instituting proceedings for surcharge:
  - (a) letters should be sent to the responsible officers through the respective Accounting Officer setting out the allegations. Officers are required to provide a response within thirty days of receiving the letter;

- (b) Accounting Officers are required to submit a report giving their views and a recommendation on the matter; and
- (c) an assessment of the responses received should be done and clarification sought where necessary. A decision should then be taken by the Financial Secretary whether a surcharge should be levied or withdrawn.

#### 2.6.5 Remedy for Person Surcharged

- (i) Section 23 of the FAA Act details the surcharged officer's rights of appeal to the Privy Council.

#### 2.6.6 Notification of Surcharge

- (i) The Financial Secretary shall cause the Auditor- General and the Accounting Officer of the department concerned to be notified of any surcharge made in accordance with Section 21 of the FAA Act.

#### 2.6.7 Recovery of Amount Surcharged

- (i) Unless the surcharge is withdrawn, the Financial Secretary will institute proceedings for recovery of the amount due to government or a part thereof.

## 3 BUDGET MANAGEMENT

### 3.1 The Enabling Legal and Regulatory Framework

#### I. Constitution of Jamaica

##### ***Chapter VIII Finance:***

*Section 115* provides that the Minister of Finance is required, before the end of each financial year, to prepare annual estimates of revenue and expenditure: “for public services during the succeeding financial year, which shall be laid before the House of Representatives”.

*Section 116:*A Supplementary Budget shall be “prepared by the Minister (responsible for finance) and shall be laid in the form of a Supplementary Appropriation Bill and voted before the House of Representatives under the appropriate heads”.

#### II. Finance Administration and Audit (FAA) Act, 1959 as amended 2015

##### ***Part IIA Loans and Advances***

*Section 14D* details the particulars to be included in annual estimates with regards loans and advances, repayments, investments and proceeds of sale.

##### ***Part III Administration***

*Section 24A: Government Accounts:*

(3) The Minister of Finance may issue directions and make regulations respecting the preparation, submission and form of estimates.

The Minister shall also cause to be prepared, estimates of:

- (a) loans and advances;
- (b) repayments to the Consolidated Fund in respect of any loans and advances previously made;
- (c) investments to be made;
- (d) the proceeds of any sale or any realization of any such investments previously made;
- (e) amounts representing:
  - (i) internal and external borrowings by Government; and
  - (ii) receipts and repayments of deposits and other trust moneys.

##### ***Part VII Fiscal Responsibility Framework***

*Section 48B (1):* states that the Minister shall be responsible for (a) development and implementation of a fiscal policy framework for Jamaica.

*Sub-sections 48(1A):* The Minister shall take appropriate measures to ensure that, commencing with the financial year beginning on April 1, 2015, the Estimates of Revenue and Expenditure are tabled simultaneously, in time for their approval by both Houses of Parliament no later than March 31 of the year preceding that to which the Estimates relate.

*Subsection 48(1B):* The Minister shall, before September 30 in each financial year, issue to

Accounting Officers, the Budget Call containing the economic and fiscal parameters which will govern the preparation of the Estimates of Revenue and Expenditure for the succeeding financial year and the medium term.-

*Section 48B* provides the details regarding the documents to be laid along with the annual Estimates of Revenue and Expenditure;

Upon presentation of the annual Estimates of Revenue and Expenditure, the Minister shall lay before both Houses of Parliament: Fiscal Policy Paper containing the information specified in the Third Schedule and setting out, in accordance with this section –

- a Fiscal Responsibility Statement;
- a Macroeconomic Framework; and
- a Fiscal Management Strategy;
- a Public Sector Investment Programme, consistent with the requirements specified in the Fourth Schedule, and which shall be accompanied by a report of the Minister on the alignment of expenditure on public investment projects in the preceding financial year with the corresponding programme for that year.
- specifies the details regarding the Macroeconomic Framework.
- specifies the details regarding the Fiscal Responsibility Statement.

*Section 48G* provides details on the report on Statement of Excess, etc.

Before the House of Representatives votes on any statement of excess or supplementary estimates pursuant to section 116(2) of the Constitution, the Public Administration and Appropriations Committee of the House shall consider, and report to the House on the statement of excess or supplementary estimates (as the case may be), having regard in particular to any Financial Instructions issued by the Financial Secretary, under section 51, as to the contents of statements of excess.

### **III. Financial Management Regulations (FMR) 2011, as amended 2015**

#### ***PART IIA Preparation and Submission of Annual Estimates***

*Regulation 11:* In preparing the draft estimates relating to his department, the Accounting Officer is responsible, in particular, for ensuring that:

- (a) all services which can be reasonably foreseen are included in the estimates and that they are within the capacity of his department during the financial year;
- (b) the estimates have been prepared as completely and accurately as possible;
- (c) the estimates have been framed with due regard to economy and efficiency;
- (d) the requisite authority has been obtained, where necessary, before provision is made in the estimates; and
- (e) estimates are submitted in due time and in proper form.

*Regulation 12(1):* The Minister shall issue a directive known as a “Budget Call” no later than September 30th of each year.

*Regulation 12(2):* The Budget Call shall require every department to submit in respect of the upcoming financial year, its:

- (a) corporate plan;
- (b) operation plan;
- (c) procurement plan;
- (d) expenditure and revenue budgets;
- (e) cash flow forecast;
- (f) Permanent Secretary's memorandum; and
- (g) any other document prescribed by the Minister.

*Regulation 12(3):* details the matters to be approved by Cabinet that should form part of the Fiscal Policy Paper and set out in the Budget Call issued during the financial year.

*Regulation 13:* The corporate plan shall be:

- (a) realistic;
- (b) guided by the medium term socio-economic plan of the Government;
- (c) aligned within the priority policy objectives of Cabinet; and
- (d) developed within available resources.

*Regulation 14:* The Permanent Secretary's memorandum on the budget proposal shall include-

- (a) a policy and programme direction for the upcoming year;
- (b) a report on the current year's performance;
- (c) an indication of the priority programmes for the upcoming year;
- (d) an indication of the extent to which the ministry will be able to fulfill its mandate and objectives in the context of the expenditure parameters; and
- (e) priority programmes which might be affected by expenditure limits and the implications on the ministry's performance.

*Regulation 15:* In preparing the estimates, special attention shall be given to-

- (a) the compensation of employees, which should accurately reflect the minimum staff required to effectively deliver the organization's programmes within the available resources;
- (b) full details of the allocation requested for consultancy payments and contract officers, showing the purpose of these services, contract period and annual cost; and
- (c) unpaid bills at the end of the current year which shall be carried forward to the upcoming year and be a first charge on the approved budget of that year.

*Regulation 16(3):* The written recommendations of the Financial Secretary shall be obtained before an Accounting Officer:

- (a) Takes a step to implement a change that is likely to have adverse effects budgetary implications for the financial year that is then current and for all the medium term; or
- (b) Submits to the Cabinet a proposal for any such change

*Regulation 16* regarding Appropriation-in-aid. See report on the effects of introducing Cash-based IPSAS on the legislative framework.

*Regulation 17:* Draft budgets and plans submitted to the Financial Secretary by a department shall be prepared and submitted under the signature of the Accounting Officer.

*Regulation 17A:* The Minister shall cause the Appropriation Bill in respect of each financial year to be laid in the House of Representatives no later than one week after the Standing Finance Committee has completed its examination of the estimates of revenue and expenditure in respect of that financial year.

*Regulations 19 -20: Supplementary Estimates*

*Regulation 19 (1):* In cases where services were not contemplated when the estimates were presented and approved, or where a temporary advance from the Contingencies Fund was sanctioned by the Minister of Finance, Parliamentary approval shall be sought at the earliest opportunity by way of a supplementary estimate.

*Regulation 19 (2):* Notwithstanding the Parliamentary approval of the vote, expenditure shall be controlled by the warrant instrument which regulates such expenditure and by a proper system of commitment planning and control established and maintained by the Accounting Officer (Supplementary estimates)

*Regulation 20:* Accounting Officers shall, upon the request of the Financial Secretary, submit proposals for adjustments to the voted provision to be incorporated in supplementary estimates.

*Regulations 21 – 22: Reallocation of Expenditure*

*Regulation 21(1):* Subject to paragraphs (2) and (3), where the operating requirements of a department make it necessary to reallocate expenditure within a non-wage recurrent component of the approved budget, the Accounting Officer for the department may authorize the use of savings on expenditure identified under one or more classifications in the budget to offset expenditure under other classifications in the budget.

*Regulation 21(2):* An Accounting Officer may not authorize a reallocation in respect of any of the following –

- (a) reallocation of expenditure that is budgeted as compensation for employees of a department;
- (b) reallocation of expenditure that is budgeted for a public investment project;
- (c) reallocation of expenditure to any service programme or activity that is not provided for by an Appropriation Act.

*Regulation 21(3):* All reallocations shall be incorporated in the supplementary estimates.

*Regulation 21(4):* This regulation shall have effect for the financial year beginning on April 1, 2015 and for subsequent financial years.

*Regulation 22:* The Minister may delegate to Accounting Officers the authority to vire under specified terms and conditions.

#### **IV. Fiscal Responsibility Framework Regulations (FRFRs) 2012, as amended 2015**

*Regulation 4(1):* Subject to paragraph (2), the consultation with the Financial Secretary of any proposed change required under section 16(3) of the Act, shall include the following [see the Act for the list provided].

*Regulation 6(1):* Pursuant to section 48E(4) of the Act, each Accounting Officer shall, not later than November 30 of each year, submit to the Minister a four year corporate plan in respect of each department for which the Accounting Officer is responsible.

*Regulation 6(2):* A corporate plan submitted under paragraph (1) shall:

- (a) indicate the estimates for the following financial year, and forward estimates for the succeeding three financial years, in respect of existing recurrent programmes and public investment projects, and any new policy proposals, that are to be implement within the period covered by the corporate plan;
- (b) incorporate into the recurrent budget all recurrent costs associated with public investment projects that are being implemented under the current Public Sector Investment Programme; and
- (c) be consistent with the expenditure ceilings set out in the Budget Call under regulation 12 of the Financial Management Regulations, 2011.

*Regulation 6(3):* If an Accounting Officer fails to submit a corporate plan in accordance with this regulation, the Financial Secretary shall provide a report with regard to that failure to the Public Service Commission for appropriate action.

*Regulation 7(1):* Before any excess or supplementary estimate expenditure may take place, the Permanent Secretary generating the request for the expenditure shall submit to the Financial Secretary a report [see the Act where full details are provided].

### **3.2 Financial Instructions**

- (i) The Financial Instructions herein is the full and complete updated Financial Instructions regarding the above Law and Regulations at the date of publication. All previous Instructions, Circulars as listed at the end of this document and or any other publication are considered incorporated and revoked to the extent that the matter is covered in this document.

### **3.3 Financial Year/Fiscal Year**

- (i) The Financial Year/Fiscal Year commences on the 1st of April of each year and ends on the 31<sup>st</sup> of March of the subsequent year.

### **3.4 Budget Call**

- (i) The formal request by the Minister for the submission of plans, budgets and cash flows in respect of the ensuing financial year shall be referred to as the “Budget Call”.
- (ii) The following documents are to be submitted to the Minister along with the estimates of expenditure and revenue:
  1. Permanent Secretary’s Memorandum on the budget proposal, giving an overview to include the following:

- (a) the policy and programme direction for the upcoming year;
  - (b) a report on the current year's performance and achievement;
  - (c) an indication of priority programmes for the upcoming year;
  - (d) an indication of the extent to which the ministry will be able to fulfil its mandate and objectives in the context of the expenditure ceilings; and
  - (e) priority programmes which may be affected by these ceilings, and the implications for the ministry's performance;
2. The Corporate Plan proposed for the upcoming financial year with an executive summary highlighting the ministry's specific goals and objectives, strategies, performance indicators, performance targets and the link with the draft budget estimates;
  3. The Implementation Plan or proposed work plan setting out the tasks to be undertaken and the scheduling of these tasks throughout the year for Capital Heads;
  4. The Recurrent Budget Proposal based on the following guidelines:
    - (a) Compensation of Employees:
      - (i) The projected expenditure for this item must be based on existing staff complement excluding vacancies.
      - (ii) Vacancies to be filled must be shown separately.
      - (iii) Funds required for the payment of salary arrears must be clearly identified in the supporting details.
    - (b) Petrol - Information on the number of serviceable vehicles and their average monthly consumption (in litres) must be submitted.
    - (c) Any other guidelines stipulated in the Budget Call.
  5. Capital Budget proposals based on the following criteria to justify inclusion in the budget to be approved by Parliament.
    - (a) The readiness of the project for implementation, providing evidence of consultations and decisions taken by the Public Investment Management Committee (PIMC);
    - (b) The ability of the ministry to implement the project;
  6. Summary of Personal Emoluments;
  7. Materials and Equipment Budget;
  8. Inescapable Recurrent Commitments;
  9. Project Summary;
  10. Annual Cash Flow Forecast;
  11. Procurement plan to include:
    - (a) Major programs/task activities;
    - (b) Item description;
    - (c) Procurement method;
    - (d) Performance measure/indicator; and
    - (e) Physical targets and resources per quarter.
  12. Foreign Exchange Budget Proposal based on a rate of exchange stipulated in the Budget Call and including foreign exchange requirements such as:



- (a) Foreign travel (the places to be visited, number of persons to attend, purpose of visit, type and cost of passage must be given in detail);
  - (b) Payment for goods and services;
  - (c) Maintenance of overseas personnel and officers;
  - (d) Contributions to regional and international organizations and institutions.
13. Budget Narrative based on the following guidelines:
- (a) For each head an executive summary must be prepared covering the scope of the ministry/department's mission statement and functions;
  - (b) An executive summary for each programme covering past performance and targets planned; and
  - (c) Quantifiable achievements of activity/projects against targets and projected targets;
14. Miscellaneous Revenue Budget Proposal;
15. Appropriations-in-Aid Budget Proposal; and
16. Risk Management Strategy/Plan.
- (iii) Accounting Officers must conform to the budget ceilings, submission deadlines, budget formats and all other guidelines stipulated in the Budget Call.

### **3.5 Preparation of Expenditure and Revenue Estimates**

- (i) Accounting Officers shall be responsible for the preparation and submission to the Minister, draft budgets for each financial year, which must incorporate its:
  - (a) Corporate Plan;
  - (b) Operational Plan;
  - (c) Estimates of Revenue;
  - (d) Estimates of Expenditure;
  - (e) Procurement Plan;
  - (f) Cash Flow Forecast;
  - (g) Disaster Preparedness and Recovery Plan; and
  - (h) Permanent Secretary's memorandum and any other document prescribed by the Financial Secretary within the time specified in the Budget Call.
- (ii) Accounting Officers shall prepare estimates of expenditure and revenue based on their corporate plans which must have clearly defined output and performance targets. The corporate plan must be:
  - (a) realistic;
  - (b) guided by the medium term socio-economic plan of the Government;
  - (c) aligned within the priority policy objectives of Cabinet; and
  - (d) developed within available resources.
- (iii) Accounting Officers shall prepare the Annual Estimates of Revenue and Expenditure appropriate to the needs of departments under their control in the format and time line specified in the Budget Call issued by the Minister.
- (iv) The format to be used is provided in the Chart of Accounts issued by the Accountant General.

- (v) Accounting Officer shall forward to programme managers and other officers within their ministry, the Budget Call highlighting the format and timelines issued by the Minister for the submission of detailed plans, budgets and cash flow forecasts for the upcoming financial year.
- (vi) The Principal Finance Officer shall be directly responsible for the coordination and management of the budget proposals and cash flow forecasts of the ministry.

### 3.6 Supplementary Estimates

- (i) The budget of the relevant MDAs shall be adjusted, via the first Supplementary Estimates to reflect changes to the Approved Budget of the relevant financial year.
- (ii) A Warrant reflecting the changes will be issued as soon as the first Supplementary Estimates is approved by the Parliament.

### 3.7 Reallocation (Virement)

- (i) Accounting Officers may cause budget reallocations under certain conditions but such reallocations shall not be permitted under:
  - **Object 21**-Compensation of Employees, under any activity or project within any programme or sub-programme.
    - The restriction is extended to budgetary allocations at the sub-object and sub-sub-object levels of Compensation of Employees as specified in the Chart of Accounts.
    - Moneys provided to MDAs for compensation of employees during the course of the financial year which was not expended, shall cease to have effect at the close of the financial year and shall be surrendered to the Consolidated Fund Account.
  - **Object 23** – Rental of Property and Machinery;
  - **Object 24**– Utilities and Communication Services;
  - **Object 25**– Use of Goods and Services - the following sub-sub-objects:
    - Drugs;
    - Medical Laboratory Services; and
    - Medical Supplies.
- (ii) Accounting Officers may, where necessary, authorize reallocation within other components of the Recurrent Budget.
- (iii) Accounting Officers shall not approve reallocation of expenditure budget involving public investment projects, as defined by the Financial Administration and Audit Act. Approval of such reallocation must be granted by the Minister.
- (iv) All reallocation of expenditure budget must be included in the Supplementary Estimates which are to be tabled in the House within 6 months after the close of the financial year.
- (v) Reallocation of expenditure budget shall not be used to create:
  - (a) New activities/programmes which are not included in the original budget approved by Parliament;
  - (b) A new commitment or cause an increase in an existing commitment on a permanent basis which will necessitate the provision of additional funds for a Head of Estimates in the current financial year or medium term;

- (vi) Reallocation of expenditure budget shall not be authorized between Heads of Expenditure or between Voted and Statutory Provisions.
- (vii) The ceilings approved in the Appropriation Act must be observed at all times.
- (viii) A quarterly Report of all reallocation of expenditure budget authorized by Accounting Officers must be submitted to the Financial Secretary within two weeks of the end of each quarter.

## 4 TREASURY MANAGEMENT

### 4.1 The Enabling Legal and Regulatory Framework

#### I. Constitution of Jamaica

**Definition:** "the Consolidated Fund" means the Consolidated Fund established by section 114 of this Constitution.

#### **Chapter VII Finance:**

**Section 114:** There shall be in and for Jamaica a Consolidated Fund, into which, subject to the provisions of any law for the time being in force in Jamaica, shall be paid all revenues of Jamaica.

#### **Section 117:**

- 1) No sum shall be paid out of the Consolidated Fund except upon the authority of a warrant under the hand of the Minister responsible for finance.
- 2) Subject to the provisions of subsections (3) and (4) of this section and section 118 of this Constitution, no such warrant shall be issued except in respect of sums granted for the specified public services by the Appropriation law for the financial year in respect of which the withdrawal is to take place or for service otherwise lawfully charged on the Consolidated Fund.

**Section 119 (1):** The public debt of Jamaica is hereby charged on the Consolidated Fund.

#### **Part III – Pension**

**Section 133:** Awards granted under any law for the time being in force in Jamaica in respect of the public service shall be charged on and paid out of the Consolidated Fund.

#### II. Finance Administration and Audit (FAA) Act, 1959 as amended 2015

##### **Part II Consolidated Fund Bank Accounts**

**Definition:** "**Consolidated Fund**" means the Consolidated Fund established pursuant to Section 114 of the Constitution;

**"Consolidated Fund Bank Account"** means -

- (a) the Consolidated Fund Principal Bank Account;
- (b) a Consolidated Fund Subsidiary Bank Account;
- (c) a Consolidated Fund External Account; or
- (d) a Consolidated Fund Foreign Currency Account.

##### **Part II Consolidated Fund Bank Accounts**

**Section 3:** describes the function and management of the Consolidated Fund Bank Account.

*Section 4:* covers overdrafts.

*Section 5:* covers the operation of Consolidated Fund External Accounts.

*Section 5A:* covers the operation of Consolidated Fund Foreign Currency accounts.

*Section 6:* covers the investment of Consolidated Fund money.

*Section 7:* requires Accounting Officers to pay gross revenues into the Consolidated Fund in accordance with directions of the Financial Secretary.

*Section 8A:* provides directions re fees, penalty, proceeds of sale or extra or unusual receipt. Any revenues that are in excess of revenues approved by an Appropriation Act shall be remitted to the Accountant-General.

*Section 9:* details how funds may be withdrawn from the Consolidated Fund by the use of Warrants.

*Section 10:* authorises the Accountant-General to withdraw funds from the Consolidated Fund Principal Bank Account.

### ***Part III Administration***

*Section 15:* covers the appointment and functions of the Accountant-General.

## **III. Financial Management Regulations (FMR) 2011, as amended 2015**

### ***Definitions:***

*Electronic Signature* means information that:

- (a) is contained in, attached to or logically associated with, an electronic document; and
- (b) is used by a signatory to indicate his adoption of the content of that document, but does not include any signature produced by a facsimile machine or by an electronic scanning device;

*Government Property* means land, buildings, furniture, equipment, fixtures, inventory, stores, supplies, artifacts and other assets, both tangible and intangible, owned by the Government;

*Official Receipt* means a receipt prescribed by the Financial Secretary for the collection of public funds;

*Signatory (electronic)* means a person who by means of an encrypted signature creation device has (whether acting himself or through another person, or an automated communications device, acting on his behalf) affix his encrypted signature to an electronic document.

*Treasury Deposits* means funds held by the Accountant-General pending repayment or application to the purposes for which they were deposited as established by law or otherwise or any other deposits of which the Accountant-General is the custodian (other than Trust Funds or the balances of the Consolidated Fund and the Contingencies Fund).

### ***PART II: Management of the Consolidated Fund***

*Regulation 4:* The establishment or closure of a Consolidated Fund Subsidiary Bank Account shall be approved by the Financial Secretary.

#### ***Regulation 5:***

- (1) The books of accounts of the Consolidated Fund shall be maintained by the Accountant-General on a double entry basis and in accordance with the accounting policies and standards prescribed by the Financial Secretary.

- (2) A cash book or ledger account shall be maintained for each Consolidated Fund Bank Account and shall be reconciled at least once per month.
- (3) Cash books and ledger accounts for Consolidated Fund External Accounts and Consolidated Fund Foreign Currency Accounts shall be maintained in the relevant foreign currencies along with the Jamaican dollar equivalent based on the daily Bank of Jamaica's weighted average rate of exchange.
- (4) Foreign exchange differences incurred between the standard rate of exchange and the actual rate of exchange shall be transferred to a Foreign Exchange Adjustment Account in the books of accounts of the Consolidated Fund.
- (5) The Foreign Exchange Adjustment Account shall form a part of the assets and liabilities of the Consolidated Fund and shall be disposed of in a manner approved by the Minister.

*Regulation 6:* Bank and other charges on any Consolidated Fund Bank Account shall be paid from an appropriation under the control of the Accountant-General.

*Regulation 7:* Withdrawals from the Consolidated Fund shall not exceed the limit set by the warrant.

*Regulation 8:* The Accountant-General shall maintain a deposit account referred to as "the Treasury Deposit Account" in which shall be deposited all funds which are held for payment to a third party or for purposes stipulated by the depositor or for any other purposes prescribed by law or by the Financial Secretary.

*Regulation 9:* Unclaimed funds held on Treasury deposits for a period of six years shall be paid to the Consolidated Fund.

*Regulation 10:* Where any person entitled to a deposit which has been paid over to the Consolidated Fund, subsequently proves, to the satisfaction of the Financial Secretary, his claim to that deposit, the Financial Secretary shall thereupon approve a refund by the Accountant-General of the amount to that person.

*Regulations 45 – 46:* provide for the Security and Custody of Public Monies.

*Regulations 47 – 57:* Provide for Payment of Public Monies.

*Regulation 47:* Unless authorized by law or by resolution of the House of Representatives, no payment of public monies shall be made as a charge against the Consolidated Fund.

*Regulation 54:* Accountable Officers shall, by the 15<sup>th</sup> day of each month, inform the Accountant General of all statutory deductions to be withheld from employees' earnings.

*Regulation 54A*

- (1) Every Accountable Officer shall remit any deduction from the earnings of an employee to the person entitled to receive that deduction within seven working days of the effective date of the deductions.
- (2) Each Accountable Officer shall within seven days after the end of each month, provide a

written report to the Financial Secretary of all deductions made under this regulation by that accountable officer.

*Regulation 55:* An Accountable Officer who contravenes regulation 54 or regulation 54A is liable to surcharge for any penalty or costs accruing to Government as a consequence of such failure or to disciplinary proceedings in accordance with the Public Service Regulation.

#### **IV. Fiscal Responsibility Framework Regulations (FRFRs) 2012, as amended 2015**

##### *Regulation 2A*

(5) All proceeds related to loans or grants shall be paid into the Consolidated Fund.

*Regulation 3(1):* Where under section 9(2A) of the Act, the Minister proposes to suspend, withdraw, or impose conditions on a warrant under section 117 of the Constitution of Jamaica, he shall provide a report to the Cabinet specifying –

- (a) whether the decision is for a withdrawal, suspension, or imposition of conditions on the warrant;
- (b) the reasons for the decision, including any specified in paragraph (2) that may apply, and under what conditions it may be reversed; and the implications the action may have on other warrants that have been issued under section 9 of the Act.

*Regulation 3(2):* The reasons referred to in paragraph (1) (b) include there being –

- (a) an insufficiency of cash resources in the Consolidated Fund to honour the warrant, given other current or future obligations;
- (b) a failure to meet the obligations under section 48C of the Act or its supporting regulations as a result of honouring the warrant; or a failure to meet agreements with domestic or international partners as a result of honouring the warrant.

## **4.2 Financial Instructions**

- (i) The Financial Instructions herein is the full and complete updated Financial Instructions regarding the above Law and Regulations at the date of publication. All previous Instructions, Circulars as listed at the end of the document and or any other publication are considered incorporated and revoked to the extent that the matter is covered in this document.

## **4.3 The Consolidated Fund**

- (i) The Consolidated Fund shall consist of:-
  - (a) the Consolidated Fund Principal Bank Account;
  - (b) a Consolidated Fund External Account;
  - (c) a Consolidated Fund Foreign Currency Account; and
  - (d) all Consolidated Fund Subsidiary Bank Accounts in addition to any other accounts approved by the Financial Secretary.
- (ii) The Minister with responsibility for Finance has the authority to determine the bank in which the Consolidated Fund Principal Bank Account is to be operated.
- (iii) The Financial Secretary shall determine the bank or banks from which the Consolidated Fund Subsidiary Bank Accounts are to be operated.

#### 4.3.1 Purpose of the Consolidated Fund

- (i) The Consolidated Fund is the principal fund of Government established for the purposes of holding revenues to meet voted and statutory expenditure.
- (ii) Revenues shall consist of taxes, imposts, duties, fees, fines, penalties, forfeitures, rents, dues, proceeds of sales, and all other receipts of Government from whatever source arising over which the Parliament has the power of appropriation.

#### 4.3.2 Custody of the Consolidated Fund

- (i) The Accountant General is the custodian of the Consolidated Fund and carries out such functions as are conferred by this or any other enactment on behalf of the Government of Jamaica.

#### 4.3.3 Withdrawals from the Consolidated Fund

- (i) Moneys may only be withdrawn from the Consolidated Fund when a specific warrant issued by the Minister, authorizes such withdrawal.
- (ii) Withdrawals from the Consolidated Fund shall not exceed the amount stipulated in warrants issued by the Minister in respect of any appropriations voted by Parliament and Statutory Expenditure provided for in the Estimates of Expenditure.

#### 4.3.4 Repayment of Amounts due to Consolidated Fund through Warrant

- (i) The Accountant General shall recover amounts owing to the Consolidated Fund or amounts owing in respect of advances made from the Consolidated Fund.

#### 4.3.5 Operation of the Consolidated Fund

- (i) The Accountant General, subject to the approval of the Financial Secretary, shall be responsible for implementing and maintaining proper systems and procedures for the management of the Consolidated Fund.
- (ii) The interest earned on Consolidated Fund investment must be credited to the Consolidated Fund.
- (iii) The Accountant General shall keep proper records relating to these investments.

### **4.4 Other Funds**

#### 4.4.1 Contingencies Fund

- (i) The Accountant General shall make advances from the Contingencies Fund subject to the approval of the Ministry of Finance and shall recover such advances from warrant funds as soon as possible.

#### 4.4.2 Trust Funds

- (i) An Accounting Officer shall be responsible for the proper management of any Trust Fund administered by his department.



- (ii) Trust Funds must be administered in accordance with the terms and conditions outlined in the trust deed or any agreement or contract or law that establishes the fund.
- (iii) Where a Trust Fund has no provision or inadequate provision for its administration, the Financial Secretary shall:
  - (a) Designate an Accountable Officer responsible for the Administration of such Trust Fund;
  - (b) Establish systems and procedures for the administration, accounting and reporting of such Trust Fund.

#### 4.4.3 Treasury Deposits

- (i) Funds other than Trust Fund, Consolidated Fund, Contingencies Fund and other designated funds held on Deposit by the Accountant General pending repayment or statutory/contractual application, shall constitute “Treasury Deposits” or “Deposit Fund Account”.
- (ii) The Financial Secretary, subject to the Minister’s approval, shall authorise advances from balances held on Treasury Deposits.
- (iii) The Accountant General shall recover amounts owing in respect of advances made from Treasury Deposits or any other Fund, from amounts approved in the warrant issued for the Head of Estimates that received such advance.
- (iv) Treasury Deposit advances must be cleared as far as possible within the financial year it was issued and no later than twelve (12) months in the following financial year.
- (v) Systems and procedures for the management, accounting and reporting of Treasury Deposits shall be approved by the Financial Secretary.

#### 4.4.4 Revenue Bank Account

- (i) Principal Receivers of Revenue shall with the written approval of the Financial Secretary, maintain bank accounts (hereinafter referred to as “Revenue Bank Account”) for depositing all sums to be paid into the Consolidated Fund.

### **4.5 Central Treasury Management System (CTMS)**

#### 4.5.1 CTMS Definition

- (i) CTMS is a set of processes and procedures, supported by automation, which enables the efficient management of the cash functions and resources of Government.

#### 4.5.2 Centralised Payments

- (i) A major aspect of the CTMS shall be the centralisation of MDAs’ payments by the AGD.
- (ii) MDAs shall process claims, invoices, bills, contracts etc. through checking, certification, authorisation and submitting same electronically to the AGD for payment to the relevant payees’ bank account.

- (iii) Payment requests sent to the AGD where applicable, must contain the due date for payment.
- (iv) The total amount of payment requests submitted to the AGD at any point in time must not exceed the sum of the following:
  - (a) total warrants issued to date;
  - (b) total authorised MOF Contingencies Provision advances issued to date (if any);
  - (c) total authorised AGD Treasury Deposits advances issued to date (if any); and
  - (d) total AIA lodgements to the Central Payment Account (CPA) to date (if any).
- (v) The Accountant General shall effect MDAs' payment requests within five (5) working days of receipt, except in situations where funds are not available, in which case the AGD must immediately advise the relevant MDA. MDAs shall be accountable for the validity; accuracy and authenticity of all payments effected by AGD on their behalf.
- (vi) The AGD shall be responsible for ensuring that MDAs payments do not exceed their warrant funds.
- (vii) MDAs shall be accountable for rejected payments and any payment made to a wrong bank account.
- (viii) The AGD shall effect MDA's and other CTMS payments using the following banking platforms:
  - (a) Real Time Gross Settlement (RTGS) System;
  - (b) Automated Clearing House System (ACHS), and
  - (c) Any platform approved by the Financial Secretary.

#### 4.5.3 CTMS Web Portal

- (i) The CTMS shall have a web portal for the purposes of:
  - (a) being the gateway between MDAs and the Treasury, facilitating movements in both directions between MDAs and the Treasury;
  - (b) being the repository of all clients' banking information;
  - (c) tracking the status of all CTMS transactions.
- (ii) All transactions on the CTMS Web Portal shall require verification by an authorised officer of the MDA before it shall be transmitted to the Treasury.

#### 4.5.4 Central Payment Account (CPA)

- (i) The AGD shall operate a Central Payment Account (CPA) for receiving MDAs' warrant funds and for payment of MDAs' expenses.
- (ii) The CPA shall be held at the Bank of Jamaica.

#### 4.5.5 Treasury Single Account (TSA)

- (i) The TSA shall be a group of bank accounts for which the Accountant General have direct access and control.
- (ii) The Financial Secretary shall authorise the bank accounts to be in the group of accounts that constitute the TSA which shall include the following:

- (a) Consolidated Fund;
- (b) Consolidated Fund Subsidiary Bank Accounts;
- (c) Central Payment Account;
- (d) Central Receipts Account
- (e) Treasury Deposits Accounts; and
- (f) Revenue Bank Accounts.
- (g) Any other bank account designated by the Financial Secretary

#### 4.5.6 Taxpayer Registration Number and Bank Account

- (i) Every employee, supplier and other clients of the government must have a valid Taxpayer Registration Number and a bank account.
- (ii) Clients must complete and sign a Client Information Form (CIF) for the purposes of having their banking information registered in the CTMS.
- (iii) Changes in client's banking information must be made by the client completing and signing a new CIF at least three days before the date it is required to be used in the system.
- (iv) MDAs must ensure that the client banking information entered on the system from the CIF is properly checked and verified and that the CIF is placed in a vault, chest or other secured area.
- (v) Clients excluding employees and individuals with multiple bank accounts must have a TRN branch code for each bank account and must indicate in writing to the MDA the TRN/branch code to be used for the bank account required to be credited for each payment.

#### 4.5.7 Foreign Exchange Payments

- (i) Where payments are required to be made to an overseas supplier or client in foreign currency, a letter must be submitted to the AGD at least five (5) working days before the schedule date for payment, stating the following:
  - (a) The name of the Payee;
  - (b) The address of the Payee;
  - (c) The amount to be paid and the currency;
  - (d) The purpose of the payment;
  - (e) The bank, branch and the bank account number to be credited. (the full address of the bank should be included);
  - (f) The scheduled date for payment; and
  - (g) The head to which the payment is to be charged.
- (ii) The AGD, based on the availability of funds, will request the BOJ to effect the payment and to charge the CPA account with the amount paid plus the bank charges.
- (iii) The AGD shall advise the MDA within five (5) working days, stating the Jamaican dollar equivalent of the amount paid plus the bank charges.

#### 4.5.8 Appropriations-in-Aid

- (i) Approved Appropriations-in-Aid collections to be used to finance expenditures to be paid through the CTMS must be deposited by MDAs to the relevant bank account designated by the Accountant General
- (ii) Where the AIA collections exceed the approved AIA budgetary provision, the excess collections must be lodged to the Consolidated Fund Account.
- (iii) Expenditure payments to be made from AIA funds by the MDAs must be processed on the accounting system and submitted to the AGD in the normal manner using the relevant fund source code for AIA payments

#### 4.5.9 Surrender of Balances to Consolidated Fund

- (i) Every appropriation by Parliament of public moneys in relation to any financial year shall cease to have effect at the close of that financial year, as provided in the FAA Act.
- (ii) All unexpended balances in the Central Payment Account in respect of each Head of Estimates under the Central Treasury Management System must be transferred by the Accountant General to the Consolidated Fund Principal Bank Account as soon as possible following the end of the financial year.
- (iii) The Accountant General shall advise the Auditor-General, the Financial Secretary and the relevant Accounting Officers of the amount surrendered to the Consolidated Fund in respect of each Head of Estimates

### 4.6 Uniformed Chart of Accounts

- (i) The Accountant General shall be responsible for the maintenance of the Government of Jamaica Uniformed Chart of Accounts.
- (ii) All request for training, clarification and modification to the Chart of Accounts must be submitted to the Accountant General.

## 5 REVENUE AND EXPENDITURE

### 5.1 The Enabling Legal and Regulatory Framework

<p><b>I. Constitution of Jamaica</b></p> <p><i>Chapter VIII: Finance</i></p> <p><i>Section 116:</i> covers the need for Annual Estimates but does not prescribe the format.</p> <p><i>Section 117:</i> covers the payment of sums out of the Consolidated Fund</p> <p><i>Section 119:</i> Public Debt Charges.</p>
<p><b>II. The Financial Administration and Audit Act</b></p> <p><i>Section 7:</i> Payments into the Consolidated Fund.</p> <p><i>Section 7A:</i> Payment of Loans into the Consolidated Fund.</p> <p><i>Section 8A:</i> Minister may give directions re fees, penalty, proceeds of sale of extra or unusual receipt</p> <p><i>Section 18:</i> Control of Expenditure</p> <p><i>Section 19:</i> Commitment of Expenditure</p> <p><i>Section 19C:</i> Authorisation of payment</p> <p><i>Section 51:</i> Direction of the Financial Secretary to issue instructions on the collection, custody, issue, expenditure, due accounting for and collection of public moneys</p>
<p><b>III. The Financial Management Regulations</b></p> <p><i>Regulation 31:</i> Assignment of officers to collect money</p> <p><i>Regulations 32 – 36:</i> Issue of official receipts.</p> <p><i>Regulation 41:</i> Responsibility of Principal Receivers of Revenue</p> <p><i>Regulations 47-62:</i> Payment of Public Moneys</p>

### 5.2 Financial Instructions

The Financial Instructions herein is the full and complete updated Financial Instructions regarding the above Law and Regulations at the date of publication. All previous Instructions, Circulars as listed at the end of the document or any other publication are considered incorporated and revoked to the extent that the matter is covered in this document.

## 5.3 Receipt of Public Money

### 5.3.1 Responsibility for Collection of Revenue

- (i) The responsibility for collecting and accounting for revenues payable to the Government is placed with the Principal Receivers of Revenue. It shall, however, be the duty of the Accounting Officer to ensure that the revenues collectible by the Ministry and Department under his control:
  - (a) are collected and brought to account;
  - (b) are adequately safeguarded;
  - (c) have appropriate controls established to secure effective collection and assessment; and
  - (d) are entrusted to individuals who are designated as Accountable Officers with the responsibilities to collect and remit government revenue.
- (ii) It shall be the responsibility of accountable officers to exercise the appropriate care, and due diligence in accounting for government revenues

### 5.3.2 Revenue Bank Account

- (i) Principal Receivers of Revenue may be authorized by the Financial Secretary to open official bank accounts to which revenue collections are lodged in the first instance and from which transfers are made on a timely basis to the Consolidated Fund.

### 5.3.3 Responsibility of Principal Receivers of Revenue and Accounting Officers

- (i) The responsibilities of Principal Receivers of Revenue and Accounting Officers in relation to the collection and accounting for revenue shall be:
  - (a) Paying drawbacks and refunds authorised by law from revenue collections so that only the net revenue shall be paid into the Consolidated Fund;
  - (b) Collecting and accounting for revenue approved by Parliament as departmental/miscellaneous revenue. The Accounting Officer for the departments concerned must remit collections to the Accountant General promptly and intact (that is, daily or by the next business day);
  - (c) Ensuring that collecting officers issue an official receipt in respect of every sum of public money received except where the revenue collected is in respect of adhesive or embossed stamps and stamped stationery;
  - (d) Ensuring that whenever a public officer, not being a collecting officer, receives public money, such officer is required to pay the said money to a collecting officer forthwith and ensure that an official receipt is issued for the amount; and
  - (e) In cases where court fees, licenses and other duties are collected by means of adhesive stamps, Principal Receivers of Revenue shall ensure that:
    - (i) The value of stamps are checked and the correct amount of money has been paid; and
    - (ii) The stamps are cancelled by an officer other than the officer receiving the stamps or stamped document.

- (iii) The Officer receiving the adhesive stamp shall ensure that the stamp is affixed to the document for the value paid.

#### 5.3.4 Official Revenue Receipts

- (i) Except in special cases, such as the payment of court fines or sale of stamps, collecting officers receiving money on behalf of Government must forthwith issue official receipts for every sum of money paid.
- (ii) All official receipts and forms, except for those prescribed by any law or any Rules of Court are prescribed and issued under the authority of the Financial Secretary.
- (iii) No public officer or any other person shall print or issue, any form of official receipt without the express sanction of the Financial Secretary.

#### 5.3.5 General Receipt Book

- (i) Each receipt book must consist of 100 receipt forms with corresponding duplicates or triplicates where applicable.
- (ii) The forms must be pre-numbered (i.e. printed with receipt numbers in numerical sequence).

##### 5.3.5.1 Control of Receipt Book

- (i) At least once per year, Accounting Officers must cause a check of the stock of books on hand to be made by an officer other than the one who keeps the stock.
- (ii) Each receipt form and duplicate is a valuable document and must be accounted for. In the event of the loss of a book or of a form from a book, the officer to whom the book is issued is liable to surcharge in accordance with the provisions of the Act.
- (iii) On return of a receipt book which has temporarily left his charge, a senior officer must check whether the duplicates of receipts issued and the unused receipts (original and duplicates) are intact.

##### 5.3.5.2 Maintaining Stock of Receipt Book

- (i) The Accountant General shall be responsible for maintaining adequate stocks of Official General Receipts to meet the requirements of the public service.

##### 5.3.5.3 Loss of Receipt Book

- (i) The loss of a receipt book should be advertised in the press immediately on discovery of the loss.

##### 5.3.5.4 Receipt Book Delivered by Mail

- (i) Receipt books, whether used or unused should be registered when sent through the post.

##### 5.3.5.5 Acquisition of Receipt Book

- (i) The Accountant General shall maintain a record for receipt books in which details of all receipts and issues shall be recorded. This register shall be called the “Stock and Issue Register”; Accounting Officers shall obtain supplies of official General Receipts by requisition to the Accountant General.

- (ii) In order to maintain at all times adequate control over receipt books under their charge, Accounting Officers are required to maintain a stock record to show receipts from the Accountant General and issues to the various Departments under their control. These Departments must maintain a receipt book register for recording the officers to whom individual books are issued.
- (iii) Officers responsible for the custody of receipt books must ensure that the serial number on a receipt and the corresponding duplicate is the same and that the receipts in a book are in strict numerical sequence. Any error in number which has been discovered must be reported promptly to the Accounting Officer and the book should not be put into use without his authority.
- (iv) Receipt books must be issued in consecutive order and individual receipt forms must be used in numerical sequence.

#### 5.3.6 Special Receipts

- (i) The use of special official receipts forms shall be authorized by the Financial Secretary to meet the special needs of specific Departments.
- (ii) The responsibility for maintaining adequate stocks and for the custody and control of special official receipts, rests with the Head of the Department concerned.
- (iii) The procedure for the control and use of Special Receipts shall be the same as that for General Receipts as far as possible.

#### 5.3.7 Computer Generated Receipts

- (i) The use of computer or machine-generated receipts must be approved by the Financial Secretary.
- (ii) Any submission to the Financial Secretary for approval of the use of machine generated receipts must include the following:
  - (a) The name of the system;
  - (b) The name of the owner and/or supplier of the system;
  - (c) The purchase cost and estimated monthly maintenance cost of the system;
  - (d) The estimated average number and value of receipts to be issued by the system each month; and
  - (e) The security controls of the system itself and the administrative or procedural controls to be applied in the operation of the system.
- (iii) The procedure for the control and use of computerized or machine generated receipts must be adequate to prevent the loss of public money and shall be the responsibility of the Accounting Officer.

#### 5.3.8 Preparation of Receipts

- (i) Every official receipt shall be prepared to show the date of receipt, the amount of money paid (in words and figures) and the purpose for which payment is made.
- (ii) When a general receipt is to be issued, where relevant, a sheet of double-sided carbon paper must be placed between the receipt form and the duplicate so that the entries made on the



face of the receipt are reproduced on the back of the original and on the copies retained for official use.

- (iii) Receipts must be signed by the officer authorized to receive public monies.

### 5.3.9 Cancellation of Receipt

- (i) No erasures or amendments shall be made on an official receipt. Whenever an error is made, the receipt must be cancelled and a new one prepared.
- (ii) A receipt shall be cancelled by writing the word “cancelled” across the face of the receipt and its duplicate. If the original was separated from the book, it must be pasted to the margin of the duplicate in such a way that all entries made on the duplicate can be easily seen.

### 5.3.10 Acceptance of Cheques

#### 5.3.10.1 Types of Cheques to be accepted

- (i) The following cheques may be accepted in the payment of public moneys:
  - (a) Valid cheques issued by another ministry, department or public body;
  - (b) Valid cheques drawn by any reputable organization or individual for which the ministry, department or agency has had a long and on-going relationship and where such cheques have been authorized by an appropriate senior accountable officer of the ministry, department or agency;
  - (c) Valid manager’s cheques issued by a local licensed commercial bank regulated by the Bank of Jamaica;
  - (d) Valid cheques issued by a licensed financial institution that is regulated by the Financial Services Commission; and
  - (e) Valid cheques issued by licensed building societies and credit unions regulated by the Bank of Jamaica.
- (ii) The Accounting Officer and/or Head of Department shall designate in writing appropriate senior officer(s) to have discretionary powers in accepting cheques.

#### 5.3.10.2 Certification of Cheques

- (i) Cheques are deemed certified if the bank on which the cheque is drawn verifies that:
  - (a) The cheque is valid; and
  - (b) The account on which the cheque is drawn has adequate funds to cover the amount for which the cheque is drawn.

#### 5.3.10.3 Cheques Accepted as Conditional Payment

- (i) Every receipt (duplicate included) issued in respect of a payment made by cheque, whether certified or uncertified, should bear a stamp inscribed as follows:

*“Cheque accepted as conditional payment only”*

### 5.3.11 Criteria for Acceptance of Cheques

- (i) Cheques accepted for the payment of public moneys must be:
  - (a) Drawn in favour of the ministry, department, agency to which the payment is being made;
  - (b) Drawn for the exact amount due;
  - (c) Have the drawer's name, address (work and home) and telephone number (work and home) clearly written on the reverse side of the cheque; and where necessary, the identity of the drawer should be verified by a valid identification (i.e. driver's licence, passport, voter identification card). The particulars of the identification provided must be noted on the reverse side of the cheque.

### 5.3.12 Stale-dated Cheques

- (i) The procedures relating to stale dated cheques are stated at Instruction 5.10.9.

### 5.3.13 Dishonoured Cheques

- (i) Where a cheque is dishonoured by the bank on which it is drawn, the drawer should be regarded as having made no payment and the Accounting Officer must take the following action:
  - (a) Stop any service, supply or payment contemplated in connection with the cheque received;
  - (b) Ascertain the reason for the cheque being dishonoured and contact the drawer to make full recovery of the amount due plus any bank charges, interest or penalty accrued. Another cheque should not be accepted from the drawer where the original cheque was dishonoured due to lack of funds;
  - (c) Ascertain whether the collecting officer breached these instructions by improperly accepting the cheque and in case the amount is not recovered within thirty days (30), report the matter to the Financial Secretary for surcharge proceedings;
  - (d) Report the matter to the Police at once where fraud or any other criminal offence is suspected in relation to the dishonoured cheque; and
  - (e) Make the appropriate accounting entries to reflect the dishonoured cheque in the books of accounts. This should include opening an advance account in the name of the collecting officer where the cheque was improperly accepted by him. The advance account should be for the amount of the cheque plus all charges incurred.
- (ii) Any loss of public money caused by a breach of the above procedures shall render the collecting officer(s) liable to surcharge for the full recovery of the amount of the loss.

### 5.3.14 Cash Cheques

- (i) Cash cheques issued by financial institutions which are similar to Travellers Cheques and available only in local currency having been purchased from a commercial bank, may be accepted by collecting officers in payment of goods and services, customs and excise duty, stamp duties and licences.
- (ii) The collecting officer in accepting these cash cheques must ensure that:
  - (a) The cheques are drawn in favour of the ministry, department, agency to which the payment is being made;

- (b) The presenter countersigns in the prescribed section on the face of the cheque in the presence of the collecting officer; and
- (c) The counter-signature corresponds with the signature already affixed to the face of the cash cheque.

### 5.3.15 Bills of Exchange

- (i) Bills of exchange or promissory notes must not be received as revenue.

### 5.3.16 Credit and Debit Cards

- (i) Accounting Officers and Principal Receivers of Revenue may accept credit and debit cards in the payment of revenue and other public moneys provided that the collecting officer comply with the operational procedures for acceptance of such cards issued by the authorised commercial bank..
- (ii) The collecting officer in accepting payments via Credit or Debit Cards must ensure that an official receipt with the additional information, “Credit Card” or “Debit Card” stated thereon as the method of payment, is issued for the transaction.
- (iii) The collecting officer in accepting payments via Credit Cards or Debit Cards must ensure that:
  - (a) An “Electronic Data Capture Machine” or “Manual Imprinter” is used to prepare the “Sales Draft” with the required number of copies, which shall have thereon the following:
    - Transaction date;
    - Account number ( number of digits required by the bank);
    - Authorisation number;
    - Brand of card;
    - Expiration date of the card; and
    - Monetary value of the transactions in local currency.
  - (b) The cardholder signs the sales draft in the prescribed section in the presence of the collecting officer; and
  - (c) The signature corresponds with the authorised signature affixed on the back of the card.

### 5.3.17 Foreign Currency Card

- (i) Where the taxpayer presents a foreign currency denominated card, the payment due shall be converted at the applicable official rate of exchange available through the Bank of Jamaica at the time of the transaction, the taxpayer advised and the relevant information noted on the official receipt.

#### 5.3.17.1 Reconciliation of Credit Card Transactions

- (i) It shall be the responsibility of accountable officers to ensure that where public moneys are collected via credit cards, a daily reconciliation of these transactions is done by effecting a comparison with the transactions stated in the bank’s records (see Appendix 9 - Procedure for Daily Reconciliation of Point of Sale (Debit/Credit Cards) collections. (See Appendix 15 for format of the Daily Reconciliation Statement.

### 5.3.18 Daily Reconciliation of Point of Sale [Debit/Credit Cards Collection)

- (i) Any loss to the Government resulting from the failure of a collecting officer to fully comply with these Instructions shall render such collecting officer liable to surcharge.

### 5.3.19 Registered Mail

- (i) Accounting Officers must ensure that proper arrangements are made by each department for obtaining registered mail from the post office. These should include the naming of the person or persons to whom mail should be delivered and the times at which deliveries will be made.
- (ii) Registered mail intended for a Government Department must be recorded by the post office with the appropriate tracking system for tracking mails.
- (iii) Entries in the delivery book must indicate the date of delivery, the number of letters delivered, and registration number and office of origin of each letter.
- (iv) At the time of delivery of letters, the delivery advice must be signed by the Post Office Clerk making delivery, and receipt of the letters acknowledged by the Department's authorised agent.
- (v) In departments where substantial sums of money are regularly received by registered mail, two persons must be assigned the duty of collecting mail from the Post Office.

#### 5.3.19.1 Checking Advice Slip

- (i) Registered letters when delivered are accompanied by an Advice Slip which shows the post office from which the letters were originally received, and the registration number of each letter.
- (ii) Proper arrangements must be made for obtaining delivery of registered letters and the receiving officer must check unopened mails against the Advice Slip.
- (iii) The Post Office Advice Slip should be filed in chronological order and retained for a period as set out in the Document Retention Schedule.

#### 5.3.19.2 Opening Registered Letters

- (i) Letters must be opened by two officers in the presence of each other and where they contain value, their contents recorded immediately in the Value Book. The record of the contents of each such letter must be initialed by each officer.
- (ii) Letters not containing value need not be entered in the Value Book but should be marked "nil" on the Advice Slip and initialed by both officers.
- (iii) A record of the amount received with each letter must be made on the letter itself and initialed and dated by both officers.

