

Ministry of Finance



Financial and Accounting Management Directions

2006

CONTENTS

I. Introduction	4
Purpose.....	4
Interpretation.....	4
Amendments to Directions.....	6
Appointments of Finance Officers	6
Responsibilities of Finance Officers	7
II. Budget Execution	7
Funds Warrants to Spending Units	7
Funds Allocation to Finance Officers	7
III. Financial Control	8
Internal Control within Responsibility Centers	8
Spending Government Money	8
Approval of Spending Proposals.....	8
Entering into Contracts.....	9
Issuing Purchase Requisitions	9
Commitment of Government money	9
Approval of Expense Commitment by Responsibility Centers.....	10
Issuing Purchase Orders	11
Processing of Purchase Forms in FMIS	12
IV. Expenditure Control	12
Internal Control and Accounting.....	12
Receiving Report	12
Certifying Payments	12
Approval of Payments by Responsibility Centers	13
Authorization of Expense Vouchers	14
Making Payments	14
Invoice Control	14
Payments by Due Date	14
Journal Vouchers	15
V. Advances of Government Money.....	15
Types of Advances	15
Application for Advance	16
Transfer of Advances	16
Government Treasury Register of Advances.....	17
Responsibility Center Register of Advances	17
Expense payments from Permanent Advances	17
Expenditure receipts, invoices and vouchers supporting advances.....	17
Annual Retirement of Permanent Advances.....	18
Advance holder as a Finance Officer	18
Issuing Special Advances from Permanent Advances.....	18
VI. Salaries.....	18
Entitlement to Salary	18
Payment of Salaries	18
Nominal Rolls.....	19
Salary payrolls	19
Deductions from Gross Salaries.....	20
Repayment of cancelled and unclaimed salary	20
VII. Debit Notes [Requesting or Dunning Letters].....	20
Issuing Debit Notes	20
Debit Note Register	21
Completion of Debit Notes.....	22
Cancellation of Debit Notes	22
Certification of Debit Notes	23
Delivery of Debit Notes.....	23
Calculation of assessment and Charges	23
Settlement of Debit Notes	23
Delays in settlement of Debit Notes.....	23
Abandonment of claim for non-settlement of debit notes	25

Legal proceedings for settlement of Debit Notes	25
Waiver of Debts owed to the Government.....	25
VII. Collection of Public Revenue	26
Responsibilities of Chief Finance Officers for Public Revenue.....	26
Legal tender	27
Receipt for Public Revenue and Government Moneys.....	27
Public notice	27
Government Treasury Receipts and Licenses.....	27
Completion of Government Treasury Receipts and Licenses	27
Cancellation of Government Treasury Receipts and Licenses.....	28
Collector's Statement	28
Receiver's Statement.....	29
Balancing of Receiver's and Collector's Statements	29
Banking of collected revenue and submission of documents.....	29
Certification of Collector's Statements and supporting documents.....	30
Certification of Receiver's Statements and supporting documents	30
Recording of Receiver's Statement in General Ledger	31
Irregularities.....	31
Cash surpluses	31
Improper use of collected revenue	32
Register of revenue received by post	32
Receipt of revenue by officer other than a Receiver	33
Validity of issued Licences or Permits.....	33
Duplicate Government Treasury Receipts and Licenses	33
Repayments of expenditure.....	33
IX. Trust Moneys and Deposits.....	34
X. Banking	35
Government Bank Accounts	35
Opening of Government Bank Accounts	35
Deposits to Government Bank Accounts	36
Maintaining Government Bank Accounts.....	36
Certificate of Balance of a Government Bank Account	37
Closing of Government Bank Accounts	37
Cash Management	37
XI. Financial Reporting and Audit	38
Financial reporting.....	38
Periodic Reports of the Minister of Finance	38
Availability of records for audit	38
XII. End of Financial Year Arrangements	38
XIII. Management of Assets.....	39
Asset Registers.....	39
Inventory of Assets.....	41
Depreciation of Non-financial Assets	41
Reporting Non-financial Assets	41
XIV. Irregularities in regard to Government money	41
Report of Irregularities of government money	41
Action upon receipt of report	42
Action by Director-General Government Treasury	42
Report to Minister of Finance	43
Reports on Misuse of Government Money	43
Committees of Enquiry.....	43
Duties of the Committee of Enquiry	43
Report of the Committee of Enquiry.....	44
Action by the Minister of Finance	44
XV. Treasury Security Documents	45
Safe custody of Treasury Security Documents.....	45
Procurement of security documents.....	45
Checking and recording of new supplies of Treasury Security Documents	46
Issue of security documents	46
Finance Officer's record of Treasury Security Documents	46

Handing over of Treasury Security Documents.....	46
Alteration to the format of Treasury Security Documents	47
Safe custody of Treasury Security Documents in use	47
Destruction of Treasury Security Documents.....	47
XVI. Cash Security	48
Definition of cash	48
Misuse of cash	48
Responsibility for cash holdings	48
Provision of safe custody facilities	48
Usage of safe custody facilities for other purposes	49
Safe guarding of keys	49
Loss of keys	49
Suspected interference with keys or locks	49
Temporary absence of key holders	49
Handing over certificates.....	49
Safe guarding of cash in transit	50
Cash office security	50
XVII. Financial Records.....	50
Maintenance and Completion of Financial Records.....	50
Disposal and Destruction of Financial Records.....	50
XVIII. Miscellaneous	51
Claims for Payment from previous Fiscal Years	51
Breach of Directions.....	52
Enactment of Directions.....	52
APPENDIX A. - Accounting Forms	A
APPENDIX B. - Accounting Registers.....	B

I. Introduction

1. In accordance with Section 3 (1) of the Financial Management Law 2004 (the Law) the Minister of Finance may issue additional directions to Ministries from time to time as he considers necessary or to give effect to accounting procedures, including in relation to budget execution.

Purpose

2. The purpose of the Financial and Accounting Management Directions is to ensure that best practice financial management is performed within the Government of the Federal Republic of Iraq (the Government).
3. These Directions will be applied from the date of the entering into force of the Law and the date of publishing in the Official Gazette of Iraq. They form the first part of new procedures for budget execution to be carried out with the introduction of a new Financial Management Information System (FMIS). They should be read together with existing Regulations and the provisions of Section 12 (1) of the Law.
4. This document specifies new accounting procedures in relation to initiating certain controls and recording of budget expenditure and revenue. They replace previous rules or instructions, to the extent of the initiation and recording of expenditure and revenue and the roles and responsibilities of Finance Officers in the Government Treasury and all spending agencies funded by the Federal Budget. The more recent instructions apply where this is in doubt. Current instructions continue to apply unless they are inconsistent with the new Directions.

Interpretation

5. The terms used in these Directions shall have the following meanings:

Approving Officer is a person appointed by a Chief Finance Officer of a responsibility center to exercise a financial task of approving a proposal or request to spend Government money.

Payment Officer is a person authorized and appointed by the Minister of Finance to exercise a financial task of authorizing a proposal or request to spend Government money and the payment of money from a bank account of the Government.

Certifying Officer is a person authorized by the Minister of Finance within a responsibility center to exercise a financial task of certifying to the correctness and validity of a proposal or request to spend Government money, or the deposit of Government revenue.

Chief Finance Officer means:

- (a) a Minister;
- (b) a Director or a person appointed in charge of a spending unit;
- (c) a person with the authority specified or permitted by a Law to exercise a function of general approval or sanction of financial activities for a responsibility center; or

- (d) a person authorized in writing by a person listed in a), b) or c) above to exercise a function of general approval or sanction of financial activities for a responsibility center.

Expense Voucher is an authorization, in the form of a document properly certified and approved, to make cash payments from the Treasury Consolidated Account.

Finance Officer is a Government Official who is appointed by a law or an authority to be personally and financially responsible for a financial task within the meaning of these Directions.

Financial task is an activity, task or procedure relating to:

- (a) the commitment or spending of Government money;
- (b) the collection and receipt of Government money; or
- (c) the management and control of Government money.

General Ledger is a basic double-entry accounting record that forms the main function of the Iraq Financial Management Information System (FMIS) maintained by the Ministry of Finance, including the tracking of financial transactions made by spending units relating to the annual Federal Government Budget.

Government contract is an agreement for the procurement of goods and services under which the Government is obliged, or may become obliged, to make a payment of Government money or other money intended to benefit Iraq.

Government Treasury is a directorate established within the Ministry of Finance to conduct financial management and budget execution operations for the Government.

Journal Voucher is a transaction to effect corrections and adjustments to existing financial records or to record transactions in the General Ledger where there are no original expense or revenue vouchers.

Purchase Order is a contract, in the form of a document issued to make a purchase, being an acceptance of an offer made by a quotation.

Receiver or Collector of Government Money is a person appointed by a Chief Finance Officer of a responsibility center to exercise a financial task of depositing and recording Government money.

Responsibility Center represents the finance administration of a spending unit or sub-unit of a spending unit or other organisation financed by the Budget of the Federal Government to whom these Directions apply.

Special Government money is Government money forming extra-budgetary funds or other funds including donor funds for specific purposes, contained in budgets prepared, approved and executed or other moneys provided outside the Federal Government budget.

Spending Unit is a ministry, statutory authority or other agency defined in the Law and listed as an organization in the annual Budget of the Federal Government of Iraq.

Treasury Consolidated Account, also referred to as the Budget Fund, is the total of all bank accounts and liquid funds comprising all money representing the Federal Government Budget.

Warrants are written authorizations from the Minister of Finance allowing spending units to spend Federal Government money up to an approved limit.

Amendments to Directions

6. Only the Minister of Finance may amend the Directions, including monetary limits as a result of periodical review. Amendments to the Directions shall be advised to responsibility centers by Instruction. Amendment to individual copies of the Directions shall be the responsibility of Finance Officers holding those copies. The amendments shall come into force on the day of their publication in the Official Gazette of Iraq or as otherwise specified in the Direction.

Appointments of Finance Officers

7. The Minister, Director or person in charge of a spending unit, is by these Directions, appointed *ex officio* the Chief Finance Officer of that spending unit.
8. The Minister of Finance has the right to appoint individual Government Officials within the Government Treasury and approve the appointments of Finance Officers to undertake financial tasks in Responsibility Centers that result in:
 - a) the spending of money from the Treasury Consolidated Account and the withdrawal of Government money from a properly established Government bank account; or
 - b) the handling and deposit of Government money into a properly established Government bank account and the increase of funds in the Treasury Consolidated Account .
9. A Chief Finance Officer has the right to appoint one or more Government Officials to perform the duties and responsibilities of an Approving Officer for a responsibility center. The appointment shall be advised in writing to the Minister of Finance.
10. A Chief Finance Officer has the right to appoint one or more Government Officials to perform the duties and responsibilities of Receiver or Collector of Government money.
11. On the written nomination of a Chief Finance Officer, the Minister of Finance shall approve one or more Government Officials of a responsibility center to perform the duties and responsibilities of Certifying Officer for that responsibility center.
12. The Minister of Finance will appoint one or more Government Officials as Payment Officers within the Government Treasury Offices, or in exceptional cases, in any other responsibility center.
13. A Government Official appointed as an Approving Officer within a responsibility center for the purposes of these Directions cannot also perform the duties of a Certifying Officer or Payment Officer.
14. Government Officers appointed as Finance Officers to undertake a financial task within the meaning of these Directions must be of sound moral character, trustworthy and reliable.
15. Specimen signatures of each Government Official proposed or appointed as a Finance Officer must be lodged with the Minister of Finance. The Director General (Government Treasury) shall be responsible for maintaining registers of authorized and appointed Finance Officers.

Responsibilities of Finance Officers

16. All Finance Officers shall be aware of, and comply with, all orders, instructions, procedures, guidelines or circulars issued by the Minister of Finance, or given under powers delegated by him.
17. All Finance Officers shall be personally liable for the due performance of their financial tasks and may be held financially responsible, at the discretion of the Minister of Finance, for any losses, inaccuracies or errors during the performance of those financial tasks. Where a Finance Officer shall have delegated any duty to any staff member under his control, he cannot be relieved of, nor may he delegate, that personal and financial responsibility.
18. **A Finance Officer must not perform a financial task from which he will receive a personal financial benefit other than salary for the position.**
19. All Finance Officers with a responsibility for the handling or custody of Government money, either in the form of cash or other negotiable instruments, have a personal responsibility to ensure that an accurate and complete Handing Over Certificate, in the prescribed format, is signed by both the “Handing-Over Officer” and the “Taking-Over Officer”, in a hand-over of duties.
20. No Finance Officer shall accept cash or issue a receipt, or accept or issue negotiable instruments including checks, stamps, share certificates, bills of exchange, or other security documents, until such time as the Handing Over Certificate has been completed and duly signed by the appropriately authorised officers.

II. Budget Execution

Funds Warrants to Spending Units

21. No money shall be issued from the Treasury Consolidated Account except in the manner prescribed by the Minister for Finance.
22. The Minister of Finance will issue warrants to spending units allocating funds up to the limit determined by the annual Government Budget Law. Allocated budget funds will be recorded in the General Ledger and spending units cannot exceed the recorded limits without the authorization of the Minister of Finance.
23. The Minister of Finance may request spending units to provide periodic expenditure plans, including intended and committed expenditure and any unexpended funds, or monthly Trial Balance reports in accordance with Direction 251, to support the release of allocated funds.
24. No money can be spent from the Budget that has not been appropriated for that purpose and covered by a warrant from the Minister.

Funds Allocation to Finance Officers

25. Upon receipt of a funds warrant from the Minister of Finance, a Chief Finance Officer of a spending unit may issue sub-allocation warrants to Finance Officers within his spending unit, including any responsibility centers under his

jurisdiction not previously issued with a funds warrant directly from the Minister of Finance.

26. The sub-allocation warrant authorizes the Finance Officer to spend money covered by appropriation as approved in the annual Government Budget.

III. Financial Control

Internal Control within Responsibility Centers

27. Chief Finance Officers are responsible for the internal control of financial transactions within responsibility centers under their jurisdictions. Chief Finance Officers should ensure that a dedicated administrative unit responsible for ensuring the execution of the financial tasks described in these Directions is established within their organizations.

