

MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

Circular No 1 of 2017

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

03 January 2017

From: Financial Secretary

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

FINANCIAL MANAGEMENT KIT (FM KIT)

Financial Instructions No 1 of 2017

Examination of Payment Vouchers Prior to Disbursement

The purpose of this Circular is to inform you of the procedures that are being prescribed for the *Examination of Payment Vouchers Prior to Disbursement*, with a view to simplifying and standardizing the examination process.

2. The enclosed Financial Instructions - *Examination of Payment Vouchers Prior to Disbursement* establish the:

- (a) standards to be adhered to in ensuring the completeness of Payment Vouchers before submission for payment; and
- (b) checks that should be carried out prior to disbursement of funds at the stage when payment vouchers are being “examined and passed for payment” by:-
 - (i) Treasury examiners, in respect of payment vouchers submitted for payment by Non-Self Accounting Departments; and
 - (ii) corresponding examiners at the level of Self Accounting Departments.

3. You may wish to note that, in the context of the planned computerization of the payment process, the checks have been designed in a manner that will facilitate online examination by the Treasury.

4. Financial Instructions No 1 of 2017 – *Examination of Payment Vouchers Prior to Disbursement* 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 1 of 2017 – *Examination of Payment Vouchers Prior to Disbursement*.



**D.D. Manraj, GOSK
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 Analysts & SMSTs, MOFED

Financial Instructions No 1 of 2017
Examination of Payment Vouchers Prior to Disbursement

1. The following financial instructions complement *Financial Instructions No 4 of 2013 – “Certification of Claims and Examination/Authorisation of Payments”* issued in July 2013 and establish:-
 - (a) the standards to be adhered to in ensuring the completeness of Payment Vouchers before submission for payment; and
 - (b) the checks that should be carried out prior to disbursement of funds at the stage when payment vouchers are being “*examined and passed for payment*” by:-
 - (i) Treasury examiners, in respect of payment vouchers submitted for payment by Non-Self Accounting Departments (NSADs); and
 - (ii) corresponding examiners at the level of Self Accounting Departments (SADs).
2. The checks to be effected are listed in Annex I and cover the following types of payments :-
 - (a) Salaries – Payroll;
 - (b) Salaries - Manual pay sheet (Accounts Form 228F);
 - (c) Other Charges (Accounts Form 232);
 - (d) Local Purchases (Goods Form No. 1);
 - (e) Mileage Allowance Claims (ABF 50);
 - (f) Deposit Repaid (Accounts Form 260); and
 - (g) Refund of Revenue (Accounts Form 261).
3. For the purposes of these instructions and the checklist at Annex I:-
 - (a) Authorising Officer refers to the officer who has been duly designated by the Accounting Officer to authorise payments on his/her behalf;

- (b) Validating Officer refers to the officer entrusted with the responsibility to validate payments in the Treasury Accounting System (TAS);
 - (c) Payroll Officer refers to the officer responsible for:-
 - (i) effecting and checking changes (variations) to monthly payroll ;
 - (ii) checking payslips against approved variations;
 - (iii) ascertaining completeness of payroll documents, including preparation of required accompanying documents;
 - (iv) reconciling month to month payrolls; and
 - (v) the input of all payroll related data in TAS to generate TAS Unvalidated Invoice Checklist.
 - (d) Department Pay List refers to the list prepared by the Payroll Officer by reproducing the list of items appearing on the Payroll Control Statement -Pay List generated by the payroll system and inserting against each item the full TAS code;
 - (e) Department Deduction List refers to the list prepared by the Payroll Officer by reproducing the list of items appearing on the Payroll Control Statement -Deduction List generated by the payroll system and inserting against each item the full TAS code ;and
 - (f) ‘Duly certified’ in so far as it relates to a claim means the written attestation given by the officer responsible for certifying a claim, after verification as required under FI No 4 of 2013 – Certification of Claims and Examination/Authorisation of Payments, that the claim is in order and that the claimant is entitled to the payment claimed for. Such attestation must be given by inserting on the invoice or claim, the marks “Claim Certified” with the name, designation and signature of the certifier, as well as the date of certification.
4. It should be noted that the checks prescribed are designed to provide assurance to the Chief Cashier of the Treasury (and the corresponding officer in SADs) that Payment Vouchers together with supporting documents (i.e. claims, certificates etc.) form a proper basis for payment. They are not meant to replace checks that should be carried out at the level of Ministries and Departments by Departmental Examiners, Authorising Officers or officers who have the responsibility to certify claims.

