

**VICE PRESIDENT IN CHARGE WITH THE MINISTRY OF
FINANCE
DIRECTORATE GENERAL FOR PUBLIC ACCOUNTING AND
TREASURY
GENERAL TREASURY OF THE COMOROS**

**Instruments for more selective
expenditure procedures and more
precise accounting entries**

A: Expenditure regulatory framework

- ❑ Ministerial order no. 01-14/ CE regarding Public Accounting.
- ❑ Framework law no. 05-11/ PU regarding the Government's financial operations;
- ❑ Decree on budgetary and accounting nomenclature – accounting plan;
- ❑ Treasury Plan.

These texts apply at Union and Autonomous Islands' level.

B- Main execution tools

- Limits on appropriations
- Budgetary and accounting nomenclature
- Public procurement rules and procedures

1-Expenditure execution procedures

- **B1-1:** Expenditure after authorisation;
- **B1-2:** Expenditure before authorisation;
- **B1-3:** Imprest accounts

They involve:

- the appropriation administrator at ministry level;
- the goods and services provider;
- the financial controller;
- the Budget Director General.

C- Expenditure after authorisation

1- Applying the rules of procedure and monitoring the expenditure process from commitment to payment phase.

Phases:

- 1) A ministry's commitment administrator submits to the financial controller a commitment request issued by a goods or service provider.
- 2) The financial controller either accepts or refuses to authorise the expenditure.

If the expenditure is authorised: the file is forwarded to the Directorate General for Budget.

- 3) The Directorate General for Budget issues a commitment form in 5 copies.
- 4) The commitment administrator settles the commitment after having assessed the supporting documents.
- 5) The Budget Director General issues the payment order.

2) Expenditure before authorisation (requisitions)

- 1) The use of this procedure should be avoided since it is considered an exception
- 2) Expenditure should follow the normal procedure (traceability and transparency)
- 3) **The authorising officer's role in preserving budgetary discipline should be respected**
 - 1) Establishing an ongoing dialogue between authorising officer and accountant
 - engaging more effectively with the authorising officer in order for the latter to send to the Treasury only expenses that can be settled
 - postponing certain types of expenditure if these do not have a social impact and avoiding accumulation of arrears

D- Imprest accounts

- Imprest accounts do not exist
- All expenditure respects budgetary procedures.

E- The processing of expenditure at Treasury level

Comprises different phases:

- ❑ Authorisation of payment order (stamp with “considered as eligible”) ;
- ❑ Accounting entries:
 - Orders are registered when they become accounting entries
 - This guarantees coherence between expenditure and accounting entries

F- Payments

- ❑ The “considered as eligible” stamp represents the authorisation of payment
- ❑ The sending of the order to the Treasury is the equivalent of the payment decision.
- ❑ Accumulation of payment arrears.
- ❑ Delays in payment can exceed one year.

G- Types of payment settlements

Cash

- Preparation of entry forms
- Registration in the cash blotter

Transfers-cheques

- Preparation of entry forms
- Issuing of transfer order or cheque

SITUATION OF AUTHORISED (AGGREGATED) EXPENSES UNTIL MARCH 2014

Ministères	Prévisions	Salaires	Biens & services	Transferts	Dettes	Intérêt	EQUIP	Total
Assemblée Uni	659,9	316,5	208,4	0	0	0	0	525,0
Cour Suprême	137,2	20,8	23,5	1,7	0	0	0	46,1
Cour Constitut.	187,9	123,3	24,9	0	0	0	0	148,2
Présidence	4 771	2,581,8	1,048,	68,3	0	0	0	3 699
Santé, Solidarité	1 732	782,4	4,123	166,7	0	0	120,6	1 074
Justice, Public service	722,1	639,9	34,0	15,6	0	0	22,7	712,3
MIREX	839,8	790,1	22,5	0	0	0	0	812,6
Finances, Eco	984,8	665,7	27,9	46,0	0	0	0	739,7
Production	531,1	531,1	893	10,0	0	0	0	125,5
Education	104,6	442,8	79,6	394,9	0	0	0	917,5

SITUATION OF AUTHORISED (AGGREGATED) EXPENSES UNTIL MARCH 2014

Ministères	Prévisions	Salaires	Biens & services	Transferts	Dettes	Intérêt	EQUIP	Total
Poste, TIC	88,2	56,9	0	0	0	0	0	56,9
Aménagement	104,6	81,8	364	0	0	0	0	82,1
Intérieur	965,6	393,9	218,5	175	0	0	0	787,5
Emploi, Travail	62,7	42,0	4,3	0	0	0	0	46,3
Charges Com	10 601	128,7	2 226	448,8	137,9	149,5	491,4	3 583
TOTAL GENE	23 791	7 182	3 924	1 327	137,9	149,5	634,8	13 356

II - Management of fiscal revenues (Taxes-Customs)

The procedure is the following:

1. The Customs or the Taxation authority collect the revenues and book them in their accounting.
2. On the same day, the collected amounts are transferred to the Treasury account opened at the Central Bank.
3. The next morning, the Central Bank sends the proof of payment to the paymaster general who proceeds to booking the amounts.
4. At the end of the month, the Customs and the Taxation authority reconcile their collected revenues with the Treasury.
5. The Treasury budgets the amounts.

A- Debt management

- ❑ Debt is not registered with the Treasury;
- ❑ The Treasury only receives the payment orders issued for the repayment of debt;
- ❑ After an evaluation, the Treasury proceeds to the externalisation of funds.

B- Computerisation

- ❑ The balance processing chain is computerised (Public service - Budget and Treasury) ;
- ❑ Computerisation does not comprise accounting entries (by hand) ;
- ❑ Comprehensive and transparent;
- ❑ Not all financial information is publicly available.

C- Controls

- Reinforcement of internal controls:
 - The Inspectorate-General for Finance conducts several audit missions during the exercise.

- External controls
 - An Accounts Department has been created. The revenue and expenditure accounts for the years 2011, 2012 and 2013 have been presented and are now being audited.

Thank you very much
for your attention.