Spending Government Money

28. As determined by the Minister of Finance, no money shall be spent from the Treasury Consolidated Account unless:
- (a). an *Approving Officer* has approved a proposal to spend Government money or approved a expense voucher or expenditure of Government money from available funds,
 - (b). a *Certifying Officer* has certified in writing that a proposal to spend Government money or a expense voucher is correct and valid, and
 - (c). a *Payment Officer*, after verifying that a proposal to spend Government money or a expense voucher has been properly certified and approved, has authorized the payment of money from an official bank account or cash advance.
29. All actions referred to in the preceding paragraph will be carried out using Forms T1 Purchase Requisition and Expense commitment, T2 Purchase Order and T3 Budget Expense Voucher and Payment Request. These forms will be the basis of all approval, recording of and reporting on expenditure, both for the current manual system and the automated Treasury Financial Management Information System. All forms must be supported by sufficient documentation or evidence to enable Finance Officers listed in Direction 28 to perform their duties. Copies of these forms are included at Attachment A.

Approval of Spending Proposals

30. A Finance Officer must not undertake a proposal to spend Government money unless the action is permitted by a Chief Finance Officer.
31. A Chief Finance Officer must not permit a proposal to spend Government money unless he is satisfied, after making such inquiries as appropriate, that the proposed expenditure:
- (a) is lawful and in accordance with the objectives of the Government;
 - (b) will make efficient and effective use of Government money;

- (c) has funds appropriated in the Budget of the Government for the purpose; and
- (d) if the proposal is one to spend Special Government Money, is consistent with the terms under which the money is held by the Government

32. A Finance Officer performing duties in relation to the procurement of material goods or services must have regard to provisions of regulations, directions and procedures issued related to public procurement.

Entering into Contracts

33. A person must not enter into a contract, agreement or arrangement under which Government money is, or may become, payable unless a proposal to spend Government money for the proposed contract, agreement or arrangement has been approved under Directions 30.

Issuing Purchase Requisitions

34. A Purchase Requisition is a request from an area within spending unit for the acquisition of goods or services that are either not currently available in the spending unit's inventory or within its capacity to provide. An approved Purchase Requisition forms the basis for the issue of a Purchase Order by an appointed Purchasing Finance Officer or Committee to a selected supplier or vendor.

35. A *Purchase Requisition and Expense Commitment* (Form T1) must be completed for each purchase or procurement with a value of greater than ID 100,000 (one hundred thousand Dina) made by a Responsibility Center.

36. Before issuing a Purchase Requisition a Finance Officer must ensure that:

- (a). there is written approval of the Chief Finance Officer or his delegate; and
- (b). there is sufficient documentation supporting the spending proposal; and
- (c). sufficient budget allocation is available to make the proposed expense by completing Part B Expense Commitment of the Form T1; and
- (d). the details of the Purchase Requisition are recorded in a register and the Purchase Requisition issued with a unique identification number.

37. When completing Part A *Purchase Requisition* of the Form T1 a Finance Officer should clearly list the goods or services required, including prices, preferably supported by a written quote or invoice from the supplier.

38. The Form T1 is distributed as follows:

- (a) the original containing a completed Part A is delivered to the Purchasing Finance Officer or Committee once Part B Expense Commitment has been certified;
- (b) the second copy containing a completed Part B is retained by the Financial Department;
- (c) the third copy is retained by the Finance Office requesting the purchase.

Commitment of Government money

39. Any spending proposal that will lead directly to the expenditure of Government moneys must first be recorded as a commitment of available budget funds.

40. Commitment is conducted by an *Expense Commitment* in the form of a documented action that specifically reserves a portion of a responsibility center's available funds within a specific budget allocation to meet obligations for the payment of Government moneys. Part B of Form T1 must be certified and approved by the responsibility center's appointed Finance Officers.
41. Before recording an Expense Commitment a *Certifying Officer* must be satisfied that:
- (a). there is written approval of the Chief Finance Officer or his delegate;
 - (b). an appointed Finance Officer has signed Part A - Purchase Requisition of the Form T1
 - (c). the correct General Ledger code representing the intended budget classification item as advised by the Minister of Finance is properly recorded on Part B Expense Commitment; and
 - (d). the Expense Commitment is recorded in the Budget Commitment Register and there are sufficient funds remaining in the allocation against the nominated Budget item, after taking into consideration previous commitment and payments, to make the proposed payment.
42. A Certifying Officer is responsible for maintaining a register of all Expense Commitments raised by his Responsibility Center. The Expense Commitment Register must include the following information for each payment proposal:
- (a). a sequential and unique registration number;
 - (b). date of registration;
 - (c). total amount of the commitment;
 - (d). name of the intended payee or recipient;
 - (e). Purchase Requisition, Purchase Order or other reference number;
 - (f). the budget classification code against which the commitment of available allocation will be made;
 - (g). the balance of remaining funds to indicate there is sufficient Budget Allocation to cover the commitment (if commitment is not recorded in Ministry of Finance FMIS General Ledger);
 - (h). date and registration numbers of Expense vouchers paid from the commitment.

Approval of Expense Commitment by Responsibility Centers

43. Before approving a Expense commitment an *Approving Officer* must ensure that:
- (a). the expenditure proposal has been approved by the Chief Finance Officer or his delegate and the expense commitment has been duly certified; and
 - (b). sufficient budget funds are available against the nominated budget classification item for the Responsibility Center to cover the payment.
44. An *Approving Officer* must not approve expense commitment in excess of the limit of Appropriation set in the annual budget for that Responsibility Center or part of the Responsibility Center, or in excess of the Budget Funds Allocation provided by the Minister of Finance, unless authorized by the Minister of Finance.

Issuing Purchase Orders

45. A Purchase Order is an authorization to a vendor to deliver specified goods or services at a stipulated price. Once accepted by the supplier the Purchase Order becomes a legally binding purchase contract.
46. A *Purchase Order* (Form T2) must be completed for each purchase or procurement with a value of greater than ID 100,000 (one hundred thousand Dina) made by a Responsibility Center. An appointed Finance Officer or Purchasing Committee must complete the Form T2.
47. A Purchase Order should normally be supported by an approved Purchase Requisition and Expense Commitment (Form T1). Where a Purchase Order does not have a supporting Purchase Requisition an Expense Commitment must be completed as per Direction 39.
48. Before issuing a Purchase Order a Purchasing Finance Officer or Committee must ensure that:
 - (a). there is written approval of the Chief Finance Officer or his delegate; and
 - (b). there is sufficient documentation supporting the purchase including the reasons for selecting the preferred supplier; and
 - (c). sufficient budget allocation is available to make the proposed expense; and
 - (d). the details of the Purchase Order are recorded in a register and the Purchase Order issued with a unique identification number.
49. When completing a *Purchase Order* Form T2 a Finance Officer or Purchasing Committee should clearly list the goods or services required, including prices, preferably supported by a written quote or invoice from the supplier. Any inconsistencies between the requested purchase and quote or invoice should be noted.
50. All Purchase Orders must be certified by the Certifying Officer and recorded in a Purchase Order Register. The Purchase Order Register must include the following information for each purchase:
 - (a). a sequential and unique Purchase Order registration number;
 - (b). date of registration;
 - (c). total amount of the proposed purchase;
 - (d). name of the vendor or supplier;
 - (e). Purchase Requisition, invoice, contract or other reference number;
 - (f). Commitment number;
 - (f). the General Ledger code representing the intended budget classification against which the commitment of available allocation will be made; and
 - (g). date and registration numbers of Expense vouchers subsequently paid under the Purchase Order.
51. The Form T2 must be approved by an Approving Officer ensuring that the requirements of Directions 43 and 44 are met, and is distributed as follows:

- (d) the original is delivered to the vendor or supplier;
- (e) the second copy is retained by the Financial Department;
- (c) the third copy is retained by the Finance Office or Purchasing Committee.

Processing of Purchase Forms in FMIS

- 52. The Minister of Finance will advise Responsibility Centers when properly completed, certified and approved Purchase Requisitions, Expense Commitments and Purchase Orders are to be recorded in the General Ledger.

IV. Expenditure Control

Internal Control and Accounting

- 53. Chief Finance Officers are responsible for the internal control and accounting of expenditure transactions within their jurisdiction. Each step of expenditure control is documented by the use of a properly completed *Expense Voucher and Payment Request Form T3 (Expense Voucher)* issued by the Minister of Finance. A Payment Request is completed for each payment in excess of ID100,000 (one hundred thousand Dina) or paid by check.
- 54. The *Expense Voucher* form must be completed in duplicate. The original is passed to the Government Treasury (or responsibility center finance department) for recording in the General Ledger and processing as a payment order to produce a check drawn on the servicing bank for payment. The copy is retained at the responsibility center for reference and audit purposes, and must be attached to supporting documentation.
- 55. The Minister of Finance shall issue Directions to take account of the use or adoption of future technologies or improved methodologies in relation to the form, process and manner of conducting financial tasks by responsibility centers or the Government Treasury.

Receiving Report

- 56. Following receipt of goods or services an appointed Finance Officer or Purchasing Committee must verify or obtain verification in writing in Part C of Form T2 that the service has been performed or goods delivered in accordance with an approved *Purchase Order*, signed Government Contract, binding agreement or administrative order.
- 57. Any deviation from the number of items or conditions of the items listed on the *Purchase Order*, or Government Contract, should be noted in writing. The information provided should contain enough data about the deviation to allow the vendor or supplier invoice to be adjusted for the value of the usable goods received or portion of service provided.

Certifying Payments

- 58.** Before certifying that a *Expense Voucher* may properly be paid, a *Certifying Officer* must be satisfied that:
- (a) the claimant has completed his part of the contract and an appointed Finance Officer or Purchasing Committee has certified that the goods have been received or services provided;
 - (b) an invoice or other supporting documentation has been lodged which provides sufficient detail to avoid the possibility of a double payment, or there is sufficient evidence to ensure that the Expense Voucher has not been previously paid, or evidence that a previously made payment has been returned and repaid and can be legally paid again;
 - (c) the supporting documentation clearly identifies the name of the claimant to be paid, to ensure that payment is only made to the person or organization supplying the goods or rendering the service;
 - (d) all amounts and numerical calculations are correct;
 - (e) the correct General Ledger code representing the intended budget classification item as advised by the Minister of Finance is nominated to record the payment as expenditure against the appropriate Budget item in the General Ledger;
 - (f) there is an approved *Purchase Order* or *Expense Commitment* covering the expenditure, either prior to or accompanying the Expense Voucher; and
 - (g) a unique registration number is issued and clearly written on the original and duplicate copy of the Expense Voucher and on original invoices and supporting documents.
- 59.** A Certifying Officer is responsible for maintaining a register for all Expense Vouchers raised by his responsibility center. The register must include the following information for each Expense Voucher:
- (a) a sequential and unique registration number;
 - (b) date of registration;
 - (c) total amount of the request for payment;
 - (d) name of the payee or recipient;
 - (e) invoice or other reference number;
 - (f) Purchase Order and Expense Commitment numbers;
 - (g) date the Expense Voucher was posted to the Treasury FMIS;
 - (h) date the Expense Voucher was paid by the Treasury FMIS.

Approval of Payments by Responsibility Centers

- 60.** Before approving a Expense Voucher an *Approving Officer* must ensure that:
- (a). the expenditure has been approved by the Chief Finance Officer or his delegate and the request for payment duly certified; and
 - (b). sufficient budget funds are available against the nominated budget classification item for the responsibility center to cover the payment.
- 61.** An *Approving Officer* must not approve payments:

- a) in excess of the limit of Appropriation set in the annual budget for that spending unit or part of the spending unit; or
- b) in excess of the Budget Funds Allocation provided by the Minister of Finance or Chief Finance Officer for the Responsibility Center; or
- c) in excess of the spending limits set in the annual budget execution instructions.

Authorization of Expense Vouchers

- 62.** Before authorizing a request for the payment of Government money from a Government bank account a Payment Officer must ensure that:
- (a). the request for payment has been duly completed, certified and approved by the appointed Finance Officers from the requesting responsibility center;
 - (b) the request for payment has been completely recorded and accepted in the General Ledger, or if payment is made from a Permanent Advance sufficient record has been made to ensure recording in the General Ledger;
 - (c). there are sufficient unspent and unreserved budget funds available for the responsibility center under the nominated budget item to cover the payment; and
 - (d). there is sufficient cash in a Government bank account or Permanent Advance to make the payment.
- 63.** A Payment Officer has the right to request that a responsibility center provide supporting documentation for a request for payment where he considers that the control process has not been conducted according to these Directions.
- 64.** A Payment Officer has the right to reject or return unprocessed to a responsibility center a request for payment that is factually or numerically incorrect.

Making Payments

- 65.** A Payment Officer must be authorized as a signatory to a bank account for the purposes of making a payment. All checks drawn on a payment account must be signed by at least two authorized signatories to that account.
- 66.** The Minister of Finance may approve the use of computerized signature images or electronic signatures on checks or secure files containing payment orders to banks.

Invoice Control

- 67.** Responsibility centers must keep a register of invoices received for goods and services. The register should clearly show details of all invoices and the actions relating to these invoices, including date of receipt and payment. The register should also indicate disputed or cancelled invoices.

Payments by Due Date

- 68.** It is desirable that the Government meets its obligations within a reasonable period of time in order to maintain its reputation as a reliable payer. Use of a due date payment system also assists the Government to manage and make better use

of Government money. All invoices received by responsibility centers for goods and services must be paid by the due date.

69. The standard due date is 30 calendar days from the receipt of an invoice. Due dates later than 30 days shall be permitted only where stipulated by the terms and conditions of a contract or by written approval by the responsible Chief Finance Officer or instruction of the Minister of Finance.
70. Responsibility centers that consistently fail to meet the due date payment requirements without providing acceptable reasons shall be subject to scrutiny by the Internal Auditor or referred to the Supreme Board of Audit for further action.

Journal Vouchers

71. A Journal Voucher is undertaken to change the balances on individual accounting records within the General Ledger. All Journal Adjustment Vouchers must be certified, approved and authorized by appointed Finance Officers.
72. Chief Finance Officers, using the *Journal Voucher Form T4* in accordance with instructions of the Minister of Finance, may request changes including adjustments correcting existing expenditure or revenue records. These changes must result in a zero affect on the overall balance of the Treasury Consolidated Account.
73. The Director-General (Government Treasury) may, in addition, make other changes including recording transactions that have occurred within the Treasury Consolidated Account external to the General Ledger.

