



**REPUBLIC OF CYPRUS**

**FINANCIAL AND ACCOUNTING  
INSTRUCTIONS**



**TREASURY OF THE REPUBLIC**

ACCOUNTING AND FINANCIAL SERVICES DIRECTORATE

# CONTENTS

	<b>Instruction No.</b>
<b>DEFINITIONS</b>	1
<b>RESPONSIBILITIES OF ACCOUNTANT GENERAL, HEADS OF DEPARTMENTS AND ACCOUNTING OFFICERS</b>	2-5
Accountant-General	2
Financial Responsibility of Heads of Departments	3
Responsibilities Discharging	4
Responsibility of Accounting Officers	5
<b>ESTIMATES OF REVENUE AND EXPENDITURE</b>	6-19
Submission of Draft Estimates	6-7
Expenditure Warrant after adoption of Estimates	8
Applications for Additional Funds	9
Special Warrants	10-12
Supplementary Appropriations	13-15
Daggered Votes	16
Revotes	17-19
<b>REVENUE</b>	20-53
Responsibility of Heads of Departments	21-27
Accounting machines	28
Stamps	29
Safeguard and lodgement of collections	30(a)
Outstations	30(b)
Safes	34
Remittances received through the post	35
Collections on behalf of other Departments etc.	36
Register of Rents receivable and other periodic collections	37
Surprise Cash Surveys	38
Budgetary Controls	39-41
Arrears of Revenue	42
Abandonment of irrecoverable arrears of revenue	43
Cash collections should be in legal tender etc	44-46
Cheques	47-51
Overpayments recovered	52
Write-off of overpayments	53
<b>RECEIPT BOOKS</b>	54-65
F. series receipt forms	55
Requisition of Receipt Books	56-57
Recording of Receipt Books	58-59
Issues of Receipt Books	60
Safecustody of Receipt Books	61
Loss of Receipt Books	62
Cancellation of Receipt Books	63
Unused or partly-used Receipt Books	64
Disposal by Departments	65

	<b>Instruction No.</b>
<b>EXPENDITURE</b>	66
<b>VOTE BOOK AND ALLOTTEES RECORD SHEETS</b>	67-94
Keeping of Vote Book and Allottee Record Sheets	67-71
Allottees Record Sheets	72
Commitments	73-75
Reconciliation of Accounts	76
Crown Agents Indents	77
Registers of Rents Payable & Other Contractual Payments	78
Liabilities	79
Outstanding Liabilities	80-81
Authorisation of Expenditure	82-85
Auctionneers' fees	86
Local Purchases	87-88
Petroleum Products Order	89
Payments against documents	90
Opening of letter of credit	91
Refunds of revenue	92-94
<b>PAYMENTS</b>	95-115
Preparation of Vouchers	95
Summary Voucher	96-100
Loss of Vouchers	101-103
Application for Cash	104-105
Prompt Payment	106-107
Payments outside Cyprus	108
Payments by Cheque	109
Opening the crossed cheques	110
Lost or mislaid cheques	111
Blank cheques	112-113
Cancellation of cheques	114
Stale cheques	115
<b>CASH AND BANK ACCOUNTS</b>	116-122
Government General Account	116
Bank Accounts	117
Cheque Signatories	118-119
Reconciliation of Bank Accounts	120
Surplus Cash	121
Theft of cash etc.	122
<b>SALARIES AND WAGES</b>	123-137
Salary Advices	123
Payment of salaries	124-125
Deductions from salaries	126
Reconciliation of salaries	127-128
Regular Employee's Record Card	129
Time-Books	130
Overtime	131-132
Preparation of Payroll	133-134
Payment of wages	135-136
Register of unclaimed wages	137

	<b>Instruction No.</b>
<b>PENSIONS AND GRATUITIES</b>	138
<b>CONTRIBUTIONS</b>	139-140
<b>TRAVELLING AND SUBSISTENCE ALLOWANCES</b>	141-145
Commuted Travelling Allowance	145
<b>HOSPITALITY ALLOWANCE</b>	146
<b>AMOUNTS DUE TO DECEASED PERSONS</b>	147-149
<b>FEEES AND CHARGES FOR SERVICES RENDERED BY GOVERNMENT TO THIRD PARTIES</b>	150
<b>ADVANCES</b>	151-154
General	151
Departmental Advances	152
Reconciliation of Advances	153
Advances to Officers proceeding abroad on duty	154
<b>DEPOSITS</b>	155-157
General	155
Reconciliation of Deposits	156-157
<b>IMPRESTS</b>	158-167
Issues and repayments of Imprests	159-160
Handing and taking over of Imprests	161-167
<b>ADJUSTMENT VOUCHERS</b>	168-169
<b>PRESERVATION OF BOOKS OF ACCOUNT AND TREASURY RECORDS</b>	170-171
<b>HANDING AND TAKING OVER CERTIFICATES</b>	172-174
<b>ERASURES AND ALTERATIONS</b>	175-176
<b>REPLIES TO AUDIT AND TREASURY OBSERVATIONS</b>	177

## **DEFINITIONS**

1. Every word or term used in these Instructions has, unless the context otherwise requires, the same meaning as that given to it in the Financial Administration Law.
  - (a) “Accounting Officer” is an officer designated as such, having monetary or financial responsibility arising out of the collection, recording and disbursement of public moneys, and any officer or employee, who, notwithstanding his title, does in the course of his duties deal with accounts and financial matters.
  - (b) “Head of Department” means the Director-General of a Ministry, Heads of Independent Offices or Heads of Departments and District Officers.
  - (c) “Officer” means a public officer as defined in the Public Service Law and includes a casual assistant or a contract officer.
  - (d) “Revenue Collection Officer” is an officer or employee who is entrusted with the collection of public moneys.
  - (e) “Receipt” is an official document issued as an acknowledgement for collection of public moneys.
  - (f) “Vote” means a head and a sub-head of the Estimates.

## **RESPONSIBILITIES OF ACCOUNTANT-GENERAL, HEADS OF DEPARTMENTS AND ACCOUNTING OFFICERS**

### ***Accountant-General***

2. (1) The Accountant-General assisted by the Deputy Accountant-General is responsible for:
  - (a) the management and supervision of all accounting operations in respect of all moneys received or paid, of assets administered, and of liabilities incurred by or under the authority of the Republic and, subject to the provisions of the Constitution or any law, shall receive and make all the disbursements of moneys of the Republic, and
  - (b) the exercise of all such powers and the performance of all such other functions and duties as are conferred or imposed on him by law.
- (2) The powers, functions and duties of the Accountant-General may be exercised by him in person or by Officers acting under him and in accordance with his instructions.

### ***Financial Responsibility of Heads of Departments***

3. Heads of Departments have overall responsibility for all financial matters connected with their departments. While this responsibility may be delegated to any other officer, final responsibility remains with the Heads of Departments.

