

**REPUBLIEK SURINAME**



**MINISTERIE VAN  
FINANCIËN EN PLANNING**

## **MODERN TREASURY FUNCTION - IMPLEMENTATION PLAN**

**Final Draft**

**January 22, 2022**



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## 1. INTRODUCTION

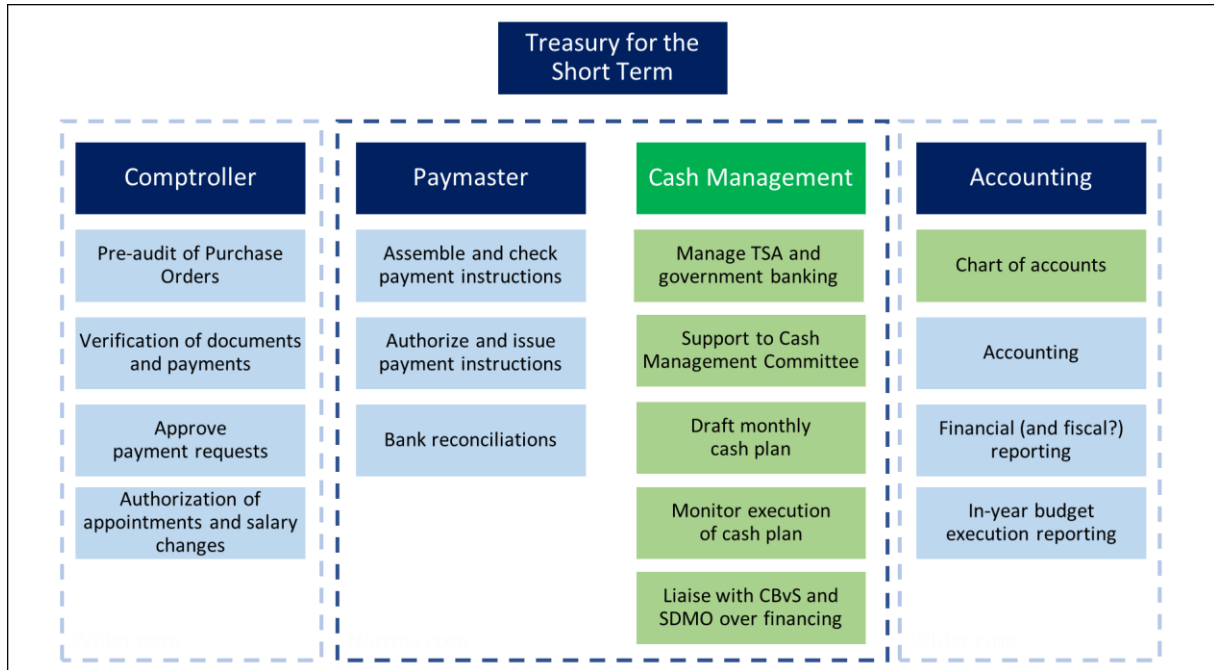
The Republic of Suriname needs a modern Treasury Function – it is important to have better information and control about the cash needs and cash utilization in order to contribute to the development of the country.

With the assistance of CARTACT, the outline for a more effective and efficient Treasury function was developed. This has subsequently been developed into this project plan, which sets out the planning for the short-term reform of the treasury function of the government of Suriname. At a later stage, a detailed plan for the long-term reform will be developed.

This document describes the project steps, the responsible and involved persons, and the detailed implementation time schedule. The overall

## 2. PLANNING A MODERN TREASURY FUNCTION

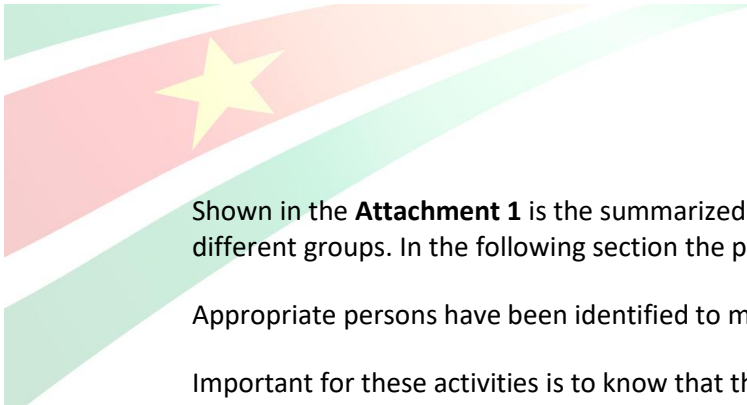
The Technical Assistance report of Suriname, moving to a Modern Treasury Function, published by CARTACT, has identified the following important steps to be taken for the short-term reform of the Treasury function.



CARTACT advised that for the short term a narrow scope of improvement should be taken. In the picture above, activities in the blue boxes are already done by the government. The activities which are described in the green boxes are suggestion for improvements. The focus in the shorter period is to improve the Cash Management function of the government.

