

PUBLIC PROCUREMENT & CONCESSIONS COMMISSION



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LIST OF ABBREVIATIONS AND ACRONYMS

AO	Accounts Officer
BC	Budget Committee
BF	Budget Format
BH	Budget Holder
BO	Budget Officer
BPN	Budget Policy Note
BT	Budget Transfer
DB/MFDP	Department of the Budget at the MFDP
DEDA	Deputy Executive Director for Administration
DH	Department Head
DMB	Deputy Ministry of Budget
DoA	Department of Administration
DoF	Director of Finance & Administration
FA	Financial Accountant
F&A	Finance & Administration
FM	Financial Management
FMA	Financial Management Advisor
GAAP	Generally Accepted Accounting Principles
GAC	General Auditing Commission
GDN	Goods Delivery Note
GoL	Government of Liberia
GRN	Goods Received Note
HR	Human Resources
HU	Head of Unit
IAS	International Accounting Standards
IFMIS	Integrated Financial Management Information System
IA	Internal Audit Unit of the PPCC
IAS	International Accounting Standards
IBG	Internal Budget Guidelines
IC	Internal Control
IGR	Internally Generated Revenues
IH	Institutional Head
IPSASB	International Public Section Accounting Standard Board
LD\$	Liberian Dollar
LPO	Local Purchase Order
MFDP	Ministry of Finance and Development Planning
NB	National Budget
PC	Procurement Committee
PU	Procurement Unit
PFMU	Public Financial Management Unit
PPCA	Public Procurement & Concessions Act
PPCC	Public Procurement & Concessions Commission
SPOP	Standard Procurement Operating Procedures
USD\$	United States of America Dollar

SECTION 1.0: INTRODUCTION

1.1 Background

The Public Procurement & Concessions Commission (PPCC) was established in 2005 with the enactment of the Public Procurement & Concessions Act (PPCA). It became operational in 2006 with authority for the oversight responsibility for all public procurement and concessions. The objective of the PPCC is to ensure the economic and efficient use of public funds in public procurement, and to ensure that public procurement and Concession processes are conducted in a fair, transparent and non-discriminatory manner.

The PPCC has the following five (5) divisions to implement its mandate:

- Finance and Administration
- Compliance and Monitoring
- Standards and Policy
- Capacity Development
- Legal

The objective of the **USAID-GEMS Financial Management (FM) Team** is to strengthen the PPCCs ability to utilize GoL and donor resources to undertake public procurement in a transparent and accountable manner.

1.2: Financial Management Policies and Procedures Manual

Pursuant to the *Public Financial Management Act* of 2009 (PFM Act) and the *Public Financial Management Regulations* of 2009 (PFM Regulations), the PPCC has taken steps to enhance its financial management operations to ensure compliance with the PFM Act, the PFM Regulations and other applicable GoL laws and regulations.

1.2.1: Purpose of the Manual

As required by the PFM Regulations [**Part A.5 (1)(2), Section I**], the head of an agency shall, with the approval of the Minister of the MFDP, issue an accounting manual to suit its operations and regulate the financial matters of the agency. Such accounting manual shall contain relevant procedures for the keeping of accounts, preparation and format of financial statements, chart of accounts, and all administrative issues relating to the keeping and preparation of government accounts. As such, in the area of financial management, PPCC must be able to demonstrate that from an organizational perspective, its policies, procedures, various levels of management and authority, roles and responsibilities are well-documented, clearly communicated, and well understood.

Moreover, PPCC is responsible for establishing and maintaining a system of internal controls to ensure effectiveness and efficiency of its operations, reliability of its financial reporting and compliance with applicable law and regulations. Hence, PPCC shall ensure adherence to management policies, orderly and efficient conduct of business, proper recording and safeguarding of its assets and resources.

Therefore, the purpose of this manual is to:

- i. Document the financial management and reporting policies and procedures of the PPCC;
- ii. Provide a comprehensive and practical guide, incorporating effective internal controls necessary for the management of PPCC funds;
- iii. Provide step-by-step instructions in collecting, analyzing, recording, processing, disbursing and reporting all financial transactions of the PPCC;
- iv. Provide safeguards for its assets;
- v. Ensure conformity of financial reporting with Cash Basis IPSAS; and
- vi. Ensure compliance with relevant GoL rules and regulations, including the PFM Act and Regulations, and the PPC Act and Regulations.

This manual is supplemental to the *GoL Financial Management Manual*. This manual does not replace the *GoL Financial Management Manual*. All other financial manuals in the PPCC are deemed supplementary to this manual. Should any other supplementary manual be in conflict with this, the provision in this manual shall prevail.

Other reference materials that complement the use of this manual are:

- **PFM Act 2009**: provides governance authority over all matters related to the management of the public finances of GoL.
- **PFM Regulations 2009**: specifies the procedures for the governance authority over all matters related to the management of the public finances of GoL.
- **PPC Act 2005 (amended 2010)**: provides governance authority over all matters related to procurement for all ministries and agencies.
- **PPCA Regulations 2009**: specifies the procedures for the governance authority over all matters related to procurement for all ministries and agencies.
- The **Cash Basis IPSAS**: prescribes and guides the accounting treatment of all GoL financial transactions.
- The **GoL Chart of Account**: provides structured guidance for classifying, analyzing and reporting all GoL financial transactions.

1.2.2: Primary Users of the Manual

The primary users of this manual include all officers of the PPCC responsible for finance and accounting [**Part C.8, Section I, PFM Regulations**], including:

1. The Division of Finance and Administration of the PPCC which includes:
 - (a) The Director of Finance & Administration
 - (b) The Comptroller
 - (c) The Accountant
 - (d) Budget Officer
 - (e) All staff of the Division of Finance & Administration
2. Senior Managers of PPCC which includes:
 - (f) The Executive Director
 - (g) Deputy Executive Director for Administration

- (h) *Deputy Executive Director for Operations*
- (i) *Directors/Heads of Divisions*
- 3. The Internal Audit Unit and the Internal Audit Committee
- 4. The Budget Committee

1.2.3: Changes to the Manual

This manual is the result of the finalization of the *GoL Financial Management Manual* on July 31, 2013. Therefore, the manual is subject to periodic review to reflect the changing financial management environment as well as changes in the financial management and reporting needs of PPCC and the GoL.

The Executive Director and/or a designee will facilitate the introduction of new instructions, to reflect the changing financial management environment as well as changes in the financial management and reporting needs of the PPCC, and will propose revisions to the manual to the Executive Director and/or a designee. The Executive Director, in consultation with the Internal Audit Unit, shall approve all revisions to this Manual.

1.2.4: Functions and Structure of the Division of Finance & Administration

The processes and related activities of the financial management function within the PPCC are performed under the direction of a DoF, the Head of the *Division of Finance & Administration*, who reports to the ED or DED for Administration. The functions of the *Division of Finance & Administration* [**Section 2.5, Part 2.0, GoL Financial Management Manual**] include:

- (a) *Managing and operating the accounting systems of the PPCC so as to ensure the accountability of staff transacting business and facilitating the efficiency of the transactions;*
- (b) *Ensuring that the PPCC financial management system is compatible and consistent with the GoL treasury financial management system;*
- (c) *Ensuring the efficient and effective use of appropriations under the control of the PPCC in compliance with enactments and/or regulations issued under the authority of any enactment;*
- (d) *Ensuring that all books of accounts under the control of the PPCC are correctly posted and kept up-to-date;*
- (e) *Producing, when required by the MFDP, the IAU, the AG, or other Authorized Officers, all cash, books, records, vouchers or other items of value in the charge of the PPCC;*
- (f) *Managing and reconciling the bank accounts authorized for the PPCC;*
- (g) *Exercising oversight over donor-funded project accounts;*

- (h) *Preserving, in good order, and securing the economical use of al equipment and inventories used by the PPCC;*
- (i) *Establishing systematic mechanism to follow up on audit recommendations and address audit queries raised by the GAC in respect of the financial transactions of the PPCC;*
- (j) *Appearing before the Ways, Means and Finance Committee of the National Legislature to give any explanations required by the Committee in respect of the PPCC's annual accounts;*
- (k) *Compiling and maintaining assets ledger of the PPCC, as determined by the CAG;*
- (l) *Preparing the General Purpose Financial Statement at the end of each quarter and at the end of the fiscal year;*
- (m) *Signing of the Special Purpose Financial Statements by the Executive Director and the Director of Finance and Admiistration; and*
- (n) *Submitting the PPCC financial statements to the statutory authorities as per the PFM Regulations [**Part I.11, Section I, PFM Regulations**]*

The *Department of Finance & Administration* has custodial responsibility of public resources from the time when:

- (a) *Allotments of the appropriations are deposited into the bank accounts of the PPCC until the time when the funds have been fully utilized for the purposes for which they were appropriated. The PPCC will account for the utilization of the funds to the CAG;*
- (b) *An advance payment has been issued to an officer of the PPCC until the time it has been duly retired in accordance with the relevant parts of the PFM Regulations and this manual.*

1.2.5: PPCC Financial Management Accounting and Reporting System

The PPCC uses the *Integrated Financial Management Information System (IFMIS)* and *QuickBooks (QB)* for recording and reporting its financial transactions. The PPCC also uses manual books (*ledgers, books, excel worksheets, etc.*) for recording its financial and budgetary transactions until such time when the PPCC should have access to all relevant modules of IFMIS.

1.2.6: Summary of Roles & Responsibilities of the Division of Finance & Administration

Below is an overview of the roles and responsibilities of the *Division of Finance & Administration*.

Function	Division of Finance & Administration
Cash & Bank	<ul style="list-style-type: none"> • Maintain cash books for all cash transactions. • Maintain bank accounts. • Prepare bank reconciliations for all bank accounts on a monthly basis.
Petty Cash	<ul style="list-style-type: none"> • Maintain Petty Cash books. • Responsible for the safekeeping of petty cash funds. • Maintain petty cash ceiling in accordance with PFM Regulations (\$200). • Maintain petty cash ceiling in accordance with PPCC's petty cash policy. • Perform petty cash reconciliations
Fixed Assets	<ul style="list-style-type: none"> • Maintain Fixed Assets Ledger. • Maintain Stock Ledger. • Undertake stock count regularly. • Reconcile the physical stock with the accounting records.
Revenue	<ul style="list-style-type: none"> • Record all funds received in cash books and other accounting books of records. • Appropriately account for all funds received. • Ensure all funds are banked promptly.
Expenditure	<ul style="list-style-type: none"> • Ensure the <i>FM P&P Manual</i> over expenditures and the PFM Reg are adhered to. • Disburse funds based on approved Budgets. • Record all expenditures in the accounting books of record
Payroll	<ul style="list-style-type: none"> • Manage incentive allowance payments according to PPCC's policies and procedures and PFM regulations.
Budgeting	<ul style="list-style-type: none"> • Manage MTEF Budget Process for the PPCC, ensuring compliance with relevant regulations. • Liaise with Budget holders, BC and senior management on Budget issues. • Liaise with the DB/MFDP. • Submit MTEF Budget to MFDP
Accounting Ledgers	<ul style="list-style-type: none"> • Keep current and accurate accounting ledgers on all sources and uses of funds.
Financial Reporting	<ul style="list-style-type: none"> • Prepare monthly, quarterly and annual financial reports for the PPCC and for submission to the MFDP, in compliance with the PFM Regulations.
Monitoring	<ul style="list-style-type: none"> • Monitor departments to ensure they are in compliance with GoL's, PPCC's financial policies and procedures.
Audit	<ul style="list-style-type: none"> • Provide documents, reports, accounts, records, information, etc. to internal and external auditors, as required. • Respond to audit queries

SECTION 2.0: ACCOUNTING STANDARDS AND POLICIES

2.1: Accounting Standards and Policies

The PPCC is required to follow the accounting policies of the GoL, which is currently the **IPSAS-Cash Basis** issued by the *International Public Sector Accounting Standard Board*.

The PPCC shall observe accounting practices that are consistent with IAS (*International Accounting Standards*) and GAAP (*Generally Accepted Accounting Principles*).

The accounts of the PPCC shall be maintained using double entry accounting concepts on the **IPSAS-Cash Basis** of accounting. The cash basis of accounting recognizes transactions and events only when cash (*including cash equivalents*) is received or paid by the PPCC.

The PPCC will recognize receipts as follows:

- a) **Authorized allocations**: The PPCC will recognize authorized allocations when they are received and under the control of the PPCC.
- b) **Grants and Borrowings**: The PPCC will recognize grants and borrowing when received. Grants and borrowings transferred to other ministries and agencies by the PPCC are recognized when disbursement is made.
- c) **Other Receipts**: Other receipts by the PPCC are recognized when received and under the control of the PPCC.

The PPCC will recognize expenses as follows:

- a) All expenses are recognized in the *Statement of Cash Receipts and Payments* when paid by the PPCC.
- b) The PPCC will recognize expenses paid in the *Statement of Financial Performance*.
- c) The PPCC will recognize expenses incurred but not paid in the *Statement of Financial Position* as a liability.

Standard books of accounts – cash books, journals, ledgers, etc. - shall be maintained in accordance with the accounting policies in this Manual.

2.2: Basis for Preparation of Financial Statement

The **IPSAS-Cash Basis**, the accounting standard adopted by the GoL, requires the PPCC to:

- (a) *Prepare general purpose financial statements;*
- (b) *Disclose relevant information in the financial statements and provide supporting notes;*
- (c) *Specify other reporting issues underlying the financial statements.*

The financial statements shall be prepared on a cash basis with adoption of an accrual principle where possible, in accordance with IPSAS. According to the GoL PFM Regulations,

statements based on modified accrual basis are to show amounts due the PPCC and liabilities of the PPCC at the end of the cut-off period.

2.3: *Chart of Accounts*

The PPCC uses the GoL Chart of Accounts, which is compliant with the *Government Finance Statistic* (GFS) 2001, as issued by the IMF (*International Monetary Fund*); the PFM Act and the PFM Regulations.

2.4: *Qualities of the PPCC Accounting and Reporting System*

The PPCC will ensure that its *Accounting & Reporting System* has the following essential qualities:

- (a) **Accuracy:** *The information in its accounts and accounting books of records should be accurate, representing its actual financial transactions, without undue errors and omissions, and correct classification and timing of events.*
- (b) **Completeness:** *The PPCC's accounts shall be the true and complete representation of all transactions during the accounting period.*
- (c) **Prevention of risk of fraud and corruption:** *The PPCC's accounting system should include controls to prevent the risk of fraud and corruption.*
- (d) **Relevance:** *The PPCC's financial information should be relevant and understandable to the users of the information.*

2.5: *Accounting Recording System*

Accurate and reliable financial reports can be generated to provide the PPCC's management with information to assist in decision making, and to generate reports required by the PFM, through timely recording of financial transactions. Therefore, the PPCC shall record all of its financial transactions.

The PPCC will use accounting vouchers to record and post financial transactions. These accounting vouchers shall be consecutively pre-numbered, and have signing evidence of preparer, authorization, review, verification and approval. (Please see Section 16 – Accounting Books & Forms – for the relevant template.)

2.5.1: *Books of Accounts*

The following minimum books of accounts shall be maintained by the PPCC:

Book of Account	Division of Finance & Administration
Journal vouchers	✓
General Ledger	✓
Cash Book	✓
Petty Cash Book	✓
Advance Ledger	✓
Checkbook Register	✓
Check Payment Log	✓

Book of Account	Division of Finance & Administration
Fixed Assets Register	✓
Inventory Ledger	✓
Monthly Bank Reconciliation	✓
Monthly, quarterly and annual financial reports	✓

Journal Vouchers:

- The *Journal Voucher* is used to record the original transaction into the accounting system. It is also used for adjusting, reversing, correcting of posted transactions, or budgetary transfers, etc.

General Ledger:

- The *General Ledger* is where transactions are posted to. The PPCC's general ledger shall be maintained in a logical manner, according to the GoL Chart of Account categorization.

Cash Book:

- The *Cash Book* is the ledger of the receipts and/or funds. The PPCC shall maintain separate cash book for each of its funds:
 - ✓ GoL Funds
 - ✓ Donor Funds
 - ✓ Program funds, etc.
- Every cash transaction at the PPCC should be recorded in a cash book as soon as funds are received and/or payments are made to ensure that all receipts and payments are captured for the accounting period. The cash books will also be used to reconcile the PPCC's bank statements.

