

**FINANCIAL ADMINISTRATION REGULATIONS,
2004**

FOR

FINANCIAL ADMINISTRATION ACT 2003, ACT 654
8th April 2004

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FINANCIAL ADMINISTRATION REGULATIONS, 2004

In exercise of the powers conferred on the Minister responsible for Finance by sections 2 & 73 of the Financial Administration Act, 2003, Act 654, these Regulations are made this day of, 2004

PART 1 GENERAL RULES FOR THE MANAGEMENT OF PUBLIC FUNDS

Financial Responsibilities of Public Officers

1. (1) Any public officer who responsible
 - (a) for the conduct of financial business on behalf of the Government of Ghana,
 - (b) the receipt, custody and disbursement of public and trust moneys, or
 - (c) for the custody, care and use of public stores.

Shall keep proper records of all transactions and shall produce records of the transactions for inspection when called upon to do so by the Minister, the Auditor-General, the Controller and Accountant-General or any officers authorised by them;

(2) A public officer who fails to keep or produce any records under subregulation (1) is in a breach of financial discipline as defined in Regulation 8(1).

(3) Where a public officer is proceeding on transfer, leave or is for any other reason being relieved of the duties under sub-regulation (1), the officer shall hand over the financial and accounting records to the person taking over from the officer.

(4) The obligation of a public officer to keep proper records of transactions and to produce the records for inspection under subregulation (1) shall not be complete until that officer has properly handed over the financial and accounting records kept by that officer to the officer who takes over that duty under subregulation (3).

(5) An officer handing over financial and accounting duties to a relieving officer shall prepare and sign a statement in triplicate showing

- (a) details of all accounting records and documents kept;
- (b) details of all keys, cash and bank balances, public stores and equipment on hand;

- (c) details of all pending financial business, including outstanding audit queries;
- (d) details of financial and accounting duties assigned to subordinate staff;
- (e) details in respect of particular classes of business as required by regulations or Departmental Accounting Instructions.

(6) A Public officer who fails to prepare a the handing over statement under subregulation (4) is in a breach of financial discipline as defined in Regulation 8(1).

(7) If an officer is prevented by death or disability from preparing a handing-over statement, the officer's immediate superior, together with the relieving or any other officer, shall draw up a statement as required by sub-regulation (3), and the statement shall note any irregularities found and shall also record the circumstances in which the take-over became necessary.

(8) The officer taking over shall check that the details in the handing -over statement are complete and correct, that records have been properly entered and are up to date, and verify all balances.

(9) The officer required to prepare a handing-over statement under subregulation (6) shall note any discrepancy or observation on all copies of the handing-over statement and when both parties are satisfied that the handing-over statement is in order, the completion of hand-over shall be signified by the signature of the relieving officer.

(10) Each officer shall retain one copy of the statement and one copy shall be retained on the office file.

Financial Duties of a Head of Department

2. The head of government department shall

- (a) manage and operate the department's accounting systems, so as to ensure the accountability of all officers transacting such business and facilitate the efficient discharge of such business;
- (b) ensure that the department's accounting system has been approved by the Controller and Accountant-General in consultation with the Auditor- General;
- (c) secure the efficient and effective use of appropriations under departmental control within the ambit of government policy and in compliance with any enactment, regulations or instructions issued under the authority of any enactment;
- (d) secure the due and proper collection of government revenue collectable by the department within the terms of any enactment or of instructions issued or approved by the Controller and Accountant-General;
- (e) requisition, commit, order, receive and make payments for goods and services within the funds appropriated to the

department and in accordance with these Regulations and any other enactment;

- (f) receive and order the disbursement of any trust moneys for which the head of department has been appointed as administering authority by or under any enactment or agreement;
- (g) manage and reconcile the bank accounts authorised for the department by the Controller and Accountant General;
- (h) preserve in good order and secure the economical use of all equipment and stores used by the department;
- (i) transact any other financial business for which the head of department is made responsible, by or under any enactment in accordance with the requirement of the enactment or instructions issued or approved by the Minister;
- (j) prepare monthly departmental accounts in a form prescribed by the Controller and Accountant-General Department, within the time period set by the Controller and Accountant General in the Accounting Manual and submit these to the Minister, the Auditor General and the Controller and Accountant-General Department;
- (k) prepare, sign and submit within three months after the end of the year, to the Minister, the Auditor General and the Controller and Accountant-General Department, annual departmental accounts in the form prescribed by the Controller and Accountant-General Department in consultation with the Auditor-General;
- (l) answer questions raised by the Auditor General in respect of the financial transactions and accounts of the Department ;
- (m) appear before the Public Accounts Committee to give any explanations required by the Committee in respect of the annual departmental accounts; and
- (n) compile and maintain assets register of the department as determined by the Controller and Accountant-General.

Accounting Manual

3. The Controller and Accountant-General shall prepare an accounting manual from which Departmental Accounting Instructions shall be derived.

Departmental Accounting Instructions

4. (1) A head of department shall with the approval of the Controller and Accountant-General given in consultation with the Auditor-General issue Departmental Accounting Instructions to regulate the financial business of the department, indicating the duties to be performed by specified officers,

the accounts to be kept and returns to be submitted, and such other instructions as may be required for the proper conduct of the financial business of the department.

(2) The Departmental Accounting Instructions shall contain relevant procedures for the keeping of accounts, preparation and format of financial statements, Departmental Chart of Accounts, Departmental Accounting System-whether manual or mechanised, and all administrative issues relating to the keeping and preparation of government accounts,

(3) The instructions under sub-regulation (2) shall conform to any enactment, or any particular direction concerning accounts issued by the Controller and Accountant-General.

Delegation of Financial Duties by Head of Department

5. (1) Unless a delegation is expressly prohibited or restricted by an enactment or in instructions, a head of department may delegate authority for the performance of any of the functions of the head to a subordinate officer who, having regard to the requirements of the assigned functions, is competent and capable.

(2) A head of department may provide for the delegation of the duties of the head of department in the Departmental Accounting Instructions.

(3) Delegation of authority to undertake duties under this regulation does not diminish the accountability of the head of department as provided for in regulation 2.

Conformity with Law and Financial Regulations

6. Public officers shall conduct government financial business according to the laws of Ghana and any instructions given in accordance with these Regulations.

Duty to Report Unsatisfactory Application of Regulations

7. An officer conducting financial business shall bring to the notice of the appropriate authority any case where application of the law or financial instructions leads to results that may be contrary to public interest.

Financial Discipline

8. (1) Instructions or directives contained in these Regulations or in Departmental Accounting Instructions for which no variation is permissible, in any circumstances whatsoever, shall be deemed to include a provision that any contravention will amount to a breach of financial discipline.

(2) Any person required to perform any function or duty either the under Financial Administration Act 2003 (Act 654) or under these

Regulations who fails to perform that function or duty within the time required, is in breach of financial discipline under this regulation.

(3) Disciplinary action for misconduct shall be taken by the head of department against any officer contravening any instruction specified, in accordance with these Regulations.

(4) Sanctions for breach of financial discipline shall include reprimand, suspension, demotion, interdiction and termination.

(5) Failure by a head of department to take disciplinary action where required under this regulation shall itself be a breach of discipline under this regulation.

PART II PUBLIC FUNDS

Public Funds

9. In accordance with section 5(1) of the Financial Administration Act 2003, Act 654, the public funds of Ghana consist of the Consolidated Fund, Contingency Fund and such other funds as may be established by or under an Act of Parliament.

Classification of Receipts

10. Receipts into the Consolidated Fund shall be broadly classified as follows:

(a) Public Moneys which include

(i) Revenue - Tax ,Non-Tax Revenue and Grants;

(ii) Other Receipts - The product of borrowing, repayment of government loans and advances, sale of government securities, sale of government equity investments, sale of other government assets; and

(b) Trust Moneys which are Deposits, Special and Trust Funds.

Custodial Responsibility of the Controller and Accountant-General

11. (1) The Controller and Accountant-General, as the Chief Accounting Officer of Government, is responsible for the custody of public and trust moneys payable into the Consolidated Fund and other Funds.

(2) Any public officer performing the duties of the Controller and Accountant-General under sub-regulation (1) shall be deemed to be acting under the delegated authority of the Controller and Accountant-General.

Custody of Public and Trust Moneys

12. A person entrusted with custodial duties for public and trust moneys shall protect public and trust moneys against unlawful diversion from their proper purposes and against accidental loss, and locate such moneys so as to facilitate the efficient and economical discharge of public financial business.

Custodial Role of Head of Department

13. A head of department shall undertake custodial duties from the time when

- (a) moneys are paid to a collector to the time when the moneys are lodged into the Consolidated Fund;
- (b) appropriations are lodged into the bank accounts of departments until the time when the funds have been fully utilised for the purposes for which they were appropriated; and
- (c) an imprest or advance has been issued to a departmental officer until the time it has been duly retired in accordance with the relevant part of these Regulations.

Opening of Bank Accounts of Public Funds

14. (1) The Controller and Accountant-General shall establish bank accounts of the Public Funds at the Bank of Ghana and its agents in and outside Ghana for the purpose of conducting financial business of Government and the bank accounts shall be designated in currencies as may be determined by the Controller and Accountant-General in consultation with the Minister.

(2) All bank accounts opened by the Controller and Accountant-General and designated as Consolidated Fund Account at the Bank of Ghana or its agents shall form part of the Consolidated Fund.

(3) Balances of allocation from the Consolidated Fund in the Operational Bank Account of the departments shall form part of the Consolidated Fund.

Payments into Public Funds Account

15. (1) Any public officer or revenue collector who collects or receives public and trust moneys shall issue official receipts for them and pay them into the relevant Public Fund Bank Account within twenty four hours of receipt except in exceptional circumstances to be identified by the Minister.

(2) In an exceptional case under sub-regulation (1), the Controller and Accountant General shall issue a directive to that effect under the authority of the Minister.

(3) Moneys collected or received under sub-regulations (1) and (2) shall be deemed to have been paid into the Consolidated Fund as soon as

Controller and Accountant-General receipt has been issued by Controller and Accountant-General Department office .

(4) A receipt in a format approved by the Controller and Accountant-General in the Departmental Accounting Instructions shall be issued for all revenues deposited on receipt of the deposit pay-in slip or bank advice.

(5) Until pay-in-slips in respect of lodgements are presented for the issue of a Controller and Accountant-General receipt, the lodgements shall be credited to a deposit account by the Controller and Accountant-General.

(6) Pay-in-slips in respect of lodgements shall be presented for the issue of the Controller and Accountant General receipts within forty-eight hours.

Non- Tax Revenue and Internally Generated Funds

16. For the purpose of these Regulations,

- (a) Non-Tax Revenue includes fines, penalties, forfeitures, fees and charges, rent on government lands and buildings, interest on government investments, dividends and all other revenue generated from the activities of departments;
- (b) Internally Generated Funds are Non-Tax Revenue that are generated through the activities of the departments.

Collection and Lodgement of Non-Tax Revenue

17. A head of department shall

- (a) ensure that all Non-Tax Revenue are efficiently collected;
- (b) ensure that all Non-Tax Revenue is immediately lodged in the designated Consolidated Fund Transit bank accounts except in the case of Internally Generated Funds retained under an enactment; and
- (c) monitor and ensure that all Non-Tax Revenue lodged into the transit bank accounts are promptly transferred into the main Consolidated Fund bank account.

Lodgement of Retained Internally Generated Funds

18. A department that has legislative approval to retain all or a portion of Internally Generated Funds collected, must first lodge the retained Internally Generated Funds in gross into the Department's Operational Bank Account designated by the Controller and Accountant-General before disbursements are made.

Accounting and Disclosure of Non-Tax Revenue

19. (1) A head of department shall fully disclose all Non-Tax Revenue collected, lodged or retained as part of the monthly report to the Minister

required under regulation 2(j), with copies to the Controller and Accountant-General and Auditor General.

(2) A disclosure under sub-regulation (1) shall cover

- (a) the department's collection points in the regions and districts by type of Non-Tax Revenue;
- (b) the extent to which the department revenue target for the month has been achieved and measures that need to be taken to address any shortfall;
- (c) expenditure incurred out of retained Non-Tax Revenue including Internally Generated Funds classified according to the Budget Classification;
- (d) Non-Tax Revenue including Internally Generated Funds due but not collected;
- (e) any Non-Tax Revenue including Internally Generated Funds leakages and measures to address them; and
- (f) certification confirming reconciliation of lodgements with collections.

Review of Rates, Fees and Charges

20. A head of department responsible for collecting various types of fees and charges shall review annually the administrative efficiency of collection, the accuracy of past estimates and the relevance of rates, fees and charges to current economic conditions and submit proposals through the appropriate Sector Minister to Parliament for approval.

Non-Submission of Reports

21. Failure to comply with the Regulations on Collections, Accounting and Disclosures in respect of Non-Tax Revenue including Internally Generated Funds is a breach of financial discipline as defined in regulation 8(1).

Payments to be made Gross into Public Funds

22. (1) All public moneys collected shall be paid in gross into the Public Funds Accounts and no disbursement shall be made from the moneys collected except as provided by an enactment.

(2) A person who makes payment from moneys collected in contravention of sub-regulation (1) is in breach of financial discipline as defined in regulation 8(1).

Responsibility for Collection of Public Funds

23. Except as otherwise provided in any other enactment, the collection of public and trust moneys shall be the responsibility of the head of

department, who shall appoint supervising collectors for each area where collection is required.

Ceremonial Receipts

24. (1) Where any moneys are paid to Government as part of a public or official ceremony, the moneys shall be paid within 48 hours into the appropriate Public Fund Account in compliance with these Regulations.

(2) A public officer shall not accept a symbolic cheque if that cheque is not supported with an actual cheque.

(3) A public officer who contravenes sub-regulations (1) or (2) is in breach of financial discipline under regulation 8 (1).