V. Advances of Government Money

Types of Advances

74. An Advance is a sum of money given in advance to a Finance Officer or officers in special circumstances in order to conduct financial tasks connected with the government service.
75. Advances are of three types:
 - (a). **Permanent Advance**, which is an imprest advance used for change floats, petty cash floats, money stock at remote locations, or to meet on-going financial requirements that cannot be effectively conducted through the normal Treasury payments system. A Permanent Advance is replenished from time to time, as needed and should be repaid at the fiscal year end or when its purposes ceases or when otherwise directed in writing by the Minister of Finance.
 - (b). **Temporary Advance**, which is an advance issued for a particular purpose, or for a set period of time, including advances to contractors and advances to facilitate letters of credit. This type of advance is not replenished and must be repaid or acquitted at the end of the set period or when the particular purpose is fulfilled. A Temporary Advance shall not be issued for a period longer than twelve months or extend beyond the fiscal year end.

- (c). **Special Advance**, which is an advance for a specific purpose issued to an employee, such as travel outside a post or abroad, and which must be accounted for in full within the period allowed or when the purpose has been fulfilled, whichever is the sooner.

Application for Advance

- 76.** An application for a Permanent Advance or a Temporary Advance of a value of ID1.5 million (one million five hundred thousand Iraqi Dina) or more is made in writing by the Chief Finance Officer to the Director-General (Government Treasury) as delegate of the Minister of Finance. The application must clearly state the purpose and manner of operation of the proposed Permanent Advance. When approving advances the Director-General (Government Treasury) will stipulate in writing the purpose, conditions and period of use for the advance.
- 77.** Unless otherwise directed by the Minister of Finance an application for a Temporary Advance of a value less than ID1.5 million (one million five hundred thousand Iraqi Dina) or a Special Advance must be made to the Chief Finance Officer or his delegate. The application shall be made on a form prescribed by the Minister of Finance and shall be signed by the officer or officers to whom the advance will be issued, counter-signed by the Chief Finance Officer or his delegate.
- 78.** Advances must only be used for the official purpose for which they are issued.
- 79.** Where an advance is subsequently cancelled, or the original purpose is no longer valid, the advance shall be repaid immediately by the advance holder. In all cases the advance shall be fully acquitted, either by repayment of the total advance or any unspent portion of the advance together with supporting expense vouchers, invoices or receipts showing proof of payment. If it is not possible to recover or acquit the outstanding advance amount within the period of time set for this purpose,
- (a).in the case of a Permanent Advance the Director General (Government Treasury) will report to the Minister of Finance who has the right to commence legal action as he sees fit; or
 - (b).in the case of a Temporary or Special Advance the Chief Finance Officer will take steps to commence legal or other action, including recovery of the outstanding amount from the salary of the advance holder, as he see fit.
- 80.** Unless determined in writing by the Chief Finance Officer or Director-General (Government Treasury) an advance will not be approved where the officer or other person concerned has a previous outstanding advance that is not acquitted or repaid.
- 81.** An application for a Special Advance to be used by the Chief Finance Officer himself must be counter-signed by the Minister of Finance. A Special Advance for the Minister of Finance must be approved by the *Cabinet*.
- 82.** Wherever possible, all applications for Advances should be submitted at least one week before needed.

Transfer of Advances

83. A Special Advance must not, under any circumstances whatsoever, be transferred from one officer to another. Where an officer holding a Special Advance is no longer in a position to use it, the Advance must be repaid at once. If another officer is taking over the task they must make a fresh application for a Special Advance.
84. In accordance with special Instructions a Permanent or Temporary Advance may be transferred between officers when there is a transfer of duties provided that the purpose of the Permanent or Temporary Advance remains unaltered.
85. When the custody of a Permanent or Temporary Advance is transferred from one officer or officers to others, a handing over certificate, in a form prescribed by special Instruction, to be signed by both officers, shall be prepared containing full details of the Advance handed over.

Government Treasury Register of Advances

86. The Director-General (Government Treasury) will maintain suitable Registers in which shall be recorded full details of all Permanent and Temporary Advances issued by the Government Treasury. The Registers will be checked regularly to ensure that all Advances are repaid on or before the due dates.
87. It is the responsibility of the Director-General (Government Treasury) to send written reminders to the Chief Finance Officer concerned in the event that an is not retired on the due date.

Responsibility Center Register of Advances

88. The Finance Officers responsible for Permanent Advances and Temporary Advances where determined by the Minister of Finance will maintain an Advance Register and shall record in it all payments made from the Advance and the receipt of all replenishments of the advance. The Advance Register will be balanced and made available for inspection whenever the Advance is replenished or repaid.
89. Under normal circumstances, an officer issued with a Temporary or Special Advance need not maintain an Advance Register, except if the Minister of Finance requires it in which case he will issue written instructions accordingly.

Expense payments from Permanent Advances

90. Individual expense payments may be made from a Permanent Advance up to a value of ID 100,000 (one hundred thousand Iraqi Dina). Payments in excess of ID 100,000 (one hundred thousand Iraqi Dina) must be made through Treasury FMIS General Ledger unless prior approval to use the Permanent Advance for this purpose has been given by the Minister of Finance.

Expenditure receipts, invoices and vouchers supporting advances

91. An officer issued with an advance shall obtain receipts, invoices or similar vouchers to support all expenditure from the advance, wherever possible. In exceptional circumstances where it is not possible to obtain a receipt, invoice or voucher for payments over a value set by Instruction by the Minister of Finance, the officer shall personally certify the purpose for which the money was expended and the reason why he could not obtain supporting documentation. The Minister

of Finance shall issue Instructions regarding the acceptance of payments made without supporting documents.

92. All supporting documentation will be presented to the responsible Chief Finance Officer when an Advance is replenished or retired.

Annual Retirement of Permanent Advances

93. Unless stipulated in writing by the Minister of Finance, all Permanent and Temporary Advances will be repaid on or just before the 31st December each year or immediately after the purpose for which it was issued ceases to exist. Unexpended cash and vouchers to the full amount shall be returned to the responsible Chief Finance Officer.

94. It is the responsibility of the officer holding the Permanent Advance to apply for any new Permanent Advance he requires for the new fiscal year. Any such request must be made one month prior to the start of the new fiscal year.

Advance holder as a Finance Officer

95. An Advance holder shall be considered to be a Finance Officer and, accordingly, shall observe all Treasury Directions and any other instructions or Directions issued with regard to the control of expenditure and the disbursement of Government moneys.
96. An Advance holder must ensure that the Advance is used only for the purpose for which it was issued. The use of an Advance for any other purpose whatsoever will be considered as a disciplinary offence.
97. Advance holders will take all due precaution against the loss or theft of cash held on Advance. The Minister of Finance will issue an Instruction setting a limit on the amount of cash that can be kept by an advance holder. Moneys over this value must be kept in a special bank account opened to maintain the advance.

Issuing Special Advances from Permanent Advances

98. Where the Minister of Finance has approved the issuing of Special Advance advances from a Permanent Advance, Chief Finance Officers must strictly follow the same Directions instructing the Director-General (Government Treasury) in regard to the issuing, registration and maintenance of Advances within their responsibility centers.

VI. Salaries

99. For the purpose of these Directions, the term "salaries" shall mean all wages, salaries, overtime, allowances and other payments paid periodically to officers and other employees of the Government as compensation for employment.

Entitlement to Salary

100. The entitlement to salaries by employees of the Government shall be as prescribed by legislation, regulation or instruction.

Payment of Salaries

- 101.** The regular periodic payment of salaries shall be made only by the Government Treasury under a centralized system which may be prescribed by these Directions or any other instruction issued by the Minister of Finance.
- 102.** Payment of salaries will normally be made by a direct credit to the officer's bank account by the Government Treasury at the end of each month or by other methods or periods as determined by the Minister of Finance.
- 103.** No final salary, or other payment shall be paid without an exhaustive check being made for amounts owed to the Government by the officer that shall, as far as possible, be recovered before payment is made.

Nominal Rolls

- 104.** All Chief Finance Officers will prepare Nominal Rolls, signed by the Certifying Officer, of all officers employed in their government organization and whose salaries are to be paid by Government. The Minister of Finance may direct Chief Finance Officers to produce copies of Nominal Rolls for inspection as he sees fit. The Nominal Roll will be prepared in such form and by such date as prescribed by the Minister of Finance, but shall contain, as a minimum, the following details for each officer:
 - (a) Name;
 - (b) Staff Number or some other identification code;
 - (c) Responsibility Center
 - (d) Position or Title;
 - (e) Salary Scale and Point;
 - (f) Gross Salary;
 - (g) Allowances, if applicable;
 - (h) Incremental Date and Promotion Authority, if applicable;
 - (i) Tax, pension and other deductions, and
 - (j) Net Salary paid to employee.
- 105.** Such Nominal Rolls will form the basis of the following year's Salary Budget, as updated for any incremental progression, any agreed new staff within the Ministry, and any agreed filling of vacant posts. The updating is the responsibility of the Chief Finance Officer concerned.

Salary payrolls

- 106.** The Minister of Finance will instruct responsibility centers in the preparation of monthly salary payrolls in respect of all officers in such a format as he prescribes. This format must include a detailed pay advice for each officer and details of total pay for each responsibility center. The pay advice must give full details of the officer's gross pay and allowances for the month, all deductions made from gross pay, the net pay finally due to the officer and any other detail that may be considered necessary.

- 107.** Where produced by an automated Payroll System Chief Finance Officers shall ensure that individual pay advices are handed to Government Officers as soon as possible after processing.

Deductions from Gross Salaries

- 108.** The Government Treasury shall ensure that responsibility centers make deductions from gross salaries in respect of tax and shall make a direct payment to the Taxation Commission.
- 109.** The Government Treasury shall ensure that responsibility centers make such deductions from gross salaries respect of Pensions, Social Security and other funds contributions and credit the amount to the appropriate item in the General Ledger or make a direct payment to the relevant institution.
- 110.** The Government Treasury shall ensure that responsibility centers make deductions from gross salaries in respect of the rental of any Government accommodation, or any other use of Government assets and credit the amount to the appropriate item in the General Ledger or make a direct payment to the relevant institution.
- 111.** The Government Treasury shall ensure that responsibility centers make any other deduction from gross salaries due to Government and credit the amount to the appropriate item in the General Ledger or make a direct payment to the relevant institution.

Repayment of cancelled and unclaimed salary

- 112.** Salary that is cancelled shall be returned to the budget within twenty days from the designated payday. Salary that is unclaimed by an employee after twenty days from the designated payday shall be kept in a Deposit Trust Moneys Account for twelve months from the end of the year in which the salary was due after which time the moneys will be repaid to Government Revenue in accordance with instructions issued by the Minister of Finance.
- 113.** Cancelled and unclaimed salary must be noted against the relevant entry on the Nominal Roll and any other salary or employee records.
- 114.** The Receiver of Government Moneys shall receipt repayments of cancelled salary and include the amounts with his banking and on his Receiver's Statement. The General Ledger code should be the code against which the original salary payment was made. The Minister of Finance shall issue Special Instructions in regard to the repayment of unclaimed salary.
- 115.** Subsequent claim by an employee for unclaimed repaid salary approved by the Chief Finance Officer shall be paid from the Deposit Trust Moneys Account. The Minister of Finance must approve claims for repaid unclaimed salary no longer kept in Deposit Trust Moneys Accounts.

VII. Debit Notes [Requesting or Dunning Letters]

Issuing Debit Notes

116. Revenue due to Government for services or goods should be paid at the time that the service is rendered, goods supplied, licence issued, etc. If this does not take place, a Debit Note will be issued.

117. Debit Notes, shall be in the form prescribed by the Minister of Finance.

118. The issue of Debit Notes for:

- (a). charges to foreign governments or agencies,
- (b). charges and fees for services between government organizations,
- (c). charges to government officials for use of government services for private purposes,
- (d). audit fees,
- (e). recovery of advanced or similar credit payments or credit to individuals or non-government organizations, and
- (f). amounts to be recovered to the Treasury Consolidated Account which have been wrongly paid;

is specifically authorised by these Directions. All other cases must be referred to the Minister of Finance for authorisation to issue Debit Notes.

119. It is the responsibility of the Chief Finance Officer to ensure that revenue is collected when due and to take all necessary steps to avoid arrears.

120. The Minister of Finance will advise spending units of any persons or organisations prescribed unsuitable for credit facilities. When advising spending units the Minister of Finance will request notification of outstanding credit or debit notes issued to prescribed entities. If a debit note was already issued to a prescribed entity and the Chief Finance Officer considers that there is likelihood payment will not be made he shall advise the Minister of Finance in accordance with Direction 146 or 148.

Debit Note Register

121. The Receiver shall maintain a Debit Note Register, in a form prescribed by the Minister of Finance, in which shall be recorded full details of all assessments, rents, dues, fees, charges, sale of Government property and other items of Government Revenue that have been charged to individuals or organisations by the issue of Debit Notes.

122. Debit Note Registers shall contain the following detail, line by line, in columns:

- (a). The number of the Debit Note;
- (b). The date the Debit Note is issued;
- (c). The date(s) of particular service rendered, goods delivered or month of account as appropriate;
- (d). Separate columns for each major type of Debit note, including –
 - (i). Employees Advances
 - (ii). Non-employees Advances
 - (iii). Fees and Charges

- (iv). Sales
- (v). Other Debit Notes
- (e). The General Ledger code to which revenue shall be credited on receipt;
- (f). Amount to be paid;
- (g). Date to be paid by;
- (h). Date of posting or delivery;
- (i). Date reminder sent, if not paid by due date, i.e. (g);
- (j). Date paid;
- (k). Government Treasury Receipt number issued; and
- (l). A "Notes" column to record such comments as "legal action commenced", "written off", "delivered to", etc.

123. The detail required in Direction 122, (a) to (g) inclusive should be entered in the Debit Note Register **before** the Debit Note is issued. Item (h) shall be obtained at the time the Debit Note is delivered and (i) to (l) entered as the particular event occurs.

Completion of Debit Notes

124. Debit Notes shall be issued in triplicate.

125. Finance Officers preparing Debit Notes shall ensure that legible and complete copies have been produced before dispatching the original copy.