#### 5.3.19.3 Handing-over Letters and Contents of Value Book

- (i) The Value Book with the letters and their contents must be handed over by the two officers referred to above, immediately after a mail has been dealt with to the Cashier or other designated Accountable Officer who shall thereafter be responsible for them.

- (ii) The Cashier or Accountable Officer must initial each entry in the Value Book, bring the monies to account and note on each letter and in the Value Book the receipt number issued for the respective amounts received.

### 5.3.20 The Value Book

- (i) Any monies received by registered post or otherwise enclosed in letters must immediately be recorded in the Value Book.
- (ii) All monies must be brought to account daily or at the earliest opportunity. The Accountable Officer will be held responsible *for any delay in bringing same to account*.

#### 5.3.20.1 Weekly Check of Value Book

- (i) The following check must be made at least once a week by a senior officer of the department:
  - (a) A check to ensure that every amount entered in the Value Book has been brought to account promptly in the Cash Book, or otherwise satisfactorily accounted for; and
  - (b) A check of the Post Office Advice Slip with the Value Book to see that all registered letters have been entered in the Value Book and their disposal duly recorded therein with the exception of those marked “nil” on the Advice Slip and duly initialled by the two officers who opened the letters.

#### 5.3.20.2 Computerised Value Book

- (i) The Value Book may be computerised provided that:
  - (a) It adheres to all the instructions herein as far as possible; and
  - (b) Adequate internal controls exist to prevent loss and irregularities.

### 5.3.21 Uncollected Revenue

- (i) Accounting Officers, Principal Receivers of Revenue and other receivers of revenue are required to report promptly to the Financial Secretary, any failure on the part of a collecting officer to receive and duly account for any sums receivable by him.

### 5.3.22 Miscellaneous Revenue

- (i) Accounting Officer and Heads of Department shall be responsible for the collection, lodgment, accounting and reporting of Departmental and Other Miscellaneous Revenue under their portfolio.
- (ii) Unless special approval is given by the Financial Secretary, all amounts received for miscellaneous revenue must be lodged promptly to the Accountant General for Miscellaneous Revenue Bank Account using the Consolidated Cash Plan (CCP) deposit slip.
- (iii) Ministries and departments must submit to the Accountant General, a statement of the collection and lodgement of Miscellaneous Revenues in respect of the previous month by the fourteenth (14<sup>th</sup>) working day of each month. .

### 5.3.23 Appropriations-in-Aid

- (i) The approval of Parliament by way of the Estimates of Revenue and Expenditure is required for the inclusion of appropriations-in aid within an entities Budget.

- (ii) Authorised appropriations-in-aid shall be lodged to
  - (a) The relevant bank account designated by the Accountant General where expenditure payments from these funds are to be done through the CTMS;
  - (b) Any designated bank account approved by the Financial Secretary..
- (iii) Appropriations-in-Aid collected in excess of the amount authorized for collection as stated in the Estimates of Revenue and Expenditure must be surrendered to the Consolidated Fund and shall not be used to meet expenditures.

#### 5.3.24 User Fees

- (i) Accounting Officers shall examine all services with a view to identify which services should attract user fees and seek the approval of the Minister of Finance for the implementation or increase of such fees. This examination should be guided by the following principles:
  - (a) Services of a commercial nature being offered by the Public Sector should at least cover the cost of delivery of such services.
  - (b) Where fees have not been amended on any realistic basis over a prolonged period of time, Ministries and Departments should develop a programme for phased increases with the objective of attaining full cost recovery.
  - (c) Any such programme developed should be submitted to the Financial Secretary for approval before implementation.

### 5.4 Lodgement of Public Money

#### 5.4.1 Lodgement and/or Disposal of Amounts Collected

- (i) Officers who receive public monies are required to lodge the whole amount of such moneys daily or at the earliest opportunity, into an official bank account.
- (ii) Between the time of receipt and the time of payment into the bank or to a collecting officer, no public moneys shall be made use of in any way whatsoever, or shall any officer advance, or lend any sum for which he is answerable to the Government.
- (iii) Public moneys collected shall be lodged daily or by the next business day into the relevant official bank account.
- (iv) The amount lodged shall be in excess of the total costs associated with making the lodgment.
- (v) Where lodgments are made using night deposit bags, the responsible accountable officer must follow-up to ensure that the amounts are cleared within one business day after delivery to the bank.
- (vi) Accounting Officers, Principal Receivers of Revenue, or other Accountable Officers are required to properly safeguard public moneys in transit.
- (vii) Except where amounts are trifling, public moneys must not be taken to the bank or withdrawn from the bank by a single employee.

- (viii) A breach of this instruction resulting in a loss of public funds, shall cause the officer found culpable of the breach, to be surcharged for the amount of the loss or part thereof as determined by the Financial Secretary.

#### 5.4.2 Auditor's Seal on Safe

- (i) Auditors may elect to seal off a safe if the custodian of the safe is absent at the time of a surprise visit. Whenever auditors affix such a seal, the safe should not be entered unless:
  - (a) The auditor is present; or
  - (b) Permission to enter is given by the auditor.
- (ii) Any breaking of seals without adherence to the above constitutes a breach for which the officer shall be subject to disciplinary action as determined by a Committee established to administer discipline.

### 5.5 Official Bank Account

#### 5.5.1 Authority to Open Bank Account

- (i) Accounting Officers, Principal Receivers of Revenue, Principal Finance Officers and other Accountable Officers may, with the approval of the Financial Secretary, may open and operate official bank accounts in the following circumstances:
  - (a) The requirement of an established law or contract does not allow Central Treasury Management system to be used;
  - (b) A loan, grant or other agreement requires that a separate bank account to be maintained; and
  - (c) Any other reason approved by the Financial Secretary.

#### 5.5.2 Request for Approval to Open an Official Bank Account

- (i) Permanent Secretaries, Principal Receivers of Revenues (PRRs), Heads of Departments, Chairmen of Boards and Chief Executive Officers seeking approval to open an official bank account must submit letter to the Accountant General stating the following:
  - (a) Justification/need for the bank account;
  - (b) The estimated maximum balance to be held in the bank account;
  - (c) The name and address of the bank at which the account is to be established;
  - (d) The names and posts of the permanently appointed and contract officers recommended as signatories to the bank account;

*NB -The signatories **must not** include temporary officers, Board Chairmen, Board Members or any officer who by virtue of the nature of his/her function(s) compromises the system of internal control. For a contract officer to be a signatory to any bank account the duration of his/her contract must be more than 12 months following the date targeted for the opening of the account.*

*In exceptional circumstances, such as legislative procedures, where Board Chairmen or Board Members are required to be signatories to a bank account, special approval may be granted by the Financial Secretary.*

- (e) The signatories must be divided into two groups:-
  - (i) Group (A) representing the Accounting Officer , Chief Executive Officer or Head of Entity, or Principal; and
  - (ii) Group (B) representing the Principal Finance Officer, Director of Finance, Financial Controller or Bursar;
- (f) The method of signing cheques, that is, cheque signing machine, computer, manual or other method approved by the Financial Secretary;
- (g) The type of account required - current, saving, term deposit, interest bearing current account etc.
- (h) Purpose of the account;
- (i) Source of funds – Consolidated Fund, Grants from external sources, Loans; and
- (j) Currency of proposed account (J\$, US\$, British Pound, Euro or other approved currency).

### 5.5.3 Project Bank Accounts

- (i) In circumstances where the proposed account relates to a project, the following additional information and document are required:-
  - (a) Period for which the account is required;
  - (b) Name of the Project sponsor(s);
  - (c) Any special condition(s) based on the project agreement that will impact the operation of the proposed bank account; and
  - (d) Copy of contract with the funding agency/partner where applicable.

### 5.5.4 Replacement Bank Accounts

- (i) In circumstances where the proposed account relates to the closure of an existing account the following additional information are required:-
  - (a) Reasons for replacing the account;
  - (b) Arrangements for the termination/closure of the existing bank account.
- (ii) The procedure for closure of bank accounts as stated at Instruction 5.5.8 must be adhered to.

### 5.5.5 Transfer of an account between Branches

- (i) Where a MDA needs to transfer an official bank account from one branch of a bank to another branch of the same bank, a request must be submitted to the Accountant General for approval, stating the following:
  - (a) The reason for changing the branch;
  - (b) Change in signatories, if any; and
  - (c) The proposed date for the transfer.



### 5.5.6 Bank Account Approval

- (i) The Financial Secretary's letter of approval for the opening and operation of a bank account may contain specific instructions. These instructions must not be varied without the prior written permission of the Accountant General.
- (ii) Immediately upon opening of the bank account, the MDA must advise the Accountant General of the account number and the date on which the account was established.

### 5.5.7 Change in Signatories

- (i) Where an account is being operated and the need arises for a change to be made to the signatories, approval must be sought from the Accountant General. The request for the approval must state the reason for the change and the name and position of the officers recommended to replace the existing signatories on the bank account.

### 5.5.8 Closure of Bank Accounts

- (i) The Accounting Officer or Head of Entity whenever he/she contemplates closing an official bank account must :
  - (a) Seek and receive the prior written approval of the Accountant General for the closure of the bank account.
  - (b) Ensure that the bank reconciliation of the account to be closed is brought up to date and a copy of the reconciliation submitted to the Accountant General. If the reconciliation is not up to date a detailed plan for dealing with the outstanding reconciliation must be submitted to the Accountant General.
  - (c) Ensure that all outstanding cheques including stale dated cheques are examined by contacting the relevant payees, notifying them of the imminent closure of the bank account and advising them to:
    - (i) Encash cheques by a stipulated deadline, or
    - (ii) Return cheque(s) for replacement where they are stale-dated or damaged.
  - (d) State in the submission at (a), the proposal for disposal of the uncommitted funds in the account. (NB. The general rule is that such funds must be surrendered to the Consolidated Fund unless there is a legal or contractual obligation for the funds to be transferred elsewhere, in which case details of this must be provided).
- (ii) The Accountant General must be issued with a copy of the letter instructing the bank to close the account and to transfer the balance as authorized by the Accountant General in the approval letter for closure of the account.

### 5.5.9 Bank Overdraft

- (i) It shall be the responsibility of Accounting Officers, Principal Receivers of Revenue, and other Accountable Officers to ensure that official bank accounts are not overdrawn.
- (ii) Officers concerned will be held personally liable in the event of bank charges arising from an unauthorized overdraft.
- (iii) The Accountable Officer(s) to be surcharged for any deficiency or loss arising from any charges incurred on overdrawn official bank account where no prior written approval was granted by the Financial Secretary in respect of such overdraft, shall be :
  - (a) The officer who stamped the payment voucher stating that funds are available for payment following its certification for payment.;

- (b) The officer authorizing the payment and the release of funds;
- (c) The officer signing the cheques, except where a cheque signing machine is used.
- (iv) Cheque signing officers shall be responsible for ensuring that before signing cheques they are satisfied that funds are available and the payment is correct.

#### 5.5.10 Reconciliation of Bank Account

- (i) Official Bank Accounts must be reconciled at least monthly as well as at the end of the financial year and whenever an account will be closed.

### 5.6 Imprest

#### 5.6.1 Request for Approval to Operate Bank Imprest

- (i) If an Accounting Officer considers it necessary for an outstation of his department to operate an imprest at an approved bank, a written approval must be obtained from the Financial Secretary through application to the Accountant General in accordance with Instruction (5.5.2).
- (ii) In applying for authority to operate a bank imprest, the Accounting Officer or other Accountable Officer must in addition to the provision of Instruction (5.5.2) state the proposed amount of the imprest and the expenditure items to be met from it.
- (iii) For termination of an imprest bank account, the procedures relating to the closure of bank accounts must be followed.

#### 5.6.2 Requests for Approval to Operate Petty Cash and Other Cash Imprests

- (i) Accounting Officer and other Accountable Officer requiring petty cash imprest, stamp imprest, refund imprest and float or change imprest for cashiers must request the approval of the Accountant General stating the following:
  - (a) the necessity for the imprest;
  - (b) The type of imprest requested;
  - (c) The name and location of the imprest holder; and
  - (d) The amount of the imprest.
- (ii) Where the Accountant General authorizes the operation of any type of petty cash imprest, the amount of such imprest shall not be varied without the prior and written approval of the Accountant General.

#### 5.6.3 Imprest at the End of the Financial Year

- (i) The authority to operate an imprest lapses at the close of the financial year.
- (ii) Where circumstances prevent the appointment of a Board of Survey to check the imprest, the imprest holder, shall provide a written account for the imprest held. This must be certified by an appropriate senior officer.
- (iii) Accounting Officers may at the end of the financial year require any or all imprest balances to be surrendered to the Central Payment Account or may direct that they be rolled over to the

new financial year. However, this must be surrendered to the Consolidated Fund in the new financial year from that year's budget as soon as possible.

#### **5.6.4 Procedures for Termination of Petty Cash and Other Cash Imprests**

- (i) For termination of petty cash and other imprests except imprest bank accounts the following actions must be taken:
  - (a) A proper reconciliation between the reimbursable expenditure and the cash or valuables held with the authorised imprest amount;
  - (b) The Chief Audit Executive must certify the reconciliation;
  - (c) The cash or valuables held must be surrendered to the source of funding; and
  - (d) The Accountant General must be advised of the termination within two (2) weeks after termination of the cash imprest.
  - (e) A copy of the certified reconciliation stating where the cash or valuables have been surrendered, and the date of the surrender must be included in the information submitted to the Accountant General.

### **5.7 Payment of Public Moneys**

#### **5.7.1 Disbursement Policy**

- (i) Public funds shall be disbursed only on approved government programmes, for which Votes have been established in the Estimates of Expenditure.
- (ii) The authorisation of Parliament is required for any necessary approved disbursement not included in the Estimates of Expenditure. Such authorisation shall be done in the form of supplementary estimates.
- (iii) Any disbursements in the form of advances must be in respect of activities, which are related to the approved government programmes.
- (iv) Officials entrusted with disbursing public funds must underscore the principles of operational efficiency, economy, and value for money. This means that disbursements must be made without waste and extravagance. Further, the expenditure must be in line with the MDA's performance objectives.
- (v) Efficiency includes the speed with which disbursements are processed. The general turnaround time for processing disbursements shall be within thirty days from the date the supplier's invoice is received/accepted by the relevant MDA subject to the availability of funds.

#### **5.7.2 Certification and Approval**

- (i) No payment of public moneys shall be made as a charge on the Consolidated Fund unless authorized by law or by a resolution of the Houses of Parliament.
- (ii) In accordance with Section 19C of the FAA Act no payment shall be made from any Consolidated Fund Bank Account or any other official bank account except it is certified and approved by the Accountable Officer acting within the limits of his/her authority.

- (iii) Such certification or approval must be given after the necessary steps are taken to ensure that the payment is properly made in respect of goods and services delivered or rendered in accordance with valid agreement/contract.
- (iv) Agreements governing supply of goods and services shall be carried out in accordance with the Government of Jamaica procurement guidelines.

**5.7.3 Delegated Payment Functions**

- (i) Accounting Officers and Heads of Departments shall issue written instructions to officers who are delegated the following functions:
  - (a) Authorisation of commitments;
  - (b) Signing of purchase orders;
  - (c) Certification of payments;
  - (d) Authorisation of payments;
  - (e) Verification of transactions on the CTMS Web Portal, and
  - (f) Signing of cheques;

**5.8 Commitment Planning and Control**

**5.8.1 Commitment System**

- (i) Each Ministry shall put in place a proper system of commitment planning and control to ensure that no commitment is entered into without first establishing the availability of funds to meet the expenditure.

**5.8.2 Authority to Commit Public Funds**

- (i) Accounting Officers shall in writing authorise appropriate accountable officers to commit public funds up to the level of expenditure stated in the letter of assignment.
- (ii) authorising public officers to commit public funds must have the following

*“.....In accordance with the Financial Administration and Audit Act Instruction 5.8.2 you are hereby authorized to commit expenditure in relation to the following programme(s)/project(s)/activit(ies)*

Program/Project/Activities	Amount
<i>Accounting Officer</i>	
<i>Date</i>	

- (iii) The Accounting Officer may where necessary revoke or amend any authorization delegated for the commitment of public funds.
- (iv) Copies of each letter of authorization or any revocation or amendment to such authorization must be submitted to the Principal Finance Officer/Head of Accounts and the Human Resource Director/Manager who shall note same and place on the officer's personal file.
- (v) Public officers shall not commit the Government to any expenditure unless he/she has:
  - (a) been authorized in writing by his/her Accounting Officer/ or Head of Department; and
  - (b) advised in writing by the Commitment Control Officer, that funds were provided and are available for the specific purpose of the proposed expenditure.
- (vi) Failure to comply with this instruction shall render the officer concerned liable to surcharge of a sum not exceeding the amount of the improper payment.

### 5.8.3 Types of Commitments

- (i) Commitments shall be of two types as follows:-
  - (a) Inescapable Commitments or expenses that are unavoidable expenses in the short run. Examples of these:
    - statutory Payments- public debt, pension;
    - personal Emoluments- salary & allowances;
    - travelling allowances excluding mileage;
    - unpaid bills brought forward from previous financial year;
    - existing contractual obligations- rent, works, supplies, consultancy & service contracts;
    - Utilities;
    - medical supplies;
    - dietary requirements and food for hospitals, penal institutions and other Government homes;
    - Judgement debts;
    - Fuel for police and other emergency Government vehicles and institutions
  - (b) Other Commitments or avoidable expenses. Examples of these are:
    - expenditure for mileage over the approved limit;
    - subsistence for local travel;
    - overseas travel;
    - stationery and some office supplies;
    - capital goods;
    - entertainment expenses;
    - some maintenance expenses;
    - workshops, seminars and some training;
- (ii) The examples of inescapable other commitments are general and may not be applicable in some instances to some MDA.

### 5.8.4 Commitment Manual

- (i) Accounting Officers and Heads of Department shall adhere to the guidelines stipulated in the Commitment Planning and Control Manual issued by the Financial Secretary.

- (ii) Commitment Control involves blocking or earmarking warrant funds against budgetary allocations to ensure that funds are available to meet payments from these allocations when they fall due.
- (iii) Commitment planning involves planning expenditures at a high or strategic level based on approved budgets. It involves reviewing and blocking expenditures against the budget of one or more financial years particularly in respect of medium or long term contracts and other obligations. Commitment Planning shall drive the Commitment Control exercise.

## **5.9 Payment of Public Moneys**

### **5.9.1 Payment Voucher**

- (i) The official payment voucher is the document used to indicate authentication and authorization of monetary transaction for payment of public funds. It is the permanent official source document supporting all payments entries in the books of accounts.
- (ii) Each payment of public money must be supported by a payment voucher or a claim which must incorporate the following details:
  - (a) the head, the financial pattern, the fund source, the function/subfunction, the programme/sub-programme, the project/subproject, the activity/subactivity, the object/sub-object and detailed sub-object against which the payment is charged;
  - (b) the name and address of the person to whom the payment is made;
  - (c) the amount payable both in figures and words;
  - (d) the nature of the payment;
  - (e) the authority for payment.
  - (f) where appropriate, attached to the payment voucher must be a signed statement by the relevant officer indicating that the service specified has been satisfactorily performed or goods received in proper condition; and
- (iii) Payment shall be made only on “original” copies of supporting documents.
- (iv) Where payment is claimed on “duplicate” copies of supporting documents, payments should be made only if:
  - (a) an authorised officer certifies that the original copy of the documents have been either lost or misplaced; and also
  - (b) certifies that no payment on the original copy/copies has/have been made  
If and when the original copy/copies is/ are found; it /they shall be cancelled and attached to the relevant Payment Voucher on which the payment was made.
- (v) The supporting bills/invoices/claims should be rubber stamped “paid” and its correctness must be certified by an authorised officer.
- (vi) All requests for payments must be submitted in writing and signed by an appropriate accountable officer.

#### **5.9.1.1 Certifying/Checking of Payment Voucher**

- (i) All payments must be properly checked and certified by a designated officer to ensure validity, accuracy and compliance with contracts, FIs and any other relevant statute and regulation.
- (ii) The signature of the officer authorized to certify payments is intended to be a guarantee of the accuracy of every detail on the voucher.

#### 5.9.1.2 Role of Certifying/Checking Officer

- (i) The process of checking is to eliminate all clerical, procedural, arithmetical and other errors thereby ensuring the correctness of the payment.
- (ii) There shall be three types of checking to be executed for all payments. These are (1) Procedural Check (2) Validity and Accuracy Check and (c ) Funds Check.

#### 5.9.1.3 Procedural Check

- (i) The checking officer must ensure that:
  - (a) the correct payment voucher form is used;
  - (b) an approved commitment requisition is present where required and it is signed by the appropriate programme manager;
  - (c) the authority for the payment and the reference quoted are valid;
  - (d) in the case of the procurement of equipment, goods and supplies, the following is present:
    - (i) the relevant memo, letter or document from the Procurement Committee and/or from any relevant procuring authority;
    - (ii) a certification statement that the goods have been received and in good condition and taken on inventory;
  - (e) That the relevant original invoice, bill, statement, etc. is attached;
  - (f) whether all other departmental (internal) procedures have been complied with; and

#### 5.9.1.4 Validity and Accuracy Check

- (i) A detailed check must be done on the validity and correctness of all claims. This shall involve checking the following:
  - (a) the correctness of the following:
    - (i) the date of claim, bill or invoice,
    - (ii) the accuracy of the calculation of the amount on the bill/invoice,
    - (iii) the accuracy of calculations of the quantity/dimensions on the invoice i.e. weights, distance, volume and time, as the case may be;
  - (b) the correctness of the rates used and the amount payable and whether the full amount or portions thereof have already been paid on a previous claim;
  - (c) the correctness of the payee's name and whether such payee is entitled to the payment and whether all amounts deductible from the claim have been correctly deducted;
  - (d) whether all the relevant provisions of the FAA Act, Regulations and Instructions, Staff Orders for the Public Service and other relevant guidelines have been complied with;
  - (e) the correctness of the description of the payment,

(f) the correctness of the account code classification of the payment.

5.9.1.5 Funds Check

- (i) Funds check is a manual or an electronic check on the warrant balance, appropriations-in-aid fund balance and other authorised fund balance, to ensure that the necessary funds are available to effect the payment.
- (ii) No payment must be made if its fund source does not have adequate funds.

5.9.1.6 Certification of Payment

- (i) The certifying officer shall ensure that:
  - (a) the person named in the voucher is the person entitled to receive payment;
  - (b) all authorized deductions from the amount payable have been made;
  - (c) the services specified have been duly performed;
  - (d) the prices charged are either according to contracts or approved scales, or are fair and reasonable according to current local rates;
  - (e) the authority for payment is valid; and
  - (f) all calculations have been verified and that funds are available.
- (ii) The Certifying Officer certifies to the propriety, probity, accuracy and validity of the payment in all respects as indicated in the certification statement signed on the Payment Voucher form, indicated below:

I certify that this voucher has been properly prepared; the payee(s) entitled to the amount stated herein, that the rates and prices are fair and reasonable, the calculations are correct, according to regulations and contract, that all taxes and other amounts deductible has/have been deducted and funds are available.	
_____	_____
Certifying Officer	Authorising Officer
Date	Date

5.9.1.7 Certification of Goods Received

Payments for goods must be supported by a certificate that the articles have been received and, that they have been taken on in the appropriate inventory or stock record.

5.9.1.8 Authorisation of Payment

Authorising Officers are officers so designated by the Accounting Officer based on the recommendation of the Principal Finance Officer or Head of the Accounts Department.

5.9.1.9 Role of Authorising Officer

- (i) The authorizing officer approves financial transactions and authorises the updating or posting of the accounts.
- (ii) The authorizing officer must ensure that:
  - (a) checks executed by the certifying and checking officers have been properly carried out;
  - (b) The transaction is correct, is proper and justifies:
    - (i) approval;



- (ii) entry to the accounts, (i.e. updating the accounts);
- (iii) the release of funds; and
- (iv) submission to the AGD for payment, electronic verification for payment, or the issue of a cheque.

#### 5.9.2 Unauthorised Payment

- (i) A payment shall be deemed to be unauthorized where it conforms with all the provisions of the FAA Act, the FAA Act Regulations and these Instruction except that it was not certified and approved by the relevant or designated accountable officers.

#### 5.9.3 Improper payments

- (i) A payment shall be deemed to be improper where:
  - (a) it does not conform with all the provisions of the FAA Act, the FAA Act Regulations and these Instruction;
  - (b) it can be deemed to be waste, extravagant or nugatory;
  - (c) it is for expenditures not in line with the provisions of the MDA's Estimates of Expenditure;
  - (d) it is for expenditures that are not for the public good;
  - (e) there is evidence of conflict of interest or any unethical practice.

#### 5.9.4 Disciplinary Action for Unauthorised/Improper Payment

- (i) Where an unauthorized payment is made the culpable officers shall be liable for disciplinary action.
- (ii) Where an improper payment is made, the officer(s) who signs the voucher shall be held responsible and may be liable to surcharge for the amount of the improper payment.

#### 5.9.5 Notification of Payment

- (i) Accountable Officers shall be responsible for notifying payees when their cheque is ready or when payment has been sent electronically to their bank account.
- (ii) In the case of electronic payment the notification can be in the form of an electronic mail.

#### 5.9.6 Cash Payment Limit

- (i) Where the circumstance warrants, the payment of public moneys in cash shall for the time being be restricted to a limit of fifty thousand dollars (\$50,000.00) per transaction.
- (ii) Cash payments shall not apply to payments in respect of salaries and wages.
- (iii) All payments in excess of the approved limit must be made by cheque or through the Central Treasury Management System (CTMS) or any other approved means.

#### 5.9.7 Receipts from Payments

- (i) An acknowledgment or a receipt, duly stamped where necessary must be obtained in respect of each sum of public moneys paid by cash;
- (ii) A receipt must be obtained in all cases where it is a legal requirement in respect of payment made by cheque;
- (iii) All receipts must be attached to the relevant payment voucher.

## **5.10 Control of Cheques**

- (i) Accounting Officers and Heads of Departments shall ensure that adequate safeguards exist in their Accounts Branch for:
  - (a) the receipt, custody and issue of blank cheques;
  - (b) the custody, control and use of cheque printer;
  - (c) the signing of cheques;
  - (d) the custody, control and use of cheque signing machines; and
  - (e) the custody and delivery of signed cheques.

### **5.10.1 Cheque Inventory**

- (i) An inventory of each type of cheques maintained must be kept by the officer having custody of such cheques showing:
  - (a) cheques received;
  - (b) cheques issued;
  - (c) cheques returned;
  - (d) cheques spoiled; and
  - (e) balance of cheques in stock
- (ii) Cheque inventories must be maintained in numerical sequence based on the transaction date.

### **5.10.2 Writing of Cheques**

- (i) Cheques written by hand, typed or printed by computer must:
  - (a) have the amount in words and figures agree;
  - (b) be written, typed or printed in such a way as to make alteration difficult if not impossible;
  - (c) the amount in words should be written in full;
  - (d) the figures should be placed as close to the money sign (\$) as possible; and
  - (e) a line or asterisk should be drawn, typed or printed through any blank spaces remaining after the words and figures have been filled in.

### **5.10.3 Alteration of Cheques**

- (i) If an alteration is made on a cheque, the alteration must be confirmed by the signatures of the drawers being placed as near to the alteration as possible.

### **5.10.4 Crossing Cheques**

- (i) A cheque may be crossed by drawing two parallel lines on the face of the top of the cheque with the words "& Co" written between the lines.
- (ii) All cheques sent by bearer or by post must be crossed except for salary cheques.

### **5.10.5 Cheque Signing**

- (i) Cheques must be signed by two authorized officers unless special authority has been obtained from the Financial Secretary or where cheques are prepared and signed by a mechanical device.

- (ii) Counterfoils or copies of all cheques, where available, must be retained as reference for not less than five (5) years.

#### 5.10.6 Cancelled Cheques

- (i) If for any reason a cheque is to be cancelled the word “cancelled” must be written across the face of the cheque and holes punched in the section bearing the account number
- (ii) Copy cheque stub and/or counterfoil must also be marked cancelled and kept securely for reference.

#### 5.10.7 Lost Cheque

- (i) In cases where a payee has received a cheque and has reported it lost or mislaid, the payee must sign a letter of indemnity using the appropriate form before a replaced cheque is issued.
- (ii) Where an indemnity is given, it should be properly stamped and placed in a secured place as it will be required to support any claim made on the payee, should both cheques turned up cashed.
- (iii) Before a replacement cheque is issued the Accounting Officer/Head of Department must issue a “**Stop Notice**” to the bank on which the original cheque was issued and get the bank’s confirmation that:
  - (a) the original cheque has not been cashed; and
  - (b) the “**Stop Notice**” instruction has been noted by the bank.
- (iv) The full cost of the “**Stop Notice**” charged by the bank must be borne by the payee or the person responsible for the lost cheque.

#### 5.10.8 Unclaimed Cheque

- (i) Accounting Officers and Heads of Departments must ensure that cheques prepared are delivered to clients within ten (10) working days after preparation.
- (ii) Cheques held and not collected for a period of twenty (20) working days or cheques returned unclaimed must be examined to ascertain the whereabouts of the payee and based on the circumstances may be:
  - (a) written back to the account on which it was drawn; or
  - (b) lodged to the Departmental Deposits Bank account.

#### 5.10.9 Stale Dated Cheques

- (i) stale dated cheques are cheques issued for six (6) or more months that have not been presented to the bank.
- (ii) cheques that have become stale must be removed from the Cash Book (i.e. Bank Account) by the following accounting entries:

Bank Account	<i>Debit</i>
Stale dated Cheques Account	<i>Credit</i>

- (iii) a stale-dated cheques subsidiary ledger must be kept to record detailed information related to each payee such as name of payee, cheque number, date of payment and amount.

- (iv) the stale-dated cheque account in General Ledger must be reconciled monthly with the stale-dated cheques subsidiary ledger .
- (v) when stale-dated cheques are reissued the entries at (5.10.10) (ii) must be reversed and the relevant entry in the stale-dated cheques subsidiary ledger cancelled..
- (vi) the balance on the Stale-dated Cheques Account is a liability of the MDA that must be carried forward from one financial year to another.
- (vii) held in the Stale-dated Cheques Account for six (6) or more years, must be transferred to the Accountant General's Miscellaneous Revenue Bank Account.

#### 5.10.10 Destruction of Unused Cheques

- (i) Whenever the destruction of unused cheque leaves is contemplated the following procedures must be adopted:
  - (a) Prior written approval for the destruction of unused cheques must be received from the Accounting Officer or the relevant accountable officer.
  - (b) The request for destruction must indicate the following:
    - name and number of the relevant bank account;
    - bank and branch at which the account is held;
    - purpose for which the account is held;
    - sequence and total number of cheques to be destroyed; and
    - reason(s) for requesting permission to destroy cheques.
  - (c) On receipt of permission from the accounting or relevant accountable officer, a Board of Survey comprising the following members must be constituted:
    - a senior member of the Accounts Department who must not be the custodian of the cheques; and
    - two other A permanently appointed officer, not being members of the internal Audit or Accounts Department.
  - (d) Having constituted the Board of Survey, the Board must:
    - obtain the list of cheques to be destroyed. The list must contain individual cheque sequence i.e. it must include the first cheque number and the ending cheque number in the sequence. The number of cheques in the sequence must also be shown.
    - the list must be checked against the physical stock of cheques to determine that the particulars and total number of physical cheques agree with the list.
    - the physical cheques must then be removed from the cheque inventory with the relevant notation – number of cheques issued, cheque sequence and signatures – being made by the custodian and the person receiving the stock of cheques to be destroyed.
  - (e) Having conducted the Board of Survey, the members must draw a line through each cheque leaf; tear the signature signing area or stamp “cancelled” across the face of each cheque. The physical cheques must then be destroyed, in the presence of members for the Board of Survey, by burning, or shredding;

- (f) A certificate attesting to the fact that the cheques were destroyed and detailing the specific tasks performed must be prepared, signed by the members of the Board of Survey and submitted to the Accounting Officer;
- (g) At the end of this process a report detailing the procedures employed and including a copy of the certificate produced by the Board of Survey must be submitted to the of the Accountant General and the internal auditor of the relevant MDA;
- (h) Additionally, where the destroyed cheques relate to an official bank account that has been closed the following documents must accompany the report to the Accountant General:
  - A copy of the letter to the bank containing the instructions to close the account;
  - A copy of the final bank reconciliation statement; and
  - Detail of how any credit balance on the account at the date of closure was accounted for.

### **5.11 Confidential Expenditure**

- (i) Expenditure from provision in the Estimates of Expenditure for services of a confidential nature, the purpose and particulars of which cannot be divulged, must be supported in the accounts by a certificate of payment given by the Accounting Officer or his designate and a declaration that he has satisfied himself that the money has been properly expended.
- (ii) The certificate referred to at (5.11) (i) may, without further enquiry, be accepted by the Auditor General as proof that the payment mentioned therein has been properly made.
- (iii) Confidential Expenditure may include but not limited to the following:
  - (a) purchase of services
  - (b) purchase of evidence
  - (c) purchase of specific information
  - (d) other expenses, if disclosed may compromise the investigation or identity of an undercover or other security operations
- (iv) Funds to meet Confidential Expenditures called “Confidential Funds” may be disbursed on an Imprest basis to specified accountable officers upon approval by the relevant Accounting Officer.
- (v) Confidential Funds must not be used for the purchase of equipment and other capital goods.
- (vi) Confidential Funds must be closely monitored by the relevant Accounting Officer and must not be spent on any item of expenditure that is of an unofficial or “non-confidential” nature.
- (vii) All reimbursement of the confidential Imprest must be authorized by the relevant Accounting Officer.
- (viii) Confidential expenditures must be contained within the limit of the Estimates of Expenditure.
- (ix) Any proposed Confidential Expenditure for payment of five hundred thousand Jamaican dollars and above or foreign currency equivalent thereof to a single person or organization

whether as a single payment or the sum total of a series of payment must be submitted under confidential cover to the Minister for prior approval. Such approval where granted shall be given in writing under confidential cover.

- (x) The Minister shall be provided quarterly by the Accounting Officer under confidential cover a summary of the confidential expenditures made in the quarter. The report must state the following:

Date of Payment	Purpose of Payment (National Interest)	Amount
Total Confidential Payment for Quarter \$		

- (xi) The Minister may where considered appropriate direct the Financial Secretary to issue instruction barring any accounting or accountable officer from making any further Confidential Expenditures.
- (xii) A copy of the Financial Secretary's instruction at (5.11) (xi) must be submitted to the Auditor General.

## 5.12 Government Funded Credit Card

### 5.12.1 Authority for Use

- (i) The acquisition of Government funded credit cards for use both locally and overseas by Permanent Secretaries/Heads of Departments and Chief Executive Officers must have the prior and written approval of the Financial Secretary.

### 5.12.2 Application for Credit Card

- (i) The request to the Financial Secretary for approval to operate a credit card must be submitted to Accountant General by the Permanent Secretary/Heads of Department and Chief Executive Officer and must provide the following information:
  - (a) Justification/need for the card;
  - (b) Name and post of person who will be authorized to use the card;
  - (c) Whether the applicant has the use of any other Government funded credit card;
  - (d) Name and address of the bank from which the credit card is being sought;
  - (e) Proposed credit limit on the card;
  - (f) Interest rate and fees to be applied by the bank as a result of late payments;
  - (g) Source of funding for the credit card;
  - (h) Brand of card required;
  - (i) Currency of card;
  - (j) Whether the card is a single or dual-currency card. and

- (k) The name and post of the accountable officer responsible for monitoring and reporting on the use of credit cards within the ministry, department, agency or public body in accordance with Instruction 5.12.9.
- (ii) Public Bodies that are self-financing must obtain written approval from their Board for the operation of a Government funded credit card. Notwithstanding this, public bodies must abide by all the principles outlines in these Instructions

### 5.12.3 Types of Government Funded Credit Cards

- (i) Credit cards shall be of two types:
  - (a) General Credit Cards (GCC) – issued for general purpose such as payment of subscription fees, payment of goods and service or other business transactions for which credit card is the mode of payment requested by the vendor or is a more efficient and economical method of payment.
  - (b) Individual Credit Cards (ICC) – issued to authorised persons to include Ministers of Government, Permanent Secretaries, Heads of Departments and Chief Executive Officers.

### 5.12.4 General Credit Cards (GCC)

- (i) All payments made through the use of GCC shall be in accordance with the rules and guidelines concerning the payment of public funds.
- (ii) A Ministry, Department, Agency (MDA) or public body shall not have more than one (1) GCC account with not more than two card holders. Each card holder shall have a unique account/sub account of the GCC account to reflect their individual credit card transactions.
- (iii) A GCC holder may be issued to any of the following accountable officers: Principal Finance Officer, Director of Finance, Director of Administration/ Corporate Services or any other appropriate accountable officer designated by the Permanent Secretary, Head of Department or the Chief Executive Officer of an Executive Agency or Public Body.

### 5.12.5 Individual Credit Cards (ICC)

- (i) An ICC shall be cards issued **only** to Ministers of Government, Permanent Secretaries, Heads of Departments and Chief Executive Officers of Executive Agencies and Public Bodies and shall be used only for the purposes described at (5.12.7).
- (ii) The holder of an ICC shall not also have a GCC.

### 5.12.6 Credit Limit

- (i) Credit cards that have an unlimited credit ceiling shall not be permissible.
- (ii) The credit card limit on GCC and ICC must not be more than that stipulated at **Appendix10** and shall be determined by the Accountant General subject to the approval of the Financial Secretary.
- (iii) Where the credit card is denominated in a foreign currency, the credit limit to be applied shall be determined by the Accountant General subject to the approval of the Financial Secretary based on an assessment of each individual request.

- (iv) In very special circumstances the Accountant General subject to the approval of the Financial Secretary may authorise credit card limit in excess of that stated at Appendix 10, either on a permanent basis or for a specific period of time.
- (v) The approved credit limit or ceilings must be communicated by the MDA to the credit card company by the relevant MDA or Public Body.
- (vi) Under no circumstances shall the credit limit be increased or varied without the prior written approval of the Financial Secretary. Where the bank automatically increases the limit, they must be instructed to immediately revert the card to the limit approved by the Accountant General/Financial Secretary.
- (vii) In special circumstances where it is required to use the GCC to make a purchase in excess of the approved limit the Permanent Secretary, Head of Departments or Chief Executive Officer may authorise the deposit of the required additional funds to the credit card account to effect the transaction.
- (viii) Where a credit limit is exceeded, MDAs and public bodies **shall not** pay the excess amount and/ or any other attendant costs to the bank unless approved by the Accountant General. If not approved, the excess must be paid by the cardholder. Where the excess is not paid by the cardholder he/she shall be liable to surcharge.

#### 5.12.7 Use of Credit Card

- (i) Cash advances on Government funded credit cards shall not be permitted under any circumstances. Where this is done, the matter must be reported immediately to the Accountant General and the Financial Secretary.
- (ii) Individual Credit Cards (ICC) shall be used for the purposes of meeting unforeseen or unavoidable and other Government official expenditures. It must not be used for private and personal expenses.
- (iii) Credit Cards may also be used while on official visit abroad to meet unforeseen expenditures that could not have been provided for in the per diem allocated.
- (iv) General Credit Cards are authorized for use only for official, legitimate and necessary Government expenditures which in the circumstances cannot be conveniently met through the normal payment process or is more efficiently and effectively made through the use of the credit card and which can be verified or substantiated.
- (v) Any expenditure met by use of Government funded credit cards that do not satisfy the conditions of this section shall be deemed as private and personal and must be reimbursed promptly by the card holder along with any accrued interest charges. The matter must also be reported immediately to the Accountant General, Financial Secretary and the Auditor General.
- (vi) The GCC facility must not be used to circumvent the system of commitment control and to cause expenditure in excess of budgetary allocation.
- (vii) Arising from the fact that the nature of credit cards causes expenditure to be incurred prior to commitment being recorded, accountable officers must implement strict control measures to prevent waste and extravagance in the use of the Cards, and to ensure that expenditures are kept within budgetary allocations.
- (viii) Instances of extravagance or deviation from these guidelines in the use of Government funded credit cards must be reported immediately to the Accountant General, Financial Secretary and the Auditor General.



### 5.12.8 Credit Card Bills

- (i) Bills, invoices, statements, sales draft, transaction receipts must be presented to the relevant Accounts Branch to substantiate all credit card expenditures. The bills, invoices etc. must be certified that goods or services were satisfactorily received.

### 5.12.9 Credit Card Monitoring and Control

- (i) Permanent Secretaries, Heads of Departments and Chief Executive Officers of Executive Agencies and Public bodies must ensure that an accountable officer is assigned the responsibility for the monitoring and control of Government funded credit cards within the ministry, department, agency or public body. This officer shall be referred to as the Credit Card Administrator (CCA).
- (ii) Credit card statements must be sent by the bank directly to the CCA and not to the cardholder or any other officer in the MDA or public body.
- (iii) The CCA must :-
  - (a) obtain from cardholders all bills, sales draft, invoices, statements, transaction receipts etc. in respect of all credit card purchases and shall check same to ensure that the purchases are for valid official purposes.
  - (b) prepare monthly reconciliation between the amounts claimed by the bank for payment and the bills/sales drafts etc. submitted by the cardholder.
  - (c) Monitor the Accounts Department to ensure that all legitimate credit card payments are made in full to the bank on or before the due date thereby avoiding finance charges. Where finance charges accrue, the CCA or any officer responsible for the delay in payment shall be held liable for payment of such charges.
  - (d) Submit quarterly report to the Accountant General on credit card operations for the quarter as shown at Appendix 33 report must be submitted no later than fourteen (14) working days following the end of the quarter.

### 5.12.10 Validation and Safekeeping

- (i) Credit cardholder must immediately sign card upon receipt.
- (ii) Each cardholder is responsible for the safe custody of the card.
- (iii) When the card's expiration date has passed and/or after the cardholder has received a new card, the expired card should be returned to the CCA for it to be destroyed.
- (iv) Government funded credit card shall not be transferred/assigned or used by anyone other than the designated cardholder.

### 5.12.11 Suspension, Transfer and Termination of Card

- (i) The use of credit cards must be suspended when the cardholder is on vacation leave or when so directed for whatever reason by the Accountant General, Permanent Secretary, Head of Department, and Chief Executive Officer or by the Board of the Public Body. The bank must be promptly advised to effect any such suspension.
- (ii) The Financial Secretary must be promptly informed of all suspensions of the use of credit cards and the reason(s) thereof.
- (iii) Government Funded credit cards must be terminated immediately when the authorized cardholder:

- (a) dies;
- (b) is declared bankrupt or mentally unsound;
- (c) is interdicted by the Public Services Commission;
- (d) is convicted of a criminal offence; and
- (e) resigns, retires, is dismissed, or is separated from office in any other way.
- (iv) When a decision is made to terminate the use of a Government funded Credit Card, the following procedures shall apply:
  - (v) The issue of written instruction to the bank terminating the card with immediate effect;
  - (vi) The issue of written instruction to the cardholder to return the card to the CCA;
  - (vii) The CCA obtain a final statement from the bank and reconcile it with the receipts and charge slips;
  - (viii) The Accountant General be advised of the termination of the card, submitting copies of:
    - (ix) the letter to the bank terminating the card;
    - (x) the letter to the cardholder to return the card; and
    - (xi) the final reconciliation statement detailing any amounts outstanding and any amounts owed by the cardholder for personal or unauthorized use. The final reconciliation statement submitted must be certified by the Chief Internal Auditor.

#### 5.12.12 Lost or Stolen Cards

- (i) Lost or stolen Government funded credit card must be promptly reported to the bank, the Accountant General, the Financial Secretary and the Auditor General. The report must state the following:
  - (a) the date the card was lost or stolen
  - (b) whether the loss or theft was due to negligence on the part of the cardholder
  - (c) the action recommended to be taken in respect of the lost or stolen card.
  - (d) the account number and the expiry date of the card.

#### 5.12.13 Penalties

- (i) Penalties for breach of Instruction 5.12 and any false information knowingly submitted to the Accountant General in respect of the application or operation of the card shall cause any of the following actions:
  - (a) termination of card;
  - (b) recovery of charges; and
  - (c) surcharge and/or disciplinary action by the Public Services Commission or by the Board of the relevant public body.

### 5.13 Payroll Disbursements and Allowances

#### 5.13.1 Monthly Payments

##### 5.13.1.1 Emoluments

- (i) For the purpose of the FAA Act “Emoluments” mean all compensation payable to the holder of an office or employment, which may include the payment of money or other valuable consideration.

5.13.1.2 Period of Payment

- (i) The payment of salary to monthly paid employees of Government shall be in respect of each calendar month.

5.13.1.3 Pay Day

- (i) Monthly paid employees of Government shall be paid salaries and allowances attached to posts on the 25<sup>th</sup> day of each month except in the following cases:
  - (a) where the 25<sup>th</sup> falls on a Friday, Saturday, Sunday or Monday in which case the pay day, shall be the Thursday immediately preceding the 25<sup>th</sup>; and
  - (b) for the months of December and March the Financial Secretary shall issue specific instructions regarding the date for payment.

5.13.1.4 Computation of Salaries:

- (i) For the purpose of calculating salary for a portion of the month, the officer should be paid for the number of working days (a public holiday should be regarded as a working day) as a fraction of the total number of working days in that month times the monthly rate, as per example below:

*August 1 - August 30, 2016*

$$\frac{21}{22} \times \frac{35800}{1} = 34172.73$$

5.13.1.5 Payroll Register

- (i) Monthly salaries shall be made on the basis of a payroll register prepared, checked, balanced and authorized by the respective accountable officers to whom the duty has been delegated.

5.13.1.6 Mode of Payment

Payment must be made by cheque or by crediting the employees' bank accounts.

**5.13.2 Weekly/Fortnightly Paid Wages**

5.13.2.1 Period of Payment

- (i) The payment of wages to weekly and fortnightly paid employees of Government shall be in respect of each calendar week or fortnight respectively.

5.13.2.2 Pay Day

- (i) The payment of wages to weekly and fortnightly paid employees of Government shall be made on the Friday preceding the end of the week or fortnight except:
  - (a) where such Friday is a public holiday in which case payment shall be made on the Thursday preceding the end of the week or fortnight; and
  - (b) for the latter weeks or fortnight during the months of December and March in which case the Financial Secretary shall issue specific instructions regarding the date for payment.

#### 5.13.2.3 Computation of wages

- (i) Wages for periods of less than one week shall be calculated as a fraction of five (5) days.

#### 5.13.3 Salaries Paid by Accountant General

- (i) The Accountant General shall upon request from entities or upon the instruction of the Financial Secretary pay monthly salaries on behalf of ministries and departments.
- (ii) Ministries and departments shall take over the preparation of their payroll from the Accountant General subject to the approval of the Financial Secretary. The request for approval must indicate the following:
  - (a) the reason for wanting to prepare entity's payroll;
  - (b) method planned for doing own payroll, highlighting the controls to be put in place to ensure accuracy and timeliness;
  - (c) the additional cost if any; and
  - (d) the type and name of software to be used.

#### 5.13.4 Payroll Changes

- (i) It is the responsibility of the Accounting Officer to notify the Accountant General of the rates of salaries and allowances to be paid and of the deductions to be made from officers' salaries from time to time as well as the dates on which such salaries, allowances and deductions should cease.

#### 5.13.5 Closed Period for Changes

- (i) The Accountant General shall stipulate the "closed period" for monthly salaries during which no changes in pay information will be accepted for adjustment.
- (ii) Variations in pay notified to the Accountant General during the closed period shall not be taken into account in the current pay period, but will be taken into account and reflected in the payroll for the succeeding month.

#### 5.13.6 Out of Time Payment

- (i) The Accountant General shall not make individual payments on account of salary outside of the regular pay procedure.
- (ii) Where a department considers it necessary that an officer should receive pay "out of time" the Department shall instruct the Accountant General to make such payment which should be charged in the Department's books as an advance to the officer.
- (iii) Every such advance shall be immediately notified to the payroll section of the Accountant General with a request that the sum advanced be deducted from salary payable to the officer in respect of the next regular pay period, and that the amount be refunded to the department.

#### 5.13.7 Leave Salary Paid in Advance

- (i) In cases where the payment of salary in advance is approved and paid to an officer proceeding on vacation leave, the payroll section of the Accountant General must be advised promptly.

#### 5.13.8 Payroll Register

- (i) The Accountant General shall submit copies of the payroll register to the relevant client ministries and departments advising them of particulars of the salaries and deductions for each employee.

#### 5.13.9 Salaries Control Register:

- (i) MDAs shall maintain a salaries control record, which should indicate what payroll payments ought to be made by the Accountant General.

#### 5.13.10 Balancing Payroll Register

- (i) The payroll register must be reconciled with the Payroll control record.

#### 5.13.11 Funding of Salaries Bank Account & CPPS

- (i) Ministries and departments must issue payment request each month to the Accountant General stating the amount of their gross salaries for the funding of their salaries bank account. This must be done within the time stipulated by the Accountant General.
- (ii) The operation of Salaries Bank Account shall be phased out and replaced by the operation of the Central Payroll Payment System (CPPS) where net pay and payroll deductions are paid by the Accountant General through the Central Payment Account (CPA). (See CPPS User Instruction Manual).
- (iii) MDAs must close their Salaries Bank Account when the CPPS is fully implemented for all their payrolls.

#### 5.13.12 Pensions and Allowances

##### 5.13.12.1 Date of payment

- (i) Pensions, compassionate payments and related allowances payable shall be paid on the 25th day of each month except in the following cases:
  - (a) where the 25<sup>th</sup> falls on a Friday, Saturday, Sunday or Monday in which case the pay day, shall be the Thursday immediately preceding the 25<sup>th</sup>
  - (b) for the months of December and March in which case the Financial Secretary shall issue specific instructions regarding the date for payment.

#### 5.13.13 Statutory and Other Deductions

##### 5.13.13.1 Record of deductions

- (i) Statutory and all other authorized deductions from pay must be shown in the payroll register.

##### 5.13.13.2 Payment of deductions

- (i) The amounts deducted from pay shall be paid to the authorized organisation or credited to the appropriate Government accounts within five (5) working days of the effective date of

deductions or earlier as per the requirements of the statutes under which the deductions are effected.

#### 5.13.13.3 Statutory deductions

- (i) The following shall be regarded as “statutory deductions”:
  - (a) Income Tax (PAYE);
  - (b) National Insurance Contributions;
  - (c) National Housing Trust contributions;
  - (d) Family Benefits Pension contributions;
  - (e) Provident Fund Contributions; and
  - (f) Education Tax.

#### 5.13.13.4 Other Government Deductions

- (i) The following shall be regarded as “other Government deductions”:
  - (a) Recovery of Overpayments;
  - (b) Repayment of Motor Car Loans;
  - (c) Repayment of Motor Vehicle Insurance Loans;
  - (d) Repayment of Salary Advances;
  - (e) Repayment of Miscellaneous Loans;
  - (f) Repayment of Computer Loan;
  - (g) Repayment to Students’ Loan Bureau;
  - (h) Repayment of Tertiary Loan;
  - (i) Rental of Government Quarters; and
  - (j) Repayment of any other amounts due to Government.

