

Precautionary Notes

The current version of the Financial Management Manual (FMM 1990) which was first issued in 1990 is being reviewed and recast into a Financial Management Kit (FM Kit) by the Ministry of Finance & Economic Development (MOFED). The FM Kit aims at providing public officers with an all-inclusive set of reference documents which is intended to ensure uniformity and standardisation in public financial management. Pending the complete review of the FMM 1990, financial instructions are issued in accordance with the Finance & Audit Act to cope with new developments in public financial management. The financial instructions will be compiled and incorporated in the relevant Volumes of the FM Kit.

2. The FM Kit comprises: –

- Volume I – Duties and Responsibilities in Management of Public Finance
- Volume II – FMM - General Financial Procedures*
- Volume III – See note below
- Volume IV – Chart of Accounts Manual (COAM)
- Volume V – FMM-Procurement & Supply Procedures*
- Volume VI – FMM-Internal Audit
- Volume VII – Public-Private Partnership (PPP) Manual**
- Volume VIII – Financial Laws & Regulations:
 - ◆ Finance and Audit Act
 - ◆ Public Debt Management Act
 - ◆ Public Procurement Act and Regulations

- Reference Documents
 - Capital Project Process Manual
 - Physical Asset Management

Note: The Volume III of the FM Kit (Programme-Based Budgeting Manual) has been withdrawn and is no longer in force.

** Volume II & V are currently under development.*

*** Volume VII is currently under review. Further to the enactment of the BOT Projects Act in April 2016, a Built Operate Transfer (BOT) Projects Guidance Manual has been added in this Volume.*

3. Under section 22 of the Finance and Audit Act, MOFED has issued the following financial instructions-

SN	Financial Instructions Issued	Remarks
1	Volume 1 – Duties and Responsibilities in Management of Public Finance	Replaces the following provisions in FMM 1990: Chapter 10.4 - Staffing Structure and Responsibilities Chapter 10.3 – Legal Framework (Paragraphs 29-32)
Volume II - FMM -General Financial Procedures		
2	Financial Instructions No 1 of 2017 – Examination of Payment Vouchers Prior to Disbursement	Complement existing provisions in FMM 1990 relating to examination of payment vouchers prior to disbursement
3	Financial Instructions No 2 of 2016 – Opening of Advance Account in the TAS	Complement existing provisions in FMM 1990 relating to advances
4	Financial Instructions No 1 of 2016 – Carry-Over of Capital Expenditure	New Provision
5	Financial Instructions No 3 of 2015 – Adjustment Voucher	Replaces the following provisions in FMM 1990: Chapter 20.7 – Accounting (Paragraphs 72 to 81)
6	Financial Instructions No 2 of 2015 – Write Off of Advances	Complement FI No 1 of 2013* see SN 12
7	Financial Instructions No 1 of 2015 – Virement	Replaces the following provisions in FMM 1990: Chapter 10.3- Legal Framework (Paragraphs 22-26) Chapter 20.2 - Estimates (Paragraphs 36-37) Chapter 20.3-Management of Funds (Paragraphs 20-32)
8	Financial Instructions No 3 of 2014 - Payment by Debit/ Credit Card	New Provision
9	Financial Instructions No 2 of 2014 - Administration of Government Grants	Replaces the following provisions in FMM 1990: Chapter 20.10 – Miscellaneous (Paragraphs 3 to 6 relating to Control of Grants)
10	Financial Instructions No 5 of 2013 - Settlement of Claims	New Provision
11	Financial Instructions No 4 of 2013 - Certification of Claims & Examination/Authorisation of Payments	<ul style="list-style-type: none"> • Complements provision in FMM 1990 relating to Certification of Claims & Examination/Authorisation of Payments • Replaces the following paragraph in FMM 1990: Chapter 20.4 – Payments (paragraphs 8)
12	Financial Instructions No 1 of 2013 - Losses, Arrears of Revenue, Write-off and Advances	Replaces the following provisions in FMM 1990: <ul style="list-style-type: none"> • Chapter 20.5 - Receipts (paragraphs 21 to 25) • Chapter 20.7 – Accounting <ul style="list-style-type: none"> ○ Losses, Shortages and Write-off (paragraphs 53 to 61) ○ Limits of Authority for Write-off (paragraphs 62 to 71)

SN	Financial Instructions Issued	Remarks
13	Financial Instructions - Setting up of Public Sector Task Force	New Provision
14	Financial Instructions - Financial Management of External Funding Government Loan to Public Entities	New Provision
15	Financial Instructions - Payment to Suppliers through Factors	New Provision
Volume V – FMM -Procurement and Supply		
16	Financial Instructions No 1 of 2014 - Departmental Bid Committee	Replaces the following provisions in FMM 1990: Chapter 30.4 - Procurement (Paragraphs 41 -47)
17	Financial Instructions - Disposal of Unwanted Goods	Replaces the following provisions in FMM 1990: Chapter 30.9 - Paragraphs 9-15
18	Financial Instructions – Board of Survey	Replaces the following provisions in FMM 1990: Chapter 30.8 – Board of Survey
19	Financial Instructions - Disposal of Unserviceable Electrical/Electronic Items	New Provision
20	Financial Instructions - Losses, Deficiencies and Write-off of Goods	Replaces the following provisions in FMM 1990: Chapter 30.9 – Losses, Shortages & Write Off Paragraphs 1 -15
Volume VI- FMM -Internal Control		
21	Volume VI – Internal Audit Policy and Operations Manual	<ul style="list-style-type: none"> Replaces the following provisions in FMM 1990: Volume 40 – Internal Control and Internal Audit Principles and Practices (Chapters 40.1 to 40.8) Complement the following provisions in FMM Chapter 10.5 – Internal Control
22	Internal Audit Standard Operational Procedure Manual	

4. The Volumes I, IV, VI, VII & VIII of the FM Kit which is already in force, financial instructions referred to at paragraph 3 and Budget circulars are available on MOFED Website (<http://mof.govmu.org/English/FMKit/Pages/default.aspx>).

5. Except for the changes referred to at paragraphs 3, the remaining topics of the FMM 1990 are still applicable.