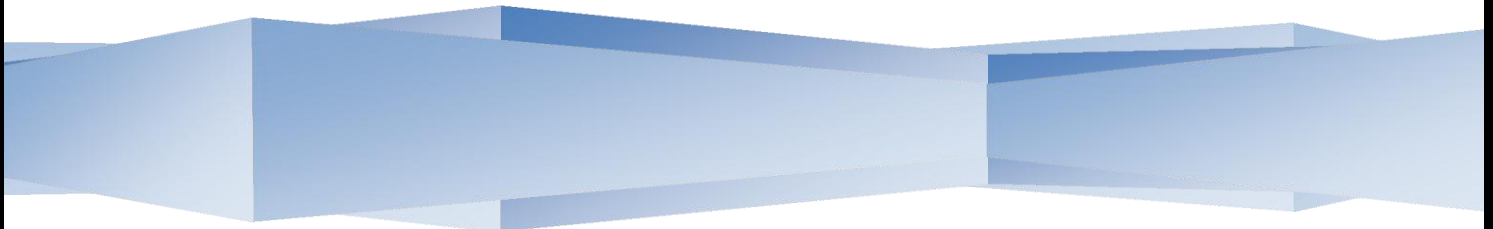


**REPUBLIC OF LIBERIA**

**Public Finance Management Regulations**

**for**

**Public Finance Management Act 2009**



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## **PUBLIC FINANCE MANAGEMENT REGULATIONS, 2009**

In exercise of the powers conferred on the Minister responsible for Finance by section 7 of the Public Finance Management Act 2009, Act these Regulations are made this 13<sup>th</sup> day of November, 2009

### **SECTION I – GENERAL FINANCIAL REGULATIONS PART A. GENERAL RULES FOR THE MANAGEMENT OF PUBLIC FUNDS**

#### **A.1. Openness and Accountability**

- (1) Subject to national security considerations, the public shall be provided with full access to all appropriate information concerning the financial affairs of the Government. This will include, but not limited to, information about the development of annual and supplementary budget estimates, the quarterly fiscal outturn reports issued by the Ministry, the monthly revenue and quarterly budget performance reports of ministries and agencies, state owned enterprises their annual accounts and reports and the Government's annual audited accounts.
- (2) Ministries, agencies, and state owned enterprises shall provide financial information to the public which is accessible to the majority of the population. This will include, but not restricted to: establishing a focal point to facilitate access to financial information, making information available in the media, in local languages, in popular and summarised form and through appropriate use of the Internet.
- (3) The public shall not be charged for the provision of such basic information.
- (4) Ministries, agencies and state owned enterprises shall arrange for effective public consultation during the development of their annual budget estimates. This shall include the publication of citizens' budgets which explain and summarise the budget proposals in simple non-technical terms.
- (5) Ministries, agencies and state owned enterprises shall make all appropriate financial information available to representatives of the mass media. Public officials including the Minister, his deputies or other designated officials shall be available to answer questions arising from this information and shall be available where possible for formal interviews by newspapers, radio and television.

## **A.2. Monetary Unit, Accounting and Reporting Currency**

- :
- a) The currency of Liberia and legal tender shall be in accordance with the Central Bank Act 1999 and any other enactment.
  - b) The monetary unit of Liberia for all government agency accounting and financial reporting shall be the Liberian Dollar. The United States Dollars *may* also be used for financial reporting purposes, but the Liberian Dollar is the base currency.

### **. A.3. Duty to Keep Proper Records and Books of Accounts**

(1) Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the AuditorGeneral, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister.

(2) A public officer who fails to keep or produce any records under this regulation is in a breach of financial discipline as defined in [Regulation A.20.](#)

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

### **A.4. Treasury and Accounting Instructions**

The Comptroller General, under supervision of the Minister shall issue a treasury and accounting instructions in line with the IPSAS and in consultation with the AuditorGeneral which shall provide the basis, policies, classification systems, chart of accounts and the reporting format to be used in accounting for all public funds. All other treasury and accounting instructions and manuals shall be derived from the treasury and accounting instructions issued by the Minister. The Comptroller-General shall provide advice to ministries and agencies to ensure the effective implementation of these accounting instructions.

### **A.5. Government Agency's Accounting Manuals**

(1) A head of government agency shall with the approval of the Minister issue an accounting manual to suit the operations and regulate the financial matters of the Government agency, indicating:

- A. the duties to be performed by specified officers,
- B. the accounts to be kept and returns to be submitted, and
- C. such other instructions as may be required for the proper conduct of the financial matters of the Government agency.

(2) The accounting manual shall contain relevant procedures for the keeping of accounts, preparation and format of financial statements, Government agency chart

of accounts, and all administrative issues relating to the keeping and preparation of government accounts.

- (3) The accounting manual under sub-regulation (2) shall conform to any enactment, or any particular directions concerning accounts issued by the Minister.
- (4) A Government agency that does not have its own accounting manual shall use the Treasury Accounting Instructions issued by the Minister in accordance with regulation (1) above or obtain permission from the Minister to use an accounting manual prepared for another Government agency.

#### **A.6. Review of Accounting Systems in Government Agencies**

- (1) A Head of government agency, who is satisfied that it is necessary to introduce special accounting systems in that Government agency, shall apply to the Minister for a systems review to be conducted in order to determine the most suitable system to be used consistent with the Treasury and Accounting Instructions.
- (2) Any new accounting system shall include the detailed control arrangements to be applied to ensure the integrity of the financial statements.
- (3) Any new accounting system introduced shall be consistent with the provisions of the Public Finance Management Act, 2009, Treasury and Accounting Instructions, IPSAS and these Regulations.
- (4) The Minister shall review the merit of each case, provide advice and grant approval where applicable.

#### **A.7. Responsibility for Handing Over**

The accountability of a public officer defined in regulation A.3(1) above shall not be completed until the financial and accounting records kept by him have been properly handed over in writing to an officer taking over his duties and attested by their supervisor.

#### **A.8. Accounting Responsibility not Diminished by Audit**

The responsibility of the Minister for examining and certifying accounts does not relieve any officer responsible for keeping or rendering such accounts from his duty to comply, and to ensure compliance of his subordinates, with the provisions of the Public Financial Management Act 2009, any enactment, these regulations, or any instructions issued there under.

#### **A.9. Security of Signatures**

- (1) It is the duty of any officer signing any document or record pertaining to accounts to ensure that the signature is given in such a way as to preclude subsequent alteration or addition to the information contained in such document or record.
- (2) The signature of any public officer is not binding on the Minister, or any officer performing accounting function or any other financial management function unless a specimen of the signature is duly communicated to the one performing the accounting function earlier than receiving the authorization or approval from the officer.
- (3) Heads of government agencies shall formally, and in writing transmit authentic signatures of all authorized officers under their supervision to the Minister at the

beginning of each fiscal year or at any other time, during the year, when there is change in authorized personnel . If a public officer no longer occupies a public office, his signature specimen should be nullified and a communication of the nullification sent to the Minister within 24 hours.

#### **A.10. Signing Blank or Blind**

- (1) In no circumstances shall an officer sign a check , any document or record pertaining to accounts when it is blank or before it has been fully completed .
- (2) It is the duty of any officer signing any document or record pertaining to accounts to read and satisfy himself that it is proper to give his signature and his signature shall be evidence of his acceptance of responsibility for the document, whether he read it or not.
- (3) The signing of a document contrary to sub-regulations (1) and (2) shall constitute negligence and a breach of financial discipline as defined in sub regulation A.20(1).

#### **A.11. Restricted Use of Green Ink**

Except for an officer of the General Auditing Commission, no officer in the civil service or public service shall use green ink or green pencil in recording any official financial transaction.

#### **A.12. Use of Indelible Ink and Prohibition of Alterations**

- (1) Accounting records and documents shall be written in indelible ink.
- (2) An entry in or on a receipt, cash book, licence, rent roll, ledger, voucher, assessment register accounting record or document shall not be obliterated, erased or altered by being written over.
- (3) Payment in connection with any document bearing an alteration, obliteration or erasure shall be refused by the Controller-General's Office or the paying officer.
- (4) A person who contravenes sub-regulations (1), (2) or (3) is in breach of financial discipline as stipulated in sub regulation A.20(1).

#### **A.13. Amendment of Figures**

- (1) An incorrect figure on a payment voucher, the supporting document, register or a document may be amended by ruling a single line through it, in such a way that the original entry may be clearly read, and the correct figure inserted above the original entry and the officer signing or certifying the document shall initial the amended entry.
- (2) An incorrect figure in the cashbook, ledger, a computerised system or any book of account shall be corrected by passing the necessary journal entries and effecting the correction accordingly.
- (3) An amendment or adjustment shall not be made to audited figures without the express permission in writing of the Auditor General or a representative of the AuditorGeneral.
- (4) The making of an amendment or adjustment contrary to sub-regulation (1) and (2) is a breach of financial discipline as defined in sub regulation A.20(1).

#### **A.14. Electronic Records or Accounting Systems**

- (1) All public sector computerized electronic records and systems shall be consistent with an approved integrated financial management automated system consistent with the (IT) Security Policy issued by the Minister. Subject to this sub regulation:
- (2) Computerised accounting or record keeping systems shall have the following controls:
  - (a) Each user of a computerised accounting, records, inventories, assets, human resource management, payroll or any similar system must be given a user identification number (User ID) and a password or personal identification number (PIN) by the system administrator.
  - (b) The system must be designed and configured to ensure that the first time a user signs onto the system he is denied access to the system until he changes the password or the PIN.
  - (c) The system must be configured such that all passwords are encrypted to prevent any other person seeing the words.
  - (d) Users shall be held responsible for any unlawful entry on the computerised systems referred to in this regulation using his user ID and password except ..
  - (e) Anyone who gives his user ID and password to another person knowingly or negligently or uses another persons user ID and passwords with or without the owner's consent is in breach of financial discipline under regulation A.20.
  - (f) Anyone who uses another person's user ID and password to make any entry without the owner's consent commits a criminal offense and shall be charged with forgery, computer fraud or fraud.
- (3) All computerised systems referred to in sub-regulation (1) shall be configured such that, the audit trails, among other things, shall:
  - (a) Show clearly the user ID, the time, the type of entry made on the system.
  - (b) Capture the user ID of all types of users including the system administrator and programmers.
  - (c) Demand and capture the user ID and password of a user who uses any other program to attempt accessing the system or the database of the system referred to in sub-regulation(1).
  - (d) Capture all abuses or violations of the rules relating to the use of the system.
- (4) Notwithstanding any provision in the Information Technology Policy of any government establishment, all system administrators shall ensure that users are limited to doing only assignments or tasks approved for them on the system.
- (5) The failure by the System Administrator to ensure sub-regulation (4) above shall be a breach of financial discipline under regulation A.20.

#### **A.15. Unauthorised, Irregular, Fruitless and Wasteful Expenditure**

- (1) The head of government agency must exercise all reasonable care to prevent and detect unauthorised, irregular, fruitless and wasteful expenditure, and must for this purpose implement clearly defined business processes, identify risk associated with these processes and institute effective internal control to mitigate these risks.

(2) When an official of a government agency discovers unauthorized, irregular or fruitless and wasteful expenditure, that official must immediately report such expenditure to the head of the government agency. Such expenditure must also be reported in the monthly report, as required by section 36(2) of the Public Finance Management Act 2009. Where irregular expenditure occurred in contravention of procurement procedures, the relevant procurement committee of the government agency must also be notified.

(3) When a head of government agency determines the appropriateness of disciplinary steps against an official in terms of section 47 of the Public Finance Management Act 2009, the head of government agency must take into account:

- (a) the circumstances of the transgression;
- (b) the extent of the expenditure involved; and (c)  
the nature and seriousness of the transgression.

(4) The recovery of losses or damages resulting from unauthorized, irregular or fruitless and wasteful expenditure must be dealt with in accordance with regulation K.6 on audit query registers

(5) The amount of the unauthorized, irregular, fruitless and wasteful expenditure must be disclosed as a note to the annual financial statements of the institution.

#### **A.16. Conformity with Law and Financial Regulations**

(1) Public officers shall conduct government financial business according to the laws of the Republic of Liberia and any instructions given in accordance with these regulations and should avoid any action that discredits the public office.

(2) It is the duty of any officer conducting financial business to bring to the notice of the appropriate authority any case where application of the law or financial regulations leads to results that may be contrary to the public interest.

#### **A.17. Duty to Report Irregularity**

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

(2) An officer who fails to report a financial or an accounting irregularity under subregulation A17(1) commits an offence and is liable to prosecution.

#### **A.18. Exercise of Judgement in Applying Regulations**

(1) In circumstances in which application of these regulations or accounting instructions issued in or in accordance with the accounting manual appears to be against the interest of the public, and limitation of time precludes prior reference to higher authority, an officer must act according to his own judgement subject to sub-regulation A18(2).

(2) An officer who acts in accordance with sub-regulation A18(1) must immediately report the circumstances to his immediate superior in writing, and failure to make such

reports within twenty-four hours shall be deemed a breach of financial discipline stipulated in regulation 20 (1).

### **A.19. Review of Discretionary Action**

(1) On receipt of a report issued in accordance with Regulation A18, the officer to whom the report is made shall inquire into the matter in order to determine whether the action reported was taken in good faith; and if the action is held to have been made in good faith, even if mistaken, and this action is endorsed by his immediate superior in writing, no disciplinary or other proceedings shall be taken against the officer concerned.

(2) If the action is not so upheld, disciplinary proceedings may be instituted against the officer concerned.

### **A.20. Breach of Financial Discipline**

(1) A public officer is in breach of financial discipline if he or his act or omission goes contrary to instructions or directives contained in these Regulations or in accounting instructions or manual for which no variation is permitted except by an appropriate authority.

(2) Any person required to perform any function or duty either under Public Finance Management Act 2009 or under these regulations who fails to perform that function or duty within the time required, is in breach of financial discipline under this regulation.

(3) Disciplinary action for misconduct, omission or non performance shall be taken against any officer contravening any instruction specified in sub regulation A20(1).

(4) On the recommendations of the Minister or the Auditor- General, disciplinary action for misconduct shall be taken against the head of government agency who has contravened any instruction specified in these regulations or accounting manual

(5) Sanctions for breach of financial discipline shall be consistent with the Civil Service Code, and this may include any of the following:

- (a) a written or oral reprimand,
- (b) suspension with loss of salaries and other remunerations,
- (c) demotion in grade with or without reduction in remunerations
- (d) interdiction for a period prescribed in the condition or scheme of service,
- (e) termination or dismissal from employment,
- (f) surcharging the officer with the amount lost and the applicable penalty, if any or
- (g) prosecution, depending on gravity.

(6) The sanction may include one or a combination of any of the above depending upon the gravity of the offence.

(7) Failure to take disciplinary action where required under this regulation shall itself be a breach of financial discipline under this regulation.



## **PART B. PUBLIC FUNDS AND CONSOLIDATED FUND**

### **B.1. Public Funds**

In accordance with Section 4 of the Public Finance Management Act 2009, the public funds of Liberia consist of the Consolidated Fund, and such other funds as may be established by or under an Act of Legislature.

### **B.2. Composition of the Consolidated Fund**

(1) Pursuant to section 4 of the Public Finance Management Act 2009 receipts into the Consolidated Fund or other public funds shall be classified as follows:

- (i) Tax Revenue, including taxes on income and profits, goods and services, and taxes on international trade and other transactions;
- (ii) Non-Tax Revenues and internally generated fund;
- (iii) Repayment of loans to Government;
- (iv) Domestic and external grants, other revenues received under an enactment; other receipts including the product of borrowing, repayment of government loans and advances, sale of government securities, sale of government equity investments, sale of other government assets, proceeds received by the *State* from licensing or selling any rights controlled by the *State*, including radio spectrum rights, natural resource exploration or exploitation rights, and intellectual property rights; and
- (v) Trust Moneys which are Deposits, Special and Trust Funds.

(2) For the the purpose of these Regulations,

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

(3) For the avoidance of doubt any reference to moneys raised or received by the Government does not include moneys received on deposit or moneys held on trust by or under the control of any court, officer of a court, the Public Trustees, the Attorney General or the Official Receiver or any sums of money held on trust by any other officer for purposes other than the purposes of the Government.

(4) Receipts into the Consolidated Fund or any other public fund shall be in accordance with the sub regulation (1) except where a particular receipt does not fall under any of the classifications in sub-regulation (1). The classification shall be approved by the Minister in consultation with the Auditor-General.

### **B.3. Other Public Funds**

(1) The revenue and other monies referred to in Regulation B2 may exclude revenue or other monies:

- (a) payable under an Act into some other fund established for a specific purpose outside the Consolidated Fund; or
  - (b) that may under an Act , be retained outside the Consolidated Fund by the Government Agency that received them for the purpose of defraying expenses of that Agency.
- (2) Notwithstanding sub-regulation B3(1) above revenue and other moneys referred to in regulation B.2(3) shall include revenue or other moneys:
- (a) payable under an Act into a fund established for a specific purpose under the consolidated fund; or
  - (b) that are part of the Consolidated Fund but under an Act, retained by the Government Agency that received them for the purpose of defraying expenses of the Agency
- (3) Where under sub-regulations (1) and (2), provision is made in any enactment for a Government agency to retain its internally generated funds for the purpose of defraying its expenses, the Agency shall make full disclosure of internally generated funds to the Minister at the end of every month classified in accordance with the budget and the chart of accounts.
- (4) Notwithstanding any provision to the contrary in any regulations or administrative instructions in existence immediately before the coming into force of these regulations, no investment in Government securities shall be made of any surplus balances on account or internally generated funds by a Government agency without prior approval in writing from the Minister.

#### **B.4. Creation of Consolidated Fund**

- (1) Subject to Section 4 of the Public Finance Management Act, 2009, all cash, negotiable instruments, securities and investments due to or raised, collected, received, made or held by or for the Government immediately before the commencement of these regulations shall form part of the Consolidated Fund.
- (2) On and after the commencement of these regulations, all tax and non-tax revenue due to or raised, collected, received, made or held by or for the Government shall be paid into the Consolidated Fund.

#### **B.5. Withdrawal from Consolidated Fund and Public Funds**

- (1).No amount shall be withdrawn from the Consolidated Fund except:
- (a) to meet expenditure that is charged on that Fund by the Constitution of the Republic of Liberia or by an Act of the Legislature; or
  - (b) where the issue of those monies has been authorized by:
    - (i) an Appropriation Act with a corresponding warrant from the President;
    - (ii) the amount does not exceed the amount authorized by the appropriation or
    - (iii) a supplementary estimate approved by resolution of the Legislature passed for the purpose; or
    - (iv) an Act of the Legislature; or

(v) rules or regulations made under an Act of the Legislature in respect of trust moneys paid into the Consolidated Fund.

(2) No monies shall be withdrawn from any public fund, other than the Consolidated Fund unless the issue of those moneys has been authorized.

### **B.6. Payments into Designated Bank Account**

(1) All public moneys shall be paid by the payer into the Consolidated Fund in accordance with regulation B.53. The Bank Payment Slip shall be submitted for treasury counterfoil receipt. Where monies are paid in accounts other than the main treasury account where the Central Bank of Liberia is not operational, those accounts should only be for transitory purposes and all balances should be promptly deposited into the Consolidated Fund at the Central Bank

(2) Where payments cannot be made in accordance with sub-regulation B6(1), any public officer or revenue collector who collects or receives public moneys shall issue official receipts for them and pay them into the designated bank account within twenty four hours of receipt or within the time approved by the Minister in circumstances where it is not possible or cost beneficial to pay into the bank account within twenty four hours

(3) Monies collected or received under sub-regulations B.6(1) and B.6(2) shall be deemed to have been paid into the designated bank account as soon as Treasury counterfoil receipt has been issued by the Comptroller-General or an office mandated to do so.

(4) Until Bank Payment Slips in respect of lodgements are presented for the issue of Treasury Counterfoil Receipt, the lodgements shall be credited to a deposit account by the Comptroller-General and shall be transferred into the main Consolidated Fund account when the receipt is issued.

(5) A General Counterfoil Receipt in a format approved by the Minister in the Government agency accounting manual shall be issued for all revenues deposited on receipt of the deposit pay-in slip or bank advice.

(6) Bank Payment Slips in respect of lodgements into consolidated fund bank account shall be presented for the issue of the Treasury Counterfoil Receipts within forty-eight hours.

(7) The Comptroller-General shall, under the authority of the Minister, print different types of Treasury Counterfoil Receipts. Each revenue source shall use a particular type of Treasury Counterfoil Receipt which no other fund shall use.

### **B.7. Collection and Lodgement of Non-Tax Revenue**

A head of Government Agency shall:

- (a) ensure that all non-tax Revenues are efficiently administered and collected;
- (b) ensure that all non-tax Revenues are immediately lodged in the designated Consolidated Fund transit bank accounts except in the case of internally generated funds retained under an enactment; and
- (c) monitor and ensure that all non-tax revenues lodged into the transit bank accounts are transferred into the main Consolidated Fund bank account within twenty fours hours of receipt or within a time approved by the Minister..

- (d) Bank Payment Slips in respect of lodgements into Consolidated Funds bank account be presented for the issue of the Treasury Counterfoil Receipts within forty-eight hours or within a time approved by the Minister.

### **B.8 Lodgement of Retained Internally Generated Funds**

- (1) All public moneys collected and retained by a government agency, shall be paid in gross into the designated bank accounts and no use shall be made by any public officer of monies collected in any manner between the time of its receipts and payment into the bank except as provided by an enactment.
- (2) A Government agency that has legislative approval to retain all or a portion of Internally Generated Funds collected, must first lodge the retained Internally Generated Funds in gross into the Government agency's operational bank account before using the Government agency's disbursement process to spend it.
- (3) A person who makes payment from monies collected in contravention of subregulations (1) and (2) is in breach of financial discipline as defined in regulation A20.

### **B.9. Accounting and Disclosure of Non-Tax Revenue**

- (1) A head of government agency shall fully disclose all non-tax revenues collected, lodged or retained as part of the monthly revenue collection and quarterly Government agency account or financial report to the Minister and the Auditor General. The reporting format shall include, but not limited to:
- (a) the Government agency's collection points in the regions and districts by type of Non-Tax Revenue;
  - (b) the extent to which the Government Agency revenue target for the month has been achieved and measures that need to be taken to address any shortfall;
  - (c) expenditure incurred out of retained Non-Tax Revenue including Internally Generated Funds classified according to the Budget Classification;
  - (d) non-Tax Revenue including Internally Generated Funds due but not collected;
  - (e) any Non-Tax Revenue including Internally Generated Funds leakages and measures to address them; and
  - (f) certification confirming reconciliation of lodgements with collections.
- (2) Accounting and disclosure of donor funding.

### **B.10. Review of Rates, Fees and Charges**

A head of Government agency responsible for collecting various types of fees and charges shall review annually the administrative efficiency of collection, the accuracy of past estimates and the relevance of rates, fees and charges to current economic conditions and submit proposals for changing the rates, fees and charges through the appropriate line minister to the Minister for submission to Legislature for approval.

### **B.11. Responsibility for Collection of Public Funds**

- (1) Except as otherwise provided in any other enactment, the collection of public and trust monies shall be the personal responsibility of the head of a government agency, who shall appoint supervising collectors for each area where collection is required.

(2) The head of a government agency shall ensure that adequate safeguards exist and are applied for the assessment, collection of and accounting for such moneys collectable by the Government agency, office or institution.

(3) The head of a government agency shall ensure that all persons liable to pay revenue are informed by bills, demand notes or other appropriate notices, of debts which are due and that adequate measures are taken to obtain payment.

### **B.12. Ceremonial Receipts**

(1) Where any monies are paid to a public official, on behalf of Government, as part of a public or official ceremony, the monies shall be paid within 48 hours into the Consolidated Fund in compliance with these Regulations.

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

(3) A public officer who contravenes sub-regulations (1) or (2) is in breach of financial discipline under regulation A20.

### **B.13. Lodgement of Trust Moneys in the Consolidated Fund**

All trust monies received shall be lodged into the Consolidated Fund or special funds established with the Consolidated Funds, and all disbursements from such moneys shall be considered as payments from the Consolidated Fund and shall be in accordance with the provisions of the Public Financial Management Act 2009,

### **B.14. Collections outside of Liberia**

These regulations shall apply to collections made in government agencies located outside Liberia, subject to such variations as may be approved in writing by the Minister.

### **B.15. Information on Official Receipting Arrangement**

(1) Heads of government agencies shall by notice or such other means as they consider necessary, inform the public that a pre-numbered official receipt shall be obtained for all monies paid to a public official authorized to receive such monies by the Government agency and that the public should withhold payments, if such receipt is not issued.

(2) Head of government agency responsible for the collection of public money should also ensure appropriate publicity is provided at all times.

### **B.16. Hours of Collection**

Official collection offices shall:

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

### **B.17. Notice of Liability to Pay Revenue**

- (1) A notice to a member of the public stating revenue due from that member shall be on a serially pre-numbered form to be specified in government agency accounting manual and the form shall be controlled as value book in accordance with these regulations.
- (2) The form under sub-regulation (1) shall contain details that enable the person receiving the form to check the amount properly due and shall also inform the person:
  - (a) of where, and at what times, payment may be made;
  - (b) of what means of payment is acceptable; and
  - (c) about the precautions to be observed where remittances are used.

### **B.18. Issue of Original Receipt**

- (1) A collector who is satisfied that money received is in order, shall issue a “flag” receipt to the payer, and the duplicate receipts will be attached as sub-vouchers to the Treasury Counterfoil Receipt which will be used for posting in the cash book and the triplicate copy shall remain in the receipt book for audit purposes.
- (2) Where a collector is using a computerised system of receipting or an electronic cash book, the system shall keep an audit trail of all receipts, time, amount, transaction and the user id of who issued them.
- (3) Where monies are received by post or hand delivery, the original receipt shall be sent on the same day of receiving the money to the payer.
- (4) Temporary receipts or receipts other than in the authorized form shall not be used for collections.
- (5) A person who issues a temporary receipt or an unauthorized form for collections is in breach of financial discipline as defined in sub regulation A.20(1).

### **B.19. Acceptance of Legal Tender**

- (1) Any instrument, which under any enactment is the legal tender of Liberia may be used in making payment for any amount due to the Government. That notwithstanding government agencies are to make the necessary payment arrangements to reduce or avoid the risk of collecting physical cash directly from the public.
- (2) Payments in other countries may be accepted in the legal tender of that country.

