

MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

Circular No 10 of 2015

Our Ref: CF/40/30/63/A V5

20 November 2015

From: Financial Secretary

To: Supervising Officers-in-Charge of Ministries/Departments and Accounting Officers

FINANCIAL MANAGEMENT KIT (FM KIT)

Financial Instructions No 3 of 2015 – Adjustment Voucher

The purpose of this circular is to inform you of the procedures that are being prescribed for Adjustment Voucher, with a view to simplifying and standardizing the use of adjustment vouchers by Ministries/Departments.

2. As you may be aware, 'Adjustment Voucher' is a document used in Government accounting practice for the transfer from one account to another by means of a journal entry and where there is no cash movement.
3. The Financial Instructions provide for the different cases which involve the use of Adjustment Vouchers and lay down clear procedures for the examination, authorization and recording of a transfer including appropriate flowcharts to assist Ministries/Departments.
4. You may wish to note that the Financial Instructions No 3 of 2015 have been finalized after consultations with the Director of Audit and necessary clearances sought from the State Law Office. These instructions will replace the existing corresponding provisions contained in the Financial Management Manual 1990 and they will eventually be included in the Financial Management Kit Volume II – General Financial Procedures.
5. You are requested to ensure compliance with the enclosed Financial Instructions No 3 of 2015 – Adjustment Voucher.



R. Chellapermal
Ag. Financial Secretary

Copy to:

- (i) Secretary to Cabinet and Head of the Civil Service
- (ii) Director of Audit
- (iii) Accountant-General
- (iv) Directors, Economic and Finance, MOFED
- (v) Director, Financial Operations
- (vi) Director, Procurement & Supply
- (vii) Director, Internal Control
- (viii) Officers-in-Charge of Financial Operations Unit, Procurement & Supply Unit and Internal Control Unit in Ministries/Departments
- (ix) Lead Analyst & SMSTs, MOFED

Financial Instructions No 3 of 2015 - Adjustment Voucher

1. Cash transactions between Ministries/Departments are prohibited. Financial transactions between Ministries/Departments should be effected by means of an Adjustment Voucher (AV).
2. The AV is a document (Accounts Form 245 Revised-Annex I) which is mainly used for the transfer from one account to another by means of a journal entry where a cash movement is not applicable or appropriate, such as :-
 - (a) transfer of revenue or expenditure from one item of revenue or item of expenditure to another;
 - (b) transfer of deposits to revenue;
 - (c) accounting transactions between Departments (including payments by one Department to another);
 - (d) accounting for direct payments to suppliers by Financing Agencies;
 - (e) accounting for grants from donor agencies (allocation to relevant revenue and expenditure items) where such grants are initially credited to a deposit account; and
 - (f) accounting for receipts and payments in respect of certain special funds and deposit accounts.
3. The AV is also used for the correction of accounting/input errors (misallocation).
4. AVs in respect of transactions between Ministries/Departments should be prepared, examined, authorized and accounted for as follows:
 - (a) For repairs and maintenance undertaken by the Ministry of Public Infrastructure and Land Transport (MPI): by the MPI (refer to flowchart at Annex II).
 - (b) Where transactions involve the transfer of goods from one Department (Supplying Department) to another Department (Requesting Department) for consideration: by the Supplying Department, (refer to flowchart at Annex III); and
 - (c) Where transactions involve the payment of a fee by one Department to another: by the payer Department.

5. In certain cases, one Department may be required to meet the cost of overtime performed by the employees of another Department. Examples of such instances are:-

- (a) where a Supplying Department(SD) has to produce a good for supply to the another Department (Requesting Department-RD) and the cost of overtime required to be performed by employees of Department (SD) has to be met from the budget of Department (RD); or
- (b) where a Department (SD) provides a service to another Department (RD) for consideration and the cost of overtime performed by employees of Department (SD) is required to be met from the budget of Department (RD).

The following accounting entries apply in respect of the overtime:

- (a) On the strength of a Departmental Warrant (DW) issued by the RD, the SD debits RD's item of expenditure directly; or
 - (b) (i) The SD debits its own item of expenditure (Overtime) in the first instance.
(ii) RD subsequently issues a DW to SD in respect of the overtime cost.
(iii) On the basis of the DW, SD prepares an AV, debiting the RD's item of expenditure (overtime) and crediting SD's item of expenditure.
6. The AV should include full details of the item of revenue/expenditure concerned and sufficient narrative notes to explain the purpose of the adjustment, and should be completed as follows:-
- (a) in two copies (one original and one duplicate) where only one Department is concerned with the adjustment; or
 - (b) in three copies (one original, one duplicate and one triplicate) where two Departments are concerned, the triplicate copy to be forwarded to the second Department.

AV in the prescribed format may be completed by electronic means, such as MS Office.