CARTACT advised on the following activities to be taken for the implementation of the Narrow Core organization of the Treasury function:

1. Setting the stage;
2. Upgrade the Paymaster function;
3. Manage the TSA and government banking;
4. Establish Cash Management Committee;
5. Draft Monthly Cash Plan;
6. Monitor execution of the Cash Plan;
7. Consult with the Central Bank of Suriname and SDMO;
8. Improving the Chart of Account of the Suriname Government.



Shown in the **Attachment 1** is the summarized plan for all the activities. The plans will need to be executed by different groups. In the following section the project teams are described to be developed for this purpose.

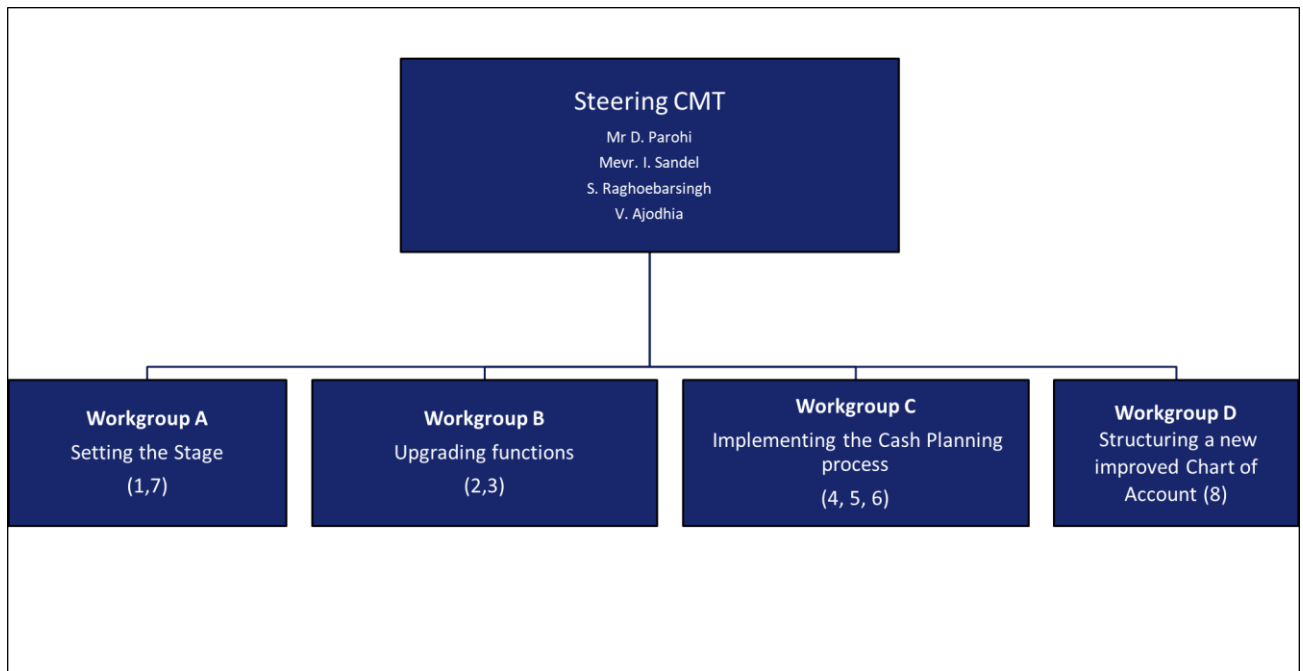
Appropriate persons have been identified to man the groups to implement the various stages.

Important for these activities is to know that there are several important aspects to be covered. These are included in the different activities. They include:

1. Assigning a foreign consultant;
2. Choosing a Treasurer for the function;
3. Establishing a Cash Management Monitoring Committee and working with a cash planning;
4. Structuring a new improved Chart of Account.

### 3. PROJECT ORGANIZATION

It is proposed to have four Working Groups (A to D) to work on these activities and these groups are monitored by a Steering Committee. The following organization chart shows the project organization of this project.



#### A. Steering Committee

The Steering Committee will monitor the overall progress of the different activities and their stages. The Steering Committee will have to establish a periodic reporting procedure, they will be the liaison with the minister of Finance and Planning, and they will need to identify and remove obstacles of this project.