### ***Responsibilities Discharging***

4. In discharging their responsibilities, Heads of Departments should ensure that:
  - (a) all officers or employees to whom responsibility is delegated have clear instructions in writing, defining the extent of the powers delegated to them;
  - (b) an efficient system exists for the control of receipts and expenditure and for the safe custody and care of cash and stores; and

***Responsibility of Accounting Officers***

- (c) resources of staff and materials are employed economically and to the best advantage.
- 5.** It is the duty of an Accounting Officer:
- (a) to ensure that all financial and accounting instructions are duly observed.
  - (b) to make himself acquainted with the provisions of laws, regulations, orders or instructions that are relevant to his duties;
  - (c) to see that proper safeguards exist for the safekeeping of public moneys, securities, stamps, receipt forms and other assets;
  - (d) to produce any documents, books of accounts and registers required for inspection by the Treasury of the Republic and the Audit Office of the Republic;
  - (e) to ensure that revenue is duly and punctually collected and promptly brought to account under the proper heads and sub-heads;
  - (f) to see that all payments effected are authorised in accordance with existing regulations or instructions and are charged to the appropriate heads and sub-heads; and
  - (g) to ensure that no excess is incurred over and above the approved provision and refer any improper or irregular payment to the Accountant-General with a copy to the Auditor-General.

**ESTIMATES OF REVENUE AND EXPENDITURE**

***Submission of Draft Estimates***

- 6.** (1) Draft Estimates of Revenue and Ordinary Expenditure should be submitted to the Ministry of Finance on the prescribed forms by the dates specified in the Annual Budget Circular of the Ministry of Finance.
- (2) Draft Estimates of Development Expenditure should be submitted to the Planning Bureau with copies to the Ministry of Finance on the prescribed forms by the dates specified in the Annual Development Budget Circular of the Planning Commission.
- (3) Copies of Draft Estimates for Personal Emoluments and Proposals for additional staff for both Ordinary and Development Estimates should be sent to the Director, Department of Personnel.
- (4) Draft Estimates and Proposals by Departments should be submitted through the Director-General of the respective Ministry.
- (5) Independent Offices should submit their Estimates and proposals direct.
- 7.** If the Ordinary Budget Law or the Appropriation (Development Fund) Law, as the case may be, have not been adopted by the House of Representatives by the first day of the financial year to which they relate and the House of Representatives has by resolution authorised the meeting of Expenditure as provided in Article 168 of the Constitution, the Minister of Finance authorises expenditure out of the Consolidated Fund or other public funds by means of monthly Expenditure Warrants addressed to the Accountant-General.

*Expenditure  
Warrant after  
adoption of  
Estimates*

**8.** After the Ordinary Budget Law or the Appropriation (Development Fund) Law, as the case may be, have been adopted by the House of Representatives and are enacted as the Budget Law or the Appropriation (Development Fund) Law, respectively, for the financial year to which they relate, the Minister of Finance authorises expenditure provided in these Laws by means of Expenditure Warrants addressed to the Accountant-General.

*Applications  
for Additional  
Funds*

**9.** Applications for the provision of additional funds in the case of Ordinary Expenditure should be submitted to the Ministry of Finance and in case of Development Expenditure to the Planning Bureau with copies to the Ministry of Finance. Such applications should be submitted well in advance of the date the funds are required giving full details as well as the reasons for which this additional expenditure has become necessary.

*Special  
Warrants*

**10.** The incurring of additional expenditure is authorised by the Minister of Finance by means of a Special Warrant issued to the Accountant-General. Pending the issue of such a Warrant no expenditure should be incurred in excess of the budgeted provisions.

**11.** In accordance with the Annual Budget Law and the Annual Appropriation (Development Fund) Law, a statement showing all Special Warrants issued and the circumstances under which they were issued, should be laid before the House of Representatives within one month from the date of the Council of Ministers' authority for their issue.

**12.** Special Warrants issued as a direct charge on the Consolidated Fund, in accordance with Article 166 of the Constitution, can be issued by the Minister of Finance without any reference to Council of Ministers and the House of Representatives.

*Supplemen-  
tary Appro-  
priations*

**13.** Supplementary Appropriation by the House of Representatives is required under the following circumstances:

- (a) when no equivalent savings are available under other sub-heads of the same Head of Expenditure;
- (b) for the creation of a new Head;
- (c) for the creation of a new sub-head even though equivalent savings are available under other sub-heads of the same Head; in these cases the savings are shown on the relative bill;
- (d) when the additional expenditure is not met out of the Contingencies and Reserve Votes.

**14.** Supplementary Appropriation is made by the introduction to the House of Representatives by the Minister of Finance of a Supplementary Appropriation Bill.

**15.** On the enactment of the Supplementary Appropriation Bill by the House, a Special Warrant is issued in the prescribed way. Such Special Warrants do not have to be reported to the House of Representatives.

*Daggered  
Votes*

**16.** (a) No expenditure should be incurred from daggered votes without the authority of the Minister of Finance.

- (b) Where a vote in the Estimates is marked with a dagger (+) this indicates that no expenditure can be incurred until full details of the scheme have been given to the Minister of Finance and his authority obtained in the form of an "Authority to Incur Expenditure" (A.I.E.). In the case of the Development Estimates such details are given to the Planning Bureau.

### ***Revotes***

**17.** The unspent balances of the following expenditure may be revoted either at the time of the preparation of the annual Estimates if the amount to be revoted is known or at the beginning of the new year when the transactions of the previous year have been completed. In the former case the amounts to be revoted should be proposed in connection with the preparation of the annual Estimates whereas in the latter case requests for revotes should be made in accordance with the Circular on Revotes issued annually by the Ministry of Finance.

- (i) Unspent balances of capital expenditure authorised under the Ordinary Budget.
- (ii) Unspent balances of Development expenditure in respect of schemes expected to be completed during any current year.

**18.** The unspent balances of Development expenditure in respect of schemes which are expected to be carried over from one year to another and for which provision has been made in the Development Estimates of the following year for continuation of work will not normally be revoted unless there are strong reasons justifying the need for revoting them.

**19.** Expenditure on Revotes should not exceed the actual unspent balance as at the end of the previous year.

## **REVENUE**

**20.** Revenue means all taxes, royalties, rates, duties, fees, penalties, forfeitures, rents, dues, proceeds of sale and any other receipts of the Government from whatever source arising, over which the legislature has the power of appropriation including loan proceeds.

### ***Responsibility of Heads of Departments***

**21.** It is the duty of Heads of Departments to see that all moneys collected are correctly and promptly brought to account.

**22.** Heads of Departments shall designate officials as "Revenue Collection Officers" who shall be authorised to accept moneys and issue official receipts on their behalf. A list of all Revenue Collection Officers and any changes therein should be furnished to the Accountant-General and the Auditor-General.

**23.** Officers whose duties involve the handling of cash shall be permanent officers but this requirement may be dispensed with, with the prior approval of the Accountant-General under such conditions as may be required by him.

**24.** In case of non permanent officers a security is required either in cash or letter of guarantee signed by one or two solvent guarantors, the amount of which is determined by the Accountant-General subject to a minimum of £1.000.

**25.** Unless otherwise prescribed by the Accountant-General Revenue Collection Officers must issue receipts in the prescribed form for all amounts received by them.

26. Notices requesting the public to demand receipt, should be exhibited at conspicuous places in the Revenue Collectors' Offices.