Information on Official Receipting Arrangement

25. A head of department shall by notice or such other means as that head considers necessary, inform the public that a pre-numbered official receipt shall be obtained for all moneys paid to a public official authorised to receive such monies by the department and that the public is entitled to refuse payment if no such receipt is offered.

Hours of Collection

26. Official collecting offices shall

- (a) establish official hours of collection which shall be such as to facilitate service to the public and safe custody of public funds;
- (b) prominently display notices on their premises specifying the collecting hours; and
- (c) provide services throughout the official hours.

Notice of Liability to Pay Revenue

27. (1) A notice to a member of the public stating revenue due from that member shall be on a serially pre-numbered form to be specified in Departmental Accounting Instructions and the form shall be controlled as value book in accordance with these Regulations.

(2) The form under sub-regulation (1) shall contain details that enable the person receiving the form to check the amount properly due and shall also inform the person

- (a) of where, and at what times, payment may be made;
- (b) of what means of payment is acceptable; and
- (c) about the precautions to be observed where postal remittances are used.

Issue of Original Receipt

28. (1) A collector who is satisfied that money tendered is in order, shall issue an original receipt to the payer, and shall deal with the duplicate and triplicate copies as required by Departmental Accounting Instructions.

(2) Temporary receipts or receipts other than in the authorized form shall not be used for collections.

(3) A person who issues a temporary receipt or an unauthorized form for collections is in breach of financial discipline as defined in Regulation 8(1).

Acceptance of Legal Tender

29. Any instrument, which under any enactment is the legal tender of Ghana may be used in making payment for any amount due to the Government.

Cheques payable to the Government of Ghana

30. (1) Cheques in respect of payments to Government shall be made payable to the "Government of Ghana" and be crossed.

(2) Where a cheque in respect of payment to Government

(a) is incorrectly issued in the name or the post of a particular officer, the cheque shall immediately upon receipt be endorsed by the officer with the statement- "Pay to the Government of Ghana";

(b) is uncrossed, the cheque shall immediately upon receipt be crossed by the officer who receives it.

(3) An officer who fails to comply with subregulation (2) is in breach of financial discipline as defined in regulation 8(1).

Monetary Instruments Requiring Approval

31. A cheque received on behalf of the Government of Ghana and drawn on a bank account outside Ghana, or any bill of exchange other than a cheque or any promissory note, shall not be accepted without the prior approval of the Controller and Accountant-General.

Responsibility for paying by Monetary Instruments other than cash

32. (1) A head of department shall recover the value of any dishonoured monetary instrument from the person who issued the instrument.

(2) Notwithstanding sub-regulation (1), the Government may take such action as it considers necessary to recover the value of any monetary instrument that is dishonoured.

Controller and Accountant-General Department Inspection

33. (1) The Controller and Accountant-General's Department may carry out inspections that it considers necessary to ensure the integrity of the internal control system operating in a department.

(2) A head of department shall give full access to the Controller and

Accountant-General to all documentation, systems, stores, officials, safes and other relevant information that are necessary for an inspection under sub-regulation (1)

Authority for Refund

34. Refunds may be authorized

- (a) in respect of revenue correctly collected in accordance with law, and subsequently reclaimed under conditions prescribed by law, by the authority prescribed in the appropriate enactment;
- (b) in respect of revenue which result from erroneous collection, where the erroneous collection took place in
 - (i) the current year, the head of department may authorise a payment from the Consolidated Fund in accordance with the Financial Administration Act, 2003 (Act 654) chargeable to the revenue item concerned; and
 - (ii) a previous year, details of the necessary refund shall be supplied to the Controller and Accountant-General who may authorize a refund chargeable to an account so designated in the Departmental Accounting Instructions.

Receipts of Trust Moneys to be Lodged in the Consolidated Fund

35. All trust moneys received shall be lodged into the Consolidated Fund or other appropriate Public Funds, and all disbursements from such moneys shall be considered as payments from the Consolidated Fund or other appropriate Public Fund and shall be in accordance with the provisions of the Financial Administration Act, 2003 (Act 654)

Collections Outside Ghana

36. These Regulations shall apply to collections made in government departments located outside Ghana, subject to such variations as may be approved in writing by the Minister.

Disbursements of Public Funds

37. (1) Disbursement by the Controller and Accountant-General to a department shall be made directly from the Consolidated Fund into a bank account in the name of the department.

(2) The bank account of a department under sub-regulation (1) shall be used solely in the furtherance of the authorized business of that department.

(3) The responsibility of the Controller and Accountant-General in respect of the bank account under sub-regulation (1) relates only to the legality of the payment.

(4) Payments from the Consolidated Fund shall be classified and lawfully made by the Controller and Accountant General as follows

Class of Payment

Legal Authority

(a) Public Moneys	
(i) Expenditure	Annual and supplementary estimates approved by sections 14 and 25 of the Financial Administration Act, 2003.
(ii) Redemption of Debt	Loans Act, 1970 Act 335); and Article 181 – 182 of the Constitution.
(iii) Government Advances	Section 22 of the Financial Administration Act 2003, (Act 654) and regulations made under that Act.
(iv) Government Loans	Various authorities including instruments made under the Statutory Corporations Act,

		1964 (Act 232) and section 23 of the Financial Administration Act 2003 (Act 654).
	(v) Purchase of Securities	Section 21 of the Financial Administration Act 2003 (Act 654).
	(vi) Government Equity Investments	Various authorities, including instruments made under the Statutory Corporations Act, 1964 (Act 232) and section 24 of the Financial Administration Act, 2003 (Act 654).
(b)	Trust Moneys	
	(i) Deposits	Article 176 (1)(b) of the Constitution and specific enactments pertaining to particular kinds of deposits;
	(ii) Special and Trusts Funds	Section 8 of the Financial Administration Act, 2003 (Act 654) and any enactment or agreement pertaining to special and trust funds.
(c)	Statutory Expenditure	Article 178(1)(a) of the Constitution and as

provided for under various enactments (e.g. District Assemblies Common Fund, Pensions, Ghana Education Trust Fund).

Activities to be Prioritised

38. (1) A head of department shall prioritise the department's activities and ensure that related expenditures are within the budget ceilings or such other ceilings as determined by the Minister

(2) A head of department shall report any insufficiency of funds which is likely to result in serious curtailment of services to the Principal Accounts Holder for direction.

(3) A report under sub-regulation (2) shall be made in good time and not after funds have been exhausted.

Responsibility in Respect of Payments

39. (1) A head of department shall ensure that moneys are utilised in a manner that secures both optimum value for money and the intention of Parliament.

(2) The head of the accounts section of a department shall control the disbursements of funds and ensure that

- (a) the officer ordering disbursement is authorised to do so;
- (b) orders are made within the powers of and the funds available to the officer ordering disbursements;
- (c) transactions are properly authenticated to show that amounts are due and payable; and
- (d) any order for disbursements that does not meet these requirements is rejected.

Payments to Other Public Institutions

40. (1) Other public institutions as defined in section 45(1) of Act 654 and government agencies, which receive financial support from government shall

have agreements covering the payment of such support and shall provide for the

- (a) appointment of a government nominee in the governing body;
- (b) prior approval by the Government of financial and accounting arrangements of the institution concerned;
- (c) submission of the annual estimates to the Minister for review and submission to Parliament for approval;
- (d) audit of accounts by the Auditor-General or an auditor appointed by and reporting to the Auditor-General; and
- (e) issue of directions by the Government on matters affecting the financial policy to be adopted by the institution concerned.

(2) The requirement for receipt of financial support shall be subject to the condition that the institution assisted shall render audited annual statements of accounts to the Minister with a copy to the Controller and Accountant-General.

(3) The provisions of section 50(1) and (2) of the Financial Administration Act, 2003 (Act 654) shall apply to all other public institutions.

(4) Where financial support is given by Government to public institutions, quarterly returns on expenditure shall be forwarded to the Minister and the Controller and Accountant General in such form as may be determined by the Controller and Accountant-General in consultation with the Minister.

(5) The returns shall be submitted not later than the fifteenth day following the end of the quarter and shall be certified by the public institution to be in accordance with policy directives and agreements under which the financial support was provided.

(6) Except for virements as allowed by regulation 171 a variation shall not be made in budgeted expenditure approved under the financial support provided to any public institution without the prior approval of the Minister.

(7) Unutilised balances held by public institutions at the end of the year shall be reported in accordance with regulations 41 (**Balance of Appropriation**)

Balance of Appropriation

41. (1) A head of department shall submit statement of un-discharged commitments, ten working days after the end of the financial year to the Minister, with copies to the Controller and Accountant-General.

(2) A head of department shall furnish the Minister with a schedule of un-discharged commitments which may be properly carried forward

together with unexpended balances of the previous year's appropriation that are available to finance their discharge.

(3) The Minister, upon receiving the schedule under sub-regulation (1), may issue a warrant referred to in these Regulations as a Revote Warrant to the head of department with copies to the Controller and Accountant-General to provide for the discharge of the commitments.

(4) A head of department shall include moneys specified in the Revote Warrant in the first supplementary estimates of the new financial year to be presented to Parliament for approval.

Foreign Payments

42. (1) Payments outside Ghana shall be made only under the specific authority of the Controller and Accountant-General with prior approval of the Minister in accordance with the approved estimates.

(2) Modalities for payments outside Ghana require the prior approval of the Minister and shall be included in the Accounting Manual issued by the Controller and Accountant-General.

(3) Any variations to the modalities in sub-regulation (2) require the prior approval of the Minister.

Payees

43. A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly authorized in writing to receive the payment.

Restriction on Public Officers

44. A public officer shall not on behalf of a department receive any payment from a member of the public except as provided in the Departmental Accounting Instruction, and failure to comply with this regulation is a breach of financial discipline as defined in regulation 8(1).

Recovery of Overpayments

45. If any expenditure is made in excess of the amounts actually due, the overpayment shall be recovered immediately and paid into the account from which it was originally paid and the officer concerned shall report the circumstances immediately to the head of department or the appropriate authority.

Payment Procedures in Times of Emergency

46. Payments out of the Consolidated Fund in times of emergency shall be made in accordance with the following:

- (a) an application shall first be made to the sector Minister by the department concerned;

- (b) the sector Minister shall as soon as practicable, on receipt of the application, provide comments on it and forward it to the Minister;
- (c) on receipt of the application together with the comments, the Minister may, within a reasonable time having regard to the circumstances, approve of the necessary adjustments to the application;
- (d) the decision of the Minister shall be communicated to
 - (i) the department through the sector Minister and
 - (ii) the Controller and Accountant-Generalas soon as the decision is made and the Controller and Accountant-General shall act accordingly; and
- (e) the Minister shall within 3 working days of making the decision, cause a copy of the application together with the comments and the Minister's decision, to be delivered to Parliament.

Bank Accounts for Departments

47. (1) On opening a bank account for a department, the Controller and Accountant-General, shall communicate to the bank the conditions under which the account will be operated, which shall include

- (a) prohibition of overdraft on the bank account;
- (b) names and specimen signatures of officers authorised to sign cheques on the bank account; and
- (c) a requirement for the Bank to provide the head of department with a bank statement.

(2) The Controller and Accountant-General shall maintain a register of all Government bank accounts including the details of officers authorised to operate these accounts.

(3) Any public officer who opens or operates any Bank Account for a department, which is not authorised by the Controller and Accountant-General is in breach of financial discipline as defined in regulation 8(1).

(4) Any bank that opens an account for any department without the authority of the Controller and Accountant-General is in breach of these Regulations and liable to sanctions by the Bank of Ghana.

Level of Cash Holdings

48. (1) A head of department shall ensure that cash holdings are kept to the absolute minimum, consistent with the efficient discharge of public financial business, by

(a) promptly lodging collections in bank account(s) established for the purposes of receiving moneys into the Consolidated Fund or other Public Funds; and

(a) using bank accounts for holding cash balances; and

(b) making payment by cheques wherever possible.

(2) A head of department shall ensure, as far as it is consistent with the convenience of the public and the control of transactions, that collections or payments are made by cheque, bank transfer or direct payment to bank accounts.

Authorised Cash Balances

49. (1) Departmental Accounting Instructions shall specify officers, designated by posts, who may hold cash and their authorised cash balances which are the maximum amounts that may be held by them during periods when their offices are closed for business.

(2) For the purpose of these Regulations, an uncrossed cheque shall be deemed to be cash.

Determination of Authorised Cash Balances

50. The authorised cash balance for any office shall be determined according to

(a) the needs of public business;

(b) the availability of banking facilities in relation to the working hours of the office;

(c) the availability of safe accommodation and seniority of key-holders; and

(d) the general security of the building in which the safe is located.

Excess Cash

51. (1) Any officer who finds that the overnight cash balance is likely to exceed the authorised cash balance outside banking hours, must arrange to transfer the excess to a reserve cash safe with a higher authorised cash balance or to a vault or strong room.

(2) Departmental Accounting Instructions shall specify the location of the accommodation and arrangements to be made for reception of cash.

Failure to Secure Excess Cash

52. Failure to lodge excess cash in secure overnight custody is a breach of financial discipline as defined in regulation 8(1).

Private Use of Balances Prohibited

53. (1) Official cash balances shall not be used for any private purpose including the encashment of cheques.

(2) The application of official cash balances for any purpose other than those provided for in these Regulations is a breach of financial discipline as defined in regulation 8(1).

Access of the Auditor-General

54. The Auditor-General or any officer representing the Auditor-General shall have access to any copy of Cash Security Instructions in the presence of the officer responsible for its custody, but notes of its content shall not be taken and the contents shall not otherwise be communicated to any unauthorised person.

Right of Access

55. The Controller and Accountant- General and Auditor- General, and their representatives, have the right to ask for and to receive from a bank, statements of any bank account of a department and other information relating to transactions in the account.

PART III DEPOSITS AND OTHER TRUST MONEYS

Trust Moneys

56. (1) Trust moneys are moneys received into, or held in the Consolidated Fund and administered by public officers on behalf of a member of the public or any private or public agency in accordance with the terms of any enactment, agreement or trust deed, and include receipts and disbursements.