7. The adjustment should be authorised by the Accounting Officer or a senior officer specifically designated by the Accounting Officer.
8. Ministries/Departments, except Self Accounting Ministries/Departments, should submit the original copy of the AV to the Accountant-General for archiving purposes.

20.11.2015

GOVERNMENT OF MAURITIUS
ADJUSTMENT VOUCHER

ACCOUNTING OFFICER Min./Dept: Please authorize the following adjustment, particulars of which are given below <div style="text-align: right; margin-right: 100px;"> <i>Name</i> :..... <i>Signature:</i>..... <i>Title</i> :..... </div> Date:.....	Dept. AV No: TAS AV No: Month &Year:
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	DR	CR	Rs	Cs
1				
.....				
2				
.....				
3				
.....				
			TOTAL	

being:

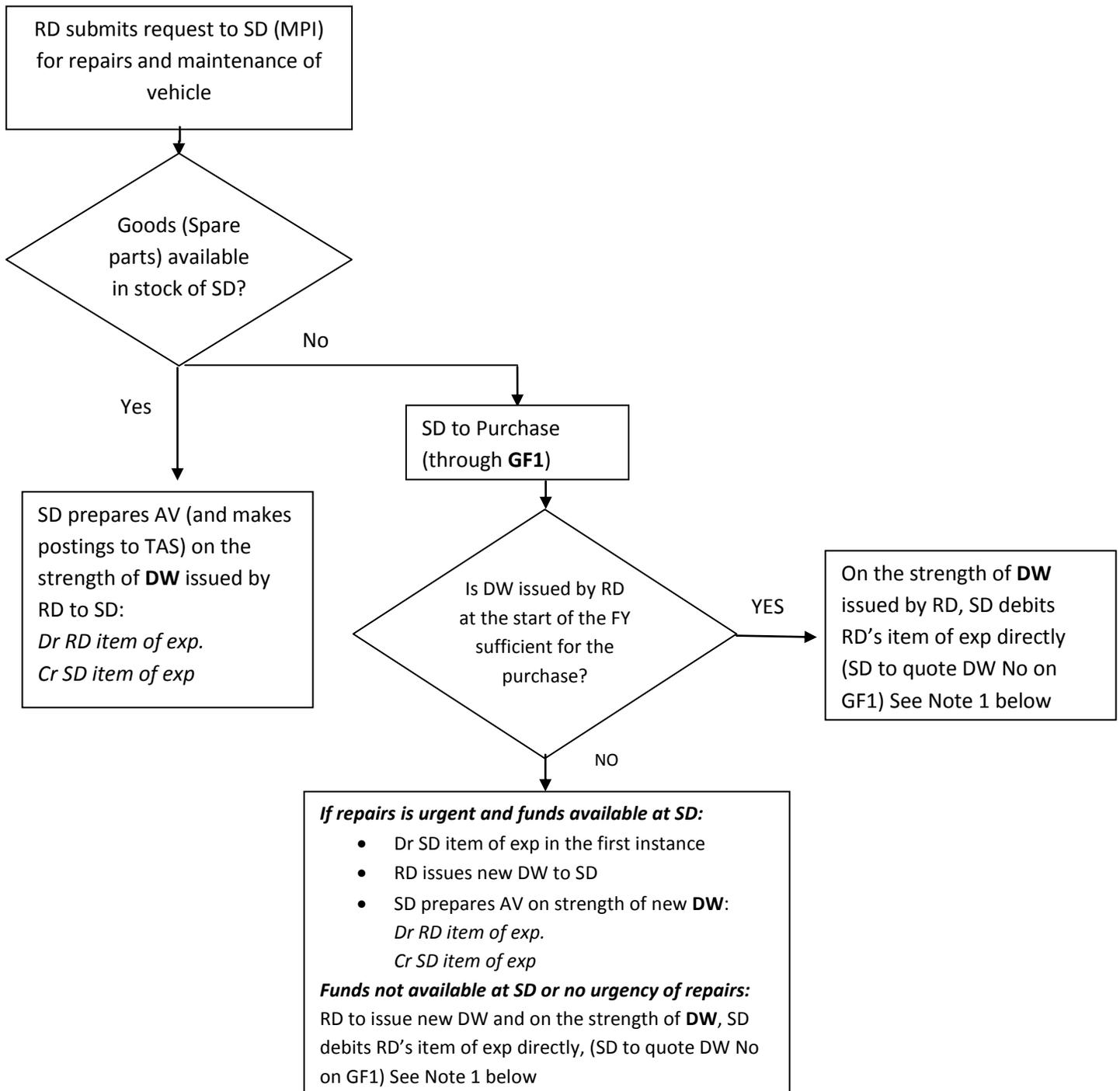
Examined
Name:.....**Signature of Departmental Examiner:**.....**Date**.....

Adjustment Authorised Accounting Officer:	SEAL	Date
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Entered in Treasury Accounting System
Name:.....**Signature****Date**.....