27. Revenue Collection Officers must use double-sided carbon paper when issuing a receipt.

***Accounting machines***

28. (a) The authority of the Accountant-General is required for the use of any accounting machine.

(b) Where accounting machines are used for issuing receipts, care should be taken to see that these machines have effective built-in controls to safeguard against possible defalcation and embezzlement.

***Stamps***

29. Stamps used to account for revenue or other receipts should be cancelled in the prescribed manner by the responsible officer.

***Safeguard and lodgement of collections***

30. (a) Revenue Collection Officers should record their collections promptly in a Cash Book and lodge them daily into a Bank, the District Office or the Treasury of the Republic as the case may be. Collections should be accounted for by means of a Schedule of Collections form duly supported by copies of receipts and original bank lodgement slips. Where daily lodgements may cause inconvenience applications should be made to the Accountant-General for directions.

***Outstations***

(b) Revenue Collection Officers in outstations may delay lodgement up to a month, provided their total collections do not exceed £25.

31. Collections made by a Sub-Collector on behalf of a Revenue Collection Officer should be promptly recorded in a Subsidiary Cash Book and accounted for at the end of the day to the Revenue Collection Officer against a receipt.

32. Where there is no easy access to a Bank or District Office, collections should be exchanged for Money Orders at a Post Office, if one exists; otherwise, the authority of the Accountant-General should be sought for alternative arrangements.

33. Amounts paid in by individuals should be documented on the prescribed Receipt Voucher if such amounts cannot be documented in the form prescribed in Financial Instruction 30(a).

***Safes***

34. Safes or Safety Cash Boxes are issued to Departments by the Accountant-General, who keeps a record of them, as well as a duplicate key. In the case of combination padlock safes, holders thereof have to send to the Accountant-General on receipt of the new set, its combination in sealed envelope; changes in the combination of damages to safes should similarly be notified to the Accountant-General.

***Remittances received through the post***

35. Where remittances are received through the post, the following procedure should be strictly adhered to:

(a) all incoming mail should be opened by or in the presence of a senior officer who should not be a revenue collection officer;

(b) all cheques, postal orders etc., should be crossed and marked "Not negotiable – Government General Account only";

(c) all remittances should be entered in a "Remittances Register".

(d) a Senior Officer should periodically inspect the Register and initial it accordingly.

***Collections on behalf of other Departments etc.***

**36.** Collections made on behalf of other Ministries/Independent Offices or Departments, should be notified to them on the appropriate form.

***Register of Rents receivable and other periodic collections***

**37.** Rents or other periodic collections should be recorded in appropriate Registers. The Registers should be examined and initialled by a senior officer at frequent intervals to ensure that these are properly kept and collections are not allowed to fall into arrear.

***Surprise Cash Surveys***

**38.** Heads of Departments or their representatives should carry out surprise cash surveys at least once a year on their officers entrusted with the receipt and custody of revenue. The Accountant-General and the Auditor-General should be notified of the surveys carried out.

***Budgetary Controls***

**39.** Allottees Record Sheets and a Departmental Revenue Vote Book should be maintained by all revenue collecting departments.

**40.** Revenue Vote Books should be reconciled monthly with the Treasury Revenue Abstracts and a certificate to this effect be furnished to the Accountant-General with copy to the Auditor-General.

**41.** The date of receipt governs the date of the recording of the transaction in the accounts, and every effort should be made to bring into account all collections in the year to which they relate.

***Arrears of Revenue***

**42.** Heads of Departments responsible for the collection of revenue should furnish to the Accountant-General with a copy to the Auditor-General a Return of Arrears of Revenue on the prescribed form showing the arrears of revenue as at 30<sup>th</sup> June and 31<sup>st</sup> December in each year. If there are no arrears, a nil return should be submitted. The returns should be submitted not later than the 31<sup>st</sup> July and 31<sup>st</sup> January respectively.

***Abandonment of irrecoverable arrears of revenue***

**43.** All applications for the abandonment of irrecoverable arrears of revenue should be forwarded to the Ministry of Finance with copy to Auditor-General and the Accountant-General. Applications should be accompanied by:

- (i) A statement of the reasons for the non-collection signed in each case by the officer who is directly responsible for the collection.
- (ii) A statement signed by the Head of Department that he is personally satisfied that the amounts are irrecoverable.
- (iii) Details of any legal proceedings taken for the recovery of the amounts and, where no legal proceedings were taken, appropriate explanation should be given.

Applications with accompanying correspondence should be submitted in quadruplicate. If the application is approved the Ministry of Finance will forward its approval to the Head of Department concerned and will notify the Accountant-General and Auditor-General accordingly.

*Cash collections should be in legal tender etc.*

**44.** Cash collections should be in legal tender. All notes and coins issued by the Central Bank of Cyprus are legal tender.

**45.** In addition to “legal tender” the following may be accepted:

(a) Postal and money orders approved by the Council of Ministers.

(b) Cheques drawn on a Cyprus Bank (subject to Financial Instruction 47 below).

(c) Bankers’ drafts drawn on a local or a foreign Bank (subject to Financial Instruction 46 below).

**46.** Should an officer accept any means of payment, other than those mentioned above, he will be held responsible for any financial loss thereby caused. Cheques drawn on foreign banks may be accepted only on condition that they will be forwarded duly endorsed, to the Accountant-General, for clearance through Central Bank before a receipt is issued. Should during the clearance any bank charges be required and/or loss in the rate of exchange ensue, these should be charged to the Office Expenses Vote of the Department concerned provided they do not exceed £3. The excess, if any, will be borne by the payee. Post-dated cheques should not be accepted under any circumstances.

*Cheques*

**47.** Cheques drawn on Cyprus Banks may be accepted provided these are not post-dated and are received for amounts due to Government. Revenue Collection Officers will be held personally responsible if cheques accepted by them are subsequently dishonoured.

**48.** If a cheque is dishonoured this will be referred by the Accountant-General to the Head of Department who had originally accepted it for appropriate action.

**49.** Cheques should be issued in the name of the Accountant-General or the appropriate Head of Department. If this is not done in the first instance by the drawer, the Revenue Collection Officer will make the cheque so payable by endorsement.

**50.** Open cheques must be crossed immediately on receipt.

**51.** (a) Private cheques should not be cashed from Government funds.

(b) Cheques in excess of amounts due to Government may be accepted provided the cheques have been issued by Government or Statutory Bodies and the Revenue Collection Officer is satisfied about the identity of the payer.

*Overpayments recovered*

**52.** Overpayments recovered in the same accounting year in which they were made should be credited to the appropriate Expenditure vote out of which the payment had originally been made. Where the amount recovered relates to an accounting year previous to that in which the recovery was made the amount should be credited to Revenue Head “Miscellaneous Receipts” – Sub-head “Overpayments in Previous Years”. Every receipt voucher in respect of overpayments recovered must contain a brief explanation of the circumstances and give reference to the payment voucher or vouchers under which the overpayment was made.

*Write-off of overpayments*

**53.** Applications for the writing-off of overpayments should be submitted to the Ministry of Finance for consideration and approval.

## RECEIPT BOOKS

**54.** All receipt forms should be in bound-book form and should be serially numbered, unless otherwise approved by the Accountant-General. In the absence of special receipt forms the General Receipt form should be used.