(2) Except as expressly provided for in any enactment, agreement or trust deeds, the receipt, custody and disbursement of trust moneys shall be subject to these Regulations as though they were public moneys.

Loss of Trust Moneys

57. (1) Except as provided for in these Regulations, any loss of trust moneys shall be replaced from the Consolidated Fund, and the person to whom the moneys belong shall not suffer from the loss.

(2) Investigation shall be conducted into the circumstances leading to the loss of any trust monies in accordance with regulation 236 (Investigation of every case of loss).

Responsibility for Management of Trust Moneys

58. In cases where the enactment, agreement or trust deed governing trust moneys does not specify the administering authority, other than generally as the Government of Ghana, the Minister shall designate a head of department who shall be the administering authority.

Deposit

59. For the purposes of these Regulations a deposit is a sum of money required by an enactment or agreement to be paid into the Consolidated Fund as security for the doing of any act or thing and to be held or disposed of in a manner as may be laid down in an enactment or agreement, or as may be required by these regulations.

Authority for the Collection of Deposits

60. (1) If the head of any department considers that the public financial business of the department requires the collection of deposits, the head of department shall submit a proposed scheme to the Minister for approval, with a copy to the Controller and Accountant-General.

(2) Rules and information relating to the operation of a deposit scheme shall be incorporated in the Departmental Accounting Instructions.

Reserve Liability

61. In conveying the approval of the Government for a deposit scheme, the Minister shall direct the means by which the scheme shall be established or otherwise made known to the public, and shall direct the Controller and Accountant-General as to the proportion of the deposit balance which should be held in the form of cash to meet the government's liability to repay it.

Opening a Deposit Account

62. When the need arises for a head of department to receive, hold and dispose of deposits, the head shall apply to the Controller and Accountant-General for authority to open a deposit account.

Designation of the Deposit Account

63. (1) The Controller and Accountant-General shall

(a) give authority for the operation of a deposit account;

(b) specify the account number and title; and

(c) send the authority for the operation of the account to the head of department with a copy to the Auditor-General.

(2) The account number and title shall be quoted on all receipts, payment or journal vouchers relating to the deposit account.

Responsibility of the Deposit Holder

64. A head of department shall be responsible for the proper collection and disposal of deposits in accordance with these regulations, and for maintaining accounts of transactions in accordance with regulation 1.

Deposits to be Paid into the Consolidated Fund

65. All deposits shall be collected and lodged in gross into the Consolidated Fund subject to the provisions of the Financial Administration Act 2003, (Act 654).

Unauthorised Deposits

66. (1) A deposit holder shall not demand or accept any deposit, other than deposits authorised under these Regulations.

(2) The acceptance of an unauthorised deposit is a breach of financial discipline as defined by regulation 8(1).

Time-expired Deposits

67. (1) Unless the rules relating to a class of deposits expressly provide otherwise, a head of department shall not authorise repayment on a deposit that has been held for more than two years.

(2) Where a head of department refuses to authorise repayment on a deposit under subregulation (1), the head of department shall inform the depositor of the refusal and claim for the repayment of the deposit shall then be made to the Controller and Accountant-General.

Repayment

68. (1) A repayment shall be effected by payment voucher authorised by the deposit holder and presented to the Controller and Accountant-General.

(2) The voucher shall quote both the original receipt on which the deposit was collected and the Controller and Accountant-General Department's receipt on which it was paid into the Consolidated Fund.

Methods of repayment

69. Deposits may be repaid in two ways,

- (a) by transfer of all or part of the deposit to revenue in settlement for sums due to Government from the depositor or

- (b) by repayment of all or part of the deposit to the depositor or to a third party as may be laid down in rules governing a particular deposit.

Entitlement to Repayment

70. A repayment shall not be made to a depositor until the head of department is satisfied that
- (a) the circumstances in which the deposit was required to provide security has ceased to have effect; and
 - (b) all sums due to government have been duly collected or charged to the deposit by Journal Entry.

Presentation of Original Deposit Receipt

71. (1) Where repayment in full is made to the depositor, the payee shall be identified by the surrender of the original deposit receipt, which will be endorsed as "Repaid" and attached to the payment voucher.

(2) In the case of part-payments, details of the payment voucher number and amount paid shall be endorsed on the deposit receipt, which shall then be returned to the depositor.

(3) Endorsement of the deposit receipt shall be noted on the payment voucher by the head of department or an officer appointed by the head.

Other Identification of Payee

72. Where the original deposit receipt has been lost, or the payment is due to be made to a third party, the head of department is responsible for seeing to it that payment is made to the person entitled to receive it and the means used for identification shall be noted on the voucher.

No Interest Payable

73. Interest shall not be payable on ordinary deposits except as may be negotiated with the Minister in line with section 8(2) of Financial Administration Act 2003, Act 654.

Closure of Deposit Account

74. When deposits are held for two years, or such other period as may be provided for in the approved scheme, without claim for repayment being made, the head of department shall seek the authority of the Controller and Accountant-General to close the deposit account by transfer to revenue in accordance with these Regulations.

Subsequent Claims

75. Subject to regulation 76 the closure of a deposit account shall not debar a depositor from claiming refund and such a claim shall be made to the Controller and Accountant-General.

Limitation of Claim Period

76. A claim for refund of deposit shall not be accepted after the lapse of a period of six years from the time of original deposit.

Special Fund

77. (1) A Special Fund is a fund established under section 8 of the Financial Administration Act, 2003, (Act 654) from moneys received by or on behalf of the Government and paid out to the department responsible for the special purpose.

(2) A Special Fund shall be established by an enactment or other legal instrument approved by the Government, which shall specify the purposes of the Fund, the administering authority, amounts receivable and payable, and any special rules necessary for the transaction of business.

Disbursements of Special Funds

78. All disbursements out of a Special Fund shall be made by authorisation of the administering authority of the Special Fund, quoting the rules governing the operation of the Fund and any rule pertaining to the particular transaction.

Accounting for Special Funds

79. A head of department responsible for administering a Special Fund shall keep accounts of all transactions in accordance with procedures laid down in Departmental Accounting Instructions.

Annual Accounts of Special Fund

80. (1) A head of department responsible for administering a Special Fund shall prepare an annual report and financial statements of transactions in relation to the Special Fund, which shall be separately certified by the Auditor-General.

(2) Unless the rules relating to the Special Fund require separate publication, the annual reports and financial statements of the Fund shall be included in the departmental annual statement of account prepared in accordance with section 41 of the Financial Administration Act, 2003, (Act 654).

Trust Fund

81. (1) A Trust Fund is a Fund derived from a donation or bequest from a private person or group of persons for a public objective and for which the Government of Ghana is nominated to act as trustee.

(2) The terms of the Trust shall be laid down in a Trust Deed.

Acceptance of a Trust

82. The acceptance of a trust by the Government shall be sought through the Minister who shall issue the formal acceptance and remit a copy of the Trust Deed to:

- (a) the administering authority;
- (b) the Controller and Accountant-General; and
- (c) the Auditor-General.

Additional Rules

83. Any rules required to give effect to the terms of the Trust shall be laid down in the Departmental Accounting Instructions of the administering authority.

Trust Fund Investments

84. (1) The principal sum created by a Trust shall be invested in securities in accordance with the Financial Administration Act, 2003, (Act 654).

(2) The interest derived from the securities, and any profit or loss on sales of securities, shall accrue to the Trust Fund.

No Charge for Administration

85. A charge shall not be raised by the government for the administration of a Trust Fund and a fee or payment shall not be made to any public officer for work done on behalf of a Trust Fund.

Annual Accounts of Trust Fund

86. (1) A head of department responsible for administering a Trust Fund shall prepare an annual report and financial statements of its transactions, which shall be separately certified by the Auditor-General.

(2) Unless the rules relating to the Trust Fund require separate publication, the annual reports and financial statements shall be included in the departmental annual report prepared in accordance with section 41 of the Financial Administration Act 2003, (Act 654).

Report to Donors and their Successors of Trust Fund

87. A copy of the annual report and financial statements shall be sent to the donors of the Trust, or to their heirs or successors.

Sinking Fund

88. A Sinking Fund is a Special Fund created for the redemption of a loan, acquisition of an asset or any other related purpose by means of an annual contribution so calculated that when accumulated at compound interest over the life of the loan or the asset, the sum available shall be sufficient to redeem the loan or acquire the asset.

Authority for Creation of a Sinking Fund

89.(1) The creation of a Sinking Fund may be authorised by Parliament in accordance with section 17 (3) of the Loans Act, 1970 (Act 335) or under any other enactment and this authority shall be conveyed to the Bank of Ghana and the Controller and Accountant-General by letter which shall also specify the annual contribution and the rate of interest which is to be compounded.

(2) A Sinking Fund once established cannot be abolished without the authority of Parliament.

Administering Authority for Sinking Funds

90. The Controller and Accountant-General shall be the administering authority for all Sinking Funds thus established, and shall cause the approved contribution to be paid annually into the Fund.

Fund to be Invested

91. Annual contributions to a Sinking Fund shall be invested and all interest received in respect of such investments shall be credited to the Fund.

Payment from a Sinking Fund

92. (1) A payment shall not be made from a Sinking Fund unless the Fund is required for redemption of the relevant loan or the acquisition of the asset.

(2) Where a Fund is required under sub-regulation (1) for the redemption of a loan or the acquisition of an asset, the Controller and Accountant-General shall arrange for the sale of investments and transfer of moneys in consultation with the Bank of Ghana.

Closing Adjustment

93. Any surplus or deficiency in the Fund after realisation of the investments shall be adjusted by payment to or from the Consolidated Fund or other Public Funds as the case may be.

PART IV

ADVANCES, LOANS AND EQUITY INVESTMENTS FROM THE CONSOLIDATED FUND

Financial Assets of the Consolidated Fund

94. Moneys paid from the Consolidated Fund for a public purpose that
- (a) requires the eventual repayment of the money into the Consolidated Fund; and
 - (b) results in the acquisition in any equity interest in any institutions,

shall not be charged to expenditure, but shall be advanced or lent from the Consolidated Fund and shall form a financial asset of the Consolidated Fund.

Need for Proper Authority

95. (1) Moneys shall not be advanced or lent from the Consolidated Fund without the approval of Parliament.

(2) Advancing or lending moneys from the Consolidated Fund or from moneys due to that Fund, contrary to sub-regulation (1) is a breach of financial discipline as defined in regulation 8(1).

Categories of Public Financial Business

96. The following categories of public financial business shall be governed by the regulations in this part:

- (a) advances which are moneys lent on condition of repayment within one year;
- (b) loans which are moneys lent on condition of repayment within periods exceeding one year; and
- (c) Equity investments which are moneys paid for stock or shares in any Institution that confers ownership rights upon the Government of Ghana.

Budgetary Control of Advances, Loans and Equity Investments.

97. Moneys released from the Consolidated Fund, as advances or loans or equity investments, shall be subject to limits approved by Parliament in the annual budget and applied as laid down in these Regulations.

Chief Authority

98. Subject to the directions of the government, the Minister shall be the chief authority for the issue and management of all advances, loans and equity investments of the Consolidated Fund.

Need for Prior Agreement

99. (1) An advance or loan shall not be payable until an agreement specifying conditions and terms of recovery have been concluded between the borrower and the Government in accordance with sections 22 and 23 of the Financial Administration Act 2003, (Act 654), and shall be in the form of

- (a) a formal agreement signed by both parties in the presence of witnesses; or
- (b) a formal offer specifying conditions together with formal acceptance by the borrower.

(2) The form to be used under subregulation (1) in any particular case, if not specified by the governing enactment, shall be determined by the Minister.

Responsibility for Payment

100. A payment in respect of an advance, loan or equity investment shall not be made until a copy of the appropriate agreement has been lodged with the Controller and Accountant-General.

General and Specific Authority

101. (1) All advances from the Consolidated Fund shall require two authorities to give effect to a payment, namely

- (a) a general authority providing for a class of advances; and
- (b) a specific authority for granting any particular advance within a class; and authority to approve a class of advances.

(2) Any scheme for establishing a class of advances shall be submitted to the Minister who shall submit it to Parliament for approval.

(3) A scheme shall include the following information:

- (a) an explanation to show the public purposes to be served by the scheme and its estimated costs;
- (b) proposed rules for operation of the scheme, specifying the terms and conditions upon which advances may be made, and the manner and period of recovery;
- (c) any interest charge to be made for the advance;
- (d) designation of the officer or officers authorized to grant and manage advances;
- (e) means of promulgating rules; and
- (f) maximum amount of advances allowed.

Authority to administer advances

102. When the rules for a class of advances are approved by Parliament, the Minister may authorise a head of department to administer advances of that class, upon application by that head, showing likely receipts and payments during any one financial year.

Authorised Maximum of Advances Allowed

103. (1) In authorizing a head of department to administer a class of advances, the Minister shall specify the maximum amount that may be advanced under that class at any time.

(2) Copies of the authority under sub-regulation (1) shall be sent to the Controller and Accountant-General and the Auditor-General.

Responsibility of the Administering Authority

104. A head of department authorised to administer a class of advances shall ensure that

- (a) the total advances outstanding at any given time do not exceed the authorised maximum;
- (b) advances are made under proper authority to the person entitled to receive them; and
- (c) advances are duly recovered in accordance with the regulations or agreements relating to them.

Increase of Authorised Maximum

105. (1) A head of department may apply for increase of the authorised maximum of any class of advances when submitting the departmental budget estimates.

(2) In considering an application under sub-regulation (1), the Minister shall ascertain from the Controller and Accountant-General and the Auditor-General whether the existing advances of the department concerned are being properly administered and recoveries are being promptly and fully effected.

Authority to Grant Advances

106. (1) The authority for the grant of any specific advance shall be the Minister.

(2) Authority to administer advances does not convey authority to grant advances unless the rules pertaining to a class of advances as approved by the Minister specify otherwise.