INTER-DEPARTMENTAL TRANSACTIONS

Repairs and Maintenance effected by MPI



Note 1: GF 6 provides authority to a Dept. to debit another Dept's item of expenditure through an AV. However, it does not provide authority to debit another Dept's item of expenditure through a GF1. DW provides authority to debit a Dept's item of expenditure through a GF1.

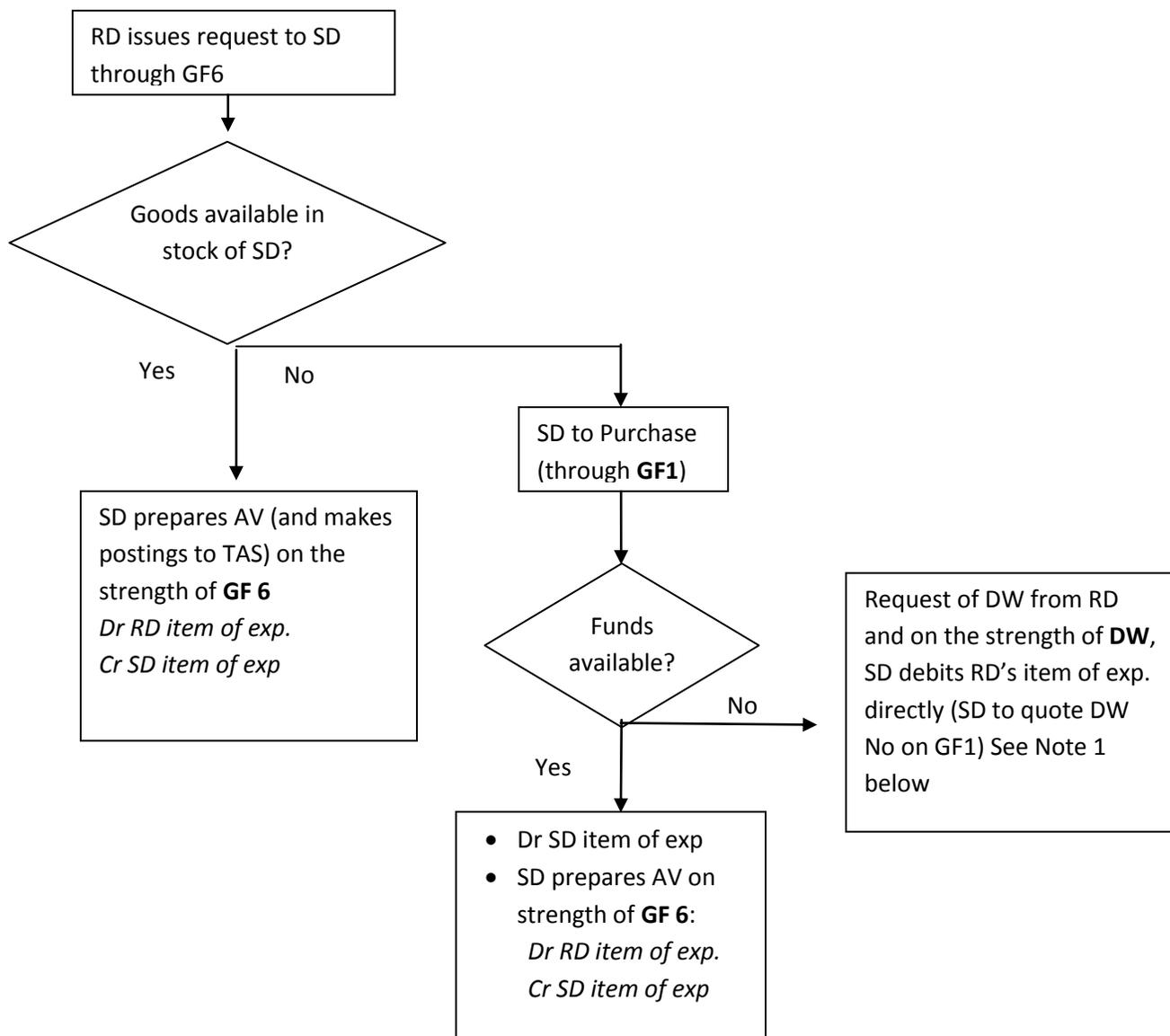
Abbreviations used:

RD – Requesting Department
SD – Supplying Department
DW – Departmental Warrant

AV – Adjustment Voucher
GF 6 – Goods Form 6
GF1 – Goods Form 1

INTER-DEPARTMENTAL TRANSACTIONS

Transfer of goods from one Department to another for consideration



Note 1: GF 6 provides authority to a Dept. to debit another Dept's item of expenditure through an AV. However, it does not provide authority to debit another Dept's item of expenditure through a GF1. DW provides authority to debit a Dept's item of expenditure through a GF1.

Abbreviations used:

RD – Requesting Department
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