### *F. series receipt forms*

**55.** The Accountant-General is responsible for the control of all F.Series receipt forms and no other officer is authorised to requisition from the Government Printing Office the supply of such forms or to obtain such forms from any other source.

### *Requisition of Receipt Books*

**56.** (a) Heads of Departments who require F. series receipt forms, should submit the prescribed Annual Requisition to the Accountant-General prior to the 31<sup>st</sup> July of each year.

(b) While every effort should be made to include all requirements in the Annual Requisition, so as to avoid supplementary requisitions, care should be taken that departmental stocks of receipt forms are not allowed to exceed a year's normal requirements.

**57.** Receipt books should be carefully checked on delivery and any error in the numbering or quantity supplied should be reported immediately to the Accountant-General.

### *Recording of Receipt Books*

**58.** (a) A Register of Receipt Books should be kept in every Ministry, Independent Office and Department.

(b) Heads of Department should ensure that immediately on their receipt all receipt books are recorded in the Register of receipt books and maintain a systematic control over them until the used receipt books are finally accounted for.

(c) Partly-used receipt books should be recorded separately in the Register and be reissued to Revenue Collection Officers within the department in the normal way.

**59.** (a) Revenue Collection Officers should keep a record of all receipt books issued to them, either in a Register or a Revenue Pass Book.

(b) Heads of Departments should ensure that the number of unused receipt books in the possession of Revenue Collection Officers is not in excess of their current requirements.

### *Issues of Receipt Books*

**60.** All issues of receipt books from the Treasury of the Republic should be notified to the Auditor-General. Issues should be made in consecutive order.

### *Safe-custody of Receipt Books*

**61.** Receipt books should be kept under lock and key in a safe place and will be periodically inspected by a responsible officer for ensuring that all unused forms are intact. The stock of receipt books as well as the Register, should be kept by a person who is not a Revenue Collection Officer. Exception to this may only be made in out-stations where there is only one officer.

### *Loss of Receipt Books*

**62.** Loss of receipt books should be reported to the Accountant-General and the Auditor-General without delay. The report should state the full circumstances of the loss.

***Cancellation  
of Receipt  
Books***

**63.** Where it is found necessary to cancel a receipt form all copies bearing the same serial number should remain in the book, and be marked cancelled.

***Unused or  
partly-used  
Receipt  
Books***

**64.** (a) Unused or partly-used receipt books in excess of requirements and any obsolete receipt books should be listed and returned to the Accountant-General – if sent through the post, these should be registered - and the Auditor-General notified accordingly.

(b) Unused receipt books should be taken on charge by the Accountant-General. Receipt books not suitable for further use will, if no longer required for audit purposes, be destroyed in the presence of two Treasury Officers, who will furnish a certificate of destruction to the Accountant-General and the Auditor-General.

***Disposal by  
Departments***

**65.** Used receipt books should be retained by Ministries, Independent Offices and Departments until they are audited. For their destruction, the procedures mentioned in paragraphs 170-171 of the Financial and Accounting Instructions should be followed.

### **EXPENDITURE**

**66.** “Expenditure” includes any payment or charge made for such purposes as the purchase of goods and services by Government, the acquisition of capital goods, the granting of aid and other financial assistance, the payment of subsidies, the repayment of loans and interest thereon, subventions and contributions to different organisations, refunds and drawbacks for taxes and duties and any other payment authorised in the Budget.

### **VOTE BOOK AND ALLOTTEES RECORD SHEETS**

***Keeping of  
Vote Book  
and Allottee  
Record  
Sheets***

**67.** A Departmental Vote Book and Allottees Record Sheets should be kept on the lines set out below for the control of expenditure unless otherwise approved by the Accountant-General.

**68.** As soon as the Estimates for the financial year are received, the various votes and the relative appropriated amounts must be recorded in the Departmental Vote Book, a separate account being kept for every sub-head. Should, by supplementary appropriation or by an allotment, a new subhead be created, a new account must be opened.

**69.** If a supplementary provision is subsequently approved for a subhead, the amount of such supplementary provision must be recorded in the Vote Book. Where savings on one subhead are used towards a supplementary provision for another, the original amounts provided under the sub-head on which the savings are shown must be reduced accordingly.

**70.** The Vote Book will be used to record monthly totals of expenditure incurred under each subhead or allotment, and will be posted from the Allottees Record Sheets. All amounts entered in the expenditure column of the Allottees Record Sheets should be supported by copies of payment vouchers, requisitions etc., for verification purposes.

**71.** Allotment of funds may be made by Heads of Departments by the issue of a Departmental Allotment. The allottee should not incur expenditure in excess of the amount of the allotment.

***Allottees  
Record  
Sheets***

**72.** In cases of allotment of funds the Allottees Record Sheets should be prepared in duplicate, the original to be forwarded to the Accounting Officer of the Ministry/Independent Office or Department soon after the end of each month. In other cases the Allottees Record Sheets should be kept in original only.

***Commit-  
ments***

**73.** A Commitment is any possible charge against a vote or allotment and includes, inter alia, the following:-

- (a) A charge by a Departmental Order Form
- (b) Allotments to officers
- (c) Supplies on Contract. The value of the contract should be entered and each time an invoice is paid the amount should be entered in the clearing column, in addition to being recorded as expenditure.
- (d) Indents
- (e) Any other charge until it is paid.

**74.** Commitments should be entered in the “Commitment” column of the Allottees Record Sheet or in a commitments register without delay. Every entry must show the nature of the commitment and reference should be given for the indent, requisition, correspondence or other document relating to the service. If the actual cost of the article or service is not known, the estimated cost should be entered. Commitments should be recorded to the nearest £1, any amount less than £1 being entered as £1.

**75.** Payments made in respect of a commitment should be entered in the “Expenditure” column of the Allottees Record Sheet as and when the duplicate voucher or requisition etc. is received from the Treasury of the Republic duly numbered and stamped “paid”, the “commitment” column being adjusted and entries on both sides being cross-referenced.

***Reconci-  
liation of  
Accounts***

**76.** After the closing of the accounts for each month, Heads of Departments should see that charges made to votes under their control agree with those shown by Treasury abstracts. It is their duty to see that the reconciliation is carried out, and that any necessary adjustments are made without delay. A certificate to that effect should be forwarded to the Accountant-General with copy to the Auditor-General.

***Crown  
Agents  
Indents***

**77.** Indents should be prepared in quadruplicate and forwarded to the Accountant-General for approval. After approval, the top two copies of the indent should be forwarded by the Accountant-General to the Crown Agents, the third copy to the Ministry, Independent Office or Department concerned and the fourth copy filed at the Treasury of the Republic. Indents should be recorded by Ministries, Independent Offices and Departments in the Indent Register and should be followed up regularly. On receipt of the invoices from the Crown Agents, the Accountant-General should notify the Head of Department concerned of the actual cost per item of each indent.

***Registers of  
Rents Payable  
& Other  
Contractual  
Payments***

**78.** Heads of Departments responsible for the payment of rents should maintain the prescribed Register of Rents Payable. Other contractual periodical payments should be recorded in Registers approved by the Accountant-General.

