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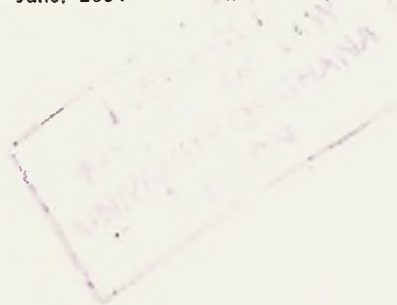
No. 35

FRIDAY, 20<sup>TH</sup> AUGUST

2004

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# GHANA



# GAZETTE

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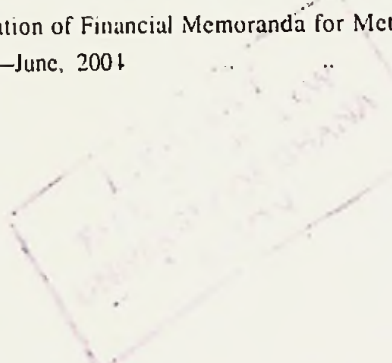
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NOTICE OF PUBLICATION OF OFFICIAL BULLETIN  
COMMERCIAL AND INDUSTRIAL No. 30

is published today

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THE NATIONAL MID-WEEKLY LOTTO RESULTS

It is hereby certified that a National Mid-Week Lotto Draw was held on Wednesday, 11th August, 2004 in accordance with the provisions of the National Weekly Lotto Act, 1961 and the Regulations published thereunder and that the following numbers were drawn in successive order:

29 - 17 - 69 - 11 - 23

SIGNED

*Director of National Lotteries*

THE NATIONAL WEEKLY LOTTO RESULTS

It is hereby certified that a National Weekly Lotto Draw was held on Saturday, 14th August, 2004 in accordance with the provisions of the National Weekly Lotto Act, 1961 and the Regulations published thereunder and that the following numbers were drawn in successive order:

8 - 33 - 55 - 1 - 62

SIGNED

*Director of National Lotteries*

## GAZETTE NOTICE

In exercise of the powers conferred on me by section 91 of the Local Government Act, (1993), Act 462, the following instructions are provided for regulating the financial behaviour of Metropolitan, Municipal and District Assemblies as well as other Sub-district Local Government Bodies.

HON. KWADWO ADJEI-DARKO (MP)

*Minister*

*Ministry of Local Government and  
Rural Development*



## FOREWORD

District Assemblies and their sub-structures (Sub-Metros, Zonal, Urban, Town, and Area Councils) have a wide range of responsibilities towards the public in the provision of essential services. Assemblies also have authority to raise revenue from the public in the form of rates, fees, charges, licences and levies. In addition to such internally generated funds, Central Government makes substantial transfers of monies to Assemblies from the Consolidated Fund in the form of the District Assemblies' Common Fund.

These public monies have to be properly accounted for and Assemblies should be seen to have used the funds for the purpose for which they were intended, and that maximum benefit has been derived. In order to ensure transparency and accountability in the management of public monies, sound financial management practices in the Assemblies are essential.

Therefore, and pursuant to Section 91 of the Local Government Act 462, of 1993, the Ministry of Local Government & Rural Development hereby issues these **Financial Memoranda for Districts Assemblies**, to replace that which was issued under Section 81 of the previous Local Government Act, 1961 (Act 54).

These memoranda apply equally to all Assemblies and their sub-district structures and should be read in conjunction with chapter 20 of the 1992 Constitution of Ghana, the main Local Government Act 462, 1993 (Act 462); the Local Government (Urban, Zonal and Town Councils and Unit Committees (Establishment) Instrument 1994 (LI. 1589); and the Local Government (District Tender Boards) Regulations 1995, (LI. 1606) (both issued by this Ministry); and other financial regulations including the Financial Administration Regulations (FAR) 1979 (LI. 1234) and Financial Administration Decree 1979 (SMCD 221).

The Ministry would like to thank our development partner, the Danish International Development Agency, DANIDA, who kindly collaborated with us in this effort to instil probity, integrity, accountability and transparency into the local government system, by sponsoring the review and production of this document under the Danish Support for District Assemblies (DSDA II) Programme.

HON. KWADWO ADJEI – DARKO (MP)  
MINISTER OF LOCAL GOVERNMENT & RURAL DEVELOPMENT

JUNE 2004

**PART I****FINANCIAL DUTIES OF FINANCE AND ADMINISTRATION SUB-COMMITTEE**

1. It shall be the monthly financial duty of the Finance and Administration Sub-Committee: -
  - a) To inspect the Assembly Balance Sheet, Statement of Revenue and Expenditure and Trial Balance to ensure: -
    - i) that books of account are up to date;
    - ii) that cash held in hand is not more than the previous day's collection and the imprest limit;
    - iii) that cash in bank is not excessive, as compared with investments and both should be contingent on cash forecasting;
    - iv) that revenue is being collected in accordance with the approved Estimates and, if it is not, to make an immediate investigation;
    - v) that expenditure is not proceeding faster than provided in the approved Estimates; if it is, either to see that expenditure is cut down and kept within the rate provided for in the approved Estimates; or if it is not possible to limit expenditure, to recommend increase of expenditure under particular items by reallocation from other items; or if the Assembly has exhausted its powers in this respect or if the financial position of the Assembly permits, either to advise the Assembly to submit an application for Reallocation or a Supplementary Estimate to the Assembly.
    - vi) that the Assembly's books are in balance.
  - b) To deal with any financial matters referred to it by other Sub-committees.
  - c) To deal with any matters referred to it by the Assembly.
  - d) When property rating is in force, to watch the Assembly's interest in valuation matters.
  - e) To investigate losses and make recommendations to the Assembly.
  - f) To consider interim Audit Reports and report to the Assembly.
  - g) To submit financial plans to the Executive Committee for harmonization with other sub-committee plans.
2. It shall be the quarterly financial duty of the Finance and Administration Sub-Committee:
  - (a) To examine the Assembly's rate Rolls to see that rates are being regularly paid and, if not, to take any action necessary.
  - (b) To examine the Advances Accounts to see that repayments are being made regularly, and to take any action necessary if they are not.
  - (c) To examine Local Purchase Orders (LPOs) to see that satisfied Orders are being paid for promptly, and to take any action necessary if they are not.
3. It shall be the annual financial duty of the Finance and Administration Sub-Committee: -
  - (a) To consider the Draft Estimates submitted by the Budget Committee and submit them, with recommendations to the Assembly for approval.
  - (b) To report to the Assembly on the Annual Accounts and the Audit Report
  - (c) To supply members for the annual Boards of Survey on cash and stores.

Monthly Duties

Quarterly Duties

Annual Duties

**PART II****SURPLUS BALANCE AND ACCUMULATED SURPLUS BALANCE**

1. The Estimate Surplus (or budgetary) Balance means the excess of the estimated revenue over the estimated expenditure of an Assembly for one financial year.
2. The Accumulated Surplus (or working) Balance is the accumulated uncommitted funds of an Assembly. It will be increased by a budget surplus or reduced by a budget deficit.
3. The Accumulated Surplus Balance serves three main purposes: -
  - (a) It enables the Assembly to carry on its services at the beginning of the financial year until its revenue for the financial year comes in.
  - (b) It acts as a reserve to enable the Assembly to carry on its services in spite of increases in costs which are beyond its control and which may occur unexpectedly during a financial year.
  - (c) In the absence of adequate facilities for financing capital works by raising loans, it acts as a reserve for the financing of capital works.

