

The Republic of Rwanda

**Manual of Government Policies and Procedures:
Consolidation of Public Accounts**

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1 Introduction

1.1 Overview

The Government of Rwanda (GoR) has embarked on building its public finance management system. As part of this programme, the Organic Law was gazetted on 12th September 2006. Together with the associated Ministerial Order No. 002/07 setting out Financial Regulations, the Organic Law is geared to bring about important changes in the way the public finance management system operates.

The cornerstone of the Organic Law is the decentralization of most elements of public financial management from the Ministry of Finance and Economic Planning (MINECOFIN) to the various budget holders/reporting entities – Central Government Ministries, Commissions, Agencies, Boards, and Local Government districts and provinces. The Law clearly states the responsibilities of the Chief Budget Managers, including preparation of financial statements at Budget Agency level. However, under the direction of the Accountant General, MINECOFIN retains the responsibility for preparing GoR's consolidated financial statements basing on financial reports obtained from the various reporting entities. In addition, the Accountant General is responsible for the performance of the accounting system in Government, including the development and implementation of appropriate written policies and procedures to nurture sound accounting practices in Government.

Accordingly, the Ministry of Finance and Economic Planning (MINECOFIN) has issued the Manual of Government Policies and Procedures in Financial Management & Accounting setting out detailed operational policies and procedures which provide guidance at the transaction level. The Manual is in four (4) volumes as follows:

- 1° Volume 1: Setting out financial policies and procedures;
- 2° Volume 2: Prescribing the uniform chart of accounts throughout government;
- 3° Volume 3: Covering books of accounts, book-keeping and accounts; and,
- 4° Volume 4: Dealing with financial reporting requirements and procedures.

In compliance with the OBL and the Financial Regulations, MINECOFIN embarked on a massive training and capacity building exercise targeting all government accountants to enable the Budget Agencies maintain proper accounting records, prepare and submit their financial reports in accordance with the Law. Since financial year ended 31 December 2006, significant progress has been made, including preparation of financial statements at individual budget agency level, establishment of the central treasury general ledger and consolidation of government-wide public accounts. The preparation and submission of timely, accurate and complete financial statements by each budget agency is a key milestone in the Public Financial Management Reforms (PFMRs) strategy. There is also progress towards full compliance to International Public Sector Accounting Standards (IPSAS) Modified Cash Basis.

This manual compliments the Financial Management & Accounting manuals already issued. The manual provides guidelines at various stages in the consolidation of public accounts. It consists of the following sections:

Section 1: Introduction (this section)

Section 2: Procedures under central treasury

Section 3: Procedures at budget agency level

Section 4: Overall consolidation at national level

1.2 Definitions

The following definitions are applicable in the consolidation of financial statements

- a) Consolidated financial statements – are the financial statements of an economic entity presented as that of a single entity (ref IPSASs);
- b) In this context, GoR is an economic entity which controls many related entities in Central government, local government and development projects;
- c) Economic entity – means a group of entities comprising a controlling entity and one or more controlled entities;
- d) Controlling entity – is an entity that has one or more controlled entity (ref IPSASs); and
- e) Controlled entities – is an entity that is under the control of another entity (known as the controlling entity).

1.3 Legal basis for consolidation

Consolidation of Public Accounts is governed by several legal and ministerial pronouncements. The include;

- Article 35 of Ministerial Order No 002/07
- Article 70 of the Organic Law N°37/2006 of 12/09/ 2006 on State Finances and Property
- Article 71 of the Organic Law N°37/2006 of 12/09/ 2006
- Article 2 (20) of the Ministerial Order N°002/07 of 9 February 2007
- Article 31 Ministerial Order No 002/07

In the sections that follow, we highlight the specific instructions under each of the above pronouncements:

Article 35 of Ministerial Order No 002/07

Preparation of Annual Reports

- All Chief Budget Managers shall submit their budget agencies financial reports to the Accountant General within 30 days of the fiscal year end
- The Accountant General shall prepare annual financial statements for each fiscal year to be submitted to the Auditor General by March 31 of the following year
- Other public entities shall prepare their annual financial statements and submit them to the Auditor General by March 31 of the following year
- The reporting currency is the Rwandese Franc

Article 70 of the Organic Law N° 37/2006 of 12/09/2 006 on State Finances and Property requires budget agencies to submit annual reports which include all revenues collected or received and all expenditures made during the fiscal year, as well as a statement of all outstanding receipts and payments before the end of the fiscal year.

Article 2 (20) of the Ministerial Order N°002/07: The annual financial statements shall be prepared using the "modified cash basis" of accounting as defined by Article 2 (20) of 9 February 2007 relating to Financial Regulations

Modified cash basis of accounting (as defined by Article 2 (20)) means financial transactions are recognized in the books of account as follows:

- Transactions are generally recognized only at the time the associated cash flows take place;
- The expenditure on acquisition of fixed assets is not capitalized. Thus fixed assets are written-off on acquisition and the wear and tear (depreciation) of those assets is not recorded in the books of account; and
- Prepaid expenditure/advances are written-off during the period of disbursement.

Article 34 Ministerial Order N°002/07

The layout of the financial statements will ensure that the following information is clearly shown:

- expenditure made under each appropriation;
- revenues categories, including tax revenues, non-tax revenues, domestic revenues, domestic financing, grants, and foreign financing; and
- assets and liabilities.

Article 31 Ministerial Order No 002/07

The Accounting Standards of the Government of Rwanda will adhere, to the extent possible, to the International Public Sector Accounting Standards (IPSAS) developed by the International Federation of Accountants (IFAC).

1.4 Requirements as per IPSAS

The International Federation of Accountants — Public Sector Committee develops accounting standards for public sector entities referred to as International Public Sector Accounting Standards (IPSASs).

The Committee recognizes the significant benefits of **achieving consistent and comparable financial information across jurisdictions** and it believes that the IPSASs play a key role in enabling these benefits to be realized.

The adoption of IPSASs by governments will improve both the **quality and comparability** of financial information reported by public sector entities around the world.