***Liabilities***

**79.** Heads of Departments are required to arrange prompt payment of all liabilities incurred by them, and, if necessary, creditors must be pressed to submit their claims without delay. The date of payment governs the date of the record of transactions in the accounts, and every effort must be made to discharge all liabilities in the year to which they relate. Payment vouchers for amounts due at the end of a financial year should be submitted to the Treasury of the Republic not later than the date stated in the annual circular issued by the Accountant-General, relating to the closing of accounts.

***Outstanding Liabilities***

**80.** A return of liabilities which remain outstanding on the 31<sup>st</sup> December should be forwarded to the Accountant-General by all Heads of Departments on the prescribed form as early as possible after the end of the year but not later than the 31<sup>st</sup> of January. If there are no liabilities, a “nil” return should be rendered. The returns should be submitted in triplicate and the reasons why the liabilities had not been paid before the closing of the financial year should be stated. The amounts appearing on the returns, when approved as “outstanding liabilities”, will constitute a proper charge for the ensuing year.

**81.** The following need not be shown as outstanding liabilities and do not require special Treasury authority for payment.

- (a) Salaries, Pensions and Allowances
- (b) Remuneration to Chairmen of Village Authorities
- (c) Costs of prosecutions
- (d) Amounts due under the Births and Deaths Registration Laws
- (e) Postal Service Charges for other Administrations for the quarter ending 31<sup>st</sup> December
- (f) Electricity, water, telephone and telegram charges, amounts due for wages and claims for travelling allowances, for the periods specified in the annual circular issued by the Accountant-General
- (g) Any other amounts due to be paid under the provisions of any law

***Authorisation of Expenditure***

**82.** Controlling officers should sign all vouchers involving charges on expenditure votes under their control. A list of controlling officers appears as a supplement to the Estimates. If any other officers are authorised to sign vouchers, the Accountant-General and the Auditor-General should be notified of all such authorisations on the prescribed form “Authority to Sign Vouchers”.

**83.** Officers authorised to sign vouchers for payment are responsible for the accuracy of every detail therein. In particular they should see:

- (a) that the services specified have been duly performed;
- (b) that the prices are either according to contracts or approved scales or fair and reasonable according to current local rates;
- (c) that authority has been obtained as quoted;
- (d) that the computations and castings have been verified and are arithmetically correct;
- (e) that the person/s named on the voucher/s are those entitled to receive payment:

- (f) that the stores etc. have been duly taken on charge;
- (g) that the voucher has been stamped "checked, recorded and the availability of funds certified, and
- (h) that no double payment is involved.

**84.** Officers who have been delegated authority to sign vouchers should sign a statement to the effect that they have read and understood Financial Instruction 83 above.

**85.** In cases of irregular payments made as a result of any incorrect certificate attached to a voucher, the officer who signed the certificate will be held responsible.

*Auctionneers' fees*

**86.** Auctionneers' fees should not be charged to any sub-head of expenditure but should be deducted from the proceeds of the sale, the net amount only being brought to account.

*Local Purchases*

**87.** Except where a departmental requisition form is in use, all purchases must be ordered and vouched for by means of a Local Purchase Order form.

**88.** Receipt of goods should, where possible be acknowledged by a person other than the requisitioning officer.

*Petroleum Products Order*

**89.** Petroleum products should be requisitioned on the prescribed Petroleum Products Order form and payment effected by means of a Payment Voucher.

*Payments against documents*

**90.** In cases of Cash Against Documents transactions of imported supplies (i.e. where payment is made on receipt of documents of title, prior to physical delivery of the goods) payment should be effected by means of the prescribed form. The proforma invoices should always be attached to the original form.

*Opening of letter of credit*

**91.** Requests for the opening of a letter of credit should be submitted to the Central Bank of Cyprus, through the Accountant-General, in triplicate on the prescribed form.

*Refunds of revenue*

**92.** Refunds of any duty, tax or other revenue collected in error in an accounting year as that in which refund is to be made should be charged to the corresponding Revenue Vote.

**93.** Refunds of any duty, tax or other revenue collected in error in an accounting year previous to that in which refund is to be made, and all refunds (irrespective of the date of collection) of any duty or tax levied by law or regulation which was in the first instance correctly collected but has been reclaimed under conditions laid down in the law or regulation will be charged direct to Expenditure under the appropriate refund subhead.

**94.** Refunds under Financial Instructions 92 and 93 should be authorised on the prescribed form by the controlling officer of the respective vote.

## PAYMENTS

*Preparation of Vouchers*

**95.** Payment vouchers should contain full particulars of the service for which payment is made and of the relevant code, tender, authority and expenditure vote. Original invoices and other necessary documents should always be attached to the original copy of the payment vouchers.

*Summary Voucher*

**96.** Payment Vouchers relating to the same expenditure vote should wherever possible, be summarised on a "summary voucher".

**97.** As soon as voucher is paid it should be stamped "PAID" and dated, any supporting documents attached to the voucher being similarly stamped.

**98.** All vouchers and other documents of an accounting nature should be prepared, authorised and receipted in ink (no stamp facsimile signature is acceptable).

**99.** Payment should be made direct to the person, firm or other body named in the voucher but when it is not possible to effect direct payment, the authority under which payment is otherwise made will be attached in original to the voucher. In the case of continuous payments to a bank or a third party, the authority must be forwarded to the Accountant-General for reference.

**100.** Payments should be made on the forms prescribed by the Accountant-General.

***Loss of  
Vouchers***

**101.** If an original voucher is lost, the loss should be reported at once to the Accountant-General and the Auditor-General, giving full particulars of the voucher and the circumstances under which the voucher was lost. In such cases a second payment voucher should not be prepared without the specific authority of the Accountant-General.

**102.** Where payments are made to legal representatives the authorities such as powers of attorney, letter of administration etc., should be attached to the voucher. In case of continuous payments to Banks and third parties reference to such authorities should be given on the vouchers.

**103.** Payments to illiterate payees should be certified by a witness to payment, the appropriate space on the voucher being signed in this respect.

***Application  
for Cash***

**104.** An officer who finds it necessary to obtain cash for the payment of vouchers, which cannot conveniently be paid by an Imprested Officer and which must be taken away to obtain the necessary signatures of payees, should forward to the Accountant-General an Application for Cash in triplicate accompanied by vouchers duly completed in all respects but not receipted.

**105.** The Accountant-General will record the vouchers, stamp them "PAID" and issue the necessary cash to the applicant, who should sign the relevant receipt. The issue of cash should be recorded in the applicant's revenue passbook. The original payment voucher should be used to effect payment and obtain the signatures of the payees. When the necessary signatures are obtained, the applicant should return the payment vouchers, together with his revenue passbook, to the Accountant-General, for clearing the record of issue of cash. If payments cannot be effected within 20 days, the vouchers, together with the cash, should be returned to the Accountant-General and the departmental deposit account credited. In such a case, the Heads of Departments concerned should keep full particulars of unpaid persons to facilitate payment at a later date.

***Prompt  
Payment***

**106.** Ministries, Independent Offices and Departments should prepare payment vouchers immediately after receipt of invoices or other relevant documents. This provision should not, however, preclude the periodical settlement of accounts with persons, corporations etc., having frequent transactions with the Government.

