

TREASURY

TREASURY CIRCULAR NO. 9 OF 2018

FROM: ACCOUNTANT-GENERAL

TO : SUPERVISING OFFICERS-IN-CHARGE OF MINISTRIES/DEPARTMENTS

CLOSING OF ACCOUNTS AND ANNUAL STATEMENTS FOR THE FINANCIAL YEAR 2017-2018

The Financial Year 2017-2018 is drawing to an end and in this context your collaboration is solicited so that the financial year is closed smoothly and the information required by the Treasury is submitted in time to enable this office to prepare the Accounts of the Government and submit same to the Director of Audit within the statutory deadline.

2. Accounting Officers are, hence, called upon to ensure that the procedures, requirements and deadlines set out in this Circular are strictly adhered to. The contents of the Circular have been grouped in two parts namely:

Part A - Procedures to be followed for closing of financial year

This part broadly deals with:

- Deadline for the submission of Payment Vouchers to the Treasury;
- Imprest warrants retirement for 2017-18 and applications for imprests for 2018-19;
- Reconciliations of accounts prior to the submission of Reconciliation Certificate; and
- Closing of Accounts timetable for Treasury Accounting System (TAS).

Part B - Submission of Statements by Departments

This part deals with statements to be submitted to the Treasury as listed in Annex II, III and IV as per the deadline set, including NIL returns.

It is to be noted that Government has committed to implement, in a phased manner, full accrual based International Public Sector Accounting Standards (IPSASs) by 2022-2023.

As such, special attention has to be given to returns required under this part, namely paragraphs 33, 34 and 35 in respect of the financial year 2017-18 and the new columns of the balance as at 30 June 2018, split into amount receivable/payable:

- (i) in financial year 2018-2019 (within 1 year); and
- (ii) after 30 June 2019 (after more than 1 year).

The TAS and Accounts Sections of the Treasury remains at your disposal for any assistance you may require. You may wish to contact Mr R.Luchman on TAS issues and Mr V.Dusoeye on all other matters, or any officer of the said sections on 260 5000.

All statements at Annex II, II and IV should be submitted to the Treasury both in hard and soft copies (email to vdusoeye@govmu.org/ rsgooljar@govmu.org).

3. The deadlines for the submission of documents/returns to the Treasury are summarised in the table below:

SN	ACTIVITY	LAST DATE TO BE SUBMITTED TO TREASURY	PARAGRAPH
(i)	Vouchers and documents in respect of June 2018 payroll (including manual paysheets)	Wednesday 13 June	4
(ii)	- All Other Payment Vouchers - Instructions for payments in foreign currency	Thursday 21 June	5, 6 8
(iii)	Retirement of Imprests relating to year 2017-2018	Wednesday 27 June	10
(iv)	Applications for Imprests 2018-2019	Friday 15 June	11
(v)	Reconciliation Certificates: - May 2018 - June 2018	Friday 22 June Friday 17 August	22 28
(vi)	Annual Statements Returns	Monday 20 August	33
(vii)	Returns of Accruals, Prepayments and Retention Money & Employee Benefits Liabilities	Friday 28 September	35

A. CLOSING OF FINANCIAL YEAR 2017-2018

PAYROLL JUNE 2018

4. As per Treasury Circular No.8 of 2018, all vouchers and documents in respect of June 2018 payroll must be submitted by **13 June 2018**.

OTHER PAYMENT VOUCHERS (PVs) AND INSTRUCTIONS TO MAKE PAYMENTS ABROAD

5. As you are aware, the Treasury effects payments on behalf of all non self-accounting Ministries/Departments and thus, in order to avoid risk of overload at the Treasury and risk of non-payment, Ministries/Departments should submit all PVs to the **Examination Unit of the Treasury** by **21 June 2018, at latest**. Ministries/Departments are hence requested to make a

proper planning of funds availability and follow up on all matters that may entail payment in order to achieve the above.

6. All entries made in the TAS invoice workbench which are not likely to be paid, including earmarkings, should be cancelled by the **21 June 2018, at latest**.

7. Except where there is carry-over of capital expenditure, under no circumstances should an invoice be approved in one financial year and processed for payment in the following financial year.