Delegation of Powers to Grant Advances

107. The Minister may delegate the power to grant advances to any head of department or Chief Finance Officer not below the rank of Director and the power shall be exercised personally by the specified officer.

Applications by the Administering Authority

108. Where no delegation of authority to grant advances has been made to the head of department, applications to the Minister for the grant of any class of advance shall specify the total advance balance of that class outstanding at the date of the application.

Delegation of Administering Authority

109.(1) A head of department may delegate responsibility for the administration of advances to the Chief Finance Officer.

(2) The Chief Finance Officer may sub-delegate responsibility to an officer of the Accounting Class of a rank that may be specified in Departmental Accounting Instructions.

Records of Advances and Recoveries

110. A head of department, who is an administering authority for any class of advances, shall keep accounts at the departmental headquarters that show all advances and recoveries made.

Responsibility for Recovery

111. A head of department, or the officer to whom the duties of the head of department have been delegated in accordance with regulation 109 (delegation of administering authority), shall ensure that advances issued are duly recovered in accordance with the appropriate agreement.

Methods of Recovery

112. Advances may be recovered by any of the following methods:

- (a) deduction from payments due from Government to the borrower;
- (b) direct payment to the Government by the borrower or the borrower's proxy;
- (c) recovery from the borrower's estate; or
- (d) any other means which may appear to be feasible.

Deductions from Salary

113.(1) Recoveries from official salaries shall commence from the salary of the next complete month after the month in which the advance was made.

(2) A head of department shall ensure that deductions made from salaries are paid directly into the Consolidated Fund unless otherwise stated in the agreement covering the advance.

Duty to Report Non-Deduction

114.(1) The duty of the head of department to deduct advance recoveries from salary payments will not diminish the responsibility of a public officer, who has received an advance, to repay it according to the agreement and to report any failure to make deductions from salary when due.

(2) Failure by the beneficiary to report the absence of deduction is a breach of financial discipline as defined in regulation 8(1).

Conditions for Grants of an Advance

115.(1) An advance payment to a public officer shall not be made under these Regulations if

- (a) any advance of the same class in the name of the public officer has not been fully repaid;
- (b) any advance of any class in the name of the public officer is not being regularly recovered;
- (c) any advance is outstanding against the officer on account of losses, uncleared cheques or unretired imprest; and
- (d) the normal instalment of recovery shall cause total advance deductions to exceed 50 per cent of net monthly salary after tax or other statutory deductions.

(2) The authority to pay an advance issued under these regulations shall contain a certificate that the officer granting the advance is satisfied that none of the conditions under subregulation (1) apply to the person receiving the advance.

Recovery on Leaving the Service

116. The outstanding balance of any advance to a public officer becomes a debt to government and is fully recoverable, at the date of the public officer leaving the service, and shall be aggregated with other debts due to government as provided for in Departmental Accounting Instructions.

Transferred Officers

117.(1) The balance of an advance due from an officer who is transferred to another department shall be reported to the head of the new department as required by Departmental Accounting Instructions.

(2) The balance of any advance outstanding in the public officer's name shall be treated as an inter-departmental payment.

Advances Arising from Losses

118. In the determination of liability of an officer responsible for a loss, an advances account shall be opened in the officer's name and subsequent investigations shall be conducted in accordance with Part IX (Losses) of these Regulations.

Responsibility for Administration

119. (1) A head of department shall be

- (a) the administering authority for all loss advances,
- (b) responsible for opening and clearing accounts relating to losses incurred by the staff of the department.

(2) The Controller and Accountant-General shall notify all heads of departments of the account numbers to be used for losses.

No Authorized Maximum

120. (1) Losses shall be charged to Advance Account as the need may arise and shall not be restricted by an authorised maximum as required by regulation 103 (authorized maximum of advances).

(2) A head of department shall report to the Minister whenever the losses of the department in any financial year exceed the forecast given under Part III of the Financial Administration Act, 2003, (Act 654), and explain the circumstances.

Advances to Contractors

121. (1) Advances to Contractors shall belong to a general class of advances as under regulation 101 .

(2) This class of advances is provided for the purposes of facilitating the work of Ghanaian contractors by assisting in the finance of works carried out on behalf of Government.

Advance Under Contract

122. (1) An advance shall not be made to a contractor except in accordance with the terms of the contract signed between the Government and the Contractor.

(2) A contract under sub-regulation (1) shall satisfy the requirements of regulation 99 (Need for prior agreement) and no separate advance agreement shall be required.

Authority for Inclusion of Advance Provisions

123. A provision relating to an advance shall not be included in any contract without the prior approval of the government acting through the Minister.

Advance other than Cash

124. An advance in a contract shall not be made in the form of stores, equipment or service unless the contract agreement provide for the determination of prices of these stores, equipment or services to be charged to the contract.

Recoveries to be Deducted and Final Payments

125. (1) Recoveries in respect of contract advances shall be made from the contract payments by the head of department.

(2) A final payment on a contract shall not be made until the head of department has confirmed that no balance of an advance is outstanding and shall certify this on the voucher for final payment.

Statutory Deductions

126. In all cases of contract payments, unless otherwise stated in the contract agreement, taxes shall be deducted in accordance with the relevant enactments on taxes.

Budgetary Authority

127. (1) The authority of the Minister shall be required for any service undertaken by a department on behalf of another institution.

(2) An authority under subregulation (1) shall specify the terms and conditions upon which the service may be performed, including the collection of any charge for the service and the authority shall be quoted on all authorities to pay an advance and all payment vouchers.

Claims for Recovery

128. Where there is a need for reimbursement for any service rendered under regulation 127, the appropriate head of department shall promptly issue claims for reimbursement in accordance with the terms of the governing agreement, supported by such detail of the original payment as may be required by the institution concerned and specified by the agreement.

Annual Reports

129. A head of department shall include a statement of services performed on behalf of other agencies in the department's annual statement of accounts submitted in accordance with section 41 of the Financial Administration Act, 2003, (Act 654).

General or Specific Loans

130. Loans from the Consolidated Fund shall be either

- (a) general classes of loans, issued in accordance with an approved loan scheme, or
- (b) Specific loans to be approved by Parliament as a matter of policy in particular cases.

General Classes of Loans

131. A general class of loans shall be approved, administered and accounted for according to the procedures for loans as laid down by these Regulations and the accounting manual.

Specific Loans

132. (1) A specific loan shall be sought through the Minister and shall require the approval of Parliament

(2) An approval under sub-regulation (1) shall be sought in two stages namely

- (a) authority to negotiate a loan; and
- (b) approval of the loan agreement

Authority to Negotiate a Loan

133. (1) Proposals for the granting of a specific loan shall be submitted together with recommendations relating to the terms and conditions to be negotiated.

(2) Authority to negotiate may be given together with any directions of the Government regarding terms and conditions to be included in the agreement.

Approval of a Loan Agreement

134. (1) Loan agreements shall be drawn up in consultation with the Attorney General.

(2) The agreement shall contain a clause that its terms are subject to ratification by Parliament after signature by both parties.

(3) Upon approval of a loan agreement by parliament the Minister shall endorse the agreement accordingly and the loan shall then be payable.

(4) A copy of the approved agreement shall be forwarded to the Controller and Accountant-General, with a copy to the Auditor-General.

(5) The authority responsible for administering a specific loan shall

- a) make payment of the loan
- b) secure the due and timely collection of interest and observance of any other condition and
- c) secure the due and timely recovery of the loan, in accordance with the ratified agreement.

Payment of Loan

135. The Agreement for the loan shall contain the modalities for its payment.

Failure to Pay Interest or Repay Principal

136. The administering authority shall report any failure on the part of the borrower to pay interest or to repay principal by due date, to the Minister.

Penalty

137. Unless the terms of the agreement prescribe some other penalty, any interest unpaid shall be added to the principal sum loaned, and interest at the prescribed rate shall be charged on the total sum.

Submission of borrower's accounts

138. A borrowing institution shall submit its annual audited accounts to the Minister, the Controller and Accountant-General and the Auditor-General.

Statement of Public Accounts

139. (1) The Controller and Accountant-General shall, in the public accounts rendered in accordance with section 41 of the Financial Administration Act, 2003 (Act 654), include detailed statements of loans from the Consolidated Fund as follows:

- a) in the case of general classes of loans, an aggregated statement of loans of each class ; and
- b) in the case of specific loans, a detailed statement of each loan, quoting the original agreement and the balance of principal outstanding at the close of each financial year.

(2) In the report, the Controller and Accountant-General shall draw attention to any failure to recover interest or principal.

Investment Proposals

140. (1) Proposals for the establishment or purchase of stock or shares in any institution shall be submitted for approval to the Minister quoting the appropriate enactment.

(2) The proposals shall give such information as the Minister may require and shall include copies of any prospectus, accounts or investigation of the financial affairs of the institution concerned and must indicate the proportion of the equity to be acquired.

Approval of Investment

141. If a proposal for investment is approved, the Minister shall inform the Controller and Accountant-General of the proposed purchase, designate the administering authority and forward a copy of any agreement made in connection with the acquisition to the Controller and Accountant General and to the Auditor-General.

Responsibility of the Administering Authority

142. The authority administering an equity investment shall

- (a) subject to any direction of the Government, act on its behalf in the exercise of ownership rights;
- (b) protect the public interest in the operation of the institution concerned;
- (c) receive the accounts of the institution concerned and draw the attention of the Government to any matters arising;
- (d) lodge and keep stock and share certificates in safe custody; and
- (e) ensure the due collection of dividends and their lodgement into the Consolidated Fund.

Acquisition of Shares

143. The administering authority of an equity investment shall be responsible for arranging for the payment of stocks or shares through the Controller and Accountant-General.

Certificate of Shareholding

144. (1) As soon as the stock or share certificates have been received, the administering authority shall forward

- (a) the original Certificate of Holding to the Minister; and

(b) copies to the Controller and Accountant-General and the Auditor-General.

(2) The share held shall be checked on the last working day of each subsequent financial year by the administering authority and a new Certificate of Holding where applicable shall be forwarded to the Minister and Controller and Accountant-General and the Auditor-General.

Report to the Minister on Equity Investments

145. The administering authority shall report to the Minister

- (a) a forecast of dividend to be included in Consolidated Fund Revenue each year;
- (b) any failure of the institution to present annual audited accounts;
- (c) information on distribution of profits;
- (d) Any delay in declaration and payment of dividends ;
- (e) any shortfall in profits and the reasons for it;
- (f) any unsatisfactory features of the institution's operations likely to endanger Government's investment; and
- (g) any directions or representations made to the institutions in the capacity of owner.

Annual Accounts

146 (1) The administering authority shall ensure that copies of the annual audited accounts are forwarded to the Controller and Accountant-General and to the Auditor-General.

(2) The administering authority shall confirm to the Minister that Government's interest is correctly reflected in the accounts of the institutions concerned and in the public accounts, and shall report any unsatisfactory features, reflected in the accounts.

Annual Reports

147. The administering authority shall include a report on the operation of equity interest in the annual report submitted in accordance with section 41 of the Financial Administration Act, 2003, (Act 654).

Statement of Equity Interests in Annual Accounts

148. (1) The Controller and Accountant-General shall include a statement of all Government Equity interests in the Annual Statement of Accounts submitted in accordance with section 41 of the Financial Administration Act 2003, (Act 654).

(2) The statement shall show in respect of each institution

- (a) the full title of the institution;
- (b) the administering authority;
- (c) the form and value of Government's investment;
- (d) the proportion of the equity held; and
- (e) the date of the latest annual audited accounts received from that institution.

PART V REVENUE AND EXPENDITURE

Authority of the Minister

149. Subject to the provisions of any enactment or to the directions of the Government, the Minister responsible for Finance shall be the chief authority responsible for the planning, determination, and allocation of resource, preparation, publication, implementation, monitoring, evaluation and control of the national Budget.

Budget Committees

150. Every head of department shall establish a budget committee which shall be made up of

- (a) The head of department, who shall be the chairperson; and
- (b) Heads of Budget Management Centres or Cost Centres (A Budget Management Centre is a unit responsible for budget formulation, implementation, monitoring and evaluation).

Responsibilities of Budget Committees

151. A budget committee shall

- (a) review and formulate the strategic plans based on the policies of government;
- (b) review department's revenue collecting activities;
- (c) allocate resources based on objectives, outputs and activities;
- (d) coordinate, and consolidate the budget;
- (e) monitor, and evaluate budget performance; and
- (f) report in accordance with these regulations.

Budget Circular

152. (1) The Minister shall not later than eight months before the end of each financial year submit a Budget Framework Paper to the Office of the

President outlining the draft preliminary constraints for the next budget period.

(2) The Minister shall not later than six months before the end of each financial year issue a budget circular detailing out the timetable for the preparation and submission of the government's macro economic policy statement and budget for such period as shall be determined by the President in accordance with article 179 of the Constitution and which shall be followed by all departments.

(3) The Budget circular shall specify the sectoral and ministerial constraints within which heads of departments will prepare their budget submissions.

Budget Instructions

153. The Minister shall issue instructions concerning

- (a) the form of budgetary documents and statements;
- (b) classification of budgetary transactions;
- (c) information to be submitted in support of budgetary proposals by heads of departments;
- (d) costing of activities; and
- (e) procedures to be followed by budget committees in preparing, submitting and implementing the budget.

Supplementary Instructions by Ministries

154. Every Principal Spending Officer shall within the provision of the budget circular, and in conformity with any direction of the Government for that Ministry, issue a circular to all heads of departments under that officer's control to direct attention to that Ministry's policy and to any special procedural arrangements required.

Departmental Budget Instructions

155. Every head of department under the control of a Principal Spending Officer, in consultation with budget committees, shall determine the procedures necessary for preparation of departmental estimates in conformity with budget guidelines and shall notify them in the Departmental Accounting Instructions prepared in accordance with regulation 4.