IPSAS has been accommodated within the GoR model report template in the following areas:

- format of the financial statement;
- notes to the financial statements; and
- accounting policies applied, to the extent possible

1.4.1 Consolidation requirements under IPSAS

According to IPSASs the following consolidation procedures should apply;

- a) cash balances and cash transactions between entities within the economic entity should be eliminated in full;
- b) when the financial statements used in a consolidation are drawn up to different reporting dates, adjustments should be made for the effects of significant cash transactions that have occurred between those dates and the date of the controlling entity's financial statements. In any case, the difference between the reporting dates should be no more than three months;
- c) consolidated financial statements should be prepared using uniform accounting policies for like cash transactions. If it is not practicable to use uniform accounting policies in preparing the consolidated financial statements, that fact should be disclosed; and
- d) The consolidated financial statements should only reflect transactions between the economic entity and other entities external to it. Accordingly, transactions between entities within the economic entity are eliminated to avoid double-counting.
- e) A controlling entity (in this case GoR) should issue consolidated financial statements which consolidates all controlled entities, foreign and domestic;

1.4.2 Mandatory disclosures in consolidated financial statements:

The following disclosures are required as a minimum requirement:

- (a) a listing of significant controlled entities including the name, the jurisdiction in which the controlled entity operates (when it is different from that of the controlling entity); and
- (b) the reasons for not consolidating a controlled entity.

1.4.3 Other requirements under IPSAS

Comparative information should be disclosed in respect of the previous period.

Cash receipts and payments arising from transactions in a foreign currency should be recorded in an entity's reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the receipts and payments.

Cash balances held in a foreign currency should be reported using the closing rate.

1.5 Consolidation format

The GoR has adopted the following format for its consolidated report and financial statements;

PART I: Consolidated Financial Statements

Section 1: Overall consolidated Financial Statements;

Section 2: Financial Statements for the Central Treasury;

Section 3: Financial Statements for Central Government Entities;

Section 4: Financial Statements for Local Government Entities;

Section 5: Financial Statements for Development Projects;

Section 6: Statement of Government investments;

Section 7: Statement of Public Debt; and

Section 8: Statement of Contingent Liabilities and Government guarantees.

PART II: Budget Execution Report

Section 1: Overview of Budget execution report;

Section 2: Revenue budget execution; and

Section 3: Expenditure budget execution.

Appendices

Appendix 1: List of budget agencies and projects included in the consolidation

Appendix 2: List of budget agencies omitted in the consolidation

2 Procedures under Central Treasury

2.1 Overview

The Central Treasury General Ledger is the record of the Ordonnateur Tresorier Account (OTR), the principal government account from which disbursements are made to Government ministries, agencies, provinces, districts, projects and other institutions supported by the Government. The account also receives central government revenues from tax and non tax sources, including collections by RRA, and inflows from Development partners.

Successful updating of the Central treasury ledger ensures efficient and accurate consolidation through;

- Verifying smartgov information by conducting the bank reconciliations between the Central treasury ledger and the OTR bank statements. The verification ensures that smartgov includes all payments through OTR account;
- Providing cash transfers and direct payments data to budget agencies after the verification of data to ensure that the agencies have recorded all disbursements from the Government;
- Verification and classification for tax and non revenues as per the budget; and
- Verification of disbursements and repayments of various classes of public debt.
- Preparation of the central treasury statement of receipts and payments for consolidation with budget agencies;

Also key in the consolidation process are special accounts which receive money directly from donors and disburse to budget agencies. These special accounts should also be updated and the transactions therein included in the Central treasury statement of receipts and payments.

2.2 Consolidation procedures carried out at the Central Treasury

Consolidation procedures at the Central Treasury can be categorised into two broad categories:

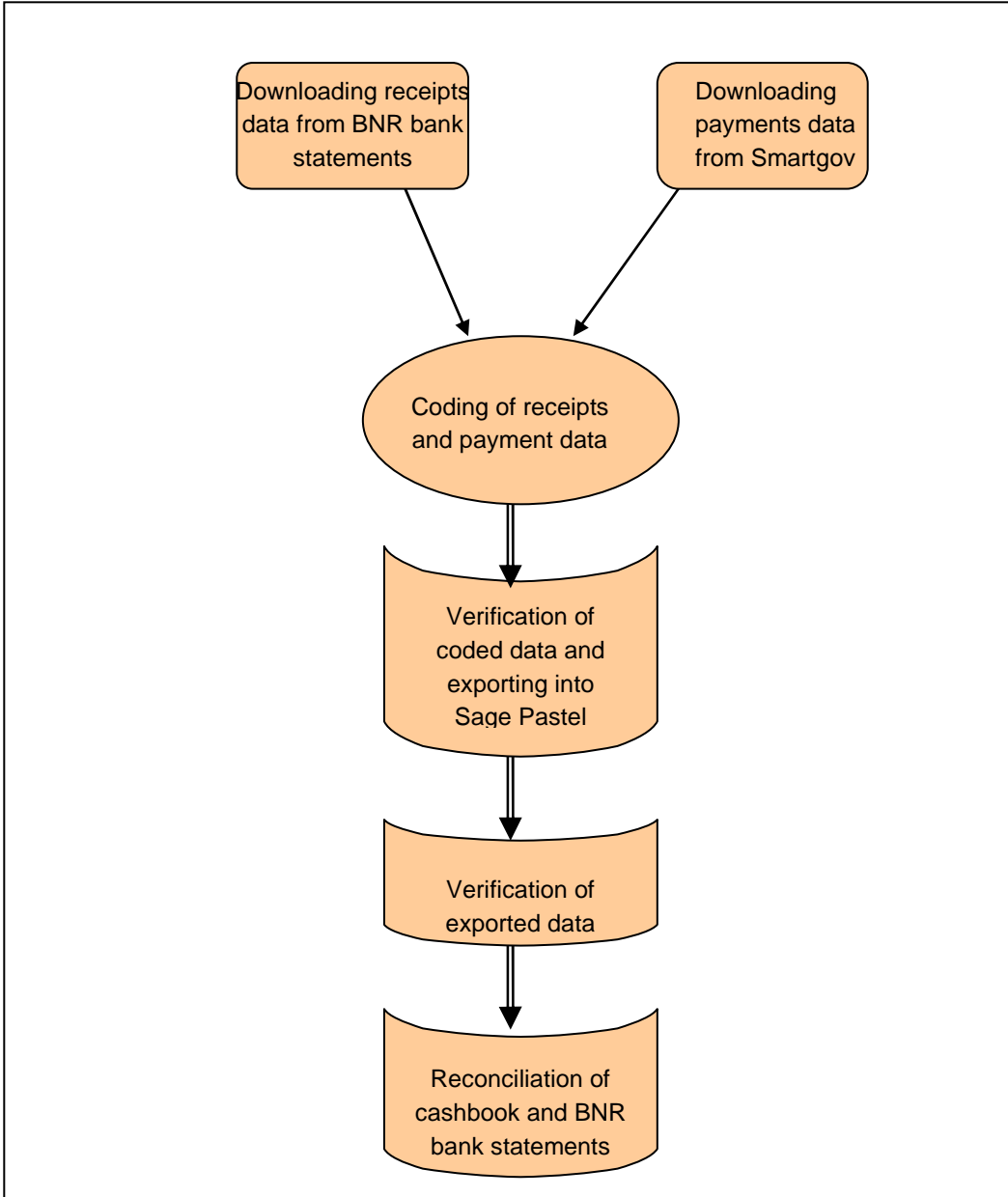
(a) Routine processes - procedures conducted during the year; and