Estimated  
Surplus BalanceAccumulated  
Surplus BalancePurpose of  
Accumulated  
Surplus



- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>4. For the purposes mentioned in Section 3 of this Part an Assembly shall aim at estimating for an Accumulated Surplus Balance of twenty-five per cent of its estimated Revenue.</li> <li>5. Unless an Assembly's Accumulated Surplus Balance exceeds the amount required by Section 4 it shall estimate for a budget surplus of at least five per cent of its estimated revenue.</li> <li>6. Since Assemblies will generally require their Accumulated Surplus balances to be readily available in the form of cash no part of such balances except as approved under Section 89 of the Local government Act by the Assembly shall be held in the form of local loans. Any surplus fund, as accruing from Internally Generated Revenue, not immediately required shall either be deposited in the Rural Banks or other savings bank or placed on fixed deposit or Treasury bill with the Assembly's Banks.</li> </ol> | <p>Size of Accumulated Surplus Balance</p> <p>Size of Surplus Balance</p> <p>Investment of Accumulated Surplus Balance</p> |
|---|--|

### PART III

#### CAPITAL EXPENDITURE

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>1. Capital works (that is non-recurrent) shall be paid for in three ways: -             <ol style="list-style-type: none"> <li>(a) from the revenue (including ceded revenue) and accumulated surplus balance of the Assembly</li> <li>(b) from grants, District Assemblies' Common Fund (DACF) and transfers usually made by the Government but sometimes by a Corporation or other body;</li> <li>(c) from the proceeds of loans.</li> </ol> </li> <li>2. Before approved grants for capital purposes are actually paid to Assemblies the Minister will require to be satisfied that Assemblies are keeping local services for which they are responsible up to the required standard and that the Auditor has reported that their accounts are satisfactory. Should this not be the case the Minister may direct that such grants be withheld.</li> <li>3. When an Assembly requires a loan for capital expenditure, it shall apply through the Ministry responsible for Local Government to the Ministry responsible for Finance for approval. In general the following information will be required: -             <ol style="list-style-type: none"> <li>(a) The purpose for which the loan is required</li> <li>(b) The amount of the loan required. This shall be supported by a detailed description of the work to be done, and an estimate checked by a competent professional opinion of the amount the work will cost.</li> <li>(c) The total amount of loans already received and not yet paid and the total amount of annual repayments of loans already being made.</li> <li>(d) The estimated life of the work, the period over which it is suggested that repayment shall be spread, and the amount of the annual equated payment of principal and interest. This last figure, if not available from any other source, may be obtained from the Controller and Accountant-General, Accra.</li> <li>(e) Evidence that the financial position of the Assembly is good, and that the Assembly will be able to repay the proposed loan. Included in this evidence shall be: -                 <ol style="list-style-type: none"> <li>i) A statement of the present budgetary position of the Assembly.</li> <li>ii) A statement of the effect on this budgetary position of the proposed loan, that is, how expenditure will be increased both by loan repayments and by current expenditure consequent on the scheme when the work is complete, and what revenue may be expected to accrue from the project.</li> <li>iii) A statement of the current rate and the extent to which the net additional expenditure resulting from (ii) above will necessitate an increase in the rate.</li> <li>iv) Applications for loans shall be initiated by a resolution of the Assembly. When the loan has been approved by the Ministry acceptance of the loan and of any condition attached to it shall also be approved by resolution of the Assembly.</li> </ol> </li> </ol> </li> </ol> | <p>Methods of financing capital expenditure.</p> <p>Capital Expenditure from Grants</p> <p>Capital expenditure from proceeds of loans</p> |
|---|---|

### PART IV

#### RATES

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>1. "Rate" means money paid under a demand made by a Metropolitan, Municipal or Districts Assembly by virtue of the powers conferred by Part VII of the Local Government Act.</li> <li>2. Section 94 of the Local Government Act states that each Assembly is the sole rating authority for its own administrative area, provided that, under Section 88, if any principal or interest in respect of a loan made to an Assembly remains unpaid for three months after a demand therefore has been served in writing on an Assembly, the Minister may order the raising of a rate to repay such principal and interest.</li> </ol> | <p>Definition</p> <p>Rating Authority</p> |
|---|---|

- |   |                               |
|---|-------------------------------|
| 3. Section 95 of the Local Government Act empowers each Assembly to make and levy sufficient rates to meet its estimated expenditure for the year, having regard to other sources of revenue.   | Duty to make sufficient Rates |
| 4. Section 96 (1)&(2) of the Local Government Act states that Rates may be Special or General. A General Rate shall apply to the whole of Assembly area, and to services generally. A special Rate shall be levied for any service not to be charged against the whole of the Assembly area, or may be levied for a special service chargeable on the whole of the Assembly area. | General and Special Rates     |
| 5. Section 96 (3) (4) & (5) of the Local Government Act states that the levying of General or Special rate shall be based on one or more of the following systems: -  | Rating Systems                |
| (a) An annual rate per head on all persons of or above the age of eighteen years who reside within or own moveable property situated within the Assembly area.  |                               |
| (b) An annual graduated rate on all persons of or above the age of eighteen years who reside within or own immovable property within the Assembly area.   |                               |
| (c) An annual rate, payable by the owner of any premises situated within the Assembly area on the assessed value of such premises.  |                               |
| (d) A rate assessed on the possession, or any category of possession, of person who reside within the Assembly area. Payment of rate is subject to exemption in certain cases as detailed in Part VIII (Section 99) of the Local Government Act.  |                               |
| 6. Where property rating is in force a Valuation list shall be maintained and revised regularly in accordance Section 96 (8) of Local Government Act.   |                               |
| 7. In any Assembly area where any form of Rate levy is in force a Nominal roll (D. A. Form 15) of ratepayers shall be maintained in accordance with Section 111 (1) of the Local Government Act.  | Assessment                    |
| 8. Assemblies shall normally make and publish their rates as early as possible. The rate can be made at the same time as the estimates are approved.  | Making of Rates               |
| 9. In accordance with Section 97 of the Local Government Act a rate shall be deemed to have been made and levied by the publication (in pursuance of a resolution of the rating authority) of a notice in the gazette.  | Notice of Rates               |
| 10. Section 111 (3) of the Local Government Act prescribes the duties of a Rate Collector as follows: -   | Rate Collectors               |
| (a) To furnish to the Assembly concerned a nominal roll of all rateable persons or tenants, as the case may be, in the area to which he has been appointed.   |                               |
| (b) To receive and collect from each person liable for the payment of rates in the area to which he has been appointed the rates payable by each such persons.  |                               |
| (c) To pay all amounts so collected to the Assembly concerned; and  |                               |
| (d) To report to the Assembly concerned the name of any person who has failed to pay the amount due from him for rates.   |                               |

### PART V

### ESTIMATES

#### INTRODUCTION

- |   |                                       |
|---|---------------------------------------|
| 1. Section 11 of the Local Government Act states that Assemblies shall be responsible for the preparation and approval of its annual budgets.                   | Preparation and approval of Estimates |
| 2. The financial year for Assemblies shall commence from 1 <sup>st</sup> January and end on (and include) 31 <sup>st</sup> December.                            | Financial Year                        |
| 3. The Assembly's approved Estimates shall incorporate the budget of the sub-district structures.   |                                       |
| 4. Assembly Estimates shall consist of five parts: -  | Parts of Estimates                    |
| (a) Financial Statement.  |                                       |
| (b) Summary of Revenue  |                                       |
| (c) Summary of Expenditure  |                                       |
| (d) Estimates of Revenue  |                                       |
| (e) Estimates of Expenditure  |                                       |
| (f) Receipts and Payments recognising loans   |                                       |
| 5. The Financial Statement shall be prepared in accordance with the prevailing Budgeting and Public Expenditure Management Systems as in the following example: | Financial Statements                  |



	2000	2001	Variance
<b>Accumulated Surplus at 1<sup>st</sup> January</b>	...	...	...
<b>Revised Estimates of Revenue</b>			
(a) Internally Generated Revenue	...	...	...
(b) Grants	...	...	...
<b>Revised Estimates of Expenditure</b>			
(c) Recurrent	...	...	...
(d) Capital	...	...	...
<b>Revised Estimate Accumulated Surplus 31 December</b>			

The following sections explain the various items: -

6. The Accumulated Surplus at the start of the financial year in which the Estimates are prepared (in this case 2000) shall be the same as that shown in the Annual Statement of Accounts prepared at the end of the preceding financial year.
7. The Revised Estimate of Revenue for the current financial year (in this case 2000) shall agree with the total of the figures in the Revised Estimates column of the Estimates of Revenue.
8. Grants shall include the total under the Grants Sub-Head and also the total of any special rates for capital purposes. Capital Expenditure shall include the total of all capital expenditure sub-heads under the various Expenditure Estimates Heads.
9. The Revised Estimates of Expenditure for the current financial year (in this case 2000) shall agree with the total of figures in the Revised Estimates column of the Estimates of Expenditure.
10. The Estimated Revenue for the next ensuing financing year (in this case, 2001) shall agree with the total of figures in the Estimate, 2001 column in the Estimate of revenue.
11. The Estimated Expenditure for the next ensuing financial year (in this case, 2001) shall agree with the total of figures in the Estimate, 2001 columns of the Estimates of Expenditure.
12. The scheme of heads in respect of the Estimates of Revenue shall be: -
 

Sub-Head I	Rates
Sub-Head II	Lands
Sub-Head III	Fees & Fines
Sub-Head IV	Licences
Sub-Head V	Rent
Sub-Head VI	Grants
Sub-Head VII	Investments
Sub-Head VIII	Miscellaneous

The following sections explain the composition of the various Sub-Heads: -

13. Sub-Head I (Rates) shall include separate items for current basic rate, property rate, rate on possessions and separate items in respect of arrears on each of these. Special rates shall also be a separate item.
14. Sub-Head II (Lands) shall include the Assembly's share of Revenue from Stool Lands and royalties.
15. Sub-Head III (Fees & Fines) shall include separate items as required by the services for which the Assembly is responsible; for example, markets, slaughter-houses, Dressing Stations, Pounds, Lorry Parks, Conservancy, Cattle Kraals, Marriage and Divorce, Births and Deaths, Building Permit fees, Court fines, etc.
16. Sub-Head IV (Licences) shall include separate items as required: for example, palm-wine Sellers, Herbalists, Hawkers, Chop-bars, Charcoal dealers, etc.
17. Sub-Head V (Rent) shall include such separate items as rent from Market Stores, Rents from Assembly Property, Recoveries of overpayments made in previous years.
18. Sub-Head VI (Grants) shall include separate items for transfers to Revenue from Government in respect of District Assemblies' Common Fund, Ceded Revenue, Salaries, and other Donor Support transfers.
19. Under Head VII (Investments) there shall be separate items for each service such as hiring out of Equipment, Tractor Services, Interest on Deposits and other businesses.
20. Sub-Head VIII (Miscellaneous) shall include items for unspecified receipts.