126. Except as otherwise authorised by the Minister of Finance in writing, distribution of the three copies of the Debit Notes shall be as follows:

- (a). Original - dispatched to the recipient of the service rendered, goods received, etc;
- (b). Duplicate - retained by the issuing Responsibility Center until payment is received. It is then stapled to the copy Government Treasury Receipt issued for payment of that particular Debit Note and sent to the Treasury in due course as part of supporting documentation; and
- (c). Triplicate - to be retained by the issuing Responsibility Center, either within a bound Debit note book or a suitable file, for any subsequent examination or audit.

127. When dispatching the original copy of the Debit Note any written instructions from the recipient as regards the address to which the Debit Note shall be sent must be followed. Such instructions shall be maintained in a suitable file by the Receiver.

128. Debit Notes shall contain full details, so as to enable the recipients to easily identify the service rendered or goods received.

129. The Debit Note shall state that payment must be made within 30 days of the issuing date.

Cancellation of Debit Notes

- 130.** Alteration of any kind cannot be made to any entry on a Debit Note.
- (a). Where an error has been made the Debit Note shall not be issued, but shall be replaced by a new Debit Note.
 - (b). Where an issued debit Note is returned or undelivered due to an error, the Debit Note must be cancelled and replaced by a new Debit Note.
- 131.** The Original and Triplicate copies of cancelled Debit Notes shall remain by the issuing Responsibility Center, either within the bound Debit Note book or within a suitable file.
- 132.** The Duplicate copy of a cancelled Debit Note shall be sighted by the Certifying Officer as part of his regular checking of the Receiver's supporting documentation.

Certification of Debit Notes

- 133.** All Debit Notes shall be checked and signed by the Certifying Officer prior to delivery. Any Debit Note considered by the Certifying Officer to be incorrect, unnecessary or illegible shall be returned to the Receiver.

Delivery of Debit Notes

- 134.** Wherever possible, Debit Notes shall be delivered by safe hand direct to the person or organisation responsible for payment. Where delivery by hand is not possible, Debit Notes may be sent through the post. The date of delivery or posting will be recorded in the Debit Note Register.

Calculation of assessment and Charges

- 135.** Unless otherwise directed by their Chief Finance Officers, Receivers are responsible for the calculation of all assessments, rents, dues and other charges leading to the issue of Debit Notes in respect of revenue due to the Government.

Settlement of Debit Notes

- 136.** Chief Finance Officers should ensure that Debit Notes are settled and the revenue collected within the 30 days allowed. Chief Finance Officers should ensure that Debit Note Registers are reviewed at least monthly, in order to ascertain those Debit Notes still unpaid and to ensure that appropriate follow up action is being taken and noted in the "Notes" column of the Debit Note Register.
- 137.** If a Receiver has knowledge that a Debit Note may not be settled he shall notify the Chief Finance Officer accordingly.

Delays in settlement of Debit Notes

- 138.** Where a Debit Note is not settled and the revenue collected by the due date, the Receiver shall immediately pursue the follow up action prescribed in Direction 136 or 137 as appropriate.

- 139.** Where an unpaid Debit Note was originally issued to a Government employee or a person or organization in receipt of other Government payments, the follow up action shall be as follows:
- (a). The issue, within 7 days after the due original payment date, of a written reminder of the outstanding debt demanding immediate settlement of the amount due. Such reminder shall be delivered in the same manner as prescribed for the delivery of Debit Notes;
 - (b). In the event of non payment despite the delivery of a reminder, the Receiver shall arrange, within 30 days of the original payment date, a personal interview with the debtor at which he shall be asked for immediate payment. If such payment is not immediately forthcoming, the debtor will be advised that the outstanding amount shall be deducted, by regular installments, from future payments due to him by Government. The installments shall be over a reasonable period, usually three months but not exceeding six months without the written permission of the Chief Finance Officer and with reference to Direction 140. The Chief Finance Officer should be aware of any further penalties that may apply to unpaid debt in accordance with Law, Court Order or Administrative Order;
 - (c). The Receiver is responsible for completing the deduction installment request referred to in (b) above, for ensuring that it is forwarded to the section responsible for payroll or other payments as soon as possible to enable deductions to commence; and
 - (d). The Receiver shall note the details relating to (a) to (c) above in the "Notes" column of the Debit Note Register.
- 140.** Whilst the Receiver shall be responsible for obtaining the deduction instalment request, he shall take care not to contravene any Law, Administrative Orders or Instructions, particularly relating to the maximum deduction permissible. In cases of doubt, the Receiver shall seek the written authority or advice of the Chief Finance Officer prior to completing the deduction instalment request.
- 141.** Where such an authority becomes necessary, or is refused by the debtor, the Chief Finance Officer shall direct that no further credit facilities will be allowed to the person in default.
- 142.** Where an unpaid Debit Note was originally issued to any person or organisation not in receipt of a Government salary or other payment the follow up action shall be as follows:
- (a). The issue, within 7 days after the due original payment date, of a written reminder of the outstanding debt demanding immediate settlement of the amount due. Such reminder shall be delivered in the same manner as prescribed for the delivery of Debit Notes;
 - (b). In the event of non payment within 30 days despite the delivery of a reminder, the Receiver shall refer the matter to the Chief Finance Officer for necessary action according to his authority. The Chief Finance Officer must be aware of any further penalties that may apply to unpaid debt in accordance with Law, Court Order or Administrative Order; and
 - (c). The Receiver shall note the details relating to (a) to (b) above in the "Notes" column of the Debit Note Register.

- 143.** The Chief Finance Officer, if he considers that unpaid moneys cannot be recovered by his organisation or does not have the authority to deal with the debt in accordance with Direction 151, must refer the matter to the Minister of Finance.
- 144.** If a debt is not settled satisfactorily, the Minister of Finance has the right to direct that no further credit facilities will be allowed to the person or organisation in default in accordance with Direction 157.
- 145.** Where the defaulting debtor has sums payable to him by Government, the Minister of Finance has the right in accordance with Direction 151 to direct that such payment be withheld, in such amount and for such time as he considers necessary, until the debt outstanding to Government is settled.

Abandonment of claim for non-settlement of debit notes

- 146.** Where a Chief Finance Officer is of the opinion that actions taken under Directions 139 to 145 will not be, or have not been, successful in recovering a debt, and the debt exceeds any authorized limits set under Direction 144, he should forward a full written report to the Minister for Finance, copied to the Inspector General and Supreme Board of Audit, recommending either write-off or consideration of legal action. The report should set out his reasons for so recommending and a full statement of the recovery action taken. The Minister of Finance shall issue written instructions, in due course, as to whether the debt is to be written off or whether further attempts at recovery of the debt, including, but not limited to, legal action, should be made.
- 147.** The fact that a debt has been formally written off shall not prevent future attempts at recovery if circumstances change.

Legal proceedings for settlement of Debit Notes

- 148.** Where a Chief Finance Officer is of the opinion that there is a reasonable possibility of recovering a debt through legal action, and the Minister of Finance agrees, he shall submit a detailed written report on the debt to the Government Attorney, through the Minister of Finance, with a copy to the Inspector General and Supreme Board of Audit. The report shall contain full details of any action taken to recover the debt.
- 149.** A debtor's credit facilities shall be immediately suspended when a debit note is referred to the Government Attorney.
- 150.** It shall be the responsibility of the Receiver to follow up all cases of unpaid Debit Notes referred to the Legal Department and subsequently taken to court. The Chief Finance Officer shall take all such action as shall be available to him to ensure that any subsequent issued Court Execution Orders obtained are put into effect. He shall take care that he does not take any action that shall contravene or hinder the content of any Court Execution Order.

Waiver of Debts owed to the Government

- 151.** Under Section 4.11 of the Law the Minister of Finance, up to the limit determined by the Cabinet, may:

- (a). waive the collection of an amount owing to the Government;
 - (b). postpone any right of the Government to be paid a debt in priority to another debt or debts owed by the debtor to the Government;
 - (c). allow the payment by instalments of any amount owing to the Government; or
 - (d). defer the time for payment of an amount owing to the Government.
- 152.** The Minister of Finance may issue special instructions authorizing Chief Finance Officers to make decisions regarding outstanding or uncollectible debts owing to the Government up to set limits for each debt under conditions listed in Direction 151(a), (c) and (d). Chief Finance Officers will report monthly to the Director General (Government Treasury) listing details of all decisions and actions taken on amounts owed to the Government under Directions 151.
- 153.** A Chief Finance Officer will forward a request for the waiver of debt in excess of the limits set in Direction 152, or in regard to Direction 151 (b), to the Director-General (Government Treasury) who will examine the request and make recommendations to the Minister of Finance accordingly.
- 154.** If a proposed waiver under Direction 151 involves, or is likely to involve, a total amount of greater than the limit determined by the Cabinet, the Minister of Finance must refer the matter to the Cabinet for a decision before taking action on the waiver.
- 155.** The Minister of Finance may give a waiver either unconditionally or on the condition that a person or other legal entity agrees to pay a portion of the debt to the Government in special circumstances.
- 156.** The Minister of Finance will take such action as he sees fit to write-off debts in accounting records as appropriate. A report of written-off debts shall be submitted to the Cabinet each quarter and a summary provided with the Final Annual Statement of Accounts of the Federal Government Budget in accordance with Section 4.12 of the Law.
- 157.** In the interests of avoiding the loss of public moneys the Minister of Finance may issue instructions advising spending units against dealing with vendors who are assessed to be unreliable or a bad risk and should not be advanced public moneys or allowed to become debtors to the government.

VII. Collection of Public Revenue

Responsibilities of Chief Finance Officers for Public Revenue

- 158.** The Chief Finance Officer is responsible for the collection of revenue and safe-keeping of all Government Moneys in the spending unit under his authority.
- 159.** The Chief Finance Officer shall keep, or cause to have kept, records of all revenue for which he is responsible.
- 160** None of the checks prescribed by any of these Directions to be carried out on revenue collection by Finance Officers at a subordinate or other prescribed office shall relieve a Chief Finance Officer of his responsibility for ensuring that all

revenue collections made under his control are correctly and promptly brought to account.

Legal tender

- 161.** Unless otherwise instructed by the Minister of Finance, a Receiver of Government Money or a Finance officer authorized to collect Government Money (Collector) shall not accept any other currency than legal tender for Iraq. He shall not accept defaced or mutilated notes or damaged coins.
- 162.** A Receiver or Collector of Government Money has the right to accept certified cheques or other negotiable financial instruments, according to the Instructions issued by the Minister of Finance.

Receipt for Public Revenue and Government Moneys

- 163.** A Receiver or Collector shall **immediately** issue a Government Treasury Receipt, in the prescribed form, for each sum of money paid directly to him for the account of Government. If the money is in a currency other than legal tender for Iraq the Receiver or Collector shall issue the receipt in both the foreign currency and equivalent Iraqi Dinar.
- 164.** The receipt shall be for the **actual** amount received.

Public notice

- 165.** There shall be exhibited, in a prominent position in every place where revenue and government moneys are collected, a notice to the effect that a numbered and signed original official receipt shall be obtained for every sum of money paid to a government official.

Government Treasury Receipts and Licenses

- 166.** The form of Government Treasury Receipts and Licenses to be used shall be as prescribed, or approved, by the Minister of Finance. Care should be taken that all required entries are completed in full, including the sum of money received and the revenue code to be credited. The entries shall be sufficient to identify the purpose of the payment, the payer and any Payment Notice paid. The amount paid shall be entered in words and figures and the first and second copies of the receipt signed and dated by the Receiver receiving the money.
- 167.** Where approved by the Minister of Finance, computer generated entries and receipts are acceptable.

Completion of Government Treasury Receipts and Licenses

- 168.** Except where licenses are specially printed for a particular purpose, pre-printed pre-numbered quadruplicate sets of Government Treasury Receipt forms shall be used.
- 169.** When produced manually, the original top copy of the Government Treasury Receipt shall be completed with a black or blue ballpoint pen and carbon paper (or specially carbonized document books) shall be used to produce the other copies. Finance Officers issuing Government Treasury Receipts shall ensure that legible

and complete copies have been produced. If not, all other copies shall be cancelled in accordance with Direction 172 and a new set issued.

170. Except where otherwise authorised by the Minister of Finance in writing, the distribution of the first three copies shall be such that the:

- (a). Original is issued to the Payer;
- (b). Duplicate is used to support the entry in the Receiver's Statement (Direction 173) and then attached to it and forwarded to the Treasury as required; and
- (c). Triplicate is attached to the copy of the Receiver's Statement sent to the Chief Finance Officer;

and the Quadruplicate is to remain in the Government Treasury Receipt or licence book at the office of issue, to be available for subsequent examination or audit.

171. All Government Treasury Receipts shall be issued in strict consecutive numerical order.

Cancellation of Government Treasury Receipts and Licenses

172. No alteration of any kind shall be made to any Government Treasury Receipt or Licence. Where an error is made it shall be cancelled, retained and replaced by a new Government Treasury Receipt or Licence. The spoiled Government Treasury Receipt or Licence shall be cancelled by being endorsed with the word "CANCELLED", together with two diagonal lines on all copies. The other copies shall be disposed of as in Direction 170. The cancellation shall be confirmed by the signature of the finance officer responsible for preparing the Government Treasury Receipt or License.

173. The original copy of all cancelled Government Treasury Receipts and Licenses shall be included, in strict numerical sequence, with the duplicate copy of issued Government Treasury Receipts and Licenses and shall be attached to the Receiver's or Collector's Statement described in Directions 174 and 179.

Collector's Statement

174. Every Finance Officer authorized to collect Government Moneys shall maintain a summary report in duplicate of all his receipts in the form prescribed by the Minister of Finance, herein referred to as a Collector's Statement.

175. All summarized receipt entries in the Collector's Statement shall include the following details:

- (a). Date;
- (b). Number of the first and last receipt issued;
- (c). General Ledger Revenue or other code to be credited;
- (d). Amount collected for each General Ledger code; and
- (e). Total of revenue collected.

176. The Collector's Statement, immediately at the time of banking, should include the Total Revenue that is banked which should equal the total amount collected in Direction 175.

177. The Collector's Statement shall be signed and dated by the Collector.

178. On the twenty-eighth day of each month or at other times designated by the Chief Finance Officer the Collector shall submit his Collector's Statement together with copies of issued receipts to the Receiver appointed for his organization.