#### 5.13.13.5 Private Deductions

- (i) MDAs are authorised to deduct from salary the following “personal deductions”:
  - (a) Contribution to Group Health Insurance Scheme;
  - (b) Life insurance premium;
  - (c) General insurance premium;
  - (d) Contributions to thrift societies and credit unions;
  - (e) Contribution to pension and superannuation funds operated by an approved financial institution
  - (f) Contribution to charitable and voluntary organisations;
  - (g) Union dues;
  - (h) Alimony payments and other deductions as per court orders;
  - (i) Contribution to ministry/department sports and social club of staff Association, and
  - (j) Any other authorised personal deductions.
- (ii) Under no circumstance whatsoever shall there be any deduction from salary for hire purchase instalments, payments of utility or other personal bills.

#### **5.13.14 Statutory Deductions Payable Form**

- (i) MDA’s, Educational Institutions and Regional Health Authorities must submit the Statutory Deduction Form to the Accountant General’s Department by the 19<sup>th</sup> day of each month (see Appendix 17, Statutory Deductions Payable), stating the actual amount

payable for Income Tax, Education Tax, NIS employees' and employer's contributions, NHT employees' and employers' contributions.

- (ii) Statutory Form must be submitted to the Ministry of Finance no later than ten (10) working days of the month in which the salary is paid. Educational Institutions, Regional Health Authorities and Outstations must submit Statutory Deduction Form to their portfolio Ministry within five (5) working days of the month to be incorporated in the overall submission to the Ministry of Finance.
- (iii) The Accountant General's Department shall through Intra-Government Transfer and otherwise effect payment of the deductions and advise TAJ and MDAs and public entities accordingly.
- (iv) The TAJ shall issue receipts to MDAs and other relevant public entities for the statutory deductions paid.

#### 5.13.14.1 Statutory Deductions Reconciliation

- (i) MDAs must prepare monthly reconciliation to ensure that the correct amount for statutory deduction is paid. Where an error occurred, that is, the amount paid is greater or less than the amount payable; the MDA must do the necessary adjustment (s) in the subsequent month.

#### 5.13.15 Deposit of Net Pay

- (i) MDAs may accept orders from public officers to deposit their net pay to any of the following institutions;
  - (a) Local commercial banks licenced by the Bank of Jamaica (BoJ)
  - (b) Financial institutions licenced by the Financial Services Commission (FSC)
  - (c) Organisations registered by the Department of Cooperatives and Friendly Society

#### 5.13.16 Irrevocable Order

- (i) Irrevocable Orders shall be accepted from any of the financial institutions stated (i) above and any other financial institutions authorised by the MOF.
- (ii) Where an irrevocable order for payment to an authorised financial institution is submitted, this shall be accepted provided that the order states that the Government:
  - (a) shall not be held liable for the debt(s) of the employee,
  - (b) is authorised to recover all debts owed by the employee to the Government from sums owed to him/her before transfer of his/her net salary to the designated financial institution, in circumstances where the employee dies or become separated from the service.
- (iii) Where MDAs has doubts about the terms and conditions of an irrevocable order, the advice of the MDA's legal officer must be sought before acceptance of such an order.
- (iv) Where an irrevocable order for transfer of salary is accepted, MDAs must ensure that the necessary systems and procedures are in place to enforce the Order.
- (v) An Irrevocable Order Register must be maintained for all Orders accepted, and the following information recorded therein:
  - (a) name of the Employee,
  - (b) the date of the Order,

- (c) the name of the officer accepting the Order,
- (d) the financial institution to which the payment is to be made and
- (e) the expiry date of the Order
- (vi) Permanent Secretaries and Heads of Departments may prescribe a monthly and fortnightly threshold which employee's net salary must not fall below when accepting irrevocable orders. Where an Order, if accepted will cause an officer's net salary to fall below the prescribed threshold, the Order shall not be accepted.
- (vii) Where an irrevocable order is in force, MDAs must ensure that the order is executed for:
  - (a) all months or fortnights including those for which salary is paid in advance re-vacation leave
  - (b) all salaries paid to persons on suspension, or interdiction.
- (viii) MDAs that are paid by the AGD shall be responsible for signing, accepting and submitting Irrevocable Orders to the AGD for execution and for maintaining the Irrevocable Order Register.
- (ix) MDAs shall charge employees a non-refundable processing fee of five hundred dollars (\$500.00) before signing and acceptance of any Order. This fee must be collected and paid over to the Accountant General for Miscellaneous Revenue.
- (x) The non-refundable processing fee shall not be applicable in respect of deduction orders from banks, credit unions, building societies, insurance companies and other licensed/registered financial institutions. It shall be a one off payment charged for new irrevocable standing orders submitted by approved unregulated financial institutions only. Variations to an existing standing order shall not attract a processing fee.

#### 5.13.17 Financial Institutions added to GOJ List of Approved Salary Deduction entities

- (i) Financial institutions requesting approval to be added to the list of entities for which Government will accept salary deduction orders must submit a written application to the Financial Secretary
- (ii) Approval may be granted if the criteria stated at Appendix 37 are satisfied.

#### 5.13.18 Salary Overpayment

- (i) All overpayment of salary must be reported to the Accountant General, The Financial Secretary and the Auditor-General immediately upon discovery. The report should indicate the following
  - (a) The name and grade of the officer overpaid;
  - (b) The amount of the overpayment;
  - (c) The cause of the overpayment; and
  - (d) The method of recovery of the overpayment.
- (ii) The Accounting Officer/Head of Department or agency shall be responsible for ensuring that the full amount of any overpayment of salary is recovered within the financial year to which the overpayment was discovered, or at such other time that would be considered fair and reasonable after careful assessment of the payee's financial position.
- (iii) The Accounting Officer/Head of Department shall determine the repayment schedule based on the following:
  - (a) The amount of the overpayment;



- (b) The nature of the overpayment and whether it is reasonable to believe that the officer was aware of the overpayment;
- (c) The repayment schedule the officer is able to afford; and
- (d) The likelihood of the officer to be separated from the service.

#### 5.13.19 Salary in Advance

- (i) Accounting Officer and Heads of Department may authorize advances to public officers for salary and allowances in respect of the following:
  - (a) approved vacation leave to a maximum of two pay period for officers paid on a monthly basis or fortnightly basis; or
  - (b) amounts short-paid on salary and allowances.
- (ii) Recovery of these advances must be done by deductions from salary beginning in the month subsequent to the one in which the advance was made.

#### 5.13.20 Recovery of Debt

- (i) On the transfer to another government entity, retirement, resignation, dismissal or death of an officer the outstanding balance of any advance or debt due to the Government must be recovered in full from any amounts due to the officer or his estate.
- (ii) If such money is insufficient to cover the debt to Government, the Accountant General must be informed immediately so that the amount may be recovered from any pension, gratuity, provident fund payment or compassionate payment which may be made to the officer or his estate.
- (iii) In the case of a transfer to another government entity the Accounting Officer or the head of entity has the authority to recover from the officer's salary, all sums due as advance or debt to the government.
- (iv) In the case of death of an employee while in the service, a sum equivalent to the salary, allowances, all accumulated vacation and recalled leave to which he/she would have been entitled shall be paid to their legal representative. Payments shall be at the rates prevailing at the date of death.
- (v) In the case of resignation of an employee from the public service he/she shall be paid for all accumulated leave and any recalled leave to which he/she is entitled on the effective date of resignation. Payments shall be at the rates prevailing at the date of resignation.

### 5.14 Communication – Human Resource, Salaries Unit and Section Head

- (i) Accounting Officers and Heads of Department must ensure that there is an adequate system of communication between their salaries section, human resource section and section heads.
- (ii) The following communication guidelines shall be implemented:
  - (a) whenever an officer is granted vacation or paid study leave, the human resource must advise the officer's head of section and the salaries section in writing, indicating the date the officer is to resume duties;
  - (b) the Salaries Unit and section head must give written acknowledgement of the receipt of such advices;

- (c) similar advices and acknowledgement must be given whenever any other occurrences affecting officers' entitlement to salaries arise (e.g. promotions, seniority payments, no pay, half pay or quarter pay leave, acting appointments, retirement, resignations or dismissals);
- (d) the Salaries Unit must note leave particulars, resumption dates or other relevant data on officers' salary cards;
- (e) the Salaries Unit must not pay salaries and allowances beyond the period of approved leave without receiving written instruction from the human resource section that the officer has resumed duties;
- (f) where the resumption date falls on a pay day, or immediately after a pay day, or within a period which would prevent the payment of salaries for that entire pay period, consideration shall be given for payment of the salary provided human resource have advised that the officer have sufficient vacation leave to cover the entire pay period;
- (g) the human resource section must maintain control records indicating leave granted to officers and the resumption dates. Such records should be closely monitored to identify instances where officers fail to resume duties on the stipulated dates;
- (h) All officers granted vacation leave, study leave and half pay or quarter pay leave must advise the human resource section in writing through their section head of their resumption of duties;
- (i) section heads must immediately advise the human resource section in writing where officers fail to resume duties from leave on the stipulated dates; and
- (j) where an overpayment occur as a result of non-communication , the relevant officer may be surcharged for the amount overpaid where there is a loss to the Government .

## **5.15 Travelling Allowance**

### **5.15.1 Motor vehicle Documents**

- (i) Travelling allowances shall **not** be paid unless the motor vehicle for which the allowance is being claimed is registered by the relevant Ministry/Department or Agency for payment of such an allowance. To register the vehicle travelling officers must submit to the Human Resources Division (HRD) of their MDA valid copy of the following documents: :-
  - Motor vehicle Registration Certificate;
  - Motor Vehicle Insurance Certificate or proof of insurance;
  - Motor Vehicle Certificate of Fitness;
  - Travelling Officer's Driver's Licence or that of his/her designated chauffeur;
  - Declaration for assignment of use of the motor vehicle as shown at Appendices A and B.
- (ii) The HRD shall examine the documents at (5.15.1) (i), and if they are valid and in order, advise the Accounts Branch of the relevant travelling allowance to be paid to the officer.
- (iii) Upon replacement of motor vehicle, travelling officers must submit to HRD, the documents at (5.15.1) (i) for the new vehicle.

- (iv) HRD shall have the right to request documents at (5.15.1) (i) from travelling officers at any time to verify their validity.
- (v) Upon expiration of any of the documents at (5.15.1) (i), the travelling officer, must submit to HRD, copies of the new documents.
- (vi) Where the HRD find any of the document(s) at (5.15.1)(i) to be invalid, they must issue a notification to the travelling officers to submit the relevant valid document within thirty (30) working days from the date of the notification. Documents become invalid when the grace period, if any, allowed by the relevant law has expired.
- (vii) If the valid document(s) requested through notification at (5.15.1)(vi) is/are not received within the stipulated period, the HRD must notify the Accounts Branch for the travelling officer to be paid at the rate of the applicable transport allowance payable to persons who do not own or in possession of a motor vehicle.
- (viii) The notification at (5.15.1) (vii) shall take effect from the month following the date when the valid documents requested are to be submitted. For example, if the expiry date for the submission of the valid document is July 25, 2016, and this is not done, the travelling allowance for August 2016 and all months thereafter should be paid at the reduced rate until the valid documents are submitted. The difference between the travelling allowance and the reduced rate shall be recoverable only if the documents submitted were valid during the period.
- (ix) The motor vehicle registered for payment of travelling allowance and its requisite documents must be available for inspection at any time during working hours and within a reasonable time determined by an authorised officer of the Ministry, Department or Agency.
- (x) The authorised officer at (5.15.1) (ix) shall be the Chief Internal Auditor or his/her designate, certifying officer or any other person authorised by the Permanent Secretary, Chief Executive Officer or Head of Department.
- (xi) Where a motor vehicle is owned jointly by a travelling officer and another person, the travelling officer may register the motor vehicle for payment of travelling allowance by submission of the relevant documents listed at Instruction (5.15.1) (i). The declarations at Appendices 21 and 22 shall not be required in this circumstances.
- (xii) Registration of a jointly owned motor vehicle shall be approved on the condition that the travelling officer has free and unencumbered use of the motor vehicle for the performance of his/her official duties and no travelling allowance is being claimed by the joint owner of the said motor vehicle.
- (xiii) Where a travelling officer received duty concession and owns another motor vehicle, he/she must register and use the motor vehicle for which the duty concession was granted to perform his/her official duties.
- (xiv) Where a travelling officer's registered motor vehicle is stolen, written off or is being repaired for extended periods, he/she may seek approval from the Permanent Secretary, Head of Department or Chief Executive Officer to use another motor vehicle owned by him/her by registering same in accordance with (5.15.1) (i) above.
- (xv) Where a travelling officer acquired a motor vehicle through a finance lease or hire purchase and the ownership of the vehicle is vested in the lessor but will be transferred to the officer on the repayment of the loan, such motor vehicle shall be permitted to be registered for the purposes of obtaining motor vehicle travelling allowance.

- (xvi) In order for the HRD to do a proper evaluation of (5.15.1) (xiv), the lease/hire purchase agreement must be submitted along with the documents at (5.15.1)(i). On completion of the lease arrangement, the travelling officer must submit the relevant documents showing that ownership has been transferred to him/her.

#### 5.15.2 Motor vehicle Not Owned by Travelling Officer

- (i) Where a travelling officer does not own a motor vehicle but is in possession of one and uses it to perform his/her official duties free of any encumbrances, approval must be sought from and granted by the Permanent Secretary, Head of Department or Chief Executive Officer for the officer to be paid the applicable travelling allowance.
- (ii) The Permanent Secretary, Head of Department or Chief Executive Officer may approve the request based on the following guidelines:
  - (a) An application for payment of travelling allowance must be submitted to the Permanent Secretary, Head of Department or Chief Executive Officer through the HRD by a travelling officer who is in possession of a motor vehicle and wishes to use it in the performance of his/her official duties.
  - (b) The application must be supported by:-
    - (i) A signed declaration by the owner of the motor vehicle as shown at Appendix 21; and
    - (ii) A signed declaration by the travelling officer as shown at Appendix 22.
  - (c) The declarations stated at Instruction (5.15.2) (ii)(b) must be witnessed by a Justice of the Peace.
  - (d) The HRD shall examine:
    - (i) The declarations, the motor vehicle registration and certificate of fitness as well as the travelling officer's driver's licence or that of his designated chauffeur to ensure their validity.
    - (ii) The motor vehicle insurance certificate to ensure that the officer who is seeking permission to drive the motor vehicle is covered by the insurance policy.
  - (e) The HRD must ensure that the assigned motor vehicle is not registered as a:
    - (i) Company motor vehicle;
    - (ii) Commercial motor vehicle;
    - (iii) Public passenger motor vehicle; or
    - (iv) Rental motor vehicle.

The use of the above motor vehicle is prohibited for the purposes of payment of travelling allowance.
- (iii) The HRD on completion of its examination of the application at (5.15.2)(i), shall if the documents submitted are found to be in order, advise the Accounts Branch of the following:
  - (a) The assigned motor vehicle registration and its approval for use for payment of travelling allowance
  - (b) Attached to the post of the relevant travelling officer and the effective date,
- (iv) The use of motor vehicles assigned to travelling officers by virtue of declarations at Appendices 21 and 22 must be renewed annually by the travelling officer but shall not be extended for a period exceeding three (3) years.

### 5.15.3 Travelling Claims

- (i) Travelling officers in possession of a motor vehicle, which is used to perform official duties, must submit travelling claims for each month as stipulated by Staff Order (11.4.1). The claim shall be done using Form P6 – Transport Allowance Voucher. (See Appendix 25).
- (ii) Travelling allowance and mileage are reimbursable expenses to be paid based on the relevant claim submitted to the Accounts Branch by the date stipulated by the Permanent Secretary, Head of Department or Chief Executive Officer.
- (iii) A travelling claim submitted for a period in excess of three (3) months for payment, requires the prior approval of the Permanent Secretary, Head of Department or Chief Executive Officer following recommendation by the HRD as to its validity and the provision of an acceptable reason for its delay in submission.
- (iv) Every travelling claim must be checked, and signed by an appropriate senior officer certifying that :
  - (a) the officer is in possession of a motor vehicle registered for official travel;
  - (b) the motor vehicle was driven by the officer in the performance of his/her official duties; and
  - (c) the trips for which the officer is claiming mileage were done for official duties and the mileage claimed is accurate.
- (v) A certifying officer shall be held liable along with the travelling officer for any claim paid where it is found that the travelling officer was ineligible for the full allowance for the period of the claim, or where the mileage paid was inaccurate or the trips were not made.
- (vi) Travelling officers shall be eligible to make a claim for chauffeur's allowance at the prescribed rate where the officer is: -
  - (a) unable to drive due to a disability; or
  - (b) unable to drive due to medical reasons.
- (vii) Permanent Secretary, Head of Department or Chief Executive Officer must grant prior approval for the engagement of a chauffeur by a travelling officer.
- (viii) The request for approval for payment of a chauffeur's allowance must be submitted to HRD and be supported by a medical certificate attesting to the disability or medical condition of the travelling officer.
- (ix) The chauffeur's allowance shall be paid to the travelling officer at the applicable rate in addition to the relevant travelling allowance, mileage and toll charges.
- (x) Claims for payment of a chauffeur's allowance must be supported by a certificate that a paid chauffeur was employed for the period in respect of which the claim was made (see Appendix 23 - Chauffeur's Certificate Form).
- (xi) Chauffeur's allowance must be discontinued or not paid where the travelling officer:
  - (a) no longer has a medical condition preventing him/her from driving;
  - (b) for whatever reason is relegated to payment of travelling at the reduced rate payable to travelling officer without a motor vehicle.
  - (c) embarks on vacation or any other leave of absence from work.
- (xii) Travelling officers who are not using their motor vehicles or motor vehicles referenced in Instruction (5.15.1) to perform their official duties, shall be paid travelling allowance at the

applicable transport allowance payable to travelling officers who do not own a motor vehicle.

- (xiii) Where travelling allowance is to be paid for a portion of a month the calculation shall be based on calendar year as shown below:

$$\frac{\text{number of days for which the allowance is payable} \times \text{travel rate}}{365/366 \text{ days}}$$

- (xiv) Claim for mileage in respect of travelling must be based on the most appropriate and direct route. Where an officer is unable to use the most appropriate and direct route a written reason must accompany or be placed on the claim form. Mileage in respect of circuitous journeys must not be accepted for payment unless satisfactory reasons are provided.
- (xv) Where an officer is required to travel to perform official duties, the claim for mileage must be from the point of departure being residence or the official place of work, whichever is nearest to the destination.
- (xvi) Travelling Officers should be paid mileage from his base of employment as defined by the relevant accountable officer of the MDA.

#### 5.15.4 Loss or Disposal of Motor vehicle

- (i) Where a travelling officer has lost his/her motor vehicle or has disposed of it, he/she must immediately inform the HRD of the date of the loss or disposal of the motor vehicle.
- (ii) Travelling allowance shall be terminated immediately on the date of disposal of the motor vehicle if the officer has not provided the HRD with motor vehicle documents for a replacement motor vehicle. The officer shall be paid travelling at the applicable transport allowance payable to travelling officers who do not own a motor vehicle until documents of a replaced motor vehicle are provided to HRD.
- (iii) Travelling officers whose vehicle has been stolen must submit a report to HRD along with a copy of the report from the police station where the loss was reported. Full travelling allowance shall be paid for a period not exceeding (60) working days from the date of the loss. At the end of this period the officer shall be paid travelling at the reduced rate unless his/her vehicle has been recovered and put back in use or the officer has registered another vehicle to perform his official duties in accordance with (5.15.1) above.

#### 5.15.5 Motor vehicle Out of Service

- (i) A travelling officer whose motor vehicle, registered for travelling allowance in accordance with 5.15.1 is out of service and is undergoing repairs shall continue to be paid his/her travelling allowance for a period not exceeding twenty-five (25) working days providing the officer is not being paid an alternative travelling allowance in accordance with Staff Order 11.3.7.
- (ii) In circumstances where the repairs are not completed after the twenty-five working days referred to at (5.15.5)(i), the Permanent Secretary, Head of Department or Chief Executive Officer may grant approval for payment of travelling to be continued for an

additional period not exceeding sixty (60) working days in total, providing the officer is not being paid an alternative travelling allowance in accordance with Staff Order 11.3.7.

- (iii) Where a travelling officer motor vehicle was engaged in a major accident and a decision is to be made by the insurers whether the vehicle is to be written off, the officer shall be paid full travelling for a period not exceeding sixty (60) working days from the date of the accident. At the end of this period the officer shall be paid travelling at the reduced rate paid to persons who do not own a motor vehicle unless:-
  - (a) his/her vehicle has been repaired and put back in use; or
  - (b) the officer has registered another vehicle to perform his official duties in accordance with (5.15.1).

#### **5.15.6 Partially and Fully Maintained Motor vehicles**

- (i) Eligible officers who elect to operate a partially or fully maintained motor vehicle shall not be required to submit motor vehicle documents.
- (ii) Officers who elect to operate a partially maintained motor vehicle must be paid only the appropriate percentage of allowance.
- (iii) Officers who elect to operate a fully maintained motor vehicle must not be paid a travelling allowance.

#### **5.15.7 Travel Register**

- (i) Permanent Secretaries, Heads of Departments and Chief Executive Officers shall be required to maintain a Travel Register for recording all particulars in respect of travelling allowance and mileage paid to each travelling officer.
- (ii) The Travel Register shall be kept on a continuous basis and shall not be closed for each financial year. See Appendix 24 for sample of the format of the register.

### **5.16 Reimbursement of Toll Charges**

#### **5.16.1 Officers to be Reimbursed**

- (i) Reimbursement of toll charges shall be made to the following officers;
  - (a) Travelling officers and public officials who are assigned fully or partially maintained motor vehicles,
  - (b) Drivers of official or fleet vehicles,
  - (c) Public officers who are not travelling officers and are authorized to use their personal vehicles to perform official duties.

#### **5.16.2 Requests for Reimbursement**

- (i) Request for reimbursement of toll charges must be claimed on the appropriate P6 or P8 Form (see Appendix 31).
- (ii) The official toll receipt(s) must be:
  - (a) signed by the relevant certifying officer as to its validity; and
  - (b) attached to the appropriate Form at (i) above.

### 5.16.3 T-Card (Toll Card)

- (i) Toll accounts may be opened and T-cards obtained in respect of any emergency, official or fleet vehicles that will require regular journeys on toll roads.
- (ii) Permanent Secretaries, Chief Executive Officers and Heads of Departments must authorize the operation of toll accounts.
- (iii) The Transport Manager must keep a register of all T-Cards obtained (see Appendix 36). The account number that is printed on the card must be entered in the Register.
- (iv) The Transport Manager must obtain a monthly statement from each toll operator for each T-Card and use this to prepare a monthly reconciliation with the motor vehicle's Daily Assignment Record of the T-Card usage.
- (v) Where the T-card is used for any unauthorized journey, the charge(s) must be recovered from the responsible driver.

### **5.17 Human Capital Management Enterprise System (HCMES)**

- (i) MOF shall implement on a phased basis throughout the entire public sector an integrated Human Capital Management Enterprise System which consists of human resources and payroll .
- (ii) MDAs shall not be authorised to procure any new payroll or human resource system during this period. They shall continue to use their existing systems and await the roll out of the HCMES in their ministry, department, agency and public body.
- (iii) The Instructions herein shall be revised where necessary to facilitate the operation of the HCMES.



## 6 PUBLIC INVESTMENT MANAGEMENT

### 6.1 The Enabling Legal and Regulatory Framework

<p><b>I. Constitution of Jamaica</b></p> <p><i>None</i></p>
<p><b>II. Financial Administration and Audit (FAA) Act, 1959 as amended 2015</b></p> <p><b><i>Part II: Consolidated Fund Bank Accounts</i></b> <i>Article 6: Investment of Moneys:</i> The Minister may by directions in writing to the Accountant-General authorize the temporary investment of sums ....</p> <p><b><i>Part IIA: Loans and Advances</i></b> <i>Article 14C: Investments:</i> The Minister may, with prior approval of the House of Representatives, authorize the Accountant-General to purchase shares in any company with money from the Consolidated Fund.</p>
<p><b>III. Financial Management Regulations (FMR) 2011, as amended 2015</b></p> <p><i>None</i></p>
<p><b>IV. Fiscal Responsibility Framework Regulations (FRFRs) 2012, as amended 2015</b></p> <p><b><i>Public Investment Management System</i></b></p> <p><i>Regulation 2:</i></p> <ol style="list-style-type: none"><li>(1) A public entity within the specified public sector shall not enter into a commitment to undertake a public investment project without the written approval of the Cabinet.</li><li>(2) A public entity within the specified public sector that proposes a project for inclusion in the Public Sector Investment Programme (hereinafter called the “PSIP”) shall submit the proposal to the Public Investment Secretariat (hereinafter called the “Secretariat”) for assessment and appraisal.</li><li>(3) Upon receipt of the proposal, the Secretariat shall conduct an assessment and appraisal of the project to determine whether the project is –<ol style="list-style-type: none"><li>(a) consistent with the strategic objectives of the Government;</li><li>(b) technically, financially, economically and environmentally feasible; and</li><li>(c) satisfies the criteria set out in the Fourth Schedule of the Act.</li></ol></li><li>(4) After assessing and appraising the project in accordance with subsection (3), the Secretariat shall submit a report thereon to the Public Investment Management Committee (hereinafter called the “PIMC”) within the time specified in Financial Instructions issued by the Financial Secretary under section 51 of the Act.</li><li>(5) Upon receipt of the report on the project submitted under paragraph (3), the PIMC shall:<ol style="list-style-type: none"><li>(a) review the report; and</li></ol></li></ol>

- (b) submit a recommendation to the Cabinet in respect of the project within the time specified in Financial Instructions issued by the Financial Secretary under section 51 of the Act.
- (6) A public entity within the specified public sector that is desirous of undertaking a public investment project shall forward such details on the project as may be prescribed or required by the Cabinet and the recommendation of the PIMC under paragraph (5)(b) to the Cabinet for approval.”.

## 6.2 Financial Instructions

The Financial Instructions herein is the full and complete updated Financial Instructions regarding the above Law and Regulations as at the date of publication. Further information with regards to these Instructions can be accessed from the Government of Jamaica’s Public Investment Management System operational guidelines.

## 6.3 Definitions

The following definitions are the current interpretations that are critical to the understanding of the Public Investment Management System and its purpose and coverage, with respect to the public sector.

**“Public Investment”** Any non-recurrent expenditure on goods, works and services carried out by any public entity within the specified public sector on its own, or by one or more such public entities through Public-Private Partnerships, and which is aimed at accumulating new physical or intangible assets or enhancing human resource capacities, or improving or rehabilitating existing physical or intangible assets or human resource capacities, to achieve development objectives.

**“Public Investment Management Committee”** This committee, the membership of which shall be appointed by the Cabinet, shall have responsibility for:

- the screening of all investment proposals for feasibility and consistency with government's strategic objectives;
- reviewing all projects for technical, financial, economic and environmental feasibility;
- prioritizing projects for financing and recommending to Cabinet their inclusion in the PSIP; and
- reviewing project performance, monitoring risks to the achievement of objectives and continued relevance to government's policy priorities.

**“Public Investment Management Secretariat”** The Unit that shall undertake the assessment of project proposals presented for screening and appraisal, and provide technical support and advice to the PIMC to facilitate its decision making.

**“Public Investment Management System”** The Fourth Schedule of the FAA Act defines the PIMS as the common framework for the preparation, appraisal, approval and management of all

public investments in Jamaica, irrespective of the source of funding or procurement and implementation modalities.

**“Public Investment Project”** A public investment requiring planning, execution, monitoring and evaluation carried out as an integrated set of activities aimed at meeting a development objective, at specific costs and within a defined timeframe.

**“Public Sector Investment Programme”** A rolling five-year plan of Cabinet-approved, new and ongoing prioritized public investment projects, reviewed on a regular basis against –

- the strategic objectives of government;
- the fiscal and debt sustainability agenda;
- prevailing socio-economic and environmental conditions; and
- the implementation status and technical capacity of executing agencies.

**“Specified Public Sector”** The public sector not including any public body certified by the Auditor-General, in the manner specified in regulations made under section 50(1), as primarily carrying out functions that are of a commercial nature that satisfy such criteria as may be specified in such regulations.

## **6.4 Common Governance Framework for Public Investment**

- (i) There are eight fundamental parameters that together comprise a Governance Framework for the PIMS. These parameters are:
  1. authority to commit to undertake a Public Investment Project;
  2. one entry point for Public Investment Project Proposals;
  3. full disclosure on all expenditure related to the Public Investment Project;
  4. an established process for inclusion in the PSIP, and the prioritization of projects within the PSIP;
  5. justification for continued inclusion in the PSIP;
  6. responsibility of MDAs to provide timely and credible information on Project/Programme status;
  7. rigorous review of all Project Proposals; and
  8. results Based Monitoring and Evaluation.

### **6.4.1 Authority to Commit to Undertake a Public Investment Project**

- (i) No commitment must be given without the Cabinet having first approved, by way of a recommendation from the Public Investment Management Committee, to approve said public investment project.

### **6.4.2 One Entry Point for Public Investment Project Proposals**

- (i) Every public investment proposal/project must first be submitted to the PIMSEC at the Planning Institute of Jamaica (PIOJ) which is the Secretariat to the PIMC, regardless of whether it is intended to be financed by a grant, loan, government resources or PPP.

- (ii) Each submission receives an entry number that is then used to record the project. If the project is deferred or rejected and is re-submitted at a later point in time, that entry is there for cross-referencing.
- (iii) There is a standard template known as a Project Concept Summary (PCS) on which all proposals should be presented that sets out the basics or minimum requirements needed for the PIMSEC to make an assessment, at the point of entry. That is to say no Ministry, Department or Agency (MDA) should be in receipt of a grant/loan without a proposal being submitted to the PIMSEC using a PCS.
- (iv) The PIMSEC will evaluate each proposal independently and confirm the requisite funding source: Central Government, Public Body within the specified public sector, International Development Partner (IDP) or a Public Private Partnership (PPP), or a combination of these sources.
- (v) The PIMSEC will make its recommendations to the PIMC using the Project Concept Evaluation (PCE) form.
- (vi) For PPP projects, only after a proposal has been reviewed by the PIMC and a recommendation made to consider the proposal as a potential PPP can the proposal then be forwarded to the Development Bank of Jamaica (DBJ)/Ministry of Finance (MoF) PPP Units, for a screening of the project using the PPP criteria.
- (vii) PPP proposals must not enter the PIMS through the DBJ or the MoF. All proposals must be submitted to, or referred to, the PIMSEC, by the respective MDA for appraisal and pre-selection. It is this appraisal that results in a determination as to whether or not the project should be treated as a traditional procurement or a PPP.

#### 6.4.3 Full Disclosure on all Expenditure Related to the Public Investment Project

- (i) All public investment proposals/projects must, as a precondition of appraisal by the PIMSEC, represent both the associated capital and recurrent costs, during the project's (or programme's) life as well as after completion. This is to ensure that the PIMC and the Cabinet can make decisions for planned expenditures based on full information.
- (ii) A project proposal cannot indicate that it has no indicative recurrent cost and then, after approval for inclusion in the PSIP, the proponents seek to introduce additional costs into the budget.
- (iii) Such an occurrence has fiscal implications and would result in the PIMC deliberating to make a recommendation to Cabinet on whether or not to rescind the approval and remove the project from the PSIP.
- (iv) Full disclosure starts with the Corporate Plan. To ensure proper planning and budget alignment, all public investment projects should be reflected in the MDA's Corporate Plan.

#### 6.4.4 An Established Process for Inclusion in the PSIP

- (i) An MDA must complete a PCS for a new project which includes all the information required in the PCS (minimum content requirements), including an options analysis as to funding modality.
- (ii) An MDA must first send its PCS to the PIMSEC for an initial appraisal to determine if the concept should be developed into a full project proposal.
- (iii) Once the PIMC gives approval for further development, including
  - (a) pre-feasibility studies;
  - (b) feasibility studies; or
  - (c) preparation of Business Case for PPPs; and
  - (d) completion of all technical analysis, the project is then returned to the PIMSEC and the PIMC for final determination as to whether or not inclusion in the PSIP is merited.
- (iv) Unsolicited proposals (USPs) can only enter the PSIP from the entry point of the PIMSEC and have to be introduced as unsolicited Expressions of Interest (UEoI), using the PCS template.
- (v) Approval to develop full project proposals does not mean that there will be endorsement for inclusion in the PSIP. Each stage undergoes an appraisal/evaluation.
- (vi) A determination of the source of funding for a project is an important element of the development of the full project proposal. This determination is made by:
  - (a) Public Expenditure Division at the MOF in the event of a Government funded (or Capital A) project;
  - (b) Public Enterprises Division at the MOF in the event of a public body funded project; and
  - (c) Economic Management Division in the event of an externally funded project.
- (vii) Unfunded projects will not be included in the PSIP.

#### 6.4.5 Justification for Continued Inclusion in the PSIP

- (i) Approval for inclusion in the PSIP provides entry but not necessarily permanent inclusion or continuity.
- (ii) Each project, both new and ongoing, is reviewed at least once per quarter with respect to the following key parameters:
  - (a) the strategic objectives of the government;
  - (b) the fiscal and debt sustainability agenda;
  - (c) prevailing socio-economic and environmental conditions; and
  - (d) the implementation status and technical capacity of executing agencies
- (iii) This to ensure the public is getting value for money with respect to public investment and to ensure that projects that have the capacity to perform are not crowded out by under-performing projects.

#### 6.4.6 Responsibility of MDAs to Provide Timely and Credible Information

- (i) In order for the PIMS to function effectively and deliver value for money in public investment, there is need for timely and credible information to allow for various public entities, including the PIOJ and the MOF, to evaluate performance and take corrective action.
- (ii) Information is needed to update the Cabinet, the Parliament and the people of Jamaica on how public investment is delivering on outcomes that were promised to the country.
- (iii) Lack of information undermines the process of full disclosure on public investment performance. Where projects do not provide timely information, it may hinder their continuation in the PSIP.
- (iv) The Public Investment Management Information System (PIMIS) which is being established requires regular reporting from MDAs on projects. Project managers will enter information almost weekly.
- (v) In addition to the PIMIS, project managers are required to enter information monthly on the physical stage/ state of activities to support warrant requests and verify expenditures.

#### 6.4.7 Rigorous Review of All Project Proposals

- (i) There are various mechanisms for rigorous review, at various stages of the process, including the entry and end point for the PIMS:
  - (a) there is regular internal review of the PSIP by the Projects Branch (*ex post*), at the MoF, in terms of physical and financial achievements.
  - (b) there is review of the PSIP in the Annual PSIP Policy Paper with a view to improving the performance of the PSIP, advising Cabinet of adjustments and the prioritization criteria to use to determine both the size and composition of the PSIP (*ex post*).
  - (c) there is review during the process: at entry, during the process to determine if a project should proceed to project proposal development, after feasibility or other study and Business Case, and after inclusion in the PSIP.
- (ii) The various processes reinforce each other and are inputs to the Cabinet taking a decision on what new projects should be included in the PSIP and what should be done within the existing PSIP to extract the greatest value from public investment.

#### 6.4.8 Results-Based Monitoring & Evaluation

- (i) As part of the process of maintaining the PIMS, the PIMSEC keeps detailed documentation given its responsibility for Monitoring and Evaluation (M&E) for the PIMS.

## 7 ASSETS AND LIABILITY MANAGEMENT

### 7.1 The Enabling Legal and Regulatory Framework

#### I. Constitution of Jamaica

##### *Chapter VIII Finance:*

##### *Section 119:*

- (1) The public debt of Jamaica is hereby charged public on the Consolidated Fund.
- (2) In this section references to the public debt of Jamaica include references to the interest on that debt, sinking fund payments and redemption monies in respect of that debt and the costs, charges and expenses incidental to the management of that debt.

#### II. Finance Administration and Audit (FAA) Act, 1959 as amended 2015

##### *Part IIA: Loans and Advances*

*Section 14B:* covers the processes for permitting, accounting for and recovering loans and advances.

*Section 14C:* covers the purchase of shares by the Accountant-General.

##### *Part V: Government Property*

*Sections 35 to 39:* cover the processes for acquisition, management and disposal of government property.

*Section 40:* covers the establishment and use of a "Supplies Fund".

##### *Part VIII: General*

*Section 49:* covers loss and destruction of government property.

##### *Public Debt Management Act (PDMA), 2012*

##### *Definitions:*

"Loans" includes debt obligations arising under Government Securities and any other financial obligations approved by the Minister as a loan for the purpose of this Act.

"Public body" means any of the following:

- a) Ministry, Department, Executive Agency or other agency of Government;
- b) a local authority;
- c) a statutory body or authority; and
- d) a Government company.

"Public debt" means all financial liabilities created as a result of borrowing or guarantees by the Government and includes Government Securities.

##### *Section 9: Loans*

- (1) The authority to raise 'loans for or on behalf of the Power of Minister to Government vests solely in the Minister.
- (2) The Minister may, from time to time in accordance with this Act and for the purposes set

out in Section 10, raise loans in the name, and for or on behalf, of the Government, whether inside or outside of Jamaica, in Jamaican currency or foreign currency.

- (3) The Minister may, with the consent of the lender making a loan referred to in subsection (2), where such consent is contractually required, and upon such terms and conditions as the Minister may determine.

### **III. Financial Management Regulations (FMR) 2011, as amended 2015**

#### ***Part VI : Loss of Public Property***

*Regulations 78 – 88* - cover all aspects of loss of public property

*Regulation 95:* If an officer freely accepts financial responsibility for a loss, the officer may offer to pay the amount back into the Consolidated Fund or the relevant public fund, in which case the department responsible for disposal of the loss may-

- (1) Accept the offer to repay, if the disciplinary offence is not serious enough to necessitate further proceedings against the officer; or
- (2) Accept the offer in mitigation of the offence with the repayment being considered as a fulfillment of any penalty that may be imposed.

*Regulations 102 to 109:* cover the reporting aspects of loss of public property.

#### ***Part VIII: Government Property***

*Regulations 113:* cover the instructions on the management and control of Government property.

*Regulations 113 – 129:* provides for management of government property including sale.

*Regulation 139:* Safeguarding private property in lawful custody of Government.

#### ***Handing Over***

*Regulations 130 to 132:* covers the process of handing over public property.

#### ***Sale of Government Property***

*Regulations 133 – Financial Secretary's authority for sale of government property.*

*Regulation 134:* Where the assets of a public body that receives fifty *per cent* or more of its funds from the Consolidated Fund are disposed of, the net proceeds of sale shall be paid into the Consolidated Fund unless approval is granted by the Financial Secretary for retention of the funds or any portions thereof.

*Regulation 135:* A public body that is self-financed or received less than fifty *per cent* or more of its funds from the Consolidated Fund whose assets are disposed of, may retain the net proceeds of the sale.

#### ***Insurance***

*Regulation 141:* Where a public property that was lost damaged or stolen, collect from insurance claims, a sum of money towards the loss, this amount shall be paid over to the Consolidated Fund unless approval is given by the Financial Secretary for the amount to be used to set-off replacement of the property.

## **7.2 Financial Instructions**

The Financial Instructions herein is the full and complete updated Financial Instructions regarding the above Law and Regulations at the date of publication. All previous Instructions, Circulars as listed at the end of the document and or any other publication is considered incorporated and revoked to the extent that the matter is covered in this document.



## 7.3 Asset Management

### 7.3.1 Maintenance of Asset

- (i) Accounting Officers shall be responsible for keeping proper inventory records of all stationery, consumable stores, furniture, office machines, equipment, plant and machinery, lands, buildings and other government assets including those received as gifts and private properties placed in government's custody.
- (ii) Private property in the Government's lawful custody shall be safeguarded and kept on a separate inventory which shall include the following details:
  - (a) the date taken into custody;
  - (b) the name of the owner of the property and any other related person associated to the property; and
  - (c) the description and condition of the property including serial number, make, model, brand, inter alia; estimated value of the property.
- (iii) Private property in the Government's custody shall be treated with the same care as government property.
- (iv) Officers found in breach of (7.3.1) resulting in a loss to the Government shall be liable to be surcharge in accordance with Section 20 of the Act for the amount of the loss or any other disciplinary actions deem appropriate by the Accounting Officer or by the Financial Secretary..
- (v) Accounting Officers shall cause an investigation to be carried out before any disciplinary action is taken.

### 7.3.2 Nature of Inventory Record

- (i) Records should show the description of assets, the date of acquisition, original cost, location, issues for consumption, transfers and sale or write-off.
- (ii) With regard to furniture, office machines and equipment the inventory records shall be maintained as prescribed in the procedures manuals issued by the Financial Secretary.
- (iii) The register of lands and buildings shall be kept in a separate record and reconciled with the records of the Commissioner of Lands at least once per year. A copy of the reconciliation report must be submitted to the Commissioner of Lands, Auditor-General and the Financial Secretary

### 7.3.3 Insurance of Government Property

- (i) Government property that are insured (i.e. Central Government, Local Government, Executive Agencies and all Public Bodies) must have the insurance procurement process conducted in accordance with the Handbook of Public Sector Procurement Procedures Volume 4. <http://www.mof.gov.jm/procurement/revised-handbook-of-public-sector-procurement>.

#### 7.3.4 Physical Verification

- (i) Physical verification of all assets shall be conducted at least once in a financial year by an officer assigned by the Accounting Officer. The officer assigned to conduct the verification must not be the officer responsible for maintaining the records.
- (ii) The findings of the assigned officer must be reported to the Accounting Officer and where discrepancies are found a report must be submitted to the Financial Secretary and the Auditor-General.

#### 7.3.5 Annual Status Report on Fixed Assets

- (i) Accounting Officers shall be responsible to provide information on the status of their asset and to submit specific data concerning motor vehicles, office equipment and furniture to the Financial Secretary within four (4) months after the end of each financial year. (See Appendix 34)

#### 7.3.6 Sale of Government Property

- (i) The Financial Secretary may authorise the sale of certain Government property including furniture, equipment, fixtures, inventory, stores, supplies and other assets by way of:
  - (a) public tender;
  - (b) auction, subject, in the case of serviceable materials and equipment, to a minimum price determined by a suitable qualified person independent of the department controlling the items to be sold; or
  - (c) Sale at fixed prices approved by the Financial Secretary.
- (ii) The proceeds of sale of government asset shall:
  - (a) In the case of MDAs be paid into the Consolidated Fund unless the Financial Secretary authorised the net proceeds of the sale or portion thereof to be applied to assist in the replacement of the asset or to be applied to some specified purpose.
  - (b) In the case of a public body that receives fifty *per cent* or more of its funds from the Consolidated Fund the net proceeds of sale shall be paid into the Consolidated Fund unless approval is granted by the Financial Secretary for retention of the funds or any portions thereof.
  - (c) In the case of a public body that is self-financed or received less than fifty *per cent* or more of its funds from the Consolidated Fund may retain the net proceeds of the sale.

#### 7.3.7 Furniture and Equipment

- (i) Inventory records must be maintained for all Government-owned furniture and equipment. The inventory should incorporate:
  - (a) fully utilized equipment;
  - (b) partially used equipment;
  - (c) idle equipment; and
  - (d) obsolete equipment to be recommended for Boards of Survey.

### 7.3.8 Security of Accounting Machinery, Equipment and Records

- (i) Equipment such as cheque signing machines, franking machines, and other valuable items must be properly secured.
- (ii) The Principal Finance Officer or Head of Accounts Department shall be directly responsible for safeguarding all accounting records, computers and other machines used in the accounting system from natural disaster as well as from theft, burglary, vandalism, arson etc.

### 7.3.9 Transfer of Furniture Office Machine and Equipment

- (i) Under no circumstances must furniture and equipment be transferred whether by temporary or permanent relocation from one MDA to another, without the prior consultation and approval of the Financial Secretary.
- (ii) The request for redeployment of Government assets must be accompanied by a list of all the assets stating their description, inventory number and serial number where applicable.
- (iii) Appropriate notations must be made in the records of the Ministry/Department from which the transfer took place, showing the date, and the place to which the items were transferred. Similarly, the receiving Ministry/Department must update its records to include the transferred assets.
- (iv) Where required, a valuation exercise must be undertaken before a request for transfer is made to the Financial Secretary.

### 7.3.10 Inventory Management

- (i) Accounting Officers and Heads of Departments shall be responsible for implementing and maintaining an effective, efficient and economical system for the management and security of inventory at all locations, this shall include:
  - (a) physical security to prevent theft, pilferage and waste;
  - (b) maintenance of proper stores record for receipt and issuing of stock items;
  - (c) establishing a reorder level for each item of stock based on usage and pattern;
  - (d) ensuring that officers approving purchases ascertain the current stock level at all locations before approving purchases; and
  - (e) ensuring that all purchases conform to the government procurement guidelines.
- (ii) Where inventory management software is to be acquired, prior approval must be obtained from the Financial Secretary.

### 7.3.11 Government Owned Motor Vehicles

- (i) Government's comprehensive motor vehicle policy for the public sector which covers the management of all Government-owned vehicles including fleet vehicles and assigned vehicles must be strictly adhered to..
- (ii) Assigned Government-owned vehicles including those in the judiciary shall be comprehensively insured.
- (iii) Government shall carry its own risk in respect of fleet vehicles except where circumstances dictate otherwise.

## **7.4 Accidents Involving Government-Owned Motor Vehicles**

### **7.4.1 Duties of Driver re: Accident**

- (i) For the purposes of these instructions “Government driver” shall mean any person duly approved for driving a Government owned motor vehicle.
- (ii) The driver of a Government-owned motor vehicle, whether he/she is employed as a driver, or is the driver of a fleet vehicle, or the assignee of a motor vehicle, when involved in an
- (iii)
- (iv) must adhere to the following procedure:
  - (a) If the accident involves another party or person’s property, never admit liability;
  - (b) Report the accident within twenty-four hours from the time of the accident to the police;
  - (c) Obtain details of the other vehicle, such as:
    - (i) name of owner;
    - (ii) name of driver at time of accident
    - (iii) name of owner's insurance company;
    - (iv) licence number of vehicle;
    - (v) make of vehicle
    - (vi) damage sustained; and
    - (vii) nature of injury to person(s);
  - (d) At the earliest possible time, submit a detailed written report to the Transport Manager of his/her ministry/department;
  - (e) Drive or arrange to have the vehicle towed to the premises of his/her ministry/department; and
  - (f) At no time should the vehicle be taken to a garage for repair.

### **7.4.2 Duties of Transport Manager re: Accident**

- (i) In respect of a motor vehicle accident the Transport Manager shall receive accident reports from:
  - (a) the Government driver;
  - (b) passenger(s) in the Government vehicle;
  - (c) any eye witness(es) at the scene of the accident;
  - (d) the other drivers’ Report;
  - (e) the Police Accident Report;
- (ii) If the vehicle is insured, the accident must be reported to insurer at the earliest possible time;

- (iii) personally examine the vehicle and record all damages done to it (i.e. engine; body and all other parts of the vehicle);
- (iv) obtain an estimate from an approved garage of the cost to effect repairs; and
- (v) obtain an Assessors' report from an approved Motor Vehicle Assessment provider.

#### 7.4.3 Submission to Legal Officer

- (i) The Transport Manager must collate all documents relating to the accident and submit same to the MDA's legal officer for advice. The submission must include the following:
  - (a) The Accident Data Form;
  - (b) The Government Driver's report;
  - (c) The Government passengers' reports;
  - (d) Eye-witnesses' reports;
  - (e) The other drivers' report, if received;
  - (f) The Police receipt of the accident Report;
  - (g) The Police Accident Report, if received;
  - (h) A diagram illustrating the position of the vehicle(s) at the time of the accident;
  - (i) The Estimate of repairs to the Government Vehicle;
  - (j) The Assessors' Report from an approved Motor Vehicle Assessment Provider;
  - (k) A statement from the Transport Manager on whether the driver was authorised to drive the vehicle at the time of the accident and whether the accident occurred while he/she was discharging his/her official duties; and
  - (l) A statement from the driver of the Government owned vehicle, that permission was given to drive the vehicle where he/she is not a Government employed driver.

#### 7.4.4 Submission to Accounting Officer

- (i) The Transport Manager should also submit a report of the motor vehicle accident to the Accounting Officer, Head of Department or Chief Executive Officer.

#### 7.4.5 Submission to Attorney General

- (i) The MDA's legal officer must where considered necessary submit his/her legal opinion to the Attorney General along with the documents at (7.4.3) for an opinion regarding culpability.
- (ii) MDA may effect repairs to the damaged vehicle upon submission of the documents listed at (5.2.3) above, pending the ruling of the Attorney General. The opinion of the MDA's legal officer must be sought before repairs are effected to the vehicle.

#### 7.4.6 Submission to the Financial Secretary/Auditor-General

- (i) The Accounting Officer, Head of Department or Chief Executive Officer must report the accident forthwith to the Financial Secretary and the Auditor-General.

#### 7.4.7 Submission of Claim to Insurers

- (i) Where the Government owned vehicle is insured and was involved in a motor vehicle accident, the required documents must be submitted to the insurance company

promptly for a settlement to be made at the earliest possible time. An opinion from the Attorney General regarding culpability is not necessary for vehicles that are insured.

- (ii) Where the driver of the Government owned vehicle was not at fault and a claim is likely to be made against the other party to the accident and/or his insurer, the insurer should be notified in writing before the repairs are effected.
- (iii) Where the insurers have provided settlement for the Claim, the amount received must be:
  - (a) used to effect repairs to the vehicle if the vehicle has not yet been repaired;
  - (b) used to reimburse the MDA for the amount spent on repairs to the vehicle if the repairs were paid for in the current financial year;
  - (c) lodged to Miscellaneous Revenue, if the repairs to the vehicle were done in a previous financial year in case of Ministries and Departments.
- (iv) Where the settlement received from the insurers is in respect of Government vehicles that have been written off, approval must be sought from the Financial Secretary to utilize the funds to assist in the procuring of a replacement vehicle. This shall be subject to the availability of funds.

#### **7.4.8 Liability of Government Drivers/Transport Manager**

- (i) Where the Government vehicle is not insured and the Government driver is deemed by the Attorney General to be liable and negligent, the full cost or portion thereof to repair the Government vehicle and vehicle(s) and/or property(ies) of the other parties involved in the accident must be recovered from the driver and/or disciplinary action as deemed appropriate by the Accounting Officer.
- (ii) The appropriate amount to be recovered from the driver must be determined by the Accounting Officer, Head of Department or the Chief Executive Officer in accordance with the FAA Act, Financial Management Regulations 2011, Regulation 82.
- (iii) Where the Government vehicle is insured and the driver is deemed by the insurance company to be liable and negligent, the excess cost of repairs to be borne by the MDA must be recovered or portion thereof from the driver and/or disciplinary action as deemed appropriate by the Accounting Officer be executed.
- (iv) Where the Government driver or Transport Manager fails to comply with Instruction 7.4, disciplinary action shall be imposed on the officer and/or a recommendation made for the officer to be surcharged for any loss incurred by Government as a result of the officer's non-compliance with the Instructions.