Submission of Budget Proposals

156. (1) Budget proposals from a head of department shall be routed through the sector ministry to the Minister.

(2) Budget proposals from other agencies under the Office of the President shall be routed through the Office of the President to the Minister,

(3) Budget proposals from statutory agencies that are required to submit their budgets to the President shall be submitted as such.

(4) This does not apply to special agencies as defined under article 179 (2) of the Constitution of the Republic of Ghana unless a specific alternative procedure has been approved by the Minister.

Examination of Budget Proposals

157.(1) The Minister may require any budget proposals to be examined and reported on by any other agency of Government and may issue directions for the routing of submissions accordingly.

(2) Any officer of an examination agency under subregulation (1) shall for the purposes of the examination be deemed to have been appointed by the Minister in the exercise of the authority specified in these Regulations.

Provision of Information

158.(1) The Minister may call for any information that is required for the proper discharge of the Minister's responsibilities from a department and the information shall be promptly and correctly given.

(2) A person who fails under subregulation (1) to provide information, or submits information which that person knows to be misleading or incorrect, is in breach of discipline as defined in regulation 8(1).

Consolidated Fund Revenue Estimates

159.(1) Consolidated Fund Revenue includes Tax Revenues and Non-Tax Revenues as defined in these Regulations.

(2) In estimating Consolidated Fund Revenue for a budget period, a head of department shall

- (a) identify all activities that already generate revenue;
- (b) identify all activities that have the potential to generate revenue;
- (c) estimate the frequency of these activities and calculate the revenue arising from these activities and
- (d) produce a monthly forecast identifying when revenue flows are projected to take place.

(3) The head of department in estimating Consolidated Fund revenue in sub-regulation (2) shall examine the administrative efficiency of collection, the accuracy of past estimates and the relevance of rates and charges to current economic conditions or financial policies.

(4) Estimates for the budget year shall be based on current rates or charges and proposals for change of rates or charges shall indicate the revenue effects of such changes.

(5) All agencies that have legislative approval to retain and utilize portions of their Internally Generated Fund shall be required to project these resources as part of their annual Non-Tax Revenue estimates.

Consolidated Fund Expenditure Estimates

160. (1) In estimating Consolidated Fund Expenditure for a budget period, a head of department shall

- (a) take into consideration the Government's macro-economic framework, Government resources and priorities, and any ceilings approved by Cabinet;
- (b) prepare a strategic plan which shall include a definition of the department's mission, goals, objectives, outputs and activities;
- (c) cost and prioritise the activities of the department taking into consideration the resource ceiling;
- (d) prepare the budget statement in accordance with Part V of these Regulations; and
- (e) prepare cash forecast identifying when expenditure outflow is projected to take place.

(2) A head of department, in estimating expenditure, shall consider expenditure, which contributes to the production of the required output and desired policy outcome.

(3) An agency that has legislative approval to retain and utilize portions of its Internally Generated Fund shall programme the use of that Fund as part of its expenditure budget.

Budget Hearing

161. (1) On receipt of estimates from departments, the Minister shall cause to be conducted Budget hearings to review strategic plans and estimates of the departments concerned in order to ensure that these plans and estimates are in accordance with the Government's macro-economic policy framework.

(2) Where necessary, the Minister may require a department to make adjustments to its strategic plans and estimates in order to fulfil the requirements of the Government's macro-economic policy and budget framework.

Revenue Collections

162. (1) Revenue collections shall be started from the first working day of the financial year.

(2) New rates or charges become effective from the date specified in the amending enactment or any other instrument authorising the change.

Release of Funds to Meet Expenditure Warrant

163. (1) After Parliament has approved the Budget Estimates, authority to

- (a) commit funds is conveyed to departments by the issue of warrants signed by the Minister on behalf of Government and copied to the Controller and Accountant General;
- (b) disburse funds to meet expenditure is conveyed by the issue of cash release instructions signed by the Minister on behalf of Government to the Controller and Accountant-General.

(2) Upon the issue of a Warrant, the authority conveyed by a Provisional Warrant shall lapse, and all expenditure made under the Provisional Warrant shall be deemed to have been made under the authority of the Warrant.

Provisional Warrant

164. (1) Where the estimates are not approved before the first working day of the financial year, the President, by Provisional Warrant and with approval of Parliament, shall authorise the withdrawal from the Consolidated Fund of moneys of an amount not exceeding one-quarter of the amount included in the draft estimates.

(2) Moneys withdrawn under sub-regulation (1) shall be for the purpose of meeting expenditure on Government programmes and activities in respect of the period expiring

- (a) three months from the beginning of the financial year; or
- (b) immediately before the approval of the Consolidated Fund Expenditure Estimates,

whichever is earlier.

Release of Funds

165. (1) Release of Funds to the departments shall be in accordance with warrants issued by the Minister or the Minister's authorised representative with copies to the Controller and Accountant-General.

(2) The Minister shall issue cash release instructions to the Controller and Accountant-General for the transfer of cash to the Operational Bank Accounts of departments.

(3) Without prejudice to the above provision, where a revote has been approved, disbursements may be done in arrears.

Audit Copies

166. Copies of all warrants and cash release instructions issued to departments shall be sent to the Auditor General or Regional and District representatives or to both as appropriate.

Authority for Other Receipt and Payment Transactions

167. A specific annual authority is not required for transacting other classes of public financial business that are governed by appropriate enactments, regulations or agreements.

Budgetary Control

168. A head of department shall exercise budgetary control over the activities of the department in accordance with these Regulations and the procedures for budgetary control shall be stated in the Departmental Accounting Instructions for each department.

Warning of Budget Variation

169. (1) A head of department shall inform the Sector Minister or appropriate authority immediately of any circumstances that are likely to affect materially the budgetary results either through revenue and expenditure or other receipts and payments of the department.

(2) The Sector Minister or the appropriate authority shall take the necessary steps to bring to the notice of the Minister any warnings of significant or material budget variations.

Revenue and Expenditure According to the Estimates

170. (1) Revenue and expenditure estimates as approved by Parliament shall be arranged according to the Government of Ghana Budget Classification or Chart of Accounts as well as any other classification approved by the Minister.

(2) Expenditure of a department shall not exceed the expenditure estimates in the budget approved by Parliament.

Virement

171. (1) Where circumstances arise in which the operating requirements of a department make it necessary to rearrange the budget provision for sub-heads, items or sub-items or sub-sub-items within the ambit of a single head, savings under one classification may be utilised to provide for extra expenditure under another without affecting the total funds to be disbursed from the head.

(2) Re-arrangement or reallocation of budget provision under subregulation (1) is known as virement and may be approved as follows:

- (a) Sector Ministers may authorise virements within administrative expenditure or within service expenditure;
- (b) under no circumstance shall expenditure under personal emoluments be vired for other purposes without the approval of the Minister; and

(c) virement between items of expenditure can only be done with the approval of the Minister.

(3) The Minister may delegate the power to authorise virements to a head of department, stating clearly the terms and extent of such delegation.

Revised Budget Estimate

172.(1) During the course of the financial year, the Minister, under the authority of the President, shall review the budget.

(2) Where in the course of the review it is found that the amount of moneys appropriated by the Appropriation Act for any purpose is insufficient or that a need has arisen for expenditure for a purpose for which no sum of money has been appropriated by that Act, supplementary budget estimates showing the sum of money required, shall be laid before Parliament for approval.

Content of Revised Estimates

173. A Revised Estimates shall contain

- (a) a statement of any increase or decrease of revenue and expenditure estimated for the financial year;
- (b) comments of the Sector Minister on the revised estimates;
- (c) comments of the Minister; and
- (d) statement of supplementary estimates required for planned activities.

Supplementary Provision for Existing Activities

174.(1) If a head of department considers it likely that the funds provided for existing activities for the financial year will prove insufficient the head shall prioritise the activities of the department and ensure that only the critical activities are considered first.

(2) Where prioritising shall jeopardise the production of some essential outputs, the head of department shall forward supplementary estimates to the Sector Minister, who shall make any necessary comments on the supplementary estimates before forwarding it to the Minister.

Supplementary Provision for New Activities

175. Subject to subregulation (2) , approval for the introduction of new activities shall only be considered when introduced in the annual estimates in accordance with the procedure laid down in section 25 of the Financial Administration Act, 2003, (Act 654) and these Regulations.

(2) If the Government considers the introduction of new activities at an earlier date to be in the public interest, the Minister shall sign a certificate of urgency to be submitted with the application to Parliament.

(3) The accompanying memorandum shall indicate the reasons for issue of the certificate of urgency.

Supplementary Provision arising from Increase in Costs of Activities

176. (1) If additional funds are required because of increased activity costs that could not be foreseen when the annual estimates were presented, application for supplementary estimate shall be made to the Minister through the Sector Minister or appropriate authority.

(2) The accompanying memorandum shall explain the circumstances in which the extra costs have arisen.

Notification of Revised Estimates

177. (1) After parliamentary approval, revised estimates shall be communicated to the Controller and Accountant-General, the Auditor-General and the department concerned.

(2) The funds shall be disbursed to the beneficiary department in accordance with the provisions of the Financial Administration Act, 2003, (Act 654).

Evasion of Expenditure Control

178. (1) A head of department shall not vary the normal course of payment to avoid causing an excess on any item of expenditure or to avoid lapse of funds and in particular shall not

- (a) make payments in advance for goods or services to be delivered in the subsequent financial year;
- (b) place funds on deposit, with a service provider or any other agency to avoid the consequences of lapse of funds.

(2) Failure to comply with subregulation (1) is a breach of discipline as defined in regulation 8(1).

Double Spending

179. (1) Except as provided for in the Financial Administration Act, 2003, (Act 654), and these Regulations, a head of department may not authorise payment to be made out of funds earmarked for specific activities for purposes other than those activities.

(2) A person who makes a payment contrary to subregulation (1) is in breach of financial discipline as defined in regulation 8(1).

Reporting Budgetary Progress

180. A head of department shall not later than fifteen working days after the end of each quarter, send budgetary control reports set out on monthly basis through the Sector Minister or appropriate authority to the Minister.

PART VI GOVERNMENT STORES

Meaning of Government Stores

181.(1) Government stores are made up of supplies of consumable and non consumables which are received, stored and available for issue.

(2) Government stores must

- (a) be physically visible, movable and not issued out for use; and
- (b) not include scraps, obsolete items and unserviceable items.

Management of Government Stores

182.(1) The acquisition, receipt, custody, control, issue and disposal of Government stores shall be in accordance with the provisions of these regulations, the Financial Administration Act 2003, (Act 654) and the Public Procurement Act, 2003, (Act 663) and any regulation made under Act 663

(2) Subject to sub-regulation (1) the Minister may give

general directions in writing to the Procurement Board on matters relating to Government stores under sectionof Act 663.

Financial Management Implications

183.(1) Any officer responsible for the financial management of a department shall ensure that acquisition of government stores are made and applied to public purposes in the most economical way.

(2) Subject to the provisions of any enactment, a head of department shall be the chief authority in relation to the procurement and use of government stores.

(3) A head of department shall be accountable for the proper care, custody and use of Government stores from the time of acquisition until they have been used or otherwise disposed off in accordance with these Regulations.

(4) A department shall procure government stores from only Value Added Tax (VAT) registered persons or entities and any department that requires an exemption for any specific case shall apply to the Minister with the necessary justification.

PART VII

PREPARATION AND AUDIT OF ACCOUNTS

Public Accounts

184. The documents and records pertaining to public and trust moneys received into, held in and paid from the Consolidated Fund shall be termed the public accounts and shall be kept by the Controller and Accountant-General in accordance with Part V of the Financial Administration Act, 2003, (Act 654).

Other Government Accounts

185. The documents and records pertaining to the collection of revenue, the control of expenditure, the administration of Trust Funds, management of public stores and such other financial business as may be made the responsibility of a Government department shall be termed other government accounts and shall be kept by a head of department in accordance with Part V of the Financial Administration Act, 2003, (Act 654).

Basis of Accounts

186. The Public Accounts and other government accounts shall generally be prepared on Accrual basis except that the specific basis and procedures for preparing the accounts shall be determined by the Controller and Accountant-General.

Classification of Public Accounts

187. The Controller and Accountant-General shall prepare the public accounts which shall be classified and arranged in accordance with the Government of Ghana Budget Classification or Chart of Accounts.

Monthly Statement of Public Accounts

188. Within a period of fifteen days , or such other period as Parliament may by resolution appoint, after the end of each month, there shall be prepared and transmitted to the Auditor –General and the Minister by the Controller and Accountant-General in respect of the month, the Public accounts which shall be published in the Gazette and shall comprise

- (a) a balance sheet showing the assets and liabilities of the Consolidated Fund as at the end of the month;
- (b) a statement of revenue and expenditure of the Consolidated Fund for the month;
- (c) a statement of receipts into and payment from the Consolidated Fund for the month and for the financial year up to the end of that month as compared with the budgetary estimates for the year;
- (d) a statement of revenue and expenditure of retained Internally Generated Fund by the departments;

- (e) cash flow statement of the Consolidated Fund for the month;
and
- (f) notes that form part of the accounts.

Submission of Monthly Revenue and Expenditure Statements

189.(1) A head of department shall submit monthly statement of revenue and expenditure to the Controller and Accountant-General.

(2) The form of a monthly statement shall be provided for in the Departmental Accounting Instructions and shall include a statement of

- (a) expenditure against warrants for the month;
- (b) Non-Tax Revenue collected and paid into the Consolidated Fund; and
- (c) revenue and expenditure of retained Internally Generated Fund.

Annual Statement of a Department

190. Within a period of three months, or such other period as Parliament may by resolution appoint, after the end of each financial year, the head of each department shall prepare and transmit to the Auditor-General, the Minister and the Controller and Accountant-General in respect of the financial year, accounts of the department which shall comprise

- a) a balance sheet showing the assets and liabilities of the department as at the end of the year;
- b) a statement of revenue and expenditure for the year;
- c) a cash flow statement of the department for the year; and
- d) notes that form part of the accounts which shall include particulars of the extent to which the performance criteria specified in the estimate in relation to the provision of the department's output were satisfied.

