

15 August 2003

MOF # 08-01

CPA policy on Payment of Public Sector Salaries in August 2003

This policy applies to all State employees and employees of State Corporations and other self-financed entities. See below for more details.

All allowances, bonuses, supplements and any other additions to salaries remain suspended, with the exception of overtime.

Salaries will be paid in US dollars according to the following schedule:

Salary Grade	Previous Civil Service Grade	August pay scale	Memo: July salary scale in Southern Iraq/Kurdish provinces	Memo: May and June salary scale	Memo: April salary scale in Southern Iraq	Memo: April salary scale in Kurdish provinces
Grade 4	6 and below	\$60	\$60 plus 7500 dinars in 250 notes/\$5	\$60	100,000 ID	\$50
Grade 3	3-5	\$120	\$120 plus 7500 dinars in 250 notes/\$5	\$120	200,000 ID	\$100
Grade 2	1-2	\$180	\$180 plus 7500 dinars in 250 notes/\$5	\$160	300,000 ID	\$150
Grade 1	Director General or above	\$400	\$300 plus 7500 dinars in 250 notes/\$5	\$260	500,000 ID	\$200

Employees who have not received their full salary entitlement for April, May, June and July shall be entitled to payment of the balance. Any double payment of April, May, June or July salaries or any previous payment of August salary payments shall be deducted from August salary payments. For the purposes of calculating deductions and backpayments due an exchange rate of 2000 ID:1 USD shall be used.

All salary payments will be authorised by Ministry of Finance officials, acting in accordance with CPA policy, through the Treasury account. Payments will be executed through the Rafidain and Rasheed banking systems, which act as the agent of the Ministry of Finance.

The Director General of Accounts, Ministry of Finance will issue a circular to all Ministries and Departments setting out the procedure for the payment of August salaries.

To obtain authorisation for disbursement of funds for salary payments for both centrally financed workforces and for the employees of State Corporations and other self-financed entities for which they are responsible, Ministries are responsible for providing the following:

- Account for previous payments. Provide information on actual payments made in the previous month to the local Treasury office or to the Accounts department of the Ministry of Finance. This should include information on funds received, funds paid out, number of employees in each pay grade that were paid and on the balance remaining. This should include a receipt from the bank recording the redeposit - at the earliest opportunity - of unused funds at the Treasury account in the bank from which they were withdrawn.
- Request payment for this month. Write a letter on official paper which should be signed by the senior officials of the directorate/spending unit, including the CPA Senior Adviser and the Director General of Administration and Finance, to request the release of funds. For administrative convenience, Ministries are advised to present one request for funding for all their directorates/spending units, rather than separate requests for different directorates/spending units.
- Provide summary payroll data. The letter requesting funding should cover a spreadsheet showing summary payroll data, i.e. the number of employees in each pay band, which should be initialled by the senior officials, including the CPA Senior Adviser and the Director General of Administration and Finance.

Where the payroll of a workforce in a governorate outside Baghdad was approved in accordance with the established process in a previous month, the Baghdad Ministry of Finance will, unless the Senior Adviser of the relevant Ministry decides otherwise, delegate payroll management to the local branch of the Treasury.

Any increase of more than 1% in the paybill of a workforce over the level paid in July must be approved by the CPA Senior Adviser to the Ministry of Finance.

Where payroll data for ministries and departments has not been approved by the relevant CPA Senior Adviser and the Director General of Administration and Finance in Baghdad (as in some governorates), this will be required before any further payments can be made. This information should include details of any unauthorized salary or emergency payment, including to whom the money was paid.

The Ministry of Finance shall issue authorisation to designated banks to provide specified funds to named representatives of Ministries and Departments to pay salaries. Presentation of this authorisation, which may be transmitted electronically, at the designated bank will release the specified funds to the named representatives for the purpose of paying salaries.

Internal audit sections in each ministry shall review the payroll and salary levels for consistency with those approved for payment by the Ministry of Finance as well as the integrity of individual payments. In each accounting unit a three-person committee shall oversee distribution of salaries. A post payment audit shall be performed by the Board of Supreme Audit wherever possible.

Contracted employees in August will be paid out of operating expenses, as provided through the budget, and not out of payroll. Facilities Protection Personnel will be paid out of Commanders' Emergency Response Funds until the end of August. In September they will be paid out of the budget.

Points of Contact for Further Information:

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