### **B.20. Checks Payable to the Government of Liberia**

- (1) Checks in respect of payments to Government shall be made payable to the “Government of Liberia” and be crossed.
- (2) Where a check in respect of payment to Government
  - (a) is incorrectly issued in the name or the post of a particular officer, the check shall immediately upon receipt be endorsed by the officer with the statement-“Pay to the Government of Liberia”;
  - (b) is uncrossed, the check shall immediately upon receipt be crossed by the officer who receives it.

- (3) An officer who fails to comply with sub-regulation (2) is in breach of financial discipline as defined in sub regulation A.20(1).

### **B.21. Monetary Instruments Requiring Approval**

- (1) A check received on behalf of the Government of Liberia and drawn on a bank account outside Liberia, or any bill of exchange other than a check or any promissory note, shall not be accepted without the prior written approval of the ComptrollerGeneral.
- (2) Payments in other countries may be accepted by checks drawn on a bank of that country.

### **B.22. Responsibility for Paying by Monetary Instruments other than Cash**

- (1) A head of government agency shall recover the value of any dishonoured monetary instrument from the person who issued the instrument.
- (2) Notwithstanding sub-regulation (1), the Government may take such action as it considers necessary to recover the value of any monetary instrument that is dishonoured.

### **B.23. Comptroller-General or Auditor-General Inspection**

- (1) The Comptroller-General, acting under the authority of the Minister, may carry out inspections that he/she considers necessary to ensure the integrity of the internal control system operating in a government agency.
- (2) A head of government agency shall give full access to the Comptroller-General to all documentation, systems, inventories, officials, safes and other relevant information that are necessary for an inspection under sub-regulation (1). The Comptroller-General or the Auditor-General shall arrange that from time to time depending on the risk, a surprise check is carried out on an officer performing accounting functions, keeping cash or managing government Inventories.
- (3) The surprise check shall verify that:
- (a) The cash in hand and inventories are correct.
  - (b) The cash books and ledgers (including inventories ledgers) have been posted up todate.
  - (c) Effective controls and safeguards are applied. Arrears of revenue are not being allowed to accumulate.
  - (d) Suppliers' claims are processed for payment in a timely manner.
- (4) The officer doing the inspection shall bear full identification of office and shall carry written and sealed authority permitting him/her to conduct such an inspection
- (5) The officer doing the surprise check shall enter the results of his or her checks in an inspection report which shall contain the results of the inspection, any recommendations, the name and signature of the officer performing the inspection, and the date of the inspection.

## **B.24. Activities to be Prioritized**

- (1) A head of government agency shall prioritize the Government agency's activities and ensure that related expenditures are within the cash flow plans and budget ceilings or such other ceilings as determined by the Minister.
- (2) A head of government agency shall report any insufficiency of funds which is likely to result in serious curtailment of services through the head of Government agency to the Minister for direction.
- (3) A report under sub-regulation (2) shall be made in good time and not after funds have been exhausted.

## **B.25. Responsibility in Respect of Payments**

- (1) A head of government agency shall ensure that moneys are utilized in a manner that secures both optimum value for money and the intention of the Legislature.
- (2) The head of a government agency shall ensure that moneys approved for the Government agency or budgeted amounts are used lawfully. An expenditure shall not be a lawfully incurred expenditure and payment shall be rejected unless the amount is:
  - (a) being used or to be used for the purpose stated in the budget,
  - (b) being spent or to be spent in accordance with the expenditure classification in the budget, and
  - (c) within the limit or the maximum amount in the approved budget for that fiscal year and subsequent allotments for those specific budget items.
- (3) The head a government agency shall institute internal controls to ensure that
  - (a) the officer ordering disbursement or effecting payment is authorized to do so;
  - (b) orders are made within the powers of and the funds available to the officer ordering disbursements or effecting payment;
  - (c) transactions are properly authenticated to show that amounts are due and payable;
  - (d) transactions are properly tracked, approval levels clearly documented and records maintained at each level; and
  - (e) any order for disbursements that does not meet these requirements is rejected.

## **B.26. Balance of Appropriation**

- (1) In accordance with section 27 of the Public Finance Management Act 2009, at the close of the fiscal year, funds released to a government agency which have not been spent shall be the balance of appropriation and the head of government agency shall submit a statement of undischarged commitments, within 15 working days after the end of the fiscal year to the Minister..
- (2) Any unpaid balances on commitments will also lapse at the end of the year, unless goods and services have already been delivered, in which case, settlement must be made within 90 days of the end of the fiscal year.
- (3) A head of government agency shall furnish the Minister with a schedule of undischarged commitments which may be properly carried forward together with



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

(4) The Minister, upon receiving the schedule under sub-regulation (1), may issue an approval, in writing, to the head of government agency, , authorizing, the discharge of the commitments from previous year using the unexpended balance on appropriation. .

(5) A head of government agency shall include monies specified in the Minister's approval t in the estimates of the new fiscal year to be presented to Legislature for approval.

(6) Outstanding commitments, for which goods and services have not been delivered, or are not likely to be, delivered by year end, shall be dealt with according to one of the following procedures:

(a) if the situation regarding the non-delivery of the goods and services covered by the outstanding commitment is known in time to be included in the next year's budget estimates, the commitment will be reduced from the current year's allotment and booked against the first allotment to be issued under the next year's budget;

(b) if the situation regarding the non-delivery of the goods and services covered by the outstanding commitment is not known in time to be included in the next year's budget estimates, and the commitment relates to priority capital spending, the President, on recommendation of the Minister, may approve the commitment to be included in a supplementary budget to be confirmed by the Legislature;

(c) if the goods and services are not likely to be delivered in a timely manner, and the government will not be subject to cancellation costs, the commitment shall be cancelled.

### **B.27. Foreign Payments**

(1) Payments outside Liberia shall be made only by the Comptroller General under the specific authority of the Deputy Minister of Finance for Expenditure and Debt Management.in accordance with the provisions of these regulations and the Public Finance Management Act 2009.

(2) Modalities for payments outside Liberia require the prior approval of the ComptrollerGeneral under specific authority of the Deputy Minister for Expenditure and Debt Management except where it is included in the Accounting Manual issued by the Comptroller-General and approved by the Minister.

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

### **B.28. Payees**

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

### **B.29. Restriction on Public Officers**

A public officer shall not on behalf of a Government agency receive any payment from a member of the public except as provided in the government agency accounting

instruction, and failure to comply with this regulation is a breach of financial discipline as defined in sub regulation A.20(1).

### **B.30. Recovery of Overpayments**

If any expenditure is made in excess of the amounts actually due, the overpayment shall be recovered immediately and paid into government Revenue Account. The officer concerned shall report the circumstances immediately to the head of Government agency or the appropriate authority.

### **B.31. Payment Procedures in Times of Emergency**

(1) Payments out of the Consolidated Fund or any other public fund in times of emergency shall be made in accordance with the provisions in the accounting manual of the Government agency.

(2) Notwithstanding sub-regulation(1), no unlawful payment shall be made and the officers effecting the payment shall ensure that the procurement process and the supporting documents are not defective.

### **B.32. Level of Cash Holdings**

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

- (a) promptly lodging collections in bank account(s) established for the purposes of receiving moneys into the Consolidated Fund or other Public Funds;
- (b) using bank accounts for holding cash balances; and
- (c) making payment by checks, bank transfers or direct payments wherever possible.

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

### **B.33. Authorized Petty Cash Balances**

(1) The government agency accounting manual shall specify officers, designated by posts, who may hold cash and their authorized cash balances which are the maximum amounts that may be held by them during periods when their offices are closed for business.

(2) Names and titles of designated officers and amounts to be held in cash at specific periods and designated posts shall be communicated to and have the prior written approval of the Comptroller-General.

(3) For the purpose of these regulations, all checks, not specified for any other purpose, shall be deemed to be cash.

(4) In terms of this regulation, the maximum amount that may be held as petty cash in any one calendar month, is the equivalent of United States Dollars Two Hundred.

### **B.34. Determination of Authorized Petty Cash Balances**

The authorized cash balance for any office shall be determined according to:

- (a) the needs of public business;
- (b) the availability of banking facilities in relation to the working hours of the office;
- (c) the availability of safe accommodation and seniority of key-holders; and (d) the general security of the building in which the safe is located.

### **B.35. Excess Cash**

- (1) Any officer who finds that the overnight cash balance is likely to exceed the authorized cash balance outside banking hours, must arrange to transfer the excess to a reserve cash safe with a higher authorized cash balance or to a vault.
- (2) Government agency accounting manuals shall specify the level of cash to be held by a government officer, the location of the accommodation and arrangements to be made for reception of cash.
- (3) Failure to lodge excess cash in secure overnight custody is a breach of financial discipline as defined in sub regulation A.20(1).

### **B.36. Private Use of Cash Prohibited**

- (1) Official cash shall not be used for any private purpose including the encashment of checks, including private checks. .
- (2) The application of official cash for any purpose other than those provided for in these regulations or the accounting manual of the Government agency is a breach of financial discipline as defined in sub regulation A.20(1).

### **B.37. Access of the Comptroller-General and the Auditor-General**

- (1) The Comptroller-General or Auditor-General or any officer representing them shall have access to any copy of cash security instructions in the presence of the officer responsible for its custody, but notes of its content shall not be taken and the contents shall not otherwise be communicated to any unauthorized person.
- (2) The Comptroller-General, on approval from the Minister and Auditor-General, and their representatives, have the right to ask for and to receive from a bank, statements of any bank account of a Government agency and other information relating to transactions in the account.
- (3) The Comptroller-General or Auditor General shall inform the government agency of any request made to the bank for bank statements.

## **PART C. AUTHORITY AND RESPONSIBILITIES OF PUBLIC OFFICER IN PUBLIC FINANCIAL MANAGEMENT**

### **C.1. Authority of the President**

- (1) In accordance with Section 5(1) of the Public Finance Management Act 2009, the President has overall responsibility for all policy matters related to the National Budget and public financial management system of the Republic of Liberia.
- (2) The President may delegate, make decisions and take actions that are in accordance with the Public Finance Management Act 2009 and other legislations necessary to carry out such responsibilities.

- (3) The President shall cause to be prepared and laid before Legislature at least two months before the end of the fiscal year estimates of the revenues and expenditure of the Government of Liberia for the following fiscal year.
- (4) The President may officially delegate the Minister with the authority to submit the Proposed Budget to the Legislature in accordance with Section 5 (2) of the Public Finance Management Act 2009 and notwithstanding any provision in these regulations, only the President. shall present to Legislature the national budget and any supplementary or revised budgets .
- (5) When the budget is approved by Legislature, payment shall not be made out of the Consolidated Fund except on a warrant signed by the President in accordance with Article 34 (d)(ii) of the Liberian Constitution.

## **C.2. Responsibilities and Authority of the Minister**

- (1) The Minister is responsible for all technical matters related to the proper functioning of public finance and management system, subject to the overall policy guidance from the President.
- (2) The Minister shall be responsible to the President for developing and implementing a macro economic and fiscal policy framework for Liberia and shall supervise and monitor the finances of the country; co-ordinate international aid and intergovernmental financial and fiscal relations.
- (3) Subject to the provisions of any enactment or to the directions of the President, the Minister shall be the principle authority responsible for the planning, determination, and allocation of resources, preparation, publication, implementation, monitoring, evaluation and control of the National Budget.
- (4) The Minister shall, subject to the provisions of this Public Finance Management Act 2009, and any other enactments, have responsibility for the management and control of the Consolidated Fund and other public funds and of matters relating to the financial affairs of the Government.
- (5) Notwithstanding the provisions of sub-regulation (2) above, approval for withdrawal from the Consolidated Fund of monies allocated by Legislature shall be by a General Warrant signed by the President to the Minister in accordance with Article 34 (d)(ii) of the Constitution.
- (6) Without limiting the provisions of sub-regulation (1) the Minister shall advise Government on the total resources to be allocated to each unit of the public sector and the appropriate level of resources to be allocated to individual programmes and activities within any sector.
- (7) The Minister shall ensure that transparent systems are established and maintained to provide a full account to the Legislature for the use of resources and public moneys; and ensure the exercise of regularity and propriety in the handling and expenditure of public funds and is responsible for matters related to the proper functioning of the public finance management system with the overall policy guidance from the President.
- (8) The Minister shall ensure that there is, within the resources available, an efficient cash management system to equitably meet the budgetary spending requirements of all government agencies and other public bodies.

- (9) The Minister shall coordinate, supervise, and monitor the management of government financial and physical assets and liabilities, including donations and loans;
- (10) The Minister shall ensure the adequacy of internal control and internal audit systems, while consulting with the Auditor General when considered necessary;
- (11) The Minister shall prescribe the timeline and the content of the reports prepared by government agencies, local administrative entities and other public bodies for the purpose of meeting fiscal and financial reporting requirements prescribed under the Public Finance Management Act 2009
- (12) The Minister shall promote and enforce transparency and accountability in budget management, including the publication of reports on revenue performance, budget execution and financial statements as defined in Sections 36 and 37 of the Public Finance Management Act 2009;
- (13) **The Minister shall ensure that the financial management of State-owned Enterprises is exercised with probity and within the ambit of the Public Finance Management Act, 2009. The Minister may establish appropriate structures in the Ministry for purposes of achieving this objective.**
- (14) Notwithstanding the generality of sub-section (12) above, the Minister shall prepare appendices summarizing the financial plans and budgets of SOEs to accompany budget estimates of the following fiscal year as well as a statement of their overall performance for the preceding financial year.
- (15) The Minister shall ensure that the Legislature is kept informed, on a regular basis, on macroeconomic and budgetary developments, through regular financial reports;
- (16) The Minister shall ensure on a regular basis, that public officers delegated to utilize the national budget, respect their responsibilities and are accountable for their actions and inactions;
- (17) The Minister shall prepare annual consolidated public accounts for submission to the Auditor General;
- (18) The Minister shall ensure that periodically and not less than once a year,
  - (a) he causes to be prepared the proposed budget for the President and executes the national budget when it is approved,
  - (b) he causes to be prepared the annual, bi-annual, monthly revenue performance and quarterly fiscal outturn reports and other reports pertaining to the National Budget, and the management of government financial assets, including revenues, debt and government guarantees in line with the fiscal policy of Government
- (19) The national budget prepared in line with sub-regulation (4) shall show the current and projected state of the economy
- (20) The Minister shall ensure that systems are established throughout the public sector to plan and budget for the efficient use of public resources; and to approve requests for budgetary allocations prior to inclusion in the overall estimates of expenditure for submission to the President
- (21) The Minister may give such directions not inconsistent with the Public Finance Management Act 2009 and these regulations as may appear to the Minister to be necessary and expedient for the proper implementation of the intent and purpose of

the laws and the safety, economy and advantage of public resources including revenues and properties.

- (22) The Minister shall ensure that any directions given under these regulations are brought to the notice of persons directly affected.
- (23) The Minister may cause the inspection of the books, records and offices of a Government agency.
- (24) Subject to the provisions of any enactment or to the directions of the President, the Minister shall establish structures/units within the Ministry for implementing the requirements under the Public Finance Management Act 2009 in order to fully discharge his functions prescribed herein.

### **C.3. The Authority and Responsibilities of Line or Sector Ministers**

- (1) Line ministers shall be responsible for ensuring that the spending agency has sufficient public financial management systems to undertake adequate budget preparation, execution, reporting, accounting and internal control;
- (2) Ministers of line ministries shall be responsible for preparing the annual budget estimates and the medium-term budget framework for spending agencies;
- (3) Ministers of line ministries shall be responsible for the planning, execution, monitoring and oversight of their budget to ensure that all expenditures are in conformity with appropriations;.
- (4) Ministers of line ministries shall be responsible for ensuring that appropriations for the ministries are spent for the purposes specified in the budget;
- (5) Ministers of line ministries shall be responsible for proposing, in a timely manner, the forecast of cash flow requirements on a monthly and quarterly basis including expenditures by appropriation categories to the Ministry of Finance;
- (6) Ministers of line ministries shall be responsible for conducting periodic performance reviews and reviewing the monthly, quarterly and annual financial reports before submitting them to the Ministry of Finance for consolidation;
- (7) A Line minister shall ensure the timely preparation of the periodic and annual financial statements and reports of the line ministry and agencies under him in accordance with these regulations and other enactments, and cause these statements and reports to be forwarded to the Minister, the Auditor General and the ComptrollerGeneral;
- (8) Ministers of line ministries are responsible for maintaining accounts and records of agencies in a manner and format prescribed by the Minister;
- (9) A Line minister whose spending units are separately identified in the Annual Appropriations Act are:
  - (a) responsible for the proper and efficient execution of their budget in accordance with the Public Finance Management Act 2009, and the instructions and guidelines issued by the Minister.
  - (b) fully accountable to the President and the Legislature for their performance in the implementation of their budgets;

(10) Ministers of line ministries shall be responsible for providing technical advice to the Minister of Finance over the financial management affairs of public corporations under their purview; (11) Ministers of line ministries shall be responsible for providing any other information as may be required from time to time by the President, the Legislature, the Minister and the Auditor General.

#### **C.4. Duties of the Deputy and Assistant Ministers**

(1) Authority and responsibility specifically granted to the Minister may be delegated to deputies or other key designated officials of the Ministry. Any responsibility delegated under this sub regulation does not divest the Minister of the responsibility under the Public Finance Management Act 2009.

(2) The Deputy Ministers shall assist the Minister in carrying out the responsibilities of the Minister and especially perform those duties and functions delegated to them by the Minister.

(3) The Assistant Ministers shall assist the Deputy Ministers and the Minister in carrying out the responsibilities of the Minister and the deputy ministers and especially perform those duties and functions delegated to them by the Deputy Ministers.

#### **C.5. The Office of the Comptroller-General**

(1) There shall be appointed on such terms and conditions as shall be specified in the appointment, and sworn into office by the President, a Comptroller-General who shall be accountable to the Deputy Minister for Expenditure and Debt Management for the discharge of the Minister's responsibilities under the Public Finance Management Act 2009 or any other enactment. The appointee shall be a professional with no less than a Master's degree in Accountancy and shall have worked in an accounting related field for not less than three (3) years. Individuals with professional certification from internationally recognized accountancy bodies shall be given preference..

(2) The Comptroller-General shall be responsible to the Deputy Minister for Expenditure and Debt Management through the Assistant Minister for Expenditure and Debt Management for the compilation and management of the accounts and the custody and safety of the public money and public property of the Government, and for that purpose the Comptroller-General may, in the manner prescribed by the Minister, and with the prior consent of the Deputy Minister for Expenditure and Debt Management, give such instructions of a general or specific character to Heads of Government agencies as may be necessary for the effective implementation of the purposes and provisions of the Public Finance Management Act 2009.

(3) Without prejudice to the generality of the provisions of sub regulation (2), the Comptroller-General:

(a) shall receive all public monies payable into the Consolidated Fund, provide secure custody for these monies, and make disbursements on behalf of the Government in accordance with the Public Finance Management Act 2009 or any other enactment and under the authority of the Minister or his designee. He shall ensure the safety and integrity of the Consolidated Fund and all other public funds of the Government of the Republic of Liberia.

(b) shall be the Chief Accountant, and also the head of the treasury for the Government of the Republic of Liberia. He shall advise the Minister and the

government on accounting matters and on public finance management issues under the Public Finance Management Act 2009 and any other enactment.

- (c) may with the approval of the Deputy Minister for Expenditure and Debt Management designate officers to act on his behalf in the discharge of his duties, and such officers shall be accountable to the Comptroller General for the proper discharge of such duties in accordance with any enactment or instructions issued by the Comptroller General.
  - (d) shall with the approval of the Deputy Minister for Expenditure and Debt Management establish treasury offices staffed by officers of Comptroller General, for the receipt, custody and disbursement of public monies as may be required by circumstances of public financial business.
  - (e) shall be the Chief Accountant of the Government responsible to the Deputy Minister of Expenditure & Debt Management for keeping, rendering and publishing statements of the public accounts as required under the Public Finance Management Act 2009 or any other enactment.
- (4) Subject to sub regulation C.2(24), the detailed organizational structure and operational modalities of the Comptroller General's Office shall be prescribed under separate instructions and guidelines from the Minister in consultation with the Auditor General.

### **C.6. Head of Agency or Head of Spending Unit**

- (1) In accordance with Section 3 of the Public Finance Management Act 2009, every Government agency and every constitutional institution shall have an accounting officer who shall be the head of agency or head of spending unit as defined in sub regulation 2 below:
- (2) Subject to sub-regulation (3):
  - (a) The Line Minister shall be the head of agency or the spending unit in the Ministry,
  - (b) The head of an Agency shall be the head of the spending unit for the Government agency, and
  - (c) **The Chief Executive Officer of a constitutional spending agency shall be the Accounting Officer of that agency**

### **C.7. Acting Head of Agency or Spending Units**

When a head of a government agency or spending unit is absent or otherwise unable to perform the functions of a head of agency or spending unit, or during a vacancy, the functions of the head of agency or spending unit must be performed by the official acting in the place of that head of agency or head of spending unit following an official written hand-over of the said functions.

### **C.8. Responsibilities of Accounting Officers**

- (1) A head of a government agency or spending unit shall be personally and pecuniary responsible to Legislature for the use of funds under their control.



- (2) A head of agency or spending unit shall have overall responsibility and accountability for the collection and receipt of all revenues or the financial administration of the monies voted by Legislature for, or applied by statute to, the services under the control of his or her ministry or agency.
- (3) Without limiting the generality of sub regulation (1) and (2), a head of agency or spending unit shall:
  - (a) ensure that the agency's accounting system has been approved by the Minister in consultation with the Auditor- General
  - (b) manage and operate the agency's accounting systems, so as to ensure the accountability of all officers transacting such business and facilitate the efficient discharge of such business;
  - (c) secure the efficient and effective use of appropriations under agency control in compliance with any enactment, regulations or instructions issued under the authority of any enactment;
  - (d) secure the due and proper collection of government revenue collectable by the Agency within the terms of any enactment or of instructions issued or approved by the Minister;
  - (e) bring promptly to account as revenue any cash found in his charge in excess of the balances in the cash book;
  - (f) make good any deficiency in cash for which he is responsible;
  - (g) ensure that all books of accounts under his or her control are correctly posted and kept up-to-date;
  - (h) produce, when required by the Minister of Finance, the Comptroller-General, head of internal audit or Auditor-General or by such officers as may be authorized by any of the above, all cash, books, records, vouchers or other items of value in his or her charge
  - (i) establish an effective internal audit function and the operation of an audit committee
  - (j) shall ensure the disciplining of staff who contravene the law
- (4) A head of agency or spending unit shall:
  - (a) manage and reconcile the bank accounts authorized for the Agency by the Minister;
  - (b) preserve in good order and secure the economical use of all equipment and inventories used by the Agency;
  - (c) answer questions raised by the Auditor General in respect of the financial transactions and accounts of the Agency ;
  - (d) appear before the Ways, Means and Finance Committee of the National Legislature to give any explanations required by the Committee in respect of the annual Agency accounts; and
  - (e) in collaboration with the General Services Agency compile and maintain assets register of the Government Agency as determined by the Comptroller-General.

- (5) A head of agency or spending unit shall have custodial responsibility from the time when:
- (a) monies are paid to a collector to the time when the monies are lodged into the Consolidated Fund;
  - (b) appropriations are lodged into the bank accounts of departments until the time when the funds have been fully utilised for the purposes for which they were appropriated; and
  - (c) an imprest or advance has been issued to a Government Agency officer until the time it has been duly retired in accordance with the relevant part of these regulations.

### **C.9. Delegation of Duties by Head of Agency or Spending Unit**

- (1) Unless a delegation is expressly prohibited or restricted by an enactment or in instructions, a Head of Agency or Spending Unit may, in writing, delegate authority for the performance of any of his or her functions to a subordinate officer who, having regard to the requirements of the assigned functions, is competent and capable.
- (2) A head of government agency or spending unit may provide for the delegation of his duties in the government agency's accounting manual.
- (3) Delegation of authority to perform functions or duties under these regulations does not diminish the accountability of the head of Government Agency or relieve him or her of responsibilities provided in these regulations.

## **PART D. THE BUDGET PREPARATION AND APPROVAL PROCESS**

### **D.1. Public Access to the Budget**

- (1) The budget preparation, implementation and monitoring shall be on consultative basis throughout the country
- (2) The consultative process referred to in sub-regulation (1) includes inviting inputs from the various stakeholders including civil society groups.
- (3) The proposed budget shall be circulated after the Legislature has received it, and the approved Budget published to afford the public the right to information about the budget .

### **D.2. Budget Cycle**

- (1) The budget preparation shall be in accordance with key activities and dates set forth in Section 11 of the Public Finance Management Act 2009, which will be further supplemented by a detailed timetable or a published annual budget calendar to be issued by the Minister.
- (2) The budget preparation cycle shall consist of two phases, the first concentrating on the preparation of a budget framework paper and the budget call circular, and the second concentrating on the preparation of the detailed annual budget that addresses the policies and priorities set out in the budget framework paper.

### **D.3. The First Phase of the Budget Cycle**

- (1) This phase of the budget cycle shall start with the update of the draft medium term macroeconomic and fiscal framework by the Minister.
- (2) It shall be followed by the preparation of a medium term expenditure framework which will review revenue and spending of the past year and estimated outturns of the current year, and establish indicative spending ceilings for the budget year as well as two outer years in line with policy priorities, through a consultative process that encourages effective consensus and ownership.
- (3) The first phase shall be completed not later than five (5) months before the start of the fiscal year. The Minister shall prepare, for approval of the President and Cabinet, a consolidated budget framework paper which will be used to guide the detailed budget preparation.

### **D.4. The Second Phase of the Budget Cycle**

- (1) The second phase of the budget cycle starts with the preparation and issuance of Budget Guidelines or Budget Call Circular by the Minister.
- (2) The annual Budget Call Circular, shall be issued not later than five months before the start of the fiscal year,
- (3) The circular shall lay out specific guidelines, procedures and timetable for budget preparation and finalization,. It shall also include the indicative ceilings established in the budget framework paper.
- (4) Spending agencies must submit their budget requests within the parameters, timeframe and format set forth in the budget call circular.
- (5) The Ministry shall oversee the consolidation of the budget submissions and, in consultation with the President, the finalization of the budget through a series of budget hearings with spending agencies.
- (6) At the end of the second phase of the cycle, the Minister shall prepare the draft annual national budget, along with the accompanying documents required under this Act, for approval of the President.
- (7). The President shall submit the Proposed Budget and accompanying documents to the Legislature no later than two (2) months before the start of the fiscal year, that is, by April 30 each year.