Annual Statements of the Public Accounts

191. Within a period of three months, or such other period as Parliament may by resolution determine, after the end of each financial year, there shall be prepared by the Controller and Accountant-General and transmitted to the Auditor General and the Minister in respect of the financial year, the public accounts which shall comprise

- (a) a statement of the financial assets and liabilities of the Consolidated Fund at the close of the financial year, annotated with such qualifying information as may affect the significance of figures shown in the statement;

- (b) a summary statement of the receipts into and payments from the Consolidated Fund in comparison with the budget summary for the financial year;
- (c) a statement of the revenue and expenditure for the financial year in comparison with the approved and revised estimates for the year;
- (d) a statement of transactions during the year and an analysis of the position at the end of the year for
 - i) the public debt;
 - ii) deposits and other trust moneys;
 - iii) the securities of government;
 - iv) advances;
 - v) public loans;
 - iv) equity investments of the Consolidated Fund;
 - v) a cash flow statement of the Consolidated Fund for the year; and
 - vi) such other statements as may be required by any enactment.

Failure to Provide Financial Statements

192.(1) The Controller and Accountant-General shall include in the report under regulation 191 details of heads of departments who fail to submit financial statements of their departments in accordance with the provisions of Part V of the Financial Administration Act, 2003, (Act 654).

(2) A head of department who fails to submit financial statements of the department is in breach of financial discipline as defined in regulation (8)(1).

Closure of Accounts

193. (1) At the close of business of the last working day of each month or financial year, whichever is applicable, the accounts shall be balanced off.

(2) The receipts and payments that belong to a period or a financial year other than the reporting period or financial year, shall be shown in the accounts and the details shall be given in the notes in accordance with regulations 187 and 188.

(3) Except as provided for in any enactment, no moneys shall be transferred from the appropriation to

- (a) a deposit account; or
- (b) to any other agency

for the purpose of meeting payments after the close of a financial year.

(4) Where any payment has been properly charged to an advance account before the end of the financial year, or has been incorrectly charged to an appropriation account, the Controller and Accountant-General may adjust the payments to the correct appropriation account after the end of the financial year as if the expenditure authorities had not lapsed.

(5) As soon as possible and in any case not later than 30 days after the end of the financial year, the Controller and Accountant-General shall inform heads of departments of the date of final closure of the accounts and heads of departments shall ensure that their own accounts are in agreement with the public accounts before the date of final closure.

(6) Closing the public accounts for any financial year shall conclude the accounting for that year and no further adjustment shall be made to them.

(7) Closure of the public accounts shall not debar any claim, proceedings or transactions arising from the closure and any transaction or adjustment arising from closed accounts shall be recorded in the public accounts of the year in which such transaction or adjustment is made.

Deletion from the Accounts

194. (1) The Controller and Accountant - General shall annually review the account balances of the balance sheet items in the public and other government accounts and make proposals to the Minister for deletion or adjustments subject to Parliamentary approval.

(2) Deletion from the accounts does not constitute a remission of an obligation, debt or claim and does not debar subsequent proceedings for recovery, should the Minister consider it necessary.

(3) The obligations, debt and claims deleted from the accounts shall be reported in financial statements.

Financial Year

195. The financial year of Government shall extend from the first day of January until the thirty first day of December in each year.

Audit of Accounts

196. (1) The public accounts, the accounts of departments and statutory corporations and other public institutions provided for by the Financial Administration Act, 2003 (Act 654) shall be audited in accordance with the provisions of the Audit Service Act, 2000 (Act 584) and Regulations made under that Act.

(2) The responsibility of the Auditor-General for examining and certifying government accounts does not relieve any officer responsible for keeping and rendering such accounts from the duty to comply and to ensure

that subordinates comply, with the provisions of any enactment, these Regulations and with any instructions or directions issued under them.

(3) Internal audit functions of a department shall be regulated by the provisions of the Internal Audit Agency Act, 2003 (Act 658), and any other enactments for the time being in force.

(4) Every department shall as part of its accounting and auditing functions establish an Audit Report Implementation Committee in accordance with section 30 of the Audit Service Act 2000 (Act 584).

Special Department Accounting Forms

197. The Controller and Accountant-General shall approve any special department accounting forms that may be required for the department's business.

FINANCIAL CONTROLS

Security of Signatures

198. Any officer signing any document or record pertaining to accounts shall ensure that the document or record is signed in such a way as to preclude subsequent alteration or addition to the information contained in the document or record.

Signing Blank

199.(1) An officer shall not sign any incomplete document or record pertaining to accounts.

(2) The signing of a document contrary to sub-regulation (1) is a breach of financial discipline as defined in regulation 8(1).

Signing Blind

200.(1) An officer signing any document or record pertaining to accounts shall ensure that it is proper to sign the document or record, and the signature shall be evidence of the officer accepting responsibility of the propriety of the document or record.

(2) The signing of a document or record without adequate evidence of the propriety of the document or record constitutes negligence, and disciplinary action shall be taken accordingly.

Duty to Report Irregularity

201.(1) Any officer who discovers a financial or an accounting irregularity on the part of another officer shall report the matter in writing to a senior officer.

(2) An officer who fails to report a financial or an accounting irregularity under sub-regulation (1) commits an offence and is liable to prosecution under section 62 (1) of the Financial Administration Act, 2003 (Act 654).

Supply of Account Books and forms

202. An officer responsible for keeping financial and accounting records in accordance with regulation 1 shall ensure that the necessary books and forms for the purpose, are provided but the non-availability of the books, and forms shall not relieve the officer from responsibility.

Review of Accounting Systems

203. (1) A head of department who is satisfied that it is necessary to introduce special accounting systems in the department, shall apply to the Controller and Accountant-General for a systems review to be conducted in order to determine the most suitable system to be used.

(2) Any new accounting system shall include the detailed control arrangements to be applied to ensure the integrity of the financial statements.

(3) Any new accounting system introduced shall be consistent with the provisions of Part V of the Financial Administration Act, 2003, (Act 654).

Restricted Use of Green Ink

204. Except for an officer of the Audit Service no officer of any department shall use green ink or pencil in recording any official financial transaction.

Use of Indelible Ink and Prohibition of Alterations

205. (1) Accounting records and documents shall be written in indelible ink.

(2) An entry in an accounting record or document shall not be erased or altered by writing over

(3) A person who contravenes sub-regulations (1) or (2) is in breach of financial discipline.

Amendment of Figures

206. An incorrect figure in a document may be amended by ruling a single line through it, in such a way that the original entry may be clearly read, and the correct figure inserted above the original entry and the officer signing or certifying the document shall initial the amended entry.

Alteration of Audited Figures

207. (1) An amendment or adjustment shall not be made to audited figures without the express permission in writing of the Auditor General or a representative of the Auditor-General.

(2) The making of an amendment or adjustment contrary to sub-regulation (1) is a breach of financial discipline as defined in regulation 8(1).

Fraction of One Cedi

208. For the purpose of keeping public and other government accounts and preparing financial statements in accordance with the provisions of the Financial Administration Act, 2003 (Act 654), all pesewas shall be rounded upwards to the nearest Cedi.

PART VIII VALUE BOOKS

Definition of Value Books

209. (1) The term "value book" applies to any official form, book, or any electronic device used in public financial business, the improper use of which might occasion loss of public or trust moneys or loss to members of the public.

(2) Value Books include the following:

- (a) official receipt documents, whether in the form of books, tickets or disc;
- (b) cheque books;
- (c) local purchase order forms;
- (d) requisitions and bill books where these form part of a standardized system as approved in Departmental Accounting Instructions;
- (e) travel warrants; and
- (f) any other form which the Controller and Accountant General may declare to be a value book.

Security Printing

210. (1) Value books shall be printed under conditions of security that, in the opinion of the Controller and Accountant-General, preclude the printing and supply of unregistered forms.

(2) The Controller and Accountant-General shall periodically review and update the security features of value books that are susceptible to illegal duplication.

(3) Value books and forms shall for the purpose of records and control be identified by pre-printed serial numbers.

Responsibility of the Controller and Accountant-General

211. (1) The Controller and Accountant-General is responsible for approving the form and content of value books and ordering supplies of value books from the printers.

(2) The Controller and Accountant-General shall issue a guide to Value Books for use by departments. The guide shall list and explain the use of current forms.

(3) The Controller and Accountant-General shall in consultation with the head of a department establish stock levels of Value Books to be printed for the use of the department.

Delegation by the Controller & Accountant-General

212. The Controller and Accountant-General may, delegate the responsibility for ordering supplies of value books from printers and establishing stock levels of Value Books for the use of a department.

Printing and Supply of Cheques

213. Unless otherwise directed by the Minister, regulations 211 and 212 shall not apply to the printing and supply of cheque books, which are the responsibility of the banks, and requisition of cheque books shall be made in accordance with these Regulations.

Responsibility of Heads of Departments

214. (1) A head of department shall ensure the effective and efficient control of stocks of value books.

(2) Value Books stock control procedures shall be included in the Departmental Accounting Instructions

(3) Failure to maintain adequate stock levels if the failure results in disruption of public financial business is a breach of financial discipline as defined in regulation 8(1).

Custody of Value Books

215. A person to whom Value Books are issued shall be personally responsible for the custody of the Value Books.

Duration of Custody

216.(1) A stockholder of Value Books is responsible for the custody of value books until receipt of the books have been duly acknowledged by another stockholder or user.

(2) Any loss in transit shall be immediately reported to the issuing stockholder who shall be responsible for dealing with the loss in accordance with these Regulations.

Defective Books

217.(1) Value books received, whether by post or direct delivery, shall be examined for defects in printing, numbering and paging.

(2) Any Value Books found defective shall be returned to the issuing stockholder, who shall return them to the main stockholder.

(3) A main stockholder who receives returned Value Books under sub-regulation (2) shall be responsible for notifying the printer of defective deliveries, and making claims for reimbursements in respect of faulty printing.

(4) The Auditor General shall be informed of any reports or claims under sub-regulation (3).

Loss of Value Books

218.(1) If any Value Book is lost, the officer immediately responsible for custody shall report the loss to the issuing stockholder who shall be responsible for initiating a loss report in accordance with Part IX of these Regulations.

(2) Failure to report a loss of a Value Book is a breach of financial discipline as defined in regulation 8(1).

Notification to the Public

219. (1) Where the circumstances of the loss of a Value Book indicate the possibility of unlawful use of the value book the reporting stockholder shall immediately give sufficient warning to the public and to other officials.

(2) The means adopted for giving a warning under sub-regulation (1) may vary according to circumstances but may include gazette publication, newspaper notices and the notification by circular to officials likely to be concerned and shall include any specific notification required by Departmental Accounting Instructions.

(3) Departmental Accounting Instructions shall indicate any specific notification required.

(4) The measures taken to notify the public shall be noted in the loss report.

Value of the Loss

220. The value of a loss reported under regulations 218 and 219 shall comprise

- (a) the intrinsic value of the books lost;
- (b) the cost of notifying the public of the loss and otherwise dealing with the case; and
- (c) the value of any loss of revenue or irregular payment occasioned by the loss of value book.

Revenue Losses

221. Where the nature of revenue collection is such that the amount due to government cannot be calculated without reference to a duplicate receipt, or to the number of tickets issued, the loss of receipt books or tickets without proof of their destruction shall be deemed to have occasioned a loss of revenue.

Cost Statement on the Loss

222. (1) In any loss reported under regulations 226 and 228, the head of department shall draw up and sign a cost statement showing a full amount of the loss as assessed by the head of department.

(2) This statement shall be examined and certified by the Auditor General and the amount shall then be deemed to be the value of the loss for purposes of recovery or write off.

Loss Occasioned to the Public

223. A claim against government shall not arise as of right for any loss occasioned to a member of the public by the loss of official value books

Copies of Value Book

224. (1) If any member of the public loses a properly completed form issued, and applies for a duplicate, a certified true copy or a photocopy may be given and a new printed form shall not be used except where this is provided for by law, and the appropriate fee has been collected

(2) Departmental Accounting Instructions may specify a fee to be collected for the provision of copies.

Retention of Used Value Books.

225. Used Value Books shall be retained for safe custody until such time as their disposal under the appropriate regulations has been authorised.

LOSSES

Definition

226. A loss shall be considered to have occurred when the government is deprived of the use of any public or trust moneys, public property, stores or any other financial or physical asset otherwise than in the normal course of public business.

Responsibility of the Head of Department

227. When a loss as in this regulation is discovered, the head of department shall investigate the circumstances of the loss,

- (a) to ascertain the extent and amount of the loss;
- (b) to determine whether control or operational arrangements need to be improved in order to prevent the occurrence of similar losses in the department or in any other department; and
- (c) to determine whether any offence or other fault of a public officer has been revealed by the loss.

Disclosure of Offences

228. The investigation of a loss does not constitute a disciplinary enquiry and if the investigation reveals that an offence has been committed, it shall be dealt with separately by the

- (a) Ghana Police Service, if a criminal offence is involved;
- (b) disciplinary authority as appointed under the Civil Service Act, 1993 (PNDCL 327) if a breach of discipline is involved; and
- (c) Financial Administration Tribunal in accordance with section 67 of Financial Administration Act, 2003(Act 654).

Declaration of Losses

229. A loss may be revealed by

- (a) the discovery of any deficiency within the accounts by any public officer;
- (b) a declaration that a loss has occurred by any one of the following:
 - (i). the Minister;
 - (ii) the Controller and Accountant-General;
 - (iii) the Auditor General;
 - (iv) other public officers specified by any other legislation; or

- (v) any persons who are deputies of the said officers respectively.

