



MINISTRY OF FINANCE AND PLANNING
30 NATIONAL HEROES CIRCLE
P.O. BOX 512
KINGSTON
JAMAICA

ANY REPLY OR SUBSEQUENT REFERENCE SHOULD BE
ADDRESSED TO THE FINANCIAL SECRETARY AND THE
FOLLOWING REFERENCE NUMBER QUOTED.

Telephone No. 92-28606-15

April 4, 2006

Circular No. 17

File No. 107/022

Division : Public Expenditure Policy Coordination Division

Permanent Secretaries
Heads of departments

**Re: Guidelines for Budgetary, Financial and Accounting Arrangements Consequent
on the changes in Portfolio Responsibilities of some Ministries**

Permanent Secretaries and Heads of Departments are hereby advised of the following budgetary, financial management and accounting arrangements consequent on the recent changes in portfolio responsibilities of ministries.

Budget & Warrant 2006-2007

- (1) The budgets of ministries, departments and agencies (MDAs) for F/Y 2006/2007, will be prepared on the basis of the recently announced changes in portfolio responsibilities.
- (2) For the months of April and May 2006 warrants will be issued based on the 2006/2007 Vote-on-Account Provision to the heads in existence as at the 31st March 2006.
- (3) Warrants based on the approved budget for F/Y 2006/2007 will be issued after the Appropriation Act is passed.

Bank Accounts 2006-2007

- (4) Warrants for April and May 2006 will be transferred to the 2006-2007 bank accounts of ministries & departments which existed under the 2005/2006 budget

and shall be used to meet expenditure of the subject areas normally financed by them.

- (5) The following heads will be outgoing in 2006-2007 and existing bank accounts will not be funded after May 31, 2006 :-

- (a) Ministry of Land and the Environment – Head 5800
- (b) Ministry of Water and Housing – Head 6300
- (c) Ministry of Transport & Works – Head 6500

- (6) Outgoing ministries must prepare a schedule of the expenditure incurred under the various subject areas of responsibility during the period April to May 2006 and submit same to the relevant new ministry for incorporation in the accounts.

- (7) The 2005-2006 bank accounts of the outgoing ministries may be utilized for period 13 payments in the normal manner. However, the remaining balances in these accounts must be surrendered to the Consolidated Fund as soon as possible and the accounts properly reconciled and closed.

- (8) The deposit bank accounts of the outgoing ministries must be closed by transferring balances to the relevant new ministry deposit account by June 1, 2006.

- (9) The salaries bank accounts of the outgoing ministries may be operated for the months of April 2006 and May 2006 but must be reconciled and closed as soon as the salaries bank account of the new ministry has been established.

- (10) Imprest and Advances in respect of the outgoing ministries must be surrendered and/ or cleared by June 1, 2006.

Advances- Payments on behalf of other ministries

- (11) Ministries other than the outgoing ministries who make payments in respect of subjects that have being transferred to new ministries must treat these payments as advances and must submit a schedule to the relevant ministry for reimbursement by **June 31, 2006**.

Inventory of Assets

- (12) Outgoing ministries must submit an inventory of all their assets such as motor vehicles, office equipment, furniture etc. no later than April 28, 2006. (NB. proposal for transfer/reassignment of these assets must be submitted to this ministry for approval).
- (13) Items of equipment such as cheque signing machines should be properly secured and kept in a secure facility for inspection of the auditors.

Cheques and Other Records

- (14) Physical stock of unused cheques of outgoing ministries must be packaged, sealed and retained for inspection by the auditors thereafter, they must be destroyed in accordance with the provision of MOF Circular # 6, Ref 107/110, dated July 12, 2002.
- (15) Stock of invoice order books and receipt receipts books must be checked and may be reassigned to new ministries through the use of a proper handing over certificate.

Appropriation Accounts

- (16) The Ministry of Housing, Transport and Works shall be responsible for the preparation and submission of the Appropriation accounts for the outgoing Ministry of Transport and Works and the Ministry of Water and Housing for F/Y 2005/2006, and all prior years.
- (17) The Office of the Prime Minister shall be responsible for the preparation and submission of the Appropriation accounts for the outgoing Ministry of Land and the Environment for F/Y 2005/2006, and all prior years.


Organisational Restructuring

- (18) Where, on account of changes in subject areas of responsibility, greater synergy and economy can be obtained through organizational restructuring, this should be referred to the Office of the Cabinet.

Conclusion

Each Permanent Secretary and Head of Department is asked to ensure that this circular is brought to the attention of all relevant officers in his/her ministry or department.

In the event that there is a need for further clarification on the contents of this circular, please contact the Public Expenditure Policy Coordination Division of this ministry.


Colin Bullock
Financial Secretary