



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

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MINISTRY OF FINANCE AND THE PUBLIC SERVICE
30 NATIONAL HEROES CIRCLE
P.O. BOX 512
KINGSTON
JAMAICA

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Circular No. 2
File No. 107/022

Classification 'O'
Division: Public Expenditure Policy Coordination

Accounting Officers
Principal Receivers of Revenues
Chief Executive Officers
Heads of Department
Chairmen, Board of Directors

Financial Statements

The attention of Accounting Officers, Principal Receivers of Revenues, Chief Executive Officers, Chairmen, Board of Directors and Heads of Departments is invited to:

- (a) The Financial Administration and Audit (FAA) Act; Section 24I
- (b) The FAA Act, Financial Management (Ministries and Departments) Regulations No. 55.
- (c) Public Bodies Management and Accountability Act (PBMA); Sections 3, 22 & 23 and Parts I, II & III of the Second Schedule
- (d) FAA Act, Executive Agencies Financial Instructions; Section 13.2.3 and
- (e) FAA Act, Instruction 7.72.

concerning the preparation and submission of financial statements.

The 2007/2008 Auditor General's Report shows many entities failing to submit their annual accounts within the statutory deadline. This situation seriously undermines the propriety, probity, accountability and transparency of public funds. Further, it hinders proper financial management and decision-making, both at the micro and macro levels.

The Government of Jamaica has given its commitment to effect improvements in fiscal responsibility and public financial management. Consequently, the annual accounts for all public sector entities for F/Y 2008/2009 and the years hereafter **must be submitted within the statutory deadline**. In order to ensure the timely submission of monthly and annual financial statements the following measures will be put in place, with effect from **April 1, 2009**: -

- (1) Payments under FAA Act Section 24L (i.e. "Period 13 payments") will be discontinued. Ministries, Departments and Agencies (MDAs) must ensure that as far as possible, all bills, invoices and commitments are settled within the current financial year.
- (2) Entities that are required under Section 19A(4) of the FAA Act to surrender unspent balances to the Consolidated Fund must make an initial surrender on or before April 30, 2009, leaving adequate funds to cover unrepresented cheques, bank and other charges.
- (3) Strong disciplinary action will be taken against Accountable Officers who have caused deadlines for the submission of monthly, quarterly, semi-annual, and annual accounts to be missed.
- (4) A Financial Management Performance Rating System (FMPRS) has been established for rating public sector entities on a wide range of financial management activities which includes timely submission of monthly and annual statements and final accounts. (NB. This document will be released shortly).

Attached is a register of the monthly, quarterly, semi-annual and annual statements and accounts to be submitted by entities in accordance with the various laws, regulations and instructions with effect from April 1, 2009. Strict attention must be placed on the date for submission and the required format of the statements.

This Circular supersedes MOF Circular 15, Ref 107/022 dated October 23, 1992 and Instruction 7.72 of FAA Act Instructions.

The Public Expenditure Policy Coordination Division of the Ministry of Finance and the Public Service may be consulted for any matter pertaining to the financial statements of ministries, departments and agencies, while the Public Enterprises Division shall be contacted on matters pertaining to the financial statements of public bodies.

Accounting Officers, Principal Receivers of Revenues, Chief Executive Officers and Heads of Departments are asked to ensure that this Circular is distributed to all relevant officers in their ministry, department, agency or public body.

Sharon Crooks

Financial Secretary
Sharon Crooks (Mrs.)