Duty of the Head of Department

230. A head of department shall

- (a) ensure that adequate investigation is made of a loss;
- (b) direct action to be taken and ensure that action is taken in
 - (i) rectification of systems;
 - (ii) discipline of staff; and
 - (iii) recovery of a loss; and
- (c) authorise disposal of a case of loss after complying with paragraphs (a) and (b) by
 - (i) write-off;
 - (ii) allowing transactions to stand charged; or
 - (iii) verifying full recovery,as the case may be.

Categories of Losses

231. The categories of loss to which this part relates are

- (a) Cash deficiency which is a deficiency of cash or other negotiable instrument, whether it arises from a simple cash shortage or from the use of fictitious entries or vouchers to conceal the existence of a deficiency.
- (b) revenue losses which may arise from
 - (i) uncollectable revenue when debts due to government cannot be collected by reason that the debtor cannot be traced or is insolvent; and
 - (ii) loss of revenue, arising from failure to assess or collect in circumstances which preclude subsequent assessment or collection, and include any loss of interest caused by delay in making payments into the appropriate public funds or from the making of irregular advances.
- (c) expenditure losses which may arise from
 - (i) irrecoverable overpayments, when an excess payment has been made by error and recovery cannot be effected because the recipient cannot be traced or is otherwise incapable of making repayment;

- (ii) nugatory payments, which arise in circumstances such as, the incurrance of a penalty in which government has been legally obliged to make payment, but for which no corresponding receipt of goods or services has been derived;
 - (iii) improper payments arising from transactions that are contrary to law, but which do not involve any offence under the criminal code, and which have been declared to be improper under regulation 229 and include cases of gross waste or extravagance;
 - (iv) excess expenditure, which is a special case of Improper Payment which arises when payments have been made in excess of approved estimates without the prior authority of Parliament; and
 - (v) fraudulent payments which arise from transactions which involve a breach of the criminal code, by the use of falsified documents or certificates to steal money or other property belonging to the state.
- (d) Store and Equipment Losses which may arise from
- (i) deficiencies, including fraudulent issues from stock and issues without proper evidence of use;
 - (ii) damage or deterioration of goods in stock; and
 - (iii) loss by accident in so far as they relate to equipment and stores in use.
- (e) Financial Losses which may arise from
- (i) irrecoverable advances and loans when moneys due to government cannot be recovered by reason of a debtors default and include default on Government Guarantees;
 - (ii) irregular advances and loans when money cannot be recovered because government cannot establish a claim against any person or institution, as in the case of expenditure wrongly charged to advances, or advances and loans made without agreement for recovery;
 - (iii) reduction of financial asset where the value of any financial asset has to be reduced by reason of failure or capital restructuring of an enterprise.
 - (iv) losses on sale of securities where the losses are aggregated with gains over the financial year, and any net loss is written off at the end of the year.
- (f) Miscellaneous Losses which may arise from
- (i) loss of Value Books dealt with as laid down in Part VIII of these Regulations

- (ii) the loss of safe keys of any government safe or the compromise of any combination lock
- (iii) the cost of altering locks and providing new keys or combinations
- (iv) the value of any missing items from the safe
- (v) irrecoverable claims dealt with as laid down in these regulation.

Exclusions

232. The following are not losses, and the provisions of this part do not apply to them:

- (a) stores and equipment which have become unserviceable through fair wear and tear and disposed of as laid down in these Regulations;
- (b) arrears of revenue, outstanding claims, outstanding advance or loan recoveries, or over-payments until such time as they are declared to be irrecoverable or uncollectable in accordance with these Regulations;
- (c) *ex- gratia* payments approved by appropriate authority;
- (d) remission of tax, fee or penalty in accordance with the Financial Administration Act, 2003 (Act 654); and
- (e) normal wastage of stores as result of evaporation or loss of weight during storage, or specified limits of normal wastage laid down in Departmental Accounting Instructions.

Discovery of Loss

233.(1) Any officer who discovers a loss, or suspects that a loss has occurred shall immediately report the matter to the head of department.

(2) Failure to make a report under sub-regulation (1) is a breach of financial discipline as defined in regulation 8(1).

Initial Action by Head of Department

234.(1) A head of department shall be responsible for investigation and taking action on any loss.

(2) If a head of department is satisfied that a loss has occurred, the head shall

- (a) place any accounts, vouchers and other relevant records into safe custody and make any alternative arrangements immediately necessary for the conduct of further business
- (b) if the circumstances of the loss indicate the likelihood that a criminal offence has been committed, report the matter to the police.

(3) Investigation and subsequent actions under sub-regulation (1) shall be completed within 48 hours of the discovery and the loss shall be reported to

- a) the Minister;
- b) the Sector Minister;
- c) the Controller and Accountant-General; and
- d) the Auditor-General.

Investigation of Every Case of Loss

235.(1) A head of department shall cause an investigation to be conducted into every reported case of loss, and where the head of department is implicated in the loss, the Sector Minister or the governing board or council in the case of agencies that are not under any sector minister, shall be the appropriate authority to cause investigation to be conducted.

(2) In the case where the Sector Minister is involved the investigating authority shall be the Office of the President.

(3) The authority responsible for investigating and dealing with a loss shall submit progress reports to the appointing authority at such times and in such form as may be specified in Departmental Accounting Instructions.

Assistance to the Police

236. If a loss involves a criminal offence, the investigating authority shall liaise with the Police investigators and shall give them such assistance as they require and records taken into custody by the Police may be subject to examination by the investigating authority.

Recommendations

237. On the basis of the findings of the investigation, the investigating authority is required to make recommendations as to the further disposal of the case by

- (a) initiation of disciplinary proceedings;
- (b) the development of remedial administrative or accounting action; or

- (c) taking any other action as is appropriate considering the circumstances of the case

Conduct of investigation

238.(1) The investigating officer shall conduct the enquiry to avoid giving the impression that the officer is prejudging the results.

(2) The investigating officer shall examine and report on all relevant aspects and not just those that point to a particular conclusion.

Action by the Head of Department

239. On receipt of the investigating officer's report the head of department, after securing any information required, shall determine further action to be taken to deal with the case by

- (a) initiating disciplinary action in respect of offences revealed by the report;
- (b) initiating remedial administrative or accounting action to be taken by the head of department or by some other authority; or
- (c) recovery of the value of the loss from a financially liable officer.

Criminal Offence

240. (1) If the report of an investigating officer under regulation 238 shows that a criminal offence, other than the offence already reported under these Regulations has been committed, the facts of the case shall be put before the Police.

(2) A disciplinary action or proceedings for recovery of a loss shall not be taken against an officer facing criminal charges under subregulation (1) until the court has dealt with the case or the Police have formally indicated that they do not intend to proceed against the officer concerned.

Disciplinary Offence

241. Where an officer has committed an offence which does not involve any criminal offence, disciplinary proceeding shall be instituted by the head of department.

Disciplinary Proceedings to be Completed

242. Disciplinary proceedings arising from a case of loss shall be completed before the investigating authority approves final disposal of the case.

Defective Systems

243. If the report of the investigating authority indicates that systems currently in operation, including those for the training of staff are defective, the head of department shall consult with the Controller and Accountant-General, to consider measures for rectification.

Remedial Action to be Commenced

244. Once action has been agreed upon and initiated, a case of loss may be submitted for disposal to the authorities concerned as defined in the Accounting Manual, for remedial action to be commenced.

Financial liability of Officers

245. (1) Recovery of the value of a loss, whether by recovery proceedings under these regulations or by a surcharge by the Auditor-General, constitutes a settlement of a civil claim against the officer arising from the loss.

(2) Recovery of a loss shall not be a substitute for criminal prosecution or disciplinary proceedings.

Offer to Repay

246. If an officer freely accepts financial responsibility for a loss, the officer may offer to pay the amount back into the Consolidated Fund or the relevant Public Fund, in which case the authority responsible for disposal of the loss may

- (a) accept the offer to repay, if the disciplinary offence is not serious enough to necessitate further proceedings against the officer.
- (b) accept the offer in mitigation of the offence with the repayment being considered as a partial fulfilment of any penalty that may be imposed.

Liability to Repay

247. A public officer may become personally responsible for repaying the value of a loss if

- (a) the loss is one falling within the ambit of section 61 of the Financial Administration Act, 2003, (Act 654); or
- (b) the loss has been the subject of disallowance and or surcharge by the Auditor-General under the authority of the Audit Service Act 2000, (Act 584).

Monetary Liability

248. If a head of department considers that the report of the investigating officer shows that an officer may have received moneys that the officer has

neither paid over, accounted for nor applied for the purpose for which they were received, the head of department may on behalf of the Controller and Accountant-General issue a notice to that officer or the personal representative of the officer under section 61 of the Financial Administration Act, 2003, (Act 654).

Order for Recovery

249. Where a person to whom a notice has been issued under regulation 248 fails to respond to the notice within the time specified in the notice, the head of department shall inform the Controller and Accountant-General of this failure in writing and the Controller and Accountant-General shall take action as required under section 61(2) of the Financial Administration Act 2003, (Act 654).

Recovery

250. (1) Where an order for recovery has been made, the amount shall be recovered as a debt due to the government.

(2) The head of department may, if the officer remains in public employment, arrange for payment by instalments as laid down in these Regulations or else the documents shall be the basis of a civil claim against the officer or the officer's estate.

Cash liability for Loss

251. (1) The procedure laid down in regulations 249 and 250 is applicable only to moneys or stores received and held by a public officer.

(2) If losses arise by reason of failure to collect, or by a deficiency occurring after collection, recovery of the amount lost may be ordered if it is established that the loss was occasioned by an officer's misconduct, neglect of duty or negligence.

(3) If a loss occurs under subregulation (2) the head of department shall first initiate disciplinary proceedings against the officer concerned; and if the officer is found to have committed an offence, the head of department shall establish and recover the amount as laid down in regulations 249 and 250.

Surcharge Proceedings

252. The imposition of a surcharge by the Auditor-General constitutes a claim against the officer concerned, and the head of department shall immediately recover the full amount surcharged from that officer, in accordance with the provisions of sections 17 and 18 of the Audit Service Act 2000, (Act 584).

Completion of Useful Action

253. (1) When an action of a case of loss case has been completed, and the head of department is satisfied that no useful purpose will be served by any further action, the head of department may proceed to dispose of the case.

(2) The head of department shall in any case of loss act in accordance with the powers conferred on the head in these Regulations and shall where necessary forward the case with recommendations to the appropriate authority for disposal as laid down in the Accounting Manual.

Quarterly Reports of Losses Disposed of

254. (1) Every subordinate disposal authority shall submit returns at the end of each March, June, September and December of losses disposed of during the preceding quarter.

(2) This return shall be sent to the head of department, with copies to the Controller and Accountant-General, and the Auditor-General

Rulings

255. Where any doubt arises on the correct classification of a loss or the accounting procedure required, the directions of the Controller and Accountant-General shall be sought.

Remittances and Transfer

256. Where a loss occurs in any remittance of cash or transfer of stores, responsibility for dealing with the loss shall rest with the remitting or transferring officer, unless the recipient has formally accepted delivery at the office of remittance or store of issue.

Claims

257. Where goods are received damaged or incomplete, and such goods are subject to a claim on suppliers, insurers or carriers; they do not constitute a loss until the claims prove irrecoverable.

Investigation of Bad Debts

258. (1) The fact that losses arise from uncollectable revenue, irrecoverable overpayments, or irrecoverable claims at the time of disposal does not preclude the prior investigation of circumstances of the losses.

(2) Applications for write-off shall be accompanied by an investigation report indicating whether remedial accounting or other action is necessary.

Power of Intervention

259. The Controller and Accountant-General and the Auditor-General may intervene in the disposal of any case of loss, and may

- (a) call for further information to be supplied; or
- (b) put forward opinions as to the action to be taken.

Authority of the Auditor-General.

260. The authorisation of disposal of a case of loss does not prejudice the right of the Auditor-General to carry out further investigation.

Publication of significant findings

261. A head of department shall ensure that matters of significance arising from the investigation of losses are brought to the notice of the general public.

PART X

FINANCIAL AND ACCOUNTING RECORDS

Care and Custody of Records

262. A head of department shall ensure that financial and accounting records are preserved in good order in a manner that facilitates ready access for reference.

Legislative Authorities

263. Preservation of records is governed by two principal enactments, namely:

- a) the Limitation Decree, 1972 (N.R.C.D. 54) under which it is necessary to keep financial and accounting records until such time as claims by or against government are statute-barred; and
- b) the Public Records and Archives Administration Act 1997, (Act 535) under which the Public Records and Archives Department established under the Public Records and Archives Administration Department (Establishment) Instrument, 1996, (L.I. 1628), is made responsible for the proper and effective management of records in public institutions of government to which this Act applies.

Departmental Repositories

264. (1) Every head of department shall establish a repository or repositories to hold all financial and accounting records that are no longer required for regular office references.

(2) Repositories shall provide facilities for reference and use of the records stored in the repository and the Departmental Accounting

Instructions shall provide detailed procedures for deposit and use of records within the general ambit of the regulations set out in this part.

Release of Records

265. Records transferred to a departmental repository shall not be released or otherwise disposed of except under an authority prescribed by these Regulations, but in exceptional circumstances, a head of department may authorise the temporary release of records from custody.

Retention and Review

266. There shall be included in the Departmental Accounting Instructions

- (a) retention periods for financial and accounting records;
- (b) details relating to their review and destruction; and
- (c) procedures to regulate the retention of financial and accounting records.

Limited or Restricted Publications

267. Copies of all publications relating to finance for limited or restricted circulation shall be sent immediately upon publication to

- (a) the library of the Ministry of Finance and Economic Planning; and
- (b) the departmental repository.

Security Grading to be Observed

268. Any security grading for restricted documents shall be duly observed during retention of the documents by the institutions as specified in regulation 267 (limited or restricted publications).

Permanent Retention

269. Publications relating to finance submitted under regulation 267 shall be permanently retained, and items placed in the departmental repository shall be used only in the repository itself and not be released from custody.

