

## **Investing in Skills – Supplementary Financial Information**

Financial Control of *all transactions relating to the Investing in Skills*

### **Investing in Skills Grant Agreement & Guidance Notes**

In the first instance it is the responsibility of the management of the Beneficiary organisation to put in place and maintain control arrangements to ensure proper and sound financial management of the funds granted without prejudice to National accounting rules.

#### **Requirements:**

##### **1. Separate bank account – (Highly Recommended For Type 1 and Compulsory for Type 2)**

All financial transactions related to training costs, air travel costs and wages/salaries should be posted into a separate dedicated Bank account.

Beneficiaries opting to use this system must ensure that this Investing in Skills-dedicated bank account is the same account indicated on the Financial Identification Form submitted at reimbursement stage. This means that the Public Contribution (reimbursement by the Treasury) will also be posted to the same account.

##### **2. Accounting treatment – (Compulsory for Type 1 Enterprises)**

###### **Type 1 – Private enterprises with the obligation to prepare annual financial statements**

Use of an Adequate Accounting Code (a Nominal Ledger Account dedicated to Investing in Skills) in an existing computerised Accounting System. In this case, Beneficiaries must make provisions to open a new Accounting Code in their Nominal Ledger, where all transactions related to training costs, air travel costs and wages/salaries, and reimbursement from Treasury/CBM) related to the project will be posted. All entries must be easily identifiable and retrievable, as well as auditable. Beneficiaries may make use of Journal Entries.

These enterprises are to comply with generally accepted accounting principles and practices as defined by Article 3(1) of L.N. 19 of 2009 Accountancy Profession (Accounting and Auditing Standards) Regulations. This shall mean that enterprises are to adhere either to:

- a. international accounting standards<sup>1</sup>; or
- b. general accounting principles for qualifying private or small and medium sized entities as may be prescribed by regulations, directives or guidelines issued from time to time in terms of the Accountancy Profession Act<sup>2</sup>.

In this regard, following reimbursement, the Beneficiary is requested to submit either:

- a. a copy of the auditor's certificate for the applicable financial statements, providing assurance that such statements give a true and fair view of the financial position and that the financial statements have been properly prepared; or
- b. an auditor's certificate providing specific assurance that an adequate accounting code has been maintained.

**Type 2 – Private enterprises with no obligation to prepare annual financial statements - (Compulsory for Type 2 Enterprises)**

A separate Bank Account together with a record showing full details of expenditure paid and funds received related to the operation (e.g. spreadsheet) must be kept. All transactions related to Investing in Skills or any other ESF projects managed by Jobsplus, must be effected solely through this account.

**Cash disbursements are strictly prohibited under the Investing in Skills.**

I understand that Bank Statements will be requested to verify that the above procedures will be adhered to.

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Signature

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Name in Block Letters

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Date

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ID No.

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<sup>1</sup> In particular International Accounting Standard (IAS) 20: Accounting for Government Grants and Disclosure of Government

<sup>2</sup> Most recent: SL281.03 – Accounting Profession (General Accounting Principles for Smaller Entities) Regulations