Receiver's Statement

179. Every Receiver shall maintain a summary report in duplicate of all his receipts, including receipts issued by Finance Officers authorized to collect Government Moneys for his organization, in the form prescribed by the Minister of Finance, herein referred to as a Receiver's Statement.

180. All summarized receipt entries in the Receiver's Statement shall include the following details:

- (a). Date;
- (b). Number of the first and last receipt issued;
- (c). General Ledger Revenue or other code to be credited;
- (d). Amount collected for each General Ledger code; and
- (e). Total of revenue collected.

181. The Receiver's Statement, immediately at the time of banking, shall also include the Total Revenue that is transferred to the Treasury Consolidated Account which should equal the total amount collected in Direction 180 .

182. The Receiver's Statement shall be signed and dated by the Receiver.

Balancing of Receiver's and Collector's Statements

183. Before banking collected revenue, each Receiver or Collector shall add up the total of receipts issued and balance this total to the total analyzed by General Ledger code and by cash received.

184. The Collector shall ensure that the total cash and cheques on hand, agrees with the Collector's Statement total and must be banked in full. The Receiver shall ensure that the total cash and cheques on hand, which must be banked in full, including the balance of any subsidiary revenue collection bank accounts, agree with the Receiver's Statement total.

185. Under no circumstances whatsoever shall a Receiver and Collector retain any part of revenue that has been collected, receipted and brought to account in a Receiver's or Collector's Statement.

186. A Receiver and Collector shall make good any deficiency under ID 25000 (twenty-five thousand Iraqi Dina) in the cash in his charge, or immediately submit a written report to his Chief Finance Officer, with a copy to the Minister of Finance, if the deficiency is over ID 25000 (twenty-five thousand Iraqi Dina), in accordance with Chapter XIV.

Banking of collected revenue and submission of documents

187. The banking of collected revenue shall be in accordance with a timetable and any other instructions issued by the Minister of Finance. However, such a timetable

shall not prevent more frequent banking at any time where the level of cash held poses a security problem in accordance with Direction 323.

188. A Receiver or Collector will deposit his collected revenue direct to a bank for deposit to a Government bank account opened for the purpose of depositing revenue payments, either a Responsibility Center's Deposit Account or a separate account for a specific type of revenue.
189. The Receiver or Collector shall complete a bank deposit slip in duplicate. Bank deposit slips shall show the serial numbers, amounts and drawers of cheques and bank drafts paid in and the serial numbers, amounts, drawers and offices of issue of money orders and postal orders, together with any details required by the bank.
190. The original copy shall be retained by the bank or bank agency, the duplicate copy being returned to the Receiver or Collector at the time of deposit, duly receipted and stamped by the bank.
191. The Collector shall attach the duplicate copy of the deposit slip securely to the original copy of his Collector's Statement as evidence of having deposited the collected revenue to the bank or bank agency. The Receiver shall attach the duplicate copy of the deposit slip securely to the duplicate copy of his Receiver's Statement as evidence of having paid over the collected revenue to the bank or bank agency.

Certification of Collector's Statements and supporting documents

192. Immediately after the due date, the Collector will submit his Collector's Statement duly balanced, together with his current unused (or partly used) Government Treasury Receipts and Licenses, or sufficient proof of correct issue of receipts or licenses if produced by a computerized system, duly certified bank paying-in slip to the Receiver appointed for his organization.

193. It shall be the responsibility of the Receiver to contact any Collector who fails to submit a Collector's Statement on the scheduled day.

194. The Receiver will check the accuracy of the Collector's Statement and will sight and verify all the used, and partly used, Government Treasury Receipts and Licenses issued to the Collector, even if no revenue has been collected since the previous pay over, and certify:

- (a) That all Government Treasury Receipts and Licenses have been accounted for since the last pay over and that there is no break in sequence;
- (b) That all Government Treasury Receipts and Licenses issued since the last Receiver's Statement have been entered correctly in the Collector's Statement; and
- (c) That the Collector's Statement has been added and balanced correctly, that the particulars entered on it are correct and that the total cash, or its equivalent, that has been banked agrees with the Collector's Statement.

Certification of Receiver's Statements and supporting documents

195. Immediately after banking, a Receiver shall present his Receiver's Statement, duly balanced, together with his current unused (or partly used) Government

Treasury Receipts and Licenses, or sufficient proof of correct issue of receipts or licenses if produced by a computerized system, duly certified bank paying-in slip to his spending organisation's Certifying Officer.

- 196.** The Certifying Officer will check the accuracy of the Receiver's Statement and will sight and verify all the used, and partly used, Government Treasury Receipts and Licenses issued to the Receiver, even if no revenue has been collected since the previous pay over, and certify:
- (a) That all Government Treasury Receipts and Licenses have been accounted for since the last pay over and that there is no break in sequence;
 - (b) That all Government Treasury Receipts and Licenses issued since the last Receiver's Statement have been entered correctly in the Receiver's Statement; and
 - (c) That the Receiver's Statement has been added and balanced correctly, that the particulars entered on it are correct and that the total cash, or its equivalent, that has been banked agrees with the Receiver's Statement.

Recording of Receiver's Statement in General Ledger

- 197.** Immediately after certification, the Receiver will submit his Receiver's Statement to a Finance Officer for recording in the General Ledger.
- 198.** It shall be the responsibility of the receiving Finance Officer to contact any Receiver who fails to submit a Receiver's Statement on the scheduled day.
- 199.** When a Receiver presents his Receiver's Statement, the receiving Finance Officer shall ensure that it has been certified by a Certifying Officer.
- 200.** The receiving Finance Officer shall initial and date the Receiver's Statement before it is recorded in the General Ledger.

Irregularities

- 1201.** A Certifying Officer shall immediately report to the Chief Finance Officer any suspected irregularities in the presentation of collected revenue, the Receiver's or Collector's Statements or any other document submitted by a Receiver. The Chief Finance Officer shall act in accordance with Section XIV of these Directions, and after due investigation and if the irregularity is of a material nature, shall report the matter in writing immediately to the Minister of Finance, with a copy to the Internal Auditor and External Auditor.
- 202.** If the irregularity is less than ID25,000 (twenty-five thousand Iraqi Dina), the Receiver or Collector shall be given the opportunity to make good any deficit. If he does not do so within seven days of notice, the matter shall be reported as in Direction 201. Any surplus shall immediately be brought to account by the issuing of a Government Treasury Receipt.

Cash surpluses

- 203.** A cash surplus arises when the amount banked by a Receiver or Collector is greater than the amount shown in his Statement.

- 204.** Any cash surplus shall be fully investigated by the Chief Finance Officer and shall be promptly issued a receipt and brought to account against an appropriate General Ledger code.
- 205.** The Chief Finance Officer, if he is satisfied that the original error is only an **apparent** cash surplus, has the right to authorise, in writing, a refund of the surplus or direct such other action to correct the error.
- 206.** The keeping or mixing of private money with Government Moneys is **forbidden**. Any such money found may be credited to the Treasury Consolidated Account by means of a Government Treasury Receipt to the General Ledger miscellaneous revenue item and **will not be liable to be refunded** if not claimed within one month of this action.

Improper use of collected revenue

- 207.** Collected revenue or government money shall not be used for any private purpose under any circumstances.
- 208.** Receivers, Collectors or other Finance Officers shall not lend or advance, for any purpose, collected revenue or other government money for which they are accountable to Government.
- 209.** Revenue collected shall be paid into the Treasury Consolidated Account and must not be used to pay directly for Government expenditure. Unless otherwise directed by the Minister of Finance collected revenue shall be recorded against designated codes in the General Ledger.

Register of revenue received by post

- 210.** Wherever mail is received a Finance Officer shall keep a Revenue Received by Post Register. All revenue received, in whatever form, through the post or otherwise than to a Receiver shall be entered in the Register. The Register shall be in columnar form and show the following detail:
- (a). Item Number and Date of receipt;
 - (b). From whom it was received;
 - (c). The actual amount received, taking care to take all details directly from the cheque, money order or other negotiable instruments, or by counting the cash and not from the covering letter or remittance advice;
 - (d). Description of the revenue received - cash, cheque, bank draft, money order, postal order, letter of credit, etc;
 - (e). Signature of person opening the post;
 - (f). Signature of person witnessing post opening;
 - (g). Signature of Finance Officer, normally the Receiver, to whom the revenue items are handed for bringing into account; and
 - (h). The date and number of the Government Treasury Receipt issued by the Receiver.
- 211.** Any revenue not receipted within 24 hours or by the next working day shall be reported, in writing, by the post-opening officer to his Chief Finance Officer.

212. Two officers shall always be present when mail is opened. In the event of two officers not being available, opening of the mail will be delayed until a second officer is present.

213. The Revenue Received by Post Register shall not be kept by the same officer responsible for issuing Government Treasury Receipts.

Receipt of revenue by officer other than a Receiver

214. An officer who is not an appointed Receiver shall not, under any circumstances, accept Government revenue from anyone, for any reason. Any person tendering revenue shall be directed to the nearest Receiver or the Government Treasury.

215. Where an officer who is not an appointed Receiver receives revenue through the mail, he shall ensure that Direction 214 is complied with.

Validity of issued Licences or Permits

216 A licence or permit shall not be deemed to have been issued until a validated bank receipt or some other evidence indicating payment directly to the nominated Government bank account has been received by the Receiver or Collector or the Receiver or Collector is in possession of the cash, cheque, bank draft, money order, etc, tendered in payment for the licence or permit.

217. An issued or renewed licence or permit shall be considered **void** if any cheque, bank draft or other negotiable instrument is subsequently dishonoured by any bank.

Duplicate Government Treasury Receipts and Licenses

218. Where an Government Treasury Receipt or Licence has been issued to, and subsequently lost by the payer, the payer has the right to make application for a duplicate Government Treasury Receipt or Licence to be issued to him. Such a duplicate shall not be issued by means of a new original, but by issuing a photocopy of the triplicate copy of the original issue, held in the original office of issue. Such copies shall stamped with the words "Certified True Copy" and countersigned and dated by the responsible Finance Officer. A note shall be made on the retained triplicate copy that a photocopy has been issued. Special printed licenses may be reprinted provided that records of the system that produces the licenses clearly show that the original has been cancelled and replaced. A charge for the replacement shall be made at a level specified by the Minister of Finance by Instruction.

Repayments of expenditure

219. Government payments made through the Treasury system and subsequently cancelled, unclaimed by the payee within 30 days of the due payment date or unlikely to be made, must be repaid back to the Budget.

220. The Receiver shall issue a receipt and include repayments in his next banking. If the repayment was made in the same fiscal year as the payment the repayment is posted back to the General Ledger Code against which the payment was originally made, in cases where the repayment is for a different fiscal year it is posted to the government revenue General Ledger code for this purpose.

221. The Certifying Officer shall ensure that all relevant original supporting documentation regarding the payment is noted with details of the repayment.

IX. Trust Moneys and Deposits

222. Moneys received or held by spending units for the purpose of deposit and subject to repayment back to the depositor after a prescribed period of time or until a required condition or process has taken place, are not classified as Budget Revenue according to the Law and must be kept separate from Government Moneys.

223. Spending units that are responsible for activities or programs that require the payment or the keeping of deposits from employees including unclaimed salary, members of the public, organizations or institutions, shall keep such moneys in a separate bank account, entitled Deposit Trust Moneys Account, opened for that purpose.

224. Only deposits or similar payments shall be paid into Deposit Trust Moneys Accounts and only the repayment of deposits or similar payments shall be paid out of Deposit Trust Moneys Accounts.

225. Moneys held as Deposit Trust Moneys that are forfeited by law or regulation, or otherwise deemed by the Chief Finance Officer not to be repaid back to the depositor, or deductions from the deposit for charges or commissions, shall be paid into Government Revenue or as otherwise advised by the Minister of Finance.

226. Deposits that remain unclaimed by depositors twelve months from the end of the year in which they are due or entitled to be repaid shall be paid into Government Revenue. Subsequent claim by a depositor for the return of a deposit paid into Government Revenue shall be assessed by the Chief Finance Officer and if approved he shall request the Government Treasury to allow the repayment of the claimed deposit from the relevant Revenue Item if in the same financial year, or seek approval from the Minister of Finance in subsequent years.

227. Spending units will keep a separate Deposit Trust Moneys Register for each program or activity. A Deposit Trust Moneys Register should include the following minimum information:

- (a). Title of Program or type of Deposit
- (b). Name of Depositor
- (c). Amount and date of Deposit
- (d). Amount and date of Repayment
- (e). Amount of forfeit, commission or other deduction.
- (f). Date of transfer to Government Revenue.

228 Spending units are responsible for the annual reporting of Deposit Trust Moneys or at other times as instructed by the Minister of Finance.

X. Banking

Government Bank Accounts

- 229.** All government bank accounts shall be opened as prescribed by Article 10 of Section 4 of the Law.
- 230.** All government money shall be deposited to a government account and all payments of government money shall be paid out of a government bank account.