8. All instructions for payments to be effected abroad in respect of subscriptions to international organisations, amounts due to foreign contractors etc., should reach this office by **21 June 2018, at latest** so as to enable transfers to be effected in time. **No such requests for payments will be accepted at the Treasury after 21 June 2018 (except for those under urgent/special circumstances).**

9. **The Treasury will, under no circumstances, be held responsible for non-payment of PVs if the above procedures are not complied with.**

IMPRESTS - RETIREMENT OF CURRENT IMPRESTS AND APPLICATION FOR IMPRESTS 2018-19

10. Current Imprests should be retired by **27 June 2018, at latest** and should be accompanied by:

- (i) a **proforma at Annex I**, in triplicate, showing the particulars of the imprest as at the date of retirement; and
- (ii) a combined remittance duly filled in, including the TAS code of the imprest warrant under which it was issued.

An example of TAS code for imprest is as follows:

Min/Cost Centre	Vote/Sub Head	Economic Classification	ID	Analysis	Activity/Project	Misc.	Type	Reporting Entity
0	E+ (Min. ID)	86001001	0	0001	0	E+Min ID+SN	0	0

Eg. Imprest of Treasury – 0.ETRY.86001001.0.0001.0.ETRY01.0.0

11. Applications for fresh imprests pertaining to the year 2018-2019 should be personally signed by Accounting Officers and submitted to the Accountant-General by **15 June 2018, at**

latest. Issue of same will be made as from **02 July 2018.** In order to reduce the number of small imprests being issued by this Office, it is suggested that all Ministries/Departments requiring more than one imprest should apply for main imprests from which sub-imprests would be issued to other officers in accordance with *paragraph 1 of Chapter 20.7 of the Financial Management Manual.*

CLEARING OF CHEQUES

12. With a view to reduce outstanding cheques at year end, Ministries/Departments are requested to liaise with their suppliers to clear before **29 June 2018** any cheque issued in respect of PVs sent to the Treasury as per paragraph 5.

13. It should be noted that payment by way of bank transfer is a better way to achieve reduction in outstanding cheques. Hence, Ministries/Departments should request the relevant bank details of suppliers/payees and to quote same on the PVs.

RECEIPTS

14. All cash collected on or before the last business day of June 2018, should be banked or paid in at District Cash Offices before the official closing time on **29 June 2018** and all revenues/receipts brought to account within the financial year 2017-2018.

15. All receipts should be accounted for by **29 June 2018.** However, only collections at remote sites on **29 June 2018** should be input by **03 July 2018 at latest,** using **29 June 2018** as **GL date.**

MANAGEMENT OF DEPOSIT ACCOUNTS

16. All deposits repayable pertaining to the financial year ending 30 June 2018 should be cleared by **27 June 2018.**

17. Ministries/Departments should constantly monitor deposits under their responsibility to ensure that any deposit held **for more than 5 years** be credited to Revenue upon approval of the Accounting Officer (*Chapter 20.7, paragraph 31 of the Financial Management Manual*).

18. Any deposit account having a debit balance should be investigated promptly and cleared before **27 June 2018.**

ADVANCE ACCOUNTS

19. Advance accounts should always have debit balances. As such, any credit balance in an advance account should be investigated and cleared before the second closing as per paragraph 20.

CLOSING OF ACCOUNTS IN TAS

20. Closing of accounts will be effected by this office as follows:

<i>First Closing</i>	<i>: 13 July 2018</i>
<i>Second Closing</i>	<i>: 27 July 2018</i>
<i>Third and Final Closing</i>	<i>: 10 August 2018</i>

21. Ministries/Departments which have issued Departmental Warrants should ensure that any unspent amount under such warrants are transferred back to its original ID by **21 June 2018**.

RECONCILIATION AND ADJUSTMENTS

22. Reconciliation certificates in respect of accounts of Expenditure, Revenue, Below-the-Line items and Cash Book for the month of **May 2018** should reach the Accounts Section of the Treasury **at latest by 22 June 2018**. Any discrepancy should be sorted out immediately.

23. Any Ministry/Department having received **loans/grants** from foreign sources during the financial year 2017-2018 should ensure that appropriate adjustments are made under the relevant revenue and expenditure items in respect of any amount spent in the financial year. Any payment made in the financial year 2017-2018 (e.g. direct payment to contractor by a funding agency) which may have remained unaccounted for by end of the financial year should be accounted for before the first closing of accounts.