**107.** Payment vouchers should be recorded in the Allottees Record Sheets, stamped as "checked, recorded and the availability of funds certified", initialled and dated accordingly. Any vouchers not paid through Imprests should be forwarded to the Treasury of the Republic without delay. Payment should be effected as soon as possible after the receipt of a duly authorised payment voucher.

*Payments outside Cyprus*

**108.** Payments to creditors outside Cyprus will be arranged by the Accountant-General to whom applications should be made by the Heads of Departments concerned. Such applications will take the form of a duly authorised payment voucher in duplicate which should contain full particulars of the remittance, and the full name and address of the payee. Where there are special circumstances a covering letter should be attached.

*Payments by Cheque*

**109.** Payments should be made by crossed cheques unless the payee signifies in writing or by filling in the prescribed form "Authority for Payment by Open Cheque" that he wishes to be paid so. Details of the nature of service for which payment is made should be given on the Cheque counterfoils.

*Opening the crossed cheques*

**110.** A crossed cheque may be opened by writing the words "Pay Cash" near the crossing and after being signed by two authorised signatories.

*Lost or mislaid cheques*

**111.** When a cheque is reported as lost, stolen, mislaid or destroyed the following procedure should be adopted:

- (a) the payee should submit a written report to the Accountant-General giving full particulars of the cheque and the circumstances surrounding its loss or destruction;
- (b) an immediate request should be made to banks by the Accountant-General to stop payment of the cheque;
- (c) an indemnity certificate should be completed by the payee;
- (d) a replacement cheque may be issued on the authority of the Accountant-General;
- (e) losses or destructions of cheques issued by imprested officers or officers who have been authorised to operate an official bank account should be reported to them for taking action as above.

*Blank cheques*

**112.** Blank cheques should be kept in a safe place under lock and key. Officers will be held personally responsible for any losses sustained by the Government as a result of their failure to take reasonable precautions to safeguard blank cheques in their custody. The loss of blank cheques should be reported at once to the Bank and the Accountant-General.

**113.** Cheques should be prepared in such a way as to preclude the possibility of any fraudulent alterations.

*Cancellation of cheques*

**114.** If it is necessary to cancel a cheque, the word "cancelled" shall be written or stamped across the face of the cheque.

*Stale cheques*

**115.** Uncashed cheques become stale six months after their issue or as otherwise provided on the cheques. Stale cheques may be revalidated by extending the date of their payment and after being signed by two authorised signatories.

## **CASH AND BANK ACCOUNTS**

*Government General Account*

**116.** The Accountant-General operates the Government General Account kept by the Central Bank of Cyprus. Separate records of receipts and payments are kept in the Treasury of the Republic.

*Bank Accounts*

**117.** No officer is allowed to keep an official bank account without the permission of the Accountant-General. Officers who have been permitted to keep official bank accounts are prohibited from overdrawing such accounts and will be held personally responsible

for any bank charges, should they do so. Moreover, they are required to pay by cheque all amounts of £50 up to a maximum of £500, except for the payment of salaries, wages, pensions and travelling and subsistence claims of Government employees. The maximum amount of £500 for payment by cheque may be increased at the discretion of the Accountant- General.

***Cheque  
Signatories***

**118.** Cheques drawn on official bank accounts should be signed by two officers unless otherwise authorised by the Accountant-General. Officers permitted to keep official bank accounts are required to notify the Accountant-General of the names of officers authorised to sign cheques enclosing specimens of their signatures. Care must be taken that the bank is notified through the Accountant-General of all cancellations of authorities to sign cheques. Lists of officers authorised to sign cheques and any changes therein should be forwarded to the Auditor-General.

**119.** Officers withdrawing cash from a Bank should invariably count the money at the bank counter and not on their return to the office. In case of non-compliance, no application for write-off of any shortage will be entertained.

***Reconciliation  
of Bank  
Accounts***

**120.** Officers in charge of official bank accounts should prepare monthly a Bank Reconciliation Statement.

***Surplus Cash***

**121.** Any surplus cash which cannot satisfactorily be explained and adjusted should be credited to revenue.

***Theft of cash  
etc.***

**122.** Whenever a theft of cash or fraud or similar irregularity is suspected to have been committed within a Ministry/Independent Office or Department the case should immediately be reported to Police for investigation. Furthermore the Ministry of Finance, the Auditor-General and the Accountant-General should be notified accordingly through a circumstantial report.

## **SALARIES AND WAGES**

Salaries:

***Salary  
Advices***

**123.** On the appointment of an officer the Head of his Department should forward to the Accountant-General the prescribed form "Notification of first appointment to Government Service". Salaries alterations should be notified to the Treasury of the Republic on the forms prescribed by the Accountant-General and by the 5<sup>th</sup> of each month or any other date fixed by him.

***Payment of  
salaries***

**124.** In the absence of special circumstances, salaries will be paid monthly in arrear on the last working day of each month. The amount of salary payable for part of a month should bear the relative proportion to his monthly salary.

**125.** All officers must draw their salaries locally while resident in Cyprus. If serving abroad, or if on course or on scholarship abroad, other arrangements may be made by the Accountant-General on the request of the officer concerned through his Head of Department.

***Deductions  
from salaries***

**126.** In the absence of special circumstances necessitating immediate payment, all amounts due by officers on account of contributions, advances, rents, etc. will be collected from their salaries.

***Reconciliation  
of salaries***

**127.** Heads of Departments are responsible to see that no unauthorised charges are made to their personal emoluments expenditure vote, by careful scrutiny and reconciliation of the monthly payroll forwarded to them by the Treasury of the Republic. A certificate to

that effect should be forwarded to the Accountant-General with a copy to the Auditor-General.

**128.** Departments should keep for each monthly paid officer the prescribed Monthly Paid Officers Record Card and for each casual assistant a Casual Assistants Record Card which should be kept up-to-date and forwarded to the receiving Ministry/Independent Office or Department in case of transfer.

Wages:

***Regular  
Employee's  
Record Card***

**129.** Government Labour Employing Departments should keep up-to-date the prescribed Regular Employee's Record Card for each regular employee.

***Time-Books***

**130.** Foremen in charge of works will be responsible for keeping time-books for recording the attendance of labourers in the prescribed manner as to prevent unauthorised alterations. Officers in charge of works should make frequent checks in the field to ensure that time books are properly kept. At the close of the pay period each foreman will complete the time sheet in duplicate and sign the attendance certificate. The time sheets should be cross-referenced with the Payroll and kept for audit purposes.

***Overtime***

**131.** Overtime will be shown on a separate time sheet and the word "OVERTIME" will be written in block letters at the top of the sheet.

**132.** Ministries, Independent Offices and Departments authorising overtime will attach to the Payroll a certificate that the claim is correct and that the overtime was necessary and duly authorised.

***Preparation  
of Payroll***

**133.** The foreman or time-keeper should, where possible, prepare the Payroll and forward it together with the original time sheet to Departmental Headquarters. Alternatively, Payrolls will be prepared at Departmental Headquarters.