5. Notwithstanding checks carried out by Treasury Examiners, Authorising officers of NSADs remain responsible for ensuring that payments are in order and that payment details provided on Payment Vouchers are correct. No amount of scrutiny by Treasury examiners can relieve Authorising Officers of their responsibilities.

6. Any Payment Voucher submitted by a NSAD to the Treasury will be returned back to the NSAD for rectification if the Payment Voucher does not meet the required standards. To prevent undue delays in payments, Authorising Officers should therefore ensure that Payment Vouchers sent to the Treasury are properly filled in and are supported by required documents.

03.01.2017

Examination of Payment Vouchers Prior to Disbursement

Checklist for Examiners

Checks listed below are categorized as follows:-

A	Checks which are common to all types of payment.
B	Checks which are common to all types of payment except “ <i>Salaries through Payroll</i> ”.
C	Checks which are specific to a particular type of payment.

Note: “Treasury Examiner”, wherever it is referred to in this checklist, also means the corresponding examiner at the level of Self Accounting Departments (SADs).

1. Payment of salaries through Payroll: -

A.1.1	<i>TAS Validated Invoice Checklist</i> has been duly signed by the validating officer and the status ‘Validated’ is indicated against all expenditure items debited.
A.1.2	The <i>Department Pay List</i> (formerly <i>Payroll Recap Sheet</i>) has been duly signed by the Payroll Officer, the Departmental Examiner and the Authorising Officer. The <i>Payroll Summary Sheet</i> has been duly signed by the Payroll Officer and the Authorising Officer.
C.1.1	All relevant documents have been submitted, namely:- a) <i>TAS Validated Invoice Checklist</i> b) <i>Department Pay List</i> , supported by: i. <i>Payroll Summary Sheet (Payroll Payment Voucher)</i> ii. <i>Summary of Payments into banks – Original copy of List B (Payment by Bank)</i> c) Duplicate copy of <i>List B</i> , supported by: i. <i>Summary of Payments into banks – Payments by Bank branch</i> ii. <i>Credit Transfer Lists</i> d) <i>Payroll Control Statement (PCS)-Pay List</i> , supported by: i. <i>Salary Paysheets (currently known as Paysheets (Bank Option))</i> ii. <i>Certified Overtime, Mileage and other claims</i>

	<p>e) Department Deduction List, supported by:</p> <ul style="list-style-type: none"> i. Non-repayable deductions lists (PAYE, CSFPS and other deductions accruing to Government) ii. Repayable deposit lists (Payable to third parties e.g deposits repayable to M. Aid) <p>(The Treasury Examiner should also check that an item code is inserted against each item in the PCS).</p>
C.1.2	Total amount (Net Pay) to be paid as per <i>List B</i> tallies with the Net Pay figure in the <i>Payroll Summary Sheet</i> .
C.1.3	In case of manual correction, the amended figures tally with corresponding figures in the <i>Payroll Summary Sheet, List B, Payroll Control Statements (Pay List and Deduction List)</i> and <i>Credit Transfer List</i> .
C.1.4	The reconciliation of the current month's salary with that of the previous month has been verified by the Departmental Examiner.

Note: Treasury Examiners have to compile, classify, and tally deductions with the deduction master list and "pass for payment" all deposits to be repaid before sending payment vouchers to the Payable Order Section.