(b) Period processes - year-end consolidation procedures

2.2.1 Procedures conducted during the year

During the year the Central Treasury Ledger and other special accounts need to be updated on an ongoing basis as transactions occur. It is recommended that transactions for each month should be posted in one batch culminating with the preparation of the bank reconciliation statements. The updating process for each month should be done latest by 15th day of the following month. Updating of the Central Treasury Ledger involves the process set out in the diagram below;

The process of updating the Central Treasury General Ledger



The steps illustrated above are detailed here below;

- **Downloading data on payments and receipts:** Payment data is obtained from smartgov, the Government budget management system, where all payments are recorded online. This avoids duplication of efforts in keying in the data afresh. The data is imported from Smartgov in form of an excel worksheet for ease of manipulation with the help of smartgov coordinator. Receipts data is obtained from the OTR soft copy bank account statements. The OTR bank statements are obtained from the BNR website link. Before using the bank statements they are first verified for accuracy where they are compared with the hard copies to ensure that they mirror each other. Soft copies bank statements are preferred for ease of manipulation.
- **Coding of the payments and receipts data:** Once data is obtained, the spreadsheet is formatted and standardized by removing the unnecessary columns. Only the date, description, OP number and amount columns are retained after which a code column is inserted where the code is inserted. The Central Treasury General Ledger has a number of ledger accounts that are allocated different codes depending on their nature. A list of codes available in the Central General Ledger also referred to as the chart of accounts is in appendix 4. To facilitate coding of payments all budget agencies have a code for cash transfers and direct payments. For receipts there are codes for donors, different tax and non tax revenue accounts. There are also a number of other transactions that require different coding for example suspense items. The model journals entries in Appendix 5 details the journal entries to be made for different transactions.
- **Verification of coded data and entering/exporting the coded data into Sage Pastel:** Data is usually verified to ensure that the coding was accurate; the coded data is then replicated into a standard exportation template. Exportation templates are used instead of keying the data afresh in Sage Pastel, a process which could be prone to many human errors. A sample exportation template is in Appendix 6. When the template is ready the sage pastel exportation function is used to do the importing into the Central Treasury General Ledger. In case of errors, these are highlighted by the system for ease of correction.
- **Performing OTR Bank reconciliations:** When all the data has been uploaded the reconciliations are performed between the OTR bank statements and the Central Treasury General Ledger data. This reconciliation involves the following;
 - Verification of the softcopy bank statements; this involves comparing the softcopy OTR bank statements from the BNR website with the hard copy bank statements. This ensures that the softcopies are a reflection of the official hard copies of the bank statements;
 - Netting off contra entries in the bank statements; before using the bank statements to do the comparison, transactions appearing both as receipts and as payments should be eliminated. These entries are usually passed to reverse erroneous payments. The contra entries as thus not necessary and are also not recorded in the Central Treasury Ledger thus their elimination. However, before elimination, it is important to make reference to the support documentation provided by BNR.
 - Editing the format of the Bank statements data to facilitate comparison; In view of the large volume of transactions, comparison between the Central Treasury Ledger and the Bank statement is done using the Pivot Tables and V-look excel functions. For successful use of these excel functions, the data need to be comparable. Since the recording of OP

numbers in the bank statements is not uniform the soft copies bank statements are edited to enable comparisons with the Central Treasury Ledger using the OP number as the reference. There are other payments that don't have OP numbers for example credocs, treasury bill repayments, APCs and other payments, these payments segregated both in the soft copy bank statements and Central Treasury Ledger and are classified into the different categories ready for comparison.

- Downloading Sage Pastel data and comparing with the bank statements; Data from Central treasury ledger is downloaded and edited to only include the OP number, date and amount column. Pivot tables are then set for the edited data having only the OP number and amount columns. This procedure consolidates all payments relating to one OP under one entry. Comparison of the pivoted Central Treasury Ledger and the bank statements data is done using the V look excel function. The comparison identifies transactions missing from each side. Reconciling items from the comparison include; OPs missing paid by bank but missing from the Central Treasury ledger, outstanding OPs yet to be paid by the bank, Unknown OP numbers, salary OPs, bank errors, exchange differences and bank charges.
- For OPs that are paid by the bank and are not in Central treasury ledger clarification whether the OP is in the bordereaux website of OPs is necessary to find out whether it is an omission by the central treasury ledger or a bank error by BNR. If the OP is in bordereaux website then the OP should be added into Central Treasury Ledger, otherwise if it is not, then the bank might need to provide proof of the instructions to pay.
- Where the OPs have different amounts in Central Treasury ledger and in the bank statements reference is made to the bank statements first to segregate the bank charges effects, then foreign exchange differences are calculated for OPs relating to foreign currency payments. Some of the differences can also relate to outstanding OPs. Determination on whether a difference relate to foreign exchange or an outstanding amount has to be made depending on the amount and nature of transaction, and with reference to support documents. The computed bank charges and foreign exchange differences are then journalized and uploaded in Central treasury ledger.
- Salary transactions are special because the payment requests are sent to the bank without the OP reference. Thus when the bank pays, the OP reference is not indicated in the bank statements. To compare salary transactions the smartgov coordinator gives a list of OPs that relate to salaries. These OPs are segregated from other OPs and compared with the total salary payment amounts reflected in the bank statements. When the list provided by the smartgov coordinator does not agree with the amount paid by the bank then reconciliations are done between the smartgov information and the information sent to MINECOFIN by MIFOTRA with reference to the hard copies of signed support documents. This reconciliation is done with the assistance of the smartgov coordinator.
- The bank sometime omits the OP reference of some transactions. This makes it hard to do reconciliations. Thus clarification of the transaction references has to be sought from the bank to enable comparison.
- Comparison of non OP payment transactions; Non OP payment transactions include external debt repayments, Bills of exchange, RRA transfers, letters of credit, treasury bills repayments, bonds repayments, demonetization expenses, salaries and APCs. Because

of lack of a comparable reference then comparisons are done manually after classification is complete.

- After the above comparisons, the necessary adjustments are made in sage Pastel. Errors in the bank statements are accounted for in the bank reconciliation statement and followed up with BNR for rectification.

There are other tasks that need to be performed monthly, these are;

- Reconciliation of the smartgov data with the Central Treasury Ledger data. This will involve reconciling the data institution by institution. The expected reconciling items of this exercise are the non cash OPs from FER and Demobilization project. This is because these are not OPs that are expected to be paid by BNR and thus are not recorded in the Central Treasury Ledger. Any other reconciling items should be resolved.
- Performing reconciliations between the RRA revenue figures and the amount deposited in the OTR account in BNR. This involves a reconciliation of the revenues RRA claims to have deposited in the OTR account per their monthly returns and the amount actually reflected in the bank statements. Any discrepancies are resolved with reference to RRA and BNR responsible officers.
- RRA has been contracted by FER to collect road toll and other dues on their behalf. Accordingly, RRA transfers funds to FER accounts at BNR on a regular basis. It is important to reconcile RRA and FER records, as the transfers constitute inter-entity transactions which should be eliminated at consolidation level.
- Agree domestic debts Control accounts with the domestic debt records at MINECOFIN. This involve making sure that the disbursements and repayments uploaded in the general ledger under the bonds, treasury bills and domestic loans categories agree with the domestic debt schedules maintained by the domestic debt management officer. This ensures completeness and accuracy of the data.
- Comparison of the external debt disbursements and repayments between the debt schedules as maintained by the external debt management officer and the amounts in the OTR account in BNR.
- Reconciliation of the dividends data from Government Business Enterprises (GBEs) audited financial reports and other correspondences with the actual amount deposited in the OTR account at BNR.

2.2.2 Year end procedures

With a successful completion of the procedures during the year, the following information should be available at the end of the year;

- Monthly reconciliations between the OTR bank statements and Central Treasury General Ledger from January to December; and
- The Central Treasury General ledger which is reconciled with the Smartgov data, MINECOFIN debt schedules, GBEs reports and RRA returns

Outstanding tasks that should be carried out at year end include;

- Updating Central treasury ledger with any year end adjustments made in Smartgov;
- Obtaining from RRA revenue classification per national budget (approved revised estimates) and reconciliation between the reported revenue in their financial statements and cash deposited in the OTR account. The expected reconciling items would include cash in transit, VAT offsets, revenues credited to FER directly, Non cash collections and bank charges. Before using the revenue classifications in the report the reconciliation should be verified.
- Preparation of the Central Treasury fund accountability statement. The fund accountability statement is an account of the cashbook balances where one opens with the opening cashbook balance add the revenues, less the expenditures and arrive to the closing balance. A template for the Fund Accountability Statement is in the appendix for reference.

3 Procedures at Budget Agency level

3.1 Responsibility of chief budget managers

Before consolidation of financial statements is done at national level, all Budget Agencies must submit signed financial statements to the Accountant General, as required by law.

With regard to the preparation of financial statements at the budget agency level, Article 21 of the Organic Law N°37/2006 and Article 9 and Article 11 of Ministerial Order N°002/07 of 9 February 2007 stipulates that the Chief Budget Manager is responsible for:

- maintaining accounts and records of the budget agency;
- preparing reports on budget execution;
- managing revenues and expenditures;
- preparing, maintaining and coordinating the use of financial plans;
- managing the financial resources for the budget agency effectively, efficiently and transparently; and
- ensuring sound internal control systems and safeguarding the public property held by the budget agency.

3.2 Key tasks at Budget Agency level

In order to achieve the above objectives and submit accurate, timely, and complete financial statements, budget agencies need to carry out the following tasks;

- Inputting of data into Sage Pastel or other accounting software under the required chart of account ledgers;
- Validation of the data by preparation of reconciliation statements for each bank account;
- Preparation of reconciliation statements for inter-entity accounts / transactions;
- Preparation of reconciliation statements for direct payments and cash transfers from central treasury;
- Generation of trial balance;
- Transfer of financial data from TB to the standard consolidation template;
- Preparation of financial statements (monthly, quarterly and annual) in the standard financial statements format approved by the Accountant General; and
- Submission of financial statements to the MINECOFIN as required by law.

The financial statements at individual Budget Agency level contain the following sections:

- (i) Cover letter;
- (ii) Background of the institution;
- (iii) Statement of Responsibilities
- (iv) Financial statements (statement of revenues and expenditure and statement of net financial position);
- (v) Notes to the financial statements; and
- (vi) Appendices.

The chief budget manager should append his/her signature on the Statement of Responsibilities and the financial statement as a sign of ownership and approval.

4 Overall consolidation at national level

After the Budget Agencies submit signed financial statements to the Accountant General, PAU under the direction of the Accountant General have the responsibility to consolidate the statements to come up with consolidated financial statements at the national level.

Consolidation is done at 2 levels;

- a) Consolidation at Cluster Level; and
- b) Overall consolidation.

The section below provides detailed procedures at each of the above levels;

4.1 Consolidation at Cluster Level;

All budget agencies are categorised into one of the following clusters for consolidation purposes;

(a) Central Government ministries and agencies

Included in this category are all ministries, programmes under ministries, commissions, agencies, embassies and provinces. It should be noted that transactions for projects managed directly by Budget Agencies should be incorporated in their financial statements.

(b) Local government entities

This included the 30 districts and City of Kigali.

(c) Development projects

This included stand alone projects which have budgets of their own and prepare own financial statements.

A cluster consolidation template is developed for each of the clusters. This template contains all the budget lines as included in the chart of accounts but in a simplified format that complies with OBL and requirements of IPSASs.

Appendix 1, 2 and 3 shows standard cluster consolidation templates for Central Government, Local Government and Development Projects respectively.

Updating the cluster consolidation template

- i. Obtain the cluster consolidation template and ensure it is updated with all major budget lines reflected in the general ledger;
- ii. Create a column each for all budget agencies and insert actual figures reported by the budget agencies. These figures should strictly agree to the figures reported in the signed financial statements for each Budget Agency.

- iii. Ensure all balances from the respective budget agencies are supported by signed financial statements;
- iv. Ensure that all cash at bank balances are supported by signed bank reconciliation statements;
- v. Ensure that the direct payments and cash transfers are reconciled to the data reported by Central treasury SmartGov. Investigate and resolve any differences;
- vi. Isolate and match inter-entity balances across the Budget Agencies. Ideally, the net balance should be NIL;
- vii. Create a total column and add up results for each agency per row. The total column represents the consolidated report for the cluster.

4.2 Consolidation at national Level;

Consolidation at national level involves the consolidation of the results obtained from the central treasury general ledger and budget agencies cluster consolidation exercise. It therefore brings together results from;

- Central treasury;
- Special accounts;
- Central government ministries and agencies;
- Local government entities (districts); and
- Development projects

Updating the national consolidation template

- (i) Obtain the national consolidation template and ensure it is updated with all major budget line reflected in the general ledger;
- (ii) Create a column for each clusters and insert actual figures reported in the cluster consolidation templates;
- (iii) As required by IPSASs ensure you offset inter-entity transactions. After the net-off, the net inter-entity balance should be NIL;
- (iv) Ensure that the direct payments and cash transfers are reconciled to the data reported by Central treasury SmartGov. Investigate and resolve any differences;
- (v) Create a total column and add up results for each cluster per row. The total column represents the overall consolidated financial statements;
- (vi) Develop notes to the financial statements. The notes are of 2 types: The overall accounting policies and specific schedules and explanations supporting balances in the financial

- statements. The notes should agree to the figures shown in the financial statements in all cases;
- (vii) Obtain the Budget Execution Report (BER) from SmartGov and obtain comments from National Budget Office, RRA and other key offices that generate or operationalise the budget;
 - (viii) Develop the required appendices to the consolidated public accounts. These includes: list of entities consolidated and list of entities not consolidated;
 - (ix) Finalise the draft consolidated public accounts (often called the zero draft) and share it with key officials at MINECOFIN for comment and confirmations. The following should have access and provide input in the draft report;
 - The Honourable Minister, MINECOFIN
 - The SG/ ST MINECOFIN
 - Accountant General;
 - Director of Public Accounts and his PAU staff;
 - All Directors at the MINECOFIN.
 - (x) Update the consolidated public accounts with comments received from key officials. The report finalisation may take several weeks to a month before finalisation;
 - (xi) Once all the comments are updated and all key officials engaged, the final report and consolidated statements are issued and submitted to the SG/ST and Minister by the AG; and
 - (xii) The consolidated report and financial statements are issued to the Auditor General who then carry out an audit for the budget agencies and the consolidated report as required by law.

The reporting deadlines for consolidation purposes as follows:

Activity	Deadline
Monthly submission of financial statements by budget agencies to AG	10 th day of the following month
Submission of signed annual financial statement by budget agencies to the AG for consolidation	31 January of the following year
Finalisation of consolidated public accounts and submission to the Auditor General for audit	31 March of the following year

4.3 Standard consolidation templates

4.3.1 Consolidated Statement of Revenues and Expenditure for the Year Ended 31 December 2007

	Notes	Frw
REVENUES		
<i>Taxation</i>		
Value-added tax (VAT)		XXX
Income Tax		XXX
Custom Duty		XXX
Taxes on Local Consumption		XXX
Non Fiscal Revenue		XXX
Total transfers from RRA		XXX
Road Levy and Toll charges		XXX
<i>Investments</i>		
Dividends from Public enterprises		XXX
Proceeds from Privatization		XXX
<i>Borrowings</i>		
Net proceeds from Sale of Treasury of Bills		XXX
Proceeds from other domestic borrowings		XXX
Proceeds from external borrowings		XXX
<i>Trading Activities</i>		
Internally Generated Revenues		XXX
<i>Other Incomes</i>		
Administrative Fees & Charges		XXX
Other Receipts		XXX
TOTAL REVENUES		XXX

	Notes	Frw
EXPENDITURES		
Wages and Salaries		XXX
Purchase of goods and services		XXX
Arrears & Other Exceptional expenses		XXX
Transfers abroad		XXX
Repayment of debt		XXX
Capital expenditure		XXX
Other transfers & payments		XXX
TOTAL EXPENDITURES		XXX
Net Surplus / (Deficit)		XXX
Fund balance at beginning of year		XXX
Increase / (decrease) during the year		XXX
Fund balance at end of year		XXX

4.3.2 Consolidated Statement of Net Assets

	Notes	Frw
Financial Assets		
Bank Balances		XXX
Cash Balances		XXX
Accounts Receivables		XXX
		XXX
Less: Financial liabilities		
Accounts Payables		XXX
		XXX
Net Financial assets		
		XXX
Representing		
Accumulated surplus (Deficit) from previous years		XXX
Net surplus / (Deficit) for current year		XXX
Total closing balances		XXX

4.3.3 Detailed Consolidated Financial Statements by Cluster

		Central Treasury	Special Accounts	Central Government	Local Government	Development Projects	Total
		Frw	Frw	Frw	Frw	Frw	Frw
		Section 2	Section 2	Section 4	Section 5	Section 6	Consolidated
I	REVENUES						
	Domestic Revenues						
	Transfers from RRA						
	Road Fund						
	Dividends from Public Enterprises						
	Net proceeds from Sale of Treasury of Bills						
	Proceeds from privatization (Privatization Secretariat)						
	External Revenues						
	Withdrawal from IMF HIPC Account						
	External Resources - OTR a/c						
	External Resources - EDUC Holding Account						
	External Resources - IRC Account						
	External Resources - DEMOB						
	External Resources - MINADEF						
	External Resources - Other Budget Agencies						
	External Resources - Projects						
	Internally Generated Revenues						
	Internally generated revenues						
	Administrative Fees and Charges						
	Administrative Fees and Charges						
	Zero Balance Account Receipts						
	Other Receipts						
	TOTAL REVENUES						
II	TRANSFERS & INTER-ENTITY						

	Central Treasury	Special Accounts	Central Government	Local Government	Development Projects	Total
	Frw	Frw	Frw	Frw	Frw	Frw
	Section 2	Section 2	Section 4	Section 5	Section 6	Consolidated
BALANCES						
Payments from EDUC a/c						
Transfers from OTR to Budget Agencies						
Transfer from Japanese Fuel Grant Account						
Net Inter-entity transfers						
NET TRANSFER/INTER-ENTITY BALANCES						
III EXPENDITURE						
Wages and Salaries						
Purchase of goods and services						
Arrears & Other Exceptional expenses						
Transfers abroad						
Repayment of debt						
Capital expenditure						
Other payments						
TOTAL EXPENDITURE						
SURPLUS / (DEFICIT)						
Total Closing Balances						
Fund balance at beginning of year						
Increase / (decrease) during the year						
Fund balance at end of year						

Appendices

Appendix 1: Cluster consolidation template for central government ministries and agencies

Statement of revenues and expenditure

		MINEDUC	MINIFRA	MINICOM	MINECOFIN	MIJESPOC	xxx	xxx	Total
	Notes	RFW	RFW	RFW	RFW	RFW	RFW	RFW	RFW
Revenues									
Cash transfers from Treasury-recurrent									
Direct payments-recurrent budget									
Development budget									
Inter-entity transfers									
Grants from donors									
Other income									
Total Revenues									
Expenses									
Wages and Salaries									
Purchase of goods and services									
Arrears									
Interest on domestic debts									
Interest on foreign debts									
Transfers abroad									
Capital expenditure									
Amortization of domestic debts									
Amortization of foreign debts									
Inter-entity transfers									
Social assistance									

		MINEDUC	MINIFRA	MINICOM	MINECOFIN	MIJESPOC	xxx	xxx	Total
	Notes	RFW	RFW	RFW	RFW	RFW	RFW	RFW	RFW
Other expenses									
Other transfers to projects/High courts(Non Budget Agencies)									
Total expenses									
Surplus/deficit									
Fund balance at beginning of year									
Increase / (decrease) during the year									
Fund balance at end of year									

Statement of net financial position

		MINEDUC	MINIFRA	MINICOM	MINECOFIN	MIJESPOC	xxx	xxx	Total
	Notes	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
Financial Assets									
Bank Balances									
Cash Balances									
Accounts Receivables									
Less: Financial liabilities									
Accounts Payables									
Net Financial assets									
Representing									
Accumulated surplus (Deficit) from previous years									
Net surplus / (Deficit) for current year									
Total closing balances									

Appendix 2: Cluster consolidation template for local government entities (districts)

Statement of revenues and expenditure

	Notes	Nyamagabe	Huye	Gisagara	Kamonyi	xxx	xxx	xxx	Total
REVENUES									
Taxes on Business Income									
Tax on Property Income									
Miscellaneous Fines									
Sundry Administrative Fees									
Other Revenue									
Total internally generated Receipts									
Operational Grants									
Capital Grants									
Total Grants									
Revenue Collection Control - Kigali City									
Transfers - OTR to Zero Balance A/c									
Direct Payments from OTR - OP									
Inter-Entity Transactions - Budget Agencies									
Inter-Entity Transactions - Other									
Total receipts from central government / inter entity									
TOTAL REVENUES									
EXPENDITURE									
Acquisition of Tangible Fixed Assets									
Capital Work-in-Progress									
Employee costs									
Other recurrent expenditure									

	Notes	Nyamagabe	Huye	Gisagara	Kamonyi	xxx	xxx	xxx	Total
Arrears									
Other Grants									
Membership Fees/Costs									
Social Assistance									
Losses/Gains on Exchange									
TOTAL EXPENDITURE									
SURPLUS / (DEFICIT)									
Fund balance at beginning of year									
Increase / (decrease) during the year									
Fund balance at end of year									

Statement of net financial position

Financial Assets									
Bank Balances									
Cash Balances									
Accounts Receivables									
Less: Financial liabilities									
Accounts Payables									
Net Financial assets									
Representing									
Accumulated surplus (Deficit) from previous years									
Net surplus / (Deficit) for current year									
Total closing balances									

Appendix 3: Cluster consolidation template for development projects

Statement of revenues and expenditure

	Notes	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	xxx	Total
RECEIPTS		FRW	FRW	FRW	FRW	FRW	FRW	FRW	FRW
Cash Transfers from GOR									
Loans from Donors									
Grants from Donors									
Direct payments									
Technical assistance									
Other income									
Total Receipts									
EXPENDITURE									
Salaries and allowances									
Training and workshop costs									
Purchase of consumable goods and services									
Acquisition of equipment and technical tools									
Public works and construction									
Cash transfers to Governments reporting entities									
Cash Transfers to other non reporting entities									
Other expenses									
Total Expenditure									
Surplus									
Fund balance at beginning of year									
Increase / (decrease) during the year									
Fund balance at end of year									

Statement of net financial position

		Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	xxx	Total
	Notes	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
Financial Assets									
Bank Balances									
Cash Balances									
Accounts Receivables									
Less: Financial liabilities									
Accounts Payables									
Net Financial assets									
Representing									
Accumulated surplus (Deficit) from previous years									
Net surplus / (Deficit) for current year									
Total closing balances									

Appendix 4: Chart of accounts

The chart below is a simplified chart where the detailed budget expense codes, detailed revenue codes and public debt codes have been removed. The detailed chart of accounts is available in the Sage pastel software. Each budget agency is allocated a cash transfer and a direct payment code.

Account	Account Type
100/100 (Consolidated fund/Consolidated Fund)	Capital
110000 (CENTRAL TREASURY A/C)	Bank
120000 (Mineduc Holding Account)	Bank
120000/1201 (Mineduc Holding Account/OTHER RECEIPTS&MISCELLANEOUS)	Income
120000/1202 (Mineduc Holding Account/MINEDUC EXTERNAL SUPPORT)	Income
120000/1203 (Mineduc Holding Account/Mineduc Holding Account/Bank charges)	Expense
3000/3001 (OTR expenses/Interest on OTR overdraft)	Expense
3000/3002 (OTR expenses/Interest on liquidity absorption -TBills)	Expense
3000/3003 (OTR expenses/Swift commissions)	Expense
3000/3004 (OTR expenses/Bank charges)	Expense
3000/3005 (OTR expenses/Demonitisation expenses)	Expense
3000/3006 (OTR expenses/interest on treasury bills)	Expense
3000/3007 (OTR expenses/EXCHANGE LOSS/GAIN NET)	Expense
3000/3008 (OTR expenses/Tax refund)	Expense
3000/3009 (OTR expenses/Caution money refund)	Expense
3300 (Development Partners Control A/c)	Current Asset
3400 (Treasury Bills Control A/c)	Current Asset
3500 (Letters of Credit Control A/c)	Current Asset
3600 (SUSPENSE)	Unallocated BS
3600/3601 (SUSPENSE/Suspense- Reversals)	Unallocated BS
3600/3602 (SUSPENSE/Suspense - car loan repayments)	Unallocated BS
3600/3603 (SUSPENSE/Suspense- General)	Unallocated BS
3600/3604 (SUSPENSE/APC)	Expense
3600/3605 (SUSPENSE/Arrears)	Unallocated IS
3700 (Domestic loans & bonds)	Current Liability
4200/ADB (EXTERNAL DEBT/AFRICAN DEVELOPMENT BANK)	Long Term Liability
4200/BDEA (EXTERNAL DEBT/BADEA)	Long Term Liability
4200/BEI (EXTERNAL DEBT/EUROPEAN INVESTMENT BANK)	Long Term Liability
4200/CHN (EXTERNAL DEBT/CHINA)	Long Term Liability
4200/EU (EXTERNAL DEBT/European Union)	Long Term Liability
4200/FDEA (EXTERNAL DEBT/FADEA)	Long Term Liability
4200/FRA (EXTERNAL DEBT/FRANCE)	Long Term Liability
4200/IDA (EXTERNAL DEBT/International Dev't Agency)	Long Term Liability
4200/IFAD (EXTERNAL DEBT/IFAD)	Long Term Liability
4200/IMF (EXTERNAL DEBT/INTERNATIONAL MONETARY FUND)	Long Term Liability

Account	Account Type
4200/KWF (EXTERNAL DEBT/KUWAIT FUNDS)	Long Term Liability
4200/LBY (EXTERNAL DEBT/LIBYA)	Long Term Liability
4200/NDF (EXTERNAL DEBT/NORDIC DEVELOPMENT FUND)	Long Term Liability
4200/NF (EXTERNAL DEBT/NIGERIAN FUND)	Long Term Liability
4200/OPEC (EXTERNAL DEBT/OPEC FUNDS)	Long Term Liability
4200/SDF (EXTERNAL DEBT/SAUDI FUNDS)	Long Term Liability
4200/WB (EXTERNAL DEBT/WORLD BANK)	Long Term Liability
7110/7117 (Tax Revenue/Value added tax)	Income
7110/7118 (Tax Revenue/Income tax)	Income
7110/7119 (Tax Revenue/Customs duties)	Income
7110/7120 (Tax Revenue/Tax on local consumption)	Income
7120/7121/000000 (Various non-Tax Revenues)	Income
7120/7125 (Non-Tax Revenue/Non fiscal revenue)	Income
7130/7131/713101 (Other Domestic Resources/Domestic Financing/WITHDRAWAL FROM DEPOSIT)	Income
8000/8100/1753 (Transfers/Transfer Majoration/1822 Projet: NTENDEZI-NYAMASHEKE-KARONGI)	Expense
8000/8200/0000 (Transfers/Cash Transfers)	Expense
8000/8201/0000 (Transfers/Direct Payments)	Expense

Appendix 5: Model Journal Entries

Types of transactions in the Central Treasury Ledger

Transactions in the Central Treasury General Ledger can be categorised as payments or receipts. Receipt transactions can either be direct receipts into the OTR bank account or receipts from RRA deposited in the OTR account. Payments can be;

- Cash transfers to or direct payments on behalf of budget agencies;
- Public debt principal and interest repayments;

Other transactions would be journalisation of exchange differences and bank charges and suspense accounts transactions. Suspense account transactions are those that require further explanations and support documentation to enable posting to the correct general ledger account.

	<u>Revenue transactions</u>		
1	Revenue collected by RRA		
	DR OTR Bank Account	XXXX	
	CR One of the five RRA revenue Accounts		XXXX
	To record the revenue collected by RRA and deposited in the OTR bank account. The Treasury Department will use the RRA returns and BNR bank deposit slips as the base records. On a monthly basis, the total receipts per OTR cash book will be reconciled to the RRA returns.		
2	Miscellaneous deposits to OTR bank account		
	DR OTR Bank Account	XXXX	
	CR Various Revenue Accounts (ref Chart of Accounts)		XXXX
	Occasionally, there are some direct deposits of revenues to the OTR account. These will be analyzed by Treasury Department and posted to the respective revenue accounts on a daily basis using the bank deposit slips. Treasury should obtain details of these deposits from BNR in order to classify them according to the accounts codes in the Budget Book.		
	<u>Payment transactions</u>		
3	Payments from OTR on behalf of Budget Agencies		
	DR Direct payments by Treasury	XXXX	
	DR Cash transfers from Treasury	XXXX	
	CR OTR Bank Account		XXXX
	The Treasury may pay directly to suppliers on behalf of a Budget Agency. It may also transfer funds to the Entity's bank account. It has been found appropriate to create two inter-entity accounts for each Budget Entity to capture the two types of payments - Direct Payments and Cash Transfers. The chart of accounts for Budget Agencies have corresponding accounts for ease of reconciliation and consolidation. The totals in these two accounts should also agree to the Smartgov account for each entity.		

		Debit	Credit
		Frw	Frw
	Public debt transactions		
4	Proceeds from Domestic Borrowing and External Aid		
	DR OTR Bank Account	XXXX	
	CR Revenue Account (Grants)		XXXX
	CR Loan Account (Balance sheet Loan Account)		XXXX
	GoR applies the modified cash basis of accounting. Accordingly, grants from development partners are treated as revenues and posted to the relevant revenue account. External Loans are treated as balancesheet items and credited to the respective loan account in the general ledger and subsequent repayments are recorded as shown in Journal No. 6 below.		
5	Loan interest expense		
	DR Interest Expense Account (for each loan)	XXXX	
	CR Loan Account (Balance sheet Loan Account)		XXXX
	External loans attract interest on a monthly, quarterly or annual basis as per the loan agreement. The interest is debited to the respective interest account (expenditure) and credited to the relevant loan account (balance sheet account). On payment of interest, the required entry is as shown in Journal No. 6 below.		
6	Loan and interest payments		
	DR Loan account (with principal amount paid)	XXXX	
	DR Loan account (with interest amount paid)	XXXX	
	CR OTR Bank Account		XXXX
	The OP for loan repayments will be forwarded to Public Accounts after payment. The repayment should be broken down into the principal amount and interest. On a quarterly basis, the general ledger account should be reconciled to the loan statements.		
8	Exchange differences		
	<u>Exchange gain</u>		
	DR OTR Bank account (exchange gain)	XXXX	
	CR Forex exchange difference a/c (exchange gain)		XXXX
	<u>Exchange loss</u>		
	DR Forex exchange difference a/c (exchange loss)	XXXX	
	CR OTR Bank account (exchange loss)		XXXX
	To record exchange differences arising from transactions denominated in foreign currencies		

Appendix 6: Central Treasury Consolidated statement of receipts and expenditure

The following is the format adopted for the preparation of the Central Treasury Consolidated Statement of Receipts and Payments;

Description	Notes	Amount (Frw)
RECEIPTS		
Value-added tax (VAT)		
Income Tax		
Custom Duty		
Taxes on Local Consumption		
Non Fiscal Revenue		
Total Transfers from Rwanda Revenue Authority		
Dividends from Public Enterprises		
Net proceeds from Sale of Treasury of Bills		
Withdrawal from IMF HIPC Account		
External Resources - EDUC account		
External Resources - OTR account		
Administrative Fees and Charges		
Shared Recoveries		
Sale of Petroleum Products		
Motorcycle loan repayments by public servants		
Miscellaneous income		
Total Receipts		
PAYMENTS		
Cash Transfers to Budget Agencies and Projects		
Direct Payments to Budget Agencies and Projects		
Loan Repayments - Domestic		
Loan Repayments - External		
Interest on Treasury Bills		
Demonetization expenses		
Interest on liquidity absorption		
Interest on OTR Account		
Bank charges/swift commissions/Exchange loss		
Tax refund		
Caution money refund		
Other expenses		
Total payments		
Excess of Payments over Receipts during the Year		
Balance at beginning of Year		
Balance at End of Year		

Appendix 7: Exportation template

The data exported template is a special excel CSV template which has the following format;

Receipts and payments exportation template

Only the date, description, reference, amount and account columns are filled. The “is debit” column always has a Y if it’s a receipt and a N is it’s a payment, “use tax” column always has an N and the “tax amount” always has a zero. The rest of the columns are unfilled. The system rejects any incomplete templates upload. For a debit journal entry the isdebit column is filled.

Date	Descrip	Ref	Amt	Use Tax	Tax Type	Tax Acct	Tax Amt	Prjct	Acct	Is Debit	Split Type	Split Group	Recon	Post Dated	Use Discnt	Disc Perc	Disc Tr Code	Disc Desc	Use Disc Tax	Disc Tax Type	Disc Tax Acc	Disc Tax Amt	Payee Name	Print Chq	Sales Rep	Module
	test	test	1,000	N			0		7120	Y	0	0	N	N	N	0			N			0		N		0

Journal exportation template

Date	Description	Reference	Amount	UseTax	TaxType	TaxAccount	TaxAmount	Project	Account	IsDebit
3/1/2008	Test	123	2000	N			0		6400/6410/641001	Y
3/1/2008	Test	123	2000	N			0		6400/6411/BEI	N

Only the date, description, reference, amount, account and isDebit columns are filled. The use tax column always has an N and the tax amount always has a zero. The rest of the columns are unfilled. The system rejects any incomplete templates upload. For a debit journal entry the isdebit column is filled with a Y but if it’s a credit it is filled with a N.