21. The scheme of heads in respect of the Estimates of Expenditure shall be:
  - Sub-Head I Personal Emoluments
  - Sub-Head II Administration
  - Sub-Head III Service
  - Sub-Head IV Investment
22. Sub-Head I (Personal Emoluments) shall consist of items, as follows: -
  - a. Salaried Post
  - b. Assembly's Direct Employees
  - c. Employees Social Security Fund contribution by the Assembly
  - d. Assembly members Allowances
  - e. Other Allowances
23. Sub-Head II (Administration) shall have items, as follows: -
  - a. Utilities
  - b. Office Cleaning
  - c. Office Consumables
  - d. Printing and Publication
  - e. Rent
  - f. Travel and Transport
  - g. Maintenance
  - h. Financial Charges
  - i. Other Allowances
24. Sub-Head III (Service Activity) shall consist of items as follows:
  - a) Training and Conference Cost
  - b) Consultancy
  - c) Materials and Consumables.
  - d) Printing and Publications
  - e) Rent of Plant and Equipment
  - f) Travel and Transport
  - g) Special Activities
25. Sub-Head IV (Investment) shall consist of: items as follows
  - a) Constructional Works
  - b) Rehabilitation
  - c) Purchase of Plant, Equipment, Furniture and Vehicles.
26. Each Sub-Head shall consist of expenditure components from divisions in line with the 1<sup>st</sup> Schedule as specified in Section 38 of Local Government Act
27. The Annual Estimates shall be submitted on D.A Form I.
28. The figures of estimated Revenue and Expenditure shall be calculated to the nearest ₵10, that is, the last unit shall be zero.
29. The Estimates Sub-Heads of Revenue and Expenditure shall be supported by a justification explaining increases or decreases in Revenue items or Expenditure items and showing how the Estimates have been arrived at. This is described in more detail below
30. The justification for Revenue Estimates sub-heads shall indicate the authority for raising the revenue, where applicable
31. Estimates in support of Sub-Head I (Personnel Emolument) shall be prepared on Establishment Schedule (D.A Form 14A) and Nominal Roll and Expenditure on Salary /Wages (D.A Form 14B).
32. In estimating costs under salaried posts provision shall be made on an actual basis for all personnel. For each post which is likely to remain vacant through the financial year to which the Estimates relate a token provision of one month salary shall be made; provision for other vacant posts shall be made at five per cent of the minimum salary.
33. The greatest care shall be taken to ensure absolute accuracy in showing salary scales.
34. The justification in respect of Expenditure Sub-head II (Administration) shall relate to the general running of the Assembly which can not be linked to any specific service or investment activities.
35. The justification for Expenditure sub-head III (Service) shall relate to the expenditure on the provision of services for which the Assembly exist.
36. The justification in respect of expenditure on items of Sub-head IV (Investment) shall relate to expenditure out of the following
  - a) District Assemblies Common Fund ,DACF .
  - b) Assembly's Internally Generated Revenue

Forms to be used  
for Annual  
Estimates

Justification



- c) Members of Parliament's Fund
  - d) Donor Transfer
  - e) Central Government Transfers to Decentralised Departments
37. Details of Sub-items under each Item and Sub-Head of Expenditure is attached as Appendix A .
38. Expenditure on Sub-Heads I to IV shall be related to the Strategic Plan of the Assembly.

#### PREPARATION OF ESTIMATES

39. For the purposes of preparing a detailed budget, the District Chief Executive shall issue a Budget Estimates Memo under his signature to all the heads of decentralized departments and sub-district structures, and which shall
- i) include sets of priorities to be followed and the schedule for the preparation and submission of Estimates.
  - ii) Include guidelines for preparation of Estimates issued by the Minister responsible for Finance.
40. The Budget Committee shall then prepare draft Estimates based on inputs from Heads of decentralized departments and from sub-district structures and submit to the general Assembly through the Executive Committee for approval not later than 31<sup>st</sup> December.
41. The Finance Officer shall issue monthly financial statements for each section showing the approved Estimates, revised Estimates, actual expenditure and variances
42. The monthly statements are to be distributed to the respective budget head holders who shall provide explanations for and budget variances.
43. The District Planning and Coordinating Unit (DPCU) shall review variance reports and recommend remedial action to the affected budget head holder for action.
44. Budget revision may become necessary for the following reasons:
- a) Significant changes in the National Budget as finally approved by Parliament
  - b) Significant changes in the national wage policy, prices and / or rates
  - c) Unforeseen events particularly those related to project activity.
45. Budget revision shall be initiated by heads of departments or officers responsible for expenditure heads affected by the changes. Revised budgets shall be submitted to the Budget Officer who shall pass it on to the Finance and Administration Sub-Committee.

Preparation of Estimates

Submission and approval of Estimates

Monitoring

#### PART VI CONTROL OVER EXPENDITURE

1. The authorities for Expenditure are: -
- (a) The approved Annual Estimates.
  - (b) Approved Supplementary Estimates
  - (c) Approved Reallocation of Estimates.
2. The basic authority for Expenditure is the approval of the Assembly's Annual Estimates under Section 87 of the Local Government Act. The approved Estimates may only be varied by an approved Supplementary Budget or Reallocation of Budget as described below.
3. Where a Finance and Administration Sub-Committee considers it necessary to apply for sanction to meet anticipated additional expenditure on a head of the Estimates or on a head not included in the Estimates it shall do so to the Assembly.
4. Such applications shall only be considered when it can be shown to the satisfaction of the Assembly;
- (a) that the approval of the additional provision is manifestly in the public interest;
  - (b) that the need is so urgent that provision cannot be delayed until the next Annual Estimates are approved;
  - (c) that the need could not have been foreseen when the current Annual Budget were framed;
  - (d) that the provision cannot be found by relocation.
5. It will be the aim of the Assembly to reduce the number and extent of Supplementary Estimates to a minimum.
6. Applications for Supplementary Estimates shall be submitted in a format approved by the Minister responsible for Local Government to the Assembly. Reasons adduced in support of the application

Authorities for Expenditure

Supplementary Estimates

shall cover the requirements set out in Section 4 above.

7. Copies of the Supplementary Estimates shall be sent to the following: the Regional Minister, the Minister responsible for Local Government, the District Chief Executive, the Presiding Member, the Controller & Accountant General, and the Auditor-General.
8. With the scope of a single head of expenditure it may be that, as a result of circumstances which could not have been foreseen when the Annual Estimates were framed, additional provision is required on a particular item of a head while at the same time equivalent savings can be made on another item of the same or a different head. In these circumstances the reallocation authority as defined below is empowered to reallocate between items provided he is fully satisfied that sound reasons exist for the additional expenditure to be incurred on the receiving item.
9. Expenditure in excess of the authority specified in Section 1 of this Part is prohibited.
10. Control over expenditure shall be exercised by the following officers: -
  - (a) The District Chief Executive
  - (b) The District Co-ordinating Director
  - (c) The District Finance Officer
  - (d) The District Budget Officer
  - (e) The internal Auditor
  - (f) Officers responsible for the different Heads of Expenditure, and who shall normally be heads of decentralized departments.
11. It is the duty of an officer responsible for a Head of Expenditure to vouch vouchers for payment. In doing so he shall be held responsible that: -
  - (a) the Expenditure chargeable to the Head for which he is responsible is in respect of and within the provision for services included in the approved Estimates, Supplementary Estimates or Reallocation of Estimates;
  - (b) the services specified have been duly performed;
  - (c) the prices charged are either according to contracts or approved scales, or are fair and reasonable according to the current local prices;
  - (d) the computations and castings are arithmetically correct;
  - (e) the persons named in the vouchers are those entitled to payment.
12. It is the duty of the Finance Officer, before passing vouchers for payment: -
  - (a) To check the particulars outlined in Section 11 above.
  - (b) To reject vouchers which have not fulfilled those conditions.
13. The Finance Officer's rejection of a Payment Voucher may only be overruled by the Finance and Administration Sub-Committee of the Assembly after they have considered representations from both the Finance Officer and the officer responsible for the Head of Expenditure.

