



Official Information request reference: 2021-016

22 March 2021

Email: [REDACTED]

Dear [REDACTED]

Thank you for your email of 24 February 2021, requesting further information to help you work through the information supplied in response to request 2020-004. You asked for the additional information on three matters and our responses are given below.

1. *The description "system generated for contra document" – what exactly does this refer to, it occurs throughout both transaction spreadsheets?*

The image you provided showed the system-generated journal to move a PAYE payment from the Accounts Payable (AP) ledger to the PAYE control account in the general ledger (GL).

This occurs for all payments made, not just this PAYE payment. The system generates a journal to move the required payment from the AP ledger into the control account in the general ledger (GL).

2. *The matching inflow and outflow of cash. I take it the negative is the expenditure and the positive a refund of some kind. Could I have confirmation of this, or if I have missed the mark, an explanation to better my understanding?*

Like all public entities, the Commission's accounts are prepared on an accruals basis – not on a cash basis. These are journals for month-end accruals. Accruals recognise the liability for an expense that has been incurred during the month but has not yet paid out. This is so that the Commission's financial situation (what it owes and to whom) is fully recognised at month end. The journals are reversed in the following month and the process continues until the invoice is received and processed.

3. *Large swathes of entries are without descriptions. Could you please explain why?*

These are the payment journal for invoices, no narrative is made for this in the system. It only shows 'EFT', which is the electronic transfer of funds from the control account out to the suppliers. This journal balances out both sides of the GL.

I hope this answers your queries.

Please note that the Commission has a policy of proactive release of OIA responses to help others have access to more information so this letter will be published on the website with your name and contact details redacted to protect your privacy.

Kind regards

A handwritten signature in black ink that reads "Jo Hendy". The signature is written in a cursive, flowing style.

Jo Hendy
Chief Executive
He Pou a Rangi – Climate Change Commission