



FINANCIAL ADMINISTRATION MANUAL



Revised Date: November 2017	Effective Date: Immediate	Responsible Agency: Office of the Comptroller General	Directive No: 100
Chapter: Financial Systems			
Directive Title: CHAPTER INDEX			

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Issue Date: September 2009	Effective Date: Immediate	Responsible Agency: Comptroller General	Directive No: 101
Chapter: Financial Systems			
Directive Title: FINANCIAL CODING SYSTEM			

1. POLICY

S.4 (1) of the *Financial Administration Act (FAA)* authorizes the Financial Management Board (FMB) to act on matters relating to controlling and recording financial commitments, assets, liabilities, revenues and expenditures of the Government. S.12 (2) of the *FAA* requires the Comptroller General to establish the form and content of financial records and accounting systems for the Government.

It is the policy of the Government to record financial transactions using a hierarchical coding system that allows for the capture and reporting of financial information in a manner that meets the legal and managerial requirements of departments and the Government as a whole.

2. DIRECTIVE

All financial transactions of departments shall be recorded using the financial coding system developed by the Comptroller General. For the purpose of this directive, financial transactions shall include commitments and budgeting.

3. PROVISIONS

3.1. The Comptroller General shall ensure that the financial coding system used in the Financial Information System:

- a) provides for the preparation of the Public Accounts;
- b) provides the information necessary for departments and program managers to manage the financial affairs of their departments or programs; and
- c) provides for measurement or comparison of actual results to the Estimates and Supplementary Appropriations approved by the Legislative Assembly.



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- 3.2. The Deputy Head, in conjunction with the Executive Finance Officer, shall ensure that personnel involved in financial operations are familiar with the financial coding system developed and maintained by the Office of the Comptroller General.
- 3.3. The Comptroller General is responsible for maintaining the codes used in the Financial Information System and all changes to the coding system must be approved by the Office of the Comptroller General.
- 3.4. Departments shall maintain an appropriate level of consistency and comparability when using the financial coding system so as to ensure meaningful information is available for financial reporting purposes.



Issue Date: September 2009	Effective Date: Immediate	Responsible Agency: Comptroller General	Directive No: 102
Chapter: Financial Systems			
Directive Title: ACCOUNTING SYSTEMS			

1. POLICY

S.4 (1) of the *Financial Administration Act (FAA)* authorizes the Financial Management Board (FMB) to act on matters relating to controlling and recording financial commitments, assets, liabilities, revenue and expenditures of the Government. S.12 (2) of the *FAA* requires the Comptroller General to establish the form and contents of financial records and accounting systems for the Government.

It is the policy of the Government to maintain a centralized accounting system that shall contain, process and control the financial transactions of the Government in a manner that meets the legal and managerial requirements of departments and the Government as a whole.

2. DIRECTIVE

All financial transactions of departments shall be recorded in the centralized accounting system either directly or through control accounts as a summary batch entry from an approved secondary system.

The Government's central accounting system, as well as secondary systems used by departments, must have adequate controls to ensure the completeness, accuracy and validity of the information provided by such systems

3. PROVISIONS

3.1. Centralized accounting system

- 3.1.1. The Government's central accounting system is used to produce the Public Accounts as well as the information required by managers to fulfill their responsibilities and obligations under the *FAA*. As such, the system must maintain financial data on the accrued accounting basis and provide for commitment control.

- 3.1.2. In order to facilitate management decisions, it is imperative that financial transactions are processed in a timely manner for reporting purposes. Departments are responsible for ensuring that the data entered in the Government's central accounting system is kept up to date and transactions are entered on a timely basis.
- 3.1.3. Departments are responsible for ensuring that employees using the Government's central accounting system are adequately trained and knowledgeable in the operation of the system.
- 3.2. Secondary systems
 - 3.2.1. Any secondary system that produces financial information that is to be entered in the Government's central accounting system must be approved by the Office of the Comptroller General prior to implementation.
 - 3.2.2. Departments are responsible for informing the Office of the Comptroller General about the intention to procure systems that will produce financial data that will be entered in the Government's central accounting system. The Office of the Comptroller General must be informed prior to committing the funds to procure the system.
 - 3.2.3. Secondary systems used by departments to record financial information that is required to produce the Public Accounts, must be capable of producing information that can be entered in the central accounting system. This information may be entered manually or electronically.
 - 3.2.4. Where a department is responsible for a secondary accounting system or some element of a secondary system, the department involved is responsible for the information provided by the system.



Issue Date: September 2009	Effective Date: Immediate	Responsible Agency: Comptroller General	Directive No: 103
Chapter: Financial Systems			
Directive Title: RECORDING TRANSACTIONS			

1. POLICY

The government is committed to ensuring all financial transactions adhere to generally accepted accounting principles. A basic requirement of financial management is an acceptable method of accounting to provide a framework to record, track, analyze and report on financial transactions. The accepted method of accounting to be used within the government is accrual accounting.

2. DEFINITION

2.1. Accrual accounting: Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred. The entries recognize the receipt of an asset or service and record a liability of the government to pay for these goods and services. Entries also record accounts receivable and revenues for amounts due to the government for goods or services provided according to an approved agreement or contract.

3. DIRECTIVE

All transactions shall be processed on a timely and accurate basis using accrual accounting.

Deputy Ministers shall ensure that their departments conform to this Directive and its Provisions.

4. PROVISIONS

4.1. All transactions must be included in the accounting period to which they apply.

4.2. Cash transactions must be processed and recorded promptly.



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- 4.3. Commitment accounting, an activity used to assist in appropriation control, must be followed in accordance with Directive 709.
- 4.4. All financial transactions must be coded in accordance with Directive 101.
- 4.5. Any exceptions to this directive must be approved by the Comptroller General.