Opening of Government Bank Accounts

- 231.** A government bank account shall not be opened without the written approval of the Minister of Finance. Common government accounts used by spending units include:
- (a) Responsibility Center's General Deposit Account opened as a closed account for the sole purpose of depositing payments of Government Revenue;
 - (b) Special Revenue Accounts for payments of specific Government Revenue programs, for example Tax;
 - (c) Deposit Trust Accounts for payments of refundable deposits; and
 - (d) Expenditure accounts for the sole purpose of making payments for the disbursement of government moneys.
- 232.** The Minister of Finance will issue the order for opening of a Government bank account, representing the Treasury Consolidated Account, entitled "Main Federal Government Treasury Account". This bank account will be used for the deposit and payment of government money for all responsibility centers. The Minister of Finance has the right to issue orders to open additional Government bank accounts if he considers that such accounts are necessary for the efficient and effective conduct of programs and services.
- 233.** The Minister of Finance may enter into an agreement with any bank resident in Iraq to provide banking services for the Government. The process to provide such services is to be conducted in compliance with the (Public Procurement Law). The Minister of Finance shall seek advice from the Central Bank on the suitability and reliability of proposed banks. The acceptance of an offer of such services does not permit the Minister of Finance to transfer banking services that the Central Bank is already providing from the Central Bank to another bank.
- 234.** Where necessary the Minister of Finance will advise Chief Finance Officers by Instruction of changes to general banking policy and any special arrangements or agreements with banks for the supply of Government banking services.
- 235.** If a Chief Finance Officer has a special need for a government bank account, including an account listed in Direction 231, he shall forward a request in writing to the Minister of Finance. The request shall include the following:
- (a). the purpose and type of the account;
 - (b). the name of the nominated bank and branch where the account is to be held;

- (c). the name of the Finance Officer who will be responsible for the operation of the account, together with the names of the proposed signatories and specimen signatures;
 - (d). the estimated average and maximum balance that will be held in the account, and the average value of amounts expected to be deposited or paid from the account; and
 - (e). any other relevant details.
- 236.** The Minister of Finance will approve or reject a request for the opening of a government bank account in writing, and if approved provide instructions on the operation of the account, including:
- (a). that the name of the account must include the words “Federal Government”;
 - (b). confirmation that a minimum of two signatories will be required to open and operate the account;
 - (c). the arrangements for the regular transfer of funds to the Government Treasury’s main Government bank account if the new account is to be used for the purposes of collecting government money in accordance with Direction 231 (a) and (b); and
 - (d). any other special requirements or conditions that he considers necessary for the maintenance and operation of the account, including any limitation as to the maximum amount of government moneys that will be held in the account and instructions transfer of moneys in excess of such a limit.
- 237.** New government bank accounts will not be opened for any responsibility center where suitable banking facilities already exist which are considered by the Minister of Finance sufficient for the purposes of that responsibility center.

Deposits to Government Bank Accounts

- 238.** Deposits to a bank to the credit of a government bank account shall be made by the Finance Officer responsible for the operation of the account.
- 239.** Deposits made to government bank accounts as transfers through the banking system, including moneys from banks outside Iraq, must be treated in a similar manner as revenue paid directly to Finance Officers described in Section VIII of these Directions. In particular the Receiver must ensure that:
- (a). the money is transferred to an approved Government bank account approved for that purpose by the Minister of Finance;
 - (b). he has evidence that the deposit was made, including written notification from the bank and that the deposits appear on the bank account statement; and
 - (c). he has issued a Government Treasury Receipt and included the receipt on a Receiver’s Statement for recording in the General Ledger.

Maintaining Government Bank Accounts

- 240.** The Finance Officer responsible for the operation of a government bank account must obtain bank account statements at least every fifteen days, or more frequently if so prescribed by the Minister of Finance.

- 241.** On the receipt of a bank statement the Finance Officer shall prepare a bank reconciliation statement, in a manner prescribed by the Minister of Finance, for each government bank account under his responsibility. The reconciliation shall reconcile the bank account to accounting records, and identify and list individual transactional discrepancies between the bank account and those records. Identified discrepancies must be resolved by bank adjustment, issuing a Government Treasury Receipt or an adjusting Journal Transfer in the General Ledger, or some other procedure approved by the Minister of Finance as necessary.
- 242.** Chief Finance Offices will be responsible for ensuring that their government bank accounts are correctly maintained and that bank account balances always remain in credit (positive balance) unless otherwise approved by the Minister of Finance.
- 243.** Chief Finance Officers shall inform the Minister of Finance of discrepancies or errors relating to government bank accounts that cannot be resolved within 30 days of occurrence.
- 244.** Chief Finance Officers will advise the bank holding a government bank account of any changes to signatories to that account.

Certificate of Balance of a Government Bank Account

- 245.** An officer responsible for the operation of a government bank account will obtain a certificate of balances from the bank:
- (a). monthly;
 - (b). at the end of each fiscal year; and
 - (c). when requested to do so by the Chief Finance Officer, Minister of Finance or External Auditor.

Closing of Government Bank Accounts

- 246.** Where a Chief Finance Officer no longer has need for a Government Bank Account, he shall forward a written request to the Minister of Finance to close the account.
- 247.** The Minister of Finance will periodically review existing Government bank accounts and arrange for the closure of accounts that are considered unnecessary, invalid or inactive.
- 248.** The Minister of Finance will issue orders to close bank accounts existing at the time of enactment of these Directions unless he has received a request from a Chief Finance Officer under Direction 235.

Cash Management

- 249.** The Minister of Finance shall ensure the proper management of the Government's cash resource.
- 250.** Cash management will include:

- (a). negotiation of favorable interest rates for bank account balances, investments and overdrafts;
- (b). ensuring prompt deposit of all cash received anywhere within the Government;
- (c). minimizing balances in non-interest bearing bank accounts; and
- (d). ensuring the availability of cash in the Government Bank Account when required to meet expenditure.

XI. Financial Reporting and Audit

Financial reporting

- 251.** The Director-General (Government Treasury) will issue instructions setting out the reports he requires from the General Ledger, or from responsibility centers as necessary.
- 252.** Chief Finance Officers shall submit an analysis of Receipts and Payments on their bank accounts, together with a bank reconciliation statement in the form of a Trial Balance, to the Director-General (Government Treasury) on a monthly basis.
- 253.** The Minister of Finance has the right to direct responsibility centers to follow internationally recognized accounting standards in the preparation of financial reports.

Periodic Reports of the Minister of Finance

- 254.** In accordance with the Law throughout the fiscal year the Director-General (Government Treasury) will provide reports for the Minister of Finance for release to the Cabinet, Parliament, and the public, including:
 - (a). budget level reports to the Cabinet showing monthly expenditure outflows and revenue inflows by budget spending units;
 - (b). budget level reports to Parliament on a quarterly or half-yearly basis showing overall progress of the budget execution process; and
 - (c). all such financial reports are to be publicly available by the most expeditious methods, including the internet.

Availability of records for audit

- 255.** It is the responsibility of each Chief Finance Officer to keep such records as prescribed by the Minister of Finance, including documents, registers, paper reports and electronic media, relating to financial tasks and activities, and to make such records available for inspection by the Director-General (Internal Audit) and the Supreme Auditor on request.

XII. End of Financial Year Arrangements

- 256.** In accordance with Section 11.6 of the Law the Minister of Finance will prepare and submit the annual final accounts of the federal budget, including special budgetary funds, to the Board of Supreme Audit by 15th April of the following year.
- 257.** In compliance with Section 11.6 of the Law the Minister of Finance shall set a timetable for the completion of activities for the financial year end, including the period necessary to process final settlements and other adjustments to financial records after the financial year end.
- 258.** The Director General (Government Treasury) shall issue a Special Instruction no later than 15th November each year setting out the accounting activities and other requirements for responsibility centers to complete the current financial year processing and produce annual final accounts.
- 259.** Following the closure of the annual General Ledger accounts, and within the period set by the Director General (Government Treasury) under Direction 258, Chief Finance Officers will compare their accounting records with the records in the General Ledger and notify the Government Treasury of necessary corrections.
- 260.** Spending units must strictly comply with the instructions and regulations issued by the Minister of Finance regulating the activities at the end of the financial year.

XIII. Management of Assets

- 261.** The Minister of Finance is responsible for government financial management including non-financial assets and their values. The Minister shall periodically set and advise the classification, value, life and depreciation rates of assets and the manner of recording and reporting by spending units.

Asset Registers

- 262.** Each spending unit will maintain an Asset Register for all or groups of non-financial assets that have a life in excess of one calendar year and a purchase value of ID150,000 or greater. Assets of a lesser value and life are generally classified as minor or disposable assets and treated as goods with no resale value consumed by spending units in the normal course of their activities.
- 263.** Non-financial Asset Registers shall be formatted according to a classification that includes but is not limited to:
- (a). Fixed Assets
 - (i). Buildings and structures
 - (1) Dwellings – buildings primarily used as residences and associated structures;
 - (2) Non-resident buildings – office buildings, schools, hospitals, and other public buildings;
 - (3) Other structures – roads, railways, bridges, tunnels, airfields, sewers, waterways, mines, communication and power lines, sport and recreation facilities.

(ii). Machinery and equipment

- (1) Transport equipment – motor vehicles, trailers, ships, railway locomotives and rolling stock, aircraft, motorcycles, ships and watercraft.
- (2) Other machinery and equipment – general or special purpose machinery; office, accounting and computer equipment; electrical machinery; radio, television and communication equipment; medical appliances; precision and optical instruments; furniture; time keeping equipment; musical instruments; sports goods; paintings, sculptures, other works of art or antiques displayed in public building or museums.

(iii). Other fixed assets

- (1) Cultivated assets – animals and plants not raised for one time use.
- (2) Intangible fixed assets – mineral exploration; computer software; entertainment, literary and artistic originals; other intangible fixed assets including information and specialized knowledge held by agencies with established rights.

(b). Valuables

Valuables represent all goods of considerable value that are expected to appreciate or not decline in value over time. Valuables include precious stones and metals; paintings, sculptures and other works of art or antiques; and jewelry made from precious materials.

(c). Non-produced assets

Non-produced assets consist of tangible, natural occurring assets or intangible non-produced assets, for which ownership rights are enforced. Non-Produced assets include:

- (i) Land – includes soil, surface water and major improvements to the physical aspects of land, excluding buildings and structures, cultivation, subsoil assets, and underground water resources.
- (ii) Subsoil assets – proven reserves of oil, natural gas, mineral reserves, and non-metallic reserves.
- (iii) Other naturally occurring assets – includes non-cultivated assets, ground water resources and electromagnetic spectrum.
- (iv) Intangible non-produced assets – includes patents, leases and other contracts, and purchased good will.

264. Asset registers must include the following data:

- (a) A Unique asset identification number
- (b) Name, description and type of asset
- (c) Date of acquisition
- (d) Purchase price
- (e) Date of last valuation
- (f) Custodian of asset /Location of asset

- (g) Depreciation rate
- (h) Current value
- (i) Date of disposal
- (j) Disposal value
- (k) Name of organization asset disposed to

265. The Minister of Finance may issue instructions listing thresholds of value and grouping of certain assets for recording in Asset Registers. Typical assets that are grouped together include minor equipment and machinery or items of furniture.

266. The Minister of Finance will advise Chief Finance Officers when non-financial assets are to be recorded in the Treasury Financial Management Information System and manner of recording.

Inventory of Assets

267. Chief Finance Officers will conduct physical inventory of all assets under the control of their organizations at least once a year and ensure that Asset Registers are updated accordingly.

268. All revisions to Asset Registers must be supported by documentary evidence verifying changes to the status of assets, including acquisition, disposal, transfer or loss of assets.

Depreciation of Non-financial Assets

269. At least once a year in January Chief Finance Officers will conduct a depreciation of the values of non-financial assets under their control, and ensure that Asset Registers are updated accordingly.

270. The Minister of Finance will advise spending units of the depreciation rates to be used for re-valuating assets. The Minister of Finance may direct spending units to conduct special depreciation on assets based on inflation or other economic factors.

Reporting Non-financial Assets

271. The Minister of Finance will issue instructions directing spending units to prepare annual consolidated reports on the number, type and value of assets held by their organizations.

XIV. Irregularities in regard to Government money

Report of Irregularities of government money

272. It is the duty of all Finance Officers to report to his Chief Finance Officer, without delay, any incident of loss, shortage, theft or other irregularity in any

cash holding under his control unless the shortage is less than ID25,000, is caused by negligence and has been made good.

273. It is the duty of every government officer to bring to the attention of his Chief Finance Officer, without delay, any circumstances that cause him to believe that there is a suspected loss, shortage, irregularity, fraud or theft of any government money.

Action upon receipt of report

274. Upon receipt of any report of any potential loss of government money, the Chief Finance Officer must inform the Inspector General and arrange independent:

- (a). counts of all cash in the cash holding; and
- (b). checking of all entries and calculations in the Receiver's Cash Statement or other registers.

275. If the shortage is not remedied and the Chief Finance Officer considers that it should be recovered from the responsible officer, he shall ensure his Finance Department records it in the Debit Note Register in the name of the responsible Finance Officer and arrange recovery.

276. Where a discrepancy is discovered in the receipt of a postal remittance and any moneys not originally accepted by the Receiver or Collector, the Chief Finance Officer shall arrange for a further count of the remittance, in the presence of the two receiving officers.

277. After investigation the Chief Finance Officer shall report the reasons for all unresolved discrepancies or losses of government money to the Inspector General and Director-General (Government Treasury).

Action by Director-General Government Treasury

278. Upon receipt of a report of loss of government money under ID500,000 the Director-General Government Treasury shall institute an immediate audit to:

- (a). satisfy himself that the cash holding and Receiver's or Collector's Statement have been satisfactorily checked;
- (b). carry out further investigations that he considers necessary;
- (c). take action as prescribed in Section XVI of these Directions if he considers that the loss was due to the loss of, or interference with, keys;

279. At the conclusion of the audit the Director-General Government Treasury will:

- (a). if theft or other criminal activity is suspected, report the matter to the police immediately. Verbally at first, followed by a written report, copied to the Inspector General and Supreme Auditor;
- (b). recommend to the Minister of Finance to relieve the responsible officer of his duties relating to the cash holding where he considers there is any possibility of the officer being guilty of negligence or criminal activity in accordance with Direction 18;

- (c). report the result of the audit immediately to the Chief Finance Officer and Inspector General of the spending unit concerned. Where necessary, a brief interim report can be made at first followed by a detailed report as soon as possible afterwards; and
- (d). if he considers it appropriate, he should recommend that disciplinary proceedings commence against the responsible Finance Officer.

Report to Minister of Finance

280. Where the loss is not remedied and is over ID500,000 the Chief Finance Officer must make an immediate report to the Director General (Government Treasury) who shall immediately inform the Minister of Finance.

Reports on Misuse of Government Money

- 281.** The Chief Finance Officer should investigate any other alleged misuse of government money.
- 282.** Where the Chief Finance Officer is unwilling or unable to undertake such investigation himself, he should request an investigation by the Inspector General.
- 283.** Any Finance Officer has the right to report directly to the Inspector General, Director-General Government Treasury, or the Supreme Auditor, when he considers it in the public interest to do so. All such reports will be treated in strictest confidence.