Petty Cash Book:

- The *Petty Cash Book* keeps the records of all petty cash transactions. The petty cash system is to take care of day-to-day transactions that are immaterially miscellaneous. All payments made from the petty cash shall be entered into the *Petty Cash Book* using the accounting code structure.

Advance Ledger:

- The PPCC shall maintain an *Advance Ledger* to record, track and monitor all advances paid out. When an advance is liquidated, the liquidation must be entered against the relevant advance in the *Advance Ledger* promptly to avoid the accumulation of long outstanding balances.

Inventory Ledger:

- All issues and receipts of goods shall be recorded in the *Inventory Ledger* and reconciled periodically with the physical inventory.

Fixed Assets Register:

- All assets purchased by PPCC or donated to PPCC shall be recorded in the *Fixed Asset Register* as soon as they are owned or considered to be owned by the PPCC. Equally, the *Fixed Asset Register* shall be promptly updated to reflect acquisitions, disposals, losses, write-offs and handovers.

2.6: Currency of Account

The monetary unit for all government agency accounting and financial reporting shall be the Liberian dollar (LD\$). The United States Dollars (USD\$) *may* also be used for financial reporting purposes, but the LD\$ is the base currency. [**Part A.2 (b), Section I, PFM Regulations**]

2.7: Fiscal Year

The PPCC's fiscal year is the same as that of the GoL, which is from the 1st day of July to the 30th day of June the following year [**Part I.18, Section I, PFM Regulations**]

2.8: Record Maintenance and Retention

The PPCC will store and maintain all of its records in an organized and secure manner, to facilitate timely retrieval of such records (*for example, in files, filing cabinets, etc.*). All financial documents shall be kept for a minimum of seven (7) years. All electronic files are to be saved to the server and backed up per the Division of Finance & Administration Backup Policy.

2.9: Application of Accounting Policies

The PPCC shall use the same accounting policies consistently and apply them from year to year.

2.10: Payment Policies

All payments made by the PPCC above \$500 within Liberia, shall be made by check. A direct bank transfer through the banking system shall be used to make payments to recipients outside Liberia – to the recipient's bank account. To avoid transporting cash, payments made in the counties under specific conditions, either to staff, for goods or services, are also to be transferred through the banking system.

2.11: Approval of Funds and Signing of Internal Payment Vouchers

The Executive Director or the DED for Administration will approve all payment authorizations at the central agency level. Where this authority is delegated in the absence of the ED or the DED for Administration, it shall be in compliance with relevant GoL rules and regulations and shall be abided by accordingly.

2.12: *Types of Fund Flows*

There are four main types of fund flows of the PPCC. These are:

- i) *Wages, Salaries & Employee Benefits;*
- ii) *Supplies & Consumables (Goods and Services)*
- iii) *Transfers and subsidies;*
- iv) *Capital.*

SECTION 3.0 BUDGETING AND PLANNING

3.1: Policy

The GoL has adopted a three (3) year **MTEF** (*Medium Term Expenditure Framework*) budget policy. The MTEF provides a link between the GoL five year national development plan, the Agenda for Transformation, and the annual budget cycle. There are three (3) major objectives of the MTEF:

- a) *Ensuring fiscal discipline by spending what the public sector can afford;*
- b) *Allocating resources in line with national priorities; and*
- c) *Ensuring resources are used as efficiently as possible.*

3.1.1: General

The PPCC must prepare its Budget in the context of the **MTEF** for the purpose of achieving its objectives over a multi-year period [**Section 8(1), Part III, PFM Act 2009**]. The preparation of the Budget must conform to the *Budget Preparation Calendar* set forth by the MFDP [**Section 11 (2), Part III, PFM Act 2009**].

The PPCC shall prepare budgets based on its multi-plan, goals and objectives, ensuring that all activities, projects and programs are within its mandate.

3.2: Overview of the Budget Process

There are three stages to the Budget process:

- a) *Budget Preparation Stage*
- b) *Budget Execution Stage*
- c) *Budget Reporting and Accountability Stage*

3.2.1: Budget Preparation Stage

The Budget preparation process begins as soon as the Department of Budget at the Ministry of Finance and Development Planning (MFDP) begins the annual Budget process and ends when the Legislature approves the Budget. The Budget preparation is in conformity to the *Budget Preparation Calendar* set forth by the MFDP [**Section 11 (2), Part III, PFM Act 2009**].

The Preparation of the Budget consists of two phases:

- a) **Strategic Phase** – *The strategic phase provides an opportunity for PPCC to review its priorities before it undertakes the allocation of its resources.*
- b) **Operational Phase** – *During this stage, the PPCC will develop its detailed Budget based on agreed-upon priorities established in the strategic phase.*

During the *Strategic Phase*, the PPCC is to establish a Budget Committee whose responsibility is to perform the following tasks as mandated by the PFM [**Part D.16 (1) (2), Section I, PFM Regulations**]:

- (a) *Review and formulate PPCC's strategic plans based on the policies of the GoL;*
- (b) *Review the PPCCs revenue collecting activities, if any;*
- (c) *Allocate PPCC's resources based on objectives, outputs and activities;*
- (d) *Coordinate and consolidate the PPCC's Budget;*
- (e) *Monitor and evaluate PPCC's Budget performance; and*
- (f) *Report in accordance with the GoL's instructions and regulations.*

Members of the PPCC's Budget Committee will include:

- | | | |
|-----|---|-------------------------|
| (a) | <i>The Executive Director</i> | <i>Chairperson</i> |
| (b) | <i>Deputy Executive Directors</i> | <i>Members</i> |
| (d) | <i>Heads of Divisions</i> | <i>Members</i> |
| (e) | <i>Director of Finance and Administration</i> | <i>Member/Secretary</i> |

3.3.1: *Planning*

The PPCC must prepare mid-term plans that:

- a) *Describe the PPCC's goals, objectives, strategies and performance measures;*
- b) *Cost the PPCC's strategic plan;*
- c) *Consider projects and recurrent costs together;*
- d) *Take into consideration the approach to planning GoL expenditure, as this is done alongside donor funded projects and other revenue streams;*
- e) *Address the upcoming fiscal year and the following two years (MTEF);*
- f) *Establish performance measures that are results-oriented.*

The PPCC's *Budget Committee* and the DoF will play key roles in the Budget preparation process, ensuring that the PPCC's budget and operational policies are fully implemented. The Division of Finance & Administration will also provide periodic variance reports of actual and budgeted amounts (***Budget versus Actual Statement***) to be used in making informed decision and analysis.

Planning, budgeting and reporting are all elements of performance management and accountability. As such, all departments and divisions of the PPCC are encouraged to develop realistic financial plans that will facilitate allocation of resources according to the PPCC's priorities. Moreover, budget transparency and accountability requires the PPCC to produce a strategic plan and three-year mid-term plans. Therefore, the PPCC's planning should be closely tied to its budget process and the accounting and reporting system of the GoL.

The comprehensive resources required to achieve goals and objectives need to be set out in the budget. The budget is developed based on forecasts, key assumptions and risk assessments, which are integral to the planning process. The MTEF involves the planning of recurrent and capital resources together. Therefore, during the planning stage, the PPCC needs to consider whether it is more effective in spending its limited resources.

The integrated approach involves the PPCC taking into consideration all resources available: GoL funds, internally generated funds, if any, and donor support, and for the PPCC to allocate these resources in line with their priorities.

The MTEF approach provides more information on objectives and services delivered by the PPCC, and the related costs. The PPCC can be held accountable by the National Legislature, Cabinet, the MFDP and the citizenry for the achievement of its objectives and the delivery of its services.

3.3.2: Overall Responsibility for the Preparation of the Budget

The responsibility for preparing budget cost estimates lies with the budget holders and managers. However, the *Division of Finance & Administration* has the overall responsibility for the Budget preparation process, which includes:

- a) *Preparing and distributing internal budget guidelines the BCC from the MFDP;*
- b) *Coordinating the budget preparation process;*
- c) *Providing technical assistance to budget holders in preparing their Budgets;*
- d) *Consolidating the cost estimates of the budget submitted by budget holders;*
- e) *Submitting the consolidated Budget to the MFDP;*
- f) *Administering control over the approved budget;*
- g) *Preparing budget performance and Budget versus Actual reports anal;*
- h) *Submitting the Budget reports to budget holders, management, and the MFDP.*

The following summarizes the responsibilities of the PPCC during the Budget Preparation Stage:

- *Prepare Budget Policy Notes (BPN) with support from the Department of Budget at the Ministry of Finance and Development Planning (DB/MFDP);*
- *Submit BPN to the MFDP for inclusion in the Budget Framework Paper;*
- *Produce and present final project proposals to the DB/MFDP for review;*
- *Prepare detail program and project Budgets;*
- *Attend sectorial Budget hearings;*
- *Revise detail Budget based on Legislative feedback; and*
- *Make re-adjustments to its Budget.*

3.4: Budget Execution Stage

The responsibilities of the PPCC's *Division of Finance & Administration* during the Budget Execution Stage are summarized as follows; the DFA is responsible to:

- *Distribute copies of the approved Budget to all members of the BC, Senior Management and Budget holders.*
- *Enter approved Budget in IFMIS.*

- Resubmit Cash Plan based on the adjusted and approved Budget if Budget appropriations were adjusted at the approval of the Budget.
- Revise Spending Plans based on Quarterly allotments.
- Record breakdown of allotments to Budget line items in the Budget ledger.

3.5: Budget Reporting and Accountability Stage

The responsibilities of PPCC in the Budget Reporting & Accountability Stage are summarized as follows:

- Prepare Budget Performance Reports each month by the close of business on the fifteen (15th) working day of the subsequent month.
- Submit quarterly report within a period of 45 (forty-five) days after the end of each quarter.
- Submit Qtrly progress reports in a timely manner in order to access next quarter's allotment.
- Prepare Mid-Term Plan Report in the second week of January of each year.
- Prepare general purpose financial statements at the end of each fiscal year within a period of two months of the end of each fiscal year.

3.6: PPCC's Detailed Annual Budgeting Process

The following is the detailed steps of the Annual Budgeting Process:

Stage	Process	Responsibility	Approx. Timing
Budget Preparation Stage			
1.	Upon receipt of the BCC, the Director of F&A informs the PPCC's DPRD, the BC and all BHs that the process is about to begin.	Director of F&A	2nd week in November
2.	Circulates the BCC to the ED, DEDs, all Budget Holders and the BC.	Director of F&A	2nd week in November
3.	The PPCC's BPN is then prepared with support from relevant stakeholders within the PPCC and the MFDP.	Director of F&A/BO/ DPRD/BHs/BC/ MFDP	Start 2nd week in November
4.	Submit sector BPN for inclusion in the Budget Framework Paper.	Director of F&A	1st week in December
5.	Produce and submit final project proposals to MFDP for review	Director of F&A	1st week in January
6.	Issue Internal Budget Guidelines to PPCC's HUs to begin preparation of Budget. The Guidelines will include: <ul style="list-style-type: none"> • Budget Preparation Timetable 	Director of F&A	3rd week in January

Stage	Process	Responsibility	Approx. Timing
	<ul style="list-style-type: none"> Standard rates to be used for various items, e.g. per diems, miles per gallon of fuel, unit price, measurement units, price per book, exchange rate, etc. BF (which includes expenditure requirements and cash plan) 		
7.	FD informs BHs of their new Budget totals, decided by MFDP, and gives them a copy of current Budget	Director of F&A	3rd week in January
8.	FD holds a workshop to discuss the Budget preparation process	Director of F&A	3rd week in January
9.	BHs prepare Budgets for their respective units (<i>with guidance from the FD</i>) and submit Budgets to the Director of F&A <ul style="list-style-type: none"> BHs develop their respective Budgets using the Budget Format provided to them All Budget Holders develop their respective Budgets based on the upper limit provided by the Director of F&A in the IBG Budgets should have corresponding work plans, categorized by month. 	Budget Holders	4th week in January
10.	Hold Budget discussions meetings to discuss the Budget in Step 9.	BHs, BC, BO & Director of F&A	4th week in January
11.	BHs submit their draft Budgets to the Director of F&A for 1st review	Budget Holders, Director of F&A	4th week in January
12.	The Director of F&A reviews to ensure accuracy and completeness of each Unit's Budget, and submits Budget to the DEDA.	Director of F&A DEDA	4th week in January
13.	The Director of F&A reviews and consolidates all Units' Budgets and prepares the PPCC's consolidated Budget. Submits consolidated Budget to the DEDA for review.	Director of F&A	4th week in January
Budget Approval Stage (PPCC and MFDP)			
14.	The DEDA reviews the PPCC's total Budget and submits it to the BC	DEDA BC	4th week in January

Stage	Process	Responsibility	Approx. Timing
15.	The BC reviews the consolidated Budget and conducts Budget hearings with each BH. If requested, a secondary Budget containing only priority items is also compiled. During this stage, the IAU is to provide attestation services.	BC, BH, IAU	4th week in January
16.	The Director of F&A prepares revision to the Budget, if any, based on review and hearings conducted by the BC.	Director of F&A, BO	4th week in January
17.	Repeat review process steps 13 to 15	Director of F&A, DEDA, BC	4th week in January
18.	The IAU verifies Budget and sign off on it as to its accuracy, consistency and completeness.	IAU	4th week in January
19.	The BC submits draft Budget with supporting documentation to the ED	BC	4th week in January
20.	The ED and BC hold meetings to review/approve consolidated Budget.	ED & BC	1st week in February
21.	The Director of F&A and BC submit to consolidated Budget to DB/MFDP	Director of F&A & BC	1st week in February
22.	The DB/MFDP invites the BC, DHs, and the ED to defend the submitted Budget, as required.	DB/MFDP	March
23.	The BC revises Budget based on Legislative feedback	BC	April
24.	After approval of NB, the DB/MFDP sends approved Budget to PPCC	DB/MFDP	May
Budget Execution & Reporting Stage			
25.	The approved Budget is entered into IFMIS.	BO DB/MFDP	June
26.	Copies of the approved Budget are distributed by the Director of F&A to all members of the BC, Senior Management and BHs.	Director of F&A	June
27.	The Director of F&A files a copy of the approved Budget with evidence	Director of F&A	June
28.	Seeks the authority of the Minister of MFDP to spend Budgetary appropriation: <ul style="list-style-type: none"> Prepares and signs monthly, quarterly or priority-basis allotment requests. Submits the signed allotment to the Executive Director for approval and stamping. Approves and stamps the allotment request and sends it back to the Director of F&A for onward submission to the DB/ MFDP. 	Director of F&A Executive Director	Monthly, quarterly, or as required during the fiscal year.

Stage	Process	Responsibility	Approx. Timing
	<ul style="list-style-type: none"> Processes allotment and gives the PPCC authority to spend/commit its approved Budget 	DB/MFDP	
29.	Monitor and review performance against approved Budget.	Director of F&A/Budget Holders/management	Monthly, during the fiscal year
30.	Prepares Budget performance reports and annual financial statements.	Director of F&A	Monthly, Qtrly and Annually

3.7: *Changes to the Approved Budget*

The PPCC may propose changes to its approved Budget through two mechanisms [**Section 3.5, Part 3.0, GoL Financial Management Manual**]:

- (a) *Budget Transfer, and*
- (b) *Supplementary Budget*

The **Budget Transfer** process is used to align and take corrective actions with its approved Budget during the fiscal year. The **Supplementary Budget** process is used by the MFDP to increase estimates made in the approved Budget as a result of insufficient appropriation, and/or to make additional appropriation to fund expenditure not appropriated in the approved Budget.

The PPCC may request a supplementary appropriation if the following occurs:

- a) *Funds in the approved Budget for existing activities for the fiscal year are insufficient;*
- b) *New activities, in line with the PPCC's mandate, are going to be undertaken; and*
- c) *Additional funds are required because of increase in costs of activities to be undertaken.*

3.7.1: *PPCC's Budget Revision Process*

During the course of the year, the PPCC may find it necessary to adjust its Budget due to unanticipated savings or temporary shifting of its priorities. The PPCC may apply savings under one Budget line to fund extra expenditure under another Budget line without affecting the total of the Budget category. Budget transfers are processed to make such change.

The PPCC must observe the following rules regarding Budget transfer requests [**Section 3.5.5, Part 3.0, GoL Financial Management Manual**]:

- (a) *The PPCC cannot transfer from its Budget to another ministry or agency's Budget, except for national emergency which the President of Liberia has notified the National Legislature. This does not apply to donor-funded projects.*
- (b) *Request for Budget transfers between ministries and agencies can, however, be approved up to twenty (20%) percent of the total Budget appropriation for the M&A from which*

the transfer is being made. Any transfer exceeding twenty (20) percent must be approved by the Minister of MFD.

- (c) *The PPCC cannot transfer from, or into the personnel expenditure Budget category; or, between items within the personnel Budget category, without written approval of the CSA.*
- (d) *The PPCC cannot make Budget transfers to increase amounts appropriated for foreign travel or for purchase of vehicles.*
- (e) *A request by the PPCC for Budget transfers between its programs could be approved up to a total for the year not to exceed ten (10%) percent of the original appropriation for the program from which the Budget transfer is made.*

In order for a Budget transfer request to be approved, the PPCC must ensure the following [**Section 3.5.6, Part 3.0, GoL Financial Management Manual**]:

- (a) *Sufficient funds must exist in the Budget from which the funds will be transferred to cover the cost of the increased expenditure in the receiving Budget, after taking into consideration planned expenditures and future commitments.*
- (b) *The PPCC must have controls in place to contain expenditures in the reduced Budget to the new level.*
- (c) *All of the PPCC's Budget-holders must agree to the proposed Budget transfer if more than one Budget holders are involved.*
- (d) *The expenditure for the proposed activity or event must not conflict with the priorities and objectives of the PPCC.*
- (e) *The PPCC's Director of F&A must maintain a register of all Budget transfers.*

Below is the detailed process for revising the approved Budget.

Stage	Process	Responsibility
1.	At mid-year, the Budget Officer (BO) requests all Budget holders to submit Budget change requests, if any.	BO
2.	The BO shall ensure that he/she identifies which Budget lines and activities shall be affected and forward same through the Director of F&A to the Budget Committee (BC).	BO
3.	Reviews the Budget change requests, and liaises with the Budget holders if there are any queries, and finalizes the new Budget. <i>The review should take into consideration all the rules regarding Budget Transfer.</i>	BC
4.	Compiles and submits the revised Budget to the Director for approval.	BC
5.	Reviews the revised Budget and approves.	Executive Director

Stage	Process	Responsibility
	<p>Writes a request for the Budget transfer to the DMB. The request is an official letter written on the PPCC's letterhead, and signed by the ED or DEDA, as designated by the ED, along with the Budget transfer information.</p> <p>The Budget Request must state the following:</p> <ul style="list-style-type: none"> • Cost centers affected • The amount of the transfer • The purpose of the transfer • Email address of the recipient of the transfer 	ED or designee (Deputy ED for Administration)
	<p>Upon receipt of the transfer request, the DMB approves or rejects the transfer request.</p> <p>If approved, the following occurs:</p> <ul style="list-style-type: none"> • A Budget transfer voucher is created and posted to Allotment, and the system at the MFDP generates a complete transfer document which is emailed to the PPCC with a copy to the DMB. <p>If the request is rejected, the following occurs:</p> <ul style="list-style-type: none"> • The DMB writes the PPCC no later than three (3) days from the date of receipt of the transfer request informing the PPCC of the rejection. 	DMB
	Communicates/distributes approved revised Budget. Retain original Budget for future reference.	Director of F&A/BO

In all such cases, the DMA shall approve any such revisions, and inform the Division of Finance & Administration.

3.8: Monthly Allotments

Before the PPCC can spend its approved Budget, the Minister of MFDP has to give authorization. This is done through budgetary allotments. On a monthly basis, departments are required to review their upcoming monthly allotment. If a department wishes to change its allotment, it submits a request to the BO by the 20th of the month. This request must first be authorized by the Budget holder. The DB/MFDP must also be informed. In practice, changes in allotments are rarely requested. The BO inputs the allotment change (s) into IFMIS before the start of the relevant month.

Below is the PPCC's Allotment Process.

Stage	Process	Responsibility
1.	Departments are required to review their upcoming monthly allotments.	BHs
2.	If a department wishes to change its allotment, it submits a request to the BO by the 20th of the month.	BHs & BO
3.	Reviews the allotment request and approves, if in line with the approved Budget, GoL rules and regulations and PPCC's policies and procedures.	Director of F&A
4.	Prepares and signs the allotment request, based on the procurement plan and the cash plan submitted.	Director of F&A
5.	Submits the signed allotment request to the Director-General for approval and stamping.	Director of F&A
7.	Approves the allotment request and sends it back to the Director of F&A for submission to the DB/MFDP	ED
8.	Submits the approved, stamped allotment to the DB/MFDP	Director of F&A
9.	Receives processed allotment, authorizing the PPCC to spend or commit funds	Director of F&A

SECTION 4.0: CASH AND BANK MANAGEMENT

The main objective of the PPCC's cash management system is to ensure:

- a) *The efficient use of public funds, donor funds and internally generated funds;*
- b) *The banking arrangements of the PPCC complies with the PFM Act and Regulations;*
- c) *All funds are used for the purposes stated in the Budget;*
- d) *Funds are spent in accordance with the GoL and donor's rules and regulations.*

4.1: Bank Accounts

The PPCC shall seek written approval from the *Minister MFDP* prior to opening a bank account to hold GoL funds [*Part R.3, PFM Regulations*]. All funds of the PPCC and all funds of any areas of the PPCC shall be channeled through the *Division of Finance & Administration* where it is accounted for.

Generally, the PPCC's CBL accounts shall be the only recipient of external funds for all of the PPCC's programs.

- Checks may be written on the PPCC's bank accounts only upon written instructions approved by the signatories to the accounts.
- No signatory to the PPCC's accounts shall sign checks, or any document or records related to the PPCC's bank accounts, when such check is blank or such documents and records are not fully completed.
- All check books for all of the PPCC's bank accounts shall be kept under lock and key.
- The PPCC must mutilate all voided checks with bold letters "**VOID**" written across the voided check.
- The PPCC will keep all of its stale-dated checks (*checks outstanding for a period of six months or longer*) in a safe.
- The PPCC will not make any check payable to "Cash".
- The PPCC's bank accounts (*both USD\$ and LD\$*) shall be maintained by the *Division of Finance & Administration* for all categories of funding received, specifically:
 - GoL funds
 - Donor funds
 - Internally generated funds
- All PPCC's funds shall be deposited into its bank account immediately upon receipt.

4.1.1: Central Office

Two signatories are required for all checks, one from each of the '**A**' and '**B**' categories below [*PFM Regulations Part R.3 (1) (b)*].

Category A		Category B
1	Executive Director (Primary Signatory A)	Director of Finance and Administration (Primary Signatory B)
2	Deputy Executive Director for Administration (Secondary Signatory A)	Chief Accountant (Secondary Signatory B)

The *Secondary Signatories* can be used only in the absence of the *Primary Signatory A* or *B*. In no circumstance shall the signatories in the above categories sign a check, any document or record pertaining to the PPCC's accounts when it is blank or before it has been fully completed [**Part R 3 (1) (c), PFM Regulations**].

The PPCC must send signature specimen for all signatories to its accounts, in duplicate form, to all of the banking institutions it has accounts with. The banking institution must keep the original signature specimen, while the PPCC keeps the duplicate [**Part R 3 (1) (d), PFM Regulations**].

The PPCC must request a letter from the banking institution acknowledging receipt of the specimen card, and the letter should be kept on file.

The PPCC will update its signatories, as required, and transmit such to the bank(s) in a timely manner.

4.1.2: Program Level

The PPCC's Programs shall maintain their own USD and/or LD bank accounts. Signatories to the Programs bank accounts shall be as indicated herein:

	Category A	Category B
1	Executive Director (Primary Signatory A)	Director of Finance and Administration (Primary Signatory B)
2	Deputy ED for Administration (Secondary Signatory A)	Project Manager (Secondary Signatory B)

The *Secondary Signatories* can be used only in the absence of the *Primary Signatory A* or *B*.

4.2 Procurement and Cash Plans

The PPCC will prepare a Procurement Plan and a Cash Plan when its fiscal budget is approved.

4.2.1: Procurement Plans

The PPCC will prepare Procurement Plans to ensure effective monitoring of the use of funds and effective implementation of its programs and operations.

The PPCC will establish a Procurement Committee that will:

- (a) *Review and approve procurement plans in order to ensure that they support the objectives and operations of the PPCC and that it complies with the National Budget process.*
- (b) *Oversee the procurement function of the PPCC, i.e.:*
 - i) *Identify the proposed Budget items requiring application of the procurement process*
 - ii) *Separate the Budget items into procurement types – Goods, Works and Services.*
 - iii) *Decide the procurement method: International Competitive bidding, National Competitive Bidding or Request for Quotation.*
 - iv) *Decide on whom to approve the award decision taking into consideration the PFM Act and Regulations; the PPCA Act and Regulations and other relevant documents.*
 - v) *Determine the timing of the procurement.*
 - vi) *Give approval to the Bid Evaluation Panel or otherwise enable the PPCC's Procurement Unit to continue with the process.*
- (c) *Ensure that stock and assets are disposed of in compliance with the PPCC Act and Regulations; and*
- (d) *Provide the PPCC with quarterly reports as required.*

The Procurement Committee will consist of five (5) persons. In reference to the PPCA [**PPCA: Sub-Part 2 (26)**], the five (5) members must include:

- | | | |
|---|---|--------------------|
| (a) <i>The Executive Director or his/her designee</i> | - | <i>Chairperson</i> |
| (b) <i>A Senior Management Team Member</i> | - | <i>Member</i> |
| (c) <i>The Director of Finance and Administration</i> | - | <i>Member</i> |
| (d) <i>Two (2) other qualified officials</i> | - | <i>Members</i> |
| (e) <i>Director of Procurement</i> | - | <i>Secretary</i> |

The Cash Plan is to be used as the basis for preparing the Procurement Plan. When the Procurement Committee completes the Procurement Plan, it is submitted to the ED for approval. Upon approval, it is returned to the Procurement Committee; the Procurement Committee then forwards it to the Procurement Unit for implementation.

4.2.2: Cash Plans

The PPCC will prepare its cash flow requirements – its Cash Plan – which shall be broken down by month and by quarter, showing how the PPCC intends to spend its approved Budget. The Cash Plan should be submitted to the Minister of MFDP within 45 (forty-five) days of the commencement of the fiscal year. [**PFM Regulations, Section I, Part H.2 (2)**].

The PPCC, through its *Division of Finance and Administration*, prepares a Cash Plan and submits it to the MFDP through the DB/Cash Management Unit within 45 (forty-five) working days of the commencement of the fiscal year.

Below is the PPCC's Cash Plan process.

Stage	Process	Responsibility
1.	<i>If Budget appropriation was adjusted at the approval of the national Budget, the Cash Plan must be based on the adjusted and approved Budget appropriation</i>	DoF
2.	Submit Cash Plan to the Executive Director for review	ED
3.	The ED submits the Cash Plan to the Board of Commissioners for approval.	ED Board of Commissioners
4.	Upon approval, the ED forwards the Cash Plan to the DoF for execution.	ED DoF

4.3: Cash Books

- The PPCC shall maintain cash books for the purpose of recording, tracking, monitoring, controlling, and reporting its cash.
- In addition to its cash books, the PPCC will maintain source documents as supporting evidence for all of its transactions.
- Separate cash books shall be maintained by the *Division of Finance & Administration* and other PPCC-supported institutions for each of its bank accounts.
- All transactions shall be entered in the cash book as soon as funds are received or payments are made.
- All cash books shall be categorized by the source of fund as per the prescribed cashbook formats.
- All incoming funds should be banked before any expenditure is incurred.

4.4: Bank Reconciliation

- Bank reconciliation is carried out to detect any discrepancies between the PPCC's accounting records and that of the bank.
- Bank reconciliations also provide the necessary control mechanism to help protect the PPCC's cash through uncovering irregularities such as unauthorized bank withdrawals.
- Preparing monthly bank reconciliations also assist in the regular monitoring of the PPCC's cash flows.
- Bank reconciliation - reconciling the bank accounts and the cash books - shall be undertaken on a monthly basis for all of the PPCC's bank accounts. [**PFM Regulations, Section I, Part R.3 (6)**].
- Bank reconciliation will be performed within two weeks after the end of the month (*Please see Annex 16.8 for the **Bank Reconciliation Template***).
- An accountant separate from the one who writes checks on the bank account and the one who records cash transactions in the cash book, is responsible for performing the bank reconciliations.

- The bank reconciliation accountant will sign the bank reconciliation as preparer, and the completed bank reconciliations shall be reviewed by the Chief Accountant, and approved by Director of F&A.

4.4.1: *Outstanding Checks and Stop Payment*

- Checks issued by the PPCC shall remain valid for six months. Upon expiry of this time period, checks shall become “stale”. A stale check shall not be revalidated. Such a check must be replaced by the issuance of a new check in accordance with the PPCC’s policies and procedures over payments, and the following:
 - a) *After obtaining an explanation from the payee as to why the check has not been cashed, the check will be cancelled and removed from the outstanding check list, through the recording of the appropriate accounting entry.*
 - b) *A notation shall be made in the Check Issue Register, referencing the cancelled check with the new check.*
- The PPCC may decide to place a “stop payment” on a check already issued, for whatever valid reason. In such a case, the Director of F&A shall promptly send a written stop payment request to the bank. The Director of F&A will also request a written confirmation from the bank that the request was received and the stop payment executed.

4.4.2: *Replacement of Lost Checks*

- The PPCC may decide to consider a request for issuing a new check to replace a missing check [*PFM Regulations, Section I, Part R.4*]. Such request should be processed in the following manner:
 - a) *The Bank reconciliations and bank statements will be reviewed to ascertain that the check has not been cashed.*
 - b) *The alleged loss of the check shall be communicated to the bank with a request to stop payment of the check.*
 - c) *A written confirmation of receiving the stop payment order and executing it shall be obtained from the bank before a replacement check is issued.*
 - d) *A replacement check may be issued in lieu of the lost check only upon completion of the above steps.*
 - e) *The lost check will be noted in the check book, and will reference the replacement check issued.*
 - f) *If the lost check is found after a replacement check is issued and has been given to the vendor, the stop order on the lost check will remain in place.*

SECTION 5: PETTY CASH IMPREST

5.1: *Petty Cash Fund Procedures at the Division of Finance & Administration*

The PFM Regulations define Petty Cash as cash held by Ministries and Agencies that can be used in times of emergency. Such public fund shall adhere to the rules of the PFM regulation (**Section 1, Part B**).

The maximum amount that may be held as Petty Cash in any one calendar month is the equivalent of **US \$200.00 (US TWO HUNDRED DOLLARS)**. [**PFM Regulations Part B, B.33 (4)**]. A waiver could be requested if the amount needed exceeds the required PFM amount.

The Petty Cash Fund is established to make day-to-day miscellaneous payments where it is not prudent to pay by checks. It should be used only for small incidental expenditures and not as a method to bypass the PPCC's disbursement and procurement policies and procedures.

The Petty Cash Fund ceiling shall be determined taking into consideration the following [**PFM Regulations part B, B.34**]:

- a) *The PPCC's Central Office needs;*
- b) *The availability of banking facilities in relation to the working hours of the offices in the areas in which the PPCC operates;*
- c) *The availability of safe accommodation and staff capacity; and*
- d) *The general security of the building/office in which the safe is located.*

The PPCC shall determine the amount, and set a limit that is sufficient to meet the normal day-to-day operational needs of the offices. The Petty Cash Imprest amount is currently **\$500 US dollars** or its equivalent. The custodian of the Petty Cash Imprest Fund is the Accountant.

Pre-numbered petty cash forms must be used to request and disburse petty cash.

No single item costing more than US\$50 shall be procured through petty cash.

The approval process to disburse petty cash is with the Director of Finance and Administration and the ED.

Petty cash shall not be used to pay salaries and wages, to give salary advances, to make personal loans, or to serve as a check cashing fund.

All receipts and invoices supporting a petty cash claim must be issued in the name of the PPCC, not to the individual making the claim.

The petty cash process is below.

Stage	Process	Responsibility
a) Requesting Petty Cash Expenditure		
1	<ul style="list-style-type: none"> A petty cash request is made via a memo, which is attached to a Petty Cash Form invoices and/or receipts. 	Petty-Cash Applicant
2.	<ul style="list-style-type: none"> It is sent to the Director of F&A for authorization 	Petty-Cash Applicant FO
3	<ul style="list-style-type: none"> Once authorized / approved, the payment request is submitted to the Accountant for disbursement. 	Director of F&A ED Accountant
4	<ul style="list-style-type: none"> The Accountant disburses the required cash. The recipient of the cash signs the Petty Cash Request form to confirm receipt of the cash. 	Accountant Petty-Cash Recipient
5	<ul style="list-style-type: none"> The Accountant files the petty cash request form and records the transaction in the Petty Cash Book 	Accountant
b) Petty Cash Advances		
1	<ul style="list-style-type: none"> Points 1 to 5 under 'Requesting Petty Cash' above apply here as well. 	As Above
2	<ul style="list-style-type: none"> The Accountant places the request on the pending file, pending liquidation of the advance. 	Accountant
3	<ul style="list-style-type: none"> Upon liquidation of the advance, the Accountant attaches the invoices/receipts to the form and files it. Any unspent balance must be returned to the Accountant. A receipt will be issued for the returned funds. In the case where funds are released for a particular activity, such funds shall be accounted for within two working days following completion of the activity 	Accountant
4	<ul style="list-style-type: none"> When a new petty cash request is received, the Accountant reviews the pending imprest file to determine whether there are any unliquidated advances from the same source. If such is the case, no petty cash is given until previous advance requests are liquidated. 	Accountant
5	<ul style="list-style-type: none"> The responsible staff will be asked to refund the outstanding advance. <i>Note: Outstanding advances will be charged to the staff receivable account when not cleared on timely a basis.</i> If the advances are not cleared within the required period, the amount shall be recovered from any amounts payable to the Official through monthly allowance or 	Petty-Cash Applicant AO

Stage	Process	Responsibility
	basic salary before any further advance can be made to the individual.	
When Outstanding Balances have been accounted for.		
c) Accounting		
1	<ul style="list-style-type: none"> The JA records all petty cash transactions into the Petty Cash Book 	JA
2	<ul style="list-style-type: none"> The Director of F&A reviews the Petty Cash Book and supporting documentation on a weekly basis, as well as whenever a replenishment of the petty cash float is requested. The Director of F&A also reviews the petty cash file to ensure that requests are being retired on a timely basis. 	Director of F&A
3.	<ul style="list-style-type: none"> The CA performs reconciliation of the petty cash, including a cash count in the presence of the Cashier. The CA will, after the cash count and reconciliation, sign the Petty Cash Reconciliation Form, and will also sign a print-out of the Petty Cash Book to confirm that it reconciles to the physical cash. 	Chief Accountant
4.	<ul style="list-style-type: none"> The petty cash reconciliation form is then reviewed and signed by the Director of F&A. 	Director of F&A
d) Replenishing Petty Cash		
1	<ul style="list-style-type: none"> The PC Fund should be replenished when the balance reaches approximately 25% of its float, to ensure funds are available for the day to day operations. The JA prepares a PC Utilization Report and raises a Disbursement Request for the replenishment amount. 	JA
2	<ul style="list-style-type: none"> The PC Utilization Report is reviewed by the Director of F&A and the Director of F&A submits the certified Disbursement Request to the DEDA. 	Director of F&A
3	<ul style="list-style-type: none"> The disbursement request is approved by the DEDA and forwarded to the Director of F&A for action. 	DEDA
4	<ul style="list-style-type: none"> The check to replenish petty cash is prepared by the FD and forwarded to the Director of F&A for signature. 	FO Director of F&A

Stage	Process	Responsibility
5.	<ul style="list-style-type: none"> The Check and Payment Request are then submitted to the DEDA or ED for the second signature. 	Director of F&A
6.	<ul style="list-style-type: none"> Upon completion of all signatories, the check is sent back to the FD for entry into the Check Log. 	FO
e) Security		
1	<ul style="list-style-type: none"> PC funds must be kept in a locked safe in the Director of F&A's office. 	AO
2	<ul style="list-style-type: none"> There shall be a weekly cash count to be performed by the Director of F&A. Notwithstanding, the Director of F&A shall perform unannounced and/or surprise cash count and same shall be documented. 	Cashier Director of F&A

SECTION 6.0: REVENUES

6.1: Overview

The *Division of Finance and Administration* and PPCC-supported institutions may have access to several sources of funds, for example:

- GOL Funds
- Projected Funds
- Earmarked Grants
- Internally Generated Revenues
- Other Revenues

All of these funds shall be channeled through the *Division of Finance & Administration*. The *Division of Finance & Administration* shall subsequently transfer the funds to the beneficiary institution, and shall supervise the accounting for such funds in line with the provisions in this manual.

The DEDA and the DoF have the principal responsibility for the management of all funds, and for ensuring that all policies and procedures over revenues are complied with.

6.2 Receipt of Funds

6.2.1: Receipt of funds by the Division of Finance & Administration

The following are the procedures over funds received by the PPCC:

Reference	Process	Responsibility
1	<ul style="list-style-type: none">• All checks received in the Division of Finance & Administration shall be officially receipted before being deposited and posted in the Cash Book.	Cashier
	<ul style="list-style-type: none">• All checks received are to be logged in the Check Log Book.	FO

SECTION 7: EXPENDITURES

7.1: Objectives of the PPCC's Payment Procedures

The objectives of the PPCC's payment procedures are to ensure that:

- (a) All expenditures are Budgeted for;
- (b) All expenditures are supported by valid purchase orders;
- (c) Goods are acceptable;
- (d) There is adequate proof of goods/service received; and
- (e) Payments are properly authorized and approved.

7.2: Payment Procedures of PPCC

All payments shall be accurately categorized and recorded in the Cash Book and Expenditure Ledger according to the Budget code. All payments by check must be recorded in the Check Book (check register), in addition to the Cash Book. All petty cash payments shall be recorded in the petty cash book.

PPCC will maintain complete documentation for all expenses incurred, which shall be subject to audit on demand by the Internal Audit Unit or the GAC.

Payments are made only on full and satisfactory completion of goods, works and services. No part payment on partial completion of delivery of goods, works or services shall be made, unless otherwise specified in the contract.

Payments for goods, works and services shall be made only to the vendor/service provider, and not to third parties.

Payments cannot be made to serving government employees under the category 'Professional Service'.

The detailed payment procedures are outlined below.

Reference	Process	Responsibility
a) PPCC Payment		
1	<ul style="list-style-type: none">Payment requests are generated by the Budget holders and signed by the supervisor or Head of the Unit and sent to the Director of F&A for review.Payment requests in excess of US\$500 must be approved by the DEDA or his/her designee.Upon completion of all required authorization and approvals, the payment request is sent to the Division of Finance & Administration for action.	<p>Budget Holder Director of F&A</p> <p>DEDA</p> <p>Division of Finance & Administration</p>

Reference	Process	Responsibility
	<ul style="list-style-type: none"> If the payment is for goods and the goods have been supplied, the Division of Finance & Administration must verify the supply and sign and stamp the Delivery Note “VERIFIED” to authenticate that it was actually verified. 	Division of Finance & Administration IAU
2	<ul style="list-style-type: none"> The FO in the <i>Division of Finance & Administration</i> logs in each payment request as soon as it is received. The details of each payment request are noted in the Payment Request Log. 	FO
3	<ul style="list-style-type: none"> The Payment Request is given a reference number from a pre-numbered log. As each number is assigned, it is crossed out in the log. 	FO
4	<ul style="list-style-type: none"> The payment request is then distributed to the relevant accountants in the FD as follows: <ul style="list-style-type: none"> Procurement Expenditures to the FO Program/Donor expenditures to the Donor Accountant (DA) 	FO
5	<p>Procurement Expenditures</p> <ul style="list-style-type: none"> The FO checks the Payment Request documentation to ensure the following: <ul style="list-style-type: none"> Payment Request has been appropriately authorized. All required documentation is attached as follow: <ul style="list-style-type: none"> ✓ Approved PO with all of the documents that were attached during the approval process: <ul style="list-style-type: none"> ➤ Minimum of 3 quotations ➤ Current tax clearance, valid business registration and articles of Inc. ➤ PUC minutes ➤ Acceptance Letter to the selected vendor ➤ Rejection Letters to all the unsuccessful vendors ➤ A notification letter to PPCC, and ➤ The Contract ✓ Delivery note (<i>the date on the delivery note must be subsequence to the date on the PO</i>), 	FO

Reference	Process	Responsibility
	<ul style="list-style-type: none"> ✓ A validation certificate (<i>signed by the DEDA along with the voucher. The DEDA signs the certificate to testify to the origin of the voucher</i>). - Calculations are correct. - PPCA and regulations have been followed by the Procurement Section. - All documents received must be originals or certified copies – photocopies shall not be accepted as these may lead to multiple payments being made. - All pro-forma invoices include the Tax Identification Number provided by the MFDP. For service invoices, withholding taxes are deducted from the invoice amount based on the percentage in the Revenue Code. • If there are any issues with the documentation, the FO liaises with the PD and other relevant staffs until all issues are resolved. • Having made all the appropriate checks, the FO signs the payment request and passes it to the Director of F&A, who then checks to ensure that there are available Budgeted funds for the expenditure. • All programs and donors’ vendor payment requests be passed to the Director of F&A and shall follow part (d) below. • For all GoL’s vendor payment requests, the designated FO checks the documentation to ensure: <ul style="list-style-type: none"> - Payment request has been appropriately authorized and approved. - All necessary documentation is attached as follow: <ul style="list-style-type: none"> ✓ Approved PO with all of the documents that were attached during the approval, ✓ Delivery note (<i>the date on the delivery note must be subsequence to the date on the PO</i>), ✓ Valid tax clearance, ✓ Valid business registration, ✓ Validation certificate (<i>signed by the DEDA along with the voucher. The</i> 	

Reference	Process	Responsibility
	<p><i>DEDA signs the certificate to testify to the origin of the voucher).</i></p> <ul style="list-style-type: none"> - Calculations are correct. - Expenditure falls within Budget. • If the payment request has come from within the PPCC, and the allotment for the request is already held, then the procedures in Part “c” are followed. • Otherwise, if the payment must be requested via the MFDP, Part “b” below is followed. 	
b) Payment requested via PPCC		
1	<ul style="list-style-type: none"> • Payment requests are generated by the Budget holders, signed by the supervisors or Department Heads, and send to the Director of F&A for review. • The FO checks the payment request documentation to ensure of the following: <ul style="list-style-type: none"> - Payment request has been appropriately authorized and approved - All necessary documentation is attached • Calculations are correct. If there are any issues with the documentation, the FO liaises with the appropriate department to resolve the issue. • When the review has been completed and verified as being correct, having all required documentation authorization and approval, the payment request is sent to the DEDA for approval. Amounts in excess of US\$ 500 must be approved by the ED or his/her designee under delegated authority. • When the documents have been signed by the ED or the DEDA, it is then sent to the Division of Finance & Administration for action. 	<p>Budget Holders Director of F&A IAU</p> <p>FO</p> <p>DEDA ED</p> <p>Division of Finance & Administration</p>
	<ul style="list-style-type: none"> • Upon approval by all parties, the check is raised and the FO signs the payment request and attaches it to the internal voucher raised. • The check request (<i>internal voucher</i>) is signed by the Director of F&A, DEDA and the ED. 	<p>FO</p> <p>Director of F&A DEDA</p>

Reference	Process	Responsibility
	<ul style="list-style-type: none"> Finally, the check attached to the internal voucher is signed only by the Director of F&A and the ED as prime "A & B" signatories, or the DEDA in the absence of the ED. When the check is collected, the recipient signs the <i>Check Paid-Out Log</i> to confirm receipt and an official receipt is obtained from the recipient for the payment. 	ED Director of F&A ED DEDA Recipient Division of Finance & Administration

7.3: Petty Cash Advances

There will be instances where cash advances may be requested. The following processes are general procedures over petty cash advances:

Reference	Process	Responsibility
1	<ul style="list-style-type: none"> When a petty cash advance request is received, the FO reviews the pending petty cash file to determine whether there are any unretired requests from the same applicant. If so, no petty cash fund is advanced until all outstanding advance requests are retired. 	FO
2	<ul style="list-style-type: none"> The responsible staff will be asked to account for the outstanding advances. If the advances are not cleared within the required period, the amount shall be recovered from any amounts payable to the responsible staff. Further advances to staff shall only be made when all outstanding balances have been accounted for. 	FO Petty Cash Applicant FO
3	<ul style="list-style-type: none"> All petty cash advances shall be accounted for by the recipient within the policy documented period. 	FO Recipient

SECTION 8.0: PROCUREMENT

8.1 Procurement Procedures

This section of the Manual is a brief description of the PPCC's Procurement requirements. Detailed procurement policies and procedures can be found in the PPCC Procurement Manual.

The *Public Procurement and Concessions Act* (PPCA) of 2005 and the subsequent amendment in 2010, and the PPCA Regulations will guide the PPCC in the procurement of goods, works and services. In addition, the PPCC has the *Standard Procurement Operating Procedures* (SoPs) that gives directives on how procurement must be conducted in the PPCC. Procurement of both goods and services will follow the procedures as set out in the Procurement Procedures Manual and SoPs.

8.1.1: Procurement Committee

The PPCC will have the following procurement structure; a **Procurement Committee**, a **Procurement Unit** and a **Bid Evaluation Panel**. [*PPCA: part III, Sub-Part 2, 26-30*].

The PPCC's Procurement Committee will consist of the following five (5) persons:

- | | | |
|--|---|--------------------|
| a) <i>Executive Director</i> | - | <i>Chairperson</i> |
| b) <i>DED – Administration</i> | - | <i>Member</i> |
| c) <i>Director of F&A</i> | - | <i>Member</i> |
| d) <i>Two (2) other qualified officials (to be assigned by the ED)</i> | - | <i>Members</i> |
| e) <i>Director of Procurement</i> | - | <i>Secretary</i> |

When procurement matters relating to a specific Budget holder are under consideration, one of the additional members appointed must be a representative of that department.

Function of the Procurement Committee:

The Procurement Committee shall:

- (a) *Review and approve procurement plans in order to ensure that they support the objectives and operations of the PPCC and comply with the national Budget process;*
- (b) *Oversee all the procurement functions of the PPCC as set forth in the PPCA and the Regulations;*
- (c) *Ensure compliance of the PPCC with the PPCA and its regulations;*
- (d) *Review the activities of the Procurement Unit and the Bid Evaluation Panels, and provide advice and direction where necessary to ensure selection of the lowest responsive evaluated bid in accordance with the requirements of the PPCA and its regulations;*
- (e) *Verify that a Budget allocation is available under the PFM Law and its Regulations for the expected amount of any contract award and, before giving any approvals pursuant to PPCA and regulations, ensure that a Budget allocation is available in the amount of any bid or proposal recommended by a Bid Evaluation Panel;*

- (f) *Receive the reports and recommendations of the Bid Evaluation Panel and reject the award if not consistent with the requirements of the Act for procurements in excess of the relevant Thresholds contained in Section 7 of the Schedule. The ED shall perform this function for procurements within the Thresholds provided for the PPCC in Section 7 of the Schedule;*
- (g) *Provide the PPCC with quarterly reports and as required;*
- (h) *Confirm the bid price is reasonable for the items to be procured and is in line with available funds, otherwise, withhold approval of award as provided in clause (f) of the PPCA. The ED shall perform this function for smaller procurements as provided in the Regulations promulgated by the PPCC;*
- (i) *Oversee contract administration in reference to the applicable PFM Laws to ensure compliance with all reporting requirements under the PPCA;*
- (j) *Ensure that stores and assets are disposed of in compliance with the provisions of the PPCA;*
- (k) *Review the activities of each step of the procurement cycle leading to the selection of the lowest responsive evaluated bid by the PPCC; and*
- (l) *Give approval to the Bid Evaluation Panel or otherwise to enable the Procurement Unit to continue with the procurement process.*

8.1.2: Procurement Unit

The PPCC shall establish a Procurement Unit which shall operate under the supervision of the Procurement Committee.

The Procurement Unit shall be staffed with persons trained and knowledgeable in procurement and charged with carrying out, on an ongoing basis, functions related to procurement.

The Executive Director shall determine the composition of the Procurement Unit, provided that every Procurement Unit shall consist of not less than two (2) officials charged with responsibility for Budgeting, expenditure and administration of public procurement for the PPCC.

The Executive Director shall ensure that the Procurement Unit is provided with adequate resources.

The functions of the PPCC's Procurement Unit shall be carried out in accordance with the PPCA and applicable regulations established by the PPCC, and shall include:

- (a) *Preparing the PPCC's procurement plan as contemplated by Section 40 of the PPCA and updating such plan as required;*

- (b) *Preparing invitations to bid, requests for quotation, requests for proposals and bidding documents, including schedules and specifications;*
- (c) *Publishing and distributing invitations to bid, requests for quotation, requests for proposals and bidding documents;*
- (d) *Receiving and safeguarding bids; Amended and Restated Public Procurement and Concessions Act 35*
- (e) *Conducting bid opening procedures in accordance with Section 61 of the Act;*
- (f) *Performing secretarial and administrative services for the PPCC's Procurement Committee;*
- (g) *Ensuring that the procurement procedures to be followed are in strict conformity with the provisions of the PPCA and its regulations;*
- (h) *Monitoring and administering the performance of contracts;*
- (i) *Assessing the quality of the procured goods, works and services;*
- (j) *Maintain a database of all suppliers, contractors and consultants;*
- (k) *Maintain a profile of the past performance of suppliers, contractors and consultants with respect to their performance of contracts awarded under the PPCA; and*

Conducting such other activities of the PPCC as set forth in Part IV of the PPCA relating to the foregoing as may be delegated and directed by the Procurement Committee or required by the regulations.

8.1.3: Bid Evaluation Panel

Each Procurement Committee shall constitute a Bid Evaluation Panel with the required expertise as and when required to evaluate bids solicited by the PPCC.

A Bid Evaluation Panel shall be responsible for the evaluation of bids in accordance with the predetermined and published evaluation criteria as outlined to bidders in the bid documents in accordance with the PPCA and shall prepare and submit evaluation reports and recommendations for award for the consideration of the PPCC's Procurement Committee or the Executive Director.

The PPCC may make rules to regulate the composition and activities of Bid Evaluation Panels. No member of the PPCC or the PPCC's Procurement Committee shall serve on a Bid Evaluation Panel.

8.1.4: Procurement limits per the Procurement Manual

The Procurement Manual procedures must be followed on all works, goods and services procured above the value of US\$500.

SECTION 9.0: PAYROLL

This section of the Manual gives a brief overview of the PPCC's payroll process. Detailed payroll policies, procedures and processes can be found in the *PPCC's Administrative Policy Manual*.

9.1: Overview

The PPCC's payroll is prepared on a monthly basis by the Human Resource (HR) Department and the Department of Finance and Administration.

At the end of the second week of each month, the HR Unit must submit to the DFA a detail listing of staff added to, deleted and suspended from the regular payroll, for onward submission to the MFD. The HR Unit, along with the DFA, will compare the monthly payroll outlay with the preceding month's payroll. The DFA will reconcile the payroll listing with the HR official personnel listing.

The PPCC pays salaries through the banking system by transfers into the individual employee's bank accounts. Where the employee has no bank accounts, the PPCC will issue check to the employee.

9.2 Incentives

The PPCC's payroll process for incentive payments is detailed in the table below.

Reference	Process	Responsibility
1	<ul style="list-style-type: none">An Incentive List is prepared on a monthly basis by the HR Unit (Department); this list is sent to the DFA.	HR Unit
2	<ul style="list-style-type: none">The DFA reviews the list to ensure that the list is a true reflection of staff authorized for incentive payments, and that the calculations are correct.	DFA
3	<ul style="list-style-type: none">The list is then checked to make sure the amounts requested fall within the relevant Budgets.	DFA
4	<ul style="list-style-type: none">Once the review & verification is completed by the DFA, an official Disbursement Voucher is prepared and attached to the Incentive List and signed by the Director of the DFA.	Payroll Accountant Budget Officer Accounts Officer
5.	<ul style="list-style-type: none">The incentive payments are made by the DFA.	DFA

9.3 Staff Allowances

Reference	Process	Responsibility
1	<ul style="list-style-type: none">A standard list of employees is sent to the DFA for the calculation and payment of general allowance.	HR Unit (Department)
2.	<ul style="list-style-type: none">The DFA counterchecks the list, prepares a Disbursement Voucher and a distribution listing.	DFA
3.	<ul style="list-style-type: none">The employees' general allowances are paid through their individual bank accounts.	DFA

SECTION 10: FIXED ASSETS

10.1: Overview

This section of the Manual covers *accounting* for fixed assets. Detailed policies and procedures over asset management can be found in the *PPCC Asset Management Manual*.

The PPCC is responsible for assets it purchases and for assets donated to it by donors.

Fixed assets are tangible assets owned and used in the operations of the PPCC, not intentionally acquired for resale. Fixed Assets have a life span of at least one year and above. **[*GOL Financial Rules, Rule 5*].**

The PPCC will ensure that proper control systems exist for those assets and that:

- (a) *Preventive mechanisms are in place to minimize theft, losses, waste, and misuse; and*
- (b) *Inventory levels are at an optimum and economical level.*

The PPCC must ensure that processes and procedures are in place for the effective, efficient, economical and transparent use of its fixed assets.

Fixed assets cannot be purchased using operational funds or petty cash.

Fixed assets shall not be ordered with other items on the same purchase order; fixed assets shall have a separate Purchase Order.

All fixed assets received shall be examined to ensure that they conform to the quality and specification prescribed in the Purchase Order.

All fixed assets shall be entered into a fixed asset ledger within three business days after acquisition **[*GoL FM Manual, Table 11: Specific Controls and Control Activities over Expenditures and Assets*].**

All fixed assets (*purchased and/or donated*) are recorded in a fixed asset ledger at the original acquisition or donated costs. These costs include the purchase price and all other costs (*insurance, freight, transportation, installations, and test-runs*) to bring the assets to their final location and put them into use.

The PPCC must have adequate safeguard over its fixed assets. The fixed assets register is for memo purposes only. Fixed assets are reported in the balance sheet. The PPCC will perform a physical inventory count of its fixed assets at least once a year. It will also perform additional periodic surprise checks of its fixed assets.

Un-expendable inventory items such as furniture, equipment, computers, tools or vehicles, which have a life span assigned to them when they are worn out, will still remain in use **[*PFM Regulations 2009; Part U, Section U.2 (b)*].**

10.2: Fixed Assets Register

The PPCC will maintain a fixed assets register in order to exercise control over the use and security of its fixed assets. The Fixed Asset Manager will maintain all detailed information on fixed assets in the asset register. The Division of Finance & Administration will provide information to the Asset Manager on all fixed asset purchased.

The PPCC will have regularized spreadsheets that will be used throughout the GoL. These spreadsheets should be used until asset management software is in place for the GoL. The adopted GoL asset coding system must also be used.

PPCC's fixed assets are classified into six (6) categories as follows:

- Buildings and Structures
- Machinery
- Furniture
- Transportation Equipment
- ICT Infrastructure
- Other Fixed Assets

All assets must be marked in order to be able to identify the assets. The fixed assets register must contain the following information:

- (a) Asset Tag Number
- (b) Cost of the Asset
- (c) Description of the Asset
- (d) Location of the Asset
- (e) Date of purchase
- (f) Supplier details
- (g) Expected life cycle
- (h) Depreciation details (*Since the Cash Basis IPSAS does not provide for the depreciation of fixed assets, MACs are encouraged to document depreciation in their fixed assets registers and report such as memorandum*).

10.3: Disposal of Assets

Decision to dispose of any asset will be made by a Disposal Committee. Composition of a Disposal Committee shall be as follows:

- (a) *Representatives from Senior Management and*
- (b) *Persons with relevant expertise from other GoL ministries and agencies;*

The DEDA will write the ED; the ED then writes the MFDP for approval; when approved, the ED writes the GSA to work with the Disposal Committee.

When approval is granted, the Division of Finance & Administration will prepare an Asset Disposal Form, to be signed by the Head of the User Department and the Director of F&A, and approved by the ED.

The Disposal Committee may recommend, after carrying out the inspection, one of the disposal method below, or other disposal methods:

- (a) *Transfer to other GoL ministries or agencies, with or without financial adjustments;*
- (b) *Sold by public tender to the highest tender, subject to reserve price;*
- (c) *Sold by public auction, subject to minimum acceptable price;*
- (d) *Destroyed, dumped, buried or any form of disposal as appropriate.*

The disposal of any assets should be reflected in the Fixed Assets register and the date of disposal should be recorded.

10.4: Theft and Loss of Assets

All losses of assets shall be immediately reported to the ED, the DEDA and to the Police.

The Director of F&A will make the appropriate entry in keeping with the approved Guidelines of the PPCC to remove the fixed assets from the fixed assets register based on the disposition of the case.

10.5: Vehicle Maintenance

Vehicle operations costs include the costs of running the vehicle, repairs and maintenance.

Vehicle maintenance costs can be controlled by closely monitoring the use of vehicles and regular maintenance of the vehicles. The approved PPCC guidelines for the maintenance of vehicles should be used.

The PPCC shall maintain a vehicle log book for each vehicle. The vehicle log book will record the following information:

- (a) *Name of the driver*
- (b) *Date and time of the journey*
- (c) *Start location and destination of each journey*
- (d) *Mileage at the start and on reaching the destination*
- (e) *Purpose of the journey, which shall be initialed by the person using the vehicle.*

10.6: Asset Management Procedures

The steps below outline the asset management procedures to be followed.

Reference	Process	Responsibility
1	<p>Asset Register</p> <ul style="list-style-type: none"> i) The PPCC will appoint an Asset manager who will maintain a detailed records of all Fixed Assets in an asset register (<i>either manually or electronically</i>). ii) The Asset Manager will provide the necessary information to the DFA for 	Deputy Director of Finance and Administration FO

Reference	Process	Responsibility
	<p>reporting on the fixed asset template to the CAG's office.</p> <p>iii) The fixed asset register shall classify all of the PPCC's fixed assets according to the GoL classification (<i>Buildings & Structures; Machinery, Furniture and Transport Equipment; ICT Infrastructure; and Other Fixed Assets</i>), and for each asset.</p> <ul style="list-style-type: none"> • Systems will be put in place to capture all relevant new procurement as well as capturing all current historic assets. • The Asset manager will update the system on a daily basis and provide updated information to the Finance Section and the PPCC AM monitor on a monthly basis. • The Asset Manager will work closely with the DFA and follow PPCC's guidelines. <p>IV) The fixed asset register will be updated with all additions, disposals, transfers, theft and losses, and write-offs/handover.</p>	

SECTION 11: STOCK

11.1: Objectives of the PPCC's stock system

The objectives of the PPCC's stock system are to ensure that:

- All purchases are correctly recorded
- Issues are properly authorized
- Re-order levels are determined to eliminate stock outs and to ensure commodities are available when required
- Stock items are safeguarded against theft, misuse, damage and obsolescence

The PPCC shall use pre-numbered goods received notes (GRN) or goods delivery notes (GDN) to evidence receipt and issuance of stock.

The PPCC will record its stock on Stock Cards before they are distributed to users.

The PPCC should perform a physical count of stock at least once a year in its store room.

Expendable inventory of a consumable nature, for example, foodstuff, which except for controls to ensure that their use is kept within reasonable and economical limits, do not need to be accounted for once they have been issued for use. [*PFM Regulations 2009; Part U, Section U.2 (a)*].

11.2: Procedures for Ordering, Receiving and Issuing Stock

The procedures outlined below shall be followed when dealing with stock items.

Reference	Process	Responsibility
1	Ordering stock <ul style="list-style-type: none">• Ensure that purchases are compliant with procurement procedures as detailed in the Procurement Procedures Manual	FO
2	On delivery of goods <ul style="list-style-type: none">• Check goods delivered against the GRN.• Check that the goods delivered are in accordance with specifications on the Purchase Order. In checking for these, the store-keeper shall do so jointly with the requesting department(s) of the stock item or the technical unit that is responsible for such stock item, and also in conjunction with the Procurement Unit.• Check goods to ensure there is no damage.• Prepare a Goods Received Note (GRN)• Forward documents to the DFA for payment, in accordance with payment procedures.	Warehouse Manager Procurement Unit
3	In the event of part delivery or delivery of unacceptable goods: <ul style="list-style-type: none">• Ensure this is noted on the invoice and proper adjustment is made on the invoice.	Warehouse Manager / PD

Reference	Process	Responsibility
	<ul style="list-style-type: none"> Perform adequate follow up regarding the above before payment is made. Ensure the Delivery Note has been adjusted. Ensure the GRN reflects these adjustments. <p>Return goods to vendor if unacceptable, i.e., not in accordance with specifications.</p>	
4.	On issuing stock <ul style="list-style-type: none"> For all items required from stock, a Stock Requisition Form must be raised. The Department of Administration gives final authorization on the Requisition Form. Stock is issued per the Requisition Form. The recipient signs the Requisition Form Stock Ledger is updated. 	Requester/ DEDA Warehouse Manager/ Recipient
6.	Stock Takes and Reconciliations <ul style="list-style-type: none"> Check the accuracy of the stock ledger balances against stock held on a monthly basis. This reconciliation shall be reviewed by the IA and the DFA respectively. Every Month, a stock check should be done. This check is done on a randomly chosen day. During the check 5 items from the stock list are verified against the physical stock, performing a stock count for each item. An additional 5 items are verified from the physical stock to the stock list. Any discrepancy in the stock check is investigated. The results of the stock check are then passed to the DFA for review. The DFA investigate discrepancies in the physical inventory report and make recommendation to the DEDA/ED for action. At the fiscal year end, the DFA supervises the warehouse stock take, and reconciles it to the year-end stock listing in the books of account. 	<p>IA/DFA</p> <p>DFA</p> <p>DFA</p> <p>DFA</p>

SECTION 12: FINANCIAL REPORTING

12.1: Reporting Policy

The ED will prepare and submit to the Auditor General, the Minister of MFDP, and to the CAG the accounts covering all public funds under the control of the PPCC, within a period of **45 days** after the end of each quarter commencing from the beginning of the fiscal year. The accounts include statements and documents in accordance with the Cash Basis IPSAS and as specified in the *GoL Financial Management Manual*. [**PFM Regulations I.9 (1) and (2)**]

The Minister of MFDP will, however, give written directives to indicate the commencement date for the quarterly reporting. [**PFM Regulations I.9 (3)**]

The ED will prepare and submit to the Auditor General, the Minister of MFDP, and the Director of F&A & Accountant General the accounts covering all public fund under his/her control within a period of **two months** after the end of each fiscal year, or such other period as the Legislature appoints by resolution, and include statements and documents in accordance with the Cash Basis IPSAS and as specified in the *GoL Financial Management Manual*. [**PFM Regulations I.11 (1)**]

12.2: Reporting Objectives:

The PPCC must report on the financial resources used during the fiscal year, comparing actual expenditures to the Budget, and explaining significant variances. The main objectives of preparing, reviewing and analyzing reports are to:

- Verify that accurate, complete and consistent accounting records are maintained within the PPCC that will support its performance measurement;
- Provide meaningful information to managers for planning, decision-making and reporting purposes;
- Allow for monitoring and control of commitments and disbursements in relation to appropriated amounts;
- Ensure early identification of Budget variances so that the PPCC can mitigate risks as appropriate to remain within its Budget; and
- Improve management control by maintaining transactions, accounts and financial statements in accordance with GoL and donors' rules, regulations, and the PPCC's accounting policies and procedures.

12.3: Monthly Accounts Closing

The PPCC is required to perform monthly accounts closing within each fiscal year, and submit such reports to the CAG **within 10 days** after the end of the month [**GoL FM Manual, Section 8.6 (8.6.11 (a))**].

The PPCC will monitor expenditures in relation to Budget on a monthly basis and prepare monthly reports that compare actual expenditures to Budgeted expenditures, including an analysis of major variances.

The PPCC will ensure that the monthly reports are correct and complete and the reports adhere to the GOL rules on classification of charges and budgetary appropriation.

- The monthly report shall include [*GoL FM Manual, Section 8.6 (8.6.11 (d))*]:
 - *Receipts & Payments Statement;*
 - *Schedule of Grants and in-kind donations; and*
 - *Expenditure Statement*

The PPCC will consolidate the monthly accounts; examine thoroughly the monthly accounts for correctness, authenticity, completeness, adherence to the rules on classification of charges according to the GOL Chart of Accounts, and Budgetary appropriations.

12.4: *Quarterly Accounts Closing*

The PPCC will prepare and submit to the Auditor General, the Minister of Finance and the CAG the accounts covering all public funds under its control within a period of not later than **45 days** after the end of each quarter, starting from the beginning of the fiscal year. [*GoL FM Manual, Section 8.6 (8.6.12 (a))*]:

The Minister of MFDP will issue written directives to indicate the commencement date for the quarterly reporting to be done. [*PFM Regulations: Part I.9 (1), (2) and (3)*].

The PPCC will consolidate the quarterly accounts; examine thoroughly the quarterly accounts for correctness, authenticity, completeness, adherence to the rules on classification of charges according to the GOL Chart of Accounts, and Budgetary appropriations. The quarterly account reports must:

- a) *Be submitted within a period of not later than **45 (forty-five) days** after the end of each quarter;*
- b) *Support checks of transactions to ensure they have been processed accurately and completely;*
- c) *Enable effective Budgetary control (by identification of allocations, disbursements, un-discharged commitments and fund balances;*
- d) *Be made available to all those required by the PFM Act 2009;*
- e) *Be timely and accurate; and*
- f) *Include budgetary progress reports.*

12.5 *Annual Accounts Closing*

The PPCC will prepare and submit to the Auditor General, the Minister of MFDP and the CAG accounts covering all public funds under its control within a period of two months after the end of each fiscal year, or such other period as the Legislature appoints by resolution. [*PFM Regulations I.11 (1)*]

The PPCC's accounts will be prepared in accordance with the *Cash Basis IPSAS*, the standards adopted by the GoL [*PFM Regulations Part I.10*].

The *Cash Basis IPSAS* requires all ministries and agencies to:

- (a) *Prepare general purpose financial statements.*
- (b) *Disclose relevant information in the financial statements and provide supporting notes*

- (c) *Specify other reporting issues underlying the financial statements.*

The Annual Accounts Closing Procedures are:

- a) The CAG will provide the PPCC with the relevant timeline regarding the receipt of LPOs and vouchers for the closure of the end of the fiscal year; usually two (2) weeks before June 20.
- b) When the LPOs and vouchers are received during that period, they are encumbered and committed respectively, paving the way for them to be processed even after June 30 (up to September 30).
- c) During the 90-day (*July 1 to September 30*) grace period, encumbrances and commitments can be paid off; outstanding payments can be made. Similarly, outstanding revenues can be received. They are subsequently captured as Payables and Receivables respectively in the *Statement of Financial Performance*.
- d) The PPCC will prepare and submit Statement of Undercharged Commitments within 15 working days after the end of the fiscal year to MFDP.
- e) The PPCC will submit annual accounts within two months after the end of the fiscal year to the MFDP and CAG. The annual accounts should include:
 - i. *A balance sheet showing the PPCC's assets and liabilities;*
 - ii. *A statement of the revenue and expenditure in comparison with the approved and revised estimates for the year;*
 - iii. *A cash flow statement; and*
 - iv. *Other statements as required.*
- f) The annual accounts must:
 - i. *Support checks of transactions to ensure they have been processed accurately and completely;*
 - ii. *Enable effective Budgetary control (by identifying allocations, disbursements, undercharged commitments and fund balance);*
 - iii. *have a Budgetary appropriation for each program of expenditure in the NB;*
 - iv. *have a Budgetary allotment (allocation) for each program of expenditure that will not exceed the appropriation;*
 - v. *have a Budgetary commitment that will not exceed Budgetary allotment as this will reflect a sound Budgetary control;*
 - vi. *Be made available to all those required by the PFM Act 2009 to receive financial reports, and*
 - vii. *Be timely and accurate.*

12.6: Mid-Term Plan Reports

The PPCC is required to produce three-year mid-term plans (*Strategic National Development Plan or PRS II*), which need to be updated yearly.

The annual mid-term plan report should be produced in the second working week of January of each year and submitted to the CAG. The report should include:

- *Description of the PPCC's core business;*
- *Key programs and services provided during the period under review (year 1); and*
- *The PPCC's progress in achieving its goals and objectives in conjunction with the performance measures and targets, as set out in the mid-term plan.*

The Mid-Term Plan Report will explain the financial resources used by the PPCC during the year, compare actual expenditures to estimated amounts and provide explanations for significant variances, if any. Where practicable, annual midterm plan reports should provide a balanced explanation of successes, failures and corrective actions taken and disclose:

- *Operating expenses by core business area;*
- *Links between operating expenses, capital expenditures and financing transactions, and the delivery of services;*
- *Revenues and significant fees linked to the programs funded, particularly if major changes occurred or segments of the public were impacted; which should be explained within the context of the implementation of the MTEF. Note: the Budget is prepared using 11 strategic sectors with each sector having a strategic plan/Budget policy note lined to the PRS/national development agenda. (Refer to the Budget Framework Paper for further details).*

The PPCC's annual mid-term report plan should disclose information concerning any commitments on major capital projects.

The PPCC's annual mid-term report plan should include description of the progress of each project and include the project expenditure plan information. The following should also be included in the annual reports:

- *The objectives of the project;*
- *The costs and benefits of the project;*
- *The ongoing risk associated with those cost and benefits; and*
- *The use of any public- private partnership arrangement in delivering the project.*

12.7: General Purpose Financial Statements

The PPCC will prepare the *general purpose financial statements* at the end of each fiscal year, which will be signed by the ED and the Director of F&A. The financial statements must be submitted to the Minister of MFDP and the CAG within two months of the end of each fiscal year. **[PFM Regulations: I.1.11]**

The requirements for preparing Annual Financial Statements are:

- (a) *The financial statements should be prepared under the Cash Basis IPSAS and should provide information about the sources of cash during the period, the purposes for which cash was used, and the cash balances at the reporting date.*
- (b) *The PPCC should prepare and present general purpose financial statements which include the following components:*
 - i. *A Statement of Cash Receipts and Payments which:*
 - *Recognizes all cash receipts, cash payments and cash balances controlled by the PPCC; and*
 - *Separately identifies payments made by third parties on behalf of the PPCC*
 - ii. *Accounting policies and explanatory notes; and*
 - iii. *A comparison of Budget and actual amounts either as a separate additional financial statement or as a Budget column in the statement of cash receipts and payments.*
- (c) *The measurements that should be in the financial statements are balances of cash and changes therein. The notes to the financial statements should provide additional information about liabilities, such as payables and borrowings, and some non-cash assets, such as receivables, investments and property, plant and equipment.*

12.8: Accounting Policies and Explanatory Notes

Statement of Cash Receipts and Payments - The statement of cash receipts and payments should present the following amounts for the reporting period:

- (a) *Total cash receipts of the PPCC showing separately a sub-classification of total cash receipts using a classification basis appropriate to the PPCC's operations;*
- (b) *Total cash payments of the PPCC showing separately a sub-classification of total cash payments using a classification basis consistent with the GoL Chart of Accounts.*

Total cash receipts and total cash payments, for each sub-classification of cash receipt and payment, should be reported on a gross basis, except that cash receipts and payments may be reported on a net basis when:

- (a) *They arise from transactions which the PPCC administers on behalf of other parties and which are recognized in the statement of cash receipts and payments; or*
- (b) *They are for items in which the turnover is quick, the amounts are large, and the maturities are short.*

Line items, headings and sub-totals should be presented in the statement of cash receipts and payments when such presentation is necessary to present fairly the PPCC's cash receipts, cash payments and cash balances.

Comparison of Budget and Actual Amounts - Comparison of Budget and Actual Amounts presents a comparison of the Budget amounts and actual amounts either as a separate additional financial statement or as additional Budget columns in the statement of cash receipts and payments. The comparison of Budget and actual amounts shall present separately for each level of legislative oversight:

- (a) *The original and final Budget amounts;*
- (b) *The actual amounts on a comparable basis; and*
- (c) *Through note disclosure, an explanation of material differences between the Budget for which the PPCC is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.*

External Assistance – The PPCC shall disclose separately on the face of the *Statement of Cash Receipts and Payments*, total external assistance received in cash during the period.

The PPCC shall disclose separately, either on the face of the *Statement of Cash Receipts and Payments* or in the notes to the financial statements, total external assistance paid by third parties during the period to directly settle obligations of the PPCC or purchase goods and services on behalf of the PPCC, showing separately:

- (a) *Total payments made by third parties which are part of the economic sector to which the PPCC belongs; and*
- (b) *Total payments made by third parties which are not part of the economic sector to which the PPCC belongs.*

These disclosures should only be made when, during the reporting period, the PPCC has been formally advised by the third party or the recipient that such payment has been made, or has otherwise verified the payment.

Where the PPCC receives external assistance from more than one provider, the significant classes of providers of assistance should be disclosed separately, either on the face of the *Statement of Cash Receipts and Payments* or in the notes to the financial statements.

Where the PPCC receives external assistance in the form of loans and grants, the total amount received during the period as loans and the total amount received as grants should be shown separately, either on the face of the *Statement of Cash Receipts and Payments* or in the notes to the financial statements.

Undrawn External Assistance – The PPCC shall disclose in the notes to the financial statements the balance of undrawn external assistance loans and grants available at reporting date to, and only when, the amount of the loans or grants available to the PPCC is specified in a binding agreement and the satisfaction of any substantial terms and conditions that determine, or affect access to, that amount is highly likely, showing separately in the reporting currency:

- (a) *Total external assistance loans; and*
- (b) *Total external assistance grants.*

The PPCC shall also disclose significant terms and conditions that determine, or affect access to, the amount of the undrawn assistance.

The PPCC shall also disclose lapse of appropriations and end of year accounting procedures

The PPCC shall disclose accounting policies and explanatory notes

The General purpose financial statements of the PPCC should present information that is:

- (a) *Understandable;*
- (b) *Relevant to the decision-making and accountability needs of users; and*
- (c) *Reliable in that it:*
 - i. *Represents faithfully the cash receipts, cash payments and cash balances of the PPCC and the other information disclosed;*
 - ii. *Is neutral, that is, free from bias; and*
 - iii. *Is complete in all material respects.*

The notes to the financial statements of the PPCC should:

- (a) *Present information about the basis of preparation of the financial statements and the specific accounting policies selected and applied for significant transactions and other events; and*
- (b) *Provide additional information which is not presented on the face of the financial statements, but is necessary for a fair presentation of the PPCC's cash receipts, cash payments and cash balances.*

The PPCC should present its Notes to the financial statements in a systematic manner. Each item on the face of the statement of cash receipts and payments and other financial statements should be cross referenced to any related information in the notes.

12.9: Reporting Procedures

The following reporting procedures shall be followed.

Reference	Process	Responsibility
1	<p>i) At the end of each month the following steps will be followed to verify the accounting records.</p> <ul style="list-style-type: none"> - Close the petty cash book and confirm cash balance. - Prepare journal vouchers to post payments from the PC book to the appropriate ledgers, where necessary. - Update and close-off all the accounts books and ledgers. - File all journal vouchers and other documents. - Reconcile the cash book balances to the bank statement. - Prepare a summary analysis of cash payments from PC. <p>ii) Prepare schedules of:</p> <ul style="list-style-type: none"> - Expenditure Report - Outstanding salary advances - Outstanding program advances 	FO/Director of F&A
2.	<ul style="list-style-type: none"> • Review the financial reports, which review shall be evidenced by signatures of the reviewers. • After review, return to the relevant FO for processing any changes and for finalizing. 	FO

Reference	Process	Responsibility
3	<ul style="list-style-type: none"> Print (revised copies if required) clean copies of the reviewed financial reports; ensure Director of F&A/ED/DEDA sign off on it. File all the schedules and reports with the monthly vouchers. 	Director of F&A/ED/DEDA
4.	<ul style="list-style-type: none"> Prepare monthly financial reports which include: <ul style="list-style-type: none"> - Expenditure report Form 'A' by source of funds. - Income and Expenditure report Form 'B' by source of funds. - GoL Reports. - Expenditure plan for following quarter. - Bank reconciliation. - Copy of bank statement. 	Director of F&A/FO
5	<ul style="list-style-type: none"> The Director of F&A, with support of the accounting team, reviews the financial reports and consolidates them to produce one financial report for the entire Agency. 	Director of F&A
6	<p>The consolidated quarterly financial statements shall be distributed to:</p> <ul style="list-style-type: none"> Executive Director All Deputy Directors Generals, Budget Holders, and Other relevant stakeholders 	Director of F&A
7	<ul style="list-style-type: none"> Copies of the signed financial reports are kept on file. All documents shall be initialed by the Director of F&A. 	Director of F&A
8	<p><i>At the end of the year, in addition to the monthly procedures, the following shall be done</i></p> <ul style="list-style-type: none"> Verify physical existence of the assets and stock. Physical cash count of petty cash in hand. Prepare financial statement for the external audit (Division of Finance & Administration only) 	
9	All year-end financial reports and schedules shall be reviewed by the Director of F&A.	Director of F&A

At the end of the quarter, prepare the quarterly financial statements to be reviewed and distributed to all stakeholders including: MFDP, GAC, and all donor partners, after approval of the financial statements by the Executive Director.

SECTION 13: BILATERAL AND MULTILATERAL FUNDS

13.1: Overview

Full policies and procedures governing the financial management of bilateral and multilateral funding of the PPCC can be found in the various funds' FM P&P Manuals.

The procedures described here relate solely to the responsibilities of the *Division of Finance & Administration* with regards to the bilateral and multilateral funds.

Reference	Process	Responsibility
1	<p>Transfer of Project Funds</p> <ul style="list-style-type: none"> Once authorization has been granted from the various funds steering committees, total project funds are transferred to the PPCC disbursement accounts. The transfer is made via check, which must be signed by two signatories, one from each of Category A & Category B as shown below: <p>Category A</p> <ul style="list-style-type: none"> Executive Director Primary Signatory DD General for Administration Alternate Primary Signatory <p>Category B</p> <ul style="list-style-type: none"> Funds' Managers Secondary Signatory Director of F&A Alternate Secondary Signatory <p><i>Note: The PPCC doesn't seem to be a beneficiary of the funds at present; therefore, the signatory composition could change to suffice the funds provider's requirement once the PPCC becomes a beneficiary.</i></p>	
2.	<p>Disbursement of Project Funds</p> <ul style="list-style-type: none"> Once the funds have been transferred to the Disbursement Account, normal disbursement, procurement and payment procedures outlined in this manual apply. All payments relating to PPCC expenditures will be handled by the FD, and the accounting aspect of the Funds will be all under the responsibility of the Director of F&A. 	<p>Budget Officer Donor Accountant <i>Division of Finance & Administration</i></p>

Reference	Process	Responsibility
	Advance Allotments <ul style="list-style-type: none"> Projects are given advance allotments by the Donor Accountant, in accordance with the agreed disbursement schedules. In the case of non-GoL recipients, funds are paid into the projects own bank account. At the end of each allotted period, the projects are required to send an expenditure report and accompanying local vendor receipts to the FD, along with an expenditure plan for the following specified period. The documents are reviewed by the Donor Accountant to ensure: <ul style="list-style-type: none"> ✓ All calculations are correct. ✓ All transactions are backed up by appropriate documentation. ✓ The transactions are reasonable based on the Accountant's knowledge of the project/program reports. The documents are then submitted to the Fund Manager (<i>or in his/her absence</i>) the Fund Accountant for review. The next advance allotment is not disbursed until the Fund Manager (<i>Fund Accountant in the absence of the Fund Manager</i>) has signed off on the prior period expenditure report. Once the expenditure report has been signed off on, the Budget Officer raises a check for the next period's allocation. The standard FD check processing procedures are then followed, as described in the expenditure section of this manual. Once the check has been collected, the project's accounting staff will immediately deposit the check into the relevant bank account, and return the deposit slip to the FD, where it is filed. The project accounting staff also provides a copy of the project's bank statement to the FD, which is reconciled to the FD's cash book by the Donor Accountant. PPCC facilities that are certified recipients of bilateral and multilateral funds and utilizing the standardized accounting procedures of the PPCC shall pay the funds into the single US\$ bank account authorized for the funds, and shall maintain cash books that will separate the various sources of funds and shall maintain separate filing systems. Separate ledgers shall be maintained with separate reporting to the various funds secretariats/steering committees. 	<p>Donor Accountant</p> <p>Donor Accountant</p> <p>Fund Manager</p> <p>Budget Officer</p> <p>Project</p> <p>Project FD Donor Accountant</p>

Reference	Process	Responsibility
	<ul style="list-style-type: none"> Quarterly reports shall be submitted to the External Aid Unit. External Aid will review for completeness and will distribute the copies of the reports to the M&E Unit and the Funds' secretariat/steering committee. The Fund's Accountant will check the financial report and submit to the Internal Audit Unit for review. The Internal Audit Unit will review the report and submit it to the Fund's Secretariat/Steering Committee. The report will be keyed into the Ministry's accounting system. <p><i>Note: In Counties that have been designated to disburse funds, the check will be processed by the County Finance Officer and given directly to the Project's accounting staff. The Project's accounting staff will also submit a bank statement to the FD, which is reconciled to the cash book by the County Finance Officer.</i></p>	<p>External Aid Unit M&E Unit</p> <p>Fund's Accountant Internal Audit Unit FD</p>

SECTION 14.0: INTERNAL CONTROLS AND AUDIT

14.1: *Definition of Internal Control*

Internal control (IC) is broadly defined as a process affected by an entity's board of directors, management and other personnel to provide reasonable assurance regarding the achievement of objectives in the following categories:¹

- *Effectiveness and efficiency of operations*
- *Reliability of financial reporting*
- *Compliance with applicable laws and regulations*

14.2: *Roles and Responsibilities*

Everyone in the PPCC has responsibility for internal control:

14.2.1: *PPCC's Management*

The ED is ultimately responsible for the PPCC's internal control system. However, the Deputy Executive Directors and all heads of departments also have responsibilities for the PPCC's internal control system. They have the responsibility to provide leadership and direction, assign responsibility for the establishment, maintenance, and compliance with the internal control system.

14.2.2: *Internal Auditors*

PPCC's internal auditors play an important role in evaluating the effectiveness of the PPCC's control systems, and contributing to ongoing effectiveness. Because of organizational position and authority in the PPCC, the Internal Audit Function plays a significant monitoring role.

14.2.3: *PPCC's staff*

Internal control is the responsibility of everyone in the PPCC, and therefore should be an explicit or implicit part of everyone's job description. Virtually all staff produces information used in the PPCC's internal control system, or take other actions needed to effect control.

14.3: *Objectives of Internal Controls*

The PPCC's internal control system will ensure the following objectives:

- Security of the PPCC's assets, segregation of duties, and the required approvals, verifications, reconciliations, reviews of operational performance are in place.*
- IC structure and all transactions should be clearly documented, and the documentation should be readily available for examination.*

¹ COSO's Internal Control – Integrated Framework

- ii) *Transactions and significant events should be authorized and executed only by persons acting within the scope of their authority.*
 - iii) *Transactions and significant events should be authorized and executed only by persons acting within the scope of their authority.*
 - iv) *Key duties and responsibilities in authorizing, processing, recording, reviewing transactions and events should be separated among staff.*
 - v) *Competent supervision is to be provided to ensure that internal control objectives are achieved.*
 - vi) *Access to resources and records is limited to authorized individuals who are accountable for their custody or use.*
- b) *Pertinent information will be identified, captured, recorded and communicated in a timely manner.*
 - c) *Ongoing monitoring of PPCC's operations and taking prompt action on all findings of irregular, uneconomical, inefficient and ineffective operations.*

14.4: PPCC's Internal Control System

The PPCC's system of control over its operations will include budgetary controls, performance appraisal and review of systems including management committee reports and correspondences [**GoL FM Manual Section 9.3, (9.3.4):**]

Overall, the PPCC's internal control system will encompass:

- a) *Organizational structure that will be designed in such a way that it clearly defines areas of responsibility and reporting channels:*
 - i) *Demarcation of responsibilities of departments, sections and divisions;*
 - ii) *Appointment of competent individuals to positions of responsibilities;*
 - iii) *Overall co-ordination of the PPCC's responsibilities.*
- b) *Financial Control System*
- c) *Management Control System*

14.5: Internal Audit

The PPCC Internal Audit Unit has reporting responsibility to the Internal Audit Secretariat.

The internal audit function, however, does not relieve the PPCC from its responsibilities to establish and support an adequate IC environment.

The IAU will be given unrestricted access to all of the PPCC's book of accounts, records, report, files, contracts, vouchers, bank statements and all other documents, as well as access to PPCC's staff and facilities, as is considered necessary for the proper conduct of their audits.

The PPCC will maintain a register of all audit queries and inspection reports. The register should contain:

- a) The reference and date of the audit query or report;*
- b) The date on which the audit query or report was expected to be answered; and*
- c) The date on which the audit query or report was answered or otherwise dealt with.*

The ED should examine and initial the register at the end of every month.

Every MAC who fails or refuses to reply to an audit query or observation within the period specified in writing by the Auditor General, or the head of Internal Audit, will have his or her emoluments and allowances withheld for so long as the MAC fails to reply. [**GoL FM Manual, Part 9.0, , Section 9.5, 9.5.10**].

The Internal Audit Unit shall:

- (a) Conduct its activities in accordance with GOL relevant regulations, and the standards and procedures provided by the Internal Audit Governance Board;*
- (b) Conduct internal audits and submit internal audit reports in accordance with PFM Act 2009 sections 38 (3) and (4); the IAGB standards and procedures; IPSAA, and the Institute of Internal Audit Standards adopted by the GoL; and*
- (c) Submit all internal audit reports to the Head of the PPCC through the Audit Committee of the PPCC, with copies to the Auditor General and the IAGB.*

14.5.1: Responsibilities of the Internal Auditors

Internal Audit is a method of control that functions by examining and evaluating the adequacy and effectiveness of other controls throughout the organization. The internal audit activities should include pre-payment audit as well as independent appraisals of the financial, operational and control activities.

The audit activities at PPCC's Internal Audit Unit are carried out in order to:

- a) Determine PPCC's extent of compliance with the established policies & procedures and regulations based on the risks involved therein.*
- b) Evaluate the soundness of PPCC's operating and financial controls and their cost effectiveness.*
- c) Ascertain the extent to which the PPCC's assets are safeguarded and deployed gainfully.*
- d) Appraise the reliability of information generated by the PPCC.*
- e) Evaluate the quality of performance in carrying out the tasks and responsibilities assigned to various employees.*
- f) Provide suggestions for improving the control environment of the PPCC.*

- g) *Investigate allegations of fraud, misappropriation, or possible loss to the PPCC, and suggest corrective and preventive measures to avoid future mishaps.*
- h) *Provide consultation to the PPCC's line management wherever they seek IAD's views in resolving complex issues confronted by them.*
- i) *Review new products, services and computerized systems being proposed (before they are offered and accepted) to PPCC to ensure adequacy of controls therein.*
- j) *Review policies and procedures before they are finalized to ensure that necessary controls and procedures are taken into consideration.*

14.6: External Audit

The GAC serves as a watchdog to monitor and audit the GOL's use of public funds and program performance.

The AG or a person authorized for the purpose by the AG shall have access to all books, records and other documents relating or relevant to those accounts.

The President or the Minister of MFDP may request the AG, in the public interest, to audit at any particular time, the accounts of any ministry or agency.

Every MAC who fails or refuses to reply to an audit query or observation within the period specified in writing by the AG or by the head of Internal Audit will have his or her emoluments and allowances withheld for so long as the ministry or agency fails to reply.
[GoL FM Manual, Part 9.0, Section 9.5, 9.5.10].

For the purpose of submitting audited financial statements to the GOL, the PPCC financial statements will be audited by the GAC or a firm of approved Certified Public or Chartered Accountants. However, preparation of financial statement for PPCC is the responsibility of the Division of Finance & Administration.

SECTION 15: MONITORING & EVALUATION OF INTERNAL CONTROLS & COUNTIES OFFICES

15.1: Internal Controls

The PPCC will formally assess the quality of its internal controls by performing periodic evaluations and reports from those responsible for maintaining the internal controls to ensure that the internal controls continue to be appropriate and working as planned. [**GoL FM Manual, Section 9.3 (9.3.13)**]

The evaluations should be by: [**GoL FM Manual, Section 9.3 (9.3.14)**].

- a) *Segmenting the PPCC into components;*
- b) *Identifying programs and administrative functions within each component;*
- c) *Assessing the general control environment and the vulnerability within each program to waste, loss, impropriety, or failure to meet other established objectives;*
- d) *Planning and scheduling IC evaluations of selected programs and functions;*
- e) *Evaluating and testing the effectiveness of the ICs with the selected programs;*
- f) *Determining and scheduling corrective actions where necessary; and.*
- g) *Reporting the results of the overall assessment and the corrective actions.*

15.2: Non-Negotiable Criteria

Below is a table of critical and non-negotiable Financial Management elements which must be met by the institution to qualify it to manage its own funds:

No	Criteria	Yes	No	Comment
1	Compliance with revenue collection and banking procedures and regular reconciliation of all bank accounts			
2	Compliance with the Financial Procedures Manual including regular update of accounting books (Cash Book, Ledger etc) as detailed above			
3	Adequate filing systems are kept and that all expenditures are properly supported by the required supporting source documentation.			
4.	Regular preparation of accurate and reliable financial reports that are backed by the records and their timely submission to the MFDP			
5	Institution adheres to satisfactory procurement practices and procurements are done according to the SoP of the Entity and the PPCA 2010 and PPCA Regulations.			

No	Criteria	Yes	No	Comment
7	Commitment of Management to a good financial management control environment.			
8	Budgets and plans covering government/financial allocations are prepared and approved on a regular basis.			
9.	Institution takes remedial actions for any prior adverse finding by auditors.			
10	Reconciliation of Payroll and Personnel Listing or payroll/Nominal periodically.			
11	Maintains Fixed Assets Register.			
12	Maintains stock GENERAL SERVICE AGENCY Register.			

SECTION 16: ANNEXES: ACCOUNTING BOOKS & FORMS

Annex 16.1: Official Receipt



REPUBLIC OF LIBERIA PUBLIC PROCUREMENT & CONCESSIONS COMMISSION

Official Receipt

Receipt No

Date

Received from:

Amount in figures:

Amount in Words:

.....

For

.....

.....

Check No:

.....

Signature

Annex 16.2: Local Purchase



**REPUBLIC OF LIBERIA
PUBLIC PROCUREMENT & CONCESSIONS COMMISSION**

LOCAL PURCHASE ORDER

VENDOR
Name:
Address:
Tel: No.

No:

Date:/...../.....

LPO No:

Item	Order Qty	Description	Unit Price	Amount

Prepared By:
Procurement Officer

Attested By:
Director of F&A/Head of Finance

Authorized By:
Procurement Officer

Signed By:
Deputy Director for Administration

Signed By:
Vendor

Annex 16.3: Goods Received Note



REPUBLIC OF LIBERIA
PUBLIC PROCUREMENT & CONCESSIONS COMMISSION
Goods Received Note/Stores Receipt Advice

No.:

Date/...../.....

Vendor:

Dept.:

.....

P.O. No.:

.....

Invoice No

.....

DN No.:

GRN No.:

No.	Item/Description	PO. Qty.	Del. Note Qty.	Amount

Warehouse Officer Finance Officer

Procurement Officer Internal Audit

Annex 16.4: Goods Issue Note



REPUBLIC OF LIBERIA
PUBLIC PROCUREMENT & CONCESSIONS COMMISSION
Goods Issue Note/Stores Issue Advise

Date

Dept.

GIN No

No.	Item/Description	PO Qty	Del. Qty	Amount

Warehouse Officer

Authorizing Officer

Annex 16.5: Payment Voucher



REPUBLIC OF LIBERIA
PUBLIC PROCUREMENT & CONCESSIONS COMMISSION
Payment Voucher (PV)

PPCC Institution

Payment Voucher No: _____

Date: _____

Source of Funds: _____

Recipient		Received		
Payee's Name: _____		Payee's Signature: _____		
Payee's Address: _____		Name: _____		
_____		Date Received _____		
Local Purchase Order (LPO) No: _____		Date: _____		
Goods Received Note (GRN) No: . _____		Date: _____		
Suppliers Invoice No: _____		Date: _____		
Payee Detail	Account Breakdown			
	Account Code	Amount		
	Total:			
Total Amount in Words		Check No.		
		Date Issued		
	Prepared By:	Verified by:	Approved By:	Reviewed By:
Title	Finance Staff	Director of F&A	Head: Dept/CEO/DEO	Internal Audit
Name				
Signature				
Date				

Annex 16.6: Petty Cash Voucher



REPUBLIC OF LIBERIA
PUBLIC PROCUREMENT & CONCESSIONS COMMISSION
Petty Cash Voucher (PCV)

PPCC Institution

Petty Cash Voucher No

.....

Source of Funds

Petty Cash Voucher

.....

Recipient		Received	
Payee Name:		Payee Signature:	
Dept/Unit		Date:/...../.....	
Payment Detail	Code	Amount	
Total Amount in Words:		Date Paid/...../.....	
	Paid By (Petty Cashier):	Approved By (Dept Head/Adm./Director of F&A:	
Name			
Sign			

Annex 16.7: General Journal Voucher



REPUBLIC OF LIBERIA
PUBLIC PROCUREMENT & CONCESSIONS COMMISSION
General Journal Voucher

J.V. No.....

Date/...../.....

Explanation.....
.....
.....
.....
.....
.....

Account Description	Account No.	Dr.	Cr.

Signed:
Accounting Officer

Signed:
Director of F&A

Name

Signed:

Annex 16.8: Bank Reconciliation Statement Form



REPUBLIC OF LIBERIA
PUBLIC PROCUREMENT & CONCESSIONS COMMISSION
Bank Reconciliation Statement Form

			Bank Account Name :		
			Bank Account Number :		
			Currency of the Account :		
Cash Balance per bank statement					
Plus Deposit in Transit:					
	Date	Reference	Description	Amount	
					-
Less Outstanding Checks:					
	Date	Check Number	Payee	Amount	
					-
Adjusted Cash Balance per Bank Statement					-
Cash Balance per Cash Ledger					
Plus Transfer / Other credits not recorded in Cash Ledger:					
	Date	Reference	Description	Amount	
					-
Less Bank Service Fees / Other Charges:					
	Date	Reference	Description	Amount	
					-
Adjusted Balance per Cash Ledger					-
			Prepared by:		
			Date:		
			Reviewed by:		
			Date:		
			Approved by:		
			Date:		

Annex 16.9: Description of the GOL Chart of Accounts²

No	Segment	Description
1	Agency	Identifies a Ministry/ Agency/ department/ section that receives funds from the Consolidated Fund/other funds. The first three (3) digits represent a Ministry/ Agency e.g. Ministry of Internal Affairs (105); the next two (2) digits represent a department e.g. the department of Administration and Management (05) under the Ministry of Internal Affairs. The last two (2) digits represent a section under a department.
2	Budget Classification	Used to capture the Budget type i.e. recurrent, capital (development) or revenue.
3	Fund Type	For identifying whether the funds are from the Consolidated fund or any other fund.
4	Funding Source	Used to capture the source of funds e.g. Government of Liberia or Multi-lateral/bi-lateral sources.
5	Project	This six (6) digit segment is used to identify and capture project related transactions. The first four (4) digits represent the Project name and the last two (2) digits represent a Project component (group of related activities).
6	MTEF	Used to capture Sectors and Policy Areas for the Medium Term Expenditure Framework (MTEF). The first two (2) digits represent the Sector, the next two (2) digits represent the Policy Area and last two (2) digits are spare.
7	Function	Used for coding transactions in line with the Classification of Functions of Government (COFOG) as per the Government Finance Statistics Manual, 2001. It is a detailed classification of the functions, or socioeconomic objectives, that general government units aim to achieve through various kinds of outlays. Examples include General Public Services (01), Defense (02), Health (07), Education (09) etc. The segment consists of four (4) digits. The first two (2) digits represent the Division, the next one (1) represents Group and the last one (1) represents Class.
8	Location	Used for capturing County/district information at the transaction level. The first two (2) digits represent a County and the last two (2) digits represent a district.
9	Economic Classification	Identifies the General Ledger accounts for revenues (class 1), expenses (class 2) assets (class 3), liabilities (class 4) and reserves (class 5) for the Government of Liberia.

² Table 7: Government of Liberia Financial Management Manual

Annex 16.10: Sample Chart of Accounts³

No.	Segment	Description	No. of Digits	Format
1.	Agency	Ministry/Agency	3	XXX-XX-XX
		Department	2	
		Section	2	
		<u>Total of digits</u>	<u>7</u>	
2.	Budget Classification	Budget Classification	<u>1</u>	X
3.	Fund Type	Fund Type	<u>2</u>	XX
4.	Funding Source	Funding Source	<u>3</u>	XXX
5.	Project	Projects Name	4	XXXX-XX
		Project Components	2	
		<u>Total No of digits</u>	<u>6</u>	
6.	MTEF	Sector	2	XX-XX-XX
		Policy Area	2	
		Spare	2	
		<u>Total No of digits</u>	<u>6</u>	
7.	Function	1 st Level/Division	2	XX-X-X
		Group	1	
		Class	1	
		<u>Total No of digits</u>	<u>4</u>	
8.	Location	County	2	XX-XX

³ Table 8: Government of Liberia Financial management Manual

No.	Segment	Description	No. of Digits	Format
		District	2	
		<u>Total No of digits</u>	<u>4</u>	
9.	Economic Classification	Account Class	1	X-X-X-X-XX
		Item	1	
		Sub Item	1	
		Sub-Sub-Item	1	
		Sub-Sub-Sub-Item	2	
		<u>Total No of digits</u>	<u>6</u>	
		<u>Total</u>	<u>39</u>	

Annex 16.11: Format for Accounting Transactions Processing and Reporting⁴

Name	Meaning	Example
Supporting / source Document	Document or set of documents that authenticates revenue and expense transactions	Document that emanates from parties outside of the M&A including receipt, invoice, waybill, delivery note, signed/notarized contract, etc. Internal M&A generated document such as memo, purchase request, purchase order, receiving report, completion report, petty cash voucher, cash receipt, check payment voucher, customers' invoices, vendor/suppliers' invoice, etc.
Book of Original Entry	Serve as the basis for preparing journal vouchers & collectively referred to as the journal.	Petty cash journal, cash receipt journal, check payment journal, accounts payable journal, and accounts receivable journal, fixed assets register and payroll.
Journal Voucher	Used to prepare journal entries for all the transactions.	Weekly and/or monthly journal entries
General Ledger	Used as a basis for balancing PPCC accounts & Financial Statements	
Financial Statements	The financial statements which include Statement of Financial Performance (income statement), Statement of Financial Position (balance sheet), Statement of Cash Receipts and Payments and Cash Flow Statements are prepared from the General Ledgers.	Statement of Financial Performance: is prepared from the revenues, expenses, gains and losses accounts. Statement of Financial Position: is prepared from the assets, liabilities and equity accounts. Statement of Cash Receipts and Payments: is from net inflows and outflows. Cash Flow Statement: is derived from the other financial statements using either the direct or indirect method.

⁴ Table 10: Government of Liberia Financial Management Manual

*Annex 16.12: Specific Controls and Control Activities over Expenditure and Assets*⁵

Controls	Control Activities
Payroll Administration	
Payroll changes	Each M&A should transmit duly authorized payroll requests to CSA
	CSA should transmit duly authorized Personnel Action Notice (PAN) to MFDP
Analytical review of payroll outlays	Each M&A should compare monthly payroll outlay with the preceding month
Payroll reconciliation	MFDP should transmit payroll listing to each M&A
	Each M&A should reconcile the MFDP payroll listing to its official personnel listing
Establish Condition of service	Each M&A should ensure that all new employees have employment letter, Uniform ID cards and PAN
	Each M&A reconciles its personnel listing with CSA
Payroll Budget variance reporting	MFDP should prepare Budget variance report showing whether each M&A's outlays for payroll are within the limits of their respective allotments
Payroll checks	MFDP should ensure that all checks are written in the name of the employee only
Approval for actual time worked	Each M&A should establish procedures including sign-in and sign-out sheets distributed by the HR.
	Each M&A should ensure that all employees input total hours worked per day on "time sheet".
	Each M&A should ensure that "time sheet" are approved and submitted timely by Unit heads to HR.
Management of Physical Assets	
Assets register	Each M&A should add all new assets to its "Assets Register" within three business days after acquisition
	Each M&A should ensure that all deletions from its "Asset Register" is duly authorized in accordance with the requirements of PPCC & Part 8 of this Manual
Physical inventories	Each M&A should perform a physical inventory count of all assets (expendable and non-expendable)
	Each M&A should perform additional periodic surprise sample check of assets

⁵ Table 11: Government of Liberia Financial Management Manual

Controls	Control Activities
Monitoring of fuel/lubricant usage	Each M&A should maintain a list of persons duly authorized to receive fuel/lubricant coupons
	Each M&A should assign custody of fuel/lubricant to no more than two employees who are not responsible for accounting and acquisition of store inventories
	Each M&A should continuously maintain a fuel/lubricant coupons log procured and distributed
Receipt & issues of supplies & materials	Each M&A should maintain a store room to keep supplies and materials purchased to be used daily
	Materials and supplies purchased as consumable should be requisitioned and duly signed and authorized by heads of department requesting them
	Materials and supplies received should be receipted with Receiving Notes and Delivery Notes
	Materials and supplies purchased as consumable should first be recorded in the store room stock card before they are distributed to the appropriate department.
	Maintain a store room release to record all assets leaving the store room.
	Maintain a "signing sheet" for each person taking supplies and materials from Store Room, to sign for them before taking them from the Store Room
	Conduct period count of inventory of materials and supplies in "store room"
	Internally, audit the inventory to determine movements in and out of Store Room on the basis of inventory count conducted by Director of Procurement
	Maintain a printing log wherein each person printing can sign in and record the number of sheet of papers used to leave behind an audit trail
	Maintain a photocopying log wherein each person photocopying can sign in and record the number of sheet of papers used to leave behind an audit trail
Procurement Administration	
Adoption of Procurement Plan	Each M&A should compile a formal Procurement Plan to project and prioritize its procurement needs, as require under the PPCC Act

Controls	Control Activities
	Each M&A should periodically monitor adherence to its Procurement Plan and update it based on new requirements
Notify of pre-qualification Bidders timely	Whenever a M&A determines that bidders are subject to pre-qualification before bidding, this requirement should be stated in bid solicitation in accordance with PPCC Act and they are notified timely.
Reconciliation of business registration data & creation of "Bonafide Vendor List"	Ministry of Commerce (MOC) should reconcile its business registration database with the database of the Ministry of Foreign Affairs (Articles of Incorporation) and MFDP Tax Administration System (TIN) to create a reconciled "Bona-fide Vendor List"
	MOC should submit the reconciled "Bona-fide Vendor List" to PPCC
	PPCC should publish the reconciled "Bona-fide Vendor List" on its Website and transmit to all M&As' Procurement Directors, notifying them which firms are in good standing to do business with.
	Each M&A should use "Bona Fide Vendor List" published by PPCC to qualify vendors
Control of Financial Assets	
Reconciliations Prepared for Bank Accounts	M & A should reconcile bank statements for all of the bank accounts that are maintained against its cash books and an explanation for each discrepancy should be documented and followed-up
	MFDP should reconcile bank statements for the Consolidated Accounts with the respective cash books and explanation for each discrepancy should be documented and followed -up
Pre-numbered vouchers used for all disbursements	Each M&A should utilize vouchers pre-printed with sequential numbers that have been issued by MFDP
	Each M&A should continuously maintain a log of all internal disbursement vouchers used
	MFDP should transmit to each M&A a copy of all processed and paid vouchers
	Each M&A should review and reconcile submitted vouchers with paid vouchers and an explanation for each discrepancy should be documented and followed-up

Controls	Control Activities
	MFDP should submit a copy of all cancelled checks (i.e. returned) to the respective M&As
	Each M&A should review and reconcile cancelled checks with the MFDP paid vouchers submitted to it
	Each M&A should validate all payments made on its behalf by MFDP to vendors
Maintain disbursement logs	MFDP should prepare "Disbursement Log" categorized by (a) EDP Payroll, (b) Payment to vendors, and (c) Payment in the name of each M&A
	Each M&A should compare the disbursement vouchers received with (a) EDP Payroll, (b) processed and paid vouchers and an explanation for each discrepancy should be documented and followed-up
Establish control over checks	MFDP and Each M&A should establish procedures to immediately mutilate all voided checks
	MFDP and Each M&A should prepare detailed "Checks Listings" of all checks
	MFDP and Each M&A should compare the "Checks Listings" with cash books
	MFDP and Each M&A should immediately mutilate paid vouchers and supporting documents
	Each M&A should prepare listing of stale-dated checks (i.e. outstanding 60 days or more) and secure them in a safe
	Each M&A should prohibit checks made payable to 'cash'
	Each M&A should prohibit signing of blank checks
Designate authorized check signers	Each M&A should maintain a list of duly authorized check signers including specimen signatures and transmit it to the banks
	Each M&A should timely update its duly authorized check signers list and transmit the updated list to the banks
Preparation of Budget variance report	Each M&A should prepare Budget variance reports, which show actual against Budgeted amounts and explanations for variances should be documented and researched
Preparation of expenditure reports	Each M&A should prepare expenditure reports which list actual expenditures as per Budget code/chart of accounts
Manual governing use of operating accounts	Each M&A should compile and institute an Operating Account Manual to govern the receipts

Controls	Control Activities
	and disbursement of funds from the operating account. The Manual should incorporate as well as policy and procedures on maintenance of imprest, petty cash etc.
Reconciliation of expenditure reports	MFDP should submit expenditure reports (Fiscal Report) to Each M&A
	Each M&A should compare MFDP Fiscal report to its own expenditure reports and an explanation for discrepancy should be documented and followed-up.
	MFDP should submit final fiscal reports to Each M&A
	Each M&A should analyze and compare its final fiscal report to underlying records, note any deviation and remedy with MFDP and then certify and submit it to MFDP
Document Retention and Tracking	
Procedures to maintain adequate records of transactions and events	Each M&A should establish procedures, including logs, to ensure maintenance of complete and adequate records of transactions, senior management decisions, and other key events, including accounting source documents (journal/day book, ledgers, reconciliation and related management records (memos, minutes)
	Each M&A should establish procedures to store and retain all of its records in an organized and secure manner which facilitates timely retrieval
	Each M&A should perform periodic 'surprise' checks of sample of records and explanation for each discrepancy should be documented and followed-up
Serially pre-numbering financial and related documents	MFDP should pre-number and distribute payment vouchers to M&A and ensure that only MFDP pre-numbered payment vouchers will be accepted by the ASU
	Each M&A should serially pre-number accountable documents:
	Imprest Request Form
	Petty Cash Request Form
	Imprest payment Form
	Petty Cash Payment Voucher
	Internal Payment Voucher
	Purchase Request Form
	Goods Receiving Note

Controls	Control Activities
	Store Room Release Form
	Local Purchase Orders
Specific MFDP Reconciliations	
Internal financial reconciliations	ASU should reconcile the “Commitments Ledger” with Department of Budget Allotments and explanation for each discrepancies should be documented, followed-up and resolved
	ASU should reconcile its expenditure Report with CMC Listing. Explanation for discrepancies should be documented, followed-up and resolved
	CMC should reconcile the CMC Listing with checks issued per each M&A and explanation for discrepancies should be resolved
	MFDP should reconcile the number of checks written and ‘Check Disbursement Ledgers’ per M&A (Utilization Report) and explanation for discrepancies should be documented, followed-up and resolved

Annex 16.13: Internal Budget Guidelines⁶

Below is an Internal Budget Guidelines (IBG) set forth for each Director of F&A of the M&As. These guidelines are however subject to periodic changes during each Budget preparation period:

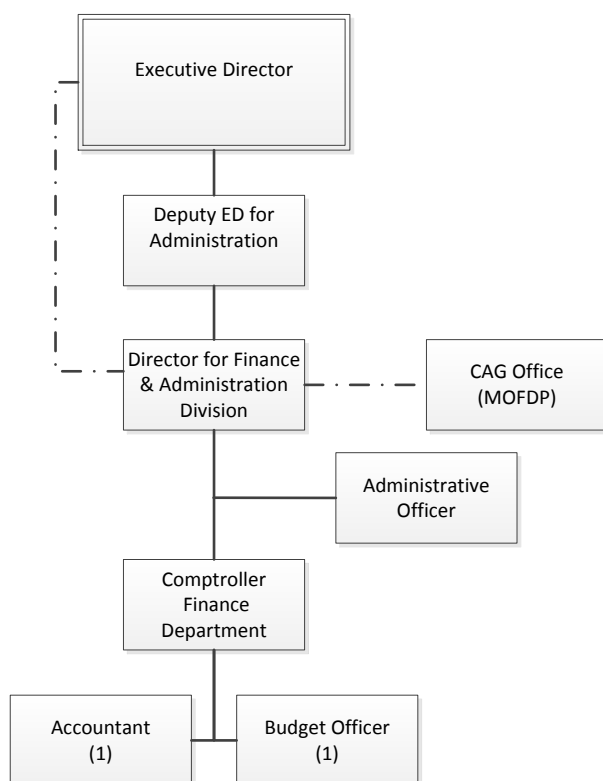
Actions	Responsible	Period
Preparation of M&A BPN	Director of F&A	2 nd week in Nov.
Submit Sector BPN for inclusion in BFP	Unit Heads/DCF	1 st week Dec.
Produce final project proposals to MFDP	Unit Heads/DCF	1 st week Jan.
Director of F&A issues Internal Budget Guidelines to units heads	Director of F&A	3 rd week in Jan.
Director of F&A holds Budget preparation workshop	Director of F&A	3 rd week in Jan.
Unit Heads prepare Unit Budgets and submit to Director of F&A	Unit Heads	4 th week in Jan.
Director of F&A reviews and ensures accuracy & completeness of each Unit Budget. Director of F&A prepares the draft Budget	Director of F&A	4 th week in Jan.
Director of F&A scrutinizes draft Budget along with all the details & submits to the BC	Director of F&A	4 th week in Jan.
BC reviews & conducts Budget hearings with each Unit Head (with attestation services by Internal Audit). BC makes required changes to all Unit Budgets & the draft Budget for the M&A	BC	4 th week in Jan.
Internal Audit provides attestation services to verify & sign-off for accuracy, consistency & completeness of each Unit Budget & draft Budget for the M&A	Internal Audit	
BC submits the draft Budget along with the details to the HOE. BC meets with the HOE for review & approval of the draft Budget as well as Unit Budgets	HOE/BC	4 th week in Jan.
HOE, along with Director of F&A, submits the draft Budget for the M&A to DOB/MFDP	HOE/Director of F&A	1 st week in Feb.

DCF = Deputy Director of F&A for Finance, BC = Budget Committee, HOE = Head of Entity

⁶ Table 3 from the Government of Liberia Financial Management Manual

Annex 16.14: Organization Chart of Finance Sections⁷

The chart illustrates structure of the Finance Sections of all M&As of GOL. It is recommended that all M&As adopt this structure:



The Director of Finance and Administration (DoF) reports to the DEDA. The DoF also reports to the ED on finance and accounting related matters. The DoF also has reporting responsibilities to the Comptroller and Accounting General (CAG) Office at the MFDP on public financial reporting matters. Assisting the work of and reporting to the DoF are the Comptroller and all the Division of Finance & Administration staff.

⁷ Chart 3 from the Government of Liberia Financial Management Manual

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