Excess  
Expenditure  
prohibited

Controlling  
Officers

Duties of  
Officers  
responsible for  
Heads

Duties of  
Finance Officer

Objection by  
Finance Officer  
to Payments

#### PART VII

#### **BOOKS OF ACCOUNTS**

1. Under Section 90 of the Local Government Act, and Regulation 32 (8) of LI 1589, Assemblies and its Sub-District Structures shall keep proper books of Accounts.
2. The following main books of account shall be kept at all Assembly Finance Offices: -
  - (a) Treasury Cash Book (D.A Form 5)
  - (b) Treasury Ledger (D.A Form 6)
3. Each entry made in the Cash Book apart from contra entries for transactions between cash and bank, shall have a corresponding entry in the Ledger, a debit to cash in the Cash Book being completed by a credit to the relevant Ledger Account and a credit to cash by a debit to the appropriate Ledger Account.
4. All books of account shall be written entirely in ink.
5. The erasure or writing-over of figures in any book of account is prohibited. If an alteration is necessary, the erroneous entry shall be ruled through in red ink and initialled. The correct entry shall then be inserted in red ink immediately above it.
6. No figures shall be altered in any book of account after it has been audited without the prior knowledge and consent in writing of the Auditor.
7. The use of green pencil or green ink by any person other than the Auditor for the purpose of marking entries made in any book of account is prohibited.
8. The books of account enumerated in section 1 of this Part shall, when completed, be preserved and

Main Books of  
Account

Double Entry

Books of  
Account to be  
written in ink

Erasures

Alterations after  
audit.

Prohibition of  
green marks

Preservation of



not destroyed without the permission of the Auditor General and Public Records & Archives Administration.

Books of  
Account

### TREASURY CASH BOOK

- |   |   |
|---|---|
| <p>9. All amounts received, whether in the form of cash, postal orders, money orders, cheques or electronic transfers shall, except as provided for in section 16 below, be separately entered by the Finance Officer or Cashier in the cash column on the debit (receipt) side of the Cash Book. When money is paid in direct to the credit of the Assembly's Bank Current Account, a receipt shall be issued on production of paying-in-slip stamped by the Bank and the amount shall be entered in the bank column on the debit (receipt) side of the Cash Book.</p>   | <p>Receipt entries</p>  |
| <p>10. All payments that are made by the Finance Officer or Cashier shall be separately entered on the credit (payment) side of the Cash Book, cash payments being entered in the cash column and payment by cheque in the bank column.</p>   | <p>Payment entries</p>  |
| <p>11. When postal orders, money orders, cheques or electronic transfers are paid in to the credit of the Assembly's Bank Current Account the total that is paid shall be entered in the cash column on the credit (payment) side of the Cash Book and a contra entry of the same amount shall, at the same time, be made in the bank column on the debit (receipt) side.</p>   | <p>Payment to bank</p>  |
| <p>12. When money is withdrawn from the Assembly's Bank Current Account, the amount withdrawn shall be entered in the bank column on the credit (payment) side of the Cash Book and a contra entry of the same amount shall, at the same time, be made in the cash column on the debit (receipt) side.</p>  | <p>Withdrawals<br/>from bank</p>  |
| <p>13. The letter 'C' shall be written in the Ledger Folio column of the Cash Book against all contra entries on the debit and credit sides.</p>  | <p>Contra Entries</p>   |
| <p>14. The date of receipt or payment shall determine the date of entry in the Cash Book.</p>   | <p>Date of entry</p>  |
| <p>15. Every receipt entry shall be supported by the carbon copy duplicate of a serially numbered General Counterfoil Receipt (D.A Form 7) and others, except in the case of contra entries in respect of transactions between cash and bank. The serial number of the receipt shall determine the order in which it is posted.</p>   | <p>Receipts and<br/>Licences</p>  |
| <p>16. Amounts received shall normally be entered separately in the Cash Book. But a series of amounts, in respect of which separate Receipts or Licences, are issued, may be grouped for purpose of entry in the Cash Book, provided: -</p> <p>(a) there is no break in the sequence of numbering the receipts and Licences, and</p> <p>(b) all the amounts are to be credited to the same Sub-head of Revenue or the same "Below-the Line" Account.</p>   | <p>Grouping of<br/>receipt entries</p>                                  |
| <p>17. Except in the case of contra entries, every entry in the Cash Book shall record the detailed information required by D.A Form 5.</p>   | <p>Detail of entries</p>  |
| <p>18. Every payment entry shall be supported by the original of serially numbered Payment Voucher, commencing from number one each month, except in the case of contra entries in respect of transactions between cash and bank. The serial number of the payment Vouchers shall determine the order in which they are posted.</p>   | <p>Payment<br/>Vouchers</p>   |
| <p>19. The amount that is posted in the Cash Book in respect of a payment of salaries or wages shall be the gross total of the amounts shown as payable, and the totals, of the deductions, if any, shall be accounted as receipts (Liabilities).</p>   | <p>Salaries and<br/>Wages.</p>  |
| <p>20. A daily reconciliation shall be effected between the cash on hand and the cash balance as reflected in the Cash Book. It is not necessary to rule off the Cash Book when calculating the balance for purposes of the daily reconciliation.</p>   | <p>Daily<br/>Reconciliation of<br/>cash with Cash<br/>Book Balance.</p> |
| <p>21. At the end of each month, the Cash Book shall be ruled off and balanced. In addition it shall be ruled off and balanced on the occasion of each inspection by the Auditor and whenever there is a handing-over by one Finance Officer or Cashier to another.</p>   | <p>Monthly<br/>balancing of<br/>Cash Book.</p>                          |
| <p>22. At the end of every month a certified bank Statement shall be called for. The entries therein shall be checked with the entries appearing in the Bank column of the Cash Book. Any entries that appear in the one and not in the other shall be noted for incorporation in the Bank Reconciliation Statement. This Statement reconciles the Cash Book Bank Balance with the balance shown in the Bank Statement. It shall be prepared every month and whenever deemed necessary (for example, on the occasion of hand over by one Finance Officer or Cashier to another) and entered in the Cash Book.</p> | <p>Bank<br/>Reconciliation.</p>   |
| <p>23. General Receipt or Payment Vouchers as the case may be, shall be prepared without delay in support of entries in the Bank Statement which do not appear in the Cash Book and which are found to be in order. For example, Bank charges or collections paid to Bank and not yet notified to the Assembly.</p>   | <p>Consequent<br/>entries in Cash<br/>Book.</p>                         |
| <p>24. The Finance Officer shall ensure that cheques drawn by the Assembly are cleared within a reasonable time and shall institute inquiries regarding cheques which have not been cleared within three months. He shall also make immediate investigation whenever the Cash Book shows payment</p>  | <p>Outstanding<br/>Cheques and<br/>Payments to</p>                      |



- to Bank but the amount does not appear in the Bank Statement.
25. Cash in excess of immediate requirements shall be banked without delay.
  26. The Cash Book together with all Payment Vouchers that are awaiting payment shall be kept under lock and key overnight.

Bank.  
Excess Cash  
Safe keeping of  
Cash Book and  
Vouchers  
awaiting  
payment

#### ADJUSTMENTS

27. Journal vouchers (D.A Form 18) shall be used for all transactions which do not involve the receipt or payment of cash, and shall include the following: -
  - (a) the adjustment of amounts wrongly allocated to an account,
  - (b) the adjustment to Revenue of amounts equivalent to the Expenditure financed out of the proceeds of Capital Grants, Special Rates or Loans,
  - (c) the adjustment, annually, of the individual balances of Revenue and Expenditure Accounts to the Revenue and Expenditure Account and of the balance of the Revenue and Expenditure Account to the Accumulated Surplus Account,
  - (d) the adjustment of an overpayment that is to be recovered,
  - (e) the adjustment consequent upon the writing off of an irrecoverable advance,
  - (f) the adjustment of deposits that have remained unclaimed for more than three complete financial years.
  - (g) the adjustment of a loss of store, or loss of funds incurred by an officer of the Assembly,
  - (h) the adjustment of interest that is credited to a Bank Account,
  - (i) Adjustments to cover transactions on behalf of other Assemblies or Government Departments.
28. Separate journal vouchers, signed by the Finance Officer, shall be prepared in support of each adjustment that is made. The reason for the adjustment and such accounting references as may be necessary shall be entered in the space provided.
29. The total debit on each journal voucher shall agree with the total credit.
30. Journal Vouchers shall be numbered consecutively from one upwards as from the beginning of each month, and they shall be separately filed in serial order and preserved for a minimum period of three years.
31. Journal Vouchers shall be endorsed with the relevant ledger folio at the time of posting to the Ledger.

Use of Journal  
Vouchers.  
  
  
  
  
  
  
  
  
  
Journal  
Vouchers.  
  
Debits to equal  
credits.  
  
Numbering and  
preservation of  
Journal  
Vouchers.  
  
Ledger Folio to  
be quoted

#### LEDGER

32. The Ledger shall be indexed and shall have four divisions; one for Revenue Accounts; one for Expenditure Accounts; one for Revenue and Expenditure Account and Accumulated Surplus Account; and one for Below-the-Line Accounts (that is accounts other than the foregoing).
33. The Ledger shall be posted daily from the duplicate of the Receipt or Licence or from the originally payment voucher or journal voucher in respect of that day's transactions.

Indexing  
  
  
Posting of  
Documents

#### REVENUE AND EXPENDITURE ACCOUNTS

34. The Revenue and Expenditure transactions that are recorded on the documents mentioned in Paragraph 32 shall be entered in the Ledger in accordance with their classification as follows: -
  - (a) Separate space shall be provided for as many heads, sub-heads and items of Revenue and Expenditure as the Estimates contain, and each folio or series of folios shall be headed accordingly. In the case of Expenditure heads, sub-heads and items the amount of the approved Estimates and the amount of all additions or reductions thereof subsequently approved shall also be entered. Increases in provision shall be entered in black ink. Decreases shall be posted in red ink.
  - (b) Each amount received or paid, together with particulars of the date and serial number of the Receipt, Licence or Payment Voucher shall be entered separately in the appropriate "Details" column, and each month's postings shall be totalled and carried to the columns provided for the monthly total and the running total to date.
  - (c) A refund of Revenue or an overpayment recovered in the same financial year in which the revenue was received or the overpayment incurred shall be posted in red ink as a deduction from the monthly Revenue or Expenditure total, as the case may be, reference being quoted to the serial number and date of the relevant receipt, licence, payment voucher of journal voucher.
  - (d) Adjustment Vouchers which have the effect of increasing or decreasing the total of the Revenue or Expenditure that has been accounted shall be similarly posted. Adjustments, which involve

Posting of  
separate Revenue  
and Expenditure  
Account



increases, shall be posted in black ink. Adjustments, which involve decreases, shall be posted in red ink.

35. A Revenue and Expenditure Account shall be prepared in the Ledger at the end of each financial year, and the balances of all Revenue and Expenditure sub-heads and items shall be transferred thereto by means of journal voucher. The balance on the account shall then be transferred to the Accumulated Surplus Account.

Posting of  
Revenue and  
Expenditure  
Account

#### ADVANCE ACCOUNTS

36. An Assembly may make advances within such limits and on such conditions as the Assembly may approve. Assemblies are accordingly authorized to make the following types of advances and to operate Advance Accounts as follows: -

Types of  
Advances /  
Accounts

- (a) Advances to Staff in accordance with the conditions set out in Appendix 1 to this part.
- (b) Advance Accounts to cover loss of funds or stores, overpayments to be recovered or dishonoured cheques.
- (c) Advance Accounts in respect of surcharges made by the Auditor.
- (d) Advance Accounts to accommodate transactions on behalf of other Assemblies and Government Departments.
- (e) Any other types of advance Accounts authorized by the Assembly.

37. Advances shall not be made to members of the Assembly.

Advances to  
Assembly person  
s prohibited.

38. No expenditure that is properly chargeable to an item of the Estimates shall be charged to an Advance Account.

Expenditure not  
chargeable to  
advances  
Repayment of  
Advances to staff

39. Repayment of advances to Assembly Staff shall be made in accordance with instructions set out in Appendix 1 to this part.

40. Advance Accounts in respect of loss funds or stores, overpayments to be recovered, or dishonoured cheques shall be repaid by monthly installments within any period up to maximum of one year, at the discretion of the Assembly.

Repayment of  
Advances to  
cover loss of  
funds, etc.

41. Surcharges made by the Auditor and charged to advance Accounts shall be payable, under Section 17 of the Audit Service Act 2000 (Act 584) within sixty days after the sum has been certified by the Auditor, or if an appeal with respect to that sum has been made, within sixty days after the appeal is finally disposed of or abandoned or fails by reason of the non-prosecution thereof.

Repayment of  
surcharges by  
Auditor

42. Assemblies shall endeavour to clear Advance Accounts made to accommodate transactions on behalf of other Assemblies or Government Departments at the earliest possible moment.

Repayment of  
Advances to  
other Assemblies  
etc

43. All other Advance Accounts shall be repaid in accordance with conditions, which shall be laid down by the Assembly when the Advance is granted.

Repayment of  
other Advances

44. Each Advance Account shall be entered on a separate folio or series of folios of the Ledger. The following details shall be shown at the top of each folio or series of folios: -

Posting of  
Advance  
Accounts

- (a) the name of the body or person to whom the advance has been granted,
- (b) the authority for the Advance Account,
- (c) the amount of the Advance
- (d) the conditions of repayment

45. Postings to each Advance Account shall be totalled monthly and balance and the balance carried forward to the following month.

Balancing of  
Advance  
Accounts

46. Assemblies shall open one or more Control Accounts for advances in the Ledger in which case all individual Advance Accounts and credit to Advance Accounts shall be posted both in the Control Account and in the individual Advance Account concerned. Every month the balance of the Control Account shall be reconciled with the total of the individual balances in the subsidiary ledger.

Control Account

#### DEPOSIT ACCOUNTS

47. Assemblies may operate Deposit Accounts within such limits and on such conditions as the Assembly may approve. Assemblies are accordingly authorized to keep the following Deposit Accounts: -

Types of Deposit  
Account

- (a) Capital Grants
- (b) Special Rates



- (c) Union Dues  
(d) Specialised transfers  
(e) Statutory deductions  
(f) Miscellaneous
48. Each Deposit Account shall be entered on a separate folio or series of folios of the Ledger except as provided for in Paragraph 50 of this Part. The title of the Deposit Account shall be shown at the top of each folio or series of folios. Entry of Deposit in Ledger
49. Postings to each Deposit Account shall be totalled each month and balanced and the balance carried forward to the following month. Balancing of Deposit Accounts.
50. An Assembly shall open one or more Control Accounts for Deposits in the Ledger, in which case all individual Deposits Accounts shall be entered in a subsidiary Ledger kept entirely for this purpose. Every debit and credit to Deposit Accounts shall be posted both in the Control Account and in the individual Deposit Account concerned. Every month the Control Account shall be reconciled with the total of the individual balances in the subsidiary Ledger. Control Account.
51. All Capital Grant, Special Rates and Miscellaneous Deposits remaining unclaimed at the end of three complete financial years following the year in which they were received or adjusted to credit of deposits, shall be cleared by adjustment to Revenue. If a claim is subsequently established in the same year in which the Deposit has been cleared to Revenue, the payment shall be debited to this account: otherwise the payment shall be debited to the Expenditure head item 'Refunds of Revenue in respect of previous years' Unclaimed Deposits
52. The unexpended balance of an item of Expenditure shall not be placed on deposit. Items of Expenditure not to be transferred to deposit.
53. At the end of each month a journal voucher shall be prepared debiting each Capital Grant or Special Rate Deposit Account and crediting the appropriate Revenue sub-head with the actual amount of Capital Expenditure incurred during the month from that Deposit Account. Monthly Adjustment of Capital Grants and Special Rate Deposits
54. If when the project, in respect of which Capital Grant or Special Rate has been received, has been completed, the amount of the Grant or Special Rate has not been fully expended on that project, the unexpended balance shall remain on deposit pending claim or action under Paragraph 51 of this Part. Refund of Unexpended Balance of Special Rate and Capital Grants
55. Union Dues Deposit Accounts shall be cleared once per month by payment of agreed claims to the Local Union and the Trades Union Treasury, in the case of Income Tax. Payments of Union Dues and Income Tax.
56. Assemblies shall make prompt payment in respect of withholding tax and Social Security Fund contributions to the Internal Revenue Service (IRS) and the Social Security and National Insurance Trust (SSNIT).

#### IMPREST ACCOUNTS

57. Individual Imprest Accounts shall be kept in the Ledger. Each Imprest Account shall be entered on a separate folio of the Ledger and the following details shall be shown at the top of each folio: - Entries in the Ledger.
- (a) Name and designation of the officer to whom the imprest has been issued.  
(b) The amount of the imprest.  
(c) Date on which Special Imprest shall be retired.

#### FIXED DEPOSIT ACCOUNT

58. When money is placed on Fixed Deposit with a Bank, a journal voucher shall be raised and allocated to the debit of a Fixed Deposit Account opened in the Ledger and posted in the Bank column (credit or payment side) of the Treasury Cash Book, and when money is withdrawn from Fixed Deposit, the receipt issued shall be allocated to the credit of the Fixed Deposit Account and posted in the bank column (debit or receipt side) of the Treasury Cash Book. Deposit and withdrawal entries
59. It is usual for the interest on Fixed Deposits to be placed to the credit of the Assembly's Bank Current Account and for the Assembly to be advised. A General Counterfoil Receipt shall be issued for the amount advised, allocated to the credit of Revenue and posted in the bank column (debit or receipt side) of the Treasury Cash Book. Interest entries
60. Fixed Deposit Certificates shall be kept by the Finance Officer in his safe. Custody of Fixed Deposit Certificates.

#### INVESTMENT ACCOUNTS

61. When money is invested (in Bond, Shares, and other financial instruments) the supporting Payment Voucher shall be allocated to the debit of an Investment Account opened in the Ledger and posted in the bank column (credit or payment side) of the Treasury Cash Book, and when the investment is Investment and Redemption entries.



redeemed the receipt issued shall be allocated to the credit of the Investment Account and posted in the Bank column (debit or receipt side) of the Treasury Cash Book.

62. All investment shall be recorded at cost price in the Ledger.

63. A General Counterfoil Receipt shall then be issued for the amount of the interest, earned and allocated to the credit of Revenue and posted in the Treasury Cash Book. Alternatively, the interest may be reinvested, in which case a journal voucher shall be prepared debiting the investment Account with the amount of the interest and crediting Revenue with the same amount.

Investments to be recorded at cost

Interest entries

#### LOAN ACCOUNTS

64. The circumstances in which Assemblies may raise loans are governed by Section 88 of the Local Government Act.

Raising a Loan

65. The receipt of a loan shall be brought to account as a debit to cash and a credit to an appropriately entitled Loan Account in the Ledger. However, when a loan is in the form of equipment and fixtures rather than cash, debits must be made in the relevant assets account.

Receipt of a Loan

66. At the end of each month a Journal voucher shall be prepared, debiting the Loan Account and crediting Revenue with the actual amount of the loan expenditure incurred during the month.

Debit to Loan Account Credit to Revenue

67. The balance in the Loan Account at the end of each month will therefore represent the unexpended balance of the Loan. It will not represent the liability of the Assembly to the grantor of the Loan.

Definition of Balance of Loan Account

68. Repayment of loans shall be by means of the equated instalment method. A schedule showing the monthly or annual installments of principal and interest and the number of instalment will be kept by the Assembly whenever a loan is contracted.

Repayment of Loan

69. A Loans Register (D.A Form 16) shall be kept by the Assembly to control repayments of principal and interest.

Loan Repayments Register

70. The figure in column 5 of the Register will represent the liability of the Assembly in respect of the unredeemed balance of the loan. This figure shall be recorded in a footnote to the Balance Sheet of the Assembly.

Unredeemed Balance of Loan

71. When the project in respect of which the loan has been received has been completed, the amount of the loan has not been fully expended on that project, the unexpended balance shall be transferred to a special fund and its use shall be determined by the Assembly.

Refund of unexpended Balance of loan

#### MONTHLY ACCOUNTS AND STATEMENTS

72. A Trial Balance (D.A Form 20) shall be prepared and signed by the Finance Officer at the end of each month and whenever the Finance Officer hands over his duties to another officer. The Trial Balance is a list of debit and credit balances extracted from the Ledger and Cash Book and its purpose is to prove the arithmetical accuracy of the accounts. Total credits must equal total debits.

Trial Balance

73. A Revenue and Expenditure Statement (D.A Form 30) which sets out the accumulated surplus of Revenue over Expenditure or Accumulated Deficit of Expenditure over Revenue, as the case may be brought forward at the beginning of the financial year, the actual revenue and Expenditure by Heads from the beginning of financial year to date and the resultant Accumulated Surplus of Revenue over Expenditure or the Accumulated Deficit of Expenditure over Revenue shall be prepared by the Finance Officer monthly from the Trial Balance and signed.

Revenue and Expenditure statement

74. A Balance Sheet (D.A Form 9) shall be prepared by the Finance Officer monthly from the Trial Balance and signed. The Accumulated Surplus or Deficit thereof shall agree with the Accumulated Surplus or Deficit of the Revenue and Expenditure Statement.

Balance Sheet

75. The monthly Trial Balance, Revenue and Expenditure Statement and Balance Sheet shall be submitted at regular monthly intervals for the information of the Finance and Administration Sub-Committee and copies shall be sent to the Minister responsible for Local Government, Regional Minister, District Chief Executive, Presiding Member, the Controller & Accountant General, and the Auditor-General, so as to reach them within fifteen days of the end of the month to which they relate.

Submission of Statements to Finance Committee.

76. Failure to balance the Trial Balance must be due to posting, casting or balancing errors and in this event immediate steps shall be taken with a view to rectifying the position. Should this in turn fail the Finance & Administration Sub-Committee shall be informed without delay.

Failure to Balance the Trial Balance

#### ANNUAL ACCOUNTS AND STATEMENTS

77. The Annual Accounts and Statements that are to be prepared, submitted for audit, and published in accordance with Sections 90 of the Local Government Act, shall comprise the following: -

Composition of Annual Account



- (a) The Revenue and Expenditure Statement for the financial year signed and dated by the Finance Officer and the Co-ordinating Director.
  - (b) The Balance Sheet at 31<sup>st</sup> December, signed and dated by the Finance Office and the Coordinating Director.
  - (c) A comparative Statement of Revenue and Expenditure, which details the year's actual Revenue and Expenditure by Heads, Sub-heads and Items in relation to the Estimates and all additional or Reduced Provision approved.
  - (d) An Analysis of Advance Accounts outstanding at 31<sup>st</sup> December.
  - (e) An Analysis of Deposits outstanding at 31<sup>st</sup> December.
  - (f) A Statement of unredeemed Loans
  - (g) The Profit and Loss Accounts of any trading concerns under the Control of the Assembly.
  - (h) A Statement showing the receipt, disbursement and unspent balance in respect of all grants and loans for specific purposes.
  - (i) An analysis of claims against Assembly funds for goods and services supplied remaining unpaid at 31<sup>st</sup> December.
  - (j) A Statement of total arrears of Rates uncollected at 31<sup>st</sup> December and subdivided in accordance with the sub-heads of Head I of the Revenue Estimates.
  - (k) Notes mentioning: significant accounting policies, basis of accounting, classification of accounts, development expenditure and foreign currency transactions
78. Six copies of the Statement mentioned in Paragraph 77 shall be sent to the local representative of the Auditor-General so as to reach him not later than 31<sup>st</sup> March following the close of the financial year to which they relate. One copy of each audited statement shall subsequently be sent to the Minister responsible for Local Government, Regional Minister, District Chief Executive, Presiding Member, the Controller & Accountant General, and the Auditor-General, together with his report on the accounts of the Assembly.

Submission of  
Annual Accounts

### PART VIII

#### CASH RECEIPTS

##### DUTIES OF FINANCE OFFICER AND REVENUE COLLECTORS

1. It shall be the duty of the Finance Officer to supervise, and as far as possible to enforce the punctual collection of Revenue and to take action to ensure that revenue collections and other receipts are properly brought to account.
2. It shall be the duty of Revenue Collectors to collect and account for Revenue and to take action to ensure that revenue collections and other receipts are properly brought to account.

Duty of Finance  
OfficerDuty of Revenue  
Collectors

##### RECEIPTS

3. All amounts received by an Assembly shall be supported by the issue to the payer of one of the following receipt forms: -
  - (a) General Counterfoil Receipt (D.A. Form 7)
  - (b) Rate Receipt (D.A. Form 8)
  - (c) Licence (D.A. Form 3)
  - (d) Fixed Fee Receipt – that is tickets and discs
  - (e) Computerised receipts
4. Temporary receipts and all other forms of receipts are prohibited.
5. General Counterfoil, Rate and Licence receipt forms shall be printed in Triplicate, bound in book form and serially pre-numbered. Fixed Fee receipt forms shall be printed in original and shall be serially numbered in rolls.
6. The duplicate and triplicate of a receipt form shall always be the carbon copy of the original, which shall be filled in only with an indelible pencil or in ink. Double sided carbon shall be used.
7. If the carbon copy has not been correctly inserted the original and carbon copies of that receipt shall be cancelled by writing across the face of the original and duplicate the word "Cancelled" in bold letters. A fresh receipt shall then be issued.
8. No alterations shall be made on a receipt whether Fixed Fee or otherwise. If an error has been made on a General Counterfoil Receipt, Rate Receipt, or Licence the original and carbon copies shall be cancelled, as described in paragraph 7 of this Part and a fresh receipt issued.
9. When a receipt or Licence has been cancelled the original and carbon copies shall be preserved in the receipt or Licence book.
10. The duplicate copies of a receipt or licence shall not be removed from the book in which it is bound.