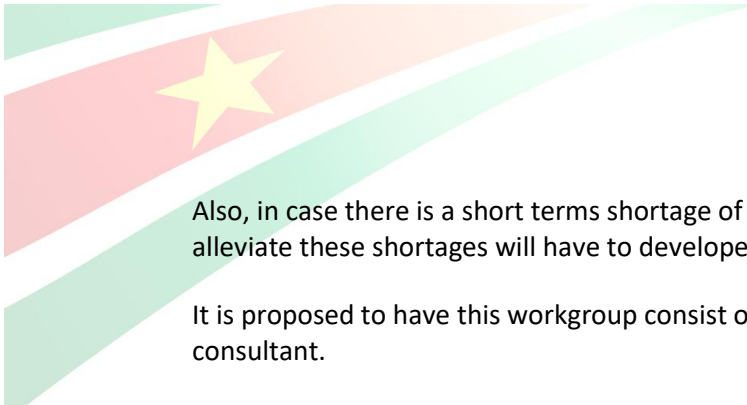
The Steering Committee will consist of:

- Director of Ministry of Finance and Planning, Mr. D. Parohi (lead person)
- HP Implementation Unit. Mrs. I. Sandel
- Policy advisor, Mr. S. Raghoebarsing
- IMF Program Implementation Unit, dr. V. Ajodhia

#### B. Workgroup A – Setting the Stage

This group will set the stage for the whole project implementation. This group oversees the overall progress of the different activities and their stages. This group must determine the project team, decide how and with which activities a foreign consultancy will be approached for assistance. This workgroup will also determine the roles and responsibilities of the Treasurer and make and will work strive to appoint a Treasurer to lead the Treasury function.

In addition, this workgroup will also implement **activity 7**, Consult with the Central Bank of Suriname and SDMO. Policies, procedures, and protocols for over liquidity of cash will have to developed and implemented.



Also, in case there is a short terms shortage of cash identified, policies, procedures and work instructions to alleviate these shortages will have to developed and implemented.

It is proposed to have this workgroup consist of 2 persons from the ministry, a local expert and the foreign consultant.

### C. Workgroup B – Upgrading functions

This group will execute **activities 2 and 3**, namely upgrade the paymaster function and manage the TSA and government banking.

For the Paymaster function, instructions for routing all payments through the Paymaster function will be given. The interfaces with the Central Bank of Suriname and other banks will be established. Procedures and work instruction for the interfaces with the applications Cashbook and FreeBalance will be developed. Finally, the function of Paymaster will be changed into the function of Financial Controller.

This work group will also streamline the Treasury Single Accounts and the government banking. Procedures for opening and closing the different accounts will be done. The centralization of the different accounts will be addressed, and the protocols for de relationships with the different banks will be established.

The workgroup will consist of the 2 officials of the Ministry, a representative of the Paymaster department and the local expert.

### D. Workgroup C – Implementing the Cash Planning process

This group will execute **activities 4, 5 and 6**, namely establish cash management Committee, draft the monthly cash plan, and monitor execution of the Cash Plan.

The first step will be to establish a cash management committee. The roles and responsibilities of the committee will have to determined. The Cash Management Committee will have to installed and the meeting and reporting protocols must be developed. This committee will be the main group for the Minister of Finance and Planning to monitor the cash flow. A Cash Management Committee has already been installed. Now the roles and responsibilities must further be defined.

Secondly, as labeled activity 5, a cash plan will be developed. A spreadsheet will be developed which shows the cash flow planning for a pre-defined term (suggested is the coming 6 months). Procedures for over liquidity and short-term cash shortages will be developed.

Activity 6 entails the close monitoring of the first three cash plans. The cash plan will be developed, and afterwards the monitoring of these plans will be analyzed. Deviations from the cash plans will be analyzed, and improvements on the developments of the new cash plans will be advised and if so implemented. This will eventually be the main responsibility of the Treasurer and the Cash Management Committee.

This workgroup consists of 3 persons from the ministry, 2 eternal local experts and the foreign consultant.

### E. Workgroup D – Structuring a new improved Chart of Account

This group will execute **activities 8**, namely structuring a new improved chart of accounts. This committee will be reviewing the old chart of account and improve this for the newly defined budgeting process of the government. this workgroup consists 2 persons from the ministry, a local expert and the foreign consultant.

## 4. PROJECT PLANNING

**Attachment 1** gives a project planning of the different activities. Initial activities have already started up since October 1, 2021. The planning is to finalize the activities by end of January 2023. The following table presents the overall planning:

Project planning		
	Start date	End Date
<b>Total Project - Planned</b>	<b>1-Oct-21</b>	<b>9-Jan-23</b>
Setting the stage - Planned	1-Oct-21	14-Apr-22
Upgrade Paymaster function - Planned	3-Mar-22	16-Nov-22
Manage TSA and Gov't banking- Planned	1-Feb-22	30-Jun-22
Establish to Cash Mgt Committee - Planned	1-Nov-21	18-Feb-22
Draft Monthly cash plan- Planned	1-Mar-22	31-May-22
Monitor execution of cash plan - Planned	1-Mar-22	4-May-22
Liaise w CBvS and SDMO on financing - Planned	20-May-22	11-Jul-22
Chart of accounts - Planned	1-Mar-22	9-Jan-23

A summary of the project activities is provided in **Attachment 1**.



