

MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

Circular No. 1 of 2013

Our Ref: CF/40/30/63/A V4

18 January 2013

From: Financial Secretary

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

FINANCIAL MANAGEMENT KIT (FM KIT)

Financial Instructions No 1 of 2013

Losses, Arrears of Revenue, Write-Off and Advances

As you are aware, Financial Instructions No 1 of 2010- Losses, Arrears of Revenue, Write-Off and Advances took effect in January 2010.

- 2 The Financial Instructions required Accounting Officers, inter-alia, to-
- (a) approve write-offs of arrears of revenue **after taking into consideration the comments of Director Internal Control and Director of Audit;**
 - (b) **submit to the Director of Audit** the Accounts Form 258 (Write off Irrecoverable Arrears of Revenue) and 258 A (Return of Arrears of Revenue)-
 - (i) before 31 July, in respect of the six months ending 30 June; and
 - (ii) before 31 January, in respect of the six months ending 31 December.

3 Following discussions with the Director of Audit (DoA), he pointed out that in practice external auditors carry out post audit and are not involved in operational activities. Therefore, the Financial Management Review Committee (FMRC) has amended the Financial Instructions so as to enable Accounting Officers to write off arrears of revenue without seeking DoA prior comment.

4 Please find enclosed Financial Instructions- Losses, Arrears of Revenue, Write-Off and Advances for compliance. Note that these instructions will supersede the Financial Instructions No 1 of 2010.

A. Mansoor

(A. Mansoor)
Financial Secretary

Financial Instructions No 1 of 2013

Losses, Arrears of Revenue, Write-Off and Advances

1. In these Financial Instructions, 'public officer' means the holder of any public office and includes a person appointed to act in any public office.

Losses and Shortages of Public Money

2. Every public officer is duty bound to report to his superior officer without delay for transmission to the Accounting Officer any loss, shortage, irregularity, fraud, theft or burglary involving the funds or property of Government or for which Government is responsible. The hiding or the failure to report such cases will result in disciplinary action against the officers responsible.
3. The Accounting Officer should, in cases of theft, burglary or fraud, or in cases where the loss, shortage or irregularity has caused prejudice to Government, immediately refer the matter to Police and at the same time set up a Departmental Board of Enquiry to situate responsibilities and determine causes thereof.
4. Where, at any time before the submission of a Police report or Departmental Board of Enquiry report, a responsible officer considers that the facts reported to him clearly indicate that a public officer should be subject to disciplinary proceedings under the Public Service Commission Regulations, he shall take appropriate action accordingly.
5. Where in the light of facts reported to him, a responsible officer considers that a public officer should, in the interest of the public service, instantly cease to exercise the powers and functions of his office, he should proceed with the interdiction of the officer in accordance with regulation 31(1) of the Public Service Commission Regulations.
6. Notwithstanding any action which may have been taken in accordance with paragraphs 2 to 4 above, the procedures set out hereunder should be carried out in all cases.
7. On discovering any loss, fraud, theft or irregularity, the Accounting Officer, should-
 - (a) arrange for the amount of any deficiency to be debited to Advance Account Personal in the name of the officer having immediate control or custody of money