2. Payment of Salaries & Allowances through Accounts Form 228F(Manual Paysheet):-

A.2.1	<i>TAS Validated Invoice Checklist</i> has been duly signed by the validating officer and the status 'Validated' is indicated against all expenditure items debited.
A.2.2	<i>Manual Paysheet</i> has been duly signed by the designated Departmental Examiner and the Authorising Officer.
B.2.1	Payee's name, ID Number, Designation, Bank Name and Bank Account Number are inserted in full.
C.2.1	<i>Manual Paysheet</i> is supported by <i>Deduction Schedule (AF 395)</i> and <i>Deposit Repaid Voucher(s)*</i> . * <i>Deposit Repaid Voucher</i> to be checked by Treasury Examiners as per Section 6 below.

3. Other Charges (Accounts Form 232 (R)): -

A.3.1	<i>TAS Validated Invoice Checklist</i> has been duly signed by the validating officer and the status 'Validated' is indicated against all expenditure items debited.
A.3.2	<i>Accounts Form 232</i> has been duly signed by the designated Departmental Examiner and the Authorising Officer.
B.3.1	Payee's Name*, Supplier BR/ID Number, Bank Name and Bank Account Number are inserted in full. *Where applicable, payment details of 'Factor' have been clearly stated on <i>AF 232</i> .
C.3.1	Duly certified Invoices/Claims* in original from suppliers/grant beneficiaries or other payees (as the case may be) are attached. * In respect of grants, <i>Accounts Form 232 R</i> is accompanied by <i>Application for Disbursement of Grants</i> from parent ministry and signed by Accounting Officer. (Annex II of FI No. 2 of 2014 – Administration of Government Grants refers). * For replenishment of imprests, all receipts and supporting documents in original and <i>Accounts Form 72</i> are attached and have been duly certified.

4. Local Purchases (Goods Form No. 1): -

A.4.1	<i>TAS Validated Invoice Checklist</i> has been duly signed by the validating officer and the status 'Validated' is indicated against all expenditure items debited.
A.4.2	<i>Goods Form 1 (GFI)</i> has been duly signed by the designated Departmental Examiner and the Authorising Officer.
B.4.1	Payee's Name*, Address, Supplier BR/ID number, Bank Name and Bank Account Number are inserted in full. *Where applicable, payment details of 'Factor' have been clearly stated on <i>GF 1</i> .

5. Mileage Allowance Claims (ABF 50): -

A.5.1	<i>TAS Validated Invoice Checklist</i> has been duly signed by the validating officer and the status 'Validated' is indicated against all expenditure items debited.
A.5.2	<i>ABF 50</i> has been duly signed by the designated Departmental Examiner and the Authorising Officer.
B.5.1	Payee's Name, ID Number, Bank Name and Bank Account Number are inserted in full
C.5.1	Authority for mileage claim is quoted.
C.5.2	<i>ABF 50</i> has been duly signed by the Claimant.
C.5.3	<i>ABF 50</i> has been duly certified by the immediate supervisor.

6. Deposit Repaid (Accounts Form 260): -

A.6.1	<i>TAS Validated Invoice Checklist</i> has been duly signed by the validating officer and the status 'Validated' is indicated against all expenditure items debited.
A.6.2	<i>Accounts Form 260</i> has been duly signed by the designated Departmental Examiner and the Authorising Officer.
B.6.1	Payee's Name, Address, BR/ID Number, Bank Name and Bank Account Number are inserted in full

7. Refund of Revenue (Accounts Form 261): -

A.7.1	<i>TAS Validated Invoice Checklist</i> has been duly signed by the validating officer and the status 'Validated' is indicated against all expenditure items debited.
A.7.2	<i>Accounts Form 261</i> has been duly signed by the designated Departmental Examiner and the Authorising Officer.
B.7.1	Payee's Name, Address, BR/ID Number, Bank Name and Bank Account Number are inserted in full.