### **D.5. Gross Basis and Coverage of the Budget**

- (1) In accordance with Section 9 of the Public Finance Management Act 2009, all revenues and expenditures of the central government shall be included in the National Budget on gross basis. That is cost of collection, if any, shall not be deducted from the revenue and if any portion is to be retained, that shall also not be deducted.
- (2) The gross basis referred in sub-regulation (1) includes
  - (a) transfers of any kind from the National Budget to sub-national governments, autonomous agencies and funds, public or private enterprises or financial institutions, non-government entities or institutions, or private persons, and

- (b) all donor funding, including general budget support, basket or pooled funding of sectors, and funding of government projects, reflected on both the revenue and expenditure sides of the National Budget, in such a way as the funding source is clearly identified consistent with the Chart of Accounts.
- (3) The National Budget shall be a single unified budget including both recurrent and capital expenditures.

#### **D.6. Documents and Contents of Proposed Budget**

- (1) The Proposed National Budget to be presented to the Legislature shall be accompanied by the budget framework paper, outlined in Section 11 of the Public Finance Management Act 2009 updated to reflect the draft budget submitted to the Legislature.
- (2) The budget framework paper shall contain the following:
  - (a) an analysis of the economic and fiscal trends, and the assumptions underlying the medium term macroeconomic and fiscal framework of the budget;
  - (b) an explanation of the government's policy priorities and how these are reflected in the budget;
  - (c) a statement of key fiscal risks that may affect budget execution;
  - (d) the essential features of the medium term expenditure framework, where this has been prepared; and
  - (e) a summary statement of revenues and expenditure performance, using the main economic categories identified in Section 8(d) of the Public Finance Management Act 2009, for the last two years showing the surplus or deficit in each of the years, and indicating the use to which it was put (in the case of surplus) or the means of financing (in the case of deficit);
  - (f) a summary statement of revenues and expenditures, using the main economic categories identified in Section 8(d) of the Public Finance Management Act 2009, for the three years showing the projected surplus or deficit in each of the years, and indicating the use to which it will be put (in the case of surplus) or the means of financing (in the case of deficit).;
  - (g) a summary statement of off-budget donor funding showing name of project and program, funding agency, recipient government agency, disbursements effected in the previous financial year, projected disbursement in the following financial year;
  - (h) a summary statement of the performance of State-Owned Enterprises and their annual financial plans for the following year showing revenues, expenditures and changes in net worth;
  - (i) a summary statement of the performance of public corporations and Special Funds showing incomes accruing to them including any donor funding, cash flow statement, outstanding debt if any that includes arrears to vendors and borrowing requirements for the following financial year;
  - (k) a summary statement of budgetary implications of new legislations on the proposed budget as well as the financial implication over the two outer years, consistent with the provisions of Section 19 of the Public Finance Management Act,2009.

- (3) The detailed annual budget estimates shall show the previous budget year outturns, the current year original budget as well as the year-to-date outturn based on available data, and projected outturns.
- (4) The detailed estimates, which will include both revenues and expenditures, will be structured according to the classifications specified in Section 8(d) of Public Finance Management Act 2009.
- (5) The detailed estimates will include overall as well as agency level summaries by the various classifications utilized in the budget.
- (6) The Appropriation Bill prepared in accordance with regulation D.7.
- (7) Any additional supporting documents, or more specific requirements on the contents of the Proposed National Budget, as may be proposed from time to time, either by the President or by the Legislature

### **D.7. The Draft Appropriation Bill**

When presenting the proposed National Budget, the President shall also submit a Draft Appropriation Bill for the Legislature's consideration, based on the detailed annual estimates, which :

- (a) specifies the individually appropriated budget lines for the purpose of the Legislature's aggregate control over spending as stipulated in Section 25 of the Public Finance Management Act 2009 for in-year budgetary transfers;
- (b) establishes the maximum level of net additional borrowing that the Legislature authorizes the Minister to undertake to finance the budget deficit, if any;
- (c) establishes the maximum level of other public sector borrowing that the Minister may approve for a third party, as envisaged in Section 28, and for which an explicit or implicit government guarantee is given;
- (d) includes a draft Finance Bill for the Legislature's consideration, which lays out any changes in the tax and non-tax revenue collection regimes;
- (e) an Annex stating the amounts of outstanding public debt and guarantees, along with the amounts of currently outstanding lending and equity participation by the Government;
- (f) an Annex summarizing the financial operations of each autonomous agency and Special Funds, indicating in each case the resources to be transferred from the National Budget.;
- (g) an annex summarizing the operations of each state owned enterprise or financial institution, indicating its expected dividend payment into the National Budget where a surplus is projected, or, where a deficit is projected, whether the deficit will be covered by borrowing or by subsidy from the National Budget; and
- (h) an annex summarizing the collection of internally generated funds and projected collections for the budget year.

## **D.8. President's Budget Message**

The proposed national budget presented to the Legislature shall be accompanied by the President's budget message highlighting the major priorities that the budget is intended to address during the fiscal year.

## **D.9. Budget Call Circular/Budget Guidelines**

(1) The Minister shall not later than eight months before the end of each fiscal year submit a Budget Framework Paper to the Office of the President outlining the draft preliminary constraints for the next budget period.

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

(3) The Budget Guidelines shall specify the sectoral and agency constraints within which heads of government agencies will prepare their budget submissions.

(4) The preparation of the Budget Guidelines shall be done and in consultation with the the Deputy Minister for Budget and any other officer whose office is very critical in the budget formulation and implementation processes.

(5) The Budget Guidelines shall be published in the print media and also announced or discussed in the electronic media.

## **D.10. Budget Instructions**

The Budget Call Circular shall include instructions concerning:

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

## **D.11. Supplementary Instructions by Ministries**

Every head of government agency shall within the provision of the budget circular, and in conformity with any direction of the line minister, issue a circular to all heads of Government agencies under that officer's control to direct attention to the Ministry's policy and to any special procedural arrangements required.

## **D.12. Government Agency Budget Instructions**

Every head of Government Agency in consultation with the budget committee, shall determine the procedures necessary for preparation of the Agency's estimates in conformity with budget guidelines and the Accounting Manual .

### **D.13. Uniform Chart of Accounts and Budget Classification**

- (1) The National Budget submitted by the President to the Legislature for approval shall be classified using the chart of accounts issued by the Comptroller General.
- (2) Revenue and expenditure estimates as approved by Legislature shall be arranged according to the Government of Liberia budget classification or Chart of Accounts as well as any other classification approved by the Minister.
- (3) Accounting and reporting for the National Budget or the appropriations for the central government as well as that of all government agencies shall be according to the budget classification and the Chart of Accounts.
- (4) Except that the format for the preparation of the national budget and the public accounts of the central government may be different but the accounts must show the corresponding budget figures
- (5) Notwithstanding sub-regulation (4), as much as practicable, these classifications shall be designed to meet generally accepted international standards and the Minister shall in consultation with the Auditor General determine when to adopt any of the International Public Sector Accounting Standards.

### **D.14. Classification of Confidential Expenditures**

- (1) Where in the national budget or supplementary appropriations, budgetary classifications are made for expenditures of a confidential nature; the details of such classification shall be presented and agreed with the leadership of the Legislature.
- (2) After agreeing with Leadership of the Legislature, then the summary, subtotal or total shall be shown in the National Budget or added to another figure in the National Budget or the Supplementary Budget.

### **D.15. Changes in Budget Classification**

- (1) In accordance with Section 8(2)(c) of the Public Finance Management Act, where changes are introduced to the classifications which may alter the presentation of documents sent to the Legislature, the Minister shall provide advance notification of such changes at least one calendar month before the submission of the National Budget.
- (2) The Minister shall ensure that the Legislature is provided with full details of the new classifications and implications of such classifications.

### **D.16. Budget Committees and Their Responsibilities**

- (1) Every head of government agency shall establish a Budget Committee which shall be responsible for budget formulation, implementation, monitoring and evaluation made up of
  - (a) The head of government agency, who shall be the chairperson; and (b) Heads of budget management centers or cost centers.
- (2) A Budget Committee shall:
  - (a) review and formulate the strategic plans based on the policies of government;
  - (b) review Government Agency's revenue collecting activities;

- (c) allocate resources based on objectives, outputs and activities;
- (d) coordinate, and consolidate the budget; (e) monitor, and evaluate budget performance; and (f) report in accordance with these regulations.

#### **D.17. Revenue Estimates**

- (1) Consolidated Fund Revenue includes Tax Revenues and Non-Tax Revenues as defined in these regulations.
- (2) In estimating revenue for a budget period, A head of government agency shall
  - (a) identify all activities that already generate revenue;
  - (b) identify all activities that have the potential to generate revenue;
  - (c) estimate the frequency of these activities and calculate the revenue arising from these activities; and
  - (d) produce a monthly forecast identifying when revenue flows are projected to take place; and
  - (e) produce quarterly and annual forecasts indicating underlying assumptions as well as risks involved.
- (3) In estimating Consolidated Fund Revenue in sub-regulation (2) above, the head of a government agency shall examine the administrative efficiency of collection, the accuracy of past estimates and the relevance of rates and charges to current economic conditions or financial and fiscal policies.
- (4) Estimates for the budget year shall be based on current rates or charges and proposals for change of rates or charges shall indicate the revenue impact of such changes.
- (5) All agencies that have legislative approval to retain and utilize portions of their internally generated funds shall be required to project these resources as part of their annual Non-Tax Revenue estimates.

#### **D.18. Classification of Expenditure and Payments**

- (1) For the purposes of budgeting and accounting, the expenditures and other payments of Government agencies shall be classified by administrative/institutional unit responsible for spending, appropriated at spending agency level, and will be further classified according to economic classification structured around the following major categories of spending:
  - (a) Recurrent expenditures further subdivided by:
    - (i) Wages, salaries and other allowances
    - (ii) Goods and services
    - (iii) Current subsidies and transfers
    - (iv) Interest payments on debt
  - (b) Acquisition of capital assets
  - (c) Lending
  - (d) Equity participation



(e) Repayment of external or domestic debt

(2) Non agency specific expenditures for which the Minister is responsible, such as general claims, debt service and other mandatory or constitutionally prescribed spending, shall be established in the same manner and classification as stipulated in sub regulation (1) above.

### **D.19. Expenditure Estimates**

(1) In estimating Consolidated Fund Expenditure for a budget period, a head of government agency shall:

- (a) take into consideration the Government's macro-economic framework, Government resources and priorities, and any ceilings approved by the National Budget Committee and Cabinet;
- (b) prepare a strategic plan which shall include a definition of the Government agency's mission, goals, objectives, outputs and activities;
- (c) make an analysis of the past year's budgetary performance to guide expenditure projections of next year's programs;
- (d) make an analysis of the composition of expenditure of the agency with particular focus on the fixed costs of its budget;
- (e) take on board recurrent costs of development projects whose implementation may come to a close in the budget year;
- (f) bring on board the cost unfinished components of projects initiated in the previous fiscal year;
- (g) take on board budgetary implications of new policies and legislations;
- (h) cost and prioritize the activities of the Government agency taking into consideration the resource ceiling;
- (i) prepare the budget statement in accordance with these regulations;
- (j) prepare a detailed procurement plan consistent with the annual work plan of the agency; and
- (k) prepare cash forecast identifying when expenditure outflow is projected to take place consistent with the annual work and procurement plans mentioned in subregulation 1(j) above.

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

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

### **D.20. Submission of Budget Proposals**

(1) Budget proposals from a head of government agency sent directly to the Minister incorporating budget proposals of semi-autonomous agencies under the auspices of the government agency.

- (2) Budget proposals from other agencies under the Office of the President shall be routed through the Office of the President to the Minister,
- (3) Budget proposals from statutory agencies that are required to submit their budgets to the President shall be submitted as such.
- (4) Subject to any other enactment, sub-regulations (1) to (3) do not apply to autonomous agencies unless a specific alternative procedure has been approved for them by the Minister.

#### **D.21. Examination of Budget Proposals**

- (1) The Minister may require any budget proposals to be examined and reported on by any other agency of Government and may issue directions for the routing of submissions accordingly.
- (2) Any officer of an agency under sub-regulation (1) shall for the purposes of the examination be deemed to have been appointed by the Minister in the exercise of the authority specified in these regulations.
- (3) The Minister may call for any information that is required for the proper discharge of the Minister's responsibilities from a government agency and the information shall be promptly and correctly given.
- (4) A person who fails under sub-regulation (1) to provide information, or submits information which that person knows to be misleading or incorrect, is in breach of financial discipline as defined in sub regulation A.20(1).

#### **D.22. Budget Hearing**

- (1) On receipt of estimates from ministries and agencies, the Minister shall cause to be conducted budget hearings to review strategic plans and estimates of the government agencies concerned in order to ensure that these plans and estimates are in accordance with the Government's macro-economic policy and fiscal framework.
- (2) Where necessary, the Minister may require a government ministry or agency to make adjustments to its strategic plans and estimates in order to fulfil the requirements of the Government's macro-economic policy and fiscal framework.

#### **D.23. Budget Approval**

- (1) The proposed budget shall be presented to Legislature by the President or by the Minister, upon delegation of that authority by the President.
- (2) Except otherwise provided in section 15(2) of the Public Finance Management Act 2009, the Legislature shall inform the President when the national budget is approved.

### **PART E. BUDGET EXECUTION**

#### **E.1. General Rules Related to Budget Execution**

- (1) The rules related to budget execution will be detailed out further in accounting instructions and guidelines issued from time to time by the Minister.

- (2) Overall control of national budget execution will be exercised through strict application of the following general rules, which shall apply to all transactions with the specific exception of debt service payments
    - (a) total aggregate allotments for a particular appropriation line in a given fiscal year may not exceed the amount appropriated for that line in the annual appropriations act, amended from time to time through budgetary reallocations made pursuant to Section 25 of the Public Finance Management Act 2009 and Supplementary Appropriations Acts;
    - (b) within the aggregate allotment control stipulated in part (a), total allotments against a detailed budget line in a given fiscal year may not exceed the amount allocated to that line in the detailed annual budget estimates, amended from time to time through budgetary reallocations and/or supplementary budgets;
    - (c) total payments for a detailed budget line in a given fiscal year may not exceed the allotments issued against that budget line.
  - (3) Debt service payments shall be among the first call on resources. The Comptroller General shall ensure this is done to the extent possible that the Government of Liberia does not default on debt obligations. Debt payments shall be made irrespective of whether they meet the general rules subject to reporting of any excess over appropriations, with full explanations of the circumstances, to the Legislature in the next quarterly reporting cycle.
4. Other than temporary treasury liquidity management operations, no payment shall be made from the Consolidated Fund except under an item identified in the annual budget estimates, amended from time to time through budgetary transfers and/or supplementary budgets.

## **E.2. Supplementary Guidelines on Budget Execution**

To supplement these regulations, the Minister shall issue accounting instructions and guidance pertaining to the various stages of budget execution which are:

- (a) Allotment: in-year spending ceilings set by the Minister for a Spending Unit based on annual appropriations and spending plans
- (b) Commitment: reserving funds to meet future obligations arising from procurement of goods and services
- (c) Contract/Local Purchase Order: document formalizing the order to procure goods and services by the government
- (d) Financial liability (accrual): amounts due for payment from the time goods and services have been delivered to the time payment is settled.
- (e) Payment Order: instruction to make payment for goods and services
- (f) Payment: settlement of accrued financial liability by cash, check or electronic payment

## **E.3. Release of Funds to Meet Expenditure**

- (1) After Legislature has approved the National Budget Estimates, authority to

- (a) withdraw from the Consolidated Fund to meet expenditures approved in the National Budget or by the Appropriation Act shall be by a General Warrant issued by the President, authorising the Minister to execute the national budget and exercise oversight over the Consolidated Fund;;
- (b) commit funds shall be conveyed in writing to line ministries and agencies by the issue of instructions relating to budgetary allotments signed by Deputy Minister of Budget;;
- (c) The Deputy Minister of Expenditure and Debt Management shall be notified in writing of the budgetary allotments issued under sub-section (b) above;

#### **E.4. Provisional Warrant**

(1) Where the Appropriation Bill is not approved before the first working day of the fiscal year, the Minister shall pursuant to section 17 of the Public Finance Management Act collect revenues and approve expenditures, in line with the proposed budget, up to onetwelfth(1/12) of the budget of the previous year.

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

- (a) one month from the beginning of the financial year; or
- (b) immediately before the approval of the National Budget

, which ever is earlier.

(3) Upon the issue of a General [Warrant](#) the authority conveyed by a Provisional Warrant mentioned in regulation E.3(1a) above shall lapse, and all expenditure made under the Provisional Warrant shall be deemed to have been made under the authority of the Warrant.

#### **E.5. Audit Copies**

Copies of all warrants and cash allotments issued to the head of government agency for the benefit of ministries and agencies shall be sent to the Auditor General, upon request.

#### **E.6. Budgetary Control**

(1) A head of government agency shall exercise budgetary control over the activities of the government agency in accordance with these regulations and the procedures for budgetary control shall be stated in Accounting Regulations supplemented by the accounting instructions for that government Agency.

(2) An expenditure shall not be incurred, a commitment or a charge shall not be made against an appropriation except at the request of the appropriate head of a Ministry, a Government agency or a spending unit for which the appropriation was made or his/her authorized deputy.

## **E.7. Warning of Budget Variation**

- (1) A head of government agency shall inform the Sector Minister or appropriate authority immediately of any circumstances that are likely to affect materially the budgetary results either through revenue and expenditure or other receipts and payments of the Government agency.
- (2) The sector Minister or the appropriate authority shall take the necessary steps to bring to the notice of the Minister any warnings of significant or material budget variations.

## **E.8. Reallocations**

- (1) Where circumstances arise in which the operating requirements of a Government Agency make it necessary to rearrange the budget provision for sub-heads, items or sub-items or sub-sub-items within the ambit of a single head, savings under one classification may be utilised to provide for extra expenditure under another without affecting the total funds to be disbursed from the head.
- (2) The Deputy Minister of Budget, may approve reallocation of appropriations to promote efficiency in government, to support changes in program enacted by the National Legislature to take effect during the year, and to provide resources he deems necessary for an agency to render essential basic services subject to the following rules:
  - (a) Except for donor funded projects, in sub regulation 2(g) below, no reallocation may be made from the budget of one government agency to the budget of another government agency, except to address national emergencies about which the President had notified the National Legislature;.
  - (b) Notwithstanding (a) above, request for reallocation between government agencies may be approved up to a total for the year not exceeding twenty (20)percent of the appropriation for the agency from which the transfer is to be made or twenty (20). Any such transfer exceeding twenty (20) percent of the donor agency's appropriation must meet the approval of the Minister and the head of the donor agency.
  - (c) No reallocation may be made from or into Personnel Expenditure from other major object of expenditure or between items within personnel expenditure without written approval of the Civil Service Agency.
  - (d) No reallocation may be made to increase amounts appropriated for foreign travel or purchase of vehicles
  - (e) The rules in (a).(b) and(c) apply to all reallocations approved by the Deputy Minister of the Budget.
  - (f) Request by an agency head for reallocations within an agency and within a program, within goods and services or within capital expenditure shall be approved without limitations.
  - (g) Request by an agency head for reallocations within a program between objects of expenditure may be approved without limitation.
  - (h) Request for reallocations within an agency between programs may be approved up to a total for the year not exceeding ten (10) percent of the

original appropriation for the program from which the reallocation is to be made.

- (i) The Minister shall include cumulative reallocations in the quarterly fiscal outturns to be submitted to the Legislature in accordance with Section 26(2) of the Public Finance Management Act,2009.
- (3) The Deputy Minister for Budget may delegate the power to authorise reallocations to head of government agency, stating clearly the terms and extent of such delegation.
  - (4) For a reallocation proposal to be approved, the following conditions should be met:
    - (a) On approval of a reallocation application by the Minister,the Deputy Minister for Budget or sector minister, a reallocation warrant shall be issued by the Minister or Sector Minister or any authorised officer.
    - (b) Reallocation warrants shall be numbered consecutively within the year of issue and shall be laid before Legislature prior to the subsequent budget.
    - (c) Sufficient funds must exist in the budget from which they will be transferred to cover the cost of the increased expenditure in the receiving budget, after recognition of planned expenditure and future commitments.
    - (d) Controls must be in place to restrain expenditure in the reduced budget to the new level.
    - (e) If more than one budget holder is involved, all budget holders must agree to the proposed reallocation.
    - (f) The expenditure for the proposed activity or event must not conflict with the priorities and objectives of the institution.
    - (g) The head of Government Agency or the Accounting Officer must maintain a register of all budgetary reallocations.

### **E.9. Revised Budget Estimate**

- (1) During the course of the financial year, the Minister, under the authority of the President, may review the national budget.
- (2) Where in the course of the review it is found that the amount of monies appropriated by the Appropriation Act for any purpose is insufficient or that a need has arisen for expenditure for a purpose for which no sum of money has been appropriated by that Act, or additional resources have been recorded, a revised budget or supplementary budget estimates showing the sum of money required or monies in excess of the projections, shall be laid before Legislature for approval.

### **E.10. Content of Revised Estimates**

A Revised Estimates shall contain

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

### **E.11. Supplementary Provision for Existing Activities**

- (1) If the head of Government Agency considers it likely that the funds provided for existing activities for the financial year will prove insufficient he/she, shall prioritise the activities of the Government Agency and ensure that only the critical activities are considered first.
- (2) Where prioritising shall jeopardise the production of some essential outputs, the head of Government Agency shall forward supplementary estimates to the responsible Minister, who shall make any necessary comments on the supplementary estimates before forwarding it to the Minister.

### **E.12. Supplementary Provision for New Activities**

- (1) Subject to sub- regulation (2) below, approval for the introduction of new activities shall only be considered when introduced in the annual estimates in accordance with the procedure laid down in Section 19 of the Public Finance Management Act, 2009 and these regulations.
- (2) If the Government considers the introduction of new activities at an earlier date to be in the public interest, the Minister shall sign a certificate of urgency to be submitted with the application to the Legislature.
- (3) The accompanying memorandum shall indicate the reasons for issue of the certificate of urgency.

### **E.13. Supplementary Provision Arising from Increase in Costs of Activities**

- (1) If additional funds are required because of increased activity costs that could not be foreseen when the annual estimates were presented, application for supplementary estimate shall be made to the Minister through the Line Minister, Sector Minister, or appropriate authority.
- (2) The accompanying memorandum shall explain how the extra costs became necessary.

### **E.14. Notification of Revised Estimates**

- (1) After Legislature approval, the Minister shall communicate the revised estimates to the Comptroller-General, the Auditor-General and the Government Agency concerned.
- (2) The funds shall be disbursed to the beneficiary Government Agency in accordance with the provisions of the Public Finance Management Act, 2009 .

### **E.15. Evasion of Expenditure Control**

- (1) A head of government agency shall not vary the normal course of payment to avoid causing an excess on any item of expenditure or to avoid lapse of funds after the 90 day grace period provided in Section 27 of the Public Finance Management Act of 2009 and in particular shall not:
  - (a) make payments in advance for goods or services to be delivered beyond 90 days in the subsequent financial year;

- (b) place funds on deposit, with a service provider or any other agency to avoid the consequences of lapse of funds beyond 90 days in the subsequent financial year.

(2) Failure to comply with sub-regulation (1) is a breach of financial discipline as defined in sub regulation A.20(1).

### **E.16. Double Spending**

(1) Except as provided for in the Public Finance Management Act 2009, and these regulations, a head of government agency may not authorize payment to be made out of funds earmarked for specific activities for purposes other than those activities.

(2) A person who makes a payment contrary to sub regulation (1) is in breach of financial discipline as defined in regulation A20(1).

### **E.17. Reporting Budgetary Progress**

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

## **PART F. GOVERNMENT BORROWING, PUBLIC DEBT AND GOVERNMENT GUARANTEES**

### **F.1. Conditions for Government Debt**

- (1) All financial obligations undertaken on behalf and for the account of the Republic of Liberia in full compliance with the Public Finance Management Act 2009, shall be government debt, and shall be a liability of the government.
- (2) All government borrowing terms and conditions shall be consistent with Section 28 of the Public Finance Management Act 2009.
- (3) Subject to Section 28(4) of the Public Finance Management Act 2009, the Head of the Debt Management Unit at the Ministry of Finance shall serve as Secretary to the Debt Management Committee.
- (4) Where the government debt is revalued in Liberian dollars, obligations denominated in foreign exchange other than the United States dollar shall be translated at the exchange rate of the Central Bank of Liberia as of the date of revaluation.
- (5) The government debt shall be undertaken through: (a) issues of government securities; (b) government loan agreements.
- (6) Government debt may be taken up in the following cases:
  - (a) to finance budget deficit;
  - (b) to finance investment projects and specific programs, where approved by the Legislature;
  - (c) to refinance the government debt outstanding on the maturity date or prior to this date;



- (d) to meet payments under government guarantees that have become due; and (e) to support the balance of payments of the country.
- (7) Refinancing may be used for the following purposes:
- (a) to reduce the present value of government debt servicing expenses;
  - (b) to extend the average weighted maturity (modified duration) of government debt;
  - (c) to balance distribution of government debt payments.
- (8) The conditions that investment projects and specific programs approved by the National Legislature should meet, and the procedure for their consideration shall be determined by the Debt Management Committee.
- (9) The government debt may be agreed upon, issued and paid in local currency, United States dollars, or in any other convertible foreign currency.
- (10) The amounts due as interest and principal payments on the government debt shall be a priority payment of the general government.

## **F.2. Debt Limit**

- (1) The Debt Management Committee shall for a respective year set forth:
- (a) the maximum amount of the new government debt and the government guarantees which may be undertaken throughout the year;
  - (b) the maximum amount of government debt as at the end of the budget year.
- (2) For the purposes of monitoring compliance with the limits under sub regulation (1), the amount of government debt and government guarantees which are not denominated in Liberian dollars or United States dollars shall be recalculated at the exchange rate of the Central Bank of Liberia as of the date of occurrence of the liability.
- (3) Where government securities are issued with a discount or a margin, the limit shall be calculated on the basis of the face value of the government securities.
- (4) The outstanding portion of the consolidated government debt at year-end as a ratio of the projected gross domestic product of that year, may not exceed 60 per cent.
- (5) For the purposes of calculating the ratio under sub regulation (4), the amount of the gross domestic product at current prices, taken from the three-year budget projection approved by the Debt Management Committee, and the amount of the consolidated government debt in Liberian dollars or United States dollars translated at exchange rates set in the three-year budget projection approved by the Debt Management Committee, shall be used.
- (6) In the event of any risk of noncompliance with the requirement under sub regulation (5) the Debt Management Committee may propose some restrictions on the issuance of debt and Social Security Corporations debt in the national Budget Law for the respective year.

## **F.3. Powers in Relation to the Government Debt**

- (1) The Minister shall undersign on behalf of the government the government loan agreements on the grounds of a decision of the Debt Management Committee pursuant to the International Agreements Law.

- (2) Government securities shall be issued by the Central Bank on behalf of Ministry.
- (3) The Minister of Justice shall prepare a legal statement of opinion on the fact of ratification, which shall serve as a notification to the creditors in the cases where government debt agreements or guarantee agreements are ratified by the Legislature.
- (4) The Minister may extend the funds of the loan to government bodies, financial institutions and/or other legal entities pursuant to the conditions of the agreement, where a government loan agreement provides for target financing.
- (5) Government bodies and financial institutions under sub regulation 1 may extend funds to finance investment projects or other activities of third parties that meet creditor's requirements, and an agreement to this effect shall be concluded with the Minister. To obtain such funds, the third parties shall provide a security in an amount covering the principal and interest due.
- (6) The Minister shall prepare and publish a quarterly report on the state of the government debt.
- (7) The quarterly report under sub regulation 7 shall be considered by the Debt Management Committee and shall be submitted to the Legislature as an integral part of the annual government budget performance report.
- (8) The Minister shall develop a three-year government debt management strategy, which shall be approved by the Debt Management Committee and endorsed by the Cabinet..
- (9) The strategy under sub regulation 8 shall be updated on an annual basis and shall be submitted together with the three-year budget projection for approval by the Debt Management Committee and adoption by the Cabinet.
- (10) The Minister in consultation with the Debt Management Committee may effect financial transactions in view of reducing the risk in relation to the government debt structure.

#### **F.4. Government Guaranteed Debt**

- (1) All financial obligations for which the Debt Management Committee has issued guarantees on behalf and for the account of the government, in full compliance with the Public Finance Management Act 2009, shall be government guaranteed debt.
- (2) The Minister shall participate in the negotiations on the extension of a government guaranteed loan, and shall undersign on behalf of the government agreements on the issuance of a government guarantee or guarantee letters pursuant to a Debt Management Committee' decision.
- (3) The Debt Management Committee shall participate in the negotiations of government guaranteed loans ,together with the Minister.
- (4) Any proposals for amendments to the loan or guarantee agreement, in the cases of government guarantees already issued, shall be made with the prior approval of the Minister in consultation with the Debt Management Committee
- (6) Borrowers under government guaranteed loans shall provide to the Minister, on a monthly basis by the 15th of the month, information on the state and movement of funds under the loan.

- (7) Where necessary, the Minister may request additional information on the government guaranteed loans from the government authorities that have proposed the issuance of the guarantee, and they shall provide it within 15 days from the receipt of the request.
- (8) The terms and conditions that projects applying for government guaranteed financing should meet, and the government guarantee issuance procedures shall be determined by the Debt Management Committee.
- (9) Interest and principal payments of government guaranteed debt shall be paid by the borrowers.
- (10) Payment under a government guarantee shall be due only in the event:
  - (a) a borrower has not effected a full or partial payment on a loan in accordance with the loan agreement terms and conditions;
  - (b) a creditor has taken the steps and actions provided for in the respective loan agreement for collection of the amounts due from the borrower.
- (11) In the cases under sub regulation 10, the borrower and the creditor shall notify the Minister within three days.
- (12) Where the requirements under sub regulation 10 (b) have not been provided for in the government guarantee issuance agreement, the Minister shall determine together with the creditor the actions to be taken where a payment on a government guarantee is due, as well as the time limits within which the government should pay the overdue amount.
- (13) From the date of the payment under a government guarantee, the government shall enter into the creditor's rights under the loan agreement to the amount of the payment made.
- (14) The borrower shall reimburse in full the amounts paid to the creditor under a government guarantee, and the expenses incurred in relation to the payment.
- (15) The Minister shall take any actions under the effective legislation to recover the amounts paid under the government guarantee.

#### **F.5. Debt of the Central Bank of Liberia, and Social Security Corporation**

- (1) The debt of the Central Bank of Liberia shall not be guaranteed by the government and shall not constitute a liability of the Government, except for the cases where a government guarantee has been issued according to the appropriate procedure.
- (2) The Central Bank of Liberia may undertake debt pursuant to the provisions of the Law establishing the Central Bank of Liberia.
- (3) The debt of Social Security Corporation shall not be guaranteed by the government, and shall not constitute a liability of the government, except for the cases where a government guarantee has been issued according to the appropriate procedure.

## **F.6. Private Debt**

- (1) All financial obligations undertaken by residents, who do not act on behalf of the Government, Social Security Corporation, or the Central Bank of Liberia, shall constitute private debt.
- (2) Private debt shall not be guaranteed by the government and shall not be a liability of the Government Social Security Corporation, or the Central Bank of Liberia, except for the cases where a government guarantee has been issued according to the appropriate procedure.

## **F.7. Government Debt Agent**

- (1) The Central Bank of Liberia, shall act, under terms and conditions agreed with the Minister, as fiscal agent for the government..
- (2) To perform its functions under sub regulation (1), the Central Bank of Liberia shall remit on behalf of the Government, debt service payments to external creditors and regulate and participate in government securities market..
- (3) The relations under sub regulation (1) shall be provided for in an agency agreement, and the Ministry shall pay a commission for the agency services rendered by the Bank. (4) For the purpose of performing its agency functions, the Central Bank of Liberia shall:
  - (a) establish and organize a system for conducting auctions and subscriptions for sale of government securities. The participants in the system shall be determined by the regulations under sub regulation 6(a);
  - (b) register government securities issues, secondary market transactions in government securities, and shall provide conditions for the development of the secondary market;
  - (c) establish and organize a government securities settlement system in which three or more members participate, who may be primary dealers, sub-depositories of government securities or other entities, specified by the Minister and the Central Bank of Liberia pursuant to the regulations under sub regulation (6), based on general rules guaranteeing the implementation of responsibilities related to the participation in the system pursuant to an agreement as:
    - (i) an order for registering a transfer sent to the system pursuant to its rules cannot be repealed after the time specified in the settlement system rules;
    - (ii) operations conducted by a participant in the system or by a third party after this time and aiming to withdraw or repeal the transfer order shall be deemed invalid;
    - (iii) withdrawal of a license for conducting bank activity of a bank or a foreign bank branch, or initiation of bankruptcy proceedings against another participant in the settlement system shall not affect the systems' obligations to process and execute settlement of the transfer orders submitted for registration by this participant, nor the validity; and controversy of such orders to third parties in case they have been entered into the system in compliance with its rules.
  - (d) select, jointly with the Ministry of Finance, government securities primary dealers and other participants on the government securities market and to take measures

against them in case of infringement based on rules and criteria set forth by the Minister and the Governor of the Central Bank of Liberia;

- (e) provide information on the financial position of government securities primary dealers;
  - (f) perform other mutually agreed activities.
- (5) Sub-depositories of government securities issued on the domestic market may be only credit institutions accredited by the Central Bank of Liberia.
- (6) The Central Bank of Liberia shall in consultation with the Minister issue regulations on the terms and procedure for acquisition, registration, redemption, and trade in government securities, excluding trading in financial instruments on regulated markets and multilateral trade facilities.
- (a) The Central Bank of Liberia shall regulate the government securities market and issue regulations on the control over transactions therein, excluding those executed on regulated markets in financial instruments and multilateral trade facilities.
  - (b) The Central Bank of Liberia shall in consultation with the Minister issue regulations on government securities settlement which shall provide for keeping government securities accounts with the Central Bank of Liberia and with the entities under sub regulation 4.
- (7) The Minister may sign agency agreements with other residents and non residents.

### **F.8. Information on the Public Debt**

- (1) The Ministry of Finance shall maintain an official register of the government and government guaranteed debt.
- (2) The official information on the consolidated government and government guaranteed debt shall be published on a quarterly basis by the Ministry in the newspapers and Internet.
- (3) Within 30 days prior to undertaking the debt or issuing a guarantee, the Social Security Corporation or other social security companies and provident funds shall be obligated to inform the Ministry about their intentions to undertake any debt or to issue a guarantee.
- (4) The Minister in consultation with the Debt Management Committee shall determine the procedure, manner and time limits for provision of information on the state and funds movement of debts of the National Social Security Corporation or other social security and provident funds to be set up in future.

## **PART G. AID MANAGEMENT FRAMEWORK AND RESPONSIBILITIES OF NON-GOVERNMENTAL ORGANISATIONS**

### **G.1 Responsibilities of Spending Agencies for Donor Funding**

All spending entities which are beneficiary of donor funding not channeled through the budget shall:

- (a) within seven (7) working days, submit copies of relevant cooperation agreements and memoranda of understanding to the Minister and the Minister of Planning and Economic Affairs.
- (b) fully disclose to the Minister and the Minister of Planning and Economic Affairs, all information related to donor funding not channeled through the national budget, using the Government's Chart of Accounts and Budget Classification to classify expenditures and revenues.
- (c) The Ministry and the Ministry of Planning and Economic Affairs shall ensure that there are adequate arrangements to gather, Inventory, analyze and report on the information in sub regulation (1) and (2)

## **G.2 Minister's and Minister of Planning and Economic Affairs' Responsibility for Donor Funding**

- (a) The Minister shall have overall responsibility for aid management and shall:
  - (i) Maintain a full database of aid flows and produce reports on statistical records of aid flows data, including progressively bringing off-budget aid flows onto the budget;
  - (ii) Co-ordinate plans for loan financing, subject to Sections 28 and 29 of the Public Financial Management Act 2009 on Debt Management;
  - (iii) Co-ordinate plans for all general budget support and targeted budget support financing, as part of the national budget process;
  - (iv) Manage the pooled funding mechanisms;
  - (v) Act as an institutional link between the President's Office, and implementing bodies of the Government and the donors, as regards to aid management;
  - (vi) Liaise with the other ministries, departments and agencies for the planning of future donor and NGO impact on the budget.
- (b) The Minister of Planning and Economic Affairs shall have overall responsibility for aid coordination and shall:
  - (i) Act as an institutional link between the President's Office, and implementing bodies of the Government and the donors, as regards to aid coordination.
  - (ii) Co-ordinate plans for all other types of grant financing.
  - (iii) Prepare Annual and Mid-Term Reviews with various donors.
- (c) The Minister and Minister of Planning and Economic Affairs shall together:
  - (i) Liaise with the other ministries, departments and agencies for the planning of future external financial resources.
  - (ii) Identify sources of external resources.

## **G.3 Accounting for Donor Funding**

- (a) All moneys received by way of loans, grants, and donations shall constitute public moneys and shall be paid into the Consolidated Fund.
- (b) The Minister shall make provision in the budget estimates for loans, grants and donations receivable in cash.
- (c) Where the quantum of the loan, grant or donation referred to in sub regulation (2) is not known a provision shall be included in the estimates and when the quantum becomes known a supplementary estimate shall be raised for the amount involved.
- (d) Where loans, grants and donations are receivable in kind, the value of such donations shall be determined and included in the estimates and reflected as expenditure in the financial year.

- (f) Moneys received for specified projects which have been paid into the Consolidated Fund shall be released when required to the appropriate project bank account.
- (g) The Comptroller General shall—
- (h) cause to be kept and maintained in separate and proper books and records respect of all projects and donors, and for appropriate audited financial statements to be included in the financial report; and
- (i) ensure that whenever projects are completed, the project assets including buildings, plant, vehicles, furniture, fittings and equipment are properly recorded and handed over to Government or other appropriate authorities within the time frame provided for in the agreement.
- (j) Where no time frame is provided for the project, assets shall be handed over within three months from the date of the closure of the project.
- (k) In the absence of any instructions to the contrary any unexpended balance standing to the credit of any project account shall be paid into the Consolidated Fund.

#### **G.4 Responsibilities of Non-Governmental Organisations (NGOs)**

NGOs that implement development programs funded by public funds, including donor funding totalling US\$50,000(Fifty Thousand United States Dollars) or more a year shall be accountable through regular financial reporting and submission of annual audited accounts to the Minister, the Minister of Planning and Economic Affairs, and oversight line ministries as set out in section 30 of the Public Finance Management Act 2009.

#### **G.5 Documents to be Attached**

Documents to be attached to the financial reports and annual audited accounts in regulation G.4(above) shall include but not limited to: (a) A certificate of registration confirming that the NGO:

- (i) is a body corporate and separate from its members, with perpetual succession;
  - (ii) can engage in public interest activities and public fund-raising throughout Liberia;
  - (iii) is eligible for such fiscal or other benefits and privileges, as may be applicable to NGOs from time to time
- (b) Every registered NGO shall file with the Registrar's office the following documents and information which shall be part of the Registry accessible to the public:
  - (i) on an annual basis, and by such date as prescribed by the Public Finance Management Act 2009
  - (ii) its audited annual financial statements
  - (iii) its annual report outlining the activities undertaken by the NGO in the year and such other information as may be prescribed
  - (iv) an annual return reflecting details of its trustees, directors, office bearers, auditors and such other information as may be prescribed by the Board i. its source of funding
  - (v) in the event of any amendment to its constitution or governance instrument, a certified copy of such amendment, within sixty days of such amendment being adopted; and
  - (vi) any such further documentation or information regarding the officers and activities of a registered NGO which the Board may require.
- (c) Copies of the documents in sub regulation (1) and (2) shall be forwarded to the Minister, Minister of Planning and Economic Affairs, and oversight line ministries.

## **PART H. CASH MANAGEMENT AND BANKING ARRANGEMENTS**

### **H.1 Establishment of a Cash Management Unit**

- 1) There shall be established, under the Comptroller-General, a cash management unit. In order to ensure efficient management of government cash resources the unit shall perform at least the following functions:
  - a. Prepare an annual consolidated cash flow plan following passage of the annual budget based on inputs provided by spending agencies containing projected cash inflows and cash outflows on a monthly basis that includes contingency measures, outlining what the consequences of monthly shortfalls or surpluses would be to the cash plan;
  - b. Consolidate the revenue and expenditure of government agencies in order to provide a reliable and forward-looking information that forms the basis for treasury decision making processes;
  - c. Prepare, on a monthly basis, a consolidated quarterly cash flow plan based on inputs from spending agencies;
  - d. Produce quarterly rolling cash flow projections with the first month ahead being an operational cash plan and containing weekly forecasts.;
  - e. Update on a weekly basis, the quarterly cash plan in light of actual weekly revenues and expenditures on the basis of information provided by bank reconciliation unit;
  - f. Produce and disseminate a revised three-month cash plan (including operational plan for the first month) in advance of each month;
  - g. Produce a monthly report to the Minister showing actual outturn compared to the planned cash flows, showing variances and remedial measures in case of negative variances;
  - h. Review the financing implications of the consolidated annual cash plan and quarterly cash flow forecast and advise the Comptroller-General accordingly;
  - i. Monitor bank balances and major cash movements to ensure that they are managed in an efficient manner;
  - j. Review the daily cash position, monitor receipts and payments, monitor bank account balances and report to the Comptroller-General as appropriate.

### **H.2 Responsibilities For Cash Flow Planning**

- (1) The accounting officer, who is the head of the government agency, is responsible for establishing systems, procedures, processes and training and awareness programmes to ensure efficient and effective banking and cash management.
- (2) It is the responsibility of head of government agencies to submit to the Minister, within forty-five days of the commencement of the financial year, indicative cash flow requirements, broken down by month and by quarter, showing how they intend to spend their approved budgets;



- (3) Revenue-generating government agencies shall submit to the Minister, within forty five days of the commencement of the financial year, annual revenue projections broken down by month and by quarter;
- (4) The Minister shall consolidate all revenue and expenditure projections to provide an indicative annual cash flow forecast for each government agency;
- (5) The Minister shall, within fifteen working days after the passage of the annual budget formally notify all government agencies of their approved cash flow plans, based on which the deputy Minister of Budget will issue budgetary allotments;

### **H.3 In-year cash flow fluctuations and variations**

- (1) Heads of government agencies shall, within seven days of the preceding month, submit for approval of the Minister any changes to their monthly and quarterly cash flow plans;
- (2) In the event of anticipated cash flow fluctuations, the Minister may review the annual, quarterly or monthly cash flow forecast and inform government agencies of the changes within fifteen days preceding the month or the quarter in which the revenue shortfall is expected.
- (3) Government agencies shall make the necessary adjustments and inform the Minister in accordance with sub-regulation (1) above in order to be consistent with the approved budget

### **H.4 Surrender Of End-Of Year Surplus Cash Balances**

At the end of each financial year, and after the books of accounts of a government agency have been closed, the accounting officer must surrender to the Comptroller-General any unexpended voted money, for redepositing into the Consolidated Fund, unless permission has been formally granted by the Minister to use the unexpended moneys in the following financial year, pursuant to the provisions of Regulation B.26

### **H.5 Establishment of Treasury Single Account**

- (1) The Minister shall establish a Treasury Single Account through which sub-accounts of government agencies are managed as one from cash flow perspective
- (2) In order to minimize borrowing costs or maximize interest-bearing deposits, operating cash balances shall be kept to a minimum through consolidation into a Treasury Single Account

## **H.6 Operations Of A treasury Single Account**

- (1) The Treasury Single Account shall reflect, at a minimum the following features:
  - a. Under the responsibility of the Minister or designee, government agencies hold accounts at the Central Bank which are subsidiary accounts of the Main Treasury's Account;
  - b. Government agencies hold accounts either at the Central Bank or, for banking convenience, with commercial banks but in both cases the accounts must be authorized by the Minister;
  - c. Government agencies' accounts are zero-balance accounts, with money being transferred to these accounts as specific approved payments are made;
  - d. Government agencies' accounts are automatically swept at the end of each day;
  - e. Daily centralization of the cash balance (when possible) where the Central Bank consolidates the government position at the end of each day including balances in all the government accounts;
  - f. Transactions recorded into these accounts along the same set of classifications prescribed in the government's Chart of Accounts.
  
- (4) Cash advances requested by constitutionally established and other statutory institutions of the State, will be deposited on sub accounts of the main treasury account, but will be considered to be part of the Treasury's cash resources in line with the principles of the Treasury Single Account.
  
- (5) The Minister will ensure that adequate preparations and arrangements have been put in place ahead of introducing the Treasury Single Account operations in financial year 2010-11, as provided for by Section 48.1(c) of the Public Finance Management Act, 2009.

## **H.7 Investment of Surplus Balances of the Treasury Single Account**

- (1) The amount of money that periodically constitutes an idle balance in the Treasury Single Account system will be determined by the Comptroller-General.
- (2) The Comptroller-General, in consultation with the Central Bank, will establish a short term plan aimed at making the most efficient use of these idle balances, based on principles agreed by the Minister, and with due regard to the short term spending requirements in the cash flow plans.
- (3) The short term plan may include the re-purchase of Treasury Bills or other financial instruments issued by the Central Bank on behalf of the Government or investment in short term financial instruments recommended by the Central Bank.
- (4) Prior approval of the Minister is required before such plans can be implemented.

## **H.8 Banking arrangements**

- (1) Government agencies shall not open a bank account without the written approval of the Minister and previous approvals continue shall apply unless revoked.

(2) The central government banking arrangements, will follow, to the extent possible within the constraints of the banking system, the principles of a Treasury Single Account system.

(3) The Minister, or his designee shall, as far as possible authorize cash limits of the different sub-accounts within the Treasury Single Account according to a statement of cash balances reflected in the the books of the Treasury maintained by the Comptroller General

(4) The Minister shall ensure, to the extent possible, that all government payments are done through a direct deposit system, progressively graduating towards an electronic fund transfer system

### **H.9 Operation of Transitory Accounts**

(1) Where authorisation has been granted by the Minister to open transitory accounts, heads of government agencies or their controllers shall ensure that cash balances on those accounts are immediately deposited to the main treasury account in the Central Bank. Notwithstanding the foregoing generality all public moneys deposited in transitory accounts shall be swept to the main treasury account on a daily basis. In exceptional circumstances, such as for diplomatic missions, as determined by Ministerial instruction, deposit shall be made once a month.

(2) When commercial banks are involved in revenue collection or expenditure payments, the banking arrangements must be negotiated and contracted by the Minister in order to ensure that requirements for cash and budget management are appropriately taken into account. The Minister may authorise opening of deposit accounts with commercial banks, which shall be selected on a competitive basis to get higher-yielding terms.

(5) Private money shall not be deposited into an official bank account, except in accordance with the provisions of an enactment relating to money held in trust for other persons or bodies; nor shall state money be paid into a private bank account.

### **H.10 Registers and records of government bank accounts**

(1) The Comptroller-General shall maintain a register of all bank accounts opened by any government agency or public body, including extra-budgetary funds and donor-funded projects

(2) The Central Bank of Liberia shall maintain a list of government accounts, which it shall reconcile periodically with the list maintained by the Comptroller-General.

### **H.11 Authority to have access to government bank accounts**

(1) The Central Bank of Liberia shall advise the commercial banks that the Minister or his designee are authorized to demand or receive and obtain detailed bank statements for their respective bank accounts, at least monthly.

(2) Should there be any infringements of these regulations, the Comptroller- General may impose sanctions to block, and, in extreme cases, in consultation with the Minister, to close bank accounts

## **PART I. ACCOUNTING AND REPORTING**

### **I.1. Responsibility of the Comptroller-General**

The Comptroller-General shall have overall delegated responsibility from the Minister for Government Accounting and Treasury functions and execute the functions in accordance with the Public Finance Management Act, Regulation C.6 above and the Public Finance Management Regulations, and any other enactment.

### **I.2. Accounting Records**

Records classified as “accounts” include manual and electronic:

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

### **I.3. Definition of Working Papers**

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

- (a) copies of forms not used as vouchers such as office copies of requisitions, check order forms and check stubs;
- (b) record or registers used in controlling the flow of documents during accounting processes such as messenger’s receipt books, registers of returns;
- (c) circulars, notices and instructions received;
- (d) local files ; and
- (e) other documents such as personal working papers, drafts, calculations, note books and diaries.

### **I.4. Definition and Classes of Archival Records**

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

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

### **I.5. Provisions for Archival Records**

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

### **I.6. Public Accounts and Classification**

- (1) The documents and records pertaining to public and trust monies received into, held in and paid from the Consolidated Fund shall be termed the public accounts and shall be kept by the Comptroller-General in accordance with regulation I.5.
- (2) The documents and records pertaining to the collection of revenue, the control of expenditure, the administration of trust funds, the management of government movable and immovable assets, stores and inventories, and such other financial business as may be made the responsibility of government agencies shall be termed other government accounts and shall be kept by heads of government agencies.

### **I.7. Basis of Accounts**

- (1) The Minister in consultation with the Auditor-General shall, specify for agencies, the accounting policies, standards, bases, and the classification system to be applied in public accounting and ensure compliance with generally accepted international accounting principles in each case.
- (2) The Comptroller-General shall prescribe, in Accounting Instructions and Manuals, what constitutes generally accepted international accounting standards as approved by the Minister.

### **I.8. Opening of Suspense Accounts**

- (1) Where in the course of transactions, difficulties are met in immediately allocating receipts or payments to the correct account classification; a suspense account may be opened into which amounts may be temporarily posted.
- (2) Suspense accounts shall be opened only by the Comptroller-General with the approval of the Deputy Minister of Expenditure and in only the following circumstances:-
  - (a) In the case of payments, such accounts shall be brought to zero balance before the accounts for the financial year are closed.
  - (b) In the case of receipts, such accounts may be carried forward to the following year if the Comptroller-General has reason to believe that a third party may be involved.
  - (c) Such accounts shall be converted to deposit accounts under an appropriate title before the accounts for the financial year are closed.
- (3) No suspense account shall be used to transfer expenditure from one financial year to another.
- (4) Suspense account used in contravention of this regulation shall constitute breach of financial discipline in accordance with regulation A.20.

### **I.9. Quarterly Government Agency or Fund accounts**

- (1) There shall be prepared by each head of government agency and transmitted to the Auditor-General, the Minister and the Comptroller-General in respect of each quarter commencing from the beginning of the fiscal year, the accounts covering all Public Funds under his/her control.

(2) The accounts shall be submitted within a period of 15 days after the end of each quarter commencing from the beginning of the fiscal year. The Account shall include statements and documents to be specified in the International Public Sector Accounting Standards as adopted by the Government of Liberia.

(3) Notwithstanding, sub-regulations (1) and (2) the Minister shall give written directives to indicate the commencement date for the quarterly reporting for all or individual ministries and government agencies pursuant to the provisions of Section 48 of the Public Financial Management Act of 2009.

### **I.10. Quarterly Consolidated Fund Account**

(1) There shall be prepared by the Comptroller-General and transmitted to the Auditor-General and the Minister the accounts of the Consolidated Fund within a period of 30 days after the end of each quarter commencing from the beginning of the fiscal year. The accounts shall be published in the *Gazette* and shall comprise statements and documents to be specified in the International Public Sector Accounting Standards as adopted by the Government of Liberia.

### **I.11. Annual Government Agency Accounts**

(1) There shall be prepared by the head of government agency or an administrator or head of any Government agency and transmitted to the , the Minister and the Comptroller-General in respect of the year, accounts covering all Public Funds under his control. The accounts shall be submitted within a period of **two** months after the end of each fiscal year, or such other period as the Legislature may by resolution appoint, and shall include statements and documents to be specified in the International Public Sector Accounting Standards as adopted by the Government of Liberia.

### **I.12. Annual Consolidated Fund Account**

(1) The Comptroller-General shall within a period of four months after the end of each fiscal year, or such other period as Legislature may by resolution appoint,,prepare the accounts of the Consolidated Fund for the Minister's transmittal to the Auditor-General.:

- (a) a statement of the assets and liabilities of the Consolidated Fund at the close of the financial year, annotated with such qualifying information as may affect the significance of figures shown in the statement;
- (b) a summary statement of the receipts into and payments from the Consolidated Fund in comparison with the budget summary for the financial year;
- (c) a statement of the revenue and expenditure of the Consolidated Fund for the financial year in comparison with the approved and revised estimates for the year;
- (d) in relation to the Consolidated Fund, a statement of transactions during the year and an analysis of the position at the end of the year for: i) the public debt; ii) deposits and other trust moneys ; iii) the securities of government;  
iv) advances out of public funds; v) public loans; vi) equity investments; vii) a cash flow statement for the year; and viii) such other statements as may be required by any enactment.

### **I.13. Annual Public Account**

- (1) The Comptroller-General shall subject to sub-regulation (2) below, within a period of four months or such other period as Legislature may by resolution appoint, prepare Annual Accounts of the Public Fund for the Minister's transmittal to the Auditor General.:
- (a) a balance sheet showing the assets and liabilities of the Public Fund at the close of the financial year, annotated with such qualifying information as may affect the significance of figures shown in the statement;
  - (b) a summary statement of the receipts into and payments from the Public Fund in comparison with the budget summary for the financial year;
  - (c) a statement of the revenue and expenditure for the financial year in comparison with the approved and revised estimates for the year;
  - (d) a statement of transactions during the year and an analysis of the position at the end of the year for
    - i) the public debt; ii) deposits and other trust moneys; iii) the securities of government; iv) advances out of public funds; v) public loans; vi) equity investments of the Public Fund; vii) a cash flow statement of the Public Fund for the year; and viii) such other statements as may be required by any enactment.
- (2) The annual public accounts shall not be prepared only where there are other funds established outside the Consolidated Fund as per regulation B3.

### **I.14. Documents and Records Pertaining Accounts**

The documents and records pertaining to the collection of revenue, the control of expenditure, the administration of Trust Funds, management of government inventories and such other financial business as may be made the responsibility of a Government Agency, shall be kept by a head of government agency in accordance with sections 36(2) and 36(3) of the Public Finance Management Act, 2009.

### **I.15. Failure to Provide Financial Statements**

- (1) The Comptroller-General shall include in the report indicated in Regulation I.12 and I.13 above, details of heads of Government agencies who failed to submit financial statements in accordance with these regulations.
- (2) A head of government agency who fails to submit financial statements of the Government agency is in breach of financial discipline as defined in regulation A.20.

### **I.16. Closure of Accounts**

- (1) At the close of business of the last working day of each month or financial year, whichever is applicable, the accounts shall be balanced off.
- (2) The receipts and payments that belong to a period or a financial year other than the reporting period or financial year, shall be shown in the accounts and the details shall be given in the notes to the accounts.
- (3) Except as provided for in any enactment, no moneys shall be transferred from the appropriation to:

- (a) a deposit account; or to any other agency, for the purpose of meeting payments after the close of a financial year.
- (4) Where any payment has been properly charged to an advance account before the end of the financial year, or has been incorrectly charged to an appropriation account, the Comptroller-General may adjust the payments to the correct appropriation account after the end of the financial year as if the expenditure authorities had not lapsed.
- (5) The Comptroller-General shall not later than 30 days before the end of the financial year, inform heads of departments of the date of final closure of the accounts and heads of departments shall ensure that their own accounts are in agreement with the public accounts before the date of final closure.
- (6) Closing the public accounts for any financial year shall conclude the accounting for that year and no further adjustment shall be made to them.
- (7) Closure of the public accounts shall not debar any claim, proceedings or transactions arising from the closure and any transaction or adjustment arising from closed accounts shall be recorded in the public accounts of the year in which such transaction or adjustment is made.

### **I.17. Deletion from the Accounts**

- (1) The Comptroller-General shall annually review the account balances of the balance sheet items in the public and other government accounts and make proposals to the Minister through the Deputy Minister for Expenditure for deletion or adjustments subject to Legislature's approval.
- (2) Deletion from the accounts does not constitute a remission of an obligation, debt or claim and does not debar subsequent proceedings for recovery, should the Minister consider it necessary.
- (3) The obligations, debt and claims deleted from the accounts shall be reported in financial statements.

### **I.18. Fiscal Year**

The fiscal year of Government shall run from the 1<sup>st</sup> day of July until the 30<sup>th</sup> day of June the following year.

### **I.19. Audit of Accounts**

- (1) The public accounts, the accounts of ministries and government agencies and statutory corporations and other public institutions provided for by the Public Finance Management Act 2009 shall be audited in accordance with the provisions, and regulations made under the said Act.
- (2) The responsibility of the Auditor-General for examining and certifying government accounts does not relieve any officer responsible for keeping and rendering such accounts from the duty to comply and to ensure that subordinates comply with the provisions of any enactment, these regulations and with any instructions or directions issued under them.



(5) The Comptroller-General shall maintain or cause to be maintained by each head of Government Agency a register of all audit queries, observations and audit inspection reports.

(6) The register referred to in sub-regulation(5) shall contain the reference and date of the audit query, observation or report; and the date on which the audit query, observation or report was answered or otherwise dealt with.

## **PART J. INTERNAL CONTROL AND INTERNAL AUDIT**

### **J.1 Establishment and Functions of Internal Audit Governance Board**

(1) Pursuant to Section 38 of the Public Finance Management Act 2009, the Internal Audit Governance Board shall be established by the Minister.

(2) The Board shall be made up of five (5) persons consisting of the Minister, the AuditorGeneral, the Director General of the Civil Service Agency and two other persons with demonstrated track record and competency in financial management and public administration to be appointed by the Minister. in consultation with the Auditor General.

(3) The Executive Director of the Internal Audit Governance Board Secretariat shall be the Secretary to the Board.

(4) The Board shall meet four times per year on a quarterly basis, or more frequently as circumstances require.

(5) The quorum for meetings of the Board shall be three (3).

(7) Subject to Public Finance Management Act 2009 or any enactment, the Internal Audit Governance Board shall formulate policies, and set standards and procedures for the conduct of internal audit in all government agencies and government organisations.

(8) Government agency shall have the meaning ascribed to it in Section 3 of the Public Finance Management Act 2009. Government organisation shall have the meaning ascribed to it under Section 53.1(b) of the General Auditing Commission Act 2005.

(9) The Internal Audit Governance Board shall:

(a) establish appropriate structures for the effective and efficient execution of the objective of the Board;

(b) secure the achievement of the objective of the Board;

(c) approve plans for the development and maintenance of an efficient internal audit in Government Agencies; and

(d) take reasonable and timely action on reports submitted to it by the Auditor General, Heads of government agencies, Comptroller-General and Directors of Internal Audit;

(e) oversee the work of the Internal Audit Governance Secretariat in regulation J.2; and.

- (f) appoint Audit Committee members of government agencies and organisations.
- (10) To enhance enforcement of powers and provide the Internal Audit Governance Board with a regulatory operational framework, a Public Sector Internal Audit Charter shall be provided to encompass internal audit mandate, functions and powers of the Internal Audit Governance Board.
- (11) The Internal Audit Governance Board shall be provided with direct budgetary fund allocation to enable it to carry out its functions.
- (12) Adequate resources shall be allocated to the Internal Audit Governance Board to enable it to cater for necessary back-up of professional skills and experience to include a range of specialists from inside and outside the public service and in areas of specialised skills relevant to the organisation.
- (13) The Internal Audit Governance Board shall report to the President..

## **J.2. Establishment and Functions of the Internal Audit Governance Board Secretariat**

- (1) An full time Internal Audit Secretariat shall be established by the Internal Audit Governance Board.
- (2) The Secretariat shall be headed by an Executive Director who shall be appointed by the Internal Audit Governance Board in consultation with the Civil Service Agency. The appointee shall be a professionally certified accountant who is a full member of a professional accountancy body that is a member of the International Federation of Accountants (IFAC) or a professionally certified internal auditor who is a full member of a professional internal audit body recognized by The Institute of Internal Auditors. .
- (3) Detailed organizational structure and operational modalities of the Internal Audit Secretariat shall be prescribed under separate instructions and guidelines from the Internal Audit Governance Board.
- (4) Subject to sub regulation 3, the Internal Audit Secretariat shall under the direction and oversight of the Internal Audit Governance Board:
  - (a) provide unifying mechanism and standards for the internal audit function within all government agencies and government organisations.
  - (b) have overall responsibility for the performance of internal audit across government and for quality control and monitoring of internal audit within agencies.
  - (c) Co-ordinate all human resource matters of the Internal Audit technical staff in sub regulation J.3.

## **J.3 Establishment of Internal Audit Units**

- (1) There shall be established in each government agency or government organisation an internal audit unit which shall constitute a part of that institution.
- (2) The Internal Audit unit shall be headed by a Director.
- (3) The Internal Audit Governance Board shall in consultation with the Civil Service Agency appoint for each internal audit unit a Director and other personnel required to ensure an effective and efficient internal auditing of the institution concerned.

- (4) Subject to the Public Finance Management Act 2009 or any other enactment, an internal audit unit established under sub regulation (1):
- (a) shall be in accordance with these regulations, and the standards and procedures provided by the Internal Audit Governance Board;
  - (b) shall carry out internal audit of its institution and shall submit reports on the internal audit it carries out in accordance with section 38 (3) and (4) of the Public Finance Management Act 2009; the Internal Audit Governance Board standards and procedures; the Government Agency or Government Organisation's accounting and auditing instructions; and International Public Sector Accounting Standards, International Organization of Supreme Audit Institutions (INTOSAI) Standards, and Institute of Internal Auditors Standards as adopted by the Government of Liberia; and
  - (c) without prejudice to section 38 (3) and 38 (4) of the Public Finance Act 2009, the report in sub regulation 4(b) shall be submitted to the Head of the Government Agency or Government Organization through the Audit Committee copied to the Auditor General and the Internal Audit Governance Board.

## **PART K. MONITORING AND OVERSIGHT**

### **K.1. The General Auditing Commission and the Auditor-General**

- (1) In pursuant to section 53 of the General Auditing Commission Act 2005 the General Auditing Commission serves as a watchdog to monitor and audit Government's use of public funds and program performance. The Commission is also empowered to serve as the pillar of accountability, transparency, and fiscal probity within the public sector.
- (2) In accordance with section 53.3 of the General Auditing Commission Act 2005 the Auditor-General is empowered as the officer principally responsible for the conducting of comprehensive post-transaction audits, special financial investigations, reconciliations and analyses, and continuous audits on a routine basis.

### **K.2. Powers and Functions of the Auditor-General**

- (1) Subject to the provisions of the General Auditing Commission Act 2005, the AuditorGeneral shall audit the public accounts of the Republic of Liberia and of all public offices, including the courts, the central and local government administrations, of the Universities and public institutions of like nature, of any State-Owned-Enterprise, public corporation or other body or organization established by an Act of Legislature shall be audited and reported on by the Auditor-General.
- (2) For the purpose of sub-regulation (1), the Auditor-General or any person authorised or appointed for the purpose by the Auditor-General shall have access to all books, records returns and other documents relating or relevant to those accounts.
- (3) The public accounts of Liberia and of all other Government Agencies, or authorities referred to in sub regulation (1) shall be kept in such form as the Minister in consultation with the Auditor-General.

### **K.3. Independence of the Auditor-General**

- (1) In the performance of his functions under this regulation or any other law the Auditor-General -
- (a) shall not be subject to the direction or control of any other person or authority. :
  - (b) may disallow any item of expenditure which is contrary to law and surcharge -
    - (i) the amount of any expenditure disallowed upon the person responsible for incurring or authorising the expenditure; or
    - (ii) any sum which has not been duly brought into account, upon the person by whom the sum ought to have been brought into account; or
  - (c) the amount of any loss or deficiency, upon any person by whose negligence or misconduct the loss or deficiency has been incurred.
- (2) Nothing in this regulation shall preclude the President or the Minister from requesting the Auditor-General in the public interest, to audit, at any particular time, the accounts of any such body or organisation as is referred to in regulation K.2.
- (3) A person aggrieved by a disallowance or surcharge made by the Auditor-General may appeal to the Supreme Court.
- (4) The Rules of Court Committee may, by constitutional instrument, make Rules of Court for the purposes of sub regulation 3 of this Regulation.

### **K.4. Submission of the Audit Report to the Legislature**

- (1) The Auditor-General shall, within eight months after the end of the immediately preceding financial year to which each of the accounts mentioned in sub regulation (1), submit his report to Legislature and shall, in that report, draw attention to any irregularities in the accounts audited and to any other matter which in his opinion ought to be brought to the notice of Legislature.
- (2) The Legislature, subject to standing orders and any enactment shall debate the report of the Auditor-General and appoint where necessary, in the public interest, a committee to deal with any matters arising from it.

### **K.5. Failure to Answer Audit Queries**

Without prejudice to any other part of the regulations, every person 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, shall have his emoluments and allowances withheld for so long as the person fails to reply.

### **K.6. Audit Queries Register**

- (1) The Deputy Minister for Expenditure shall maintain or cause to be maintained by each head of government agency a register of all audit queries and inspection reports.
- (2) The register shall 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 or otherwise dealt with; and
  - (c) the date on which the audit query or report was answered or otherwise dealt with.

- (3) The head of government agency shall examine and initial the register at the end of every month.

### **K.7. Expenditure Tracking Units**

- (1) The Minister may establish an Public Expenditure Tracking Unit or designated officials in the Ministry to undertake a public expenditure tracking survey and all persons affected shall cooperate in providing accurate accounts and information to the survey team on the budgeted and actual transfer of resources to service delivery units.
- (2) On completion of the survey, the Public Expenditure Tracking Survey Unit shall, after consultation with the Internal Audit Governance Board Secretariat, Comptroller-General and Public Financial Management Reform Unit, make recommendations to the Minister on how to improve accountability, transparency and efficiency of transfer of resources.
- (3) The Minister shall present the findings and recommendations of the expenditure tracking surveys to the National Budget Committee for deliberation, guidance and adoption of an action plan to implement the recommendations, showing what actions are to be taken, when and who is responsible for implementation and reporting back to the National Budget Committee.
- (4) The recommendations of successive surveys may be integrated into the action plan of respective government ministries and agencies for subsequent fiscal years.
- (5) Each affected budgetary agency shall prepare its own internal action plan to implement the recommendations and ensure that this is integrated within its strategic plan.
- (6)

### **K.8. Duty of Heads of Government Agencies to Respond to Management Letters**

A head of Government agency, after consultation with the head of his internal audit Government agency and other relevant officers, shall respond to a report or management letter from the Auditor-General and to relevant provisions of a Ways, Means and Finance Committee report.

### **K.9. Register of Irregularities**

The Comptroller-General shall maintain a register of irregularities cited in reports of the Auditor-General to the Ways, Means and Finance Committee and monitor Heads of agencies' responses to irregularities raised in audit reports and management letters and address matters requiring changes in government-wide systems.

### **K.10. Establishment of Audit Committee**

A Head of government agency or government organisation shall in consultation with the Internal Audit Governance Board establish and maintain an audit committee for the government agency or organisation for which he/she is responsible.

### **K.11. Functions of Audit Committee**

- (1) The Audit Committee of government agencies or organizations shall:

- (a) review internal controls, including the scope of internal audit, internal audit plans, internal audit findings, and recommend to the head of government agency the appropriate action to be taken
  - (b) review with the Auditor General or other external auditors, as may be appropriate, the scope of their audit plan, the system of internal audit reports and assistance given by officers or staff to the auditors and any findings and action to be taken.
  - (c) be responsible for resolution of any disagreements between Management, Internal Auditors and the Auditor General regarding internal controls and financial reporting.
  - (d) co-ordinate all audits of the government agency or organization.
- (2) Audit Committees in Government Agencies shall ensure that policies, directives, guidelines and standards for internal auditing are complied with and approved audit recommendations of both internal and external auditing as well as recommendations of expenditure tracking surveys are implemented.
- (3) The Committee shall consult with the head of government agency but shall not delegate the responsibilities in sub regulation (1).
- (4) Notwithstanding sub regulations (1) and (2) it shall be the duty of the head of Government agency and the Auditor General to conduct audits to determine that the organization's financial statements and disclosures are complete and accurate and are in accordance with International Public Sector Accounting Standards as adopted by the Government of Liberia.

#### **K.12. Committee Membership and Organisation**

- (1) Members of the Audit Committee shall be appointed by the Internal Audit Governance Board.
- (2) Membership of the Audit Committee shall consist of three or more persons as determined by the Internal Audit Governance Board, or any other enactment, each of whom shall satisfy independence, financial literacy and experience requirements and any other regulatory requirements.
- (3) The majority of the members of the Committee shall not be full-time employees of the government agency or organization and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing.
- (4) In the case of a Government Agency or state owned enterprise, at least one person shall be from outside the public service.
- (5) At least one Committee member shall be a designated "audit committee financial expert" who shall be an accountant or auditor by profession or expert in the fields of accounting or auditing.
- (6) The Committee's Chairperson shall be designated by the Board or, if it does not do so, the Committee members shall elect a Chairperson by vote of a majority of the full Committee.
- (7) The Committee may form and delegate authority to subcommittees when appropriate.
- (8) No committee member shall serve on the audit committees of more than three government agencies or organizations.

- (9) Committee members shall serve for a period of three years renewable for another period of three years only.
- (10) Committee members shall serve until their successors shall be duly elected and qualified.
- (11) Notwithstanding sub regulation 10, if a member ceases to be "independent", such person shall immediately resign as a Committee member.

### **K.13. Meetings of the Audit Committee**

- (1) The Audit Committee shall meet four times per year on a quarterly basis, or more frequently as circumstances require.
- (2) Notwithstanding sub regulation (1),
  - (a) Upon the request of any auditors, the Chair of the audit committee shall convene a meeting to consider any matter that the auditors believe should be brought to the attention of the responsible authorities.
  - (b) The Chair of the audit committee shall send or cause to be sent -
    - (i) all notices of audit committee meetings;
    - (ii) all minutes of audit committee meetings.
- (3) The Committee shall require members of Management, the Internal Audit Unit of the Government agency, the Auditor-General's staff, the independent auditors and others to attend meetings and to provide pertinent information, as may be deemed to be necessary.
- (4) As part of its job to foster open communications, the Committee shall meet in separate executive sessions during each of its four regularly scheduled meetings with Management, the head of the Internal Audit, the Auditor-General's staff and the independent auditors to discuss any matters that the Committee or any of these groups believes should be discussed privately.

### **K.14. Ways, Means and Finance Committee of the Legislature**

- (1) Subject standing orders and any other enactment, the Ways, Means and Finance Committee of Legislature shall always have right to -
  - (a) Examine and inquire into all such matters and things as may be referred to it by the National Legislature, and to report from time to time its observations thereon with the power to send for persons, papers and records, and to examine witnesses under oath;
  - (b) Review the Public Accounts of Liberia and the issues raised in the annual report of the Auditor-General which have been referred to the Committee.

## **PART L. AUTONOMOUS AGENCIES AND SPECIAL FUNDS**

### **L.1. Autonomous Agencies**

- (1) Autonomous agencies and special funds shall be governed by Sections 39 to 42 of the Public Finance Management Act 2009.

- (2) Financial management systems and rules of autonomous government agencies and Special Funds shall mirror those in central Government and their fiscal calendar shall be the same as that of the Government.
- (3) It is the duty of head of autonomous agency to maintain books of accounts and records and for such specific periods as may be prescribed in Accounting Regulations under the PFM Act of 2009 or any other enactment.
- (4) Head of autonomous government agencies shall prepare and submit their budget proposals for review to the Minister at least four months before the commencement of the next fiscal year by presenting a balanced budget based on realistic projections of resources and expenditures. In each case, they shall indicate any current or potential external donor funding, outstanding debt including accumulated arrears to suppliers as at the end of the preceding year.
- (5) Quarterly financial reports shall be submitted to the President, Minister and Auditor General within two months after the end of the quarter, comprising at least: a statement on revenue and expenditure, cash flow statement and balance sheet.
- (6) Annual accounts shall be submitted to the President, Minister and Auditor General within two months after the end of the preceding fiscal period, showing at least revenues, and expenditure performance with a narration for variances, if any, statement of cash flow, changes in the balances sheet, accumulated arrears as at year-end, and outstanding debt.
- (7) Surrender of unexpected surplus funds. At the end of the fiscal year, and after all books of account of an agency has been closed, the accounting officer must surrender within seven working days, to the comptroller-General any unexpected voted money, for redepositing into the Consolidated Fund.
- (8) All income accruing to an autonomous agency in form of internally generated funds shall be deposited into the Consolidated Fund within seven working days, except where an agency is under legal obligation to keep a portion or all the funds for discharge of responsibilities as prescribed by specific enactment.

## **L.2. Special Funds**

- (1) A Special Fund is a fund established under section 39 of the Public Finance Management Act, 2009 from monies received by or on behalf of the Government and paid out to the ministries or agencies responsible for the special purpose.
- (2) A Special Fund shall be established by an enactment or other legal instrument approved by the Legislature, which shall specify the purposes of the Fund, the administering authority, amounts receivable and payable, and any special rules necessary for the transaction of business.

## **L.3. Disbursements of Special Funds**

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

## **L.4. Accounting and Reporting for Special Funds**

- (1) A head of line ministry or agency responsible for administering a Special Fund shall keep accounts of all transactions in accordance with the Government Chart of



Accounts procedures, procedures laid down in Accounting Regulations and agencies accounting Instructions as approved by the Comptroller-General.

(2) A head of an agency responsible for administering a Special Fund shall submit quarterly budgetary performance reports within thirty days of the end of the preceding quarter to the Minister and the President comprising at least an income statement and a detailed account of the funds received, year-to-date balances, purpose, achievements, constraints, a statement of accumulated arrears to suppliers and current or potential external funding provided or to be provided by donors..

(3) The receipts, earnings and accruals of such funds at the end of the financial year shall not be repaid to the Consolidated Fund but shall be retained by the funds for the purposes for which they were established.

(4) Upon winding up any Special Fund, any funds standing to the credit of such fund at the tune of winding up shall be paid into the Consolidated Fund.

### **L.5. Annual Accounts of Special Fund**

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

(2) A head of agency responsible for administering a Special Fund shall prepare annual financial statements and submit them within two moths after the end of the financial year to the President, the Minister and the Auditor General.

(3) Unless the rules relating to the Special Fund require separate publication, the annual reports and financial statements of the Fund shall be included in the agency's annual statement of account prepared in accordance with sections 41 of the Public Finance Management Act of 2009.

## **PART M. STATE-OWNED ENTERPRISES**

### **M.1. Governance of State-Owned Enterprises**

(1) State-Owned Enterprises shall be governed by Section 28, 29 and 31 on debt borrowing and guarantees, and Sections 43 to 46 of the Public Finance Management Act 2009 regarding mandate and scope, annual financial plan, in-year reporting and submission of annual accounts, and dividend policy. In addition, the Sector Minister and the Minister may give general directions in writing to the Board on matters of policy in as much as these directives do not conflict with any enactment.

(2) Notwithstanding sub-regulation (1) all heads of state-owned-owned enterprise shall seek prior approval of the Minister to maintain bank accounts in their corporate names.

### **M.2. Fiscal Year**

The fiscal year of a state-owned enterprise shall be the same as the fiscal year of the Government..

### **M.3. Funds of State-Owned Enterprise** The

funds of an State-Owned-Enterprise shall include:

- (a) money that may be provided by Legislature through the legislative approval process of the National legislature;
- (b) loans and guarantees granted to the enterprise upon approval by the Minister and the Debt Management Committee pursuant to the provisions of section 29 of the Public Financial Management Act 2009; and
- (c) monies accruing to the enterprise in the exercise and performance of its functions.

### **M.4 Borrowing and guarantees of State-Owned Enterprises**

(1) Subject to the provisions of Sections 29 of the Public Financial Management Act 2009, State-Owned enterprises are permitted by the Government to borrow directly from domestic sources or from abroad on the principle "self borrowing and self repayment" ,to carry out development projects, subject to approval of the Minister and Debt Management Committee.

(2) The capital projects or non-recurrent expenditures of state-owned enterprises for which a guarantee is requested, shall meet the following requirements:

(a) Being feasible projects that are approved or decided by competent agency through a transparent due-diligence process in accordance with current provisions, which states clearly the borrowing and repayment plan to ensure the repayment at the due date and that projects or non-recurrent expenditures merit the government guarantee for foreign or domestic borrowing;

(b) Availability of a written approval by the competent agency for the capital project or non-recurrent expenditure and a draft of commercial agreements (consultancy contract, equipment supply contract, contract with contractor etc) in accordance with current provisions;

(c) The commercial contracts, loan contracts and other documents of the capital project or other non-recurrent expenditure must be consistent with each other in respect of the related conditions;

(d) Terms of the guarantee shall be determined by the Minister and the Debt Management Committee to cover among other things the following aspects: value of the loan principal to be guaranteed;desired characteristics of the potential lender; minimum term of the loan; margin interest, loan interest; other fees and expenses; and

(e) The Debt Management Unit shall develop guidelines for approval of the Debt Management Committee, responsibilities and obligations of guarantee issuing agencies and related agencies; and sequence and procedure of issuing a government guarantee

### **M.5 Debt contracting and reporting**

Pursuant to the provisions of Section 31 of the Public Management Act 2009, stateowned enterprises shall comply with the following

- (1) Before the commencement of the financial year, the Minister and the Debt Management Committee shall be notified of the annual borrowing plans immediately following the board's approval of the annual financial plans of a state-owned enterprise,
- (2) Repayment agreement for accumulated arrears to suppliers for a period exceeding ninety days constitute debt of the enterprise and shall require written approval of the Board, Minister and the Debt Management Committee.

### **M.6 Investments of Moneys**

- (1) An enterprise may invest its moneys in such manner as the board may approve and in consultation with the board sector minister and the Minister may reinvest any of its investments.
- (2) Notwithstanding sub-regulation (1), a state-owned enterprise, shall not invest its money in government securities.

### **M.7 Award of Contracts**

The Minister may make regulations or issue instructions on the conditions upon which an enterprise or institution may undertake contractual commitments.

### **M.8 Reserves**

The Minister may upon recommendation of the Board of Directors of the enterprise or institution direct the enterprise to make provision for reserves, for extensions, depreciation of assets, for uncollectable debts and for other purposes.