Other Copies

270. Copies of publications relating to finance other than those specified in this Part are not records as regulated by this Part and they shall be accounted for as departmental stores as prescribed in Part VI of these Regulations.

Report of Publications

271. Departmental publications relating to finance issued during the year for limited circulation shall be listed in the annual report presented under section 41 of the Financial Administration Act, 2003 (Act 654).

Definition and Sub-Classes of Legal Documents

272.(1) For the purposes of these Regulations legal documents are documents which might be required to be produced in court to establish a claim or settle a dispute.

(2) The following sub-categories may be identified:

- (a) title Documents conferring or recording ownership of any property including title deeds, bonds, stock or share certificate;
- (b) title Deeds relating to the administration of any fund, account or property;
- (c) agreements relating to contracts, loans, advances, subventions or any other financial matter; and
- (d) other documents of special importance for which custodial arrangements outside the ordinary filing or records system is considered necessary.

Storage of Legal Documents

273.(1) Legal documents other than those specified under regulation 272 shall be kept at departmental headquarters in a safe, strong room or security records store under custody of an officer to be specified in Departmental Accounting Instructions.

(2) A record of documents held shall be kept and movements of documents recorded under signature, and the officer in charge shall ensure that access to the documents is confined to authorised persons and that the documents are adequately protected against damage.

Accounting Records

274. Records classified as "accounts" include manual and electronic

- (a) accounting records in the form of books, ledgers, ledger sheets, ledger cards, or machine tabulations; and
- (b) source documents for the accounting records in the form of vouchers, schedules, returns, bank or any other statements.

Definition of Working Papers

275. Working papers are those papers created as by-products of the accounting process but which do not form part of the financial records system and include

- (a) copies of forms not used as vouchers such as office copies of requisitions, cheque order forms and cheque stubs;
- (b) record or registers used in controlling the flow of documents during accounting processes such as messenger's receipt books, registers of returns;

- (c) circulars, notices and instructions received;
- (d) local files ; and
- (e) other documents such as personal working papers, drafts, calculations, note books and diaries.

Papers

276. (1) Working papers referred to in regulation 275 shall be kept for at least one year after the date of last entry.

(2) The Auditor-General shall be consulted before destruction of working papers is authorised by a head of department.

Definition and Classes of Archival Records

277. Archival records are records in either manual or electronic form, required to control the location and disposal of records and include

- (a) details of records transferred to departmental repositories;
- (b) schedules of records destroyed;
- (c) any register showing use of records after transfer to the departmental repository; and
- (d) schedules of records transferred to the National Archives.

Provisions for Archival Records

278. Retention, transfer, access, destruction and disposal of Archival Records shall be in accordance with the provisions of the Public Records and Archives Administration Act, 1997, (Act 535).

PART XI STATUTORY CORPORATIONS AND OTHER PUBLIC INSTITUTIONS

Governance of Statutory Corporations

279. (1) Statutory corporations and other public institutions other than those set up for commercial purposes shall be governed by the relevant sections of the Financial Administration Act, (Act 654) and in addition, the Sector Minister and the Minister may give general directions in writing to the Board on matters of policy in as much as these directives do not conflict with Act 654.

(2) Notwithstanding sub-regulation (1) all heads of statutory corporations and public institutions other than those set up for commercial purposes shall seek prior approval of the Minister to maintain bank accounts in their corporate names

(3) Statutory corporations and other public institutions shall pay to government such moneys administered by them as the Minister on the recommendation of the Sector Minister consider to be in excess of the amount required for the purpose of the corporation, and the moneys may be applied towards the discharge of an obligation of the corporation to the government or may be applied as state revenue.

(4) A copy of the audited accounts of statutory corporations and other public institutions shall be submitted to the Minister together with the budget of the ensuing year.

PART XII LIABILITIES, OFFENCES AND PENALTIES

Penalty Units

280. (1) Penalty unit in this PART has the meaning assigned to it under the Fines (Penalty Units) Act, 2000, Act 572

Disciplinary Action Against Offences

281. (1) Where any person is required to perform any function or duty under the Financial Administration Act 2003, (Act 654) and that person fails to perform that duty within the timeframe required, the person is liable to disciplinary action as provided in the code of conduct of the Public Service.

(2) A head of department shall ensure the application of the appropriate disciplinary measures under these regulations within three months and in default the head of department shall be considered to have committed a disciplinary offence.

PART XIII IMPREST

Definition of Imprest

282. For the purposes of these Regulations an imprest is a sum of cash advanced to a public officer to meet payments which are otherwise

inconvenient to disburse from Public Funds, through the normal payment procedures as laid down in Part II of these Regulations.

Issuance of Imprest Accounts Code

283.(1) A head of department shall apply to the Controller and Accountant General for an account classification to operate an Imprest.

(2) The Controller and Accountant General shall approve and assign an imprest accounts code and inform the head of department accordingly.

Classes of Imprest

284. Imprests are of two classes, namely

- (a) Standing Imprests, held throughout the financial year and replenished as necessary by presentation of paid payment vouchers to the head of department; and
- (b) Special Imprests, issued for making a particular payment, or group of payments which must be fully retired by the date specified in the approval to operate the imprest.

Administration of Imprest

285. The procedures for applying, granting, disbursing and retiring of imprest shall be in accordance with the Departmental Accounting Instructions.

Payments from Imprest

286. (1) Payments may only be made from the imprest on the authority of a payment voucher prepared and signed in accordance with these Regulations.

- (2) The imprest holder is responsible for ensuring that
- (a) funds are available under a Warrant; and
 - (b) vouchers are properly authenticated.

Sub-Imprest

287. (1) An imprest holder may issue part of the imprest to a subordinate officer provided that it is used solely for the purpose for which the main imprest was issued.

(2) The imprest holder shall be responsible for the proper custody and accounting for the sub-imprest, and it shall be replenished only from the main imprest.

Unauthorised Use of Imprests

288.(1) Imprests shall be used only for the specific purpose for which are issued.

(2) The application of imprest moneys for purposes other than those authorised, is a breach of financial discipline as defined in regulation 8 (1).

Retirement of Imprest

289. (1) Imprest shall be retired at the close of a financial year and any imprest not so retired shall be adjusted to a personal advance account in the name of the imprest holder.

(2) Failure to retire an imprest by the due date, unless occasioned by the death or incapacity of the imprest holder is a breach of discipline as defined in regulation 8 (1).

(3) A head of department shall report details of imprest holders who fail to retire their imprest by the due date to the Controller and Accountant General with a copy to the Auditor-General or the representative of the Auditor General.

Report of Imprest Balances

290. The Controller and Accountant General shall report balances in the hands of imprest holders in the statement of Public Accounts required under section 41 of the Financial Administration Act 2003, (Act 654).

PART XIV PERSONAL EMOLUMENTS

Definition of Personal Emoluments

291. For the purposes of these Regulations the term "personal emolument" covers all payments due to public servants as remuneration for employment and include

- (a) salaries payable to public servants;
- (b) wages payable to public servants employed in daily rated post; and
- (c) allowances and any additional remuneration due to public servants as part of their conditions of service.

Authorities

292. (1) The specific authorities for the payment of personal emoluments are as follows:

- (a) the Financial Administration Act, 2003 (Act 654), or administrative instructions issued under that Act; and
- (b) these Regulations, in matters of financial and accounting procedure not already determined by or under the Financial Administration Act, 2003 (Act 654).

(2) A head of department who delegates a power of appointment or discipline under the Financial Administration Act, 2003 (Act 654) shall inform the Controller and Accountant-General and the Auditor-General of such delegation.

Records of Personal Emolument

293.(1) Every head of department shall keep records of all personal emolument of staff employed in the department, in a form that ensures that

- (a) payments are made as and when due;
- (b) overpayments are not made;
- (c) all required deductions are made at the correct time;
- (d) authorised establishments are not exceeded;
- (e) the rates authorised for payment are not exceeded; and
- (f) payments are not made to staff who do not belong to the department or unit.

(2) The records for the purpose of this regulation shall be as specified in the Departmental Accounting Instructions.

Accounting Authorities

294. For the purposes of these Regulations the term “accounting authority” relates as appropriate to

- (a) the departmental pay and records section responsible for general control of personal emoluments within the department;
- (b) the local head of department responsible for notifying heads of department of circumstances affecting staff pay which arise within their jurisdiction; and
- (c) the Central Pay Processing Division of the Controller and Accountant General’s Department responsible for preparation of mechanised payroll on the basis of information supplied by heads of departments.

Instructions on Salaries, Wages and Related Allowances

295. Procedures to be followed in payments of salaries, wages and related allowances shall be provided in Departmental Accounting Instructions to be issued by the Controller and Accountant-General.

Use of Manual Vouchers

296. When a public servant’s personal emolument is payable on Controller and Accountant General’s Department mechanised payroll or the Departments main payroll, payment by manual vouchers is prohibited except as approved by the Controller and Accountant-General and any other system

used in payment of public servants shall be approved by Controller and Accountant-General.

Deductions from Salaries

297. Deduction shall not be made from personal emoluments, except for statutory deductions, disciplinary awards and voluntary deductions authorised by the head of unit upon authority of administrative instructions issued by the head of department.

Stoppage of Salary Payments

298. (1) A head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has

- (a) been absent from duty without leave or reasonable cause for a period as stipulated in the administrative regulations of the establishment;
- (b) been absent from duty on leave without pay;
- (c) been convicted of an offence involving theft or fraud, or a sentence of imprisonment;
- (d) resigned;
- (e) retired; or
- (f) died.

(2) All other payments due to the Public servant must also be stopped in the circumstances provided for in subregulation (1).

(3) Where the Controller and Accountant-General is of the opinion that there is an anomaly with a salary or any other payment due to the public officer, the Controller and Accountant-General may cause the stoppage of payment of the salary or the other payment to the public officer and shall within ten working days inform the head of department of the affected officer of the anomaly and the stoppage.

Notification of Stoppage

299. (1) The occurrence of any of the circumstances specified in regulation 298 shall immediately be brought to the notice of the head of department or intermediate disciplinary authority as the case may be.

(2) The notification under subregulation (1) shall indicate the effective date of the stoppage and confirm that action has been taken to prevent further payment.

(3) Action under sub-regulation (2) includes

- (a) notification to the Controller and Accountant General where salary payments are made direct to the officer's bank account;

- (b) notification to the bank for repayment into the Consolidated Fund of salary or other payments credited to the public servant's bank account;
- (c) issue of the appropriate salary input to the section responsible for stopping payments on the payroll; and
- (d) notification to the internal auditor.

(4) Failure to effect the stoppage within the time required is a breach of financial discipline under regulation 8(1).

Subsequent Payments

300. When salary payments have been stopped, no restoration of pay or payment of other amounts due may be made except on the written authority of the head of department or other appropriate disciplinary authority.

Effective Date of Stoppage

301. Unless the effective date is otherwise specified under any other enactment, the effective date shall be in the case of

- (a) a deceased public officer, the day following the date of death;
- (b) convicted officers, the date of conviction;
- (c) leave without pay, the date approved for the leave;
- (d) officers absent without leave, the first day of such absence; or
- (e) resignation and retirement, the effective date for stoppage shall be the earlier of:
 - i. date of absence; or
 - ii. date specified on relevant document.

Retirement Date

302. Where the appointment of a public officer is terminated by reason of

- (a) retirement on reaching age limit;
- (b) voluntary retirement;
- (c) accepted resignation;
- (d) retirement on medical grounds or abolition of office; or
- (e) expiry of limited engagement,

any pension or gratuity payable shall be computed and approved for payment when due.

Variation of Retirement Date

303. Public officers shall take all leave due to them before the effective date of retirement.

Pension Instructions

304. The Controller and Accountant-General shall issue Pension Instructions governing the preparation, computation and payment of retiring awards.

Responsibility for Salary Payment Vouchers

305. (1) A head of department or a head of management unit shall examine and certify the personal emolument payment vouchers to ensure that

- (a) only staff belonging to the unit are on the payment vouchers;
- (b) in the case of staff on posting or transfer out, the name is deleted within three months;
- (c) in the case of retirement, resignation, termination, vacation of post, death, regulation 298 is strictly complied with;
- (d) any over payment of personal emolument is recovered;
- (e) newly employed staff and those posted or transferred to the unit appear on the payment voucher; and
- (f) any salary instructions issued by the Controller and Accountant-General are complied with.

(2) A head of department or management unit who fails to comply with sub-regulation (1) is liable for disciplinary action including

- (a) stoppage of salary until the anomaly is rectified;
- (b) surcharge where the non-compliance has occasioned financial loss to the state; and
- (c) any other sanctions applicable that the Controller and Accountant-General considers appropriate.

Meaning of Management Unit

306. For the purposes of this Part, a Management Unit is a section, cost centre or a sub-cost centre of a department in respect of which a separate salaries payment voucher is prepared

PART XV MISCELLANEOUS

Subventions

307. For the purposes of these Regulations a subvention is an amount payable to any institution other than a government department or public corporation to enable that institution to fulfil a public purpose approved by the Government.

Classes of Subvention

308. Subventions shall be further classified and described in the estimates and accounts as

- (a) membership dues to learned societies, professional associations, etc;
- (b) subscriptions to international organisations;
- (c) grants to welfare associations and other private associations;
- (d) donations for charitable or social purposes; and
- (e) may be determined by the Minister.

Authority for Payment

309. Payments of subventions shall be made in accordance with either

- (a) the rules of the institution concerned; or
- (b) an agreement made between the receiving institution and the Government.

Government Appointee Reporting Relationships

310. The Minister shall by administrative directives determine and give directions on the form and contents of the reports to be submitted by the Directors of Companies appointed by the Government.

Interpretation and Application of Regulations

311. Questions arising from interpretation and application of these regulations or from the detailed procedures required to implement them, shall be determined by the Controller and Accountant-General in consultation with the Auditor-General.

Commencement

312. These Regulations shall come into force on the 27th August 2004.

Minister responsible for Finance
Date of Gazette Notification:

