



Finance Circular No. 27 / 1383

Dated

Subject: Rejection of M16 in Treasury and Ineligible Expenditures

Since the start of month 4, 1383 (Sarataan) Treasury have been recording reasons why M16 request for payment documents have been rejected.

The results of our analysis are attached in two tables:

- By Ministry; and
- By reason for rejection.

The most frequent reason for rejection is as follows:

- Previous advance payments are more than 4-weeks waiting for acquittal (M12) – 24.1%
- Authorisation of the M16 is not attached – 9.5%
- Lack of proper signatures – 7.8%
- No allotment exists for the proposed expenditure – 7.3%
- Returned to Treasury without fixing the problem – 4.9% and
- No M41 attached to the M16 (for payroll) – 4.7%.

This information is forwarded to Ministries for information and corrective action.

On the question of ineligibilities for reimbursement from the Afghanistan Reconstruction Trust Fund, the situation is getting worse. For the first 9 –months of 1382 the ineligibility rate was 69%. For the first 3-months of 1383, from a sample of 14 Ministries, the ineligibility rate is 70%, and this represents Afs 174.8 million in Donor revenues potentially lost to Afghanistan.

In light of these ineligibility rates I suggest Ministries who are complaining about the strict rules of the Treasury might want to reflect on the imperative for these strict rules; rules which, after all, only impact upon those Ministries who are having difficulty complying with the requirement of financial management and acceptable fiduciary standards.

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