### **M.9. Books, Accounts and Audit**

- (1) A state-owned enterprise shall keep proper books of accounts and proper records in as the board may approve.
- (2) The financial statements of the entity shall comprise
  - (a) a balance sheet of the assets and liabilities of the corporation as at the end of the year;
  - (b) a statement of revenue and expenditure of the corporation for the year; (c) the cash flow statement of the corporation for the year.
- (3) The financial statements shall be prepared and transmitted to the Auditor-General, the Minister, the Sector Minister, and the Bureau of State Enterprises by the head of the enterprise.
- (4) The accounts submitted under this regulation shall:
  - (a) be prepared in accordance with international accounting principles and standards as adopted by the Government of Liberia and in accordance with instructions issued by the Minister in consultation with the Auditor-General; and

- (b) state the basis of accounting used in preparation and identify significant departures from the principles and the reasons for the departure.
- (5) The Auditor-General shall audit accounts of all state owned enterprises governed by these regulations.
- (6) State-owned enterprise shall submit a summary of their annual audited accounts to the Minister for consolidation into the national final accounts. The Minister may determine the format in which the information will be prepared
- (7) In accordance with section 37(3) of the Public Finance Management Act 2009, rates and amounts of the audit fees to be charged shall be determined by the Minister in consultation with the Auditor General during the budget preparation. Such amount shall be placed in the budget of the General Audit Commission. In determining the rates and amounts, the following factors shall be considered; profitability; complexity of financial operations; historical rates and amounts; and industry norms

### **M.10. Quarterly Report**

- (1) Within one month after the end of the previous fiscal quarter financial statements covering the previous quarter shall be prepared by each State-Owned Enterprise and transmitted to the Auditor-General, the Minister, the Sector Minister, the Bureau of State Enterprises, and the Comptroller-General in respect of each quarter
- (2) The financial statements shall be submitted within a period of one month after the end of the previous quarter. In addition to the the financial statements specified in Regulation M.9., sub regulations (1) to (4). the report shall include statements and documents relating to borrowing and debt servicing, including government guaranteed debt, as well as any debt they have restructured, and any outstanding arrears to suppliers more than 90 days overdue.

### **M.11. Annual Report**

- (1) The board of directors of an enterprise shall, within two months after the expiry of each financial year to which the financial statements relate, submit an annual report to the Minister, the Sector Minister, the Auditor General and the Bureau of State Enterprises dealing generally with the activities and operations of the enterprise within that year.
- (2) The annual report shall include:
  - (a) a copy of the audited accounts of the enterprise;
  - (b) a statement of any directions given by the Sector Minister to the Board or Bureau of State Enterprise within that year in accordance with this Act and the enactment under which the enterprise exists; and
  - (c) such other information as the Sector Minister may in writing reasonably request.
- (3) A copy of the annual report of the Board of Directors of an enterprise shall also be sent by the Board to the head of the Liberia Institute of Statistics and Geographical Informations Systems; the Governor of the Central Bank of Liberia; and any other person that the Minister may determine.

- (4) The Auditor General shall review the annual report and present his/her opinion to the Legislature alongside the audit report of government financial operations for the previous year.
- (5) The Minister shall present a statement of the overall performance of State Owned Enterprises to the Legislature alongside the budget proposals for the following year.

### **M.12 The Board of Directors' Responsibility**

- (1) The Board of Directors of each an enterprise governed by this Act shall ensure the efficient management of the financial resources of the enterprise including the collection and receipt of moneys due to that enterprise or institution.
- (2) If it appears to the Auditor-General from any examination, audit or inspection that a enterprise has wilfully or negligently omitted to ensure the collection or receipt of moneys due to the enterprise or institution, the Minister may withdraw or suspend the emoluments of the Board of Directors whether jointly or severally upon the recommendation of the Auditor-General.

### **M.13. The Minister's Right to Supervise an Enterprise**

- (1) Notwithstanding anything in this part, the Minister may cause the efficiency and operational auditing of an enterprise or institution to be conducted.
- (2) Without limiting sub-regulation (1), the Minister may cause:
  - (a) an assessment and appraisal of standards and techniques of management; and
  - (b) an assessment of the effectiveness of the procedures adopted and instructions issued to be made in respect of any enterprise.
- (3) Without limiting sub regulation 2 above, the Bureau of State Enterprises shall design the procedures by which the Minister shall monitor the strategic plans of each State Owned Enterprise and assess its performance and achievements.
- (4) Pursuant to Section 46 (1) of the Public Finance Management Act 2009, the Bureau of State Enterprises shall provide Dividend Policy Guidelines to be approved by the Sector Minister. The Bureau of State Enterprises shall monitor compliance of the Dividend Policy Guidelines by the Boards.
- (5) The Sector Minister may give general directions in writing to the Board on matters of policy.

## **PART N. OFFENCES AND SANCTIONS**

### **N.1. Receiving and Giving of Bribe**

- (1) A public officer or a person acting in an office or employment connected with the collection, management or disbursement of public or trust moneys or with the control of government inventories shall not accept or receive money or valuable consideration for the performance of official duties;
- (2) A public officer shall not demands, accept or attempt to collect, directly or indirectly, as payments of gifts or otherwise, any sum of money, or other thing of value, for the compromise, adjustment or settlement of a charge or complaint for a contravention or alleged contravention of legislation relating to public finance.

(3) No one shall promise, offer or give any money or other valuable consideration to any officer or person acting in an office or employment connected with the collection, management or disbursement of public or trust moneys or the control of government inventories with intent to influence:

- (a) a decision or action on any question or matter that is then pending, or may, by law, be brought before the person in an official capacity; or
- (b) the officer or person to commit, or aid and abet in committing any fraud on the government or to connive at, take part in, or allow any opportunity for the commission of the fraud.

(3) Any one who contravenes sub-regulations (1), (2) or (3) commits a criminal offence punishable under these regulations.

## **N.2. Conspiracy to Defraud**

(1) No one shall conspire with another person to defraud the Government of Liberia, or create opportunity for another person to defraud the Government or permit the contravention of the law by another person.

(2) Any one who contravenes sub-regulation (1) commits a criminal offence punishable under these regulations.

## **N.3. Falsification of Records**

(1) No public officer shall willfully make or sign a false entry in a document, book or computerized system or willfully make or sign a false certificate or returns, whether it is the duty or not of the person to make an entry, certificate or return.

(2) Any one who contravenes sub-regulation (1) commits a criminal offence punishable under these regulations.

## **N.4. Failure to Report Contraventions of the Law**

(1) Any public officer who fails to report in writing to a senior officer or any state security agency if he has knowledge or information of the contravention of financial legislation by any person, or fraud committed by any person against the Government under legislation relating to public finance commits and offence.

(2) Any one who contravenes sub-regulation (1) commits a criminal offence punishable under these regulations.

## **N.5. Other Offences**

A person commits an offence if that person-

- (a) without reasonable excuse, fails to provide by the due date, any information the Ministry of Finance may reasonably require under section 36 of the Public Finance Management Act 2009;
- (b) without reasonable excuse hinders or obstructs the Ministry of Finance, the Comptroller-General or a person authorised by him or her under section 36 of the Public Finance Management Act 2009;
- (c) opens or causes to be opened any bank account for public or official use without the permission of the Comptroller-General or in any other way contravenes regulation 161 in respect of any bank account;

- (d) being a head of government agency, without reasonable excuse fails to comply with any regulations, directives or instructions under this or any other law, or fails to execute duties and functions imposed on him or her under this Act or any other law.

### **N.6. Sanctions for Committing Offences**

- (1) Anyone who commits an offence under this part of the regulations is liable on summary conviction to a fine not exceeding ten thousand United States Dollars (US\$10,000) or to imprisonment for a term not exceeding five (5) years or to both except as provided in sub-regulation (2).
- (2) Any person who promises, offers or gives any money or other valuable consideration to any officer or person acting in an office or employment connected with the collection, management or disbursement of public or trust moneys or the control of government stores and inventory commits an offence, and is liable on summary conviction to a fine not exceeding three times the amount so offered or accepted, or to imprisonment for a term not exceeding five (5) years or to both.
- (3) Without limiting sub-regulations (1) and (2) above, where any person is required to perform any function or duty under this regulation and the person fails to perform that duty within the time required, the person shall be in breach of financial discipline as defined in regulation 19 and shall be liable to such punishment as prescribed therein.

## **SECTION II – DETAILED ACCOUNTING REGULATIONS**

### **PART O. CONSOLIDATED FUND RECEIPTS**

#### **O.1. Responsibility for revenue collection**

- (1) All government agencies shall provide in their annual budgetary estimates, their expected revenue collections and internally generated funds.
- (2) A head of government agency is personally responsible for ensuring that adequate safeguards exist and are applied for the assessment, collection of and accounting for such revenues and other public moneys relating to their agencies, departments or offices
- (3) A head of government agency shall ensure that all persons liable to pay revenue are informed of bills, demand notes and other appropriate notices, of debts which are due and that adequate measures are taken to obtain payment.
- (4) The Government Agency revenue collector who receives duties, taxes, fees, rent or other public moneys, whether of a revenue nature or otherwise, shall deposit such moneys daily or at the earliest opportunity into a bank authorised by the Minister for the credit of the Consolidated Fund. The revenue collectors shall issue receipts for moneys collected by them. When monies are being paid into a bank by check, the amount and serial number of the check and the name of the bank shall be recorded and retained with the Government Agency copy of the Bank Payment Slip.

(5) Where a public officer receives public moneys he shall pay them on the same day, to a regular revenue collector within his Ministry, the serving treasury or other public offices designated by the Minister and the public officer shall obtain receipts for moneys so paid.

### **O.2. Movement of Cash**

- (1) The movement of cash between the cashier's office and the bank or pay point shall be securely protected. Heads of government agencies are required to ensure that adequate arrangements are made to protect both staff and cash.
- (2) Such measures shall include:
  - (a) the provision of escorts;
  - (b) the provision of security bags locked to the wrist of the carrier;
  - (c) the provision of suitable transport;
  - (d) variation of movement times and routes.

### **O.3 Difficulty in Collection of Moneys to be Reported**

The head of government agency shall report to the Minister any case in which he considers, after due inquiry, that the payment of government agency revenue is falling unduly into arrears.

### **O.4 Prohibition of Public Officers to Collect Revenue**

- (1) No public officer shall collect public moneys unless he is specifically authorized to do so by the Minister.
- (3) Except with the specific authority of the Minister, no public officer whose duty involves the posting of assessment registers, rent rolls and similar documents shall be authorized to collect public moneys nor to post collections into cash book.

### **O.5 Public Moneys Not to be Used**

- (1) No use of any public money shall be made by any public officer in any manner between the time of its receipt and payment into the bank, Treasury or other public office designated by the Minister and no public money shall be lent or borrowed in any manner or for any purpose by any person.
- (2) No money received shall be used by a public officer or any other person to cash any check other than a Government check. No public officer shall convert public moneys received in local currency into foreign currency or vice versa.

### **O.6 Date of Transaction in Accounts**

- (1) The date of receipt of any sum of money determines the date of record of the transaction in the accounts.



- (2) No outstanding item of Government Agency revenue shall be carried to a revenue item as a charge to an advance account pending the collection of the amount.
- (3) Government Agency revenue collected in any year shall not be placed on deposit or held in suspense with the object of transferring it to revenue in the following year.
- (4) A register in the form prescribed by the Minister shall be kept in each government agency or office for Government revenues as the Comptroller-General may direct.
- (5) The register shall be in charge of an officer to be designated by the head of government agency and such officer shall ensure that details of receipt books are fully and correctly entered in it as soon as they are received.
- (6) All issues of receipt books shall be acknowledged in writing by the officer to whom the issue is made.

### **0.7 Receipt Books to be Checked**

- (1) On receipt of receipt books and before being entered in a register, all receipt books shall be checked by the officer-in-charge to ensure that they are correct and consecutively numbered.
- (2) The officer-in-charge shall write the following words on the inside front cover of each receipt book a certificate: "Examined by me this day and found to contain .....forms correctly numbered" followed by date,full name,signature and stamp.
- (3) Any receipt book found by the officer to be defective shall immediately be returned in writing to the one who issued them or to the printer with a report of the defect.
- (4) On a change of an officer-in-charge, the stock of all receipt documents shall be checked against the register by both the officer handing over and the one taking over; and a statement of the number, type and serial numbers of all the receipt books on hand signed by both officers shall be sent to the Minister

### **0.8 Safe Custody of Receipt Books**

- (1) The officer-in-charge of Government Agency revenues shall keep all unused receipt books under lock and key and shall keep the key himself and issue only such books as are required for immediate use upon satisfactory presentation by the officer-in-charge, of the usage of the immediately preceding batch of receipt books.
- (2) The officer-in-charge shall lock up all receipt books actually in use.at the close of each working day
- (3) Any officer-in-charge who makes collections outside the office shall return to his office before the close of business so that his receipt books and collections can be lodged in safe custody.
- (4) No receipt books shall be kept on private premises overnight.
- (5) The head of government agency may, when the needs of the Government Agency or office so require, and with the approval of the Minister, make exemptions to subregulation (4).

### **O.9 Vouching of Receipts**

- (1) All receipt entries in the in the accounts shall be vouched for on the form or in the manner prescribed by the Minister
- (2) Except when it is otherwise provided for in accounting instructions issued by the Minister or when receipts are not required, for example when tickets which must be serially numbered are sold, receipts shall be given from the official books or forms bearing printed consecutive numbers for every sum paid to the government.
- (3) No receipts shall be issued for payments by public officers which are effected by means of deduction on payment vouchers.
- (4) If a deduction is in respect of withholding tax in accordance with the Revenue Code 2000, the withholding agent shall issue a withholding tax certificate to the taxpayer in the following form:-

From:

To:

.....  
.....  
.....

DATE:

WITHHOLDING TAX CERTIFICATE NUMBER.....

(5) In accordance with the provisions of the Act Amending the Revenue Code 2000 We hereby certify that I/we have withheld a total amount of ..... being withholding tax on total payment of (amount.....) made to you/your entity in settlement of your invoice (&) as per attached list.  
I/We further certify that the withheld amount has been paid to the Ministry of Finance, Revenue Department by our check  
no.....of.....so that your tax account will be credited.

Signed:

Copy Deputy Minister for Revenue , Ministry of Finance

### **O.10 Responsibility for Control of Receipts**

- (1) A head of government agency shall be responsible for ensuring that a proper system exists for the safe custody, recording and proper use of all Government Agency revenue receipts, licenses and other documents issued for the receipt of public moneys, in his Government Agency or office.
- (2) A Government Agency revenue collector shall return early enough to his office to enable him to lodge the receipt books and collections safely in the office.
- (3) No monies collected shall be kept on private premises overnight.
- (4)The head of government agency concerned shall, when the needs of the Government Agency so require and with the prior approval of the Minister make exemptions to sub-regulation (3) above.

### **O.11 Insurance of Receipts Licences**

- (1) When Government Agency receipts, licenses or other accountable books are issued from counterfoil books, the officer signing the original of the receipts, licenses or accountable books shall initial the counterfoil and shall ensure that it contains all the necessary detail including the amount received, the particulars of the payment and date of payment, and that it accords with the original.
- (2) When such documents are issued from books which make provision for duplicates and other copies to be reproduced by carbon paper, the officer issuing the document shall ensure that the carbon copies are clear and legible in every respect.
- (3) The original and counterfoil or copy of every license or similar document which of itself is not a receipt but evidence of the payment of the prescribed fee, shall on issue be endorsed with the number and date of the receipt issued in respect of the payment of the fee and the amount of the fee and the details of the license or similar document issued shall be entered on the receipt.

### **O.12 No alteration on Receipts**

- (1) No alterations shall be made to any Government Agency receipts, licenses or other accountable documents.
- (2) When such documents are issued from books which have duplicates and other copies to be reproduced by carbon paper, the officer issuing the documents shall ensure that the carbon copies are clear and legible in every respect.
- (3) No original, counterfoil or copy of a receipt shall be destroyed; they shall be retained and produced for inspection when required
- (4).Notwithstanding the generality of sub-regulation (3)above,heads of government agencies must, subject to the provisions of Archival Records Act (1997).retain all financial information in its original form

(c)After the expiry of the retention periods prescribed in the Archival Records Act(1997), the information may, if required, be secured in an alternative form that ensures the integrity and reliability of the data and ensures that the information can be reproduced, if necessary, as permissible evidence in a court of law

### **O.13 Receipts to be Issued Immediately**

- (1) A receipt in the proper form shall be issued immediately after public money is received.
- (2) Where the payer pays in person, the original receipt shall be handed to him immediately; but where moneys are received by post, the original receipt shall be sent by the same means, on the same day of receiving the payment.

### **O.14 Opening of Mail**

- (1) Incoming mail shall be opened by a senior officer of the government agency or office in the presence of another officer of the Government Agency but neither of them shall have any direct responsibility for the collection of revenue.
- (2) The officer opening the mail shall maintain a register in which he shall record full details of any checks, cash or documents received, including the date, name of the sender, registered package number and the amount or description .
- (3) In the case of uncrossed checks, they shall be crossed immediately by the senior officer-in-charge on duty for that day.
- (4) Items received in the mail shall be handed to the officer responsible for dealing with them who, if the items have been recorded in the register, shall sign the register in acknowledgement of their receipt.

### **O.15 Foreign Moneys Not to be Accepted**

- (1) Except for the United States dollar, no foreign currency, notes or coins, foreign stamps or checks drawn in foreign currency shall be accepted in payment of any moneys due to the Government unless specifically approved by the Minister
- (2) No payment of moneys due to the government shall be made by credit cards or promissory notes unless specifically approved by the Minister under exceptional circumstances and upon written advice of the Comptroller-General.

### **O.16 Acceptance of Checks**

- (1) A check drawn in the local currency shall be accepted in payment of moneys due to the government so long as it is a manager's check and if the officer receiving it has no reasonable grounds for believing that the check will not be honoured.
- (2) All checks received shall be made payable to the government and shall be crossed "Account Payee Only" and any check not so crossed on receipt shall immediately thereafter be crossed.
- (3) Post-dated checks shall not be accepted in payment of moneys due to the Government.
- (4) Officers accepting checks in payment of moneys due to the government shall ensure that –
  - (a) the check is correctly dated (that it is neither time-expired nor post dated);
  - (b) the amount in words and figures agree; and
  - (c) the check is signed; and
  - (d) all alterations to any details of the check are validated by the full signature of the drawer, and one shall not accept any check which contravenes any of these conditions.
- (5) When payment is made by check, the officer receiving it shall write the check number on all copies of the book or document and record the serial number of the book or document on the back of the check .

### **O.17 Dishonoured Checks**

- (1) If a check received by an officer is dishonoured by the bank and cannot be immediately corrected and re-presented, the officer shall:
  - (a) if the check has been received in payment of a Government Agency license or similar pre-paid item (for example a motor license), debit the appropriate revenue item by the entry of a debit item in the revenue cash book and inform the Head of Government Agency concerned or relevant authority in order that appropriate action can be taken (such as the revocation of the license);
  - (b) if the check has been received in settlement of a debt owed to Government (for example, the settlement of an imprest), debit the appropriate advance account by entering a debit item in the revenue cash book and informing the Head of Government Agency in order that appropriate action can be taken; or
  - (c) if the check has been received as a condition for services to be performed by the Government (for example, the clearance of goods for custom purposes), initially debit the amount involved to the advance account, in the name of the person concerned.
- (2) Without prejudice to sub-regulation (1), all necessary steps shall be taken to obtain the revenue including where appropriate, legal actions, in respect of the dishonoured check .
- (3) In the case of paragraph (c) of sub-regulation (1), all outstanding balances in the advance account shall be closed at the end of the financial year by crediting that account and debiting the revenue item.
- (4) All amounts involved with dishonoured Checks shall be included in the Register of Losses.
- (5) No dishonoured check shall be held as part of a cash balance.
- (6) The name of the drawer and the amount of a dishonoured check shall be included in a schedule to be maintained by the Comptroller-General and when the revenue is collected from the debtor, the entry shall be removed.

### **O.18. Comptroller-General to be Informed of Dishonoured Checks**

The Comptroller-General shall be informed immediately of any instance of a dishonoured check relating to the Consolidated Fund and other funds under his control..

### **O.19 Postings of Receipt**

Receipt of Government Agency moneys shall be posted into the Cash Book at the time of the actual transaction or as soon as possible thereafter on the day of the transaction.

### **O.20 Surplus Collection**

- (1) The Head of Government Agency or other person doing a spot check shall investigate any surplus moneys found when balancing the Cash Book with the collections.

(2) If no explanation of the surplus is discovered which will enable the matter to be corrected immediately, the cash shall be credited to miscellaneous receipts (surplus cash) and a report made to the Comptroller-General.

### **0.21. Revenue Collectors to Keep Records**

(1) Government Agency revenue collectors shall keep records of moneys collected in such form as the Comptroller-General may determine and for such periods consistent with the provisions of Regulation 12 above.

(2) The records shall show the persons from whom revenue is due, description of liability, the amount payable, the date, location, receipt number and amount of the collections made.

(3) The records shall, wherever possible, be self balancing and shall be reconciled with the cash collections monthly.

### **0.22. Assessment Registers**

The officer who posts Government Agency revenue assessment registers, rent rolls, ledgers and similar documents shall inform the officer-in-charge of revenue collection whenever the amount collected differs from the amount due and such differences shall immediately be investigated and appropriate action taken.

### **0.23. Payment of Receipts**

(1) All Government Agency revenue or other public moneys collected shall be paid daily into a bank account authorized by the Minister or into the Treasury, or if it is not possible, at the earliest opportunity. The Comptroller-General shall be immediately informed of the circumstances leading to the failure to deposit public moneys into an authorized bank.

(2) When moneys are being paid into a bank by check, the amount and serial number of the check and the name of the bank shall be recorded and retained with the Government Agency copy of the Bank Payment Slip.

(3) After paying collections into the Consolidated Fund, the officer doing so shall submit to the Comptroller-General –

(a) the serially numbered Bank Payment Slip stamped by the receiving bank;

(b) the completed receipt vouchers; and

(c) the duplicate receipts.

(4) The Treasury Officer or officer-in-charge receiving the collections shall, where appropriate verify that all receipts issued have been entered in the receipt vouchers and that the totals in the vouchers are correct and correspond with the amount acknowledged in the serially numbered bank lodgment slip.

(5) If the treasury officer or officer-in-charge is satisfied in relation to sub-regulation (4) with the accuracy of the records and documents he shall stamp and sign the receipt.

(6) The treasury officer or officer-in-charge shall issue treasury receipt for the collections paid in and post details of the receipt into the Government Agency's cash book in support of the payment.

#### **O.24. Checking of Records**

- (1) A Head of Government Agency shall ensure that his accounts are properly maintained and are correct at all times.
- (2) A Head of Government Agency shall, in relation to sub-regulation (1) appoint an officer who shall examine and check daily, all entries in cash books and other books of account, the counterfoils or copies of receipts or original documents to verify the correctness of the transactions.

#### **O.25. Surprise Checks**

A Head of Government Agency shall arrange that from time to time and at least every three months, a surprise check is carried out by an officer more senior to the checking officer.

#### **O.26 Refund of Revenue**

Refund of Government Agency revenue may become necessary because of overcollection made in error, or where properly collected in accordance with any enactment or instruction, provision exists in the enactment or instruction for the revenue to be reclaimed in given circumstances, in the form of a rebate or drawback.

#### **O.27. Donor Funds**

Where a government project receives from a donor an advance or a reimbursement of earlier expenditure, whether by way of grant or loan, the actual amount received shall be classified and brought to account in accordance with the government Chart of Accounts and where the amount is in foreign currency, it shall be brought to account at the equivalent in local currency at the official rate of exchange, as published by the Central Bank of Liberia, on the date of receipt.

#### **O.28 Reconciliation of revenue collections**

- (1) The Comptroller-General shall, on a daily basis, reconcile the general revenue account by matching the Bank Payment Slips with the manager's check receipt and matching the revenue to the daily collections listing and subsequently the bank statement.
- (2) Revenues accruing to government through donor funding but operating outside of the Consolidated Fund shall be recorded using the government Chart of Accounts. The Comptroller-General shall ensure there are adequate mechanisms to reconcile project, pool fund and the proposed county treasury accounts.

### **PART P. CONSOLIDATED FUND PAYMENTS**

### **P.1. Payments through the Treasury Single Account,**

- (1) The Comptroller-General shall operate the Treasury Single Account system on behalf of the Minister through which all disbursements and payments shall be made.
- (2) The Minister shall open Treasury Main Bank Accounts for the Consolidated Fund at the Central Bank into which all public funds or moneys shall be deposited.
- (3) The Minister shall open Sub-Treasury Bank Accounts or Sub-Consolidated Fund Bank Accounts at the Central Bank or any other bank authorized by the Central Bank to hold these accounts.
- (4) A Sub-Treasury Bank Account shall be opened for each ministry, autonomous agency, county and district.
- (5) The Comptroller-General with written approval of the Minister may open Sub-Treasury bank accounts for other government institutions
- (6) The Sub-Treasury Bank Accounts opened at the Central Bank or with its agents at any time shall form part of the Consolidated Fund and the balances on all these accounts shall be taken into consideration by the Central Bank in determining the Government's cash position.
- (7) The allocations under an Appropriation Act for a ministry, institution, Government Agency, county or districts shall be lodged into the Sub-Treasury Bank Account by the Comptroller-General following a release, warrant, or disbursement instruction received from the Minister.

### **P.2. Treasury Offices**

- (1) In accordance with these regulations, the Comptroller-General shall appoint treasury officers to be responsible for the sub-treasury bank account for each ministry, Government Agency, county, district or any institution for which the bank account has been opened
- (2) Every payment out of the Sub-Treasury Bank Account relating to an appropriation shall be made under the direction and control of the head of the ministry, government agency, county, district or spending unit concerned, either by cash, check or other instrument in such form and authenticated in such manner as the Comptroller –General may direct
- (3) The Comptroller-General may, in consultation with the Auditor-General and with the approval of the Minister give instructions for the destruction of checks or other negotiable instruments.

### **P.3 Payments or Commitments on the Sub-Treasury Bank Account**

- (1) A requisition to the Minister for commitment or payment out of the Sub-Treasury Bank Account shall be in such form, with such documents and certified in such manner as the Comptroller-General may require.



- (2) The Comptroller-General or a Treasury Officer shall reject a request for payment out of the Consolidated Fund if the Comptroller-General or the Treasury Officer is of the opinion that payment on it
- (a) would not be a lawful charge against the appropriation;
  - (b) would result in expenditure in excess of the appropriation; or
  - (c) would reduce the balance available in the appropriation in such a manner that it would not be sufficient to meet commitments already charged against it.
- (3) A Treasury Officer or the head of a ministry, Government Agency, county, or spending unit for which the appropriation was made may transmit to the Comptroller-General for direction any request made against the sub-treasury bank account rejected by the Treasury Officer and the Comptroller-General may order that the request be honoured or rejected and give such directions as are necessary to carry out the decision.
- (4) The head of a ministry, government agency, county, district or spending unit for which the appropriation was made may transmit to the Minister for direction any request against the treasury main accounts or the sub-treasury bank accounts rejected by the Comptroller-General and the Minister may order that the request be honoured or rejected and give, in writing, such directions as are necessary to carry out the decision.

#### **P.4 Control of Commitment against Procurement Plan**

- (1) This regulation applies to all expenditures on goods and services requiring Local Purchase Orders but does not apply to personnel emoluments, statutory transfers, debt service, and opening of imprest.
- (2) Expenditure commitments shall be controlled against spending and procurement plans approved by the Minister, based on allocations and allotments from approved budgets; and a head of government agency shall make an expenditure commitment only against the procurement plan approved for the Government Agency, office or unit in accordance with the Public Procurement and Concessions Act (2005).
- (3) At minimum a procurement plan shall include proper descriptions of the procurement items, the estimated contract value, the value and procurement method relating to the annual portion of a multi-year contract, the procurement method and when the item(s) is/are needed.
- (4) Any changes to approved procurement plan during the year shall be approved by the Head of the Government Agency and the Minister shall be notified of the relevant changes no later than seven (7) days following the quarter in which those changes occurred.
- (5) The procurement committee of the Government Agency or budgetary agency shall invite bids and select a supplier in accordance with the agency's procurement plan and any procurement regulations pursuant to the provisions of the Public Procurement and Concessions Act(2005)

(6) Payment to suppliers can only be made on the basis of a purchase order carrying an authorised commitment control signature and stamp of the Ministry; and if total expenditure and commitments if honoured will exceed the cumulative allocations and subsequent allotments, the request for payment or commitment shall be rejected or suspended until additional allocations are received

### **P.5 Contracts and Procurement**

All purchases of goods and services from suppliers, including capital investments, shall comply with the provisions prescribed in the Public Procurement and Concessions Act of 2005 as amended and its enabling regulations, and Section 24 of the Public Finance Management Act 2009.

### **P.6 Commitment Control or Vote Service Ledger**

(1) A contract that provides for the payment of any money by the government shall be in accordance with the Public Procurement and Concessions Act and its enabling Regulations and have the prior approval of the Minister or his designee..

(2) The Comptroller General shall with respect to sub regulation (1), signify approval on behalf of the Minister, on the basis of a signed certificate on the Local Purchase Order with a Commitment Control number and date.

(3) The Comptrollers for line ministries and agencies shall with respect to sub-regulation (2) signify approval on behalf of the Sector Minister or Line Minister, on the basis of a signed certificate on the Local Purchase Order with a Commitment Control number and date.

(4) The certification in sub-regulation (2) and (3) is to the effect that there is sufficient unencumbered balance available out of any allocation or an allotment out of an item included in the estimates, to discharge any commitments under the contract that would come in the course of payment, during the financial year in which the contract was entered into.

(6) In the case of forward commitments, the certificate shall state that if and when the government grants an appropriation, the commitments will be entered as an encumbrance against the appropriation for that fiscal year as stipulated in Section 24(3) of the Public Finance Management Act 2009.

(7) The Comptroller-General or the Comptroller of line ministries and agencies shall put in place a computerised commitment control system in order to be readily aware of the state of the total allotment available for a particular expenditure, the amount paid, amount incurred or committed and the amount uncommitted.

(8) Where there is no computerized commitment control system, the Comptroller-General or the Comptrollers of line ministries and agencies shall, have Vote Service or Commitment Control Ledger in a form determined by the Comptroller-General showing separately under each head and item, the total appropriation available, cumulative allotments, the amount paid, amount incurred or committed and the amount uncommitted.

(9) Before placing local purchase order for goods, works and services, a request must be sent to the Comptroller or Treasury Officer for the allocation to be committed and the commitment control number shall be quoted on all Local Purchase Orders submitted for payment.

(10) The Comptroller-General or the Treasury officer so designated shall dishonour request for payment based on Local Purchase Orders without commitment control numbers or for which no funds have been committed.

### **P.7 Payment made outside the Country**

(1) Wherever practicable all payments of public moneys to persons outside Liberia shall be made by direct payment to such persons' banks, use of banker's draft or otherwise through the local banking system.

(2) Where direct payment is inappropriate, payment shall be made on the authority of the Minister to the Comptroller-General through agents appointed by him. for that purpose

### **P.8 Charging to Year of Accounts**

(1) The date of payment of any amount determines the date of the recording of the transaction in the accounts.

(2) No payment shall be made before it is due, for the purpose of utilizing an anticipated saving on a programme.

(3) No unexpended portion of any provision shall be drawn from the Treasury or government bank accounts for the purpose of setting it in reserve to meet impending payments or to be carried to a deposit or other account.

### **P.9 Payment Vouchers**

(1) All disbursements or payments of public moneys shall be properly supported by prenumbered payment vouchers.

(2) Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers.

(3) All payment vouchers shall be typewritten or made out in ink or ball point pen and shall contain or have attached particulars of the services, goods or works procured including dates, numbers, rates so that they can be checked without references to any other document.

(4) All amounts appearing in a voucher shall be written in words as well as in figures

(5) Copies of vouchers shall be clearly marked and coloured so as to distinguish them from the originals.

### **P.10 Responsibility for Accuracy of Vouchers**

Any public officer, including a Minister and head of any government institution, commission, board who signs a voucher, a check, a document or record pertaining to accounts shall ensure that:

- (a) there is sufficient evidence that payment is being made for work duly performed, goods delivered or services duly received in accordance with the contract and the price to be paid is also in accordance with the contract.
- (b) If an advance payment or any payment is to be made before completion of the work, supply of the goods or services, the payment is agreed in the contract.
- (c) The procurement method used is in line with the provisions of the Public Procurement and Concessions Act(2005)
- (d) There is sufficient uncommitted funds that can be used for the payment in question
- (e) The persons named in the voucher are those entitled to receive payment as they appear on the banking details furnished for that particular payment or as the Comptroller-General may be so satisfied with the identification details provided.

### **P.11 Delegating Signing of Vouchers**

- (1) A head of government agency may in writing authorise by name officers in his Government Agency or office to sign payment vouchers on his behalf and shall in doing this set the financial limits and other conditions within which this authority shall be exercised and communicate same in writing to the Comptroller-General and the Auditor General.
- (2) When the head of government agency withdraws such authority given in subregulation (1) he shall, in writing, inform the Comptroller-General and the Auditor General.
- (3) The head of government agency shall, at the beginning of each financial year, submit list of the current authorised officers and their specimen signatures to the Comptroller-General and the Auditor General.
- (4) The Comptroller-General shall circulate the specimen signatures of authorising or approving officers to all public officers who may need them subject to regulation (5)
- (5) The Comptroller-General shall reject the specimen signatures if they have any defect or if the officers do not qualify to be an approving or authorising officers.

### **P.12 Signing of Payment Vouchers Based on Others Certification**

Where the officer signing the payment voucher cannot himself check that the services, goods or works for which payment is being made have been received, he shall ensure that the voucher is supported by original copies of supporting documents such as contract, local purchase order, goods received note, and a certificate or other endorsement such as an annotated rubber stamp signed by an officer who can attest to the correctness of the fact.

### **P.13 Signing of Payment Vouchers**

- (1) The signatures of officers on payment vouchers and certificates shall be in indelible ink and no stamp or facsimile signatures shall be used.

(2) The original payment voucher or certificates shall be signed and the officer shall ensure that legible copies of the signature are on each of the vouchers.

(3) Each certificate on or attached to a payment voucher and each sheet of a voucher comprising more than one sheet shall be signed separately, but no signature shall be written across one or more certificates.

(4) The name and designation of the officer signing a voucher or certificate shall be typed or written legibly below the signature.

#### **P.14 Officer to be Surcharged or Prosecuted**

(1) Where an unauthorised or irregular payment has been made as a result of an incorrect certificate or document, the officer who signed the certificate or document shall be required to explain the circumstances leading to the error and if he is found to be negligent, he shall be held responsible and shall be surcharged with any loss arising there from.

(2) Where an unauthorised or irregular payment has been made as a result of a forged certificate or document, the officer who signed the certificate or document shall be required to explain the circumstances leading to the forgery and he shall be investigated and prosecuted in accordance with the laws of Liberia.

#### **P.15 Payments to be Made by Treasury**

(1) Except for payments made from authorised imprests, all payments shall be made by the Comptroller –General or an officer duly authorised in writing by him to do so.

(2) Unless a budgetary agency has adopted a computerized online system of payment, a head of government agency shall for the purposes of payments, submit payment vouchers to the Treasury or accounts office thereof completed in triplicate, two copies being sent with the vouchers to the Treasury or accounts office and supported by the following supporting documents: original approved Local Purchase Order, original copy of the contract where applicable, three copies of supplier's invoices, original signed copy of the procurement proceedings of the tender committee, original copy of the goods received note.

### **PART Q. IMPREST**

#### **Q.1 Definition of Imprest**

For the purposes of these regulations an imprest is a sum of cash advanced to a public officer to effect payments which are inconvenient to make from Public Funds, using the normal payment procedures as laid down in these regulations.

#### **Q.2 Issuance of Imprest Accounts Code**

(1) A head of government agency shall submit a request to operate an imprest to the Comptroller-General together with the name position and rank of the imprest holder.

(2) The Comptroller-General shall approve and assign an imprest accounts code and inform the head of government agency accordingly.

### **Q.3 Classes of Imprest**

- (1) The imprests are of two classes or categories, namely standing and special imprest.
- (2) Standing Imprests are held throughout the financial year by the imprest-holder and replenished or amount spent recouped when necessary by submission of receipts and paid payment vouchers to the head of government agency for approval and replenishment of the amount spent.
- (3) Special Imprests are issued to the imprest holder for making a particular payment, or group of payments and the amount given must be fully retired by the date specified in the approval to operate the imprest.

### **Q.4 Administration and Payments from Imprest**

- (1) The procedures for applying, granting, disbursing and retiring of imprest shall be in accordance with the particular government agency's accounting manual.
- (2) Payments may only be made from the imprest on the authority of a payment voucher prepared and signed in accordance with these regulations.
- (3) The imprest holder is responsible for ensuring that:
  - (a) Funds are available under a Warrant; and
  - (b) Vouchers are properly authenticated.

### **Q.5 Duties of Imprest Holder**

An officer holding an imprest shall ensure that:

- (a) The imprest issued to him or her is wholly and exclusively for the purpose for which it is issued.
- (b) The imprest moneys and any payment vouchers awaiting recoupment are adequately safeguarded at all times.
- (c) Proper receipts are received for all payments out of the imprest
- (d) The full amount of the imprest can be accounted for at all times in cash, stamps, money at bank and completed payment vouchers.

### **Q.6 Authorised Imprest holders**

The head of government agency in the Government Agency's accounting manual shall specify officers, designated by post, who may hold imprest and their authorised cash balances.

### **Q.7 Sub-Imprest**

- (1) An imprest holder may issue part of the imprest to a subordinate officer provided that it is done in writing and used solely for the purpose for which the main imprest was issued.
- (2) The imprest holder shall be responsible for the proper custody and accounting for the sub-imprest, and it shall be replenished only from the main imprest.

## **Q.8 Unauthorised Use of Imprests**

- (1) Imprests shall be used only for the specific purpose for which they were granted.
- (2) The application of imprest moneys for purposes other than those authorised, is a breach of financial discipline as defined in sub regulation 20 (1).

## **Q.9 Retirement of Imprest**

- (1) Imprest shall be retired at the close of a financial year and any imprest not so retired shall be adjusted to a personal advance account in the name of the imprest holder making him indebted to the Government.
- (2) The personal advance or indebtedness referred to in sub-regulation(1) shall be deductible from the salary, allowances or any payment due the imprest holder.
- (3) When the imprest holder fully accounts for or retires the imprest subsequent to the deduction referred to in sub-regulation (2), the amount so deducted less interest at the Central Bank's rate shall be refunded to the imprest holder
- (4) Notwithstanding sub-regulations (2) and (3), failure to retire an imprest by the due date, unless occasioned by the death or incapacity of the imprest holder is a breach of financial discipline as defined in sub regulation 20 (1).
- (5) A head of government agency shall report details of imprest holders who fail to retire their imprest by the due date to the Comptroller-General with a copy to the Auditor-General or the representative of the Auditor General.

## **Q.10 Report of Imprest Balances**

.The Comptroller-General shall report balances in the hands of imprest holders in the statement of Public Accounts prepared in accordance with these regulations

## **PART R. BANK AND CASH TRANSACTIONS**

### **R.1 The Role of Central Bank**

- (1). The Central Bank of Liberia shall be the sole custodian of public funds of Liberia both in and outside the country and may, by notice published in the Gazette, in consultation with the Minister, authorise any bank to act as a custodian of any such moneys as may be specified in the notice.
- (2) The Central Bank of Liberia shall, for the purposes of these regulations, disallow any transaction or transfer involving directly or indirectly, any foreign exchange whether within or outside Liberia which is contrary to law.
- (3) The Central Bank of Liberia shall inform the Comptroller-General in writing the reasons for disallowing any transaction or transfer relating to the government involving foreign exchange whether in or outside Liberia.

## **R.2 Opening of Bank Accounts for Public Funds**

- (1) The Comptroller-General shall, under instructions from the Minister, establish bank accounts of the Public Funds at the Central Bank of Liberia and its agents in and outside Liberia for the purpose of conducting financial business of Government.
- (2) The bank accounts opened in accordance with sub-regulation (1) shall be designated in currencies as may be determined by the Comptroller-General under instructions of the Minister.
- (3) All bank accounts opened by the Comptroller-General and designated as Consolidated Fund Account at the Central Bank of Liberia or its agents shall form part of the Consolidated Fund .
- (4) All bank accounts opened by the Comptroller-General for other public funds at the Central Bank of Liberia or its agents shall always form part of the Fund for which the bank account was opened.
- (5) The Comptroller-General shall keep record of all bank accounts opened at the Central Bank of Liberia such for departments.

## **R.3 Bank Accounts for Ministries and Government Agencies**

- (1) When ordering the opening of a bank account for a Ministry or a Government Agency, the Comptroller-General under instruction from the Minister, shall communicate to the bank and the head of government agency, the conditions under which the account will be operated, which shall include:
  - (a) Prohibition of overdraft on the bank account;
  - (b) A requirement that all Checks shall be signed by at least two officers,
  - (c) No officer shall sign any check which has not been fully completed in all respects .
  - (d) Names and specimen signatures of officers authorised to sign Checks on the bank account; and
  - (e) A requirement for the Bank to provide the Head of Government Agency with monthly bank statements on the account.
- (2) Comptroller-General shall maintain a register of all bank accounts including the details of officers authorised to operate these accounts.
- (3) Check books not required for immediate issue as well as check books currently in use shall be stored in the strong room, safe or strongbox and locked up until the need arises for their use.
- (4) Any public officer who opens or operates any Bank Account for a Government Agency, which is not authorised by the Comptroller-General is in breach of financial discipline as defined in sub regulation 20(1).
- (5) Any bank that opens an account for any Government Agency without the authority of the Comptroller-General is in breach of these regulations and liable to be sanctioned by the Central Bank of Liberia.
- (6) The balance of every bank account as shown in a bank statement shall be reconciled with the corresponding cashbook balance at least once every month; and the



reconciliation statement shall be filed or recorded in the cash book or the reference to the date and number thereof.

#### **R.4 Lost or Mislaid Checks**

(1) In the event that a check issued by a Government Agency or office is reported lost or mislaid before it is cashed, the bank shall be immediately advised to stop payment of the check. Such advice shall be acknowledged by the bank on a copy of the letter sent to them or by responding to the letter.

(2) The payee shall be requested to provide a written indemnity against any loss being sustained by the Government because of the missing check and he will then be issued with a replacement check .

(3) If the original check is found before a replacement check is issued, the bank shall be required to lift the stop order.

(4) If the original check is found after a replacement check is issued, it shall be immediately cancelled.

#### **R.5 Examination of Government Check Books**

Government check books or forms shall be examined immediately they are received from the bank to ensure that no checks or sheets are missing and the examination shall be done by a responsible officer who shall initial and date the reverse of the last counterfoil in each check book or form in a series as evidence that the examination has been made.

#### **R.6 Validity Period of Checks**

Checks issued by the Republic of Liberia shall be valid for a period of six months from the date of issue. The Minister is authorised to have printed or stamped on government checks a legend stating that each cheque must be cashed within six months of the date of issue.

#### **R.7 Effecting Payment of Invalid Checks**

If a check becomes invalid by virtue of regulation R.6 above ,payment of the check may nonetheless be effected, if within 18 months of the date of issue, the payee or holder in due course presents the check to the Minister. If satisfied that there is no doubtful question of law or fact concerning its payment, the Minister shall cancel and perforate it and issue a new check in lieu of thereof in the same amount in favour of the person presenting the check.

#### **R.8 Monthly Audit of Invalidated Checks**

On the 15<sup>th</sup> day of the succeeding month, the official in charge of checks shall deliver a list of all unpaid checks which have been invalidated under regulation R.7 to the Minister. The Minister shall declare the said checks cancelled without prejudice to the right of the payees, their heirs or assign to apply to the Minister for payment of the account in accordance with the provisions of the laws governing claims or to apply to the Minister for reissuance in accordance with provisions in regulation R.5 and R.7 The Minister shall inform the Deputy Minister of the Budget of all such cancellations as promptly as possible.

## **R.9 Reserve for Invalidated Checks**

A reserve for invalidated checks shall be created. The checks reissued more than six months from their original issue date and those under payment of account which have been evaluated and validated by the Minister relative to checks invalidated, shall be debited to the reserve created herein. The Minister shall inform the Deputy Minister for Budget of the creation of the reserve.

## **R.10 Duplicate for Lost, Stolen, Destroyed, Mutilated or Defaced Checks**

(1) Except as herein provided in this regulation, whenever it is clearly proved to the satisfaction of the Minister that any original check of the Republic of Liberia is lost, stolen, or wholly or partly destroyed or is so mutilated or defaced as to impair its value to the owner or holder, the Minister is authorised, prior to the expiration of 18 months from the date on which the original check was issued, to issue to the owner or holder against any fund provided for retirement of the original check, upon receipt and approval by the Minister of an undertaking to indemnify the Republic, in such form and amount and in such surety, sureties or security, if any, as the Minister may require. No such substitute shall be payable if the original check shall have first been paid.

(2) An undertaking or indemnity shall not be required under sub regulation (1) above in any of the following classes of cases:

- (a) If the Minister is satisfied that the loss, theft, destruction, mutilation or defacement, as the case may be, occurred without the fault of the owner or holder and while the check was in the custody or control of the Republic of Liberia or of a person duly authorised as lawful agent of the Republic.
- (b) If substantially the entire check is presented and surrendered by the owner or holder and the Minister is satisfied as to the identity of the check presented and that any missing portions are not sufficient to form the basis of a valid claim against the Republic of Liberia.
- (c) If the Minister is satisfied that the original check is not negotiable and cannot be the basis of a valid claim against the Republic of Liberia.
- (d) If the amount of the check is not more than US\$5,000.00
- (e) If the owner or holder is the Republic of Liberia or an officer or employee thereof in his official capacity, a county, territory, municipal corporation or any other political sub division of the Republic, a corporation the whole of whose capital is owned by the Republic, and a bank wholly owned and controlled by the Republic, or a foreign government.

## **R.11 Date of Cashing Check**

For the purpose of these regulations, the date of cashing a check of the Republic of Liberia shall be construed to be the date of its cashing by the central office of the official depository of the Republic of Liberia named in the check or any of its official agencies.

## **R.12 Determination of Maximum Balance in Bank Accounts**

(1) The Minister shall in consultation with the Head of the Government Agency determine the maximum balance to be held in any Ministry or Government Agency's bank account.

(2) If at any time the maximum balance is likely to be exceeded, the officer operating the account shall consult the Minister on the action to be taken.

### **R.13 Duty to Restrict Cash Balances**

It is the duty of the head of government agency to ensure that cash holdings are kept to the absolute minimum, but in any case not more than the equivalent of United States Dollars two hundred at any one time, consistent with the efficient discharge of public financial business of the Ministry or Government Agency by:

- (a) Promptly lodging collections in a bank account
- (b) Promptly disbursing cash to the proper payees, and
- (c) Using bank accounts for holding imprest moneys and making payments by checks wherever possible.

### **R.14 Avoidance of Cash Transactions**

Heads of Government Agency shall endeavour to arrange, as far as it is consistent with the convenience of the public and the control of transaction, that collections or payments are made by check, bank transfer or direct payment to bank accounts.

### **R.15 Movement of Cash**

- (1) The movement of cash between the cashier's office and the bank or pay point shall be securely protected and heads of departments are required to ensure that adequate arrangements are made to protect both staff and the cash
- (2) Such measures shall include the provision of police or armed escorts, the provision of security bags locked to the writs of the carrier; the provision of suitable transport and variation of movement times and routes
- (3) Any movement of cash contrary to sub-regulation (2) shall be a breach of financial discipline.
- (4) Breach of sub regulation (3) shall create a personal liability for the officer concerned if the amount involved is US\$10,000 and above or the minimum set by the Minister in an instruction issued to all heads of government agencies.

## **PART S. CUSTODY AND SECURITY OF PUBLIC FUNDS**

### **S.1 Custody of Public Moneys**

- (1) The Comptroller-General, as the Chief Accountant of Government, is responsible for the custody of public and trust moneys payable into the Consolidated Fund and other Public Funds under the overall authority and oversight of the Minister
- (2) All public moneys received by a public officer and all public moneys retained in his custody shall be deposited immediately on collection or if found impracticable before the close of next business day in a strong-room, safe or strong box pending their payment into the bank

(3) The Minister shall ensure, in so far as is practicable, that adequate provisions exist for the safe custody of public moneys, securities and accountable documents.

(4) Any public officer performing the duties of the Minister under these regulations shall be deemed to be acting under the delegated authority of the Minister and shall accordingly be responsible to him.

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

## **S.2 Provision of Security Facilities**

(1) The Minister shall determine the necessity for a strong room, safe or strong box in a Government Agency or office.

(2) Strong rooms, safes or strong boxes provided for the safe custody of public moneys and valuables in a government agency's departments and offices in which such moneys or valuables are received and retained either temporarily or permanently, shall be fitted with two different locks, the keys or combinations of which shall be held by the head of government agency and the Controller.

(3) A head of government agency shall report to the Minister if he is not satisfied that adequate facilities are available in his Government Agency or office for the proper and safe custody of public moneys and valuables.

## **S.3 Liability to Keep Public Money**

(1) Where the Comptroller-General or the Treasury Officer has reason to believe that any person

(a) has received money for the Government and has not duly paid it over;

(b) has received money for which the person is accountable to the Government and has not duly accounted for it; or

(c) has in hand public money which has not duly been applied, the Minister or the Treasury Officer acting on behalf of the Minister shall serve a notice on the person requesting that within a time specified in the notice, the person shall pay over, account for, or apply the money and submit to the Minister or his/her designee satisfactory evidence that this has been done.

(2) In a situation where the person referred to in sub-regulation (1) is dead, the notice shall be served on the personal legal representative of the deceased person,

(3) Where a person fails to comply with a notice served under sub-regulation (1) within the time stipulated, the Minister or the Treasury Officer shall cause to be stated an account between the person and the Government of Liberia, showing the amount of the money not duly paid over, accounted for or applied, with interest at the prevailing bank rate as indebtedness to the Government of Liberia from the date the amount became due.

(4) Where any sum of money is lost to the Government by misconduct, neglect of duty or negligence by any person employed in the collection or receiving of any public

moneys, the person is accountable for the sum, as if the person had collected and received it and it may be recovered from that person as if he collected and received it.

## **PART T. PERSONNEL EMOLUMENTS**

### **T.1 Definition of Personnel Emoluments**

(1) For the purposes of these regulations the term “personnel emolument” covers all payments due to public servants as remuneration for employment and include:

- (a) Basic salaries payable to public servants
- (b) Wages payable to public servants employed in daily rated post; and
- (c) Allowances for special duties, overtime, acting, entertainment, housing, medical, transportation, fuel, light, clothing or allowances in lieu of accommodation, domestic servants, and any additional remuneration due to public servants as part of their conditions of service.
- (d) Pensions, gratuities, contributions of the employer towards pensions, gratuities and social security

(2) Subject to any enactment, basic salary shall be used for computation of allowances, pensions, gratuities or any other entitlement of public servants except where the allowances have been incorporated into the salaries.

(3) Subject to any amendment to this sub-regulation by the Minister, overtime for public servants shall be computed based on the number of overtime hours worked and a 20 per cent ceiling on the basic salary. The overtime hours and the daily rate shall be computed as follows:

- (a) The number overtime hours worked shall be calculated as 1.5 times the actual overtime hours worked on week days and two times the actual overtime hours worked on weekends and holidays.
- (b) The hourly overtime rate shall be determined by dividing the daily rate by eight hours.
- (c) The daily overtime rate shall be derived by dividing the basic monthly salary by 22 days.

### **T.2 Meaning of Management Unit**

For the purposes of this part, a Management Unit is a Section, cost centre or a subcost centre of a Ministry or a Government Agency in respect of which a separate payment voucher is prepared for salaries.

### **T.3 Records of Personnel Emolument**

(1) The head of every Management Unit shall keep records of all Personnel Emolument of staff employed in his management unit, to ensure that:

- (a) payments are made as and when due;
- (b) overpayments are not made;

- (c) all required deductions are made at the correct time;
  - (d) authorised establishments or manpower ceilings are not exceeded;
  - (e) the amount of salary and other allowances authorised for payment to each staff is not exceeded; and
  - (f) payments are not made on the payment voucher to staff who do not belong to the Agency or unit.
- (2) The records for the purpose of this regulation shall be as specified in the Government Agency's Accounting Manual..