**134.** Payment will be made by a responsible officer who will normally be a Pay Officer. Foremen and time-keepers will not be permitted to pay their own labourers but if circumstances render it necessary for the foreman or time-keeper to pay, the reasons should be recorded on the Payroll.

***Payment of  
wages***

**135.** Wages should be paid direct to the persons entitled to receive them, but in the following cases payment may be made to persons other than the payee:

- (a) to a person producing a written request by the payee whose signature or mark is duly attested;
- (b) to the Chairman or member of a village authority on his signing a certificate of wages received as an acknowledgement and undertaking to pay the person concerned. Such certificate should be attached to the payroll, a separate certificate being used for each payroll.

**136.** On handing over cash as in Financial Instruction 135(b) above, the paying officer will give to the Chairman or member of the village authority a certificate of Wages Paid. If payment is not effected within a period of one month the above certificate of wages paid duly endorsed to the effect that the payee could not be found, should be posted to the paying officer.

***Register of  
unclaimed  
wages***

**137.** All unclaimed wages shown in the "pay undrawn" column of the payroll as well as those returned by village authorities should be recorded in the Register of Unclaimed Wages. Amounts returned will be credited to "Deposits - Unclaimed Wages" account.

Unclaimed wages will be paid on the "Unclaimed Wages" voucher.

## **PENSIONS AND GRATUITIES**

**138.** Pensions and gratuities papers for the computation of pensions and gratuities awarded under the Pensions Laws, the Public Service Regulations or the Regulations governing the terms of employment of Government labourers and casual assistants should be submitted to the Accountant-General by Heads of Departments at least two months prior to the date of retirement or resignation of the officer and in any case not later than the date on which the officer goes on leave prior to retirement or resignation.

## **CONTRIBUTIONS**

**139.** The various contributions of the officers or labourers ect. payable under the various Laws or Regulations, (Social Insurance Fund, Central Holiday Fund, Medical Treatment Scheme, Government Regular Employees Provident Fund etc.) should be deducted from their pay and credited to the proper Deposit Accounts. The accounting procedure is set out in Circulars issued by the Accountant-General from time to time.

**140.** Officers responsible for the preparation of wages payrolls should be conversant with the laws, regulations and circulars pertaining to such contributions.

## **TRAVELLING AND SUBSISTENCE ALLOWANCES**

**141.** Travelling and subsistence allowances are payable in accordance with the relevant Public Service Regulations and Instructions issued from time to time.

**142.** Subject to the provisions of Financial Instructions 143 travelling expenses are charged to the expenditure vote of the Ministry/Independent Office or Department in which the officer is serving unless otherwise directed by the Ministry of Finance.

**143.** Officers other than those of the Law Office travelling as witnesses in connection with criminal proceedings, will charge their expenses to Head "Judicial" Sub-head "Costs of Prosecutions". Such travelling claims will be passed for payment by the Head of the Department to which the officer is attached, provided that the claim is duly supported by a certificate signed by a Registrar of a Court.

**144.** Heads of Departments are responsible for ensuring that expenditure on travelling is confined within the approved limits of the expenditure and that travelling is done in accordance with relevant regulations and instructions issued from time to time.

**145.** Commuted travelling allowances are approved by the Ministry of Finance and paid monthly in arrear. The allowance should not be drawn in respect of periods of absence from duty exceeding:

- (a) six working days in any month, or for periods aggregating more than 17 working days in any year, when the week consists of 6 working days. In such cases the reduction in the travelling allowance is calculated using a factor of 1/25 for each day of absence.
- (b) five working days in any month, or for periods aggregating more than 14 working days in any year, when the week consists of 5 working days. In such cases the reduction in the travelling allowance is calculated using a factor of 1/21 for each day of absence.

*Commuted  
Travelling  
Allowance*

In both cases any monthly reduction of the allowance, will be taken into consideration for the calculation of the allowance concerning periods of absence that exceed a total of 17 and 14 working days, respectively, during the year.

## **HOSPITALITY ALLOWANCE**

### *Hospitality Allowance*

**146.** The holders of certain senior posts may be paid a hospitality allowance for light refreshment or entertainment expenses incurred in their official capacity and at rates approved from time to time by the Ministry of Finance.

## **AMOUNTS DUE TO DECEASED PERSONS**

**147.** Heads of Departments authorising payments due to deceased persons should first ascertain:

- (a) whether the estate duty, if any, has been paid;
- (b) whether the deceased left any heirs, and if so obtain particulars of their names and ages;
- (c) whether any of them are heirs under disability or under age within the meaning of section 2 of the Administration Law, Cap. 189, or are absent from Cyprus.

**148.** If Financial Instruction 147 (c) is applicable it should be ascertained if any person has been appointed to administer their estates, and if so the share of such heirs should be paid to the executor or administrator.

**149.** If there is no executor or administrator of the estate of the deceased the amount should be paid to all the heirs, who should give a joint receipt, or to any of them if duly authorised by the others to receive payment and to sign the receipt therefor.

## **FEES AND CHARGES FOR SERVICES RENDERED BY GOVERNMENT TO THIRD PARTIES**

**150.** Fees and charges for services rendered by Government to private persons, organisations, bodies etc. are approved from time to time by the Ministry of Finance.

## **ADVANCES**

### *General*

**151.** Advances are payments which cannot be charged directly to an expenditure vote or amounts advanced by Government to individuals or Statutory Corporations for certain purposes. Such payments are charged on the approval of the Accountant-General to Advance Accounts. The procedure to be followed for the approval and issue of advances is set out in the Financial Administration Law.

### *Departmental Advances*

**152.** Advances which are not recoverable direct by the Accountant-General should be charged to Departmental Advance Accounts for recovery by the Ministry/Independent Office or Department concerned in accordance with the terms of the advance.

### *Reconciliation of Advances*

**153.** Heads of Departments should keep an "Advances Ledger" in which to record the various advances and at the end of each month to reconcile the balances of such advances with those shown by the Treasury of the Republic. In this respect, they should forward to the Accountant-General and Auditor-General, half-yearly, a list of all outstanding advances. The list of the second half-year should contain details and explanations for each advance.

*Advances to  
Officers  
proceeding  
abroad on  
duty*

**154.** Advances to officers proceeding abroad on duty, should be settled within 30 days after their return.

## **DEPOSITS**

*General*

**155.** Where circumstances are such as to preclude a direct credit to a revenue vote the amounts collected should be credited to Deposit Accounts. Heads of Departments should take care that no amounts are accepted as deposits without adequate reason. For the opening of new Deposit Accounts the approval of the Accountant-General is required.

*Reconciliation  
of Deposits*

**156.** Heads of Departments should keep a "Deposits Ledger" in which to record the various deposits and at the end of each month to reconcile the balances of such deposits with those shown by the Treasury of the Republic. In this respect Heads of Departments should forward to the Accountant-General and the Auditor-General, half-yearly, a list of all outstanding deposits. The list of the second half-year should contain details and explanations for each deposit.

**157.** Deposits should not be retained for a longer period than is necessary. Any deposits remaining unclaimed for period of five years should on the approval of the Accountant-General be written off to revenue. Unclaimed deposits up to the amount of £5 may be written off to revenue before the end of the period of five years on the approval of the Accountant-General.

## **IMPRESTS**

**158.** If it is necessary of an officer to have at his disposal for disbursement on the Public Service money for which vouchers cannot conveniently be presented direct to the Treasury of the Republic for payment, he will receive an imprest for such amounts as the Accountant-General may sanction. Heads of Departments should satisfy themselves that the proposed imprest holder, if a casual assistant, furnishes such security as may be prescribed from time to time by the Accountant-General.

*Issues and  
repayments of  
Imprests*

**159.** The Accountant-General's sanction for the issue of the Imprest will be conveyed to the Head of Department by an Imprest Warrant. Issues and repayments of imprests will be brought to account under the heading "Imprests".

**160.** Imprests issued for a certain period should be repaid on or before the last date of the period stated. Where no period is stated imprested officers are not required to repay their imprests by the end of the year but should submit their paid vouchers not later than the 31<sup>st</sup> December so that they may be included in that year's accounts. Those keeping a bank account should ask their bank to forward to the Auditor-General with a copy to the Accountant-General a certificate showing the balance of their account at the end of the year.

*Handing and  
taking over of  
Imprests*

**161. (a)** An imprest may be issued either by name or by title. Subject to Financial Instructions 161(b) and (c) below it may be handed over to another officer on the signing of the handing and taking over certificate. Copies of this certificate should be forwarded to the Accountant-General and the Auditor-General.

(b) Imprests issued by name should not in any circumstances be handed over to another officer, but must be retired in full, if the amount of the imprest is £500 and over.

(c) No handing over of an imprest as a permanent arrangement should be made to another officer without the approval of the Accountant-General.

**162.** Imprested officers are strictly forbidden from issuing personal advances or making any unauthorised payments out of their Imprests.

**163.** All issues and retirements of imprests should be recorded in an "Imprest Ledger" at the Treasury of the Republic. All imprested officers should keep an Imprest Cash Book in which to record their receipts and disbursements. The amount of Imprest issued should be recorded by the Treasury of the Republic in the Imprest Pass Book of the imprested officer.

**164.** When an imprested officer finds it necessary to replenish his funds, he should forward to the Treasury of the Republic under cover of an Application for Reimbursement of Imprest, vouchers for the sums expended from his imprest together with an analysis of his payments. Subject to the vouchers being in order, the Treasury will in due course issue cash to the value of the vouchers submitted.

**165.** On the last day of each month imprested officers should forward to the Accountant-General a statement showing their imprest transactions which will be filed at the Treasury of the Republic.

**166.** If an imprested officer receives money other than in reimbursement of his imprest, he will not use such money for imprests but will forward all amounts so received to a revenue-collecting officer. Where an imprested officer is also a collecting officer, he should take care not to mix the money of his imprest with the revenue collections.

**167.** At the close of the financial year, should an imprested officer find that vouchers paid by him are not accepted by the Accountant-General for purposes of reimbursement, owing to any query or other cause in respect thereof, the imprested officer should:

- (a) explain any query arising and duly return the vouchers to the Accountant-General before the closing of the accounts;
- (b) where it is not possible to clear the query prior to the closing of the accounts, refer the vouchers to the officer controlling the appropriate chargeable vote for inclusion by him in his list of outstanding liabilities.

### **ADJUSTMENT VOUCHERS**

**168.** Cash transactions between departments are prohibited. Any transfers of money from one account to another and corrections of accounting errors should be effected by means of an adjustment voucher.

**169.** The following procedure should be adhered for the preparation, authorisation, circulation and noting of adjustment vouchers:

- (a) the Ministry/Independent Office or Department originating the adjustment will prepare sufficient copies for despatch to all other Ministries/Independent Offices or Departments the accounts of which will be affected by passing such an adjustment;
- (b) the Ministry/Independent Office or Department originating the adjustment voucher should give sufficient information about the entry to the adjusted, number and date of the Cash Book Entry etc., as well as sufficient explanation justifying admission of such an adjustment;
- (c) the original and the duplicate copy of each adjustment voucher should be forwarded to the Accountant-General for approval. The original will be retained in the Treasury of the Republic and the duplicate copy duly numbered and approved will be returned to the originating Ministry/Independent Office or Department;

- (d) the originating Ministry/Independent Office or Department on receipt of the duplicate copy will insert the number of the adjustment voucher on the other copies already prepared and forward them to the Ministry/Independent Office or Department concerned for retention and recording the transaction in their allottees record sheets.

**PRESERVATION OF BOOKS OF ACCOUNT  
AND TREASURY RECORDS**

**170.** The following table sets out the minimum periods prescribed for the preservation of the financial records:

<u>Books or Records</u>	<u>Minimum period</u>
(a) Principal Treasury Ledgers, Cash Books and Principal Journals	10 years
(b) Abstracts and subsidiary journals and records	5 years
(c) Vouchers and receipt books	5 years
(d) Special ledgers and records and Loan Registers	5 years
(a) Establishment and salary records which may be required for superannuation purposes	5 years
(b) Receipt books used for the collection of fixed fees	2 years

**171.** The destruction of such records after the lapse of the minimum periods prescribed above should be made on the approval of the Accountant-General. In no case should records or documents be destroyed before they are audited.

**HANDING AND TAKING OVER CERTIFICATES**

**172.** Whenever an officer hands over his responsibility for cash, stamps, stores or other books controlled through a Register of Receipt Books to another officer, the Head of the Department concerned should ensure that a handing and taking over certificate in the form shown below is duly completed and signed by the officers.

**Handing and Taking over Certificate**

I, .....  
hereby certify that I have handed over and I .....  
..... hereby certify that I have taken over the balance on the  
account of the ..... amounting to:

	£
Balance in bank as shown in Cash Book	.....
Cash in hand	.....
	=====

Handed Over .....  
Title .....  
Dated .....

Taken over .....  
Title .....  
Date .....

**173.** The original of the handing and taking over certificate should be kept at the Ministry/Independent Office or Department concerned. Copies of it should be forwarded to the Accountant-General and the Auditor-General.

**174.** If any discrepancy is revealed at the time of the taking over, the fact should be reported immediately to the Head of the Department concerned who will inform the Accountant-General and the Auditor-General accordingly.

### **ERASURES AND ALTERATIONS**

**175.** No erasures are permitted in books of account and on other financial records. Should it be necessary to make any alterations, the incorrect entries should be struck out neatly (but not obliterated) and the correct entry inserted and initialled by the officers making the correction. Officers are strictly forbidden to alter audited figures without the express permission in writing of the Auditor-General or to alter any figure on a voucher without reference to the signatories, whose initials to the alteration should be obtained.

**176.** Officers, other than those employed in the Audit Office of the Republic, are not permitted to use green ink or pencil in account books, on vouchers, or on any other official records of an accounting nature.

### **REPLIES TO AUDIT AND TREASURY OBSERVATIONS**

**177.** Heads of Departments should ensure that above observations are promptly answered and in any case not later than the expiration of two months from the date of receipt. If under any circumstances a reply within the period prescribed above is not possible, the Auditor-General and the Accountant-General, as the case may be, should be informed of the reasons for the delay.