24. All **Overseas Missions Accounts** should be input in TAS by **27 July 2018**.

25. Ministries/Departments should complete the verification of all abstracts against the Trial Balance as well as the *Funds Available Screen* in TAS to ensure correctness of figures, before **13 July 2018**.

26. After each closing of accounts, Accounting Officers are requested to ensure that Abstracts, Remittance Accounts, Advances and Deposit Ledgers and Revenue Registers are properly reconciled. Any discrepancy noted should be promptly reported to the TAS Section of the Treasury.

27. **No access to TAS will be provided to Ministries/Departments after the second closing in respect of financial year 2017-2018.** For adjustments after the second closing, approval of the Accountant-General should be sought in writing prior to input in TAS at the Treasury. Request for approval should be duly signed by the Accounting Officer or the Officer-in-Charge of Finance with valid reasons/justifications for the adjustment. Hence, all such adjustments should be attended to at the Treasury.

28. Contrary to other months, Ministries/Departments should, in respect of **June 2018**, send **only one reconciliation certificate** on which is stated that all accounts have been properly checked and reconciled, and that all adjustments in respect of wrong combinations have been duly effected. This reconciliation certificate should reach the Treasury **not later than 17 August 2018.**

ADDITIONAL TAS PROCEDURES FOR SELF-ACCOUNTING MINISTRIES/DEPARTMENTS

29. All payment batches should be confirmed by **28 June 2018.**

30. All Remittance Accounts should be cleared by **29 June 2018** and Cash Accounts should tally with Trial Balance. To ensure the above, self-accounting ministries should have completed all TAS procedures in respect of payment batches before **29 June 2018.**

31. Bank Statements and Bank Reconciliation Certificates in respect of each bank account as at 30 June 2018 should be submitted to the Treasury by **13 July 2018.** Unpresented cheques which have become stale should be credited to the appropriate item of expenditure, or to revenue in respect of cheques issued prior to financial year 2017-2018.

32. Any balance in Cash Account No 1 as at close of **29 June 2018** should be transferred to the Accountant-General's General Account.

B. SUBMISSION OF STATEMENTS BY MINISTRIES/DEPARTMENTS

ANNUAL STATEMENTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2018

33. Ministries/Departments are requested to submit returns contained in **Annex II** to the Treasury and copied to the Director of Audit **at latest by 20 August 2018**. These returns form the basis for the preparation of the annual statements as per Section 19 of Finance and Audit Act. Nil returns should also be submitted.

34. The returns for Statements G, N, O, P and Q should be prepared in accordance with Circular No. 6 of 2012 “**Financial Instructions – Losses Deficiencies and Write-Off of Goods**”, Circular No. 1 of 2013 “**Losses, Arrears of Revenue, Write-off and Advances**” and Circular No 7 of 2015 “**Write-Off of Advances**” issued by the Ministry of Finance and Economic Development.

35. Further to the Treasury Circular No 14 of 2017 – “**Accrual-Based Accounting System – Accrual & Prepayment Rules**”, Ministries/Departments should submit the following to the Treasury, **at latest by 13 September 2018**:

- a) a ‘**Return of Accruals, Prepayments and Money Retained on Contracts**’ in the format as per **Annex III**; and
- b) a ‘**Return of Accumulated Sick Leave, Vacation Leave and Passage Benefits**’ in the format as per **Annex IV**.

It is to be noted that in some statements the balances as at 30 June 2018 should be further broken down into amount receivable/payable:

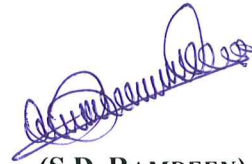
- (i) in financial year 2018-2019 (within 1 year); and
- (ii) after 30 June 2019 (after more than 1 year).

GENERAL GUIDELINES

36. Supervising Officers of Self-Accounting Ministries/Departments may issue their own instructions to meet their specific requirements but they should, however, ensure that the main provisions of this Circular are strictly adhered to.

You are urged once again to lend your full support in the implementation of this Circular so that the closing of the financial year 2017-2018 is done smoothly and Annual Statements are prepared and submitted to the Director of Audit within the statutory deadline.

It would be appreciated if the contents of this Circular could be brought to the attention of all officers concerned.



**(S.D. RAMDEEN)
AG. ACCOUNTANT-GENERAL**

**TREASURY,
PORT LOUIS.
05 JUNE 2018**