#### **T.4 Instructions on Salaries, Wages and Related Allowances**

- (1) Procedures to be followed in payments of salaries, wages and related allowances shall be provided in the Accounting Regulations to be issued by the Minister in consultation with the Auditor General
- (2) No system shall be used in payment of public servants personnel emolument without the prior approval the Minister
- (3) When a public servant's Personnel Emolument is payable on government automated payroll or the agencies' main payroll, payment by manual vouchers is prohibited except as approved by the Minister.
- (4) Deduction shall not be made from Personnel Emoluments, except for statutory deductions, disciplinary awards and voluntary deductions authorised by the head of unit upon authority of administrative instructions issued by the head of Government Agency.

#### **T.5 Stoppage of Salary Payments**

- (1) A Head of government agency shall cause the immediate stoppage of payment of salary to a public servant when that public servant has:
- (a) been absent from duty without permission or reasonable cause for a period as stipulated in the administrative regulations of the establishment;
  - (b) been absent from duty on leave without pay;
  - (c) been convicted of an offence involving theft or fraud, or a sentence of imprisonment;
  - (d) resigned;
  - (e) retired; or (f) died.
- (2) All other payments due to the public servant must also be stopped in the circumstances provided for in sub-regulation (1).
- (3) Where the Minister is of the opinion that there is an anomaly with a salary or any other payment due to the public officer, the he/she may cause the stoppage of payment of the salary or the other payment to the public officer and shall within ten working days inform the head of Government Agency of the affected officer of the anomaly and the stoppage.

## **T.6 Notification of Stoppage**

- (1) The occurrence of any of the circumstances specified in regulation U.5 shall immediately be brought to the notice of the head of Government Agency, the Minister or the intermediate disciplinary authority as the case may be.
- (2) The notification under sub-regulation (1) shall indicate the effective date of the stoppage and confirm that action has been taken to prevent further payment.
- (3) Action under sub-regulation (2) includes:
  - (a) notification to the Minister to stop payment yet to be made where salary payments are made direct to the officer's bank account;
  - (b) notification and request to the bank for repayment into the Consolidated Fund of salary or other payments credited to the public servant's bank account;
  - (c) issue of the appropriate salary input to the regulation responsible for stopping payments on the payroll; and (d) notification to the internal auditor.
- (4) Failure to effect the stoppage within the time required is a breach of financial discipline under regulation A.20.

## **T.7 Subsequent Payments**

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

## **T.8 Effective Date of Stoppage**

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

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

## **T.9 Deductions from Salary**

- (1) Recoveries from official salaries shall commence from the salary of the next complete month after the month in which the advance was made.
- (2) A head of government agency shall ensure that deductions made from salaries are paid directly into the Consolidated Fund unless otherwise stated in the agreement covering the advance.

### **T.10 Duty to Report Non-Deduction**

- (1) The duty of the head of Government Agency to deduct advance recoveries from salary payments will not diminish the responsibility of a public officer, who has received an advance, to repay it according to the agreement and to report any failure to make deductions from salary when due.
- (2) Failure by the beneficiary to report the absence of deduction is a breach of financial discipline as defined in regulation A.19.

### **T.11 Conditions for Grants of an Advance**

- (1) An advance payment to a public officer shall not be made under these regulations if
  - (a) any advance of the same class in the name of the public officer has not been fully repaid;
  - (b) any advance of any class in the name of the public officer is not being regularly recovered;
  - (c) any advance is outstanding against the officer on account of losses, uncleared checks or unretired imprest; and
  - (d) the normal instalment of recovery shall cause total advance deductions to exceed 50 per cent of net monthly salary after tax or other statutory deductions.
- (2) The authority to pay an advance issued under these regulations shall contain a certificate that the officer granting the advance is satisfied that the applicant is not disqualified by any of the conditions under sub-regulation (1)
- (3) The violation of sub-regulation (1) and (2) shall be a breach of financial discipline as per regulation A.20.

### **T.12 Recovery on Leaving the Service**

The outstanding balance of any advance to a public officer becomes a debt to government and shall be aggregated with other debts due to government, at the date of the public officer leaving the service, and is fully recoverable from the totality of terminal benefits due to that public officer at the date of leaving public service

### **T.13 Transferred Officers**

- (1)The balance of an advance due from an officer who is transferred to another Government Agency shall be reported to the head of the new Government Agency as required by Government Agency Accounting Manual.
- (2)The balance of any advance outstanding in the public officer's name shall be treated as an inter-Government Agency debt Recoverable in accordance with regulation U.13 above.

### **T.14 Advances Arising from Losses**

In the determination of liability of an officer responsible for a loss, an advances account shall be opened in the officer's name and subsequent investigations shall be conducted into the loss and if the disciplinary institution or body so determines, the advance should be paid by the officer or deducted from the salary.



## **T.15 Pension Instructions**

The Minister shall issue Pension Instructions governing the preparation, computation and payment of retiring awards.

### **T.16 Responsibility for Salary Payment Vouchers**

- (1) A head of government agency or a head of management unit shall examine and certify the personnel emolument payment vouchers to ensure that
- (a) only staff belonging to the unit are on the payment vouchers;
  - (b) in the case of staff on posting or transfer out, the name is deleted within three months;
  - (c) in the case of retirement, resignation, termination, vacation of post, death, regulations U.8 and U.14 are strictly complied with;
  - (d) any over payment of Personnel Emolument is recovered;
  - (e) newly employed staff and those posted or transferred to the unit appear on the payment voucher; and
  - (f) any salary instructions issued by the Minister are complied with.
- (2) A head of Government Agency or management unit who fails to comply with subregulation (1) is liable for disciplinary action including
- (a) stoppage of salary until the anomaly is rectified;
  - (b) surcharge where the non-compliance has occasioned financial loss to the state; and
  - (c) any other sanctions applicable that the Minister considers appropriate.

## **PART U. GOVERNMENT STORES AND INVENTORY**

### **U.1 Meaning of Government Inventory**

- (1) Government Inventory are made up of supplies of expendable and unexpendable items which are received, stored and available for issue.
- (2) Subject to other provisions in this regulation, for the purpose of sub-regulation (1):
- (a) “expendable Inventory” means inventory of a consumable nature such as foodstuffs, medicines, nails or soap which except for controls to ensure that their use is kept within reasonable and economical limits, do not normally need to be accounted for once they have been issued for use; and
  - (b) “unexpendable Inventory” means inventory such as furniture, equipment, computers, linen, machinery, tools or vehicles, which have a life span assigned to them and when they are worn out, will still remain in being.
- (3) Government Inventory must
- (a) be physically visible, movable and not yet issued out for use; and (b) not include scraps, obsolete items and unserviceable items.

## **U.2 Determination of Expendable Inventory**

- (1) The General Services Agency shall determine for each Government Agency or office the items of inventory which can be regarded by it as expendable in the Government Agency Accounting Manual.
- (2) The General Services Agency shall, in making the determination, not only consider the nature of the item but also the extent of usage of the item so that full accountability is retained for large stocks and expensive Inventory even though they are expendable.
- (3) Where small quantities of expendable Inventory of low value are received in departments or offices which do not maintain storage facilities, they may be issued for use without being first brought to account in Inventories ledger; in which case the payment voucher or Inventories voucher shall be certified that the items were received and issued for immediate use.
- (4) The procedure set out in sub-regulation (3) shall not be used to avoid normal accountability for more substantial Inventory item.
- (5) Unexpendable inventory shall, when issued, remain on the memorandum records of the donor government agency and the inventory of the recipient government agency until finally disposed of by destruction, sale, write off or otherwise

## **U.3 Procurement of Inventory**

Procurement of government Inventory for departments out of public funds shall be in accordance with the General Services Agency Act 1966 and the Public Procurement and Concessions Commissions Act 2005 as amended to date or under an enactment of Legislature.

## **U.4 Joint Acquisition of Inventory**

- (1) Two or more government agencies may, for the purposes of economy or convenience, acquire or be assigned inventories together.
- (2) Heads of government agencies acquiring or getting assigned joint Inventories shall be responsible for their respective share of resources committed to the joint Inventories.

## **U.5 Transfer of Government Inventory**

Subject to any other enactment, a transfer, lease, loan or sale of government inventories shall not be made to any person except by or under the authority of the General Services Agency or an any other enactment.

## **U.6 Management of Government Inventory**

Each Government Agency shall maintain adequate records of inventories assigned to it. The General Services Agency and or the Public Procurement and Concession Commission may give instructions governing the acquisition, receipt, custody, control, issue and disposal of the inventories.

## **U.7 Responsibility for Government Inventory**

- (1) A person is responsible for the proper custody, care and use of government inventories under the control of that person.
- (2) Notwithstanding sub-regulation (1), a head of Government Agency is responsible for the general management of government Inventories held within the Government Agency and for the due performance of the duties of subordinate staff in relation to the government Inventories.

## **U.8 Recording of Inventories in Ledgers**

Expendable and unexpendable Inventories shall be recorded in separate parts of the inventories ledger or in separate ledgers

## **U.9 Financial Management Implications**

- (1) Any officer responsible for the financial management of a Government Agency shall ensure that acquisition of government inventories or those assigned to it by the Government Services Agency are made and applied to public purposes in the most economical way.
- (2) Subject to the provisions of any enactment, a head of government agency shall be the chief authority in relation to the utilisation of government inventories.
- (3) A head of Government Agency shall be accountable for the proper care, custody and use of Government inventories from the time of acquisition or assignment from the General Services Agency until they have been used or otherwise disposed off in accordance with these regulations.
- (4) A Government Agency shall procure government inventories from persons whose business is registered by the Registrar General's Office and any Government Agency that requires an exemption for any specific case shall apply to the head of government agency with the necessary justification.

## **U.10 Discharge of Accountability for Government Inventories**

- (1) A head of Government Agency is accountable for the government inventories from the time of acquisition or assignment from the General Services Agency to the time they are of no further use or value to government.
- (2) Accountability is discharged when government inventories have been
  - (a) consumed in the course of public business and records are available to show that the government inventories have been consumed;
  - (b) worn out in the normal course of public business and deletion from the accounts has been approved by the General Services Agency and they have

been disposed of in accordance with Sections 123 and 124 of the Public Procurement and Concessions Commission Act 2005;

- (c) lost, stolen, destroyed, damaged or rendered unserviceable other than by fair wear and tear, and if deletion from the accounts has been approved by the General Services Agency..
- (3) If the Director General of the General Services Agency is satisfied that the retention of any government inventories is no longer in the public interest, the Director General may authorise disposal in accordance with the General Services Act and these regulations subject to any enactment governing the disposal.
- (4) Authority for deletion from the accounts of Government Ministries and Agencies, rests with the Minister who may by Regulations delegate powers of deletion to the Comptroller-General..
- (5) Deletions from the accounts under sub-regulation (4) shall be reported to the Director General of the General Services Agency and in the annual financial statements of the Government Agency concerned in such manner as Regulations made under this Act may prescribe.

### **U.11 Special Enquiry**

- (1) Where the Minister has good reason to believe that a malfeasance has occurred in connection with government Inventories, the Minister shall bring this to the notice of the Director General of the General Services Agency, the Legislature and the AuditorGeneral.
- (2) The Legislature may, request the Auditor-General to enquire into and report on the matter.

### **U.12 Application of Inventory**

Subject to any other enactment, government inventories shall not be applied for any purpose other than towards the furtherance of the programmes and objectives of government ministries and agencies.

### **U.13 Liability for Keeping Government Inventory**

- (1) Where the Comptroller-General or the Treasury Officer has reason to believe that any person
  - (a) has received government inventory and has not duly handed it over ;
  - (b) has received government inventory for which the person is accountable but has not duly accounted for it; or
  - (c) has in hand government inventory which has not duly been applied to the purpose for which they were collected,

the Comptroller-General or the Treasury Officer shall serve a notice on the person requesting that within a time specified in the notice, the person shall pay for, account for, or apply the inventory and submit to the Comptroller-General or Treasury Officer satisfactory evidence that this has been done.

- (2) In a situation where the person referred to in sub-regulation (1) is dead, the notice shall be served on the legal personal representative of the deceased person.
- (3) Where a person fails to comply with a notice served under sub-regulation (1) within the time stipulated, the Comptroller-General or the Treasury Officer shall cause to be stated an account between the person and the Government of Liberia, showing the amount of the money not duly paid over, accounted for or applied, with interest at the prevailing bank rate as indebtedness to the Government of Liberia from the date the amount became due.
- (4) Where government inventory are lost due to the misconduct, neglect of duty or negligence by any person in charge of the inventory or has custody of them, the person is accountable for the inventory, as if the person had collected and received the inventory and it shall be recovered from that person as if he collected and received it.
- (5) The provisions of this regulation shall apply with modification to government inventories or the value of the inventory where appropriate as they apply to government money.

## **PART V. ASSET CUSTODY AND MANAGEMENT**

### **V.1 Responsibility for Asset Management**

- (1) The procurement, custody, disposal and management shall be governed by the General Services Agency Act, 1966. Subject to this sub regulation, the Head of a Government Agency shall be responsible for sub regulation (2) and (3) below and Regulations V.2 to V.5 below.
- (2) The Head of Government Agency must take full responsibility of assets assigned to him by the General Services Agency and ensure that proper control systems exist for assets and that:
- (a) preventive mechanisms are in place to eliminate theft, losses, wastage and misuse; and
  - (b) inventory levels are at an optimum and economical level.
- (3) The Head of Government Agency must ensure that processes (whether manual or electronic) and procedures are in place for the effective, efficient, economical and transparent use of the assets assigned to the institution..

### **V.2 Assets Accruing to the State by Operation of Law**

Where any money, property or right accrues to the state by operation of law, the relevant government agency shall notify the General Services Agency to exercise all powers, authority and prerogatives, and fulfil any obligation on behalf of the state.

### **V.3 Register of Lands and Buildings**

(1) The Head of government agency shall be responsible for maintaining a register of Lands and Buildings under his control or possession as prescribed by the General Services Agency Act.

(2) The Register of Lands and Buildings shall record the mirrored details from the General Services Agency of each parcel of land and each building and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease terms, maintenance contracts and other pertinent management details

(3) All major items of furniture and equipment issued for either Government quarters or offices, large tools for Government works, plant, equipment, vehicles or launches if not included in the master inventory register, shall be in a register that combines those registers and the Land and Buildings Register.

(4) All acquisitions or assignment of land with or without buildings from the General Services Agency shall be notified to the National Commission on Land or Land Title Registry.

### **V.4 Master Inventory of Furniture, Equipment, Vehicles, etc.**

(1) Furniture, and equipment issued for Government quarters or offices or vehicle and other fixed asset shall be brought on a master inventory of the Government Agency.

(2) The master inventory shall record under each category of item:

- (a) the date and other details of the voucher or other document on which the items were received or issued;
- (b) their serial numbers where appropriate; and
- (c) their distribution to individual locations and the total quantity held.

(3) In respect of each individual location, there shall be made two copies of the inventory showing all items held at the location; one copy of the inventory shall be kept with the master inventory and the other copy at the location.

(4) The dates and other details of all receipts and issue of items to or from the location shall be recorded on both copies of the inventory as they occur.

(5) The initial entries and all other entries made later on both copies of the inventory shall be validated by the signature of the officer having the use of the items, or where there is more than one officer, the most senior of them.

### **V.5 Disposal and Letting of Assets**

(1) The conditions and terms of disposal or sale of immovable or movable assets shall be determined by the General Services Agency.

(2) The conditions and terms of letting of immovable state property (excluding state housing for officials and political office bearers) shall be determined by the General

Services Agency. No state property may be let free of charge without the prior approval of the General Services Agency.

(4) The Head of Government Agency must review, at least annually when finalising the budget, all fees, charges, rates, tariffs or scales of fees or other charges relating to the letting of state property to ensure sound financial planning and management.

## **PART W. LOSSES**

### **W.1 Definition**

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

### **W.2 Responsibility of the Head of Government Agency**

When a loss as defined in this regulation is discovered, the head of Government Agency shall investigate the circumstances of the loss,

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

### **W.3 Disclosure of Offences**

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

- (a) Liberia National Police, if a criminal offence is involved; and
- (b) disciplinary authority, if there is a breach of financial discipline as per regulation A20

### **W.4 Declaration of Losses**

A loss may be revealed by

- (a) the discovery of any deficiency within the accounts by any public officer; (b) a declaration that a loss has occurred by any one of the following:
  - (i). the Minister;
  - (ii) the Comptroller-General;
  - (iii) the Auditor General;
  - (iv) other public officers specified by any other legislation; or
  - (v) any persons who are deputies of the said officers respectively

- (vi). any persons who are employees of the government agency

### **W.5 Duty of the Head of Government Agency**

A Head of government agency shall

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

as the case may be, with written permission of the Comptroller-General.

### **W.6 Categories of Losses**

- (1) Cash deficiency is a loss arising from a deficiency of cash or other negotiable instrument, whether it arises from a simple cash shortage or from the use of fictitious entries or vouchers to conceal the existence of a deficiency.
- (2) Revenue losses may arise from
  - (a) uncollectable revenue when debts due to government cannot be collected by reason that the debtor cannot be traced or is insolvent; and
  - (b) loss of revenue, arising from failure to assess or collect in circumstances which preclude subsequent assessment or collection, and include any loss of interest caused by delay in making payments into the appropriate public funds or from the making of irregular advances.
- (3) Expenditure losses may arise from:
  - (i) irrecoverable overpayments, when an excess payment has been made by error and recovery cannot be effected because the recipient cannot be traced or is otherwise incapable of making repayment;
  - (ii) nugatory payments, which arise in circumstances such as, the incurrance of a penalty in which government has been legally obliged to make payment, but for which no corresponding receipt of goods or services has been derived;
  - (iii) improper payments arising from transactions that are contrary to law, but which do not involve any offence under the criminal code, and which have been declared to be improper including cases of gross waste or extravagance;
  - (iv) excess expenditure, which is a special case of Improper Payment which arises when payments have been made in excess of approved estimates without the prior authority of Legislature; and



- (v) fraudulent payments which arise from transactions which involve a breach of the criminal code, by the use of falsified documents or certificates to steal money or other property belonging to the state.
- (4) Inventory and Equipment Losses may arise from:
- (i) deficiencies, including fraudulent issues from stock and issues without proper evidence of use;
  - (ii) damage or deterioration of goods in stock; or
  - (iii) loss by accident in so far as they relate to equipment and Inventories in use.
- (5) Financial Losses may arise from:
- (i) irrecoverable advances and loans when moneys due to government cannot be recovered by reason of a debtors default and include default on Government Guarantees;
  - (ii) irregular advances and loans when money cannot be recovered because government cannot establish a claim against any person or institution, as in the case of expenditure wrongly charged to advances, or advances and loans made without agreement for recovery;
  - (iii) reduction of financial asset where the value of any financial asset has to be reduced by reason of failure or capital restructuring of an enterprise, or
  - (iv) losses on sale of securities where the losses are aggregated with gains over the financial year, and any net loss is written off at the end of the year.
- (6) Miscellaneous Losses may arise from:
- (i) loss of Value Books dealt with as laid down in Part VIII of these Regulations
  - (ii) the loss of safe keys of any government safe or the compromise of any combination lock
  - (iii) the cost of altering locks and providing new keys or combinations
  - (iv) the value of any missing items from the safe, or
  - (v) irrecoverable claims dealt with as laid down in these regulation.

### **W.7 Discovery of Loss**

- (1) Any officer who discovers a loss, or suspects that a loss has occurred shall immediately report the matter to the head of Government Agency.
- (2) Failure to make a report under sub-regulation (1) is a breach of financial discipline as defined in sub regulation A20(1).

### **W.8 Initial Action by Head of Government Agency**

- (1) A head of government agency shall be responsible for investigation and taking action on any loss.
- (2) If a head of government agency is satisfied that a loss has occurred, the head shall

- (a) place any accounts, vouchers and other relevant records into safe custody and make any alternative arrangements immediately necessary for the conduct of further business
  - (b) if the circumstances of the loss indicate the likelihood that a criminal offence has been committed, report the matter to the police.
- (3) Investigation and subsequent actions under sub-regulation (1) shall be completed within 48 hours of the discovery and the loss shall be reported to
- a) the Minister;
  - b) the Sector Minister;
  - c) the Comptroller-General; and
  - d) the Auditor-General.

### **W.9 Investigation of Every Case of Loss**

- (1) A head of government agency shall cause an investigation to be conducted into every reported case of loss, and where the head of Government Agency is implicated in the loss, the Sector Minister or the governing board or council in the case of agencies that are not under any Sector Minister, shall be the appropriate authority to cause investigation to be conducted.
- (2) In the case where the Line Minister is involved the investigating authority shall be the Office of the President.
- (3) The authority responsible for investigating and dealing with a loss shall submit progress reports to the appointing authority at such times and in such form as may be specified in Government Agency Accounting Manual.

### **W.10 Assistance to the Police**

- (1) If a loss involves a criminal offence, the investigating authority shall liaise with the Police investigators and shall give them such assistance as they require and records taken into custody by the Police may be subject to examination by the investigating authority.
- (2) On the basis of the findings of the investigation, the investigating authority is required to make recommendations as to the further disposal of the case by
- (a) initiation of disciplinary proceedings;
  - (b) the development of remedial administrative or accounting action; or
  - (c) taking any other action as is appropriate considering the circumstances of the case

### **W.11 Conduct of Investigation**

- (1) The investigating officer shall conduct the enquiry to avoid giving the impression that the officer is prejudging the results.
- (2) The investigating officer shall examine and report on all relevant aspects and not just those that point to a particular conclusion.

(3) On receipt of the investigating officer's report the head of Government Agency, after securing any information required, shall determine further action to be taken to deal with the case by

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

### **W.12 Criminal Offence**

(1) If the report of an investigating officer under regulation 298 shows that a criminal offence, other than the offence already reported under these regulations has been committed, the facts of the case shall be put before the Police.

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

### **W.13 Disciplinary Action for Non-Criminal Offence**

(1) Where an officer has committed an offence which does not involve any criminal offence, disciplinary proceeding shall be instituted by the head of Government Agency.

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

### **W.14 Defective Systems**

If the report of the investigating authority indicates that systems currently in operation, including those for the training of staff are defective, the head of Government Agency shall consult with the Comptroller-General, to consider measures for rectification.

### **W.14 Remedial Action to be Commenced**

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

### **W.15 Financial Liability of Officers**

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

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

### **W.16 Offer to Repay**

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

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

### **W.17 Liability to Repay**

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

- (a) the loss is one falling within the ambit of these regulations
- (b) the loss has been the subject of disallowance and or surcharge by the Auditor-General under the authority of an Act.

### **W.18 Monetary Liability**

If a head of government agency considers that the report of the investigating officer shows that an officer may have received moneys that the officer has neither paid over, accounted for nor applied for the purpose for which they were received, the head of Government Agency may on behalf of the Comptroller-General issue a notice to that officer.

### **W.19 Order for Recovery**

Where a person to whom a notice has been issued in accordance with these regulations fails to respond to the notice within the time specified in the notice, the head of Government Agency shall inform the Comptroller-General of this failure in writing and the Comptroller-General shall take action as required under regulation 309.

### **W.20 Recovery**

- (1) Where an order for recovery has been made, the amount shall be recovered as a debt due to the government.
- (2) The head of Government Agency may, if the officer remains in public employment, arrange for payment by instalments as laid down in these regulations or else the documents shall be the basis of a civil claim against the officer or the officer's estate.

### **W.21 Cash Liability for Loss**

- (1) The procedures laid down in regulations W.17 to W.20 are applicable only to moneys or Inventories received and held by a public officer.
- (2) If losses arise by reason of failure to collect, or by a deficiency occurring after collection, recovery of the amount lost may be ordered if it is established that the loss was occasioned by an officer's misconduct, neglect of duty or negligence.
- (3) If a loss occurs under sub regulation (2) the head of Government Agency shall first initiate disciplinary proceedings against the officer concerned; and if the officer is found to have committed an offence, the head of Government Agency shall establish and recover the amount as laid down in these regulations.

## **W.22 Surcharge Proceedings**

The imposition of a surcharge by the Auditor-General constitutes a claim against the officer concerned, and the head of Government Agency shall immediately recover the full amount surcharged from that officer, in accordance with the provisions of an Act.

## **W.23 Completion of Useful Action**

- (1) When an action of a case of loss case has been completed, and the head of Government Agency is satisfied that no useful purpose will be served by any further action, the head of Government Agency may proceed to dispose of the case.
- (2) The head of Government Agency shall in any case of loss act in accordance with the powers conferred on the head in these regulations and shall where necessary forward the case with recommendations to the appropriate authority for disposal as laid down in the Accounting Manual.

## **W.24 Quarterly Reports of Losses Disposed of**

- (1) Every subordinate disposal authority shall submit returns at the end of each March, June, September and December of losses disposed of during the preceding quarter.
- (2) This return shall be sent to the head of Government Agency, with copies to the Comptroller-General, and the Auditor-General

## **W.25 Rulings**

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

## **W.26 Remittances and Transfer**

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

## **W.27 Claims**

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

## **W.28 Investigation of Bad Debts**

- (1) The fact that losses arise from uncollectable revenue, irrecoverable overpayments, or irrecoverable claims at the time of disposal does not preclude the prior investigation of circumstances of the losses.
- (2) Applications for write-off shall be accompanied by an investigation report indicating whether remedial accounting or other action is necessary.

## **W.30 Power of Intervention**

The Comptroller-General and the Auditor-General may intervene in the disposal of any case of loss, and may

- (a) call for further information to be supplied; or

(b) put forward opinions as to the action to be taken.

### **W.31 Authority of the Auditor-General.**

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

### **W.32 Publication of Significant Findings**

A head of Government Agency shall ensure that matters of significance arising from the investigation of losses are brought to the notice of the general public through the print and electronic media..

## **PART X TRANSITIONAL PROVISIONS AND ENTRY INTO FORCE**

### **X.1. Transitional Provisions**

(1) These regulations come into effect on 13<sup>th</sup> November 2009 except for the provisions of the regulations listed below that are subject to the following delayed effective dates:

- (a) Part C.5 regarding the appointment of the Comptroller General and the operational issues of the Office of the Comptroller General shall be fully effective upon the appointment of a Comptroller General.
- (b) Part J.1 regarding the establishment of the Internal Audit Governance Board and the operational issues of the Board shall be fully operational after the constitution of the Board.

### **X.2. Commencement**

These regulations shall come into force on the 13<sup>th</sup> day of November 2009.

**Date of Gazette Notification:**