#### **7.5 Hiring or Rental of Motor Vehicles**

- (i) Except in cases of dire emergency, no ministry or department shall enter into a contract for hiring of a motor vehicle, from any rental agency or individual without the specific permission from the Financial Secretary.
- (ii) Where the emergency dictates that such a course of action is imperative, the contract should not be for more than three (3) days. The covering approval of the Financial Secretary must be obtained and the circumstances for the emergency hiring reported.

- (iii) In submitting requests for approval to hire, full particulars of the reasons for the hiring shall be given and the contract period indicated.
- (iv) Each case of hiring shall be considered by the Financial Secretary on its own merit.

## **7.6 Sanction for Breach of Motor Vehicle Policy**

- (i) Any person who is responsible for the control or operation of fleet vehicles and assigned vehicles or any activities incidental thereto, will be liable to sanctions in the event of any breach of the instructions, or where negligence is established;
- (ii) Where a breach results in financial loss to Government, the person responsible may be liable for surcharge by the Financial Secretary for the full amount or part of the loss.

## **7.7 Loss of Public Property**

### **7.7.1 Reporting Loss**

- (i) Whenever any deficiency, loss, damage or destruction occurs in respect of public moneys, stamps, securities, stores or other Government property, whether by misappropriation, theft, fire, accident or damage caused completely or partially by rain, flood or any other agency, either directly or indirectly, it shall be the duty of the Accounting Officer, Head of Department, Chief Executive Officer to report the full details of the loss at once to the Financial Secretary and to the Auditor-General, even when such loss has been made good by the person responsible for it.
- (ii) The report of any loss should state:
  - (a) the amount of money or original value of the item;
  - (b) the approximate value (book value) of the item at the time of loss and the replacement value;
  - (c) the circumstance(s) which led to the loss;
  - (d) the persons responsible, directly or indirectly;
  - (e) whether the persons responsible has made good the loss;
  - (f) whether the loss was due to fraud or negligence on the part of a public officer;
  - (g) the action which is recommended should be taken in respect of the loss; and
  - (h) the steps, if any, taken or proposed to be taken to prevent similar loss in future.

### **7.7.2 Suspected Theft or Fraud**

- (i) Where a public officer has been found responsible for a loss, the Accounting Officer shall recover from the officer concerned, the replacement value of the loss or part thereof.
- (ii) When fraud or theft is suspected it is the duty of the Permanent Secretary, Chief Executive Officer or Head of the Department concerned to call in the police forthwith.

### **7.7.3 Loss permitted for Write off**

- (i) Losses permissible for write off shall consist of the following:
  - (a) uncollected debt

- (b) loss due to theft or burglary
- (c) loss arising from shortage or deficiency
- (d) unrecoverable Overpayment
- (e) loss of revenue
- (f) damage to Government property or private property in the lawful custody of Government
- (g) other loss approved by the Financial Secretary

#### 7.7.4 General Conditions for Write off of Losses

- (i) The write-off of losses may be carried out under any of the following circumstances:
  - (a) all efforts to recover the loss have been unsuccessful and it is futile to make any further effort for recovery;
  - (b) the value of the loss is such that it is not cost effective to pursue its recovery;
  - (c) the debtor or “advancee” is deceased, bankrupt or cannot be located;
  - (d) there is inadequate evidence to establish or prove liability for debt or loss;
  - (e) the debt or advance has become statute barred based on section 51 of The Limitation of Actions Act and there is no means of recovery from the debtor;
  - (f) the loss is due to theft or fraud and a claim cannot be established against any person or institution;
  - (g) advances to Government entities that are on the books for more than two (2) financial years and is unable to be cleared due to budgetary constraints of the Government entity that received the advance;
  - (h) advances to non-Government entities/individuals that are on the books for more than two (2) years and the bills, invoices, etc required for clearing the advance cannot be found, but a written and signed declaration is made by the entity/individual or by an appropriate officer stating that the goods and services were properly received;
  - (i) unreconciled differences on the bank reconciliation statement for amount greater than One Hundred Dollars (\$100) being carried for more than twelve (12) months which cannot be identified, after exhaustive investigations and numerous consultations with the bank; and
  - (j) unreconciled differences on the bank reconciliation statements for amounts less than One Hundred Dollars (\$100) being carried for more than three (3) months.

#### 7.7.5 Loss to be Written off by Accounting Officers

- (i) Accounting Officers, Chief Executive Officers and Heads of Departments are authorized to approve write-off of loss of public moneys, bad debts, advances, loans, unreconciled differences, deficiencies of allocated stores and equipment, inventory loss or any losses as outlined in Appendix 12- Authority for the Write-off of Loss of Public Money.
- (ii) A submission must be made to Accounting Officers, Chief Executive Officers and Heads of Departments by the appropriate person requesting the write-off of losses. The submission must include the following information:
  - (a) the nature of the loss, stating the following:



- (b) the circumstance(s) which led to the loss;
- (c) documentary evidence of the efforts made to prevent or recover the loss including legal action(s), if any;
- (d) the name and address of the debtor/advance (if applicable);
- (e) the value of the loss;
- (f) recommendation for write-off of the loss;
- (g) the step(s) taken or proposal to prevent similar loss in the future
- (h) a report from the Chief Audit Executive on the following:-
  - (i) weaknesses in the system of internal control including recommendations for improvement; and
  - (ii) support or objection to the recommendations being made for write-off of the loss.
- (i) where the loss is due to fraud theft burglary or any other criminal offence Accounting Officers shall not authorise its write-off unless he/she has received:
  - (j) the police report on the matter; and
  - (k) a report from the Chief Audit Executive identifying the weaknesses in the system of internal controls including recommendations for improvement and whether such recommendations have actually been implemented.
- (iii) Where the loss is due to negligence of public officers or his or her failure to adhere to regulations, instructions and guidelines, the Accounting Officer shall not authorised its write-off unless he/she has submitted a report to the Financial Secretary and the Auditor-General with surcharge recommendation for the recovery of the full loss or portion thereof.
- (iv) The value of a loss to be written off shall be determined by the acquisition cost of the asset at the time of acquisition, its fair value or the market value whichever is less.
- (v) The Accounting Officers should only consider writing off of loss after careful evaluation of the circumstances that led to the loss and he/she is satisfied that reasonable actions were taken to effect recovery and there is no other feasible recourse but to write-off the loss.
- (vi) Accounting Officers must ensure that all items written-off are properly documented and that the records are maintained in accordance with the Document Retention Schedule (See Appendix 14).
- (vii) Accounting Officers must ensure that before any write-off is done the value of the asset to be written off is established and verified by the Internal Auditor.
- (viii) The Accounting Officers must ensure that the following are satisfied before a decision is taken to approve the write-off of loss:
  - (a) sufficient efforts have been made to recover the loss in the case where such loss is recoverable;
  - (b) the effort to recover the loss has been unsuccessful or is not cost effective to be pursued; and
  - (c) there is no alternative but to have the loss written-off and proper measures are instituted to mitigate or prevent the loss from reoccurring.
- (ix) The accounting records are to be adjusted to clearly reflect the write-off of the asset.

- (x) Accounting Officers must submit to the Financial Secretary and the Auditor-General quarterly reports, setting out the particulars in respect of all losses written off for the financial year as at the end of the quarter. The report must be submitted within fourteenth working day of the month succeeding the quarter for which the report is to be done. (See Appendix 33 for format of report)

#### 7.7.6 Loss to be Written off by Financial Secretary

- (i) Accounting Officers, Chief Executive Officers and Heads of Department must submit to the Financial Secretary requests containing all the relevant information and supporting documents at (7.7.5)(ii) for approval to write-off a loss up to the limit of \$15 million. (See Appendix 12)
- (ii) The Financial Secretary shall examine the request for write-off of loss and communicate in writing to the Accounting Officer, Chief Executive Officer or Head of Department as to the decision taken.

#### 7.7.7 Loss to be Written off by Minister

- (i) Accounting Officers, Chief Executive Officers and Heads of Department must submit to the Minister through the Financial Secretary requests containing all the relevant information and supporting documents at (7.7.5)(ii) for approval to write-off a loss up to the limit of \$30 million. (See Appendix 12)
- (ii) The Financial Secretary shall communicate in writing to the Accounting Officer, Chief Executive Officer or Head of Department the decision of the Minister.

#### 7.7.8 Loss to be Written off by Cabinet

- (i) Accounting Officers, Chief Executive Officers and Heads of Department shall draft the relevant document for their Minister's submission to Cabinet with the relevant comments of the Ministry of Finance request seeking Cabinet's approval for write off of loss in excess of \$30 million (See Appendix 12)

#### 7.7.9 Accounting Treatment for Writing off of Loss

- (i) Losses authorised to be written off must be treated as an expense and charged against the budgetary provision for the year in which the write-off is effected.
- (ii) The relevant budgetary expenditure activity item along with the appropriate object code must be charged with the full amount of the loss.
- (iii) Where approval has been given to write-off loss, MDAs shall absorb the loss within the existing budgetary allocation. In exceptional circumstances, where the write-off of the loss cannot be absorbed in the budget of the MDA, a request must be submitted to the Financial Secretary to include the amount in the Estimates of Expenditure, Supplementary Estimates or the Final Supplementary Estimates whichever is appropriate.
- (iv) Where amounts written-off are recovered in the same financial year, these sums must be credited to the relevant budgetary expenditure activity item and the appropriate object code or the relevant revenue code.

- (v) For Ministries and Departments, if recovery is made in a subsequent financial year, the sums recovered must be paid over to the Accountant General for Miscellaneous Revenue Bank Account.
- (vi) Agencies which use the accrual accounting method may make provision for bad debt once it has been established that the debt is likely to be uncollectible.
- (vii) The provision for bad debt should be a reasonable estimate of the value of debt which is not likely to be collected. If the agency is absolutely sure that the debt is irrecoverable then the debt shall be written off subject to the approval levels at Appendix 12.

## **7.8 Loans and Advances to Public Officers**

### **7.8.1 Motor Vehicle Loan**

- (i) Loans made to travelling officers to purchase new or used motor vehicles including the initial insurance coverage where applicable, shall be authorized by the Financial Secretary or by any officer(s) or committee to which such function is delegated by the Financial Secretary.
- (i) The loan amount shall not exceed the maximum approved by the Financial Secretary from time to time.
- (ii) The loan shall be subject to the execution of a Bill of Sale in favour of the Accountant General and shall be repayable in monthly instalments through deductions from salary over a specified period as determined by the Financial Secretary.
- (iii) Interest should be applied based on instructions issued from time to time by the Financial Secretary.
- (iv) Motor vehicle loans shall be disbursed and managed by the AGD.

### **7.8.2 Motor Vehicle Repair Loan**

- (i) Motor vehicle repair loans shall be authorised by the Financial Secretary to travelling officers for amounts considered reasonable in the circumstances on an individual case basis.
- (ii) Motor vehicle Repair loans shall be disbursed and managed by the AGD.

### **7.8.3 Miscellaneous Loan**

- (i) Miscellaneous Loans shall be authorised by the Financial Secretary to public officers who require funds urgently to take care of specific items of expenditure.
- (ii) The amount of the miscellaneous loan approved will depend on the circumstances of each individual case and up to the maximum approved by the Financial Secretary.
- (iii) Miscellaneous loans shall be disbursed and managed by the AGD..

### **7.8.4 Computer Loan**

- (i) Loans to public officers for the purchase of computers shall be authorised by the Financial Secretary.
- (ii) The amount of the loan approved shall be based on the maximum approved by the Financial Secretary from time to time.

- (iii) Computer Loans shall be disbursed and managed by the AGD.

#### 7.8.5 Terms and Conditions for Loans

- (i) Loans to Public Officers shall be repayable in monthly instalments by deductions from salary over a period specified by the Financial Secretary.
- (ii) Interest on the loan shall be charged at a rate determined by the Financial Secretary from time to time and shall be payable quarterly on a reducing balance basis.

#### 7.8.6 Salary Advance

- (i) The Accountant General shall at his/her discretion, make advances to public officers on account of salary, not exceeding one month's gross salary in each instance.
- (ii) Salary advances shall be repaid in such monthly instalments not exceeding twelve, as the Accountant General may approve, together with interest at rates determined by the Financial /Secretary, from time to time and paid quarterly.
- (iii) Repayment of salary advance shall be by deductions from the officer's salary, commencing not later than the end of the month subsequent to that in which the advance was made.
- (iv) If a salary advance is fully repaid within one month of issue no interest is chargeable.

#### 7.8.7 Recovery of Public Officers Loans and Advances

- (i) The Accountant General shall be responsible for the recovery of all loans and advances made to public officers.
- (ii) The Accountant General shall issue a reminder to account holders immediately upon the account falling in arrears.
- (iii) If after a reasonable time has elapsed since receipt of the reminder and the account holder has taken no action regarding payment of the arrears, the Accountant General shall take any necessary action to recover the amount due. This shall include action against sureties, seizure of vehicle or legal action.
- (iv) In circumstances where a dormant balance exist on an advance or loan account for a period in excess of six (6) years and the Accountant General is satisfied that
  - (a) the delinquent account holder is either dead, mentally incapacitated, bankrupt, imprisoned or otherwise cannot be found; and that
  - (b) there is no feasible recourse in recovering the balance.He/she shall make a submission to the Financial Secretary for write-off of the loan or advance.

### 7.9 Departmental Advances

#### 7.9.1 Departmental Advance Definition

- (i) Departmental Advances are a sub-classification of expenditure which arise from payments made for goods and services **not yet received** and for which a person shall be held accountable. This person shall be called the "Advancee" who must within a reasonable time provide the relevant bills, invoices, statement of account as well as the unspent cash in order for the advance to be cleared from the books of the MDA.

- (ii) Departmental Advances may arise also from overpayments or other loss to Government for which recovery must be made from the culpable officer(s).

### 7.9.2 Expenditure Definition

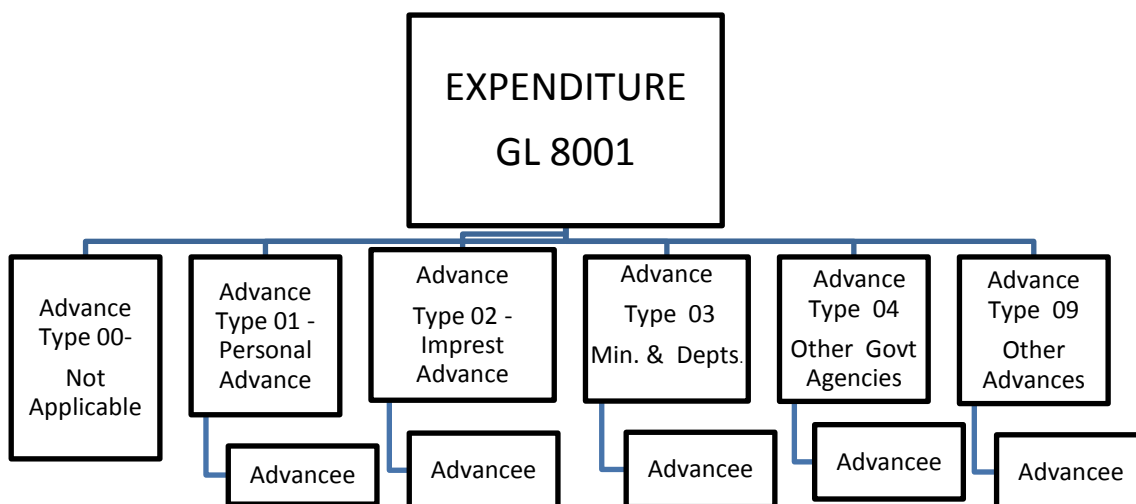
- (i) Expenditures shall be payments made for goods and services bought from warrant funds whether such goods and services have been actually received.
- (ii) All amounts spent from warrant funds, Appropriations-in-aid funds, cash advances received from MOF Contingencies Provision or any other approved cash advances received shall be deemed to be expenditure. This shall include payments made for goods and services not provided for in the Estimates of Expenditure but approved by Ministry of Finance pending Parliamentary approval,
- (iii) Ministry of Finance advances from Contingencies Provision shall not be treated in the books of the Ministry of Finance as Expenditure or Departmental Advances. It shall be reflected as an independent general ledger account.

### 7.9.3 Sub-classification of Expenditure

- (i) Expenditure shall be classified according to the Chart of Accounts approved by the Accountant General and shall be as follows:-
  - (a) Organisation code
  - (b) Financial Pattern
  - (c) Fund Source
  - (d) Function/Sub-function
  - (e) Programme/Sub-programme
  - (f) Project/Sub-project
  - (g) Activity/Sub-activity
  - (h) Economic Classification

*Class/Object/Sub-object/Detailed Sub-object*

- (ii) Departmental Advances shall be a sub-classification of the Expenditure Control general ledger account as shown below:



### 7.9.4 Classification of Advances

- (i) Departmental Advances shall be classified as follows:

Type	Description
01	Personal Advance
02	Imprest Advance
03	Advance to Other Ministries and Departments
04	Advance to Other Government Agencies/Public Bodies
09	Other Advances

- (ii) The amounts posted under advance types at (01-09) shall be charged as an expenditure payment but posted automatically to an advance subsidiary ledger under Expenditure. This sub-ledger shall be used by the system to generate FS 11 - list of Departmental Advances and FS10 – Departmental Advance Summary.
- (iii) Amounts posted using Advance Type code “00” shall not be recorded in the Advance Subsidiary Ledger but shall be recognised as a “non-advance” expenditure.

### 7.9.5 Advancee vs Payee

- (i) Every advance payment shall have the following:
  - (a) An “Advancee” who is the person/organisation that is accountable for the advance;
  - (b) A “Payee” who is the person to be paid the advance.
- (ii) The Advancee and the Payee can be the same but must be entered separately on the FinMan System.
- (iii) The Advancee shall be either a public officer or a public organisation or a person or organisation that has a contractual relationship with the Government such as a contractor as in the case of contract mobilisation.

### 7.9.6 Clearing Current Year Advances

- (i) Departmental Advances must be cleared to expenditure as soon as possible. Only in extenuating circumstances should Departmental Advances be rolled over to a next financial year.
- (ii) The entries for the clearance of Departmental Advances shall be as follows:

DEBIT	CREDIT
Expenditure Control Account GL#8001 Advance Type -00	Expenditure Control Account GL#8001 Advance Type 01-09 Advancee

- (iii) The clearance of Departmental Advances as shown at (ii) shall have no effect on the overall expenditure balance. It shall be a mere credit in the Expenditure - Advance sub-ledger to the relevant account and a debit to the non-advance expenditure.
- (iv) The following are the steps in the clearance of Departmental Advances:
  - (a) check thoroughly bills, receipts, statements, etc. submitted for clearance of advances ensuring that they are all authentic, valid and correct and that the advance was used solely for the purpose(s) for which it was given.
  - (b) prepare the appropriate journal voucher for the clearance of the advance ensuring that the correct codes are debited and credited. The advance codes to be credited must be the identical codes used when the advance was made.
  - (c) post the journal voucher using the Journal Processor.

- (d) the balance on the advance after clearance by journal must be paid over to the cashier by the Advancee.
- (e) a personal advance shall not be issued to an officer if they have an outstanding advance except in extenuating circumstances where approval is granted by the Accounting Officer or Head of Department.

**7.9.7 Advance Receipts**

- (i) Cash received from an Advancee in respect of an advance issued in the current financial year must be posted in the FinMan Receipt Processor making the following entry:

DEBIT	CREDIT
Cash GL# 3030	Expenditure Control Account GL#8001 Advance Type 01-09 Advancee

- (ii) The amount received at (i) must be lodged to Accountant General for Miscellaneous Revenue for transfer by the AGD to the Central Payment Account (CPA).
- (iii) Departmental Advance recovered in respect of advances that were made in a previous financial year must be received as a Miscellaneous Revenue receipt and lodged to Accountant General for Miscellaneous Revenue as per Instruction 7.9.

**7.9.8 Carrying Forward Advances**

- (i) Departmental Advances not cleared at the end of the financial year must be carried forward to the next financial year until cleared,
- (ii) The FinMan system shall automatically roll over all prior year advances as a schedule under the Expenditure Control Account GL#8001 of the new financial year. (See Example below)

Expenditure Control GL# 8001

Example of Schedule of Departmental Advances Brought Forward as at April 1<sup>st</sup>

Advance Type	Advance Account		Amount
	Account #	Account Name	
01	14523580	Hilary Clinton	1,500
01	25369873	Donald Trump	10,200
02	25879123	Cashier Jones	3,000
03	35675896	Ministry of Economic Growth	150,000
04	12587987	Urban Development Corporation	1,500,000
09	36912578	China Harbour	800,000
		Total	2,464,700

- (i) Departmental Advances (i.e. GLs 3050 & 3053) rolled over shall not affect any General Ledger account balance of the current financial year. They shall exist as “shadow sub-ledger” under the Expenditure Control Account.
- (ii) Prior year Departmental Advances represent public funds which the relevant accountable officers must clear as quickly as possible from the MDA’s books. The clearance shall be done in the manner prescribed at Instruction 7.9.

- (iii) Departmental Advances that are on the books for more than two (2) years arising from the fact that bills, invoices, etc. required for clearing the advance cannot be found, may be cleared upon a written and signed declaration by an appropriate officer stating that the goods and services were properly received in accordance with Instruction 7.9.

**7.9.9 Clearing Prior Year Advances**

- (i) The clearance of prior year advances shall be done in the manner prescribed at Instruction (7.9.6). Such advances when cleared must not affect the overall balance on the Expenditure Control Account of the current financial year.
- (ii) Prior year advances cleared by refund of cash must be processed as follows:
  - (a) Receive the funds in the current financial year as a Miscellaneous Revenue receipt and lodge same to the Accountant General for Miscellaneous revenue Bank Account
  - (b) Prepare journal for clearance of the advance based on the receipt at (a) and post to the FinMan system in the current financial year in the manner prescribed at Instruction 7.9.

**7.9.10 Loss Transferred To Advances**

- (i) Loss of cash, overpayments and other losses may be charged to an Departmental Advance account by making the following entry:

DEBIT	CREDIT
Expenditure Control Account GL#8001 Advance Type 01-09 Advantee	Expenditure Control Account GL#8001 Advance Type -00

**7.9.11 Departmental Advances of Closed MDA**

- (i) Departmental Advances of a closed MDA must not be transferred to another MDA. Such advances must be fully cleared from the books of the closedMDA.
- (ii) The responsibility for clearance of the Departmental Advances of a closed MDA shall be that of the Ministry that assumed majority of the responsibilities of the closed MDA unless the Financial Secretary has assigned such responsibility to another Ministry.
- (iii) Persons that are directly accountable for outstanding advances of a closed MDA (i.e. Advancees) shall remain accountable for such advances notwithstanding their reassignment to another MDA,

**7.9.12 Salary In Advance (Vacation Leave)**

- (i) “Salary in advance” is an advance made to a public officer in respect of net pay for vacation leave not exceeding two (2) months which is paid prior to the officer embarking on leave.
- (ii) Salary in advance must be treated as a Departmental Advance in the Expenditure sub-ledger and is recoverable each month from the payroll run of the respective month(s).
- (iii) Travel allowance in advance for vacation leave shall not be permissible.

**7.9.13 Write off of Departmental Advances**

- (i) Departmental Advances with debit balance maybe written off in the following circumstances:



- (a) death or bankruptcy of the Advancee;
- (b) the Advancee or his/her agent cannot be located;
- (c) the organisation or entity accountable for the advance is defunct;
- (d) exhaustive efforts have been made to clear the advance which has proven futile and documentary evidence exists to show the efforts made.
- (e) the Advancee is another Government entity and is on books for more than two (2) financial years due to inadequate funds of the Advancee to repay the advance or balance thereof or for any other valid reason.
- (f) the advance amount is immaterial and not cost effective to expend any further effort to recover/clear same. e.g. Under \$1,000
- (ii) Departmental Advances with credit balances that satisfy the conditions at (i) may be set off against the advances with debit balances to derive a net write off.
- (iii) Where the net write off is a credit balance this shall represent a physical transfer of funds by the entity to be made to the Accountant General for Miscellaneous Revenue Bank Account.
- (iv) The following are the thresholds regarding the authority for write off of advances:

<b>Advance Amount</b>	<b>Write off Authority</b>
\$250,000 and below	Accounting Officer/Head of Department/Chief Executive Officer
\$250,001 to \$15,000,000	Financial Secretary
\$15,000,001 to \$30,000,000	Minister of Finance
Over \$30,000,000	Cabinet

### **7.10 MOF Contingencies Provision Advance**

- (i) The Financial Secretary may authorise advances when necessary to be made to ministries and departments from the provision for contingencies under the Ministry of Finance's Head of Estimates to allow ministries/departments to meet unforeseen and emergency payments which were not provided for in the approved budget.
- (ii) Advance from MOF Contingencies Provision shall be recovered from departments through provisions approved in the Supplementary Estimates.
- (iii) As soon as the borrowing MDA has the necessary budgetary funds in place the MOF shall issue the relevant warrant for clearance of the MOF Contingencies Provision advance.
- (iv) In the event where a MOF Contingencies provision advance was not cleared in the financial year it was issued, it must be carried forward by the MDA to the next financial year.
- (v) Advance from the MOF Contingencies Provision made to a head that has been closed cannot be transferred to and/or cleared from another head unless the Estimates of Expenditure provides that head with the relevant funds for the purposes of clearing the advance. Such a provision shall be a normal expenditure item in the Estimates of Expenditure albeit for clearance of MOF Contingencies Provision advance.
- (vi) Where a payment is to be made by an Head to clear a Contingencies Fund advance that was previously made to another head, the payment shall be booked as an expenditure payment and not as a MOF Contingencies Provision advance clearance as this advance was not in the 'paying' MDA's books.

## **7.11 Contingencies Fund Advance**

- (i) The Minister may authorise advances from the Contingencies Fund to a MDA where it has inadequate funds or where no funds were provided in the Estimates of Expenditure necessary to address a matter of vital importance.
- (ii) The Accountant General on advice by the MOF of the approval of a Contingencies Fund advance shall transfer the relevant funds from the Contingencies Fund Bank Account to the CPA and accordingly advise the relevant MDA
- (vii) Advances from the Contingencies Fund shall be recovered through funds made available from the earliest Supplementary Estimates following the date of the advance.
- (viii) In the event where a Contingencies Fund advance was not cleared in the financial year it was issued, it must be carried forward by the MDA to the next financial year.
- (ix) Advance from the Contingencies Fund made to a head that has been closed cannot be transferred to and/or cleared from another head unless the Estimates of Expenditure provides that head with the relevant funds for the purposes of clearing the advance. Such a provision shall be a normal expenditure item in the Estimates of Expenditure albeit for payment to the Contingencies Fund.
- (x) Where a payment is to be made by an Head to clear a Contingencies Fund advance that was previously made to another head, the payment shall be booked as an expenditure payment and not as a Contingencies Fund advance clearance as this advance was not in the ‘paying’ MDA’s books.

## **7.12 Treasury Deposits Advance**

- (i) Advances from Treasury Deposits shall be on the specific written authorization to the Accountant General by the Financial Secretary.
- (ii) The Accountant General on advice by the MOF of the approval of Treasury Deposit advance shall transfer the relevant funds from the Treasury Deposit bank account to the Central Payment Account (CPA) and accordingly advise the relevant MDA.
- (iii) Treasury Deposit advances must be cleared as far as possible within the financial year it was issued and no later than twelve (12) months in the following financial year.
- (iv) In the event where a Treasury Deposit advance was not cleared in the financial year in which it was issued, it must be carried forward by the MDA to the next financial year under the same head until cleared.
- (v) In order for a Treasury Deposit advance to be cleared, it shall require Warrant Funds to transfer the relevant amount to the CPA from the Consolidated Fund and for subsequent transfer/payment from the CPA to the Treasury Deposit bank account
- (vi) Advance from Treasury Deposits made to a head that has been closed cannot be transferred to and/or cleared from another head unless the Estimates of Expenditure provides that head with the relevant funds for the purposes of clearing the advance. Such a provision shall be a normal expenditure item in the Estimates of Expenditure albeit for repayment of the Treasury Deposits advance.
- (vii) Where a payment is to be made by an Head to clear a Treasury Deposits advance that was previously made to another head, the payment shall be booked as an expenditure payment and not as a Treasury Deposits advance clearance as this advance was not in the ‘paying’ MDA’s books.

### **7.13 Overseas Travel Advance**

- (i) In cases where protocol demands that ministers or public officials host receptions, or requires that they engage in other forms of entertainment, application for the required foreign exchange must be submitted with the relevant particulars to the Permanent Secretary for approval.
- (ii) If the required foreign exchange cannot be accurately determined, the amount requested must be treated in the accounts as an advance. In the cases of public officials, such receptions and entertainment are restricted to heads of delegations only.
- (iii) The amount advanced is to be accounted for in each case within seven (7) days of the return of the official to Jamaica by the submission of actual bills to the Principal Finance Officer or the appropriate Financial Manager.
- (iv) Where the full amount of an advance was not utilized or is not properly accounted for, the official must refund the unaccounted balance.
- (v) Advances for contingencies re official visits abroad shall be approved by the Accounting Officer.
- (vi) The Accounting Officer or Head of Department shall be authorized to recover travel advance forthwith from the officer's salary, or by such monthly deductions, if the officer fails to account for same, one month after his/her return to base.



## 8 ACCOUNTING AND REPORTING

### 8.1 The Enabling Legal and Regulatory Framework

#### I. Constitution of Jamaica

*None.*

#### II. Financial Administration and Audit (FAA) Act, 1959 as amended 2015

##### ***Part III : Administration***

##### ***Government Accounts***

*Section 24A:* (1) defines Government Accounts; (2) defines the duties of Accountable Officers; (3) defines the Minister's powers

*Section 24B:* (1)(2) describes the basis for publishing Government accounts; (3) requires the Accounting Officers to have proper accounting systems.

*Section 24F:* requires all Accounting Officers to provide written Financial Instructions to their Accountable Officers on a range of topics.

*Section 24G:* requires the Minister to table annual Financial Statements in the House of Representatives as soon as possible after the end of the Financial Year.

*Section 24H:* requires the Accountant-General to produce a range of Financial Accounts within four months of the end of the Financial Year.

The Accountant-General shall submit the Financial Accounts to the Auditor-General who shall certify them and the statements as so certified shall be laid on the Table of the House of Representatives.

*Section 24I:* In respect of each financial year and within a period of four months after the end of such financial year, all Accounting Officers shall prepare, sign and transmit to the Minister and the Auditor-General the statements relating to the financial activities under their control showing in respect of each head of estimates.

##### ***Part IV: Audit***

*Section 25(3)(a):*

The Financial Secretary and the Auditor-General shall have physical and electronic access rights to all accounting records of ministries and departments and may import such data from the latter's system to their system for the purposes of consolidation, analysis, examination and any other purpose necessary for the conduct of their function.

##### ***Part VI Public Bodies***

*Section 48:* (1) The Registrar of Companies shall within four months after the end of each financial year prepare and submit to the Minister a report of all government companies. (2) The Minister shall cause a copy of the report above to be laid on the Table of the House of Representatives.

#### III. Financial Management Regulations (FMR) 2011, as amended 2015

##### ***PART II: Management of the Consolidated Fund***

*Regulations 4:* The books of accounts of the Consolidated Fund shall be maintained by the Accountant-General on a double entry basis and in accordance with the accounting policies

and standards prescribed by the Financial Secretary).

*Regulation 5:* A cash book or ledger account shall be maintained for each Consolidated FundBank Account and shall be reconciled at least once per month.

***PART IIA: Vote-on-Account***

*Regulation 18: (1)* Accounting Officers shall upon the passing of the vote-on-account by resolution of the House of Representatives make the necessary entries in their books in respect of the amounts approved.

- (1) Upon passing of the Appropriation Bill, Accounting Officers shall reverse the Vote-On-Account entries in their books and replace the entries with the approved vote.

***PART III: Accounting for Public Monies***

*Regulations 63 to 65:* describe the power of the Financial Secretary in terms of accounting, policies, methods, standards, accounting software.

The Accounts of the Government are required to be operated and kept in accordance with these.

Accounting Officers shall be directly and personally responsible for all expenditure charged under the votes, which he administers, and shall be accountable to Parliament.

The Financial Secretary shall be responsible for the continuous improvement of financial and accounting systems in departments; and for ensuring that the mechanism for the collection of and accounting for public moneys is satisfactory in principle and complied with in practice.

***PART IV: Financial Reports***

*Regulation 68 to 70:* prescribe guidelines for reporting and the deadlines for submission.

*Regulations 72 to 74:* describe the responsibilities of Accounting Officers in relation to the financial statements.

*Regulation 74:* deals with adjustments to the accounts and financial statements.

***PART IV: Performance Reports***

*Regulation 75:* details the timetable for the delivery of the Performance Reports.

***PART V. Use of Electronic Devices***

*Regulations 76 and 77:* cover the use of electronic devices and electronic signatures.

***PART X: Central Treasury Management***

*Regulation 155:* deals with the operation of the Treasury Single Account.

*Regulation 156:* deals with the amounts issued under warrant.

*Regulation 157:* the Accountant-General shall be responsible for maintaining proper accounts in respect of all treasury management activities and shall submit to the Auditor-General and the Financial Secretary monthly financial reports in the format and manner prescribed by the Financial Secretary.

***PART XI: Preservation of Records***

*Regulations 159 to 163:* cover the treatment of records.

## 8.2 Financial Instructions

- (i) The Financial Instructions is the full and complete updated Financial Instructions regarding the above Law and Regulations as at the date of publication. All previous Instructions, Circulars as listed at the end of the document and or any other publication is considered incorporated and revoked to the extent that the matter is covered in this document.

## 8.3 Assignment of Government Accounting and Book-Keeping Responsibilities

- (i) The Accounting Officer/Principal Receivers of Revenue and Heads of MDAs shall be responsible for maintaining all accounts using the cash basis of accounting in accordance with the Cash-based International Public Sector Accounting Standards (IPSAS) and the guidelines prescribed by the FAA Act, the FAA Act Regulations and these Instructions.
- (ii) Executive Agencies shall maintain accounts on an accrual accounting basis, unless specifically exempted by their establishing authority.
- (iii) Government accounts shall be prepared using accounting policies designed to provide financial statements, which give a true and fair view of the government's state of financial affairs. The process of preparing the accounts must include the measurement, aggregation, classification, and presentation of all relevant elements of the financial statements and the selection of appropriate accounting policies.
- (iv) Government accounts shall generally be guided by the following accounting principles:
  - (a) Double Entry Concept the accounts are prepared on *double entry* bookkeeping system. This means that a financial transaction gives rise to two equal and opposite book entries – one debit and the other credit;
  - (b) Going Concern Concept:the accounts are prepared on a *going concern* basis, which means that government is believed to exist in perpetuity. Because of the *going concern* basis, the accounts are maintained on a historical cost basis;
  - (c) Prudence Concept: this concept requires full recognition of an entity's obligations as long as they can be measured – subject to the overriding *basis of accounting* explained in the next Section. On the other hand, revenue is recognised only if realisation is certain. For this reason, for example, tax revenues are recognised on cash basis and not when a tax assessment is agreed;
  - (d) Matching Concept: in the commercial environment, this concept largely revolves around matching expenditure with the related revenue. However, in the context of government accounting where “service” to the population is the primary mission, coupled with the cash basis of accounting, this concept revolves around matching the actual financial transactions with the occurrence of the underlying government programmes/activities, as well as the related budget allocations;
  - (e) Consistency Concept: this concept requires consistent treatment of like items and from period to period. For example, if an item was treated as capital expenditure in one period, a similar item in another period should be treated likewise; and

- (f) **Substance Over Form:** this concept requires that transactions are recognised with due regard to their substance rather than their form. For example, although items of office equipment such as paper trays are technically capital expenditure items (form), the financial substance involved renders those items to be recognised as revenue expenditure. Similarly, although technically recurrent expenditure, workers' wages on a specific project such as construction of a building are recognised as capital expenditure.

#### **8.4 Basis of Accounting**

- (i) In general, two alternative bases of accounting are commonly used by accounting entities; namely, the accrual basis and the cash basis. The accrual basis of accounting is based on the "accruals concept". On the other hand, the cash basis of accounting recognises transactions only if related cash flows have been paid or received.
- (ii) Another key difference between the two methods is that under the cash basis of accounting, expenditure on acquisition of assets is written-off at the time it is paid; in other words, the financial statements under cash basis do not recognise fixed assets.

#### **8.5 The Computerisation of Government Accounting System**

- (i) Accounting Officers shall use the accounting systems and procedures authorized by the Financial Secretary for MDAs, which include computerized and manual systems.
- (ii) Accounting Officers shall operate the computerized systems using the Financial Management Information System (FINMAN) or other accounting package approved by the Financial Secretary to maintain accounts, prepare budgets, prepare payroll, and execute bank reconciliation, procurement, inventory, asset management and any other aspect of the Government financial operations.
- (iii) Where no approved computerized system is available, a manual system shall be operated.
- (iv) Spreadsheet applications should be used only for the purposes of deriving information for internal management purposes and shall not be constituted as the books of accounts of the MDA.
- (v) Accounting Officers shall own the accounting records and data of their respective ministries and departments and may, where deemed appropriate and in accordance with the Access to Information Act, authorize public access to any part of such data or records to persons or organisations that require such information.
- (vi) Accounting Officers shall execute the accounting and recording of governmental financial transactions in strict adherence to all accounting manuals except where approval is granted by the Financial Secretary for departure from such manuals and guidelines.
- (vii) All departmental accounting manual and user guides prepared by Accounting Officers and Principal Receivers of Revenue must, be in conformity with the principal Act, the Regulations and Instructions and must be approved by the Financial Secretary.



## **8.6 Government Accounting Structure**

- (i) Accounting for financial transactions in the public sector consists of the following methods:
  - (a) The Expenditure and Fund Accounting Method - operated by Accounting Officer to account for:
    - (i) Expenditure from voted, statutory and appropriations-in-aid funds;
    - (ii) Miscellaneous revenue collections; and
    - (iii) Deposits and other funds.
  - (b) Revenue Accounting Method -operated by Principal Receivers of Revenue to account for:
    - (i) Tax and non-tax revenues collected and remitted to the Consolidated Fund;
    - (ii) Revenue refunds, drawbacks etc.;
    - (iii)Revenue Deposits.
  - (c) Accrual Accounting Method -, operated by executive agencies and other public bodies to account for the income and expenditure of the entity for the period; and its assets and liabilities.

## **8.7 Books of Accounts – Ministries Departments**

### **8.7.1 Cash Book**

- (i) A Cash Book or a General Ledger bank account must be maintained for each bank account operated by a MDA.
- (ii) The Cash Book shall be maintained the original currencies.
- (iii) Where the original currency is not Jamaican dollars, the equivalent in Jamaican dollars must be reported based on the applicable exchange rate.
- (iv) The following information must be maintained in respect of the Cash Book:
  - (a) Name of Bank
  - (b) Bank Account Number
  - (c) Type of Account
  - (d) Names and designations of the approved account signatories.
  - (e) Currency of the account;
- (v) The Cash Book must show the following:
  - (a) Transaction description;
  - (b) The debit entries (receipts);
  - (c) The credit entries (payments);
  - (d) Running balance.;
- (vi) Bank reconciliation must be done at least on a monthly basis.

### **8.7.2 Petty Cash Book**

- (i) A Petty Cash Book shall be maintained by a cashier that operates a petty cash imprest.
- (ii) The Petty Cash Book shall record all cash transactions as they occur, and shall be balanced daily.
- (iii) If the cash book balance and actual cash balance do not agree the discrepancy shall be investigated forthwith.

- (iv) If the discrepancy indicates a surplus of cash the surplus should be immediately credited to a departmental deposit account pending the result of investigations as to the cause of the surplus. If the surplus cannot be satisfactorily explained and adjusted after investigation, the amount on deposit should be paid to the Accountant General for Miscellaneous Revenue Bank Account..
- (v) Where there is a deficiency of cash, the imprest holder shall be held personally responsible for the shortfall.

### 8.7.3 MDA General Ledger- Voted & Statutory

- (i) The General Ledger of MDAs for the following financial patterns (FP):

<b>Financial Pattern</b>	<b>Code</b>
Recurrent -Voted	11
Recurrent -Statutory	12
Capital A -Voted	21
Capital A -Statutory	22
Capital B -Voted	31
Capital B -Statutory	32

shall consist of the following control accounts and any other account approved by the Accountant General:

<b>GL#</b>	<b>Account Name</b>	<b>Purpose of Account</b>
0001	Vote on Account	<i>To reflect the Carrying-on-Provision budget</i>
0002	Vote	<i>To reflect the Approved Budget</i>
0003	Consolidated Fund Provision Account	<i>To reflect the Net Budget (i.e. Approved budget less AIA Provision)</i>
0004	Appropriation-in-Aid Provision	<i>To reflect the Appropriation-in-aid Provision</i>
0005	Virement Control	<i>To reflect the Vired funds among budgetary allocations</i>
0020	Commitment Control Account	<i>To reflect total Commitments to date</i>
0021	Undischarged Commitment	<i>To reflect total Commitments not yet discharged</i>
0025	Purchase Order Payment Account	<i>To reflect total purchase Orders paid to date</i>
0026	Undischarged Purchase Order	<i>To reflect purchase orders not yet discharged</i>
0033	Commitment Payment Account	<i>To reflect total payments to date made from Commitments</i>
3009	Warrant Balance	<i>Unspent Warrant Balance</i>
3010	Bank Account	<i>Cash Book balance</i>
3020	Clearing Warrant	<i>Adjusting or "Tidying Up" Warrant</i>
3030	Cash-in-Hand	<i>Cash to be lodged</i>
3051	Contingencies Advances made by MOF – (MOF Books only)	<i>Contingencies Provision Advances made by MOF</i>
4000	Accounts Payable Submitted to the AGD	<i>Accounts Payable to be paid by AGD</i>
4001	Accounts payable	<i>Accounts Payable to be paid by MDA or submitted to AGD for payment</i>
4009	Advances from Treasury Deposits	<i>Advance to be repaid to Treasury Deposits</i>
4010	Advances from MOF Contingencies Provision	<i>Advance to be repaid to MOF Contingencies Provision</i>
4013	Advance from Other MDA	<i>Advance to be repaid to Other MDA</i>
4025	Stale Dated Cheques	<i>Stale Cheques to be re-issued or paid over to</i>

<b>GL#</b>	<b>Account Name</b>	<b>Purpose of Account</b>
		<i>Miscellaneous Revenue</i>
6004	Accumulated Fund	<i>Equity</i>
7001	Warrant Issue	<i>Warrant Issued to date</i>
7002	Appropriations-in-aid (AIA)	<i>AIA collected to date</i>
8001	Expenditure Control	<i>Total Expenditure to date</i>
8002	Surrender to Consolidated Fund	<i>Amount paid over to Consolidated Fund</i>

- (ii) Subsidiary ledgers shall be maintained for Vote Account, Warrant Balance, Warrant Issue, Appropriations-in-aid, and any other General Ledger control account where necessary.

#### 8.7.4 MDA General Ledger – Departmental Deposits

- (i) The General Ledger of MDAs for Departmental Deposits (FP 45) shall have the following control accounts :

<b>GL#</b>	<b>Account Name</b>	<b>Purpose of Account</b>
3010	Departmental Deposits Bank	<i>Cash Book Balance</i>
3030	Cash in Hand	<i>Cash to be lodged</i>
4021	Departmental Deposits Control	<i>Deposit Subsidiary Ledger Control Total</i>

- (ii) Subsidiary ledgers shall be maintained for the Departmental Deposits Control account.

#### 8.7.5 MDA General Ledger – Miscellaneous Revenue

- (i) The General Ledger of MDAs for Miscellaneous Revenue (FP 90) shall have the following control accounts :

<b>GL No.</b>	<b>Account Name</b>	<b>Purpose of Account</b>
0007	Departmental Revenue Estimate Account	<i>Revenue Budget</i>
0008	Dept'l. Revenue Consolidated Fund Prov.	<i>Revenue Budget for Consolidated Fund</i>
3030	Cash-in-hand	<i>Cash to be lodged</i>
4007	Dept'l and Other Miscellaneous Revenue Control	<i>Miscellaneous Revenue Subsidiary Ledger Control Total</i>
4008	Lodgement to Miscellaneous Revenue Bank	<i>Lodgement made to Miscellaneous Revenue Bank Account</i>

- (ii) Subsidiary ledgers shall be maintained for the Dept'l and Other Miscellaneous revenue Control account.

#### 8.7.6 PRR General Ledger – Revenue Accounts

- (i) The General Ledger of PRRs for Revenue Accounts shall have the following control accounts and any other control account approved by the Accountant General:

<b>Account Name</b>	<b>Purpose</b>
---------------------	----------------

<b>Account Name</b>	<b>Purpose</b>
Revenue Estimate Control A/C	<i>For recording the budgetary revenue estimates or proportion thereof for each revenue item</i>
Revenue Provision Control A/C	<i>For recording the budgetary revenue estimated for collection and payment to the Consolidated Fund</i>
Revenue Collections Control A/C	<i>For recording the revenue collected per revenue items</i>
Revenue Deposits Control A/C	<i>For recording revenue amounts collected and held on Deposits</i>
Revenue Cash-in-Transit Control A/C	<i>For recording revenue cash in transit to the bank or cash held not yet lodged</i>
Revenue Bank A/C	<i>This represents the Revenue Cash Book</i>
Revenue Refund Imprest bank Account	<i>This represents the Revenue Refund Imprest Bank Account Cash Book</i>
Lodgement to Consolidated Fund A/C	<i>For recording the revenue paid over to Consolidated Fund</i>
Collecting Officers Liability Control A/C	<i>For recording Revenue Recoverable from Collecting Officer in respect of dishonoured cheque and all other cases of lost revenue</i>
Revenue Bad Cheques Control Account	<i>For recording dishonoured cheques</i>
Taxpayer Control Account	<i>For recording special cases of taxpayer's liability. (NB. Revenue accounting is done on a cash basis, hence revenues are not accrued. However in special cases it may be necessary to maintain an account for a taxes overpaid.</i>
Accountant General for Miscellaneous Revenue Control Account	<i>For recording amounts collected on behalf of Accountant General for Misc. Revenue</i>
Revenue Payable to Statutory and Other Funds Control Account	<i>For recording revenue collected on behalf of K.S.A.C, Parish Councils, NIS, NHT, HEART, NHF, Bureau of Standards, Accountant General for Miscellaneous Revenue Control etc.</i>

- (ii) Subsidiary ledgers shall be maintained for the Revenue Estimate Control A/C, Revenue Collections Control A/C, Revenue Deposits Control A/C, Collecting Officers Liability Control A/C, Revenue Payable to Statutory and Other Funds Control Account, Taxpayer Control Account.

### 8.7.7 Fixed Asset Register

- (i) Ministries and Departments operate on cash basis, therefore fixed assets are fully written off to expenses on acquisition. However a memorandum registers must be maintained for all fixed assets recording the following minimum information:

- (a) Cost of acquisition;
- (b) Date of acquisition;
- (c) Asset identification details such as
  - Asset description;
  - Serial number,
  - Ministry, Department identification number;
- (d) The quantities and location of the assets,
- (e) Estimated useful lives and estimated time for replacement,
- (f) Details about change of location,
- (g) Details of repairs, upgrades and enhancements
- (ii) Each MDA shall place fixed assets under the following categories:
  - (i) Land and Building;
  - (ii) Plant and Machinery;
  - (iii) Fixtures and Fittings;
  - (iv) Office Furniture;
  - (v) Motor Vehicles:
    - Fleet Vehicles;
    - Assigned Vehicles;
  - (vi) Computer
    - Hardware
    - Software
  - (vii) Other Office Equipment:
  - (viii) Other Fixed Assets.

### 8.7.8 Other Registers

- (i) Travel Register-for keeping a record in respect of each travelling officer and shall be maintained in the format prescribed at Appendix 24.
- (ii) Utility Registers-for keeping a record in respect of each electricity meter, water meter, telephone number and any other utility used, These registers shall be maintained in the format prescribed at Appendices 27 & 28.
- (iii) Rent Payable Register- for keeping a record in respect of rental agreements for properties and equipment rented by MDAs and shall be maintained in the format prescribed at Appendix 29.
- (iv) Contracts Register- for keeping a record in respect of civil works, service contracts and other forms of contracts and shall be maintained in the format prescribed at Appendix 30.

## 8.8 Imprest Accounts

### 8.8.1 Imprest Operation

- (i) Imprests are to be treated as advances under the expenditure classification.
- (ii) Bills, vouchers, statements etc. representing payments made from imprest must be checked and certified before reimbursement and/or clearance of the advance.
- (iii) Every imprest holder is required to keep a Cash Book and shall be held personally responsible for the unexpended balance of the imprest.

- (iv) On each occasion of the recoupment of expenditure from the imprest or the handing over of the imprest to another officer, the Cash Book must be balanced and the unexpended balance and vouchers, if any should be reconciled with the amount of the original imprest.
- (v) A senior officer must check and certify to ensure that the cash balance agrees with the amount shown in the cash book. The Officer taking over the duties of the outgoing officer shall thereafter responsible be accountable for the imprest.

### **8.8.2 Imprest at the End of the Financial Year**

- (i) The authority to operate an imprest lapses at the close of the financial year.
- (ii) Accounting Officers may at the end of the financial year require any or all imprest balances to be surrendered to the Central Payment Account or may direct that they be rolled over to the new financial year.
- (iii) Imprests that have been rolled over to a new financial year shall not be treated as additional funds for that year and must be surrendered to the Consolidated Fund in the new financial year from that year's budget as soon as possible. This is referred to as a "delayed Surrender" and maybe necessary to prevent the inconvenience of not having cash at the start of the new financial year to conduct the business of Government.
- (iv) For termination of an imprest bank account the procedures relating to the closure of bank accounts must be followed.

### **8.9 Outstation Accounts**

- (i) Outstations that operate an approved imprest bank account shall maintain the following books of accounts:
  - (a) A Petty Cash Book;
  - (b) General Imprest Cash Book;
  - (c) An Expenditure Ledger; and
  - (d) any other account approved by the Financial Secretary.

### **8.10 Fund Accounts**

- (i) Trust Funds, Revolving Fund and any other Fund, shall maintain the following books of accounts:
  - (b) Cash Book or a bank General Ledger account
  - (c) A General Ledger comprising of the following control accounts:
    - (i) Fund Control Account;
    - (ii) Fund Bank Account;
    - (iii) Fund Investment Account
    - (iv) Fund Fixed Assets Accounts
    - (v) Cash-in-Hand; and
    - (vi) any other account approved by the Financial Secretary
  - (d) Subsidiary Ledgers for individual Fund Control Accounts.