Receipt Forms

Temporary  
Receipts  
Prohibited

Form of Receipts

Duplicate to be  
carbon copiesCancellation of  
receiptsAlteration  
prohibited

Duplicates not to



- |   |   |
|---|---|
| <p>11. If application is made for a certified copy of a receipt or Licence and particulars shall be entered in typescript on a sheet of paper and endorsed "certified true copy". On no account shall a further original receipt be issued.</p> <p>12. The duplicates of receipts or Licences issued by the Finance Officer or his Cashier shall be endorsed with the relevant Ledger folio at the time of posting to the ledger.</p> <p>13. Every receipt issued by a Finance Officer or his Cashier to a Revenue Collector for money paid in to the Treasury shall give the opening and closing numbers of the receipts issued by the Revenue Collector.</p> <p>14. A public notice in English and in Vernacular shall be exhibited in every Assembly office where money is received to the effect that a numbered official receipt shall be obtained for every sum paid to the Assembly.</p> | <p>be removed</p> <p>Certified true copies</p> <p>Ledger folios to be quoted on receipts and licences</p> <p>Receipts issued by Finance Officer or Cashier to Revenue collector</p> <p>Public notice issue of receipt</p> |
|---|---|

#### CONTROL OF RECEIPT FORMS / VALUE BOOKS

- |  |   |
|--|---|
| <p>15. Requisitions for the supply of the receipt forms mentioned in paragraph 3 of this Part shall be placed with the Controller and Accountant General's Department (CAGD).</p> <p>16. All receipt forms shall be carefully checked on arrival with the corresponding requisition by the Finance Officer. The Finance Officer shall immediately report to the supplier any error either in the numbering or the quantity supplied and shall, at the same time, return to him under registered cover any forms in which errors have been held liable for any resultant loss to the Assembly.</p> <p>17. The stock of un-issued receipt forms shall be kept under lock and key in the Finance Officer's office. All receipt forms shall be separately taken on charge in a Stock Register (D.A. Form 4) in numerical sequence, the consignment for each year being separately entered. Stock Registers shall be indexed and separate blocks of consecutively numbered folios shall be allocated to each type of receipt form. The Finance Officer shall be responsible for ensuring that all details of receipts and issues are promptly entered in the Stock Register.</p> <p>18. The receipt forms required by Revenue Collectors shall be drawn by them in person from the Finance Officer and shall be signed for and care shall be taken to ensure that issues are made in numerical sequence.</p> <p>19. No Revenue Collector shall normally have in his possession more than two receipt books of any one type, one for current use and one for reserve.</p> <p>20. All completed receipt books and all partly used and unused receipt forms that are surplus to requirements shall be returned to the Finance Officer without delay. The Finance Officer shall be responsible for completing the relevant columns in the Stock Register and for ensuring that all surplus unused and partly used books are taken on charge again.</p> <p>21. Completed receipt forms and forms that are surplus to requirements shall be carefully preserved under lock and key until required for audit purpose. Thereafter they may be destroyed under Audit supervision.</p> <p>22. The stock of unissued receipt forms shall be checked at least quarterly by the Finance Officer against the balance in the Stock Register.</p> <p>23. The Finance Officer shall be responsible for ensuring that there is always an adequate stock of receipt forms available.</p> <p>24. Revenue Collectors to whom receipt forms have been issued shall be responsible for their safe custody.</p> <p>25. The Finance Officer shall keep a Distribution Register, which shall record details of all receipt forms issued to Revenue Collectors. A separate folio or series of folios shall be allocated to each Revenue Collector.</p> | <p>Receipts to be obtained from CAGD</p> <p>Checking of receipts on arrival</p> <p>Stock Register</p> <p>Receipt forms Drawn by Revenue Collectors</p> <p>Restriction on issue of receipt forms</p> <p>Completed and surplus receipt forms</p> <p>Unused Stock to be checked.</p> <p>Adequate Stock to be maintained.</p> <p>Revenue Collectors responsible for safe custody of receipt forms.</p> <p>Distribution Register</p> |
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#### REVENUE COLLECTORS

- |   |                                      |
|---|--------------------------------------|
| <p>26. Every Revenue Collector shall keep a Revenue Collector's Cash Book. The Cash Book pages shall be numbered consecutively and pages shall not be removed.</p> <p>27. The Cash Book shall be of a simple type, with each page divided into two sides: -</p> <p style="margin-left: 20px;">(a) The debit side shall be ruled in three columns: -</p> <p style="margin-left: 40px;">i) Date.</p> <p style="margin-left: 40px;">ii) Receipt number</p> <p style="margin-left: 40px;">iii) Amount. Where more than one type of revenue is collected a separate amount column may be provided for each type of revenue in addition to a column for the total revenue</p> | <p>Revenue Collectors Cash Books</p> |
|---|--------------------------------------|



collected.

- (b) The credit shall be ruled in three Columns
- i) Date
  - ii) Treasury Receipt Number
  - iii) Amount
28. Revenue Collectors shall enter daily in their cash books all amounts received on that day and the date and number of the receipt issued.
29. Revenue Collectors shall, except where banking facilities are available, pay all money collected to the Treasury every week or more often if required by the Finance Officer. Before paying in Revenue Collectors shall balance their Cash Books. When Revenue Collectors pay in they shall produce their Cash Books and all Receipt forms in their possession. The Finance Officer shall examine the entries in the Revenue Collector's Cash Book and verify the cash balance and the balance of receipt forms on hand. Where banking facilities exist the Revenue Collector shall account for their collections daily direct to bank for the credit of the Assembly's Bank Current account. Weekly, Revenue Collectors shall present their cash books, receipt forms and paying-in-slips stamped by the bank to the Finance Officer for inspection.
30. The Finance Officer shall then initial the Revenue Collector's Cash Book and issue a receipt for the amount of cash paid in either to Treasury or Bank.
31. All Revenue collected shall be paid to the Treasury or Bank in full, and any commission or salary payable to Collectors shall be paid from an Expenditure item. Finance Officers are forbidden to pay to a Revenue Collector any portion of the salary or commission due to him until he has accounted for all money collected by him.
32. All completed Revenue Collector's Cash Books shall be preserved for a minimum period of five years.
33. All Revenue Collectors shall maintain such subsidiary records as the Finance Officer and Auditors may require to ensure the proper collection of all fees and dues.

Payment to  
Treasury or  
Bank.

Revenue to be  
paid in full.

Preservation of  
Cash Books

Subsidiary  
Records

## **PART IX**

### **CASH PAYMENTS**

1. Every payment shall be supported by the original of a voucher, which shall contain full particulars of the service for which payment is being made and the head, sub-head and item or account to which is to be charged.
2. Payment Vouchers shall be of the following types: -
  - (a) Salaries or Wages (D.A Form 11)
  - (b) Other Charges (D.A Form 12)
  - (c) Travelling and Transport (D.A Form 13).
3. Payment Vouchers shall be certified by the officer authorized by the Assembly to incur the expenditure.
4. An officer certifying a voucher thereby certifies to the accuracy of every detail therein.
5. Officers certifying vouchers shall exercise the greatest care to ensure that the certificates they sign are in accordance with the facts. If they are not personally acquainted with the facts, the voucher must be suitably endorsed by the officer who is so acquainted.
6. Payments shall, as far as possible, be made by the Finance Officer or Cashier. Where this is not possible, imprest shall be used.
7. Where applicable, the original invoices and statements shall be attached to a payment voucher, if the original document has been lost, a duplicate shall be obtained which shall be certified by the appropriate officer that he has taken all possible steps to ensure that no payment has been made on the original document.
8. The amount payable on each voucher shall be expressed in words as well as figures, and care shall be taken not to leave any space for other insertions capable of allowing the alteration of the authorized sum.
9. Payment vouchers shall be written in ink, or shall be typewritten.
10. Each Payment shall be supported by a separate voucher except in the case of salaries or wages.
11. When any alteration is made on a voucher, the alteration shall be signed by the officer certifying the voucher. No alteration of any sort shall be made in the amount shown in words; if any errors occur in this part of a voucher it shall be cancelled and a new voucher shall be prepared. Where any