Committees of Enquiry

- 284** If the sum lost exceeds ID500,000 or involves a serious misuse of government money, the Minister of Finance will summon a Committee of Enquiry.
- 285.** A Committee of Enquiry shall consist of at least three members appointed by the Minister of Finance. One member will normally be the Director-General (Government Treasury), who should be appointed president, and another a representative of the Inspector General.
- 286.** The Minister of Finance may appoint government officials who are Directors or more senior officers as the other members of the Committee with the exception set out in Direction 287.
- 287.** No officer employed in the spending unit involved or from the Supreme Audit may be nominated to a Committee of Enquiry.
- 288.** The Minister of Finance shall advise the members of the Committee of Enquiry of their nomination as soon as possible and shall specify the time and place at which the Committee will convene for its meeting.

Duties of the Committee of Enquiry

- 289.** The Committee of Enquiry shall make all necessary independent investigations into the circumstances of the loss or misuse. It shall examine all previous reports,

statements and other documents and shall interview such employees as it considers necessary, except that it shall have regard to Direction 290.

- 290.** Where there is a likelihood that criminal proceedings will be brought against a Finance Officer in any way connected with the loss, the Committee of Enquiry shall not interview that Finance Officer.
- 291.** Upon request by the Chief of Police, any member of the Committee of Enquiry having specialist financial knowledge may be co-opted by the Police to assist in consideration of the technical aspects of the case or interviewing the officer.

Report of the Committee of Enquiry

- 292.** Within two weeks of the conclusion of its investigation, the Committee of Enquiry will forward a comprehensive written report to the Minister of Finance.
- 293.** The Committee will include in its report its conclusions as to:
- (a) how the loss or misuse occurred;
 - (b) the degree of negligence, if any, of the Finance Officer responsible for the cash holding;
 - (c) the extent, if any, of any involvement in the loss or misuse by any other officer or other person;
 - (d) any breakdown or inadequacy in the accounting procedures that contributed to the circumstances leading to the loss or misuse; and
 - (e) any necessary comment as to the limitation of their investigation caused by the likelihood of criminal proceedings or other sensitive circumstances.
- 294.** The Committee shall include in its report recommendations, where appropriate, as to:
- (a). whether disciplinary action should be taken against any Finance Officer, except that where criminal proceedings are being taken that disciplinary action shall be limited to suspending the Finance Officer pending the result of his trial;
 - (b). steps that shall be undertaken to prevent a recurrence of a similar loss in the future, in particular with regard to safe custody facilities and checking procedures at the office where the loss occurred; and
 - (c). possible improvements to the accounting procedures.
- 295.** The report shall be made in four copies and signed by all members of the Committee of Enquiry and submitted under confidential cover to the Minister of Finance, with a copy to the Integrity Commission and Supreme Board of Audit. No other copies may be distributed at this stage without the specific written authority of the Minister of Finance.

Action by the Minister of Finance

- 296.** Acting upon the conclusions of the Committee of Enquiry in the case of loss, the Minister of Finance will decide:

- (a). whether the loss shall remain in the item opened in the Debit Note Register in the name of the Finance Officer concerned and shall be recovered in due course from him, or
 - (b). whether any, or all, of the loss shall be recovered from any other officer or person, or
 - (c). whether any, or all, of the loss should be recommended for write off.
- 297.** The Minister of Finance shall, if such action has not already taken place, propose to the responsible Chief Finance Officer whether disciplinary action shall be taken against the Finance Officer.
- 298.** In the case of very serious misuse of government money, the Minister of Finance shall consider any further action required, including a confidential report to the Prime Minister.

XV. Treasury Security Documents

Safe custody of Treasury Security Documents

- 299.** Treasury Security Documents shall comprise all unused Government Treasury Checks, Receipts and Licenses and permits that represent a receipt, and any other document so determined by the Minister of Finance.
- 300.** Holders of Treasury Security Documents shall be determined by the Chief Finance Officer and shall be responsible for their safe custody, registration and control. The Chief Finance Officer shall be responsible for ensuring that all supplies of Security Documents are recorded in a Treasury Security Documents Register and that all subsequent issues of the Documents are also recorded promptly in the Register in accordance with Direction 311.

Procurement of security documents

- 301.** Only the Minister of Finance is authorised to order the printing of new supplies of Treasury Security Documents, such orders to be placed in accordance with procurement procedures.
- 302.** It shall be the responsibility of Chief Finance Officers to ensure that adequate stocks of Treasury Security Documents are maintained at all times by their spending units and that sufficient lead time is allowed for the placing of orders, printing, shipping, clearance formalities and the receipt of new supplies from the Director-General (Government Treasury) or other locations approved by the Director-General (Government Treasury).
- 303.** No order shall be raised for any Treasury Security Document until a review has been carried out to establish if any changes to it are needed.
- 304.** All Security Documents will be pre-numbered.
- 305.** All changes to Treasury Security Documents shall be personally authorised, in writing, by the Director-General (Government Treasury).

Checking and recording of new supplies of Treasury Security Documents

306. The Director General (Government Treasury) is responsible for ensuring that there is a sound system for checking the delivery of Treasury Security Documents against those ordered, the registration and security of all such documents, by spending units.

Issue of security documents

307. Chief Finance Officers in accordance with Direction 302 shall ensure that stocks of Government Treasury Checks, Receipts, special Licenses and other Security Documents are only supplied to those officers having need of such documents and shall ensure that previous stocks supplied to the officers have been used almost completely before issuing further supplies.

308. Authorized Finance Officers shall obtain new supplies of Security Documents by personal attendance at the requisite Government Treasury Office, or other locations approved by the Director-General (Government Treasury), and shall sign the Register as receiving officer at the time of supply. Chief Finance Officers may authorize finance officers of their spending units to obtain security documents on behalf of other finance officers of their spending units.

309. Government officers who cannot make a personal attendance shall make a written application for new supplies of Treasury Security Documents. New supplies of Security Documents to officers shall be sent by safe hand of a responsible officer wherever possible, or by registered post, accompanied by a covering letter referring to the original application for the documents. Officers not collecting Treasury Security Documents in person shall acknowledge receipt of all new supplies of Treasury Security Documents, quoting the serial numbers of the documents received, immediately. The acknowledgment shall be noted in the Treasury Security Documents Register and shall be accepted in place of signature of the receiving officers in the Register.

310. Any Treasury Security Documents found to be defective in any way shall be returned to the supplying officer immediately such a defect is discovered. However, should such a defect not be discovered until the stock has been partially used, the stock shall not be returned to the supplying officer but shall be retained by the receiving officer together with all other exhausted documents. All unused pages of the defective stock shall be endorsed "CANCELLED" and signed by the holding officer, who shall advise the supplying officer of such action together with full details of the discovered defects.

Finance Officer's record of Treasury Security Documents

311. Every Finance Officer, having in his charge Treasury Security Documents, shall maintain a suitable Treasury Security Document Register to record all documents issued to him. Such record shall show the date of receipt into his charge, the first and last serial number of each book received and the dates when the first and last document in each book was used.

Handing over of Treasury Security Documents

- 312.** Except when handing over to an officer relieving him, a Finance Officer shall not transfer any Treasury Security Document to another officer.
- 313.** When handing over takes place between two Finance Officers and security documents are in the charge of the handing over officer, the handing over certificate, to be signed by both officers, shall contain full details of the quantities and the serial numbers of each type of Treasury Security Document on charge. The taking over officer shall sign immediately below the last entry in the requisite Treasury Security Document Register. Such signature shall be evidence that the taking over officer has checked and has agreed the stock of security documents on hand.

Alteration to the format of Treasury Security Documents

- 314.** No alteration shall be made to the pre-printed format of any Security Document except as allowed in Direction 315.
- 315.** Where the Director-General (Government Treasury) authorises a change in the pre-printed format of any Treasury Security Document, the Director-General (Government Treasury) shall (if necessary), pending the receipt of supplies of the newly printed documents, authorise, in writing, the suitable alteration to the Treasury Security Documents already in use. Any such alteration shall be initialled by the Finance Officer responsible for the completion of the document.

Safe custody of Treasury Security Documents in use

- 316.** The Chief Finance Officer shall ensure that all security documents are safeguarded against theft, loss or misuse, in accordance with Section XVI of these Directions.
- 317.** The loss of any unused security document shall be reported to the Chief Finance Officer who shall advise the Director-General (Government Treasury) immediately. A full written report of the circumstances surrounding such loss shall be submitted to the Director General (Government Treasury) as soon as possible, with a copy being forwarded to the Inspector General and the Supreme Board of Audit. The Director General (Government Treasury) will take subsequent corrective action in accordance with special instructions.

Destruction of Treasury Security Documents

- 318.** Copies of Treasury Security Documents shall be destroyed only in accordance with these Directions.
- 319.** Obsolete unused Treasury Security Documents shall be returned to the Director-General (Government Treasury) who will arrange for their destruction, after first notifying the Supreme Board of Audit who will attend their destruction if they so desires. A destruction certificate, as prescribed by the Minister of Finance shall be completed and signed by the two officers delegated to carry out the destruction. The destruction certificates shall detail the serial numbers of all documents destroyed. A copy of the destruction certificate shall be forwarded to the Supreme Auditor, a further copy being placed in the Register of Disposed or Destroyed Security Documents.

XVI. Cash Security

Definition of cash

320. For the purposes of security, "cash" shall be defined as all currency, postage and financial stamps, checks, bank drafts, money orders, postal orders and other negotiable instruments.

Misuse of cash

321. Any Finance Officer, having cash under his control, must not use such cash for any personal purpose or lend or borrow it for any purpose.

Responsibility for cash holdings

322. Each cash holding, , shall at any one time, be in the sole charge of only one Finance Officer who shall be directly responsible for its safe custody, shall have sole access to it and shall have a separate facility for its safe storage in accordance with Direction 326. A duplicate key for the secure facility must be kept at a nominated bank. Duplicate keys may be retrieved from a bank only:

- (a) if the original key has been lost, damaged or is no longer required, and
- (b) with the approval of the Chief Finance Officer.

323. To minimize security risk Chief Finance Officers must ensure that all revenues and other receipts are deposited at the end of each day to the related bank account or to the related Federal Governorate Treasury, or in accordance with specific instructions issued by the Director-General (Government Treasury). Daily deposits of receipted cash holdings must not be delayed unless:

- (a) specifically permitted by the Director-general (Government Treasury); or
- (b) in the case of bank holidays; or
- (c) if moneys are received after the closure of the cash receiving office.

Provision of safe custody facilities

324. It is the responsibility of Chief Finance Officers to ensure that adequate Safe Custody Facilities and insurance coverage, as instructed by the Minister of Finance, is provided to those officers under their control who shall, through the course of their duties, be accountable for any cash.

325. It shall further be the responsibility of Chief Finance Officers to ensure that all due precautions are taken to prevent the loss or theft of such cash. Chief Finance Officers shall give written instructions to their staff on such precautions.

326. All cash in the custody of Finance Officers shall, at all times, be kept in one of the following:

- (a). Strong room;
- (b). Safe;
- (c). Fireproof Cash Box, fitted with a lock; or

(d). Lockable, secure and fireproof drawer or cupboard.

327. There shall be located in offices dealing with large amounts of cash, as determined by the Minister of Finance, a strong room or one or more separate large safes for the safe custody of the main cash stock or reserve cash stocks.

Usage of safe custody facilities for other purposes

328. Any cash that is found in Safe Custody Facilities that cannot be accounted for, shall be considered as accruing to the Government and shall be credited to miscellaneous revenue. The Receiver bringing the item to account shall make a note of the action on the Government Treasury Receipt. If, in due course, the ownership of such cash shall be satisfactorily established as being other than Government, the matter shall be reported in writing to the Minister of Finance who, if he is satisfied as to the facts, has the right to authorise a refund of the cash.

Safe guarding of keys

329. A Finance Officer in possession of a key to a strong room, safe, cash box or drawer shall take all possible precautions against loss or theft of the key at all times. Under no circumstances, except officially handing over to a replacement officer, shall he hand the key to any other person.

Loss of keys

330. If a Finance Officer loses a key to a strong room door, safe, cash box or any other lockable drawer or cabinet used for the safe custody of cash, he shall report the matter immediately to his Chief Finance Officer.

Suspected interference with keys or locks

331. If a Finance Officer suspects that any key in his possession, or any lock of a strong room door, safe or cash box under his control, has been interfered with, he shall take action immediately as in the case of lost keys.

Temporary absence of key holders

332. Where a Finance Officer, having responsibility for a key is temporarily absent from his place of duty, such absence not requiring official hand over procedures, the key shall stay with the responsible officer for the period of absence and no receipts shall be issued until his return.

Handing over certificates

333. When an official handing over takes place between two Finance Officers who are in possession of cash or who are responsible for the keys under their control, the handing over certificate shall be signed by both officers and shall contain full details of such cash and keys.

334. Where an official handing over should have taken place but cannot the Chief Finance Officer shall arrange a "Cash Count" in front of witnesses and establish any surplus or shortfall.

Safe guarding of cash in transit

- 335.** Cash in transit shall always be in the charge of a responsible Finance Officer and carried in a suitable locked container. Any key to such container shall be carried separately by the officer.
- 336.** When cash is being taken to or from the bank the Finance Officer shall take all due precautions for the prevention of loss or theft of the cash. He shall not undertake any other tasks until after the cash has been deposited at the bank or delivered to its destination. Where the amount carried exceeds a level determined by the Minister of Finance the Finance Officer shall be accompanied to the bank by another member of the office staff or a designated security guard.

Cash office security

- 337.** Where a separate cash office is maintained, normal access must be limited to the appropriate Finance Officers only. The door to such an office must be kept locked at all times when cash collection or handling is taking place.

XVII. Financial Records

Maintenance and Completion of Financial Records

- 338.** A Chief Finance Officer must ensure that all accounting documents and records in his responsibility centers are in constant good order, kept up to date and comply with these Directions.
- 339.** Finance Officers are required to use accounting forms as prescribed by these Directions, except where otherwise directed by the Minister of Finance.
- 340.** Accounting forms and registers are determined by the Minister of Finance and Chief Finance Officers may reorder or reprint accounting forms as required.
- 341.** The Minister of Finance shall periodically review accounting forms and make amendments in regard to design, style or format as required.
- 342.** All entries in accounting books, registers or reports, or on accounting forms, shall be printed, typed or written in blue or black ink.
- 343.** All incorrect entries shall be ruled through neatly, the correct entry inserted neatly above and the correction initialed by the responsible Finance Officer. Erasure, writing over the figures or the use of correcting fluid is not permitted.
- 344.** Audited figures and other audit entries in accounting books, registers or reports, or on accounting forms, shall not be altered except by the Inspector General or the Supreme Board of Audit.