## **8.11 Revenue Accounts**

### **8.11.1 Accounting for Revenues**

- (i) Revenue Accounts shall be those accounts maintained by PRRs for recording tax revenues, non-tax revenues and other receipts collected and transferred to the Consolidated Fund or paid to agencies on whose behalf they were collected.
- (ii) Revenue accounts shall comprise of general and subsidiary ledgers described at 8.7.6.
- (iii) In accordance with the cash basis of accounting, government revenue shall be recognised in the books of account at the time of receipt.
- (iv) Revenues collected by PRRs must be lodged to the approved transit revenue bank accounts for subsequent transfer to the Consolidated Fund or for payment to the relevant agencies for which they were collected.

### **8.11.2 Responsibility for Collecting and Accounting for Revenue**

- (i) The responsibility for collecting and accounting for revenues payable to the Consolidated Fund is placed with the Principal Receivers of Revenue and any relevant Accounting Officer.
- (ii) It shall be the duty of PRRs and Accounting Officers to ensure that revenues collectible by them are:
  - (a) actually collected and promptly brought to account;
  - (b) adequately safeguarded; and
  - (c) supported by effective systems for assessment, collection and lodgement to the relevant bank account;
- (iii) It shall be the responsibility of the accountable officer to exercise the appropriate care and due diligence in accounting for government revenues.
- (iv) Principal Receivers of Revenue, on the approval of the Financial Secretary may open official bank accounts to which all their collections must be lodged in the first instance and from which daily transfers are made to the Consolidated Fund.

## **8.12 Statutory Heads Accounts**

### **8.12.1 Statutory Heads Definition**

- (i) Statutory Heads Accounts shall be the accounts maintained in respect of those heads for which funds are provided by law as reflected in the Estimates of Expenditure.

### **8.12.2 Responsibility for Preparation of Monthly Statutory Heads Accounts**

- (i) MDAs shall be responsible for
- (ii) the preparation and submission of the monthly accounts in respect of the statutory heads under their control as per the Estimates of Expenditure.
- (iii) The AGD shall be responsible for the preparation and submission of the monthly accounts of the following statutory Heads:-
  - (a) 20018 Public Debt Statutory
  - (b) 20019 Pension Statutory

- (iv) The accounts for the Statutory Heads shall be separated and prepared by use of the relevant financial pattern code as per the uniformed chart of accounts.
- (v) MDAs shall not be required to prepare annual Appropriation Accounts in respect of statutory heads.

### 8.12.3 Responsibility for Preparation of Annual Statutory Heads Accounts

- (i) The AGD shall be responsible for the preparation and submission of the annual accounts of all statutory heads as per Finance Accounts (h), FAA Act Section 24 H (1).
- (ii) The AGD shall submit the statutory heads annual accounts to the Auditor General and the Financial Secretary within four (4) months following the end of each financial year.
- (iii) The annual accounts shall be prepared by the AGD through consolidation of the audited (internal audit) statutory heads accounts submitted by all the relevant MDAs.
- (iv) MDAs with statutory Heads shall submit their audited (internal audit) annual statutory head(s) accounts to the AGD each year within one month following the end of the financial year.

## 8.13 Project Accounts

### 8.13.1 Project Accounts to be maintained

- (i) Accounts to be maintained in respect of capital projects or any other project shall comprise of the following:
  - (a) A Cash Book;
  - (b) A General ledger
  - (c) An Expenditure Sub-Ledger structured according to
    - (i) The Project's Estimate of Expenditure, and
    - (ii) The reporting requirements of the lender/donor organization (i.e. where such structure is significantly different from that of the Estimates of Expenditure.);
  - (d) A Register of Fixed Assets; and
  - (e) Any other account approved by the Financial Secretary

## 8.14 Externally Funded Projects(EFP) Accounts

### 8.14.1 Definitions- EFP

- (i) *Externally Funded Projects*: Projects financed with assistance from loans and/or grants from a multilateral/bilateral agency under a loan/grant agreement with the GOJ.
- (i) *Special Accounts*: A bank account established in accordance with the terms of a loan/grant agreement for receiving loan/grant disbursements to be used to make authorized project payments.
- (ii) *Third Party Payments*: Payments made directly by a lender/donor to a person or entity whether, locally or internationally through direct utilization of the loan or grant funds.



### 8.14.2 Budget & Warrant for Externally Funded Projects

- (i) The budget of externally funded projects for each financial year shall consist of expenditure to be financed by :
  - (a) The Government of Jamaica from the Consolidated Fund and
  - (b) Loans and grants from multilateral and bilateral organizations.
- (ii) Warrants for externally funded project shall be for:
  - (a) **The Government of Jamaica funded portion of the project -**  
Based on the project's operational plan and cash flow requirement.
  - (b) **The Externally financed portion of the project -**  
Based on payments made from loan/grant funds disbursements required to be paid to the Consolidated Fund.

### 8.14.3 Accounting Procedures- Externally Funded Projects

- (i) The Project Units of ministries and departments must submit to the Ministry's Main Accounts Unit the following for each project:
  - (a) A statement of Receipts and Payments of each Special Bank Account and all other project bank accounts as shown in Appendix 1
  - (b) Statement of loan/grant paid by the lender/donor directly to third parties;
  - (c) Statement of MDA's project expenditure eligible for reimbursement to the Consolidated Fund;
  - (d) Statement of project expenditure eligible for reimbursement by the lender/donor to the Consolidated Fund; and
  - (e) Bank Reconciliation Statements for all project bank accounts.  
The above statements must be submitted to the Ministry's main account Unit within five working (5) days after the end of each month and must be signed by the relevant Project Manager and Project Accountant.
- (ii) All project financial transactions must be reflected in the general ledger (main accounts) of the relevant Ministry.

#### 8.13.3.1 Special Bank Account

- (i) MDAs must maintain in the FinMan a separate bank account for each special/dedicated bank account held for Projects in their Ministry. The account shall be maintained in Jamaican dollars based on the current rate of exchange. The following journal entry shall be made to bring the bank account balances into the books:

Project XXX Special Project Bank Account	<i>Debit</i>	
Project XXX Accumulated Fund Account		<i>Credit</i>

- (ii) The Main Accounts Unit, upon receipt of Statement of Receipts and Payments from the Project Unit shall make the following journal entries:

#### **Receipts**

Project XXX Special Project Bank Account	<i>Debit</i>	
Project XXX Grant/Loan Account		<i>Credit</i>

#### **Payments**

Project XXX Expenditure	<i>Debit</i>	
Project XXX Special Project Bank Account		<i>Credit</i>

- (iii) The journal entries must be done under the Capital B head of the Ministry for the Jamaican dollar equivalent of the amounts reflected in the Project Detailed Receipts and Payments Statements . This is to reflect the following in the Ministry's main accounts:

- (a) loan/grant disbursed to special/dedicated bank account; and
- (b) Payments made from the special/dedicated bank account.
- (iv) The balance in the Special/Dedicated Project Bank account on the FinMan System as at the end of each month must correspond with the physical bank balance on the account based on applicable exchange rate at the end of the month.

#### 8.14.3.2 Project Operational J\$ Bank Account

- (i) MDAs must maintain in the FinMan System a separate bank account for each Jamaican Dollar project operational bank account held in the Ministry. The following journal entry shall be made to bring the project bank account balances in the Ministry's books:

Project XXX Operational J\$ Bank Account	<i>Debit</i>	
Project XXX Accumulated Fund Account		<i>Credit</i>

- (ii) Funds transferred from the special/dedicated foreign currency bank accounts to the local project bank accounts must be recorded in the FinMan system by making the following journal entry:

##### ***Transfer to Project Operational Account***

Project XXX Operational J\$ Account	<i>Debit</i>	
Project XXX Special Project Bank Account		<i>Credit</i>

- (iii) Payments made from project bank accounts must be recorded by making the following journal entry:

##### ***Payments***

Project XXX Expenditure Account	<i>Debit</i>	
Project XXX Project Bank Account		<i>Credit</i>

- (iv) The balance in the Project Operational Bank account on the FinMan System as at the end of each month must correspond with the physical bank balance on the account based on applicable exchange rate at the end of the month.

#### 8.14.3.3 Third Party Payments (Direct Payments)

- (i) When advised that lender/donor has made a direct payment, the following journal entry should be made:

Project XXX 3 <sup>rd</sup> Party Payments Expenditure Account	<i>Debit</i>	
Project XXX Lender/Donor Account		<i>Credit</i>

#### 8.14.3.4 Warrant for reimbursement of the Consolidated Fund

- (i) The Ministry's Main Accounts Unit must submit no later than ten (10) workings days after the end of each month to Project Unit of the Public Expenditure Division in the Ministry of Finance a statement of project expenditure.
- (ii) The statement of project expenditure must be submitted in the format stipulated by the Public Expenditure Division of the Ministry of Finance.
- (iii) Upon the issue of the Warrant by the Ministry of Finance for the project expenditure the following journal entry shall be made:

Warrant Balance Account	<i>Debit</i>	
Warrant Issue Account		<i>Credit</i>

- (iv) The Accountant General's Department must submit promptly, an electronic advisory to the relevant Ministry the amount paid to the Consolidated Fund in respect of the projects expenditure.
- (v) Upon advice by the Accountant General's Department that warrant funds has been paid over to the Consolidated Fund the following journal entry shall be made:

Surrender to Consolidated Fund Account	<i>Debit</i>	
Warrant Balance Account		<i>Credit</i>

#### 8.14.4 Fund Source Code

- (ii) All accounting transaction of externally funded projects must be recorded using the relevant fund source code as per the approved uniformed Chart of Accounts.

### 8.15 Supporting Records (Vouchers)

#### 8.15.1 Purpose and Nature of Vouchers

- (i) In general, each entry in the books of account shall be supported by proper accounting documents called “vouchers” having at least the following characteristics:
  - (a) explains the nature and details of the transaction being recorded and showing the date of its occurrence;
  - (b) show the persons who have authorised the transaction and the dates of authorisation. These persons must possess the necessary authority to execute the authorisation.;
  - (c) shows the full budget code, selected from the established uniform chart of accounts, to which the transaction is to be charged;
  - (d) shows evidence that the prices involved were decided on the basis of arm-length negotiation, and that as far as possible third party invoices or cash acknowledgement documents have been obtained and securely filed;
  - (e) shows cross reference numbers to all the related documentation such as cheque numbers and bank accounts, supplier invoices received, purchase orders, delivery notes, invoices issued, tax assessments etc.; and
  - (f) the dates the transaction was posted to the books of account and the persons responsible for that posting.
- (ii) The supporting records must be securely kept and protected from unauthorised access or destruction. This means that a specific person must be entrusted with this responsibility and it is best held by the person who has posted the transaction in the books of account.
- (iii) The standard voucher forms to be used by MDAs are shown at Appendix 31.

### 8.16 Records Management

#### 8.16.1 Responsibility for Records Management

- (i) Accounting Officers and Heads of Departments shall be responsible to ensure that:
  - (a) proper facilities are provided for the storage of records;
  - (b) records are arranged in an orderly and logical manner, to enable easy access when required;
  - (c) records are stored in a safe and secure place; and
  - (d) proper documentation is in place for recording file movement.

### 8.16.2 Destruction Schedule

- (i) In keeping with the approval of the Archives Advisory Committee, the minimum period prescribed for the preservation of accounting and related records shall be as outlined in Appendix 14.
- (ii) The number of years shall be counted from the date of the record of the last transaction entered.

### 8.16.3 Jamaica Archives

- (i) The Jamaica Archives should be informed when records are proposed to be disposed of.
- (ii) Permanent records should be transferred to the Archives and a schedule maintained of such items.

### 8.16.4 Disposal of Records

- (i) A schedule of the items to be destroyed must be prepared and checked by an authorized senior officer to ensure compliance with the minimum period for preservation and compliance with all other instructions.
- (ii) Following certification of the schedule by the authorized officer, disposal should take place promptly in an environmentally friendly manner and under the observation of at least two officers designated by the Accounting Officer.

## 8.17 Financial Reporting

### 8.17.1 The Purpose and Qualities of Financial Statements

- (i) The primary purpose of financial statements is to provide necessary information to facilitate managerial decision making regarding programmes and to provide accountability to stakeholders. To be meaningful, financial statements must satisfy the following minimum qualities:
  - a. **Relevance:** the financial statements are prepared to provide information about the financial performance and financial position of Government, to be able to assess its stewardship and for making economic decisions regarding the delivery of its programmes/obligations to the population. Financial information is relevant if it has the ability to influence those decisions.
  - b. **Reliability:** the financial statements should provide financial information that is reliable. Financial information is reliable if it reflects the substance of transactions (and not simply the form), other events which have taken place, is free from bias and material error, is complete and accurate, and under conditions of uncertainty has been prudently prepared.
  - c. **Comparability:** the financial statements of a Government entity should provide information, which is capable of meaningful comparison with similar information about other Government entities for the same reporting period. Similarly, financial statements should provide information that is meaningfully comparable from one reporting period to another. Meaningful comparability is achieved through uniform and consistent application of the approved accounting rules as well as disclosures in the financial statements throughout Government. For this reason, any changes in the

accounting rules or principles must be subject to prior approval of the Financial Secretary.

- d. **Understandable:** the information provided by the Government’s General Purpose Financial Statements must be capable of being understood by the diversity of users with interest and reasonable knowledge of the affairs of the public sector and its economic activities. Thus, the financial statements should be able to be linked with the underlying government programmes and activities. One of the ways to achieve this objective is to ensure consistence between the financial statements and the corresponding approved national budget not only in format but also in content.
- e. **Materiality:** due regard should be given to materiality in deciding the information to be contained in the Government’s financial statements. An item of information is material if its misstatement or omission might reasonably be expected to influence the economic decisions of users of those financial statements. Whether the information is material will depend on the size and nature of the item in question judged in the particular circumstances of the case. The following factors should be taken into account in deciding whether an item of information is material:
  - (i) The item's size is judged in the context of the financial statements as a whole as well as other information available to users, which would affect their evaluation of those financial statements.
  - (ii) Consideration must be given to the legality, sensitivity, normality, and potential consequences of the item, the identity of the parties involved, and the particular disclosures in the financial statements.

### 8.17.2 Deadline for Submission of Financial Reports

- (i) **Monthly, Quarterly and Annual Financial Accounting Reports** shall be submitted by Accounting Officers and Principal Receivers of Revenue to the Auditor General and the Financial Secretary as follows:

:

Statements	Timeline for Submission
Monthly Financial Reports	Within fourteen working days of the subsequent month
Quarterly Financial Reports	Within fourteen working days of the subsequent quarter
Annual Financial Reports	Four months following the end of the financial year.

### 8.17.3 Financial Reports – General Conditions

- (i) Financial reports shall be prepared in Jamaican dollars and where conversion is done from a foreign currency to Jamaican dollars; it must be rounded off to the nearest cent.
- (ii) These transactions shall be converted at the exchange rate at the date of the receipts and payments. Cash balances held in a foreign currency should be reported using the closing rate which is the Bank of Jamaica weighted average rate. The rate used must be stipulated in the notes to the accounts.

- (iii) The accounts shall be prepared using the cash basis accounting methodology unless otherwise approved by the Financial Secretary to produce accounts on an accrual basis.
- (iv) The accounts must be supported by notes where necessary to ensure correct interpretation of the information being presented.
- (v) The accounts for each quarter must be on a year to date basis.
- (vi) The accounts for all months in respect of each quarter must be closed before the financial statements are submitted.
- (vii) The words “*Period Closed*” must be stated on each statement submitted

#### 8.17.4 MDA’s Monthly Financial Reports

- (i) Monthly financial reports in respect of MDAs shall consist of the following:

No.	Statement	Financial Pattern
MFR 1	Trial Balance	FP11, 12, 21, 22, 31, 32, 45, 90
MFR 2	Receipt and Payment Statement	FP11, 12, 21, 22, 31, 32, 45, 90
MFR 3	Bank Reconciliation Statement	FP11, 12, 21, 22, 31, 32, 45, 90
MFR 4	Statement of Bank Balance	FP11, 12, 21, 22, 31, 32, 45
MFR 5	Statement of Expenditure by Activities	FP11, 12, 21, 22, 31, 32
MFR 6	Statement of Expenditure by Objects	FP11, 12, 21, 22, 31, 32
MFR10	Summary of Advances	FP11, 12, 21, 22, 31, 32
MFR11	List of Advances	FP11, 12, 21, 22, 31, 32
MFR14	List of Deposits	FP45
MFR16	Statement of Miscellaneous Revenue	FP90
MFR17	Statement of Appropriations-in-aid	FP11, 12, 21, 22, 31, 32

- (ii) See Appendix 32 for format of MDA’s monthly financial reports.

#### 8.17.5 MDAs’ Quarterly Financial Reports

- (i) Quarterly financial reports in respect of MDAs shall consist of the following:

No.	Statement
QFR1	Financial Management Status Report
QFR 2	Report on Loss/Damage and Overpayment
QFR 3	Statement of Investments
QFR 4	Internal Audit Report
QFR 5	Operational Plan Monitoring Report

- (ii) See Appendix 33 for format of MDA’s quarterly financial reports.

### 8.17.6 MDAs’ Annual Financial Statements

(i) Annual financial statements in respect of MDAs shall consist of the following:

No.	Statement	Authority
AFR 1	Statement of Commitments at end of Financial Year	<i>FAA Act Section 19A (5)(a)</i>
AFR 2	Statement of Unpaid Bills at the end of the financial year	<i>FAA Act Section 19A (5)(a)</i>
AFR 3	Appropriation Account by Activities and Objects & Explanation of Major Variation	<i>FAA Act Section 24I(1)</i>
AFR 4	Board of Survey Report	<i>FAA Reg. 33.2</i>
AFR 6	Status Report on Fixed Assets	<i>Instruction 7.3.5</i>
AFR 7	Fund Balance Sheet	<i>FAA Act Section 24(I)(c)</i>
AFR 8	Fund Receipts and Payment Statement	<i>FAA Act Section 24(I)( c)</i>

(ii) The Appropriation Account and all other annual accounts must be checked and verified by the Chief Audit Executive before submission to the Auditor-General and the Financial Secretary.

(iii) The Appropriation Account and all other annual accounts must be prepared in quintuplicate and signed by the Accounting Officer. The original and three copies of the Appropriation Account must be forwarded to the Auditor-General and one copy sent to the Financial Secretary.

(iv) The Auditor-General shall certify the Appropriation Accounts and other annual statements.

(v) The Auditor-General shall also cause the certified Appropriation and other relevant annual accounts to be tabled in the Houses of Parliament.

(vi) See Appendix 34 for format of statements AFS 1, AFS 2 and AFS 3.

### 8.17.7 PRRs’ Monthly & Annual Revenue Financial Statements

(i) Monthly and annual revenue financial statements in respect of PRR s shall consist of the following:

Statement Code	Statement Name	Frequency
RS 1	Trial Balance	Monthly
RS 2	Revenue Receipts and Payments Statements	Monthly
RS 3	Revenue Bank Reconciliation Statement	Monthly

RS 4	Statement of Revenue Bank Accounts	Monthly
RS 5	Statement of Net Revenue Collections and Remittance to the Consolidated Fund	Monthly
RS 6	Statement of Gross Revenue, Refund and Drawbacks	Monthly
RS 7	Statement of Net revenue Collections Compared with Revenue Estimates	Annual Within four (4) months following the end of the financial year

- (ii) The Statement of Net Revenue Collected and Explanations of Variations respectively shall be the principal statements to be submitted annually by Principal Receivers of Revenue. Both statements must be signed by the Principal Receiver of Revenue.
- (iii) Statement of Net Revenue and Explanations of Variations must be prepared in quintuplicate and signed by the Accounting Officer. The original and two copies of the statement should be forwarded to the Auditor-General, one copy sent to the Financial Secretary, and one copy retained in file.
- (iv) The Statement of Net Revenue shall give an account of the net revenue collected under the heads of revenue for which the respective Principal Receiver of Revenue is responsible. The statement shall reflect the collections against the respective items in the revenue estimate.
- (v) Explanations of Variations shall provide explanations for the causes of major variations between the estimates and the net receipts.

#### 8.17.8 Accountant General's Annual Financial Statement

- (i) The Accountant General is required to prepare the following annual financial statements called "**Finance Accounts**"

Statement Code	Statement Name
Statement A	Current assets and liabilities of the Consolidated Fund;
Statement B	Revenue actually paid into the Consolidated Fund Principal Bank Account as compared with the Estimates of Revenue
Statement C	Actual expenditure from the Consolidated Fund Principal Bank Account as compared with the estimates of expenditure
Statement D	The public debt of Jamaica showing transactions for the relevant year of account and the balance of sinking funds held against redemption



Statement E	Advances and loans from the Consolidated Fund showing transactions for the year of account and, for those accounts in respect of which no recovery is reported during that year, the date of the most recent recovery;
Statement F	Capital investments of the Consolidated Fund showing transactions for the year of account, the securities held and the proportion of equity held on behalf of the Government
Statement G	Balances held by the Accountant General on deposit at the end of the financial year and the outstanding advances made therefrom
Statement H	Expenditure in respect of those services which by law are directly charged upon the Consolidated Fund as compared with budget forecasts;
Statement I	Outstanding loans or credits guaranteed by the Government
Statement J	Receipts and Payments of the Contingencies Fund
Statement K	Such other matters as the Minister may direct for the purpose of amplifying the information required under paragraphs (a) to (i).

- (ii) ) The Accountant General shall submit the Finance Accounts statements to the Auditor General who shall certify them and the statements as so certified shall be laid on the Table of the House of Representatives.

### 8.17.9 Statements to be tabled by the Minister of Finance

- (i) FAA Act Section 24G. (1) states “ In respect of each financial year and as soon as possible after the end of such financial year, the Minister shall lay the following statements on the Table of the House of Representatives .....

Statement Code	Statement
(a)	The statement of the receipts and payments in respect of the Consolidated Fund Principal Bank Account
(b)	A statement of assets and liabilities of the Consolidated Fund showing balances in respect of current assets and liabilities;
(c)	A summary of the transactions of the Consolidated Fund Principal Bank Account as compared with budget forecasts;
(d)	A statement of the revenue and expenditure of the Consolidated Fund Principal Bank Account as compared with the original and revised budget forecasts.

(e)	<p>The General Purpose Financial Statement which comprises of:</p> <p>The Statement of Cash Receipts and Payments;</p> <p>(i) Accounting policies and explanatory notes; and</p> <p>(ii) Comparison of the budget with actual amounts.</p>
-----	--

- (ii) The statements referred to in subsection (8.16.9) (i) shall be prepared in accordance with the accounts as at the end of the relevant financial year and shall be signed by the Accountant General.

**8.18 MDAs’ Ratings re Timely Preparation & Submission of Financial Statements**

- (i) The MOF shall prepare and release for each month a statement showing the ratings of MDAs regarding the timely submission of statutory monthly, quarterly and annual financial reports.
- (ii) The statement shall be based on the submission of monthly, quarterly and annual reports submitted within the statutory deadlines.
- (iii) For the purpose of ratings the quarterly and monthly reports for previous financial years will not be measured in the current financial year as this will be captured in the measurement of the annual reports in the monthly ratings.

- (iv) The ratings score shall be based on the following penalty points system:

Appropriation and Other Annual Accounts Outstanding	30 points per year for each Annual statement outstanding
Quarterly Statements	25 points per quarterly submission outstanding
Monthly Statements	20 points per monthly submission outstanding

- (v) The rating grade shall be as follows:

Grade	
A -Excellent	Score not greater than zero
B -Good	Score greater than zero but less than 100
C- Fair	Score greater than 100 but less than 250
D-Poor	Score greater than 250

- (vi) Principal Finance Officers and other Head of Accounts Branch that presides over MDAs that receive ”C” and ”D” ratings for three (3) consecutive months shall cause a letter be sent to their Accounting Officer or Head of Department by the Financial Secretary requesting advice on the plan of action to be taken to address the situation.

- (vii) Where following the letter at (vi) above the MDA's ratings has for the next two (2) months shows no significant improvement, the Financial Secretary shall issue a second letter to the Accounting Officer, Head of department requesting strong action be taken to address the matter and to be advised of same.
- (viii) Possible action that may be taken by the Accounting Officer or Head of Department against the Principal Finance Officer/ Head of Accounts Department and/or the head of Final Accounts unit or other culpable officer(s) includes the following:
- Non-Renewal of Contract
  - Forfeiture of Contract Gratuity
  - Forfeiture of Salary Increment when due
  - Deferment of vacation leave
  - Transfer

### **8.19 Electronic Bank Statement**

- (i) MDAs may accept electronic bank statement to execute their bank reconciliation. However, the same level of checks must be executed with this statement as done with the physical bank statement.

## 9 ADMINISTRATIVE MATTERS

### 9.1 The Enabling Legal and Regulatory Framework

<p><b>I. Constitution of Jamaica</b></p> <p><i>None.</i></p>
<p><b>II. Financial Administration and Audit (FAA) Act, 1959 as amended 2015</b></p> <p><b><i>Part III : Administration</i></b></p> <p><i>Section 16:</i> Minister shall designate public officers as Accounting Officers</p> <p><i>Section 16(2):</i> Responsibilities of Accounting Officers and accountability to the Minister.</p> <p><i>Section 24F:</i> Responsibility of Accounting Officers to issue written instructions to accountable officers</p> <p><i>Section 25(3)(a):</i> The Financial Secretary and the Auditor-General shall have physical and electronic access rights to all accounting records of ministries and departments and may import such data from the latter's system to their system for the purposes of consolidation, analysis, examination and any other purpose necessary for the conduct of their function.</p> <p><i>Section 49:</i> Responsibility of Accounting Officers to report to the Financial Secretary and the Auditor deficiency, loss or destruction</p> <p><i>Section 51:</i> Empowers the Financial Secretary to issue instruction to be known as Financial Instructions in relation to public financial business.</p>
<p><b>III. The Financial Management Regulations</b></p> <p><i>Regulations 78-109:</i> Loss of public property</p>

### 9.2 Financial Instructions

The Financial Instructions herein is the full and complete updated Financial Instructions with regarding the above Law and Regulations at the date of publication. All previous statements contained Instructions, Circulars as listed at the end of the document and or any other publication is considered incorporated and revoked to the extent that the matter is covered in this document.

## **9.3 Guidelines for the Acceptance of Gifts**

### **9.3.1 Condition for the Acceptance of Gifts**

- (i) Gifts accepted may be in the form of money, services, physical assets and consumable items.
- (ii) Gifts must only be accepted from reputable individuals and organizations. Ministries, Departments and Agencies (MDAs) must use due diligence to ensure that gifts are not from tainted sources.
- (iii) Gifts accepted must be owned by the donor(s).
- (iv) Gifts must provide social, economic and/or financial net benefit to the Government.
- (v) Donated assets must not result in major recurring expenditure that will place a high cost on the budget in relation to the services it will provide. Therefore, the necessary cost benefit analysis must be done to determine the cost-effectiveness.
- (vi) Gifts must not be accepted as an incentive for hidden benefits, rights or privileges to the donor.
- (vii) MDAs must not accept gifts that are:
  - (a) Obsolete in technology;
  - (b) Hazardous to the environment;
  - (c) Energy inefficient; and
  - (d) Inconsistent with Government policies.
- (viii) Where appropriate, MDAs must consult with the Jamaica Customs Agency for the clearance of gifts donated by an overseas source.
- (ix) Gifts from overseas sources will not necessarily receive exemption from applicable duties, quarantines or licensing requirements.

### **9.3.2 Approval for Acceptance of Gifts**

- (i) Gifts that are likely to have a significant impact on the country's national programmes and policies and which satisfy all the conditions at one (9.3.1), require the prior approval of Cabinet before acceptance.
- (ii) Gifts that will not have a significant impact on the country's national programmes and policies and which satisfy all the conditions at (9.3.1), require the prior approval of the Permanent Secretary, Head of Department or Chief Executive Officer.
- (iii) Gifts that are likely to incur continuous expenditure on an annual basis must be incorporated in the MDA's annual estimates of expenditure.
- (iv) The terms and conditions of gifts to be accepted must be agreed in writing and signed by both the donor and the recipient of the gifts. This may be in the form of a Memorandum of Understanding (MOU).
- (v) When gifts are received, the Acceptance of Gift Form at Appendix 16 must be completed. The form must be signed by the following:
  - (a) The responsible officer of the MDA receiving the gift(s); and
  - (b) The Accounting Officer, Head of Department, Chief Executive Officer or his/her designate.

## **9.4 Donation of Money**

- (i) Where approved donation of cash is received for purposes specified by the donor, MDAs shall:
  - (a) Lodge the funds to its Deposit Bank Account;

- (b) Advise the Ministry of Finance of (a) above requesting its incorporation in the Estimates of Expenditure or Supplementary Estimates as Appropriation-in-Aid.
- (ii) Where approved donation of cash is received with no instruction for it to be used for a specific purpose, the funds received must be lodged promptly to the Consolidated Fund.
- (iii) In all cases where approved donation of cash is received, the donor must be issued an official receipt.
- (iv) Expenditure made from the donated funds, pending inclusion in the Supplementary Estimates or Estimates of Expenditure may be spent from the Deposit Account.
- (v) The balance of AIA funds held on deposits must be transferred to the recurrent, capital head or the Central Payment Account (CPA) where appropriate.
- (vi) The MDA shall record donation of money in the “other assistance grant aid” category of the Statement of Cash Receipts and Payments (See Appendix I).

## **9.5 Donation In-Kind**

- (i) Donation in kind may be classified as follows:
  - (a) Skill labour;
  - (b) Special skills;
  - (c) Consultant services;
  - (d) Medical services;
  - (e) Physical assets;
  - (f) Consumables items (food, medications, clothing, toiletries, etc.; and
  - (g) Other in kind items.
- (ii) Upon the acceptance of gift in kind, its value must be estimated based on the prevailing market rate. The prevailing market rate should include all costs incurred in bringing the asset into use, such as transportation, installation, custom duties and licencing fees.
- (iii) Where the value of the asset exceeds Five Hundred Thousand Dollars Jamaican (J\$500,000.00), the amount and the basis on which the market value was determined must be disclosed in the notes to the General Purpose Financial Statements for MDAs and Consolidated General Purpose Financial Statement as shown at Appendices 3 and 4.
- (iv) Donated assets must be inventorised and added to the Fixed Assets register.

## **9.6 Overpayment of Public Funds**

### **9.6.1 Prevention and Detection of Overpayment**

- (i) Accounting and accountable officers must ensure that proper systems of internal control are in place to prevent and detect overpayments.
- (ii) The Chief Audit Executive shall advise accounting and accountable officers as to the adequacy of the system of internal control.
- (iii) In order to prevent and detect overpayments, accounting /accountable officers must ensure that an audit of the payments and salaries sections of the Accounts Department be carried out at least once every year.

### **9.6.2 Discovery of Overpayment**

- (i) Where an overpayment of public funds is detected, the accounting or accountable officer must undertake the following procedures: -

- (a) Ascertain whether the overpayment represents an error, fraud or corruption. Where fraud is suspected the Police must be immediately summoned. The Auditor-General and the Financial Secretary must be advised accordingly.
- (b) Ascertain the internal control weakness, if any, that led to the overpayment and where appropriate, put measures in place to prevent recurrence.
- (c) Ascertain the full amount of the overpayment and the period of time over which it occurred.
- (d) Ascertain whether the full amount of the overpayment can be recovered from the payee and the method of recovery.

### 9.6.3 Recovery of Overpayment

- (i) Accounting and accountable officers shall be responsible for ensuring the full recovery of all amounts overpaid from public fund within the financial year to which the overpayment was discovered, or at such other time that would be considered fair and reasonable after careful assessment of the payee's financial position.

#### 9.6.3.1 Recovery of Overpayment made to Private Persons or Organizations

- (i) The following procedures must be undertaken to effect recovery of overpayments:
  - (a) Notify the payee in writing of the amount overpaid, clearly providing sufficient details as to how the overpayment was derived. This shall include appropriate references to voucher number, cheque number, invoice number, contract clause and any other relevant information.
  - (b) Deduct the full amount overpaid from any amount owed to the person or organization to whom the overpayment was made and accordingly submit notification to them by way of a Debit Note.
  - (c) Advise the person or organization to pay over within fourteen (14) working days from the date of notification, any balance not recovered from the overpayment.
  - (d) Follow up to ensure that the overpaid amount is recovered within the required time frame. Where payment is not received after at least two (2) reminders, the matter must be referred to the Attorney General or the organization's legal officer to pursue legal action provided that it is cost effective to do so.

#### 9.6.3.2 Recovery of Overpayment made to Public Officers

- (i) Notify the payee in writing of the amount overpaid, clearly providing sufficient details as to how the overpayment was derived. This shall include appropriate references to voucher number, cheque number, invoice number, contract clause and any other relevant information.
- (ii) The officer should be requested to repay immediately the full amount overpaid upon notification at (i) above.
- (iii) Where the officer is unable to immediately repay the amount overpaid, the full amount shall be recovered from the officer's salary on a monthly or fortnightly basis not exceeding one-sixth of his/her gross pay per month or fortnight. The repayment shall commence from the earliest monthly or fortnightly pay cycle, and shall continue until the overpayment is fully recovered.

- (iv) Where an officer resigns, retires or is dismissed, before full recovery of the amount overpaid, any balance outstanding must be recovered in full from the officer's final salary payment. This include, leave pay, gratuity, pension payment and any other sum owed to the officer.
- (v) Where overpayment is discovered in respect of a public officer who has resigned, retired or dismissed, and where all final payments have been made to the officer, the following shall apply:
  - (a) Notify the former public officer in writing of the amount overpaid, clearly providing sufficient details as to how the overpayment was derived. This shall include appropriate references to voucher number, cheque number, invoice number, contract clause and any other relevant information. The former public officer must be requested to make full payment within thirty (30) days from notification or to provide in writing the most reasonable/ appropriate period to which the overpayment can be recovered.
  - (b) Follow up to ensure that the overpaid amount is recovered within the required time frame. Where payment is not received after at least two (2) reminders, the matter must be referred to the Attorney General or the organization's legal officer to pursue legal action, provided it is cost effective to do so.

#### 9.6.4 Irrecoverable Overpayment

- (i) Where overpayment is deemed irrecoverable, the culpable or negligent officer(s) responsible for the overpayment must be ascertained. In the case of ministries, departments and agencies, a request for an investigation must be submitted to the Auditor-General who shall where appropriate make recommendation to the Financial Secretary for an imposition of surcharge in accordance with Section 20 of the FAA Act.
- (ii) In the case of public bodies, the recommendation for recovery and/or disciplinary action shall be submitted to the Board for its approval or the Financial Secretary for appropriate action as set out under Section 25 of the Public Bodies Management and Accountability (PBMA) (Act).
- (iii) Where there is found an overpayment of salaries or allowance which was as a result of noncompliance to Ministry of Finance's procedures and guidelines but which forms part of a legitimate employment contract or employment letter, recovery of the amount overpaid should not be effected from the payee but from the officer(s) found culpable for approving such payments. Recovery must be effected as set out at (9.6.3.2) above.

#### 9.6.5 Disputed Overpayment

- (i) Where the payee disputes the overpayment, the matter must be addressed as follows: -
  - (a) Request the Chief Audit Executive of the Ministry, Department, Agency or Public Body to examine and certify the amount overpaid;
  - (b) Present the findings of the Chief Audit Executive to the payee;
  - (c) If the payee disputes the findings of the Chief Audit Executive, the matter shall be referred to the Auditor-General for review; and



- (d) Where the payee still disputes the amount overpaid following the Auditor-General's review, the matter shall be referred to the Attorney General and/or the organization's legal officer for resolution.
- (ii) The Financial Secretary must be advised on each stage of the resolution of the dispute regarding the overpayment.

#### 9.6.6 Request for Waiver of Recovery

- (i) Accounting Officers may seek the Financial Secretary's approval to waive the recovery of an overpayment on humanitarian grounds. Accounting Officers must however establish the following:
  - (a) that the overpayment was the fault of the organization and that the person(s) who caused the overpayment no longer work in the system and all efforts to make contact have failed;
  - (b) the person overpaid had no reasonable knowledge that he was being overpaid; and
  - (c) the recovery of the amount overpaid from the payee will place the individual at a severe disadvantage.
- (ii) Request for waivers of recovery of overpayment will be dealt with on a case by case basis.

#### 9.6.7 Write-off of Overpayment

- (i) Write-off of overpayments shall be done in accordance with Instruction 7.7.

### **9.7 Payment of General Consumption Tax**

#### 9.7.1 Who is to Pay GCT?

- (i) All public sector entities excluding those exempted by law shall pay the full amount of General Consumption Tax (GCT) charged on imported goods and domestic taxable supplies.
- (ii) GCT shall not be payable where a condition in a project/donor agreement has a clause stipulating that no part of the lender/donor or foreign government funds may be used for payment of taxes. Invoices in respect of purchases under these projects must be submitted to TAJ to be zero-rated.
- (iii) Government schools, colleges and universities shall be required to pay GCT on domestic taxable supplies and on imported goods.

#### 9.7.2 Registration as a Tax Withholding Entity (TWE)

- (i) MDAs shall be registered with Tax Administration Jamaica as a Tax Withholding Entity (TWE) and deduct and withhold the GCT payable on goods and service from their suppliers.

#### 9.7.3 Issuing of WTC from the Jamaica Tax Portal

- (i) Withholding Tax Certificates (WTC) must be issued by MDAs through use of the Jamaica Tax Portal.

- (i) Permanent Secretaries, Heads of Departments, and Chief Executive Officers shall designate in writing persons authorised to generate WTCs as well as persons authorised to sign them.

#### 9.7.4 When to Issue the WTC?

- (i) A WTC must be issued within fifteen (15) days of receipt of the invoice providing the following conditions have been satisfied:
  - (a) the goods and services have been certified by authorised officer of the MDA as being properly received; and
  - (b) the invoice has been checked and verified as correct by the relevant officer of the MDA.
- (ii) WTCs must be issued for valid and accepted supplier's invoice. Any discrepancy or problem with an invoice must be resolved and where necessary the invoice cancelled and replaced by the supplier before the relevant WTC is issued.
- (iii) A WTC must be issued on receipt of the supplier's invoice and **not** when payment is made to the supplier.

#### 9.7.5 Who is to Issue the WTC?

- (i) Public officers designated in writing by the Accounting Officer, Chief Executive Officer or Head of Departments being responsible for issuing and signing WTCs must be an appropriate officer from the Procurement, General Services Unit of the TWE or those officers engaged in the checking and verification of the receipt of goods and services and/or the checking and verification of invoices.
- (ii) The Accounting Officer, Chief Executive Officer, Head of Department must ensure that officers designated to issue and sign WTCs are subject to an independent check on a periodic basis.

#### 9.7.6 Failure to Issue WTC

- (i) All complaints by suppliers of late or non-receipt of WTCs must be immediately referred to the Accounting Officer, Chief Executive Officer, or Head of Department.
- (ii) The Accounting Officer, Chief Executive Officer, and Head of Department must for each complaint, order an investigation and receive a report within two (2) weeks of receipt of the complaint.
- (iii) Where the investigation revealed that the complaint is inaccurate or invalid the supplier must be advised accordingly.
- (iv) Where the investigation revealed that the complaint is valid, the Accounting Officer, Chief Executive Officer, or Head of Department shall take appropriate disciplinary action in accordance with the law and put effective measures in place to ensure the timely issuing of certificates.

#### 9.7.7 The GCT Returns - Form 4F

- (i) At the end of each month, MDAs shall generate and submit electronically the GCT Returns -Form 4F by using the Jamaica Tax Portal.

- (ii) The Form 4F captures all the GCT withheld for a month and accordingly reflects the total amount payable to TAJ for GCT for that month. This must be checked in details for accuracy.
- (iii) The payment of the GCT payable, based on the Form 4F shall be the responsibility of the Principal Finance Officer/Head of Accounts Section of the MDA notwithstanding circumstances where the actual payment is done by the Accountant General's Department.
- (iv) MDAs must ensure that GCT returns and payment of all taxes and statutory deductions are kept up-to-date.

## **9.8 Investment of Public Funds**

### **9.8.1 Investment Officer**

- (i) Permanent Secretaries, Heads of Departments and Chief Executive Officers shall assign or designate an appropriate officer as the entity's Investment Officer to be responsible for the management of its investment portfolio.

### **9.8.2 Funds for Investment**

- (i) MDAs may invest fund not immediately needed in respect of the following::
  - (a) Special Funds
  - (b) Revolving Funds
  - (c) Any other funds held outside of budgetary or appropriated funds
- (ii) Investment of funds from the Consolidated Fund and Trust Funds shall be executed by the Accountant General subject to the approval of the Minister in accordance with Section 6 and 14 of the FAA Act respectively.

### **9.8.3 Authorized Financial Institutions and Investments**

- (i) Ministries Departments Agencies (MDAs) shall invest funds only in institutions regulated by the Banking Act, the Financial Institutions Act, the Building Societies Act or the Financial Services Commission Act.
- (ii) MDAs are authorized to invest public funds only in the following investment instruments:
  - (a) GoJ Treasury Bills';
  - (b) GoJ Local Registered Stocks;
  - (c) GoJ Debentures and Bonds;
  - (d) BoJ Repos;
  - (e) Demand Deposit Accounts;
  - (f) Certificates of Deposit; and
  - (g) Any other investment authorized by the Financial Secretary..
- (iii) No more than twenty-five (25%) percent of an MDA's total investment portfolio should be invested in a single security type or with a single financial institution except where the investment is backed by Government of Jamaica securities.
- (iv) MDAs shall not directly invest in securities maturing more than one year from the date of purchase.

#### 9.8.4 Investment Approval

- (i) The placement of each individual or package of investment and roll-overs requires the following approval:

Investment Amount	Approved By
\$2 million and Under	Accounting Officer, Head of Department and Chief Executive Officer
Over \$2 million	Financial Secretary

#### 9.8.5 Investment Interest

- (i) Interest and Dividend earned on the investment must be paid promptly to the Accountant General for Miscellaneous Revenue unless:
- (a) The statute, trust deed or covenant or special approved arrangement in respect of the fund invested stipulates some other method of utilisation of the interest or dividend; or
- (b) The Financial Secretary approves some other method of utilisation of the interest or dividend.
- (ii) MDAs may apply to the Ministry of Finance for a portion or all of the interest earned from investments, to be utilized on activities/projects, which are inadequately or not provided for in the budget.
- (iii) The requests to utilize the interest earned or a portion thereof shall be examined on a case-by-case basis and approval granted only in particular circumstances where the MDA is in dire need of funds to undertake approved activities or projects which cannot be met from the existing budget.
- (iv) Where such approval is granted, the amount shall be included in the Supplementary Estimates of Expenditure as Appropriations-in-aid.

#### 9.8.6 Accounting and Reporting of Investments

- (i) Accounting Officers and other accountable officers must ensure that proper accounting records are maintained for investments.
- (ii) All investment accounts, including Call Accounts, must be reconciled monthly and at the end of the financial year.
- (iii) Accounting and other accountable officers must prepare and submit a Statement of Investment to the Financial Secretary and the Auditor-General for each quarter as stated at Instruction 8.12.5.

#### 9.8.7 Investments by Public Bodies

- (i) Public bodies shall apply the investment policy approved by their governing Board.
- (ii) Where a Public Body does not have an approved investment policy it shall adopt the principles of the Public Sector Investment Policy..

#### 9.9 Letter of Credit Facility

- (i) MDAs may establish Letters of Credit to make payments where such payment mode is a requirement by the supplier.

- (ii) MDAs must ensure that warrant funds are available to facilitate payment under the Letter of Credit Facility.
- (iii) Request for approval to establish a letter of credit facility must be submitted to the Accountant General within an appropriate time frame. The request must have the following information:
  - (a) The Purpose of the Facility;
  - (b) The duration of the Facility;
  - (c) The Name and Address of the Supplier;
  - (d) The Terms and Conditions of the Supplier's Agreement;
  - (e) The Letter of Credit Contract Amount;
  - (f) The Currency in which the facility will operate;
  - (g) The Name and Address of the preferred bank and justification for selection;
  - (h) The proposed interest rate to be paid on deposit (in writing from the bank);
  - (i) The proposed costs and conditions (to be included in the formal proposal from the bank(s) outlining all costs associated with the transaction); and
  - (j) If a new bank account is to be opened - the Type of Account, signatories on the account etc.
- (iv) MDAs should ensure that the Letter of Credit facility when established is in compliance with the supplier's instructions.
- (v) MDAs should advise the Accountant General of the date the Letter of Credit facility was established and the date the final payment was made to the supplier.
- (vi) Once the Letter of Credit Facility has been established, the MDA shall make the relevant payment to the approved financial institution through the Central Treasury Management System (CTMS).
- (vii) Departments and agencies not on CTMS shall execute payments to the approved financial institutions directly from their bank accounts.

## **9.10 Purchase of Fuel by Debit Cards**

### **9.10.1 Authority for the System**

- (i) An advance or Debit Card System is established by the Ministry of Finance for the purchase of fuel for the public sector.

### **9.10.2 Fuel Limit**

- (i) MDAs must set annual budgets for procurement of fuel, per vehicle and/or item, of equipment.
- (ii) Using the annual usage patterns, a limit must be placed on the amount of expenditure that may be incurred, by each vehicle and/or item of equipment over a given period.
- (iii) Transport managers must obtain particulars in respect of vehicles/equipment, to determine monthly limits for fuel consumption for each vehicle (fleet and assigned) and items of equipment, and submit same to the Financial Secretary for preparation of advance cards.
- (iv) Monthly limits for fuel consumption may be adjusted in accordance with usage patterns over time, subject to approval of the Financial Secretary.

### 9.10.3 Budgetary Provision – Fuel & Service

- (i) MDAs shall make budgetary provision for each vehicle/item of equipment, as set out below:
  - (a) One time registration fee;
  - (b) Monthly service charge; and
  - (c) Monthly deposit for procurement of fuel.

### 9.10.4 Container Card

- (i) A container card may be used to purchase fuel only in respect of designated items of equipment.
- (ii) The officer with responsibility for obtaining fuel for equipment must tender the container card to retailers in exchange for fuel.
- (iii) Officers must allow for transaction verification prior to the dispensation of fuel. This action includes verification of:
  - (a) Equipment particulars; and
  - (b) Card account balances.
- (iv) Upon verification and dispensation of fuel, officers must sign a printed receipt and return a copy to their transport manager.
- (v) Operators should ensure that the value of the fuel received, is accurately reflected on the printed receipt prior to affixing a signature.
- (vi) Under no circumstances shall container cards be –
  - (a) presented to retailer for products other than fuel;
  - (b) used in exchange for servicing;
  - (c) used to obtain fuel for any item of equipment other than for which it is issued; and
  - (d) used to obtain cash instead of fuel.

### 9.10.5 Declined Transactions

- (i) Transactions shall be declined for the following reasons:
  - (a) insufficient balances on accounts; and/or
  - (b) fraudulent transactions, i.e. circumstances in which vehicle/equipment particulars do not agree with information encoded on the card tendered.
- (ii) Under no circumstances shall a vehicle/item of equipment exceed its budget allocation as any excess expenditure on deposits shall attract an interest penalty which is payable by the respective ministry or department.
- (iii) Transaction receipts shall be imprinted with “warnings” as a vehicle/item of equipment approaches balance on account limits. Transport Managers shall:
  - (a) Manage fleet vehicle budgets effectively in order to ensure that allocations are not exhausted; and
  - (b) Keep operators of assigned vehicles informed of the budget limits placed on these vehicles. Having been advised of these limits, assignees shall manage them effectively in order to ensure that allocations are not exhausted.

- (iv) In the event that a transaction is declined for insufficient balance on account, ministries and/or departments are required to promptly contact the provider of the advance card system to effect resolution.

#### 9.10.6 Vehicle Odometers

- (i) Transport managers must ensure that vehicle odometer is in working condition at all times, as fuel shall not be provided for a vehicle with a non-functional odometer.

#### 9.10.7 Loss of Advance Card

- (i) Loss of advance cards must be reported immediately to:
  - (a) The provider, in order to effect the necessary cancellations; and
  - (b) The Financial Secretary and the Auditor-General.

#### 9.10.8 Deactivation of Cards

- (i) In the event that a motor vehicle is rendered out of service for a period in excess of one month, due to an accident, or unavailability of spare parts, the ministry/department shall have the option to request from the provider the deactivation of the dedicated card, and its subsequent renewal when the vehicle is rehabilitated.

#### 9.10.9 Account Reconciliation

- (i) Transport managers/accounts departments should effect reconciliation between statements received from the provider and copies of signed receipts submitted by assignees, fleet vehicle operators and/or officers responsible for purchasing fuel for equipment.
- (ii) Discrepancies should be promptly resolved among the respective parties, and the Financial Secretary advised accordingly.

### **9.11 Use of Government Telephone**

#### 9.11.1 Personal Calls

- (i) Public officers shall use Government provided communications equipment and services for official business, however devices may be used to make or receive personal calls during duty hours provided that:
  - (a) The calls do not adversely affect the performance of employees' official duties or the organisation's work performance;
  - (b) They are of a reasonable duration and frequency; and
  - (c) The calls could not reasonably have been made or received during non-duty hours.

#### 9.11.2 Identification of Private Calls

- (i) Where feasible a system (e.g. Audix) should be put in place and each employee assigned a unique authorization code. This code will link each employee to the calls

that he/she has made in a particular period. The employee can then determine and indicate clearly which calls were made for official purposes and those for private purposes. In the event that the implementation of such a system is not feasible, a record of all private calls made must be maintained showing the:

- (a) Number called;
- (b) Date and time of the call, and
- (c) Name of the officer making the call.

### 9.11.3 Cost Recovery for Private Calls

- (i) Employees making personal calls (including overseas calls to cellular telephones) must be charged for the cost of the call including General Consumption Tax. Therefore, a system should be implemented to ensure that, on receipt of each telephone bill from the service provider, employees are called upon to identify and pay the associated charges relating to all private calls.
- (ii) The cost must be recovered by payment to the cashier by the end of the month following the billing period. In the event that an employee fails to make payment in the time stipulated this information must be forwarded to the Accounts Department (payroll section) for recovery through a “one-time” salary deduction.

### 9.11.4 Collect Calls

- (i) Public officers must not accept collect calls for business or personal purposes in the absence of prior written approval by the Permanent Secretary, Head of Department or Chief Executive Officer.

### 9.11.5 Overseas Calls

- (i) Public officers who wish to make private overseas calls should first obtain the permission of their respective department heads. This should be clearly recorded in a toll call register before the call is put through.

### 9.11.6 Private Lines

- (i) The assignment of private lines (straight lines) to certain employees must not be viewed as a right or benefit attached to a job or position.
- (ii) Private lines may only be assigned in instances where it can be demonstrated that assigning this line to an employee will be to the benefit of the organization concerned.
- (iii) The Permanent Secretary, Head of Department or Chief Executive officer must authorize the assignment of private line.

## 9.12 Use of Government Mobile Telephones

### 9.12.1 Assignment of Mobile Telephones

- (i) Accounting Officers, Chief Executive Officers, Chairmen of Board of Directors or Heads of Departments may assign mobile telephones to the public officials where the nature of their duties require them to be accessible at all times and the use of the



mobile telephone is critical for the effectiveness of performance of their official duties.

