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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.