Disposal and Destruction of Financial Records

- 345.** Generally all financial records and documents are to be kept until the Inspector General and the Supreme Board of Audit have completed their audits or the periods determined by the Minister of Finance. Retention periods for specific types of financial records are:

- (a). Financial records or documents containing signatures of finance officers or involving actions that led directly to the spending of government moneys, including those on accounting forms issued by the Ministry of Finance for the purpose of conducting financial tasks, shall be kept for a minimum of 10 years from the end of the year of record;
 - (b). Receiver's Statements, registers, monthly trial balances, bank account statements and manual records shall be kept for a minimum of 5 years from the end of the year of record;
 - (c). Printed daily or weekly financial reports shall be kept for a minimum of 1 year from the end of the year of record;
 - (d). Printed monthly and quarterly financial reports shall be kept for a minimum of 2 years from the end of the year of record;
 - (e). Printed final annual General Ledger reports and other final accounts shall be kept indefinitely; and
 - (f). Final annual electronic records of financial databases shall be kept indefinitely.
- 346.** The disposal or destruction of financial records and documents may not take place without the written permission of the Director-General (Government Treasury). Any instruction issued by the Director-General (Government Treasury), Inspector General or the Supreme Board of Audit to retain or otherwise dispose of any record or document shall be strictly observed.
- 347.** Chief Finance Officers shall advise the Director-General (Government Treasury) in writing of their intention to destroy or dispose of financial records and documents in accordance with Direction 346, and shall await the Director-General (Government Treasury)'s approval before destruction or disposal.
- 348.** An Finance Officer shall not proceed with any destruction or disposal action of financial records and documents until he has received the written authorities of both the Chief Finance Officer and Director-General (Government Treasury).
- 349.** The Chief Finance Officer shall maintain a register of all financial records and documents disposed of or destroyed. The register shall include:
- (a). date of disposal or destruction of financial records and documents;
 - (b). description of financial records and documents;
 - (c). method of disposal or destruction;
 - (d). reference details of the authorities required;
 - (e). names of Finance Officers delegated to conduct the disposal or destruction of financial records; and
 - (f). any other relevant information.

XVIII. Miscellaneous

Claims for Payment from previous Fiscal Years

- 350.** Chief Finance Officers may approve claims for payment for goods and services delivered, including unclaimed salary, and not subsequently paid by the Government of Iraq within five years from the end of the year in which the debt was incurred.
- 351.** Claims for payment for goods and services incurred, including unclaimed salary, and not subsequently paid by the Government of Iraq within ten years from the end of the year in which the debt was incurred, must be referred to the Minister of Finance for approval.
- 352.** Claims for payment for goods or services provided in previous fiscal years, including unclaimed salary, must be accompanied by legitimate or certified copies of invoices or other documentation supporting payment.
- 353.** The Chief Finance Officer and the Minister of Finance must be satisfied that such claims for payment are legitimate and not previously paid and where in doubt may request further evidence to support such claims.

Breach of Directions

- 354.** Any breach of these Directions shall be considered a disciplinary offence and must be referred to the Minister of Finance. The Minister of Finance may refer such breaches to the Inspector General or the Supreme Board of Audit at his discretion.

Enactment of Directions

- 355.** These Directions shall come into force on the day of publication in the *Official Gazette of Iraq*.

APPENDIX A. - Accounting Forms

APPENDIX B. - Accounting Registers

Financial and Accounting Management Directions

PURCHASE ORDER

A. Purchase Order

Accounting Location:

Purchase Order Number:

(This section to be completed by Purchasing Committee of Responsibility Center for purchases over ID 100,00)

To: (Name and address of Vendor/Supplier)

Issued By: (Organization)

Please quote Purchase Order Number on all correspondence, invoices and packing labels and outside containers.

Deliver To:

Terms:

30 Days /

Date Required:

Delivery Conditions:

Item No.	Description Catalogue No/Contract No/Invoice No.	Unit	Quantity	Unit Price	Estimated Price

I/We certify that the purchase was conducted in accordance with the of Public Procurement provisions - the purchase has approval of the Chief Finance Officer, the requested goods/services are solely for government use, the cost represents value for money for the Government of the Republic of Iraq, and the supplier has been selected as a result of an accepted quotation or considered the most suitable of three or more independent quotations.

Purchase Cost:

Less prepayment/discount:

1. Total Purchase Cost:

Finance Officer or

Purchasing Committee : _____

(Name, Signature and Date)

B. Purchase Order Approval

(To be completed by Finance Officer (Budget), Copy B to be retained by Purchasing Committee)

Financial Codes

Requisition No.

Commitment No.

2. Approved Commitment

(The amount in 2. must not be less than 1.)

I certify, pursuant to Direction 50, that the Purchase Order has been signed by an appointed Purchasing Committee, the purchase cost does not exceed available funds allocated for the purpose stated and funds have been reserved against the nominated budget item to meet the expense.

Certifying Officer: _____ Signature: _____ Date: _____

I approve this budget commitment, pursuant to Direction 51, on the basis that the proposed expenditure was sanctioned by the Chief Finance Officer, a Purchase Requisition and Commitment have been duly certified and there are sufficient funds available against the nominated budget item.

Approving Officer: _____ Signature: _____ Date: _____

C. Certificate of Goods/Services Received and Payment Request

(To be completed by Purchasing Committee on Copies B & C)

We certify that the specified goods or services have been received in good order and meet the terms of the Purchase Order/Contract, and that the Payment can be properly made.

Receiving Finance

Officer/Committee: _____

(Name, Signature and Date)

Part Delivery:

Final Delivery:

Notes:

Financial and Accounting Management Directions

System Generated Number

EXPENSE VOUCHER AND PAYMENT REQUEST

A. Expense Voucher Request *(This section to be completed by Responsibility Center)* Expense Voucher Number:

Please make the following payment on behalf of **Organization:**
Accounting Location:

Responsibility Center Code: **Regional Location:** **Bank Code:** **Total Payment: 1.**

Fund Code	Economic Code	Project	Ledger Charging Value
<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>
<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>
<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>
<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>
<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>
<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>

General Ledger Off Set Code: **Total Ledger Charges:** *(The amount in 2 must equal 1)* **2.**

B. Payment Request and Approval *(This section to be completed by Responsibility Center)*
 To Accounting Department, please action the following Payment Order:

Pay to Vendor: **Vendor Code:**
For the Purpose of: **The amount of:** *(The amount in 3 must equal 2)* **3.**

I certify, pursuant to Direction 58, that to my knowledge the above Payment Request is supported by valid documentation and that all stated details are correct, and that the Payment can be properly made.

Spending Certifying Officer: _____ **Signature:** _____ **Date:** _____

I approve this Payment, pursuant to Direction 60, on the basis that the expenditure has been sanctioned in writing by the Chief Finance Officer, that it has been duly certified, and that there are sufficient funds available against the nominated budget item to cover the expenditure.

Spending Approving Officer: _____ **Signature:** _____ **Date:** _____

Supporting Documentation: *(Complete appropriate box)*
Purchase Order Number: **Commitment Number:**
Invoice Number: **Invoice Date:**

C. Payment Authorization *(This section to be completed by Spending Organization Accounting Department)*

I authorize this Payment on the basis that the requested expenditure has been duly certified and approved, does not exceed available funds allocated for the purpose stated and there is sufficient cash available in the Bank Account or Standing Advance to make the payment.

Payment Officer: _____ **Signature:** _____ **Date:** _____

Payment Request processed: **Payment Request rejected:** **Check Payment:** **Cash Payment:**
Issued Check Number: **Drawn on account:** **Check mailed/collected:**

D. Payee's Receipt *(This section to be completed by the Recipient where cash or check payment is collected personally)*
 I acknowledge receipt of the amount in Section B as due payment for the provision of contracted goods or services.

Recipient: _____ **Signature:** _____ **Date:** _____

Witness Finance Officer: _____ **Signature:** _____ **Date:** _____

Purchase Requisition Register

Direction 36 (d). For use by Responsibility Centers

<i>Purchase Requisition No.</i>	<i>Date</i>	<i>Total Estimated Costs</i>	<i>Requesting Office</i>	<i>Date posted in FMIS.</i>	<i>Commitment No</i>	<i>Purchasing Committee</i>	<i>Purchase Order No.</i>	<i>Comments/Notes</i>

Commitment Register

Direction 41 (d). For use by Responsibility Centers

<i>Commitment No.</i>	<i>Date</i>	<i>Total Commitments</i>	<i>Payee/ Recipient</i>	<i>Purchase Requisition No.</i>	<i>Date posted in FMIS</i>	<i>Payment Date</i>	<i>Expense Voucher No.</i>	<i>Comments/Notes</i>

Purchase Order Register

Direction 48 (d). For use by Responsibility Centers

<i>Purchase Order No.</i>	<i>Date</i>	<i>Total Purchase Cost</i>	<i>Vendor Details</i>	<i>Contract/ Tender Reference</i>	<i>Description</i>	<i>Delivery Date</i>	<i>Commitment Number</i>	<i>Expense Voucher No.</i>	<i>Comments/Notes</i>

Invoice Register

For use by Responsibility Centers

<i>Date Received</i>	<i>Vendor/Supplier Name</i>	<i>Invoice Number</i>	<i>Invoice Total</i>	<i>Invoice Disputed</i>	<i>Invoice Cancelled</i>	<i>Purchase Order Number</i>	<i>Commitment Number</i>	<i>Expense Voucher No.</i>	<i>Comments/Other Action</i>

Expense Voucher Register

Direction 59. For use by Responsibility Centers

<i>Voucher Number</i>	<i>Date</i>	<i>Total Payment Amount</i>	<i>Vendor/Recipient/Reason for Payment</i>	<i>Invoice/Reference No.</i>	<i>Purchase Order/Contract No.</i>	<i>Commitment No.</i>	<i>Payment Date</i>	<i>Date posted in FMIS</i>	<i>Comments/Notes/Check No.</i>

Journal Voucher Register

Direction 72. For use by Responsibility Centers

<i>Voucher Number</i>	<i>Date</i>	<i>Debits Amount</i>	<i>Credits Amount</i>	<i>Description/Reason for Journal</i>	<i>Invoice/Reference No.</i>	<i>Date posted in FMIS</i>	<i>Comments/Notes.</i>

Register of Revenue Received by Post

Direction 210. For use by Responsibility Centers

<i>Date of Receipt</i>	<i>Sender/Payer</i>	<i>Total Payment Received</i>	<i>Description of Revenue</i>	<i>Signature of officer opening Post</i>	<i>Signature of Witness</i>	<i>Signature of Finance Officer</i>	<i>Treasury Receipt No.</i>	<i>Date of Issue</i>

Debit Note Register

Direction 121. For use by Responsibility Centers

<i>Debit Note Number</i>	<i>Date of Issue</i>	<i>Date of Service/delivery/ Month</i>	<i>Debit Note Type/Amount</i>				<i>Treasury General Ledger Code</i>	<i>Total Amount to be Paid</i>	<i>Date of Delivery</i>
			<i>Employees Advances</i>	<i>Non-Employees Advances</i>	<i>Fees and Charges</i>	<i>Sales</i>			

<i>Date of Reminder</i>	<i>Date Paid</i>	<i>Government Receipt Number.</i>	<i>Notes/Comments</i>

Treasury Security Documents Register

Direction 311. For use by MoF Accounting and Treasury, and Responsibility Centers

<i>Date</i>	<i>Document Type</i>	<i>Document Serial Numbers</i>			<i>Signature of Receiving Officer</i>	<i>Signature of Issuing Officer</i>	<i>Comments</i>
		<i>Stock Received</i>	<i>Stock on Hand</i>	<i>Stock Issued</i>			

Destruction of Financial Records and Documents Register

Direction 349. For use by Responsibility Centers

<i>Date of Destruction</i>	<i>Description of Records</i>	<i>Volume/ Numbers of Records</i>	<i>Method of Destruction</i>	<i>Reference of Authorities</i>	<i>Finance Officers</i>	<i>Other Information</i>

Register of Approved Advances

Direction 86. For use by MoF Accounting and Treasury

<i>Date of Issue</i>	<i>Advance Holder</i>	<i>Purpose of Advance/ Location</i>	<i>Treasury General Ledger Code</i>	<i>Total Amount of Advance</i>	<i>Type of Advance</i>	<i>Bank Account No. of drawn advance</i>	<i>Due Repayment Date</i>	<i>Date of Repayment</i>

<i>Amount Repaid</i>	<i>Treasury General Ledger Code</i>	<i>Notes/Comments</i>

Register of Standing Advances

Direction 88. For use by Responsibility Centers

“Petty Cash Advance – Directorate of Hospitals, Basra”

<i>Payment Date</i>	<i>Description of Payment</i>	<i>Treasury General Ledger Code</i>	<i>Payment Amount</i>	<i>Total Payments to date</i>	<i>Advance received/ replenished</i>	<i>Total Advance</i>	<i>Balance of Advance</i>	<i>Notes/Comments</i>

Assets Register

Direction 263. For Use by Responsibility Centers

<i>Asset ID.</i>	<i>Asset Description</i>	<i>Acquisition Date</i>	<i>Quantity</i>	<i>Unit Price</i>	<i>Total Purchase Price</i>	<i>Last Valuation</i>	<i>Custodian/ location</i>	<i>Depreciation Rate</i>	<i>Current Value</i>	<i>Disposal Date</i>

<i>Disposal Value</i>	<i>Disposal Organization</i>

Collectors Statements of Receiving Receipts

Direction 174 For use by Responsibility Centers

<i>Collectors Statement No.</i>	<i>Collector Details</i>	<i>Collection Period</i>	<i>Banking/Receiving Date</i>	<i>Total Collections</i>	<i>Date posted in FMIS</i>	<i>Comments/Notes</i>

Receivers Statement of Receiving Receipts

Direction 179 For use by Responsibility Centers

<i>Receivers Statement No.</i>	<i>Receivers Details</i>	<i>Collection Period</i>	<i>Banking Date</i>	<i>Total Collections</i>	<i>Date posted in FMIS</i>	<i>Comments/Notes</i>