- (ii) All assigned mobile phones to the public officers must be part of a Closed User Group (CUG) plan where such a plan is feasible.
- (iii) The Permanent Secretaries, Heads of Departments, Chief Executive Officers or Chairmen of Board of Directors may determine the type of devices and services to be assigned to the public officers.
- (iv) The assignment of mobile phones and services must be determined based on the following:
  - (a) It is absolutely necessary for the effective execution of his/her duties.
  - (b) The service is cost effective and funds are available for its use.
- (v) The Accounting Officer, Chief Executive Officer or Chairmen of Board of Directors will determine which public officer(s) should be assigned pre-paid or post-paid mobile phones within the CUG plan. The assignment of phones shall be determined solely on the basis of the nature of the service required and job functions.
- (vi) The number of phones, types of phones and services required under the CUG plan must be within the limit of the approved budgetary allocation for the service.
- (vii) A public official shall be assigned only one mobile telephone at any given time and shall not be assigned any other mobile communication device, for example radio and pager, unless special approval is given by the Financial Secretary or by the Board in the case of a public body.
- (viii) Consultants and advisors maybe assigned a mobile telephone depending on the nature of their duties and provided that their contract is for a period of not less than one (1) year.
- (ix) Assigned mobile telephones are the property of the Government of Jamaica and maybe retrieved from the assignee at any time based on the directive of the Accounting Officer, Chief Executive Officer, Head of Department and Board Chairman in the case of a Public Body.

#### 9.12.2 Procurement of CUG

- (i) The procurement of CUG mobile telephone service must be done on a competitive basis (i.e. a comparison of plans from various mobile providers). All rules of the procurement guidelines must be strictly adhere to.
- (ii) All contacts for the CUGs and other mobile telephone services must be approved by Accounting Officers, Chief Executive Officers, Board Chairmen or Heads of Departments as the case maybe and shall be dealt with and reported on in a similar manner to other contracts for service.

#### 9.12.3 Control of Mobile Telephones

- (i) Pre-set monthly limits for calls outside of the CUG plan must be established for all Government mobile telephones for both official calls and data services. The pre-set limit must be determined based on an estimate of the average telephone usage of the assignee and based on the approved budgetary control limit for overall telephone services.

- (ii) The pre-set telephone limits must be approved by the Accounting Officer, Chief Executive Officer, Board Chairman or Head of Department and, must not exceed the maximum stipulated in Appendix 11.
- (iii) Where there are justifiable reasons for officers to be allocated pre-set telephone limits over the maximum stipulated amount, the prior approval of the Financial Secretary must be obtained.
- (iv) Accounting Officers, Chief Executive Officers, Board Chairmen or Heads of Departments must ensure that a register is maintained of all mobile telephones owned or under the control of their ministry, agency or public body.
- (v) The Mobile Telephone Register must have at minimum the information shown at Appendix 18.
- (vi) The 'Remarks' column of the Register must be used for making notation in respect of:
  - (a) Damage to Mobile Telephone
  - (b) Loss of Mobile Telephone
  - (c) Service and repairs to Mobile Telephone
  - (d) Return and Transfer of Mobile Telephone
- (vii) Where private calls are made from an assigned telephone, the assignee must indicate such calls and promptly pay the amount charged including the requisite General Consumption Tax to the ministry, department, agency or public body.
- (viii) Where a CUG mobile telephone not owned by Government is lost, stolen or damaged this must be promptly reported to the assigned officer responsible for CUG phones in the ministries, departments or agencies who must formally report this matter promptly to the service provider.
- (ix) Where a Government owned mobile phone is lost, stolen or damaged this must be promptly reported to the Auditor-General and the Ministry of Finance. In the case of public bodies the report must be made to the Board of Directors.
- (x) Where a CUG mobile telephone or any other mobile phones is lost or damaged due to the negligence of the assignee, the value of the mobile telephone at the time of the loss or the repair cost must be recovered from the assignee.
- (xi) Assigned mobile telephones must be returned by officers to the respective ministry department, agency or public body upon:-
  - (a) Resignation;
  - (b) Dismissal;
  - (c) interdiction or suspension for a period exceeding 60 calendar days;
  - (d) retirement;
  - (e) embarking on study leave, vacation leave, and any other leave exceeding a period of ninety (90) calendar days; or
  - (f) secondment or transfer to another public sector entity
- (xii) Assigned mobile telephones should not be replaced before the end of the contract period unless the instrument becomes defective or the officer has been re-assigned to a position that necessitates the use of a more advanced instrument.

#### 9.12.4 Disposal of CUG

- (i) Permanent Secretaries, Chief Executive Officers, Chairman of Board of Directors and Heads of Departments must establish a committee for the proper management of the disposal of the mobile phones and SIM cards.
- (ii) At the end of the CUG contractual period or the termination of the contract, the CUG hand set devices maybe sold to officers to whom such devices were assigned at scrap value as determine by the committee.
- (iii) Ministries, Departments or Agencies must lodge all funds received from the disposal of mobile phones to the Accountant General for Miscellaneous Revenue. Public Bodies may determine the appropriate use of the funds received from disposal of the phones.

### 9.13 Use of Government Laptop Computers

#### 9.13.1 Purchase of Laptops

- (i) The procurement of laptops must be done in accordance with the GoJ procurement guidelines.
- (ii) Laptops must be purchased entirely on the basis of need, demonstrated by one or more of the following reasons:-
  - (a) For assignment to officers whose job involve working off-site in the collection and retrieval of information or data;
  - (b) For the conduct of training, demonstration, experiment, testing, surveillance, audit and other operations where a desktop computer is inappropriate; and
  - (c) For assignment where necessary to consultants, contract officers, auditors, revenue agents, investigators, attorneys, medical doctors and senior executives and professionals whose job require the use of a mobile computer.
- (iii) The specifications for laptops must match the basic needs of the job(s) for which they are to be used. Unnecessary features or add-ons must not be included in the specification thus ensuring greater economy.
- (iv) No approval must be given for the purchase of a single laptop exceeding a sum equivalent to US\$ 3,000 without justification provided and accepted by the entity's Procurement Committee.
- (v) Laptops acquired must immediately be recorded in the inventory of the ministry, department, agency or public body.

#### 9.13.2 Assignment of Laptops

- (i) The assignment of laptops to officers for any duration must be authorized by the Permanent Secretary, Chief Executive Officer, Board Chairman, Head of Department or by any officer delegated such authority.
- (ii) Laptop assignee should not be provided with the laptop's administrator password, but should be assigned a user login and allowed to set his/her password.
- (iii) Upon the assignment of a laptop, the assignment form must be completed and signed in duplicate. The original must be given to the assignee and the duplicate properly

filed. Assignment forms must be completed for all officers including those already in possession of a Government laptop. The assignment period must not exceed the assignee's contract or consultancy period.

- (iv) An officer must not be assigned more than one (1) laptop at any given time. Where a new laptop is being assigned the existing one must be returned.
- (v) Officers may be assigned laptops for use while on official duties overseas.
- (vi) Laptops must be returned immediately upon the assignee's resignation, retirement, dismissal, secondment, interdiction, vacation leave or study leave or upon any other form of separation from the job.
- (vii) Unassigned laptops including laptops returned from assignment must be kept in a safe place by the officer designated with the responsibility for their custody.
- (viii) Assigned laptops are the property of Government and may be taken from the assignee at any time for any reason based on the directive of the Accounting Officer, Principal Receiver of Revenues, Chief Executive Officer, Board Chairman or Head of Department.

#### 9.13.3 Maintenance of Laptop Assignment Register

- (i) Ministries, Department, Agencies (MDAs) and Public Bodies must maintain a Laptop Register to track the assignment of laptops. An example of the format of the Register is shown at Appendices 19 and 20.
- (ii) The remarks column of the Register must be used for indicating the condition of the Laptop and its peripheral device/hardware and other items upon its return from assignment.
- (iii) The officer designated for the maintenance of the Laptop Assignment Register shall be responsible for reporting immediately to the designated officer the following:
  - (a) Laptops not returned from the specified date for return;
  - (b) Laptops returned with damage or defects; and
  - (c) Laptops returned with missing parts or missing peripheral devices.
- (iv) The Laptop Assignment Register should be checked periodically by the Internal Audit Department.

#### 9.13.4 Physical Care of Laptops

- (i) To ensure proper security, optimum performance and longevity of laptops, public officers must ensure that the laptop assigned is:
  - (a) Never left in vehicles or in open offices unattended for any period of time;
  - (b) Not exposed to water, excessive heat or other hazards;
  - (c) Not loaned to any person; and
  - (d) Used only for performance of their official duties.

#### 9.13.5 Repairs to Laptops

- (i) Laptop assignees must not without prior authorization give the laptop out for repairs or to do the repairs themselves.
- (ii) The terms and conditions of the warranty on laptops must be noted, taken advantage of and not jeopardised by conducting unauthorized repairs or through improper use.

- (iii) MDAs and public bodies must ensure that/servicing/maintenance is done on all assigned laptops at least once every three (3) months. A log must be maintained in this regard

#### 9.13.6 Licensed Software-Laptops

- (i) Laptops must be loaded only with licensed software thereby preventing the Government from being in breach of local and international copyright laws.

#### 9.13.7 Loss or Damage to Laptops

- (i) Loss or damage to laptop must be promptly reported to the Auditor-General and the Ministry of Finance. The report must state the following:-
  - (a) The serial number of the laptop;
  - (b) The date of the loss or damage;
  - (c) Whether the loss or damage was due to negligence on the part of the laptop's assignee; and
  - (d) The action which is recommended to be taken in respect of the loss or damage.
- (ii) Where a laptop is stolen, it is the duty of the Permanent Secretary, Chief Executive Officer, Board Chairman or Head of Department concerned to make a report to the Police forthwith.

#### 9.13.8 Board of Survey -Laptops

- (iii) Laptops that are unserviceable must be reported to the Ministry of Finance for approval to be board surveyed and disposed of. In respect of public bodies this must be done by their local Board of Survey.

## 10 CASH-BASED IPSAS

### 10.1 The Enabling Legal and Regulatory Framework

#### I. Constitution of Jamaica

##### Chapter VIII Finance:

*Section 116:* covers the need for Annual Estimates but does not prescribe the format.

#### II. Finance Administration and Audit (FAA) Act, 1959 as amended 2015

##### Part II Payments into Consolidated Fund

*Article 8A Direction re Fees:* makes reference to “appropriation-in-aid”. As is indicated below, the Regulation on this topic, together with its definition, have been deleted from the **Financial Management Regulations (2011, as amended 2015)**. The relationship between “appropriation-in-aid” and the requirements of the Cash-based IPSAS needed clarification.

##### Part III Government Accounts

*Article 24A Government Accounts:* gives the Minister the power to ensure that the accounting requirements of Cash-based IPSAS can be covered by issuing appropriate directions and regulations.

*Article 24B (1) Basis of Accounts:* gives the Minister the power to prescribe the use of Cash-based IPSAS for the annual financial statements.

*Article 24D External Loan Accounts:* the Cash-based IPSAS is prescriptive as to how foreign currency amounts are to be converted into national currency. The Financial Secretary must issue directives/regulations to this effect.

*Article 24F Financial Instructions:* this article enables the Financial Secretary to issue appropriate Financial Instructions, if required, for the operation of Cash-based IPSAS.

##### *Article 24G Annual Statement:*

This article requires the Minister to lay the following statements on the Table of the House of Representatives:

*“(a) the Statement of Receipts and Payments in respect of the Consolidated Fund Principle Bank Account;*

*(b) a Statement of Assets and Liabilities of the Consolidated Fund showing balances in respect of current assets and liabilities;*

*(c) a Summary of the Transactions of the Consolidated Fund Principal Bank Account as compared to budget forecasts; and*

*(d) a Statement of Revenue and Expenditure of the Consolidated Fund Principal Bank Account as compared with the original and revised budget forecasts.”*

##### *Article 24H Finance Accounts:*

This article required the Accountant-General to prepare, sign and submit to the Auditor-General a range of statements including:

*“(a) Current Assets and Liabilities of the Consolidated Fund.”*

<p>For the reason stated in the previous section this will no longer be possible and the subparagraph should be repealed from the Act.</p>
<p align="center"><b>III. Financial Management Regulations (FMR) 2011, as amended 2015</b></p> <p><b>Regulation 5(sub-sections (3) to (5):</b> Consolidated Fund Books of Account.</p> <p><b>Regulation 64:</b> indicates that if the Financial Secretary directs that an accruals based system be used it should be in accordance with IPSAS or IFRS</p> <p><b>Regulation 65(3):</b> indicates that “<i>the accounts of Government shall be complete, relevant and current in accordance with the standards and guidelines prescribed by the Financial Secretary.</i>” This could be improved by indicating that the accounts must follow the requirements of IPSAS – whether cash or accruals based.</p> <p><b>Regulation 68:</b> indicates that the Financial Secretary shall prescribe guidelines for the preparation and presentation of reports.</p> <p><b>Regulation 74(2):</b> allows the Financial Secretary to issue instructions with regards the correction of errors in the accounts.</p>

## 10.2 Scope of Instruction 10

- (i) This Instruction is applicable to Ministries and Departments only. Executive Agencies and Public Bodies and Public Bodies shall be excluded.

## 10.3 Definitions – Cash IPSAS

- (i) The following terms are used in the application of Cash Basis IPSAS Standard with the meanings specified:

**“Accounting Basis”**- This is the cash basis of accounting as defined in the accrual basis International Public Sector Accounting Standards and the Cash Basis International Public Sector Accounting Standard.

**“Annual Budget”**- This means an approved budget for one year. It does not include published forward estimates or projections for periods beyond the budget period.

**“Appropriation”**- This is an authorization granted by a legislative body to allocate funds for purposes specified by the legislature or similar authority.

**“Approved Budget”** This means the expenditure authority derived from laws, appropriation bills, government ordinances and other decisions related to the anticipated revenue or receipts for the budgetary period.

**“Budgetary Basis”**- This is the accrual, cash or other basis of accounting adopted in the budget that has been approved by legislation.

**“Cash Basis IPSAS”**- The International Public Sector Accounting Standard in which cash comprises; cash on hand, demand deposits and cash equivalents. Cash basis means a basis of accounting that recognizes transactions and other events only when cash is received or paid.

**“Cash Equivalent”**- Are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**“Cash Flows”**- Cash flows are inflows and outflows of cash.

**“Cash Payments”**- Cash payments are cash outflows.

**“Cash Receipts”**- Cash receipts are cash inflows.

**“Closing Rate”**- This is the spot exchange rate at the reporting date.

**“Comparable Basis”**- Means the actual amounts presented on the same accounting basis, same classification basis, for the same entities and for the same period as the approved budget.

**“Control of Cash”**- Control of cash arises when the Ministry, Department and Agency can use or otherwise benefit from the cash in pursuit of its objectives and can exclude or regulate the access of others to that benefit. Monies lodged to the Bank Accounts under the control of the MDAs are regarded as cash controlled by the entities.

**“Consolidated Financial Statements”**- Consolidated financial statements are the financial statements of the all the Ministries Departments and Agencies using the Central Treasury Management Services presented as that of a single Ministry, Department or Agency. This statement is prepared by the Accountant General who is deemed the Chief Financial Officer of the Government of Jamaica.

**“Control of a Ministry, Department or Agency”**- This is the power to govern the financial and operating policies of a Ministry, Department or Agency so as to benefit from its activities.

**“Controlled Ministry, Department and Agency”**- This is a Ministry, Department or Agency that is under the control of another Ministry, Department or Agency (known as the controlling Ministry, Department or Agency).

**“Controlling Ministry, Department or Agency”**- This is a Ministry, Department or Agency that has one or more controlled entities.

**“Economic Entity (Government of Jamaica as a whole)”**- Means the Government of Jamaica as a group comprising a Ministry, Department and Agency (controlling entities) and one or more controlled entities.

**“Exchange Difference”**- This is the difference resulting from reporting the same number of units of a foreign currency in the reporting currency at different exchange rates.

**“Exchange Rate”** - is the ratio for exchange of two currencies.

**“Final Budget”**- Original budget adjusted for all reserves, carry over amounts, transfers, allocations, supplemental appropriations, and other authorized legislative or similar authority, changes applicable to the budget period.



**“Foreign currency”**- This means a currency other than the reporting currency of a Ministry, Department or Agency.

**“Government Business Enterprise (Cash Basis IPSAS)”**- Means a Public Body that has all the following characteristics:

- (a) The power to contract in its own name;
- (b) Has been assigned the financial and operational authority to carry on a business;
- (c) Sells goods and services, in the normal course of its business, to other entities at a profit or full cost recovery;
- (d) Is not reliant on continuing government funding to be a going concern (other than purchases of outputs at arm’s length); and
- (e) Is controlled by a public sector Ministry, Department or Agency.

**“Materiality (Cash IPSAS)”**- Information is material if its omission or misstatement could influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the item(s)/error(s) judged in the particular circumstances of omission or misstatement.

**“Multi-year Budget”**- An approved budget for more than one year. It does not include published forward estimates or projections for periods beyond the budget period.

**“Original Budget”**- Initial approved budget for the budget period.

**“Reporting currency”**This is the currency used in presenting the financial statements.

**“Reporting Date (Cash Basis IPSAS)”**- The reporting date is the date of the last day of the reporting period to which financial statements relate.

#### **10.4 Relevant Cash Basis IPSAS Concepts**

**“Cash Basis”**: The cash basis of accounting recognises transactions and events only when cash is received or paid by the MDAs. Cash movements between items within the MDAs do not form part of cash flow. Financial statements prepared under the cash basis provide readers with information about the sources of cash, purposes for which the cash was used and the cash balances at the reporting date.

**“Cash Equivalent”**: Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash, with minimum risk. Cash equivalents are held for the purpose of meeting short-term cash commitments.

**“Cash Controlled by the Reporting Entity”**:

- Cash is controlled by an entity when it can use the cash to achieve its own objectives and exclude or regulate the access of others to its use.
- Cash is controlled by the MDAs when it is held in a bank account under the control of the entity and the sources of those funds are external to the Consolidated Fund:
  - Project Funds Bank Accounts
  - Deposits Bank Accounts

- Funds that are expended on behalf of the MDAs from the Central Payment Account to fund their operating objectives are not under the control of the MDAs.
- Miscellaneous revenue that is deposited directly in the bank account of the Accountant General's Department is not under the control of the MDAs.

## **10.4 Requirements of the Cash Basis IPSAS**

- (i) This IPSAS standard requires the presentation of information about the changes in cash and cash equivalents of an entity by means of the Statement of Cash Receipts and Payments in the format that is required by IPSAS 2, Cash Flow Statement .This statement classifies cash flows during the period by operating, investing and financing activities.
- (ii) The cash flow statement identifies the sources of cash inflows, the items on which cash was expended during the reporting period, and the cash and cash equivalents as at the reporting date.
- (iii) The cash flow statement is intended to provide users of financial statements with information for both accountability and decision-making purposes. Cash flow information allows users to understand how a public sector entity raised the cash it required to fund its business and administrative operations.

## **10.5 Cash Based IPSAS Financial Statements**

### **10.5.1 General Purpose Financial Statements**

- (i) MDAs shall prepare and present General Purpose Financial Statements (GPFS) which include the following components:
  - (a) Statement of Cash Receipts and Payments:
    - a. Recognises all cash receipts and cash payments during the period and cash balances controlled by the entity on the reporting date; and
    - b. Separately identifies payments made by third parties on behalf of the entity.
  - (b) Accounting Policies and Explanatory Notes
  - (c) Comparison of Budget and Actual Amounts

### **10.5.2 Information to be presented in the Statement of Cash Receipts and Payments**

- (i) Statement of Cash Receipts and Payments should present the following amounts for the reporting period:
  - (a) Total Cash Receipts of the MDAs and consolidated government showing separately a sub-classification of total cash receipts as shown in Appendices 1&3
  - (b) Total Cash Payments of the MDAs and consolidated government showing separately a sub-classification of total cash payments as shown in Appendices 1&3
  - (c) Beginning and Closing Cash Balances of the MDAs and consolidated government.
- (ii) Total cash receipts and total cash payments, for each sub-classification should be reported on a gross basis.
  - (a) In exceptional circumstances the cash receipts and cash payments maybe reported on a net basis. For example:
    - (b) Taxes collected by one tier of government on behalf of another and then transferred;
    - (c) The acceptance and repayment of short term cash deposits within a period placed with a financial institution;

- (d) Funds administer on behalf of another government department to be transferred to third parties; and
- (e) Short term borrowings or lending having maturity less than 3 months. Report net of interest received and any associated costs.

### 10.5.3 Format of the Statement Cash Receipts and Payments

- (i) The statement of receipts and payments shall be prepared in the format set out in Appendices 1& 3 for the MDAs and the Consolidated Government. The headings and totals shown in these prescribed formats should be used, although additional line items and headings may be used to ensure that the statement reflects a fair representation of the MDAs financial affairs. Additional line items may also be used to represent fairly the consolidated position of all the entities operating under the Central Treasury Management System (CTMS).
- (ii) The cash flow statement shall have three main categories of line items: Operating, Investing and Financing activities.
- (iii) The Cash Flow Statement shall generally have the following line items:
  - (a) Total receipts from operating activities;
  - (b) Total payments on operating activities;
  - (c) Net cash flow from operating activities;
  - (d) Net cash flow from investing activities;
  - (e) Net cash flow from financing activities;
  - (f) Beginning and closing cash balances; and
  - (g) Net increase or decrease in cash.
- (iv) The amounts for receipts, payments and balances shall be separated as follows:
  - (a) Central Payment Account
  - (b) Receipts/Payments controlled by the MDA
  - (c) Third Party Payments
- (v) The column “Central Payment Account” represents all receipts and payments made by the Accountant General’s Department on behalf of the MDAs.
- (vi) The column “Receipts/Payments Controlled by the MDAs” represents all receipts and payments under the control of the individual MDAs such as the receipts and payments for the “Deposit Accounts”.
- (vii) The column “Third Party Payments” represents all receipts and payments made by external third parties on behalf of the MDAs.

### 10.5.4 Consolidated Statement of Receipts and Payments

- (i) The receipts, payments and balances are grouped into two main columns for the Consolidated Statement of Receipts and Payments:
  - (a) Receipts/Payments Controlled by the Government
  - (b) Third Party Payments made on behalf of the Government
- (ii) The column for “Receipts/Payment Controlled by the Government” represents all the receipts and payments under the control of the Government of Jamaica.
- (iii) The column for “Third Party Payments” represents all receipts and payments made by external third parties on behalf of the Government of Jamaica.

### 10.5.5 Operating Activities

- (i) Operating activities are activities derived primarily from the following:
  - (a) Cash receipts from taxation;
  - (b) Cash receipts that are non-taxation (fees and other fines);
  - (c) Cash receipts from warrant allocations;
  - (d) Cash receipts from aid and technical assistance received from the Multilateral and Bilateral entities;
  - (e) Cash receipts in deposit accounts operated by the MDAs and Treasury deposits operated by the AGDs Treasury department;
  - (f) Cash payments for salaries and employee benefits;
  - (g) Cash payments for goods and services;
  - (h) Cash payments for grants, contributions and subsidies;
  - (i) Cash payments for loan interest and expenses;
  - (j) Other cash payments; and
  - (k) Transfers to other parties such as the Accountant General.

### 10.5.6 Investing Activities

- (i) Investing activities are the acquisition and disposal of long-term assets and other investments. Cash flows from investing activities are derived primarily from:
  - (a) Cash payments for the purchase of non-financial assets
  - (b) Cash receipts for the sale of non-financial assets
  - (c) Cash payments for purchase of financial assets
  - (d) Cash receipts for the sale of financial assets

### 10.5.7 Financing Activities

- (i) Financing activities cover the receipts and repayments of borrowings from different sources. The cash flows from financing activities are primarily derived from:
  - (a) Receipt of Foreign Debt
  - (b) Receipt of Domestic Debt
  - (c) Issue of Treasury Bills and Bonds
  - (d) Repayment of Loans
  - (e) Redemption of Treasury Bills and Bonds

## 10.6 Receipts and Payments for Capital B Projects

- (i) The projects unit in each MDA should maintain a record of all receipts and expenditure on Capital B projects during the reporting period. This must include all funding received by way of loans and grants per project from External Agencies and the Government of Jamaica.
- (ii) The total expenditure by objects per project, the opening and closing balances and total receipts and payments on the Special Accounts must be recorded.
- (iii) Loans and grants are usually received in foreign currency and as such opening and closing balances must be converted at the local exchange rate as at the date of reporting.
- (iv) Transactions throughout the year must be converted at the local rate at the date of the transactions.

## 10.7 Departmental Advances re IPSAS

- (i) Advances represent actual cash payments made and as such must be included on the face of the statement of receipts and payments.

- (ii) On a monthly basis supporting documents should be obtained to clear all advances. Advances that remain outstanding at the end of the accounting period must be included in the line item “Other Payments” in the operating activities segment of the statement of receipts and payments. Disclosure of the total advance amount and the purpose should also be made in the notes to the financial statement.

## **10.8 Payments by Third Parties on Behalf of the Ministry, Department or Agency**

- (i) Third party payments are to be treated as direct payments where, during a reporting period, a third party directly settles the obligations of a MDA or purchases goods and services for the benefit of the MDA.
- (ii) MDA shall disclose in separate columns on the face of the Statement of Cash Receipts and Payments the following:
  - (a) Total payments made by the Accountant General’s Department on behalf of the MDA. These payments shall be recorded in the column entitled Treasury Single Account, showing separately a sub-classification of the sources and uses of total payments.
  - (b) Total payments made by external donors/lenders (local or international) on behalf of MDAs. These payments shall be recorded in the column entitled Third Party Payments, showing separately a sub-classification of the sources and uses of total payments.
  - (c) Such disclosure should only be made when during the reporting period the MDA has been formally advised by the third party or the recipient that such payment has been made or has otherwise verified the payment.

## **10.9 Cash IPSAS - Accounting Policies and Explanatory Notes**

- (i) The notes to the financial statements of a MDA and the consolidated government shall:
  - (a) Present information about the basis of preparation of the financial statements;
  - (b) Present specific accounting policies selected and applied for significant transactions and other events; and
  - (c) Provide additional information which is not presented on the face of the financial statements, but is necessary for a fair presentation of the MDA and the Consolidated Government’s cash receipts, cash payments and cash balances.
- (ii) Notes to the financial statements shall be presented in a systematic manner. Each item on the face of the statement of cash receipts and payments and other financial statements should be cross referenced to any related information in the notes. The notes will be prepared in the format set out in *Appendices 2&4*.

## **10.10 Selection and Disclosure of Accounting Policies**

- (i) General Purpose Financial Statements should present information that is:
  - (a) Understandable;
  - (b) Relevant to the decision-making and accountability needs of users;
  - (c) Timely and
  - (d) Reliable in that it:
    1. Represents faithfully the cash receipts, cash payments and cash balances of the Ministry, Department and Agency and the Consolidated Government and the other information disclose;
    2. Is neutral, that is, free from bias; and
    3. Is complete in all material respects.

- (ii) The Accounting Policies section of the notes to the financial statements should describe each specific accounting policy that is necessary for a proper understanding of the financial statements, including the extent to which the Ministry, Department or Agency and the consolidated government has applied any transitional provisions in the Standard.
- (iii) Inappropriate accounting treatments are not rectified either by disclosure of the accounting policies used, or by notes or explanatory material.

### **10.11 General Conditions of Annual Financial Statement**

- (i) **Reporting Period** The general purpose financial statements should be presented annually for the MDAs and the consolidated government. The reporting date is the date of the last day of the reporting period to which the accounts refer.
- (ii) **Timeliness**  
Submission of annual financial statements must be done within the specified period of four (4) months from the end of the financial year.
- (iii) **Authorization Date**  
The Accounting Officer shall authorize and date the annual financial statements. The authorization date shall be the date the Auditor-General certifies the financial statements.
- (iv) **The Accountant General shall authorize and date the annual consolidated financial statements.** The authorization date shall be the date the Auditor-General certifies the financial statements.
- (v) Disclosure shall be made that the Financial Secretary has the power to amend the published financial statements, thereafter it will become another financial statement.

### **10.12 Information about the MDA and Consolidated Government**

- (i) The MDA and the Consolidated Government shall disclose the following information in the financial statements:
  - (a) The domicile and legal form of the entity and the jurisdiction within which it operates;
  - (b) A description of the nature of the MDA's operations and principal activities;
  - (c) A reference to the relevant legislation governing the MDA's operations, if any.
- (ii) Restrictions on Cash Balances and Access to Borrowings
- (iii) A MDA and the Consolidated Government should disclose in the Notes to the Financial Statements together with a commentary, the nature and amount of:
  - (a) Significant cash balances that are not available for use by the entity;
  - (b) Significant cash balances that are subject to external restrictions; and
  - (c) Undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities (See *Appendices 2 and 4*).
- (iv) Cash held by the MDA for other parties but not yet transferred to those parties must be disclosed. If the government holds unspent cash balance from any conditional grant for specific purpose, the information must be disclosed.
- (v) Unspent amounts in bank accounts for a protracted period which are to be returned to the donor should be reflected as notes to the financial statements along with explanations for under-expenditure.

### **10.13 Consistency of Presentation**

- (i) The presentation and classification of items in the Financial Statements should be retained from one period to the next unless:

- (a) A significant change in the nature of the operations of the MDA or a review of its financial statements presentation demonstrates that the change will result in a more appropriate presentation of events or transactions; or
- (b) If it is impracticable to reclassify comparative amounts, the reason should be disclosed e.g. major restructuring of service delivery arrangements; the creation of a new, or termination of a major existing, government MDA; a significant acquisition or disposal.

#### **10.14 Comparative Information**

- (i) Comparative information should be disclosed in respect of the previous period for all numerical information, except in respect of the financial statements for the first period to which the Standard was first adopted.
- (ii) Comparative information should be included in narratives and descriptive information when it is relevant to an understanding of the current period's financial statements. For example, unresolved legal disputes and notes of previous financial statement.
- (iii) When there is an amendment to the classification in the financial statement, the comparative amount should be reclassified unless it is impracticable to do so. When it is impracticable to reclassify the comparative amounts, the reason for not reclassifying and the nature of the changes for not reclassifying should be disclosed in the notes to the financial statements.

#### **10.15 Identification of Financial Statements**

- (i) The financial statements should be clearly identified and distinguished. Each component of the financial statements should be clearly identified. Additional information to be clearly stated and repeated when necessary are:
  - (a) The name of the reporting MDA;
  - (b) The reporting date;
  - (c) The reporting currency; and
  - (d) The level of precision used in the presentation of figures (thousands/millions).

#### **10.16 Correction of Errors**

- (i) When an error arises in relation to a cash balance reported in the financial statements, the amount of the error that relates to prior periods should be reported by adjusting the cash at the beginning of the period. Comparative information should be restated, unless it is impracticable to do so.
- (ii) The entity should disclose in the notes to the financial statements the following:
  - (a) The nature of the error;
  - (b) The amount of the correction; and
  - (c) The fact that comparative information has been restated or that it is impracticable so to do.

#### **10.17 Consolidated Financial Statements**

- (i) The consolidated financial statements of the MDAs operating under the Central Treasury Management System will be presented as that of a single entity by the Accountant General.
- (ii) The notes and disclosures of the statement of cash receipts and payments will be presented on a consolidated basis.

## **10.18 Consolidation Procedures**

- (i) Cash balances and cash transactions between entities within the Government as a whole should be eliminated in full.
- (ii) Consolidated financial statements should only reflect transactions between the Government of Jamaica and other entities external to it. For example, when one government department sells an asset to another government department, the net cash effect on the whole of government is zero. Hence, this transaction needs to be eliminated to avoid overstating the cash receipts and cash payments of the whole of government.
- (iii) Each government department is required to keep a record of all cash transactions between themselves in order to eliminate these amounts when the statements are being prepared. They are eliminated by reducing the receipts and payments by the amounts received from and paid to one government by another government department.

## **10.19 Consolidation Disclosures**

- (i) The following disclosures should be made in the consolidated financial statements:
  - (a) A listing of the name and jurisdiction of significant controlled entities; and
  - (b) Applying the transitional provision if all transactions between entities have not been eliminated.

## **10.20 Treatment of Foreign Currency Cash Receipts, Payments and Balances**

- (i) Cash receipts and payments arising from transactions in a foreign currency should be recorded in Jamaican Dollars. These transactions shall be converted at the exchange rate at the date of the receipts and payments. Cash balances held in a foreign currency should be reported using the closing rate which is the BOJ weighted average rate.
- (ii) The cash receipts and cash payments of overseas entities controlled by the ministries should be translated at the exchange rate at the dates of the receipts and payments of these overseas entities.
- (iii) Unrealised gains and losses arising from differences between the opening and closing balances are not cash receipts and payments but must be included in the statement in order to reconcile the opening and closing cash balances.

## **10.21 Calculating the Unrealized Gains or Losses**

- (i) A foreign currency account cash book shall be maintained throughout the reporting period. The cash book must record all foreign currency account receipts and payments, the rate of exchange and the resulting Jamaican equivalent. The unrealized gains or losses are calculated as follows:
  - (a) Convert the cash balance held in foreign currency at the end of the reporting period by using the closing rate. The closing rate is the BoJ weighted average rate at the reporting date;
  - (b) Less the JMD equivalent cash balance in the Foreign Currency Account cash book.
  - (c) The unrealized gains and losses are the difference between (a) and (b) above.
- (ii) If the exchange difference is a loss, it should be entered in the cash flow statement as line item "Unrealized Exchange Difference – Loss". If the exchange difference is a gain, it should be entered in the cash flow statement as line item "Unrealized Exchange Difference – Gain" (See Appendix 5).



## **10.22 Budget Information in Financial Statements**

### **10.22.1 Presentation of a Comparison of Budget and Actual Amounts**

- (i) The Statement of Comparison of Budget and Actual Amounts in the General Purpose Financial Statements shall be prepared by each MDA. The AGD shall prepare the consolidated statement of Comparison of Budget and Actual Amounts (see Appendix 6).

## **10.23 Changes from Original to Final Budget**

- (i) The MDA and consolidated government shall present an explanation of whether changes between the original and final budget are as a consequence of reallocations within the budget, or of other factors.
- (ii) Where there are material differences between the budget and actual amount these must be disclosed in the Comparison of Budget and Actual Amounts.

## **10.24 Recipients of External Assistance**

### **10.24.1 External Assistance Received**

- (i) External assistance are all loans, grants, technical assistance, guarantees or other assistance provided or committed under a binding agreement by multilateral or bilateral agencies or by a government, or agencies of a government of foreign country.
- (ii) Assistance provided by non-governmental organisations (NGOs) shall not be classified as External Assistance.
- (iii) External assistance payment may be in the form of:
  - (a) Payment to the MDA or consolidated government in full or in tranches as loan or grant;
  - (b) Reimbursement to the MDA or consolidated government for payment to third party as per Terms & Conditions of Agreement;
  - (c) Payment to third party directly by external assistance agency on clearance from MDA or consolidated government; and
  - (d) Goods and service in kind.

### **10.24.2 External Assistance Disclosure**

- (i) The MDA and consolidated government should disclose separately, on the face of the Statement of Cash Receipts and Payments, total external assistance received in cash during the period whether received directly or by third party payments.
- (ii) Where external assistance is received from more than one provider, the significant classes of providers of assistance should be disclosed separately, on the face of the Statement of Cash Receipts and Payments.
- (iii) Where external assistance is received in the form of loans and grants, the total amount received during the period as loans and the total amount received as grants should be shown separately, on the face of the Statement of Cash Receipts and Payments.

### 10.24.3 External Assistance to Central Government on behalf of lower tiers of Governments

- (i) When Central Government enters into external assistance agreements, Central Government may relend or assign the funds to another public body through a similar agreement. Central Government will recognise receipt and payment under appropriate classification.

### 10.24.4 Undrawn External Assistance

- (i) The MDA and consolidated government should disclose in the Notes to the Financial Statements the balance of undrawn external assistance loans and grants available at reporting date to fund future operations. This must be done when the amount of the loans or grants available to the recipient is specified in a binding agreement and the satisfaction of any substantial terms and conditions that determine, or affect access to, that amount is highly likely.
- (ii) The disclosure should show separately in the reporting currency the :
  - (a) Total external assistance loans; and
  - (b) Total external assistance grants.
- (iii) Significant terms and conditions that determine, or affect access to, the amount of the undrawn assistance should also be disclosed.

### 10.24.5 Receipt of Goods or Services

- (i) The MDA and consolidated government shall disclose the value of external assistance received in the form of goods or services. It shall disclose in the Notes to the Financial Statements the basis on which that value is determined.

### 10.24.6 Disclosure of Debt Rescheduled or Cancelled

- (i) The MDA and consolidated government should disclose in the Notes to the Financial Statements the amount of external assistance debt rescheduled or cancelled during the period, together with any related terms and conditions.

### 10.24.7 Disclosure of Non-compliance with Significant Terms and Conditions

- (i) The MDA and consolidated government should disclose, in the notes to the financial statements significant terms and conditions of external assistance loan or grant agreements or guarantees that have not been complied which resulted in cancellation of the assistance or has given rise to an obligation to return assistance previously provided.
- (ii) The amount of external assistance cancelled or to be returned should also be disclosed.

# **APPENDICES**

## Appendix 1- Statement of Cash Receipts and Payments for MDAs

Name of MDA							
Annual Cash Flow Statement for the period ending 31 <sup>st</sup> March 2015							
2014/15					2013/14		
	Notes	Central Payment Account	Receipt/Payment Controlled by Entity	Payment by Third parties	Central Payment Account	Receipt/Payment Controlled by Entity	Payment by Third parties
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
		<b>\$'000'</b>	<b>\$'000'</b>	<b>\$'000'</b>	<b>\$'000'</b>	<b>\$'000'</b>	<b>\$'000'</b>
<b>Non Tax Revenue</b>							
Fees		0					
Other	4	0	123,456				
<b>Warrant Allocations</b>	3	75,141,234	0	0	0	0	0
<b>Appropriations-in-Aid</b>	3	410,642	0	0	0	0	0
<b>External Assistance</b>							
Multilateral Grants and Technical Assistance	5	242,950	0	0	0	0	0
Bilateral Agencies Grants and Technical Assistance		0	0	0	0	0	0
<b>Other Grants and Aid</b>		0	0	0	0	0	0
<b>Deposit Receipts</b>	8	0	129,077	0	0	100,000	0
<b>Total Receipts</b>		<b>75,794,825</b>	<b>252,533</b>	<b>0</b>	<b>0</b>	<b>100,000</b>	
<b>Cash Payment from Operating Activities</b>							
Salaries and		62,167,924	0	0	2,268,826	0	0

**Name of MDA**  
**Annual Cash Flow Statement for the period ending 31<sup>st</sup> March 2015**

		<b>2014/15</b>			<b>2013/14</b>		
	<b>Notes</b>	<b>Central Payment Account</b>	<b>Receipt/Payment Controlled by Entity</b>	<b>Payment by Third parties</b>	<b>Central Payment Account</b>	<b>Receipt/Payment Controlled by Entity</b>	<b>Payment by Third parties</b>
Employee benefits							
Payment for goods and Services		2,620,365	0	57,463	1,413,272	0	0
Grants, Contributions & Subsidies		8,666,147	0	0	80,539,593	0	0
Loan Interest and Expenses		0	0	0	0	0	0
Retirement Benefits		79,717	0	0	0	0	0
Other Payments		7,086,770	0	0	147,752	0	0
<b>Deposit Payments</b>	8	0	22,006	0	0	0	0
<b>Revenue Transfers</b>	4	0	123,456	0	0	0	0
<b>Total Payments</b>		<b>80,620,923</b>	<b>145,462</b>	<b>57,463</b>	<b>84,369,443</b>	<b>0</b>	<b>0</b>
<b>Net Cash Inflow From Operating Activities</b>		<b>-4,826,098</b>	<b>107,071</b>	<b>-57,463</b>	<b>-84,369,443</b>	<b>100,000</b>	<b>0</b>
<b>CASH FLOWS FROM INVESTMENTS</b>							
Purchase/Sale of Non-Financial Assets		673,542	0	134,177	168,524	0	0
Purchase/Sale of Financial Assets		0	0	0	0		
<b>Net Cash out/inflow from Investments</b>		<b>-673,542</b>	<b>0</b>	<b>-134,177</b>	<b>-168,524</b>	<b>0</b>	
<b>CASH SURPLUS/DEFICIT</b>		<b>-5,499,639</b>	<b>107,071</b>	<b>-191,640</b>	<b>-84,537,967</b>	<b>100,000</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Receipt/Payment of	5	736,093	0	201,538	0		

**Name of MDA**  
**Annual Cash Flow Statement for the period ending 31<sup>st</sup> March 2015**

<b>2014/15</b>								<b>2013/14</b>		
	<b>Notes</b>	<b>Central Payment Account</b>	<b>Receipt/Payment Controlled by Entity</b>	<b>Payment by Third parties</b>	<b>Central Payment Account</b>	<b>Receipt/Payment Controlled by Entity</b>	<b>Payment by Third parties</b>			
Multilateral Debt										
Receipt/Payment of Bilateral Debt	5	0		0	0					
Receipt of Domestic Debt		0	0	0	0					
<b>Net Cash Flows from Financing Activities</b>		736,093	0	201,538	0	0				
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		-4,763,546	107,071	9,898	-84,537,967	100,000				
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		212,170	151,084	0	0					
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		-4,551,377	258,155	9,898	-84,537,967	100,000				

## **Appendix 2- Notes to the Financial Statements Of MDAs: -**

### *Notes to the Financial Statements*

#### **1. Accounting Policies**

##### **- Basis of preparation**

The financial statements have been prepared in accordance with the Financial Administration and Audit (FAA) and the FAA Act Instructions under *The Cash Basis of Accounting principles. The Cash Basis of Accounting is in transition to be compliant with Cash Basis International Public Sector Accounting Standard (IPSAS)*. Cash Basis IPSAS has not been fully adopted in the preparation of these statements. Accounts for portfolio entities have not been consolidated with parent ministry's accounts.

##### **- Reporting entity**

The financial statements are for public sector entity: (Name of MDA).

The (Name of MDA) is one of the reporting entities as specified in the list of Central Treasury Management Sites. The MDA's principal activity is to provide (Include main function of the entity).

The Accountant General operates a centralized treasury function which administers cash expenditures incurred on behalf of government departments. Payments made through the Central Payment Account in respect of the MDAs are disclosed in the Treasury Single Account column in the Statement of Cash Receipts and Payments. Funds under the control of the MDAs are disclosed in the Receipts and Payments Controlled by the Entity column in the Statement of Cash Receipts and Payments.

##### **- Payments by external third parties**

(Name of MDA) benefits from goods and services purchased on its behalf as a result of cash payments made by third parties during the reporting period. The payments made by the third parties do not constitute cash receipts or payments of the Department but benefits the Department.

##### **- Reporting currency**

The reporting currency is in Jamaica Dollars (currency of Jamaica).

#### **2. Authorization Date**

The financial statements were authorized for issue on XX Month 200XX by Permanent Secretary of MDA.

#### **3. Allocations & Appropriations**

Amounts allocated and appropriated through the parliament to the MDAs, are managed through the Central Payment Account administered by the Accountant General’s Department. These amounts are not controlled by the MDA but are deployed on the MDA’s behalf by the Accountant General’s Department on presentation of appropriate documentation and authorization. The amount reported as allocations/appropriations in the statement of cash receipts and payments is the amount the Accountant General has expended for the benefit of the MDA.

**4. Revenue Transfers**

This represents amounts transferred to the Consolidated Fund by the revenue collection agencies and MDAs.

**5. External Assistance and Borrowing**

External assistance was received in the form of loans and grants from multilateral and bilateral donor agencies under agreements specifying the purposes for which the assistance will be utilized.

**6. Non Compliance with Significant Terms and Conditions**

There have been no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**7. Rescheduled and Cancelled Debt**

There have been no instances of rescheduled or cancelled debt.

**8. Restriction on Cash Balances**

**(a) Deposit Accounts**

The deposit accounts are under the control of the MDA and as such the receipts, payments, opening and closing balances are shown on the face of the statement of cash receipts and payments in a column entitled “receipts/payments controlled by the entity”. The funds however are not available for use by the MDA as it is being held for other parties.

	<u>2014-2015</u>	<u>2013-2014</u>
	<i>\$000</i>	<i>\$000</i>
Deposit Account Balance	129,077	100,000

**(b) Special Accounts**

Cash balances held in the Special/Project accounts jointly owned by the Ministry of Finance and the relevant Ministries are not available for use as they were received as grants and loans which must be used for specific purposes.



	<u>2014-2015</u>	<u>2013-2014</u>
	<i>\$000</i>	<i>\$000</i>
Special Account Balance	130,500	100,000

**(c) Undrawn Borrowing Facilities**

Undrawn borrowing facilities represent potential sources of cash for the MDA. Disclose the amount of undrawn borrowing facilities.

	<u>2014-2015</u>	<u>2013-2014</u>
	<i>\$000</i>	<i>\$000</i>
Multilateral Loans/Grants	100,000	110,000
Bilateral Loans/Grants	150,000	120,000

**(d) Undrawn External Assistance**

Undrawn external assistance represents another potential source of cash for the MDA. Disclose the amount of undrawn external assistance as indicated below.

	<u>2014-2015</u>	<u>2013-2014</u>
	<i>\$000</i>	<i>\$000</i>
Multilateral Loans/Grants	100,000	110,000
Bilateral Loans/Grants	150,000	120,000

**9. Other Operating Payments**

Included in other payments are rental of property, communication and miscellaneous payments.

## Appendix 3- Consolidated Annual Statement of Cash Receipts and Payments

Consolidated Government of Jamaica Annual Statement of Cash Receipts and Payments for the Year ending 31st March 2015					
	2014/15			2013/14	
	CASH FLOWS FROM OPERATING ACTIVITIES	Receipt/Payment Controlled by Entity	Payment by third Parties	Receipt/Payment Controlled by Entity	Payment by third Parties
		\$'000'	\$'000'	\$'000'	\$'000'
<b>Cash Receipts from Operating Activities</b>					
<b>TAXATION</b>					
Income Tax		121,583,903			
General Consumption Tax		125,552,621			
Education Tax		19,742,171			
Special Consumption Tax		39,371,150			
Travel Tax		9,809,979			
Import Duties and Taxes - Customs		26,874,970			
Other Taxes	7	29,113,953			
<b>NON TAX REVENUE</b>					
Dept. & Other Misc. Revenue		49,299,488			
Interest		697,865			
Post Office		1,158,465			
<b>External Assistance</b>					
Multilateral Grants and Technical Assistance	3	7,033,853			
Bilateral Agencies Grants and Technical Assistance		0			
<b>Other Grants and Aid</b>		0			
<b>Deposit Receipts</b>	6	3,389,632			
<b>Unrealized Exchange Difference Gain</b>		0			
<b>Total Receipts</b>		<b>404,514,097</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Cash Payment from Operating Activities</b>					
Salaries and Employee benefits		115,459,753			
Payment for goods and Services		72,236,109			
Grants, Contributions &		61,143,787			0.00

Subsidies					
Loan Interest and Expenses		124,534,723			
Retirement Benefits		29,928,357			
Other Payments	8	4,859,336			0.00
<b>Deposit Payments</b>	6	6,024,481			
Unrealized Exchange Difference Loss		0			
<b>Total Payments</b>		<b>414,186,546</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Cash Inflow From Operating Activities</b>		<b>-9,672,449</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTMENTS</b>					
Purchases/sale of Non-Financial Assets		-104,209,861			0.00
Purchase/Sale of Non-Financial Assets		0			
<b>Net Cash out/inflow from Investments</b>		<b>-104,209,861</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b><i>CASH SURPLUS/DEFICIT</i></b>		<b>-113,882,310</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Receipt/Payment of Multilateral Debt	3	41,321,912	-		
Receipt/payment of Bilateral Debt		5,347,420			
Other Foreign Debt		89,385,566			
Receipt/Payment of Domestic Debt		42,549,478			
<b>Net Cash Flows from Financing Activities</b>		<b>178,604,376</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>64,722,066</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>34,728,278</b>			
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>99,450,344</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Statement of Cash Receipts and Payments for the Consolidated Government**

## **Appendix 4 - Notes to the Consolidated Government Statement of Cash Receipts & Payments**

### ***Consolidated Government of Jamaica***

#### **1. Accounting Policies**

##### ***- Basis of preparation***

The financial statements have been prepared in accordance with Financial Administration and Audit (FAA) and the FAA Act Instructions *under The Cash Basis of Accounting principles. The Cash Basis of Accounting is in transition to be compliant with Cash Basis International Public Sector Accounting Standard (IPSAS)*. Cash Basis IPSAS has not been fully adopted for the preparation of these financial statements. Excluded from consolidation are those entities not governed by the Central Treasury Management System (CTMS), executive agencies and public bodies.

##### ***- Reporting entity***

The financial statements are for the Consolidated Government of Jamaica (GOJ)//Ministries/Department/Agencies. The financial statements encompass the reporting entities that are currently under the Central Treasury Management System as set out in Note 10 to the financial statements.

##### ***- Payments by Third Parties***

The government also benefits from goods and services purchased on its behalf as a result of cash payments made by third parties during the period by way of grants and loans. The payments made by the third parties do not constitute cash receipts or payments by the government but benefit the government. They are disclosed in the *Payments by third parties* in the Consolidated Statement of Cash Receipts and Payments and other financial statements.

##### ***- Reporting currency***

The reporting currency is in Jamaican Dollars (currency of Jamaica).

#### **2. Authorization Date**

The financial statements were authorized for publication on *XX Month 20XX* by the Accountant General, the Treasurer of GOJ.

#### **3. External Assistance and Borrowing**

External assistance was received in the form of loans and grants from multilateral and bilateral donor agencies under agreements specifying the purposes for which the assistance will be utilized. The following amounts are presented in Jamaican dollars and were received in the

Consolidated Fund and Special Bank Accounts.

<b>Foreign Debt</b>	<b>Consolidated Funds</b>	
Multilateral Programme		
Loans	36,707,372,786.98	
Bilateral Loans	5,347,420,000.00	
Capital Market	<u>89,385,564,960.00</u>	
		131,440,357,746.98
	<b>Special Accounts</b>	<u>4,614,539,966.10</u>
<b>Total Foreign Debt</b>		<u><u>136,054,897,713.08</u></u>

	<b>Consolidated Funds</b>	
<b>Multilateral Grants</b>		
Other Grants	3,099,698,350.82	
European Union	<u>2,769,859,232.51</u>	
		5,869,557,583.33
	<b>Special Accounts</b>	<u>1,164,295,738.11</u>
<b>Total Grants</b>		<u><u>7,033,853,321.44</u></u>

**4. Non Compliance with Significant Terms and Conditions**

There have been no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**5. Rescheduled and Cancelled Debt**

There have been no instances of rescheduled or cancelled debt.

**6. Restrictions on Cash Balances and Access to Borrowings**

**(a) Deposits -**

The Deposit Account and Treasury Deposits are under the control of the Government of Jamaica and as such the receipts, payments, opening and closing balances are shown on the face of the Statement of Cash Receipts and Payments in a column entitled "receipts/payments controlled by the entity". The balances however are not available for use by the Government of Jamaica as they are being held on behalf of other parties.

	<u>2014-2015</u>	<u>2013-2014</u>
	<i>\$000</i>	<i>\$000</i>
Treasury Deposits	2,115,965	5,342,775
MDA Deposits	1,273,667	1,500,000

**(d) Special Accounts–**

Cash balances held in the Special/Project accounts jointly owned by the Ministry of Finance and the relevant Ministries are not available for use as they were received as grants and loans which must be used for specific purposes.

	<u>2014-2015</u>	<u>2013-2014</u>
	<i>\$000</i>	<i>\$000</i>
Special Account Balance	1,851,616	4,000,000

**7. Undrawn External Assistance–**

Undrawn external assistance loans and grants at reporting date are amounts specified in a binding agreement which relate to funding for projects currently under development, where conditions have been satisfied, and their ongoing satisfaction is highly likely, and the project is anticipated to continue to completion.

	<u>2014-2015</u>	<u>2013-2014</u>
	<i>\$000</i>	<i>\$000</i>
Multilateral Grants	1,000,000	900,000
Bilateral Grants	2,000,000	1,000,000

**8. Undrawn Borrowing Facilities**

Undrawn borrowing facilities represents a potential source of cash and as at reporting date are amounts specified in a binding agreement which relate to funding for projects currently under development, where conditions have been satisfied, and their ongoing satisfaction is highly likely, and the project is anticipated to continue to completion.

	<u>2014-2015</u>	<u>2013-2014</u>
	<i>\$000</i>	<i>\$000</i>
Multilateral Loans	1,000,000	900,000
Bilateral Loans	2,000,000	1,000,000

**9. Other Taxes**

The amount shown as other taxes on the front of the Statement of Cash and Receipts and Payments represents the items listed below.

<b><i>Other Taxes</i></b>	
Motor Vehicle Licenses	2,679,428,665.69
Other Licenses	315,921,371.71
Betting Gaming & Lotteries Duties,	2,679,237,041.46

Fees & Levies	
Contractors Levy	1,020,237,379.27
Environmental Levy	2,392,799,032.49
Telephone Call Tax	6,728,184,950.11
Minimum Business Tax	667,828,000.69
Stamp Duties	12,630,317,000.00
	<u>29,113,953,000.00</u>

## 10. Other Operating Payments

Included in other payments are rental of property, communication and miscellaneous payments. Also included is an amount of \$4.8 billion which was funded in April 2014 but was for expenses for the prior period March 2014 (warrant 47).

## 11. Significant Controlled Entities

0100	Governor General
0200	House of Parliament
0300	Office of the Public Defender
0400	Office of the Contractor-General
0500	Auditor-General
0600	Office of the Services Commissions
0700	Office of the Children's Advocate
0800	Independent Commission of Investigations
1500	Office of the Prime Minister
1600	<i>Office of the Cabinet</i>
1700	<i>Ministry of Tourism and Entertainment</i>
4500	<i>Ministry of Youth and Culture</i>
2000	Ministry of Finance and Planning
2011	Accountant General's Department
2018	Debt Amortisation & Interest Charges
2019	Pensions
2056	Tax Administration Jamaica
2600	Ministry of National Security
2622	Police Department
2624	Department of Correctional Services
2800	Ministry of Justice
2825	<i>Director of Public Prosecutions</i>
2831	<i>Attorney General</i>
2832	<i>Trustee in Bankruptcy</i>
2833	<i>Office of the Parliamentary Counsel</i>
2852	<i>Legal Reform Department</i>
2854	Court Management services
2823	<i>Court of Appeal</i>
2826	<i>Family Courts</i>
2827	<i>Resident Magistrates' Courts</i>

2828	<i>Revenue Court</i>
2829	<i>Supreme Court</i>
3000	Ministry of Foreign Affairs and Foreign Trade
4000	Ministry of Labour and Social Security
4100	Ministry of Education
4200	Ministry of Health
4234	Bellevue Hospital
4235	Government Chemist
5100	Ministry of Agriculture and Fisheries
5300	Ministry of Industry, Investment and Commerce
5600	Ministry of Science, Technology, Energy and Mining
5639	Post and Telecommunication Department
6500	Ministry of Transport, Works and Housing
6700	Ministry of Water, Land, Environment and Climate Change
7200	Ministry of Local Government and Community Development



## Appendix 5- Foreign Currency Account Cash Book

Foreign Currency Account Cash Book								
USD	Opening Balance	Receipts	Payments	Balance	Exchange Rate	Receipts JMD Equivalent	Payments JMD Equivalent	JMD Balance
1-Apr-14	5,000			5,000	110.00			550,000.00
4-May-14			1,000	4,000	111.00	0.00	111,000.00	439,000.00
6-Jun-14		3,000	1,000	6,000	112.00	336,000.00	112,000.00	663,000.00
10-Jul-14			1,000	5,000	113.00	0.00	113,000.00	550,000.00
13-Aug-14			1,000	4,000	114.00	0.00	114,000.00	436,000.00
15-Sept-14		3,000	1,000	6,000	115.00	345,000.00	115,000.00	666,000.00
5-Oct-14			1,000	5,000	116.00	0.00	116,000.00	550,000.00
18-Nov-14			2,000	3,000	117.00	0.00	234,000.00	316,000.00
7-Dec-14		4,000	2,000	5,000	118.00	472,000.00	236,000.00	552,000.00
12-Jan-15			1,000	4,000	119.00	0.00	119,000.00	433,000.00
25-Mar-15			<u>1,000</u>	<u>3,000</u>	<u>119.50</u>	<u>0.00</u>	<u>119,500.00</u>	<u>313,500.00</u>
		<u>10,000.00</u>	<u>12,000.00</u>			<u>1,153,000.00</u>	<u>1,389,500.00</u>	
<b>(1) Converted Foreign Currency Cash Balance</b>								
Closing USD Balance		3,000.00						
BOJ Closing Rate at 31/3/2015		120.00						
Closing JMD Equivalent		<u>360,000.00</u>						
				<i>Unrealized Exchange Difference - Gain</i>				
<b>(2) Cash Book JMD Balance</b>		<u>313,500.00</u>						
<b>Exchange Difference</b>		360,000.00	-	313,500.00	=	<u>46,500.00</u>		

# Appendix 6- Consolidated/Ministry Comparison of Budget and Actual Amounts

CONSOLIDATED/MINISTRY OF XXX HEAD No. XXX								
COMPARISON OF BUDGET AND ACTUAL AMOUNTS								
FOR THE PERIOD ENDED XXX								
DESCRIPTION	YTD ESTIMATES	1st Supp. Est.	2nd Supp. Est.	3rd Supp. Est.	YTD Revised Estimate	YTD Actual Expenditure	VARIANCES	Variance Explanation
	\$'000'	\$'000'	\$'000'	\$'000'	\$'000'	\$'000'	\$'000'	
<b>TAXATION</b>								
Income Tax	119,345,750					121,583,903	2,238,154	
Tax on Interest/Dividend								
Education Tax	18,700,526					19,742,171	1,041,645	
Contractors Levy	1,087,065					1,020,237	-66,828	
General Consumption Tax	132,377,559					125,552,621	-6,824,937	
Special Consumption Tax	39,070,933					39,371,150	300,217	
Stamp Duties	11,850,460					12,630,317	779,857	
Betting, Gaming and Lotteries								
Motor Vehicle Licences	2,631,894					2,679,237	47,353	
Environmental Levy	2,333,455					2,392,799	59,344	
Telephone Call Tax	7,057,829					6,728,185	-329,644	
Customs	28,338,290					26,874,970	-1,463,320	
Other Licences	395,083					315,921	-79,163	
Travel Tax	9,520,738					9,809,979	289,241	
Quarry Tax	3,691,419					2,679,237	-1,012,182	
Minimum Business Tax	1,200,000					667,828	-532,172	
Other Tax Revenue	17,937					0	-17,937	
<b>TOTAL TAX REVENUE</b>	<b>377,601,000</b>					<b>372,048,748</b>	<b>-5,570,189</b>	
<b>NON-TAX REVENUE</b>								
Pension (Social Security) Contributions								
Postal Revenue	1,245,256					1,158,465	-86,791	
Interest and Dividends (Property Income)	695,519					697,865	2,346	
Royalties	621,135					602,074	-19,062	
Fines, Penalties and Forfeits								
Registration & Renewal Fees								
Permits								
Rental of Property								
Courts, Police & Fire Services Fees								
Visa & Passport Fees								
Education and Training Fees								
Commissions & Service Cost Recovery								
Technical/Professional and Other Fees								
Processing & Miscellaneous Fees								
Other Non-Tax Revenue	32,245,669					30,809,293	-1,436,376	
<b>TOTAL NON TAX REVENUE</b>	<b>34,807,579</b>					<b>33,267,697</b>	<b>-1,539,883</b>	
<b>TOTAL REVENUE</b>	<b>412,408,579</b>					<b>405,316,445</b>	<b>-7,110,072</b>	
<b>GRANTS</b>								
Current Grants – Foreign Government								
Current Grants– International Organisation								
Current Grants – Local Organisation	8,644,850					6,722,561	-1,922,289	
Capital Grants – Foreign Government								
Capital Grants – International Organisation								
Capital Grants – Local Organisation								
<b>TOTAL GRANTS</b>	<b>8,644,850</b>					<b>6,722,561</b>	<b>-1,922,289</b>	
<b>TOTAL REVENUE AND GRANT</b>	<b>421,071,366</b>					<b>412,039,006</b>	<b>-9,032,361</b>	
<b>NON FINANCIAL ASSETS</b>								
Land Sales						161,231	161,231	
Proceeds from Divestment								
<b>TOTAL NON FINANCIAL ASSETS</b>						<b>161,231</b>	<b>161,231</b>	
<b>FINANCIAL ASSETS</b>								
Loans – Miscellaneous	132,174					573,917	441,742	
<b>TOTAL FINANCIAL ASSETS</b>	<b>132,174</b>					<b>573,917</b>	<b>441,742</b>	
<b>FINANCIAL LIABILITY</b>								
Domestic Loans	56,280,600					44,757,666	-11,522,934	
Multilateral Loans	21,179,902					36,707,373	15,527,472	
Bilateral Loans	4,804,000					5,347,420	543,420	
Other Foreign Loan	28,630,000					89,385,565	60,755,565	
<b>TOTAL FINANCIAL LIABILITY</b>	<b>110,894,501</b>					<b>176,198,024</b>	<b>65,303,523</b>	
<b>TOTAL RECEIPTS ( REVENUES , ASSETS )</b>	<b>532,098,042</b>					<b>588,972,178</b>	<b>56,874,136</b>	
<b>EXPENDITURE</b>								
Compensation of Employees	2,040,311	88,455			2,128,766	2,027,589	101,177	
Travel Expenses & Subsistence	472,320	22,707			495,027	472,629	22,398	
Rental Of Property & Machinery	77,504	2,115			79,619	76,148	3,471	
Utilities And Communication Services	143,166	56,958			200,124	201,025	-901	
Use Of Goods And Services	4,114,587	81,830			4,196,417	4,104,846	91,571	
Loan Interest Payments & Expenses								
Grants, Contributions & Subsidies	3,654,072	-82,193			3,571,879	3,746,850	-174,971	
Retirement Benefits								
Awards & Social Assistance	291,500	35,903			327,403	323,962	3,441	
<b>TOTAL EXPENDITURE</b>	<b>10,793,460</b>	<b>205,775</b>			<b>10,999,235</b>	<b>10,953,049</b>	<b>-46,186</b>	
<b>NON FINANCIAL ASSETS</b>								
Land	5,000	0				1,000	4,000	
Fixed Assets (Capital Goods)	130,020	-6,889			123,131	41,011	82,120	
Inventories (Animals, Spare Parts, and Goods for Sale etc.)								
Art & Other Valuables								
<b>TOTAL NON FINANCIAL ASSETS</b>	<b>135,020</b>	<b>-6,889</b>			<b>123,131</b>	<b>42,011</b>	<b>86,120</b>	
<b>FINANCIAL ASSETS</b>								
Loans	1,016,297	3,688			1,019,958	919,985	100,000	
<b>TOTAL FINANCIAL ASSETS</b>	<b>1,016,297</b>	<b>3,688</b>			<b>1,019,958</b>	<b>919,985</b>	<b>100,000</b>	
<b>FINANCIAL LIABILITIES</b>								
Loans Payable	20,247,445	17,147,445			3,100,000	0	3,100,000	
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>20,247,445</b>	<b>17,147,445</b>			<b>3,100,000</b>	<b>0</b>	<b>3,100,000</b>	
<b>TOTAL PAYMENTS</b>	<b>32,192,222</b>	<b>17,350,019</b>			<b>15,242,324</b>	<b>11,915,045</b>	<b>3,332,306</b>	
<b>SURPLUS/(DEFICIT)</b>	<b>499,905,820</b>	<b>17,350,019</b>			<b>15,242,324</b>	<b>577,057,133</b>	<b>53,541,830</b>	
Accountant		Director of Finance/Financial Controller				Accounting Officer		
Date		Date				Date		

## Appendix 7- Project Summary Receipts and Payments Statements

<b>MINISTRY/DEPARTMENT AGENCY</b> _____										
<b>ORGANISATION CODE</b> _____ <b>FINANCIAL PATTERN</b> _____										
<b>PROJECT SUMMARY RECEIPT &amp; PAYMENT STATEMENT</b>										
<b>NAME OF PROJECT</b> _____					<b>Project Agreement NO.</b> _____			<b>Project Code</b> _____		
<b>MONTH -</b> _____										
<b>CURRENCY</b> _____ (N.B. Separate Sheets must be prepared according to the foreign currency)										
<b>GRANT</b>										
ACCOUNT NUMBER	BALANCE as Start of Month	LOAN/GRANT RECEIPTS FOR THE MONTH	LOAN/GRANT RECEIPTS TO DATE	EXPENDITURE PAYMENTS FOR THE MONTH	TRANSFER PAYMENTS	PAYMENTS TO CONSOLIDATED FUND FOR THE MONTH	EXPENDITURE PAYMENTS TO DATE	TRANSFER PAYMENTS TO DATE	PAYMENTS TO CONSOLIDATED FUND TO DATE	BALANCE AS AT THE END OF THE MONTH
234307045	100,000.00	500,000.00	500,000.00	100,000.00	50,000.00	50,000.00	100,000.00			400,000.00
										0.00
										0.00
										0.00
										0.00
	100,000.00	500,000.00	500,000.00	100,000.00		50,000.00	100,000.00		0.00	500,000.00
<b>LOAN</b>										
231719385										0.00
										0.00
										0.00
										0.00
	0.00	0.00	0.00	0.00		0.00	0.00		0.00	0.00
<b>PROJECT ACCOUNTANT</b> _____					<b>PROJECT MANAGER</b> _____					
Date _____					Date _____					



## **Appendix 9 - Procedure For Daily Reconciliation of Point of Sale (Debit/Credit Cards Collections)**

### **Reconciliation at Collectorates**

- (1) Check collects as per CRS/Manual Records against summary print out from Point-Of-Sale (POS) machine. Where there is a difference, detail reconciliation must be done, errors found and resolved.
- (2) Sign two copies of Reconciliation Statement (see sample form).
- (3) File one copy of the Reconciliation Statement and submit the other copy along with the original POS printout to the Revenue Accounts section at King Street.

### **Reconciliation at Revenue Accounts Branch**

- (1) Obtain bank statement from bank or scrutinize same through the Direct Access System
- (2) Identify all POS lodgements on Bank Statement (NB. this will be represented by a special code used by the bank for each Collectorate.
- (3) Compare POS lodgments on bank statement with returns from Collectorate.
- (4) Advise Collectorate of the details of any discrepancies found.
- (5) Follow up and ensure resolution/correction of errors.

**NB.** Debit Card transactions are credited as the transaction occurs, but credit card transactions may take up to 24 hours to be credited to the bank account.

## Appendix 10 - Approved Credit Card Ceilings

The credit limit on GCC and ICC must not exceed the ceilings stipulated below:

<b>CREDIT CARD CATEGORIES</b>	<b>CREDIT CARD CEILINGS</b>
<b><i>General Credit Cards (GCC)</i></b>	
Local Currency	\$1,300,000.00
International Single Currency Card	US\$10,000.00
International Dual Currency Card	US\$10,000.00
<b><i>Individual Credit Cards (ICC)</i></b>	
Local Individual Credit Card	J\$715,000.00
International Single Currency	US\$5,500.00
International Dual Currency	US\$5,500.00

July 2019

## Appendix 11- Preset Limits on Call For Government Mobile Telephone

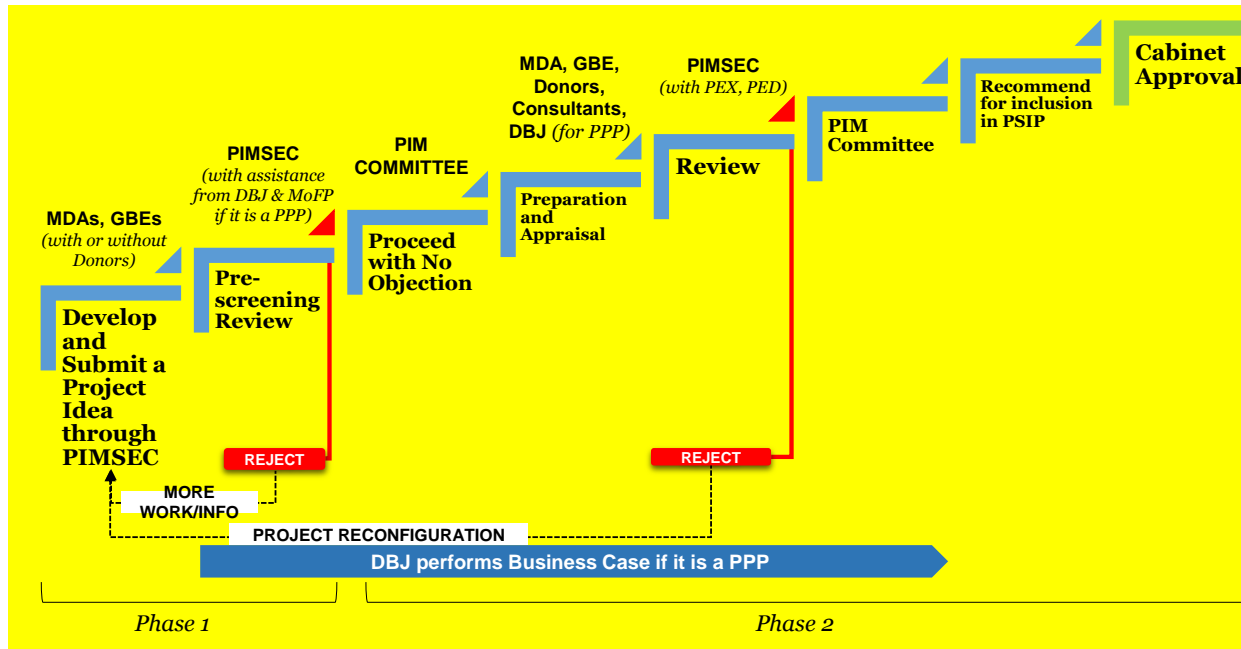
<b>GOVERNMENT OFFICIAL</b>	<b>CATEGORY MOBILE TELEPHONE</b>
<b>CATEGORY A</b>	
<ul style="list-style-type: none"> <li>• Governor General</li> <li>• Prime Minister &amp; Cabinet Ministers</li> <li>• Ministers of State</li> <li>• Parliamentary Secretaries</li> <li>• Board Chairmen &amp; Mayors</li> <li>• Permanent Secretaries</li> <li>• Commissioners</li> <li>• Chief Executive Officers</li> <li>• Chief Technical Directors</li> <li>• Heads of Departments</li> <li>• Public Officials paid at the level of SEG 5 or equivalent or above</li> </ul>	No Pre-set Limit on calls
<b>CATEGORY B</b>	
<ul style="list-style-type: none"> <li>• Divisional Heads</li> <li>• Senior Managers</li> <li>• Program Managers</li> <li>• Public Relation Officers</li> <li>• Project Officers</li> <li>• Public Officials paid at the level of SEG 3 and or equivalent</li> <li>•</li> </ul>	Maximum Pre-set Limit on calls and data services - \$2,500 per month
<b>CATEGORY C</b>	
<ul style="list-style-type: none"> <li>• Technical Officers</li> <li>• Field Officers</li> <li>• Managers</li> <li>• Public Official paid at the level of SEG 2 or equivalent or below</li> </ul>	Maximum Pre-set Limit on calls and data services -\$2,000.00 per month

## Appendix 12- Authority for Write-Off of Loss of Public Money

AUTHORITY TO WRITE-OFF	LIMITS FOR WRITE-OFFS
Accounting Officer Chief Executive Officer Head of Department	Loss of public monies, bad debts, advances, loans, unreconciled differences, deficiencies of allocated stores and equipment, inventory loss or any other loss up to \$250,000.00 per item.
Financial Secretary	Loss of public monies, bad debts, advances, loans, unreconciled differences, deficiencies of allocated stores and equipment, inventory loss or any other loss up \$15,000,000.00
Minister	Loss of public monies, bad debts, advances, loans, unreconciled differences, deficiencies of allocated stores and equipment, inventory loss or any other loss Up to \$30,000,000.00
Cabinet	Loss of public monies, bad debts, advances, loans, unreconciled differences, deficiencies of allocated stores and equipment, inventory loss or any other loss over \$30,000,000.00



## Appendix 13- Jamaica Public Investment Management System



## Appendix 14 -Document Retention Schedule

Records Series	Retention Period	Retention Format
<b>FINANCE MANAGEMENT</b>		
Financial Policies & Procedures	Superseded + 10 years then review	Electronic/paper
Finance Committee Papers	Current financial year + 4 years	Electronic/paper
Audit Committee Papers	Current financial year + 4 years	Electronic/paper
<b>BUDGET MANAGEMENT</b>		
Annual Budgets	Permanently	Electronic/paper
Budget Estimates	One (1) year after publication of the approved budget	Electronic/paper
Strategic Business Plan	Permanent	Electronic/paper
<b>MANAGEMENT &amp; FINANCIAL ACCOUNTING</b>		
Monthly financial management accounts	Current financial year + 3 years	Electronic/paper
Journals raised	Current financial year + 4 years	Electronic
Journal backing documentation	Current financial year +6 years	Paper
Year end reconciliations	Current financial year + 4 years	Electronic

<b>Records Series</b>	<b>Retention Period</b>	<b>Retention Format</b>
Annual Statutory accounts (Drafts)	2 years after final accounts is signed	Electronic/paper
Final Accounts	Current financial year + 6 years	Electronic/paper
Appropriation Accounts	Permanent	Electronic/paper
Financial statements	Current financial year + 6 years	Electronic/paper
<b>RECORD OF CAPITAL ASSETS</b>		
Furniture	Current financial year + 5 years	Electronic/paper
Equipment	Current financial year + 5 years	Electronic/paper
Motor Vehicle	Current financial year + 5 years	Electronic/paper
<b>AUDIT</b>		
Records documenting the conduct and results of audits and action taken to address issues (for both internal and external audits)	Last action on audit + 6 years	Electronic/paper
Audit Committee Records: <ul style="list-style-type: none"> <li>• Annual Reports</li> <li>• Meeting Reports</li> <li>• Appointment letters</li> <li>• Other related correspondences</li> </ul>	Current financial year + 4 years	Electronic/paper
<ul style="list-style-type: none"> <li>• Invoices</li> <li>• Payment Vouchers</li> <li>• Commitment Requisitions</li> </ul>	Current financial year + 6 years	Electronic/paper

<b>Records Series</b>	<b>Retention Period</b>	<b>Retention Format</b>
<b>TREASURY</b>		
Investment management <ul style="list-style-type: none"> <li>• Fund managers' report</li> <li>• Records of purchase and sale of investments</li> </ul>	Current financial year + 6 years	Electronic/paper
Loan Agreements	Permanent	Electronic/paper
Loan Register	Permanent	Electronic/paper
<b>PROPERTY DOCUMENTATION</b>		
Property leases/licences	End of lease + 6 years	Electronic/paper
Property purchases	Permanent	Electronic/paper
Financial records in respect of Property sales	Year of sale + 6 years	Electronic/paper
<b>TAX MANAGEMENT</b>		
Tax Returns	Current financial year + 6 years	Electronic/paper
Tax Refund Claims	5 years after refund	Electronic
	2 years after refund	Paper
Tax Notices	5 years after notice	Electronic
	2 years after notice	Paper
<b>PROCUREMENT/ACCOUNTS PAYABLE</b>		

Records Series	Retention Period	Retention Format
Tender Documents: <ul style="list-style-type: none"> <li>• Successful tenders</li> <li>• Unsuccessful tenders</li> </ul>	Current financial year + 6 years	Electronic/paper
Supplier Information Form	Current financial year	Electronic/paper
Purchase requisitions/invoices	Current financial year + 6 years	Electronic/Paper
Payment records: <ul style="list-style-type: none"> <li>• Documents relating to the payment of supplier invoices</li> <li>• Foreign payment forms/invoices</li> </ul>	Current financial year + 6 years	Electronic/paper
Employee expenses	Current financial year + 6 years	Electronic/paper
Corporate Cards: <ul style="list-style-type: none"> <li>• Credit cards</li> <li>• Gas cards</li> <li>• Cash cards</li> </ul>	Current financial year + 6 years	Electronic/paper
Corporate Cardstatements	Current financial year + 6 years	Electronic/paper
<b>PAYROLL ADMINISTRATION</b>		
Payrollcards & Register	45 years	Paper
	60 years	Electronic
<b>RECEIVABLES</b>		

<b>Records Series</b>	<b>Retention Period</b>	<b>Retention Format</b>
Records documenting the issue of sales invoices and the processing of incoming payments	Current financial year + 6 years	Electronic/paper
<b>FUNDING APPLICATIONS &amp; AWARDS</b>		
Funding Grant records	Current financial year + 6 years	Electronic/paper
		Electronic/paper
Administration of scholarship funds	Current financial year + 6 years	Electronic/paper
Statistics and reports	Current financial year + 3 years	Electronic/paper
<b>BANK ACCOUNT RECORDS</b>		
Administration of bank accounts: <ul style="list-style-type: none"> <li>• Opening, closing &amp; routine administration</li> <li>• Bank Statements, advices &amp; correspondence</li> <li>• Standing orders</li> <li>• Direct debits</li> <li>• bank deposits</li> </ul>	6 years after close of bank account	Electronic/paper
Cheques and associated records	6 years after close of bank account	Electronic/paper
Bank reconciliation	6 years after close of bank account	Electronic/paper
Bank statements	6 years after close of bank account	Electronic/paper
Electronic banking and electronic funds transfer	Current financial year + 6 years	Electronic/paper

<b>Records Series</b>	<b>Retention Period</b>	<b>Retention Format</b>
<b>EXPENDITURE RECORDS</b>		
Cash books	Current financial year + 6 years	Electronic/paper
Creditors (historical records)	Current financial year + 6 years	Electronic/paper
Statements (payables)	3 years	Electronic/paper
Vouchers	Current financial year + 6 years	Electronic/paper
Petty cash records	Current financial year + 2 years	Electronic/paper
<b>LEDGER RECORDS</b>		
General and subsidiary ledgers	Current financial year + 6 years	Electronic/paper
Related journals	Current financial year + 6 years	Electronic/paper
Journals	Current financial year + 6 years	Electronic/paper
Trial balance and reconciliations	Current financial year + 6 years	Electronic/paper
<b>RECEIPTS AND REVENUE RECORDS</b>		
Receipt books	Current financial year + 6 years	Electronic/paper
Cash registers	Current financial year + 6 years	Electronic/paper
Cashiers' records	Current financial year + 6 years	Electronic/paper
Revenue records	Current financial year + 6 years	Electronic/paper

<b>Records Series</b>	<b>Retention Period</b>	<b>Retention Format</b>
Debtors' records	Current financial year + 6 years	Electronic/paper
Debits and refunds	Current financial year + 6 years	Electronic/paper
<b>SALARY AND RELATED RECORDS</b>		
Employee pay histories	50 years	Electronic/paper
Salary Rates Register	50 years	Electronic/paper
Salary ledger cardrecords	50 years	Electronic/paper
<b>STORES RECORDS</b>		
Delivery Slips	One (1) year after Audit	Electronic/paper
Stock/stores control cards/sheets/records	One (1) year after Audit	Electronic/paper
Stock/stores issue registers/records	One (1) year after Audit	Electronic/paper
Stocktaking sheets/records, including inventories, stock reconciliations, stock take reports	One (1) year after Audit	Electronic/paper
Purchaseorder books/records	Current financial year + 6 years	Electronic/paper

**NB** : - For the purposes of this schedule, electronic documents should be captured and maintained with inappropriate systems that facilitates their retrieval and should be able to stand up to legal or business scrutiny.



## Appendix 15- Point of Sale Reconciliation Statement

POINT-OF-SALE RECONCILIATION STATEMENT	
COLLECTORATE/REVENUE CENTRE _____ FOR _____/_____/_____ <small>Year    month    day</small>	CARD TYPE :    CREDIT/DEBIT
(1) TOTAL CARD COLLECTION AS PER P-O-S MACHINE _____  (2) TOTAL CARD COLLECTION AS PER CRS/MANUAL _____  <b>ADJUSTMENTS</b>  <b>LESS :</b> (A) _____ (B) _____ (C) _____ (D) _____  <b>ADD :</b> (A) _____ (B) _____ (C) _____ (D) _____	
AGREEMENT WITH CARD COLLECTIONS @ (1) _____	
<b>(3) NOTES</b>	
(4) I HEREBY CERTIFY THAT THE TOTAL CARD COLLECTIONS AS PER P-O-S MACHINE AND MANUAL IMPRINTER HAVE BEEN CHECKED BY ME AND RECONCILED WITH THE CRS/MANUAL SUMMARY OF DAILY COLLECTIONS.	
_____ COLLECTOR OF TAXES	_____ CASHIER

**Appendix 16 -Acceptance of Gift Form**  
*(To record items received as gifts.)*

<b>Donor(s):</b>	<b>Donor Address:</b>
<b>Donor(s) Phone:</b> <b>Donor(s) E-mail:</b>	<b>Date of Receipt of Gift:</b>

**PART I Money**

<b>Amount \$</b>	<b>Purpose of the Gift</b>

**PART II Service**

<b>Type of Service</b>	<b>Value\$</b>	<b>Location</b>

**PART III Fixed Assets**

<b>Description &amp; Model #</b>	<b>Serial#</b>	<b>Value\$</b>	<b>Location</b>

**PART IV Consumables**

<b>Description</b>	<b>Quantity</b>	<b>Value\$</b>	<b>Purpose of the Gift</b>

**Comment**


<b>Recipient Signature:</b>	<b>Authorizing Signature:</b>
Date	Date



**Appendix 18- Mobile Telephone Register**

MINISTRY/DEPARTMENT/AGENCY/ PUBLIC BODY \_\_\_\_\_

*CUG – Closed User Group. TSP – Telephone Service Provider*

<b>TELEPHONE#</b>	<b>SERVICE PROVIDER</b>	<b>SERIAL NUMBER</b>	<b>CUG (YES/NO)</b>	<b>OWNED BY GOJ/ TSP</b>	<b>DESCRIPTION OF TELEPHONE</b>	<b>NAME OF ASSIGNEE</b>	<b>SIGNATURE OF ASSIGNEE</b>	<b>DATE ASSIGNED</b>	<b>REMARKS</b>

## Appendix 19- Laptop Assignment Form

ASSIGNEE \_\_\_\_\_ DATE \_\_\_\_\_

LAPTOP & OTHER ITEMS ASSIGNED	Serial Number	CONDITION			COMMENTS
		<i>Excellent</i>	<i>Good</i>	<i>Satisfactory</i>	
Laptop					
Mouse					
Spare Battery					
Removeable Drive					
Pcmcia Modem Card					
Additional Keyboard					
Ac Adapter (Cable)					
Other Items (Specify)					

*The above peripheral devices and other items in the condition as stated above is the property of the \_\_\_\_\_ and is being assigned to you for \_\_\_\_\_*

*Day(s)/week(s)/month(s)/year(s) for the purpose of conducting the work of the ministry/department/ agency/public body. It is your responsibility to safeguard this computer, the peripheral devices and other items from theft , loss or damage and to ensure its proper care and use. The computer is being loan to you on the following conditions:*

- (1) *No additional software is to be loaded to the computer without the permission of the ministry/department/agency/public body.*
- (2) *In case of damage, theft or loss, a formal report is to be made immediately by you to the ministry/department/agency/public body (NB. You will be held personally liable for any loss or damage caused by negligence based on an internal investigation.*

(3) *The ministry/department/agency/public body reserves the right to recall the computer at any time.*

*The computer is subject to the audit of the Chief Audit Executive and the Auditor-General.*

<b>NAME OF ASSIGNEE :</b>	<b>NAME OF ISSUING OFFICER :</b>
<b>SIGNATURE OF ASSIGNEE</b>	<b>SIGNATURE OF ISSUING OFFICER :</b>
<b>DATE :</b>	<b>DATE :</b>

## Appendix 20- laptop Assignment Register

### LAPTOP ASSIGNMENT REGISTER

ASSIGNMENT					RETURN		
DATE ASSIGNED	NAME OF ASSIGNEE	LAPTOP PERIPHERAL DEVICES/ & OTHER ITEMS ASSIGNED	SERIAL #	DATE TO BE RETURNED	DATE RETURNED	RECEIVED BY	REMARKS

## Appendix 21- Declaration by Owner of Motor Vehicle Assigned to Travelling Officer

I \_\_\_\_\_  
Name of Owner

of \_\_\_\_\_  
Address of Owner

Do hereby declare that I have with effect from \_\_\_\_\_  
Date

assign my \_\_\_\_\_  
Vehicle Model and Type

To \_\_\_\_\_  
Name of Travelling officer

For the purpose of performing his/her official duties at the:  
\_\_\_\_\_  
Ministry/Department/Agency

*freely and unencumbered. I do also declare that the aforesaid motor vehicle is not the subject of any travelling allowance being paid by a ministry/department/agency or any public body. Finally, I further declare that I will immediately advise the abovenamed Ministry/Department/Agency upon my revocation of the assignment of this motor vehicle to the travelling officer.*

\_\_\_\_\_  
Signature of Motor Vehicle Owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witnessed By

\_\_\_\_\_  
Date



## Appendix 22- Declaration of Travelling Officer with Assigned Vehicle

I \_\_\_\_\_  
Name of Travelling Officer

of \_\_\_\_\_  
Address of Travelling Officer

Do hereby declare that I have with effect from \_\_\_\_\_ been assigned a

\_\_\_\_\_ by \_\_\_\_\_  
Vehicle Model and Type Name of Owner

For the purpose of performing my official duties at the \_\_\_\_\_.  
Ministry/department/agency

*I do also declare that to the best of my knowledge the aforesaid motor vehicle is not the subject of any travelling allowance being paid by a ministry/department/agency or any public body. Finally, I further declare that I will immediately advise the Human Resources Division of the ministry/department/agency upon the owner's revocation of the assignment of the motor vehicle to me or in the event of any circumstances where I am unable to satisfactorily perform my official duties through the free and unencumbered use of the said motor vehicle.*

\_\_\_\_\_  
Signature, Travelling Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witnessed By

\_\_\_\_\_  
Date

## Appendix 23 - Chauffeur's Allowance Certificate

Name of Chauffeur:	
TRN:	
Address of Chauffeur:	
Chauffeurs Telephone Number (s):	

I certify that during the month of .....I provided chauffeur services for  
 .....to assist him/her in performing his/her official  
*Name of Traveling Officer*

duties for which I was paid wages and subsistence in the sum of \$ .....

.....  
*Amount in figures and words*

I further certify that the days and mileage worked as shown overleaf were for conducting  
 official duties performed by .....  
*Name of traveling officer*

\_\_\_\_\_  
 Signature of Chauffeur

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Signature of Travelling Officer

\_\_\_\_\_  
 Date

## Appendix 24- Travel Register

<b>NAME OF OFFICER:</b>		
<b>DEPARTMENT:</b>		
<b>MOTOR VEHICLE:</b>	<b>MODEL:</b>	
<b>TYPE OF TRAVELLING:</b>	<u>Engine Number</u>	<u>Chassis Number</u>
	<u>Fixed Amount</u>	<u>Mileage Rate</u>
	<u>Monthly Mileage Allotment</u>	<u>Budget for Year</u>

### TRAVELLING PAYMENT RECORD

MONTH	Voucher Number	Fixed Amount	Mileage	Passenger Miles	Subsistence	Total	Remarks







## Appendix 27- Utility Register – Electricity , Water and Electricity

### SECTION A STATIC DATA

Organisation Code Name.	
Electricity/ Water	
Utility Company	Name
	TRN
Meter Number/ Telephone Number	
Account Number	Customer No.
	Premises No.
Premises Address/Location	
Billing Cycle	
Amount Deposited	
Other Particulars	

### SECTION B PAYMENT DATA

1		2		3	4	5	6	7
Bill Period		Meter Reading		Bill Due Date	Bal b/f Previous Period	Current Month Bill Amount	Total Amount Payable	Period
		Previous	Present					
From	To	Actual or Estimated	Actual or Estimated					





## Appendix 28- Private Telephone Call Register

Date	Name of Caller	Place Called	Private Call Tel. #	Signature of Caller	Authorising Officer	Receipts Number	Remarks

## Appendix 29- Rent Payable Register

### SECTION A STATIC DATA

Organisation Code	
Name	
Property Name & Address	
Property Owner & TRN	Name
	TRN
Contract Number	
Rental File Number	
Rental Contract	
Date Signed	
Size of area rented	Sq.feet/ Sq Metre/Acre
Monthly Rental Amount	
Other Particulars	

### SECTION B PAYMENT DATA

1	2	3	4	5	6	7	8
Period	PV No.	Cheque No./ Transit no.	AGD Treasury Ref#	Date Paid	Amount Paid \$	Amount Paid -Year To Date \$	Remarks


## Appendix 30 - Contract Register

### SECTION A STATIC DATA

Organisation Code Name		
Contractor's Name		
Contractor's TRN		
Contractor's Address		
Contract Number		
Contract File Number		
Contract Date Signed		
Description of Contract		
Contract Scheduled Date	Commencement Date	
	Completion Date	
Contract Extension Period/Date		

Approved	
Contract Actual Completion Date	
Contract Amount	
Contract Retention %	
Other Particulars	

**SECTION B MATERIALS SUPPLIED TO CONTRACTORS**

1	2	3	4	5	6	7	8	9	10	11
Period	PV/JV No.	Payment Description	Invoice. No.	Supplier Name/ TRN	Cheque No./ Transit no.	AGD Treasury Ref#	Date Paid	Amount Paid \$	Total Paid to Date \$	Remarks

**SECTION C- PAYMENT TO CONTRACTOR**

1	2	3	4	5	6	7
Period & Date	Current Amount Certified for Payment	Certification No. and Date	Value of Work Done to Date	Amount due for payment on Contract	Less Retention Amount	Less Liquidated Damages, if any

**PAYMENT TO CONTRACTOR**

8	9	10	11	12	13	14	15	16	17
Less Contractor's levy	Less GCT	Less Other Deduction(s), if any, (specify)	PV/JV No.	Cheque No./Cheque Date	Cheque No./Transit no.	AGD Treasury Ref#	Date Paid	Amount Paid \$	Total Paid to Date \$


## Appendix 31- Voucher Forms

<b>COMMITMENT REQUISITION FORMS</b>		
Commitment Requisition	C1	Commitment Recurrent/Capital A &B
Commitment Reversal	C2	Commitment Reversal Recurrent/Capital A & B
<b>PAYMENT VOUCHER FORMS</b>		
Payment Voucher	P1	Recurrent/Capital A & B Payment where no special form as listed below is required
Payment Voucher (Continued)	P1(a)	Continuation Sheet for Form P1
Payment Voucher (Continued)	P1(b)	Continuation Sheet for Form P1 ( single payee with multiple breakouts)
Payment Voucher (Continued)	P1( c )	Continuation Sheet for Form P1 (multiple payees with single breakout)
Payment Voucher (Advance Payment)	P2	Recurrent/Capital A & B Advance Payment
Petty Cash Payment Voucher	P3	Petty Cash Payment
Contract Voucher	P4	Contract Payment
Payment Voucher (Deposit )	P5	Deposit Payment
Payment Voucher (Deposit <i>Continued</i> )	P5(a)	Continuation Sheet for Deposit Payment Form P5
Transport Allowance Voucher	P6	Payment of Transport Allowance Claim
Subsistence Allowance Voucher	P7	Payment of Subsistence Allowance Claim
<b>JOURNAL VOUCHER FORMS</b>		



Journal Voucher	J1	Recurrent/Capital A & B Journal
Journal Voucher (Continued)	J1(a)	Continuation Sheet for Journal Voucher Form J1
Journal Voucher	J2	Recurrent/Capital A & B Journal for Budget/Warrant Input
Journal Voucher (Budget/ Warrant Input Continued )	J2(a)	Continuation Sheet for Journal Voucher Form J2
Journal Voucher (Deposit Transactions)	J3	Deposit Journal
Journal Voucher (Deposit Transaction Continued)	J3(a)	Continuation Sheet for Deposits Journal



# Commitment Requisition Form

CI

Organization No.

--	--	--	--	--	--	--	--

Requisition Number

--	--	--	--	--	--	--	--

Ministry/Department

<b>F in Pat</b>	<b>Fund Source</b>	<b>Period</b>	<b>Fiscal Year</b>	<b>Year</b>	<b>month</b>	<b>Day</b>
			20__/20__	20		

<b>ARTICLE OR SERVICE REQUIRED</b>							
<b>SPECIAL INSTRUCTION</b>							
<b>Estimated Total Cost</b>	<b>TYPE OF COMMITMENT ( Tick )</b>						
\$	<table border="1"> <tr> <td><b>Inescapable</b></td> <td></td> <td><b>Priority</b></td> <td></td> <td><b>Other</b></td> <td></td> </tr> </table>	<b>Inescapable</b>		<b>Priority</b>		<b>Other</b>	
<b>Inescapable</b>		<b>Priority</b>		<b>Other</b>			

CLASSIFICATION	LINE NO. 01	CLASSIFICATION	LINE NO. 02
Function/SubFunction		Function/SubFunction	
Programme/SubProg.		Programme/SubProg.	
Project/ Sub Project		Activity/Project	
Activity/Sub-Activity		Sub-Activity/Project	
Object/S1/S2/S3		Object/S1/S2/S3	
<b>Estimated Amount</b>		<b>Estimated Amount</b>	
<b>Total/Subtotal C/ F S</b>			

**Programme Manager's Approval**

The requisition herein is approved and submitted for commitment subject to the availability of funds

\_\_\_\_\_ Programme Manager      \_\_\_\_\_ Date

L	Warrant Allocation	Commitment To Date	Balance Available	Commitment Control Officer's Verification
1				The requisition herein has been verified and funds accordingly blocked for the purpose of the payment(s)  _____ Commitment Control Officer      _____ Date
2				
3				

**Commitment Requisition (Continued)**

**C1(a)**

Organization No. 

--	--	--	--	--	--	--	--	--	--

Page \_\_\_\_\_ of \_\_\_\_\_ Pages

CR 

--	--	--	--	--	--	--	--	--	--

Subtotal B/F \$ 

--	--	--	--	--	--	--	--	--	--

CLASSIFICATION	LINE NO. _____	CLASSIFICATION	LINE NO. _____
Function/SubFunction		Function/SubFunction	
Programme/SubProg.		Programme/SubProg.	
Activity/Project		Activity/Project	
Sub-Activity/Project		Sub-Activity/Project	
Object/S1/S2/S3		Object/S1/S2/S3	
<b>Estimated Amount</b>		<b>Estimated Amount</b>	

CLASSIFICATION	LINE NO. _____	CLASSIFICATION	LINE NO. _____
Function/SubFunction		Function/SubFunction	
Programme/SubProg.		Programme/SubProg.	
Activity/Project		Activity/Project	
Sub-Activity/Project		Sub-Activity/Project	
Object/S1/S2/S3		Object/S1/S2/S3	
<b>Estimated Amount</b>		<b>Estimated Amount</b>	

Total/Subtotal C/F \$ 

--	--	--	--	--	--	--	--	--	--

L	Warrant Allocation	Commitment To Date	Balance Available	L	Warrant Allocation	Commitment To Date	Balance Available
1				4			
2				5			
3				6			



# Commitment Requisition Reversal Form

**C2**

	Organization No.	Requisition Number																
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; height: 20px;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>									<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; height: 20px;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>								
Ministry/Department																		

Fin Pat	Fund	Source	Period	Fiscal Year	Year	Month	Day
				20___/20___	20		

PARTICULARS	DETAILS OF REVERSED REQUISITION			
COMMITMENT REQUISITION NUMBER				
COMMITMENT TYPE	Inescapable		Priority	
ARTICLE OR SERVICE THAT WERE REQUIRED AS PER REQUISITION				
TOTAL AMOUNT COMMITTED	\$			

<b>REASON FOR REVERSAL</b>	

Approved By \_\_\_\_\_  
Program Manager

Date \_\_\_\_\_

Reversed By \_\_\_\_\_  
Commitment Control Officer

Date \_\_\_\_\_



# Central Treasury Management System Payment Voucher

**P1**

Organization No.

--	--	--	--	--	--	--	--

Voucher Number

--	--	--	--	--	--	--	--

Ministry/Department

<b>Fin Pat</b>	<b>Fund Source</b>	<b>Commitment Reqn No.</b>	<b>Period</b>	<b>Accounting Fiscal Year</b>	<b>Year</b>	<b>month</b>	<b>Day</b>
				20___/20___	20		

Description \_\_\_\_\_

<b>Authority/Reference</b>	<b>Amount in Words</b>
<b>Purchase Order No.</b>	
<b>Due Date:</b>	
<b>TOTAL</b>	

CLASSIFICATION	LINE NO. 01	CLASSIFICATION	LINE NO. 02
Function/SubFunction		Function/SubFunction	
Programme/SubProg.		Programme/SubProg.	
Project/SubProject		Activity/Project	
Activity/SubActivity		Sub-Activity/Project	
Object/S1/S2/S3		Object/S1/S2/S3	
<b>TRN</b>		<b>TRN</b>	
<b>Payee Name</b>		<b>Payee Name</b>	
<b>Reference No.</b>		<b>Reference No.</b>	
<b>Amount \$</b>		<b>Amount \$</b>	

**Programme Manager's Certificate (Accountable Officer)**

I certify that the goods/services have been satisfactorily provided and that the rates/prices are fair and reasonable and that all relevant sections of the FAA Act, Regulations and Instructions and have been followed in addition to the Procurement Law and Regulations

\_\_\_\_\_  
**Programme Manager**

\_\_\_\_\_  
**Date**

Voucher Processing Details	Authorisation ( Finance &Accounts Division/Branch/Unit )(Accountable Officers)
<b>Officer's Signature</b>	I certify that this voucher has been properly prepared; the payee(s) entitled to the amount stated herein, that the rates and prices are fair and reasonable, the calculations are correct, according to regulations and contract, and that warrant funds are available.
<b>Prepared by:</b>	
<b>Checked by:</b>	
<b>Posted by:</b>	
<b>Send to Treasury By:</b>	
<b>Web Portal Verified By:</b>	
	_____ <b>Certifying Officer</b>
	_____ <b>Authorising Officer</b>
	_____ <b>Date</b>
	_____ <b>Date</b>

**Payment Voucher (Continued)**

**P1(a)**

Organisation No

--	--	--	--	--	--	--	--	--	--

Page \_\_\_\_\_ of \_\_\_\_\_ Pages

PV

Voucher Number

--	--	--	--	--	--	--	--	--	--

CLASSIFICATION	LINE NO. 01										CLASSIFICATION	LINE NO. 02									
Function/SubFunction																					
Programme/SubProg.																					
Project/SubProject																					
Activity/SubActivity																					
Object/S1/S2/S3																					
TRN																					
Payee Name											Payee Name										
Reference No.											Reference No.										
Amount \$											Amount \$										

CLASSIFICATION	LINE NO. 03										CLASSIFICATION	LINE NO. 04									
Function/SubFunction																					
Programme/SubProg.																					
Project/SubProject																					
Activity/SubActivity																					
Object/S1/S2/S3																					
TRN																					
Payee Name											Payee Name										
Reference No.											Reference No.										
Amount \$											Amount \$										

Total/Subtotal C/F \$

--	--	--	--	--	--	--	--	--	--

**Payment Voucher (Continued)**  
 (For payment of a single Payee with multiple breakouts)

**P1(b)**

Organisation No.

--	--	--	--	--	--

Page \_\_\_\_\_ of \_\_\_\_\_ Pages

PV

Voucher Number

--	--	--	--	--	--

Ministry/Department

Total/SubTotal B/F \$

CLASSIFICATION	LINE NO	LINE NO.	LINE NO.
Function/Subfunction			
Programme/SubProg.			
Project/SubProject			
Activity/SubActivity			
Object/S1/S2/S3			
Internal Classification			
Internal Organisation			
Location			
Amount \$			

CLASSIFICATION	LINE NO	LINE NO.	LINE NO.
Function/Subfunction			
Programme/SubProg.			
Project/SubProject			
Activity/SubActivity			
Object/S1/S2/S3			
Internal Classification			
Internal Organisation			
Parish			
Amount \$			

CLASSIFICATION	LINE NO	LINE NO.	LINE NO.
Function/Subfunction			
Programme/SubProg.			
Project/SubProject			
Activity/SubActivity			
Object/S1/S2/S3			
Internal Classification			
Internal Organisation			
Parish			
Amount \$			

Total /Subtotal C/F \$

**Payment Voucher (Continued)**

**P1(c)**

*for payment of multiple payees with no change in any other codes)*

	Organisatio No		Page _____ of _____ Pages	PV	Voucher Number
Ministry/Department					

**Subtotal B/F \$**

No. Payee Name

TRN

Cheque/ CTMS Tran No.

Amount

No. Payee Name

TRN

Cheque/ CTMS Tran No.

Amount

No. Payee Name

TRN

Cheque/ CTMS Tran No.

Amount

No. Payee Name

TRN

Cheque/ CTMS Tran No.

Amount

No. Payee Name

TRN

Cheque/ CTMS Tran No.

Amount

No. Payee Name

TRN

Cheque/ CTMS Tran No.

Amount

**Total/Subtotal C/F \$**





# Petty Cash Payment Voucher

P 3

Organization No.

--	--	--	--	--	--	--	--

Voucher Number

--	--	--	--	--	--	--	--

Ministry/Department

Fin Pat

--	--

Fund Source

--	--	--	--

Period

--	--

Accounting Fiscal Year

20\_\_ /20\_\_

Year

20					
----	--	--	--	--	--

month

--	--	--	--

Day

--	--	--

Description

---



---

Authority/Reference	Amount in Words
<b>TOTAL</b>	

CLASSIFICATION	LINE NO. 01	CLASSIFICATION	LINE NO. 02
Function/SubFunction		Function/SubFunction	
Programme/SubProg.		Programme/SubProg.	
Project/SubProject		Activity/Project	
Activity/SubActivity		Sub-Activity/Project	
Object/S1/S2/S3		Object/S1/S2/S3	
TRN		TRN	
Payee Name		Payee Name	
Reference No.		Reference No.	
Amount \$		Amount \$	

I certify that this voucher has been properly prepared, the payee(s) properly entitled to the amount stated herein, that the rates and prices are fair and reasonable, the calculations are correct, according to regulations and contract, and that funds are available.

Imprest Holder \_\_\_\_\_ Voucher Checked/Certified by \_\_\_\_\_ Voucher Authorised by \_\_\_\_\_  
 Date \_\_\_\_\_ Date \_\_\_\_\_ Date \_\_\_\_\_

I hereby certify that I received the sum of \$ \_\_\_\_\_ (Amount in words) \_\_\_\_\_  
 \_\_\_\_\_ Payee Signature \_\_\_\_\_ Date \_\_\_\_\_



# Central Treasury Management System

## Contract Voucher

(to be prepared in Quadruplicate)

**P4**

Organization No.

Fin Pat

Fund Source

Voucher Number

--	--	--	--	--	--	--	--	--	--

--	--

--	--	--	--

--	--	--	--	--	--	--	--

Ministry/Department

Name of Contractor		Description of Service	
Address of Contractor			
Certificate No.	Contract No. / Contract Date		
Total value of work done to	Amount		
2 0 y y m m d d	\$		
Retention to be held %			

PROJECT ARCHITECT :- Please make payment as above :- ..... Date .....  
CONTRACTOR'S SIGNATURE

Certified by ..... Date .....  
QUANTITY SURVEYOR
Certified by ..... Date .....  
CONSULTANT ARCHITECT

This is to certify that the sum of ..... Dollars  
and ..... Cents is due to ..... on account of the above contract and that  
the work described overleaf has been properly executed

.....  
PROJECT ARCHITECT

.....  
PROGRAM/PROJECT MANAGER

Value of work done to	\$		Classification	Line 01	Line 02
.....			Fun. /Sub. Fun.		
<b>Less Deductions</b>			Prog. /Sub. Program		
Retention under contract	%	.....	Project/SubProject		
Contractor's Levy	%	.....	Activity/SubActivity		
Tax Compliance Certificate	%	.....	Object/S1/S2/S3		
Value of materials supplied		.....	TRN		
Amount already paid		.....	Payee Name		
Liquidated damages		.....	Reference No.		
			Amount \$		

**Total/Subtotal C/F \$**

Voucher Processing Details		Authorisation ( Finance &Accounts Division/Branch/Unit )(Accountable Officers)	
Officer's Signature	Date	I certify that this voucher has been properly prepared; the payee(s) entitled to the amount stated herein, that the rates and prices are fair and reasonable, the calculations are correct, according to regulations and contract, and that warrant funds are available.	
Prepared by:			
Checked by:			
Posted by:			
Send to Treasury By:			
Web Portal Verified By:			
		_____	_____
		Certifying Officer	Authorising Officer
		Date	Date

Amount to be paid under contract .....\$

.....Net Value of variations.....\$

\$

**PARTICULARS AND VALUE OF WORK DONE**

ITEM	Contract or Schedule Description	Quantity	Rate	AMOUNT

This is to certify that the value of work done by.....

on account of his contract for.....

..... is \$

and that the work has been performed in accordance with the terms of his contract and the specification therein.

\_\_\_\_\_  
Quantity Surveyor

\_\_\_\_\_  
Date



## Payment Voucher (Deposit Payment)

**P5**

Organization No.

--	--	--	--	--	--	--	--

Voucher Number

--	--	--	--	--	--	--	--

Ministry/Department

4	5
---	---

Period

--	--

Accounting  
Fiscal Year

20	/	20
----	---	----

Year

Month

Day

20						
----	--	--	--	--	--	--

Description \_\_\_\_\_

\_\_\_\_\_

State Supporting Documents

Attached: \_\_\_\_\_

**DEPOSIT ACCOUNT PARTICULARS**

Deposit Account Number \_\_\_\_\_ Deposit Account Name \_\_\_\_\_

Deposit Source /Receipt No. \_\_\_\_\_ Receipt Date \_\_\_\_\_

Authority/ Reference No.	Deposit Account balance before payment \$
-----------------------------	---

<b>TOTAL \$</b>	Amount in Words
-----------------	-----------------

Particulars	LINE NO. 01	LINE NO. 02
TRN		
Payee Name		
CTMS /Cheque No		
Amount		
<b>Total/Subtotal C/F \$</b>		

**Deposit Manager's Certification (Accountable Officers)**

I certify that the goods/services have been satisfactorily provided and that the rates/prices are fair and reasonable and the relevant financial instructions have been followed.

\_\_\_\_\_

Certified By

\_\_\_\_\_

Date

**Voucher Processing Details**

Prepared by \_\_\_\_\_

Checked by \_\_\_\_\_

Posted by \_\_\_\_\_

**Authorisation ( Finance &Accounts Division/Branch/Unit) (Accountable Officers)**

I certify that this voucher has been properly prepared, the payee(s) entitled to the amount stated herein, that the rates and prices are fair and reasonable, the calculations are correct, according to regulations and contract, and that funds are available.

\_\_\_\_\_

Certifying Officer

\_\_\_\_\_

Authorising Officer





# Transport Allowances Voucher

P6

Organisation No.

Voucher Number

--	--	--	--	--	--

--	--	--	--	--	--

Ministry/Department

Event Number	Fin Pat	Fund Source	Commitment Reqn No.	Accounting Period	Fiscal Year	Year	month	Day
					20__/20__	20		

Name of Officer ..... Make of Vehicle .....

Motorcar Commuted/Upkeep allowance at .....per annum \$ \_\_\_\_\_

Or Actual Mileage .....at .....per Km \$ \_\_\_\_\_

Motorcycle Passenger Mileage .....at .....per Km \$ \_\_\_\_\_

Total \$ \_\_\_\_\_

*I hereby certify upon honour that I have, during the month of .....performed the travelling set out overleaf and have kept as my own property a .....for which the allowance as provided in the Staff Orders for the Public Service, 1976 is payable to me, and that the said.....has not been let out for hire. I further certify upon honour, that all travelling on private business or pleasure has been excluded from the total mileage making up this claim*

Signature of Claimant ..... Date .....

*I hereby certify that I have examined this claim and found it to be for travelling on duty only, and the trips made and mileage incurred have been necessary for the proper performance of the officer's duties. However, the information regarding the driver's license and the motor vehicle documents have not been verified by me.*

.....  
Certifying Officer Date

Document	Expiry Date
Driver' License	
Motor Vehicle Registration Certificate	
Motor Vehicle Certificate of Fitness	
Motor Vehicle Insurance Certificate	

CLASSIFICATION	LINE NO 01	LINE NO. 02	LINE NO. 03
Function/Subfunction			
Programme/SubProg.			
Project/SubProject			
Activity/SubActivity			
Object/S1/S2			
Amount \$			
Amount in Words			
	Tax Registration Number (TRN)	CMTS Ref#/ Cheque No.	
		Total \$	

Voucher Processing Details		Authorisation ( Finance &Accounts Division/Branch/Unit )(Accountable Officers)	
Officer's Signature	Date	I certify that this voucher has been properly prepared: the payee(s) entitled to the amount stated herein, that the rates and prices are fair and reasonable, the calculations are correct, according to regulations and contract, and that warrant funds are available.	
Prepared by:			
Checked by:			
Posted by:			
Send to Treasury by:			
Web Portal Verified by:			
		Certifying Officer	Authorising Officer
		Date	Date





## Central Treasury Management System Subsistence Allowances Voucher

P7

	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>											<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>											
Ministry/Department																							

Fin Pat	Fund Source	Commitment Reqn No.	Period	Accounting Fiscal Year	Year	month	Day
				20__/20__	20		

Name of Officer .....

(a) Total Subsistence Allowance as per overleaf      \$ \_\_\_\_\_

(b) Total Actual Expenses as per overleaf              \$ \_\_\_\_\_

Total Subsistence and Actual Expenses                 \$ \_\_\_\_\_

Due Date:

I hereby certify upon honour that I was travelling on duty on the day(s) specified and that the expenses claimed under (a) are in accordance with the Staff Orders for the Public Service, 1976, and have been actually paid by me

Claimant \_\_\_\_\_ Date \_\_\_\_\_

I hereby certify that I have examined the claim and found it to be proper and in accordance with the regulations

Certifying Officer \_\_\_\_\_ Date \_\_\_\_\_

CLASSIFICATION	LINE NO. 01	CLASSIFICATION	LINE NO. 02
Function/SubFunction		Function/SubFunction	
Programme/SubProg.		Programme/SubProg.	
Project/SubProject		Activity/Project	
Activity/SubActivity		Sub-Activity/Project	
Object/S1/S2/S3		Object/S1/S2/S3	
<b>TRN</b>		<b>TRN</b>	
<b>Payee Name</b>		<b>Payee Name</b>	
<b>Reference No.</b>		<b>Reference No.</b>	
<b>Amount    \$</b>		<b>Amount    \$</b>	

Voucher Processing Details		Authorisation ( Finance &Accounts Division/Branch/Unit )(Accountable Officers)	
Officer's Signature	Date	I certify that this voucher has been properly prepared; the payee(s) entitled to the amount stated herein, that the rates and prices are fair and reasonable, the calculations are correct, according to regulations and contract, and that warrant funds are available.	
Prepared by:			
Checked by:			
Posted by:			
Send to Treasury By:			
Web Portal Verified By:			
		_____ Certifying Officer	_____ Authorising Officer
		Date	Date







# Toll Charges Reimbursement Voucher

P8

--	--	--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--

Ministry/Department

<b>Fin Pat</b>	<b>Fund Source</b>	<b>Commitment Reqn No.</b>	<b>Period</b>	<b>Accounting Fiscal Year</b>	<b>Year</b>	<b>month</b>	<b>Day</b>
				20__/20__	20		

Name of Driver ..... Vehicle .....

*I certify upon honour that I paid the sum of \$ \_\_\_\_\_ for toll charges as per receipts attached in the pursuit of official duties whilst driving the above named vehicle for trips listed overleaf.*

.....  
**Signature of Claimant** **Date**

*I hereby certify that I have examined this claim and found the toll charges to be valid and arose entirely in the performance of official duties.*

.....  
**Certifying Officer** **Date**

<b>CLASSIFICATION</b>	<b>LINE NO</b>	<b>01</b>	<i>Paid By Cash</i>
Function/Subfunction			Received the sum of
Programme/SubProg.			_____
Project/sub-Project			\$
Activity/Sub-Activity			being reimbursement of toll charges.
Object/S1/S2			_____
Amount	\$		<b>Signature</b> <span style="float: right;"><b>Date</b></span>
Payee No.			<b>Payee Name</b>
Cheque No.			

<b>Voucher Processing Details</b>	<b>Authorisation ( Finance &amp; Accounts Division/Branch/Unit) (Accountable Officers)</b>
Checked by _____	<i>I certify that this voucher has been properly prepared ,the payee entitled to the amount stated herein, the calculations are correct ,according to regulations and contract, and that funds are available.</i>
Posted by _____	
	_____ <b>Certifying Officer</b> <span style="float: right;">_____ <b>Authorising Officer</b></span>







**Journal Voucher**  
**( Budget/Warrant Input )**

**J2**

\_\_\_\_\_ Ministry/ Department      \_\_\_\_\_ Organisation No.      \_\_\_\_\_ Fin. Pat.      20\_\_\_\_/20\_\_\_\_  
 \_\_\_\_\_ Financial Year      20\_\_\_\_ Year      \_\_\_\_\_ Month      \_\_\_\_\_ day      \_\_\_\_\_ Period      JV      \_\_\_\_\_ Voucher Number

Event Number      Debit G/L Number      No of lines      Debit \$  
 \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_  
 \_\_\_\_\_ Debit General Ledger Account Name      \_\_\_\_\_  
 Credit G/L Number      No .of lines      Credit \$  
 \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_  
 \_\_\_\_\_ Credit General Ledger Account Name      \_\_\_\_\_

Line No.	Function/SFun	Prog./Sub- Prog	Project/SubProject	Activity-SubActivity	Object Sub-Object/DSO	Fund Source	Amount \$
0 1							
0 2							
0 3							
0 4							
0 5							
0 6							
0 7							
0 8							
0 9							
1 0							
1 1							
1 2							
1 3							
1 4							
Total/Subtotal C/F \$							

Voucher Prepared/Posted by \_\_\_\_\_ Voucher Checked/Certified by: \_\_\_\_\_ Voucher Authorised by: \_\_\_\_\_







**Journal Voucher (Continued)**  
**(Departmental Deposits)**

**J3(a)**

--	--	--	--	--	--

Page \_\_\_\_\_ of \_\_\_\_\_ Pages

JV 

--	--	--	--	--	--	--	--	--	--

**Debit Lines**

Subtotal B/F \$ 

Debit	Credit
-------	--------

Line No		Deposit Account Name	Deposit Type	Deposit Account Number	Amount \$

**Credit Lines**

Debit Total/Subtotal C/F

Line No		Deposit Account Name	Deposit Type	Deposit Account Number	Amount \$

Credit Total/Subtotal C/F

## Appendix 32 MDA's Monthly Financial Reports

No.	Statement	Financial Pattern
MFR 1	Trial Balance	FP11, 12, 21, 22, 31, 32, 45, 90
MFR 2	Receipt and Payment Statement	, 12, 21, 22, 31, 32, 45, 90
MFR 3	Bank Reconciliation Statement	FP11, 12, 21, 22, 31, 32, 45, 90
MFR 4	Statement of Bank Balance	FP11, 12, 21, 22, 31, 32, 45
MFR 5	Statement of Expenditure by Activities	FP11, 12, 21, 22, 31, 32
MFR 6	Statement of Expenditure by Objects	FP11, 12, 21, 22, 31, 32
MFR 7	Summary of Advances	FP11, 12, 21, 22, 31, 32
MFR 8	List of Advances	FP11, 12, 21, 22, 31, 32
MFR 9	Summary of Deposits	
MFR 10	List of Deposits	FP45
MFR 11	Statement of Miscellaneous Revenue	FP90
MFR 12	Statement of Appropriations-in-aid	FP11, 12, 21, 22, 31, 32

**GENERAL LEDGER TRIAL BALANCE**

**MFR 1**

**MINISTRY/DEPARTMENT**

**Financial Year**

**HEAD NO.**

**Financial Pattern**

**Period No.**

**Period  
Status**

Description	Account Balance	
	DR	CR

Accountant

Director of Finance/Financial  
Controller

Accounting Officer

Date

Date

Date

**STATEMENT OF RECEIPTS AND PAYMENTS**

**MFR 2**

**MINISTRY/DEPARTMENT**

<b>HEAD NO.</b>	Financial Pattern	
-----------------	-------------------	--

**Financial Year**

<b>Period No.</b>	<b>Period Status</b>
-------------------	----------------------

<b>RECEIPTS</b>		<b>PAYMENTS</b>	
1. Balance B/F (if in Debit)		1. Bank Balance B/F (if in Credit)	
a) Cash in hand			
b) Warrant Balance Account			
2. Warrant Issue		2 Warrant Refund	
3 Advances from - MOF Contingencies Provision		3 Reimbursement of Advances - MOF Contingencies Provision	
4. Advances from – Treasury Deposits		4. Reimbursement of Advances – Treasury Deposits	
5. Expenditure Credits		5 Expenditure Payment	
7 Other Receipts		Other Payments	
6. Bank Balance C/F (if in Credit)		6. Balance C/F (if in Debit)	
		a) Cash in hand	
		b) Warrant Balance Account	
<b>TOTAL</b>		<b>TOTAL</b>	

I certify that this statement accurately reflect the Warrant Balance of the financial pattern reported herein as at the reporting date.

Accountant	Director of Finance/Financial Controller	Accounting Officer
Date	Date	Date

**DEPOSIT/FUND RECEIPT & PAYMENTS STATEMENTS****MFR 2****MINISTRY/DEPARTMENT****Financial Year****HEAD NO.****Period No.****Period  
Status**

<b>RECEIPT</b>		<b>PAYMENTS</b>	
1. Balance B/F (if in Debit)		1. Bank Balance B/F (if in Credit)	
a) Cash in hand		2. Deposits/Fund. Paid	
(b) Bank Account			
Deposits/Funds Received			
3. Bank Balance C/F (if in Credit)		3. Balance C/F (if in Debit)	
		a) Cash in hand	
		b) Bank Account	
<b>TOTAL</b>		<b>TOTAL</b>	

I certify that this statement accurately reflects the Cash Book position of the bank account in respect of the financial pattern reported herein as at the reporting date.

---

 Accountant

---

 Director of Finance/Financial Controller

---

 Accounting Officer

---

 Date

---

 Date

---

 Date

...

**Bank Reconciliation Statement****MFR 3**

As at \_\_\_\_\_

**MINISTRY/DEPARTMENT****Financial Year****HEAD NO.****Period No.****Period  
Status**

(1) Cash Book (or balance in bank account in main Ledger)

	\$	\$
Cash Book balance (unadjusted)		XXXX
<b>Adjustments</b>		
Less - Bank Charges	XXXX	
- Debit Advice(s), if any	XXXX	
- Any other Debits	<u>XXXX</u>	<u>XXXX</u>
		XXXX
Add - Interest credited by Bank	XXXX	
-Credit Advice(s), if any	XXXX	
- Any other credit	<u>XXXX</u>	<u>XXXX</u>
Adjusted Cash Book balance		<u>XXXX</u>
2 Bank Statement		
Balance as per bank Statement		XXXX
<b>Adjustments</b>		
Add: - Lodgement(s) not yet credited by bank	XXXX	
- Amount(s) erroneously debited by bank,	XXXX	
- Other(s)	xxxx	<u>XXXX</u>
		XXXX
Less - Unpresented Cheques	XXXX	
- Amount(s) erroneously credited by bank	XXXX	
- Others	<u>XXXX</u>	<u>XXXX</u>
Agreeing with adjusted Cash Book/main Ledger balance		<u>XXXX</u>

Accountant

Director of Finance/Financial Controller

Accounting Officer

Date

Date

Date

**STATEMENT OF BALANCES IN BANK ACCOUNTS OPERATED BY MINISTRY/DEPARTMENT MFR 4**

**MINISTRY/DEPARTMENT** \_\_\_\_\_

**Financial Year** \_\_\_\_\_

**HEAD NO.** \_\_\_\_\_

**Period No.** \_\_\_\_\_ **Period Status** \_\_\_\_\_

Bank Account Number	Title of Account	Name of bank	Balance at the start of month		Balance at the end of month		Month up to which reconciliation is completed	Month up to which bank statement is received	Remarks
			Cash Book	Bank Statement	Cash Book	Bank Statement			

*(NB, This statement should provide information on all official bank accounts held by the Ministry/.Department)*

\_\_\_\_\_  
Accountant

\_\_\_\_\_  
Director of Finance/Financial Controller

\_\_\_\_\_  
Accounting Officer/Chief Executive Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**STATEMENT OF EXPENDITURE BY ACTIVITY**

**MFR 5**

**MINISTRY/DEPARTMENT**

**Financial  
Year**

**HEAD NO.**

**Financial Pattern**

**Period  
No.**

**Period  
Status**

<i>Fun/SFun Prog/Sprog Proj/Sproj Act/Sact Int Organ</i>	(2) Description	(3) Approved Budget	(4) Warrant Allocation to date	(5) Current Month's Expenditure	(6) Total Expenditure to date	(7) total Advances Outstanding to date	(8) Undischarged Commitments to date	(9) Balance on Warrant 4-(6+8)	(10) Balance on Approved Budget 3-(6+8)
<b>TOTAL \$</b>									

Accountant

Director of Finance/Financial Controller

Accounting Officer/Chief Executive Officer

Date

Date

Date



**STATEMENT OF EXPENDITURE BY OBJECT**

**MFR 6**

**MINISTRY/DEPARTMENT**

---

**Financial  
Year**

---

**HEAD NO.**

---

**Financial Pattern**

---

**Period  
No.**

---

**Period  
Status**

---

<i>Fun/SFun Prog/Sprog Proj/Sproj Act/SAct Int Organ Object</i>	(2) Description	(3) Approved Budget	(4) Warrant Allocation to date	(5) Current Month's Expenditure	(6) Total Expenditure to date	(7) total Advances Outstanding to date	(8) Undischarged Commitments to date	(9) Balance on Warrant 4-(6+8)	(10) Balance on Approved Budget 3-(6+8)
<b>TOTAL \$</b>									

Accountant

Director of Finance/Financial Controller

Accounting Officer/Chief Executive Officer

Date

Date

Date

**SUMMARY OF ADVANCES**

**MFR 7**

**MINISTRY/DEPARTMENT**

---

**Financial Year**

---

**HEAD NO.**

---

**Financial Pattern**

---

**Period No.**

---

**Period Status**

---

Category 1	Advances O/S At The Start Of The Month 2	Advances Paid During Month 3	Debit Adjustments During Month 4	Cleared/ Credit Adjustment During Month 5	Advances O/S At The End Of The Month 6
01 - Personal Advance					
02 - Imprest Advance					
03 - Advance to Other Ministries and Department					
04 - Advance to Other Government Agencies/Public Bodies					
09 - Other Advances					
Total \$					

---

Accountant

---

Director of Finance/Financial Controller

---

Accounting Officer

---

Date

---

Date

---

Date

**LIST OF OUTSTANDING ADVANCES**

**MFR 8**

<b>MINISTRY/DEPARTMENT</b>		<b>Financial Year</b>	
<b>HEAD NO.</b>	<b>Financial Pattern</b>	<b>Period No.</b>	<b>Period Status</b>

Advance Account Name 1	Account No. 2	Balance at the start of F/Y DR/(CR) 3	AGE 4	Current Balance DR/(CR) 5	REMARKS 6
Total Category	01 - Personal Advance				
Total Category	02 – Imprest Advance				
Total Category	03 - Advance to Other Min & Depts				

Advance Account Name 1	Account No. 2	Balance at the start of F/Y DR/(CR) 3	AGE 4	Current Balance DR/(CR) 5	REMARKS 6
Total Category	04 - Advance to Other Govt. Agencies/Public Bodies				
Total Category	09 - Other Advances				
<b>GRAND TOTAL</b>					

\_\_\_\_\_  
Accountant

\_\_\_\_\_  
Director of Finance/Financial Controller

\_\_\_\_\_  
Accounting Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**SUMMARY OF DEPOSITS -**

**MFR 9**

**MINISTRY/DEPARTMENT**

**Financial Year**

**HEAD NO.**

**Financial Pattern**

**Period No.**

**Period Status**

<b>CATEGORY</b>  <b>1</b>	Opening balance as at beginning of Month 2	Deposits Received During Month 3	Deposit Adjustments During Month 4	Deposits Paid During the Month 5	Deposits Balances as at the end of the Month 6
40 - Revenue Deposits					
41 - Refundable Deposits					
42 - Works Deposits					
43 - Other Deposits					
Total \$					

Accountant

Director of Finance/Financial Controller

Accounting Officer

Date

Date

Date

**LIST OF DEPOSIT/FUND BALANCES**

**MFR**

**10**

<b>MINISTRY/DEPARTMENT</b>		<b>Financial Year</b>	
<b>HEAD NO.</b>	<b>Financial Pattern</b>	<b>Period No.</b>	<b>Period Status</b>

Deposit Account 1	Account No. 2	Balance at the start of F/Y DR/(CR) 3	Current Balance DR/(CR) 4	AGE 5	REMARKS 6
Total for Category: 40 - Revenue Deposits					
Total for Category: 41- Refundable Deposits					

Deposit Account	Account No.	Balance at the start of F/Y DR/(CR)	Current Balance DR/(CR)	AGE	REMARKS
Total for Category: 42- Works Deposits					
<b>Total for Category: 43- Other Deposits</b>					
<b>GRAND TOTAL \$</b>					

\_\_\_\_\_  
Accountant

\_\_\_\_\_  
Director of Finance/Financial Controller

\_\_\_\_\_  
Accounting Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**STATEMENT OF MISCELLANEOUS REVENUE**

**MFR 11**

**MINISTRY/DEPARTMENT**

**Financial Year**

**HEAD NO.**

**Financial Pattern**

**Period No.**

**Period  
Status**

1	2	3	4	5	6	7	8
Revenue Code/Descrip.	Annual	Collections For The Month	Lodgements For The Month	Collections To Date	Lodgements To Date	Collections Not Lodged (5-6)	Budget Variance 2-5
Total							

Accountant

Director of Finance/Financial Controller

Accounting Officer

Date

Date

Date



**STATEMENT OF APPROPRIATIONS-IN-AID**

**MFR 12**

**MINISTRY/DEPARTMENT**

**Financial Year**

**HEAD NO.**

**Financial Pattern**

**Period No.**

**Period  
Status**

1	2	3	4	5	6	7	8	
Aia Code/Descrip.	Annual	AIA Collected During The Month	Credit Adjustments During Month	Debit Adjustments During Month	Total AIA For The Month (3+4-5)	Total AIA To Date	Budget Variance (2-7)	Remarks
Total								

Accountant

Director of Finance/Financial Controller

Accounting Officer

Date

Date

Date

### Appendix 33 MDA's Quarterly Financial Reports

QFR 1	Financial Management Status Report
QFR 2	Report on Loss/Damage and Overpayment
QFR 3	Statement of Investments
QFR 4	Internal Audit Report
QFR 5	Government Funded Credit Card Report

**FINANCIAL MANAGEMENT STATUS REPORT**

**QFR 1**

**Ministry/Department/Agency** \_\_\_\_\_

**Head No.** \_\_\_\_\_

**Quarter** \_\_\_\_\_

**Year** \_\_\_\_\_

**A – EXTERNAL AUDIT QUERIES**

Summary Of Audit Query Received	Reference Number	Date Received	Response	
			Date	Summary

**B. IMPLEMENTATION OF FINANCIAL MANAGEMENT RECOMMENDATIONS**

Action Recommended	Recommended By PAC/PAAC/ Auditor	Date of Recommendation	Status Of Implementation

	General/Mof ,Etc.		

**C ANNUAL RETURNS**

	YEAR(S) OUTSTANDING	REMARKS
National Insurance Scheme		
National Housing Trust		
Education Tax		
Income Tax		
Etc.		

\_\_\_\_\_  
Accountant

\_\_\_\_\_  
Director of Finance/Financial Controller

\_\_\_\_\_  
Accounting Officer/Chief Executive Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## **REPORT ON LOSS/DAMAGE AND OVERPAYMENT QFR2**

Ministry/Department/Agency \_\_\_\_\_

Head No. \_\_\_\_\_

Quarter \_\_\_\_\_

Year \_\_\_\_\_

*(State all cases of loss, damage, destruction, defalcation, fraud, theft, burglary, irregularities, misappropriation etc. identified since the start of the financial year)*

Description of Loss, Damage/Overpayment etc.	Date Reported to MOF	Amount of Loss/Damage /Overpayment	Amount Recovered to date	Write OFF			REMARKS
				Approved By	Date of Approval	Amount Approved	

We hereby certify that the report herein represents an accurate account of all Loss/Damage, Overpayment etc, occurred or identified during the financial year stated above.

\_\_\_\_\_  
Accountant

\_\_\_\_\_  
Director of Finance/Financial Controller

\_\_\_\_\_  
Accounting Officer/Chief Executive Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**QUARTERLY STATEMENT OF INVESTMENTS      QFR 3**

**MINISTRY/DEPARTMENT** \_\_\_\_\_

**Financial Year** \_\_\_\_\_

**HEAD NO.** \_\_\_\_\_

Period No. \_\_\_\_\_ Period Status \_\_\_\_\_

Name of Instrument	Instrument Number	Account Name	Issue Date	Maturity Date	Institution Holding Investment	Type of Investment	Amount of Investment	Interest Rate	Tenure	Interest Earned B/fwd	Interest Earned Current Month	Interest Earned YTD

\_\_\_\_\_  
Investment Officer

\_\_\_\_\_  
Director of Finance/Financial Controller

\_\_\_\_\_  
Accounting Officer/Chief Executive Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



**CREDIT CARD QUARTERLY REPORT    QFR 5**



## Appendix 34 – MDA Annual Financial Reports

No.	Statement	Authority
AFR 1	Statement of Commitments at end of Financial Year	<i>FAA Act Section 19A (5)(a)</i>
AFR 2	Statement of Unpaid Bills at the end of the financial year	<i>FAA Act Section 19A (5)(a)</i>
AFR 3	Appropriation Account by Activities and Objects & Explanation of Major Variation	<i>FAA Act Section 24I(1)</i>
AFR 4	Board of Survey Report	<i>FAA Reg. 33.2</i>
AFR 6	Status Report on Fixed Assets	<i>Instruction 7.3.5</i>
AFR 7	Fund Balance Sheet	<i>FAA Act Section 24(I)(c)</i>
AFR 8	Fund Receipts and Payment Statement	<i>FAA Act Section 24(I)( c)</i>

**SCHEDULE OF OUTSTANDING COMMITMENTS - AFR 1**

**MINISTRY/DEPARTMENT**

**Financial Year**

**HEAD NO.**

**Financial Pattern**

Function/Sub Fun Program/Sub Prog Project/Sub Proj Activity/Sub Act/ Object/SubObj	<i>Details of all commitments entered into for the supply of goods or services or the construction of any work during the year where such goods or services have not been received or such work has not been completed before the end of the Financial Year.</i>	Amount Committed	Remarks

Accountant

Director of Finance/Financial Controller

Accounting Officer/Chief Executive Officer

Date

Date

Date

**SCHEDULE OF UNPAID BILLS - AFR 2**

**MINISTRY/DEPARTMENT**

**Financial Year**

**HEAD NO.**

**Financial Pattern**

Function/Sub Fun Program/Sub Prog Project/Sub Proj Activity/Sub Act/ Object/SubObj	<i>Details of the delivery of goods and services or the completion of any work for which payment has not been made before the close of the Financial Year</i>	Unpaid Unpaid Bill Amount\$	Remarks

Accountant

Director of Finance/Financial Controller

Accounting Officer

Date

Date

Date

**APPROPRIATION ACCOUNT BY PROJECT/ACTIVITY      AFR3**

**MINISTRY/DEPARTMENT** \_\_\_\_\_

**Head No.** \_\_\_\_\_ **Financial Pattern** \_\_\_\_\_ **Financial Year** \_\_\_\_\_

<i>FUNCTION</i> <i>SUB-FUNCTION</i> <i>PROGRAMME</i> <i>SUB-PROGRAMME</i> PROJECT SUB PROJECT ACTIVITY SUB-ACTIVITY INTERNAL ORGAN	Description	Original Estimate	Supplementary Estimates			Revised Estimates	Total Expenditure	Variance		Net Variance
			First	Second	Third			Less Than	More Than	
1	2	3	4	5	6	7	8	9	10	11
Rows totals for <ul style="list-style-type: none"> <li>• Function</li> <li>• Program</li> <li>• Project</li> <li>• Activity</li> </ul>										
Total Gross Budget		5,000	200	(50)		5,150	5,110	40		(40)
Total Appropriations-in-aid		500	50	(30)		520	(525)		5	(5)
<b>NET TOTAL FOR FINANCIAL PATTERN</b>		<b>4,500</b>	<b>250</b>	<b>(80)</b>		<b>4,630</b>	<b>4,585</b>	<b>40</b>	<b>5</b>	<b>45</b>

*Net Variance Surrenderable to the Consolidated Fund by the Accountant General from the Central Payment Account : **\$ 45***

*Unspent Vote \$40    Excess AIA collection \$5*

\_\_\_\_\_  
*Accounting Officer*

\_\_\_\_\_  
*Date*

**APPROPRIATION ACCOUNT BY OBJECT**

**AFR 4**

**MINISTRY/DEPARTMENT** \_\_\_\_\_

**Head No.** \_\_\_\_\_ **Financial Pattern** \_\_\_\_\_ **Financial Year** \_\_\_\_\_

<i>FUNCTION</i> <i>SUB-FUNCTION</i> <i>PROGRAMME</i> <i>SUB-PROGRAMME</i> PROJECT SUB PROJECT ACTIVITY SUB-ACTIVITY INTERNAL ORGAN OBJECT	Description	Original Estimate	Supplementary Estimates			Revised Estimates	Total Expenditure	Variance		Net Variance
			First	Second	Third			Less Than	More Than	
1	2	3	4	5	6	7	8	9	10	11
Rows totals for • Function • Program • Project • Activity • Object										
Total Gross Budget		5,000	200	(50)		5,150	5,110	40		(40)
Total Appropriations-in-aid		500	50	(30)		520	(525)		5	(5)
<b>NET TOTAL FOR FINANCIAL PATTERN</b>		<b>4,500</b>	<b>250</b>	<b>(80)</b>		<b>4,630</b>	<b>4,585</b>	<b>40</b>	<b>5</b>	<b>45</b>

*Net Variance Surrenderable to the Consolidated Fund by the Accountant General from the Central Payment Account : **\$ 45***

*Unspent Vote \$40 Excess AIA collection \$5*

\_\_\_\_\_  
*Accounting Officer*

\_\_\_\_\_  
*Date*

**APPROPRIATION ACCOUNT BY OBJECT SUMMARY**

**AFS 4A**

**MINISTRY/DEPARTMENT** \_\_\_\_\_

**Head No.** \_\_\_\_\_ **Financial Pattern** \_\_\_\_\_ **Financial Year** \_\_\_\_\_

OBJECT SubObject Detailed Sub Object	Description	Original Estimate	Supplementary Estimates			Revised Estimates	Total Expenditure	Variance		Net Variance
			First	Second	Third			Less Than	More Than	
1	2	3	4	5	6	7	8	9	10	11
Rows totals forObject only										
Total Gross Budget		5,000	200	(50)		5,150	5,110	40		(40)
Total Appropriations-in-aid		500	50	(30)		520	(525)		5	(5)
<b>NET TOTAL FOR FINANCIAL PATTERN</b>		<b>4,500</b>	<b>250</b>	<b>(80)</b>		<b>4,630</b>	<b>4,585</b>	<b>40</b>	<b>5</b>	<b>45</b>

*Net Variance Surrenderable to the Consolidated Fund by the Accountant General from the Central Payment Account : **\$ 45***

*Unspent Vote \$40 Excess AIA collection \$5*

\_\_\_\_\_  
*Accounting Officer*

\_\_\_\_\_  
*Date*

## Appendix 35 Revenue Financial Statements

The following are financial statements to be prepared by Principal Receivers of Revenue on a **cash accounting** basis in respect of General Revenue Collections

Statement Code	Statement Name	Frequency	Deadline	Authority
RR 1	Trial Balance	Monthly	14 <sup>th</sup> working day following the end of the month	Revenue Accounting Manual February 1998
RR 2	Revenue Receipts and Payments Statements	Monthly	-- do --	-- do --
RR 3	Revenue Bank Reconciliation Statement	Monthly	-- do --	-- do --
RR 4	Statement of Revenue Bank Accounts	Monthly	-- do --	-- do --
RR 5	Statement of Net Revenue Collections and Remittance to the Consolidated Fund	Monthly	-- do --	-- do --
RR 6	Statement of Gross Revenue, Refund and Drawbacks	Monthly	-- do --	-- do --
RR 7	Annual Statement of Net revenue Collections Compared with Revenue Estimates	Within four (4) months following the end of the financial year	<i>FAA Act Section 24I(1)</i>	FAA Act Instruction 7.72

**REVENUE GENERAL LEDGER TRIAL BALANCE**

**REVENUE DEPARTMENT**

**Financial Year**

**HEAD NO.**

**Period No.**

**Period  
Status**

	DR	CR

Revenue Accountant

Director of Finance/Financial Controller

Principal Receiver of Revenue

Date

Date

Date



## REVENUE RECEIPT &amp; PAYMENTS STATEMENTS

## REVENUE DEPARTMENT

## Financial Year

## HEAD NO.

## Period No.

Period  
Status

RECEIPT		PAYMENTS	
1. Balance B/F (if in Debit)			
(a) Cash in hand		1 Revenue Refund	
(b) Bank Account		2 Revenue Drawback	
2 Gross Principal Revenue Collections		3 Transfer to Consolidated Fund	
3 Miscellaneous Revenue Collections		4 Payment to Acct Gen. for Misc. Revenue	
4 Standard Compliance Fee Collections		5 Payment to Bureau of Standards (SCF)	
5 Parochial Revenue Collections		6 Payment to Parochial Fund	
6 Road Maintenance Fund Collections		7 Payment to Road Maintenance Fund	
7 National Health Fund Collections		8 Payment to NHF	
8 Acct Gen. Treasury Deposits Collections		9 Payment to Acct . Gen. Treasury Deposits	
9 Revenue Deposits Collections		10 Revenue deposits Payments	
10 NIS Collections		11 Payment to NIS	
11 NHT Collections		12 Payment to NHT	

12 HEART Collections		13 Payment to HEART	
13 Collections for Other entities -specify		14 Collections paid to Other Entities-specify	
14 Revenue Deposits Received		15 Revenue Deposits Paid	
15		16 Other payments & Charges	
		3. Balance C/F (if in Debit)	
		a) Cash in hand	
		b) Bank Account	
TOTAL		TOTAL	

I certify that this statement accurately reflects the revenue collections and remittances for the month

\_\_\_\_\_  
Revenue Accountant

\_\_\_\_\_  
Director of Finance/Financial Controller

\_\_\_\_\_  
Principal Receiver of Revenue

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Bank Reconciliation Statement**

RR 33

As at \_\_\_\_\_

**REVENUE DEPARTMENT**

**Financial Year**

**HEAD NO.**

**Period No.**

**Period  
Status**

(2) Cash Book (or balance in bank account in main Ledger)

	\$	\$
Cash Book balance (unadjusted)		xxxx
Adjustments		
Less - Bank Charges	xxxx	
- Debit Advice(s), if any	xxxx	
- Any other Debits	<u>xxxx</u>	<u>xxxx</u>
		xxxx
Add - Interest credited by Bank	xxxx	
-Credit Advice(s), if any	xxxx	
- Any other credit	<u>xxxx</u>	<u>xxxx</u>
Adjusted Cash Book balance		<u>xxxx</u>
2 Bank Statement		
Balance as per bank Statement		xxxx
Adjustments		

Add:	- Lodgement(s) not yet credited by bank	XXXX	
	- Amount(s) erroneously debited by bank,	XXXX	
	- Other(s)	XXXX	<u>XXXX</u>
			XXXX
Less	- Unpresented Cheques	XXXX	
	- Amount(s) erroneously credited by bank	XXXX	
	- Others	<u>XXXX</u>	<u>XXXX</u>
	Agreeing with adjusted Cash Book/main Ledger balance		<u>XXXX</u>

Revenue Accountant	Director of Finance /Financial Controller	Principal Receiver of Revenue
Date	Date	Date

**STATEMENT OF REVENUE BANK ACCOUNTS -**

**RR 4**

**REVENUE DEPARTMENT**

---

**Financial Year**

---

**HEAD NO.**

---

**Period No.**

---

**Period  
Status**

---

Bank Account Number	Title of Account	Name of bank	Balance at the start of month		Balance at the end of month		Month up to which reconciliation is completed	Month up to which bank statement is received	Remarks
			Cash Book	Bank Statement	Cash Book	Bank Statement			

*(NB, This statement should provide information on all official bank accounts held by the Ministry/.Department)*

\_\_\_\_\_  
Revenue Accountant

\_\_\_\_\_  
Director of Finance/Financial Controller

\_\_\_\_\_  
Principal Receiver of Revenue

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

MONTHLY STATEMENT OF NET REVENUE COLLECTIONS AND REMITTANCE TO THE CONSOLIDATED FUND RR 5

**REVENUE DEPARTMENT**

**Financial Year**

**HEAD NO.**

**Period No.**

**Period Status**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Revenue Code	Revenue Description	Revenue Estimate	Net Revenue Collections at start of Month	Net Revenue Collections for Month	Total Net Revenue Collections to Date	Transfer to the Consolidated Fund To Date	Balance Due to Consolidated Fund (8) =(6)-(7)	Variance (3-6)
	Total \$					Total Net Collections To Date		

Revenue Accountant

Director of Finance/Financial Controller

Principal Receiver of Revenue

Date

Date

Date

**MONTHLY STATEMENT OF GROSS REVENUE, REFUND AND DRAWBACKS**

**REVENUE DEPARTMENT**

---

**Financial Year**

---

**HEAD NO.**

---

**Period No.**

**Period  
Status**

---

(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)
Revenue Code	Revenue Description	Revenue Estimate	Gross Revenue Collection To Date	Drawback, Refund, Repayment to Date	Net Receipts to Date  (6) =(4)- (5)	Variance 7 =(3) -(6)		REMARKS
						More than Estimate	Less than Estimates	
	Total \$							

---

Revenue Accountant

---

Director of Finance/Financial Controller

---

Principal Receiver of Revenue

---

Date

---

Date

---

Date

**ANNUAL STATEMENT OF NET REVENUE COLLECTIONS COMPARED WITH REVENUE ESTIMATES**

**MINISTRY/DEPARTMENT**

**Financial Year**

**HEAD NO.**

**Period No.                      Period  
Status**

(1)	(2)	(3)	(4)	(5)		(6)
Revenue Code	Revenue Description	Revenue Estimate	Net Receipts to Date	Variance 7 =(3) -(6)		EXPLANATION OF MAJOR VARIATIONS
				More than Estimate	Less than Estimates	
	Total \$					

Revenue Accountant

Director of Finance/Financial Controller

Principal Receiver of Revenue

Date

Date

Date



**Appendix 36 T-Card Register**



**T-CARD REGISTER**

**MINISTRY/DEPARTMENT/AGENCY:** \_\_\_\_\_

DATE PURCHASED	CARD NUMBER	PARTICULARS OF VEHICLE ASSIGNED		REMARKS
		TYPE OF VEHICLE	VEHICLES LICENCE PLATE NUMBER	

## **Appendix 37 – Requirements for addition to the Government List of Financial Institutions for which Salary Deduction Orders are accepted**

Letter of Application to the Financial Secretary accompanied by submission of the following:

- (i) A processing Fee of \$10,000. (NB. Manager's cheque payable to the Accountant General for Miscellaneous Revenue)
- (ii) Company's Profile
- (iii) Certificate of Registration
- (iv) Taxpayer Registration Number
- (v) Valid Tax Compliance Certificate
- (vi) Letter re Exemption from the Money Lending Act (If Applicable)
- (vii) Audited Financial Statements for the last three (3) years
- (viii) Loan Policy ( should include interest rate, percentage break out of personal and business loans)
- (ix) Delinquency Recovery Policy
- (x) Profile of Directors and Senior Managers viz: Names, Qualifications and Experience

**NB. The company must be in operation as a financial institution for over five (5) years**

# INDICES

## A

- 1 Acceptance of Gifts, **154**
- 2 Accountable Officers, 27, 28, 29, 30, 50, 67, 68, 70, 130, 140
- 3 Accountant General, 19, 23, 24, 26, 27, 29, 46, 50, 53, 54, 55, 59, 60, 61, 66, 81, 89, 90, 91, 92, 94, 119, 120, 121, 127, 135, 143, 160, 161, 168, 173, 175, 176, 177, 178, 179, 180, 188, 189, 193, 196
- 4 Accounting Officer, 16, 20, 27, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 42, 46, 47, 53, 59, 61, 62, 66, 71, 73, 74, 77, 80, 89, 93, 94, 111, 114, 115, 116, 128, 132, 134, 154, 159, 166, 167, 169, 179
- 5 Advice Slip, 65
- 6 **Appropriation Account, 148**
- 7 appropriations-in aid, 66
- 8 Appropriations-in-aid, 20, 57, 67, 185
- 9 Asset Management, **110**
- 10 Audit Committee, 27, 32, 33, 207, 208
- 11 Auditor General, 18, 19, 27, 28, 32, 34, 35, 38, 39, 93, 110, 111, 114, 116, 118, 130, 146, 148, 149, 153, 156, 157, 158, 161, 164, 167, 170, 179, 196, 219

## B

- 12 Bills of exchange
  - Promissory note, 64
- 13 Breach. See Motor Vehicle Policy
- 14 Budget Call, 21, 41, 42, 44, 45, 46, 47

## C

- 15 Cabinet Secretary, 36
- 16 Cancelled Cheques, 80
- 17 Capital Budget, 21, 45
- 18 Cash Book, **66, 134, 138, 139, 141, 198**
- 19 Cash cheques
  - Travellers Cheques, 63
- 20 Central Payment Account, 19, 55, 56, 78, 155, 175, 188, 189
- 21 Certification of Goods Received, 77
- 22 Chart of Accounts, 46, 47

- 23 Checking Officer, 76
- 24 Cheque Inventory, 79
- 25 Cheques, 63, 79
- 26 Chief Audit Executive, 19, 31, 32
- 27 closed period, 89
- 28 Commercial Accounting Method, **134**
- 29 communication, **94, 95, 166, 190, 196**
- 30 **Comparability, 145**
- 31 Consolidated Fund, 16, 18, 22, 25, 27, 29, 37, 40, 47, 49, 50, 52, 53, 54, 56, 57, 58, 59, 67, 72, 102, 108, 109, 111, 130, 134, 135, 139, 140, 142, 143, 144, 155, 171, 172, 174, 189, 194
- 32 Container Card, **163**
- 33 Contingencies Fund, 25, 29, 42, 50, 53, 54, 57, 127
- 34 **Contracts Register, 138**
- 35 control accounts, **139**
- 36 Corporate Plan, 22, 45, 46, 105
- 37 Credit Card, 64
- 38 CTMS
  - Central Treasury Management System, 19, 54, 55, 56, 78, 162, 176, 193

## D

- 39 Debit Cards, 64
- 40 **Definitions, 50, 108, 172**
- 41 Destruction of Unused Cheques, **81**
- 42 Direct Payments, **141, 143**
- 43 Donation in Money, **154**
- 44 Donation In-Kind, **155**

## E

- 45 Electronic Data Capture Machine, 64
- 46 Externally Funded Projects, **141, 142**

## F

- 47 Financial Secretary, 17, 18, 24, 28, 29, 30, 31, 32, 33, 36, 37, 38, 39, 41, 42, 44, 46, 48, 49, 50, 52, 53, 54, 55, 58, 60, 61, 63, 66, 67, 68, 70, 71, 72, 74, 79, 83, 84, 88, 89, 90, 102, 109, 110, 111, 112, 114, 115,

- 116, 118, 119, 120, 121, 126, 127, 130, 133, 138,  
139, 140, 146, 147, 148, 149, 153, 156, 157, 158,  
161, 162, 164, 166, 167, 171, 172, 179, 205
- 48 Financial Year
  - Fiscal Year, 44
- 49 Fixed Asset Register, **137**
- 50 Fund Accounts, **139**
- 51 Furniture and Equipment, **111**

## G

- 52 General Consumption Tax, **158, 165, 167, 191**
- 53 Government Laptop Computers
  - Laptops, **168**
- 54 Government Mobile Telephones, **165**
- 55 Government Owned Motor Vehicles, **112**
- 56 Government Telephone, **164**

## H

- 57 Hyperlink Policy, **112**

## I

- 58 Implementation Plan, 45
- 59 imprest;, 71
- 60 Improper payments, 78
- 61 Individual Credit Cards, 84
- 62 Insurance of Government Property, **110**
- 63 Internal Audit, 32
- 64 Internal Auditors, 32
- 65 Investment, **16, 19, 41, 44, 102, 104, 160, 161, 197, 209**
- 66 **IPSAS, 19, 42, 132, 171, 172, 174, 175, 188, 193**
- 67 Irrecoverable Overpayment, **157**

## L

- 68 LIABILITY MANAGEMENT, **120**

## M

- 69 **Materiality, 146**
- 70 Ministry of the Public Service, 36

## O

- 71 of public moneys, 16, 20, 38, 57, 58, 62, 63, 78, 116,  
117
- 72 Outstation Accounts, **139**
- 73 overdraft, 70

- 74 Overpayment of Public Funds, 155
- 75 Overseas Travel, **128**

## P

- 76 Pay Day, 88
- 77 Payment Voucher, 75
- 78 payroll register, 90
- 79 Payroll Register, 88, 90
- 80 Pension, **49, 91**
- 81 Period Closed, **147**
- 82 petty cash, 72
- 83 Principal Finance Officer (PFO). *See* Accountable  
Officer
- 84 Principal Receivers of Revenue, 54, 58, 59, 66, 67, 68,  
70, 132, 133, 134, 140, 149
- 85 Project Accounts, **141**
- 86 Public Accountability Inspectorate, 33
  - PAI, 33
- 87 Public Accounts Committee, 19, 33, 35, 37
- 88 Public Administration and Appropriations Committee  
PAAC, 28, 33, 35, 41
- 89 **Public Investment, 16, 19, 45, 102, 103, 104, 105, 107, 206**
- 90 Public Investment Management Committee, 45, 102,  
103, 104
- 91 public moneys, 72
- 92 Public moneys, 67
- 93 Purchase of Fuel, **162**

## R

- 94 receipt book, 37, 60, 61
- 95 Receipts, 78
- 96 Records Management, **144**
- 97 Recovery
  - Recovery of Overpayment, **39, 46, 91, 94, 156, 157, 158, 165**
- 98 Recovery of Debt, **94**
- 99 Recurrent Budget, 25, 45
- 100 Registered mail, 65
- 101 **Relevance, 145**
- 102 Rentals Register, **138**
- 103 Revenue Accounting Method, **134**
- 104 Revenue Bank Account, **59**
- 105 Role of Certifying Officer, 77

## S

- 106 Salary in Advance, **94**
- 107 Special Account, **141**

- 108 Special Receipts
  - General Receipts, 61
- 109 Stale Cheques, 80
- 110 Statement of Net Revenue, **149**
- 111 Statutory deductions, **91**
- 112 Supplementary Estimates, 22, 25, 37, 42, 47, 119, 126, 127, 155, 161
- 113 Surcharge, 27, 28, 38, 39, 78

## T

- 114 Tax Withholding Entities, **19, 158**
- 115 The Expenditure and Fund Accounting Method, **134**
- 116 the Project Concept Evaluation, **105**
- 117 Theft or Fraud, **116**
- 118 Transport Manager, **113**
- 119 **Travel Register, 138**

- 120 Trust Funds, 25, 50, 53, 54, 139

## U

- 121 Unauthorised Payment, 78
- 122 **Understandable, 146**
- 123 User Fees, **26, 67**
- 124 **Utility Register, 138**

## V

- 125 Value Book, 65, 66

## W

- 126 **Warrant, 37, 47, 53, 143, 144, 161, 162, 185**