Vouchers

Responsibility  
for payment

Supporting  
Documents

Preparation of  
Vouchers



- alteration is made to the receipt portion of the voucher, the alteration shall be signed by the recipient.
12. An officer making a payment whether by cash or by cheque directly to an individual shall take due care to identify the payee. When the payee is not known personally to the paying officer he shall arrange for the payee's identification either by another officer who shall sign the voucher as identifying witness, or by appropriate documents which shall be attached to the voucher or, if they cannot be retained, shall be specified on the voucher in full detail. Identification of Payee
  13. All payment vouchers shall be receipted in one of the following ways: -
    - (a) by a written acknowledgement in ink on the payment Voucher by the payee where an official receipt is not supplied; or
    - (b) by the attachment to the Payment Voucher of the payee's official receipt. Facsimile signature stamps shall not be used.
  14. Official receipts shall be obtained in support of payments to Government Departments, State Enterprises and other Assemblies. Receipts of Payments
  15. Officers concerned in any stage of payment shall take every precaution against duplicate payments. Duplicate Payments
  16. Payment shall normally only be made to the person named in the voucher. Where in exceptional circumstances it is essential for payment to be made to a nominee the authority under which it is made shall be attached in original. Payments to Nominee
  17. When a payment is made to a single illiterate person or to a person who is unable to give a receipt in English, the payment shall be made in the presence of a literate person other than the paying officer, and the signature or the mark or thumb impression of the payee shall be obtained in the presence of the witness. The latter shall sign the voucher to the effect that the payment was actually made and the thumb impression is genuine. Payments to Illiterates.
  18. Finger-print impressions on vouchers of person acknowledging receipt of money shall be made by using proper finger-print pads, rollers and ink; ordinary stamping pads are unsuitable.
  19. Immediately after a voucher is paid the officer who made the payment shall stamp the voucher 'paid', together with all attached documents, adding the date. Where a payment is made by cheque, the cheque number shall be quoted on the voucher. Paid Stamps and Cheque number
  20. When discount is obtainable, payments shall wherever possible be made in time to obtain benefit of the discount. Discount
  21. All vouchers in respect of claims for the refund of transport and other expenses for which receipts cannot be obtained shall bear the following certificate signed by the payee: Honour Certificate

**HONOUR CERTIFICATE**

*I CERTIFY that the above amount was spent by me in the interests of the ... ..*  
*... Assembly, and that no receipts were available.*
  22. All claims accepted against Assembly funds shall be dealt with promptly, and the relative payment vouchers completed and paid without delay. Payment for service rendered, and supplies delivered, under contract shall be made according to the terms of the contract; if no contract exists, payments shall be made not later than the month following that in which the expenditure was incurred in respect of all items not under dispute. All payments shall, so far as possible, be made in the financial year to which they relate. Payments shall not be made before they are due. Prompt payment
  23. Payments falling due in December shall, when it has been impracticable to pay them in that month, be charged to the corresponding sub-head and item for the following financial year. Payment after the end of the financial year.
  24. Except where a valid contract exists for periodical supplies or similar purposes, all local purchases of stores and other supplies shall be ordered on Local Purchase Order Forms (D.A Form 10)
  25. Local Purchase Orders shall be signed by the Finance Officer. Local Purchase Orders
  26. Local Purchase Orders shall be prepared in quadruplicate. The original and duplicate copies shall be sent to the supplier, who shall return the original copy with his invoice. The duplicate shall be retained by the supplier. The original copy shall be attached to the original copy of the Payment Voucher on which payment is made. The quadruplicate shall remain in the local Purchase Order Book.
  27. If for any reason a Local Purchase Order is prepared but not used or is incorrectly prepared, the authorizing officer shall ensure that all copies of the Order are cancelled and retained or replaced in the book.
  28. The Finance Officer shall make careful examination from time to time of the record copies of orders to ensure that no forms have been misused. He shall also see that orders have been complied with or cancelled, and that payment vouchers have been prepared and submitted for those orders which have been fulfilled.
  29. The certificate on the original Local Purchase Order that stores have been taken on charge shall be



completed by the Storekeeper.

30. The main stock of Local Purchase Orders shall be kept by the Finance Officer under lock and key, and shall only be ordered from the Controller & Accountant General, and particulars of receipt and issue shall be serially recorded in the Stock Register (D.A. Form 4) Issues shall be signed for by the
31. Whenever Revenue or a Deposit is to be refunded, reference shall be made on the voucher to the serial number and date of the Receipt on which the revenue or Deposit was originally collected or the Journal voucher on which the Deposit was transferred to Revenue. Refunds
32. Any overpayment recovered within the same financial year as that in which it occurred, shall be credited to the item of Expenditure which bore the debit. If it is recovered in a financial year other than that in which it occurred, it shall be credited to Revenue. Overpayments Recovered
33. Payment Vouchers shall be endorsed with the relevant Ledger Folio at the time of posting to the Ledger. Ledger Folio to be quoted.
34. All payment vouchers shall be preserved for a minimum period of three years. Preservation of payment vouchers

#### IMPRESTS

35. An imprest is an advance to an Assembly employee to meet payments on the service of the Assembly which cannot be conveniently made by the Assembly Finance Officer in the first instance Definition
36. Imprests shall be issued on the authority of the Assembly and may be of two kinds: - Types of imprest
  - (a) Special Imprests granted for a particular purpose and for a particular period.
  - (b) Standing Imprests which shall be recouped from time to time during the financial year concerned by submitting receipts to the Finance Officer or Cashier for re-imbursement.
37. The amount of Special Imprests shall be calculated to cover the particular purpose for which they are granted; the amounts of Standing Imprests to cover one month's expenditure.
38. Imprests shall only be granted for clearly defined purposes. Such purposes and the authority for granting the Imprest shall be stated on the voucher covering the issue of the Imprest. Imprests shall only be used for the specific purpose for which they are issued. They shall not be used for paying bills which can conveniently be paid by the Finance Officer.
39. Standing Imprest shall be retired at the end of each financial year. Special Imprests shall be retired within the period allowed. Retirement of Imprest
40. The Finance Officer shall issue an imprest by preparing a Treasury Payment Voucher for the amount of the Imprest, crediting cash and debiting the individual imprest account. Issue of Imprest
41. Each Imprest Holder shall keep an Imprest Cash Book. The amount of the imprest shall be entered on the debit side of the Cash Book, and all payments shall be entered on the credit side. Imprest Holder's Cash Book
42. The imprest shall be recouped monthly or more often as necessary. To recoup the imprest, the imprest holder shall produce his cashbook and receipts and cash balance to the Finance Officer, who shall examine the entries in the cashbook and the receipts and verify the imprest balance. The Finance Officer shall initial the Imprest Cash Book and prepare separate Payment Vouchers for the amount expended from each item of the Estimates. Recoupment of Imprests
43. The Imprest Holder shall bring to account on the debit side of his Cash Book the amounts recouped from the Finance Officer. The balance in the imprest Cash Book should then be equal to the amount of the original imprest.

#### SALARIES, WAGES AND ALLOWANCES

44. The details of monthly salaries paid on D.A Form 11 shall be recorded in a Salaries Register (D.A. Form 17). Particulars shall be grouped according to the Head and item of the Estimates. Salaries Register
45. The originals of Receipts issued to support the totals of the various deductions shall be attached to D.A Form 11. Deductions
46. Salaries shall be paid on the last convenient working day in every month, and the amounts payable shall be one-twelfth of the annual rates of pay. In the event of payment being due for a broken period, the amount payable shall be calculated proportionately to the number of days in the month; for example, if salary is due for the period 15<sup>th</sup> May to 31<sup>st</sup> May, the amount payable is 17/31 of the monthly rate of pay. Payment of Salaries
47. The payment voucher on which an increment has been paid shall be supported by the written authority for the increment. Increments
48. Claims for maintenance and mileage allowance on D.A Form 13 shall be accompanied by the prescribed certificates and shall be submitted monthly. Claims, which are not so submitted, shall be rejected. Mileage claims together with maintenance allowances shall be paid subject to the Maintenance and Mileage Claims



prevailing rates.

- 49 All daily-rated workers engaged on a permanent basis shall be paid at flat monthly rates subject to the following rates: -

- (a) For the purpose of this Section daily-rate employees engaged continuously for a minimum of one full month shall be deemed to be engaged on a permanent basis. This definition does not affect the discharge of such employees as and when necessary.
- (b) For employees required to work on weekdays only, the gross monthly payment shall be the exact equivalent of the daily wage rate multiplied by 27, subject to deduction for absenteeism.
- (c) Such employees shall lose only one-twenty-seventh of a month's pay for each day's absence from work.
- (d) For employees required to be at work every day of the week the monthly pay will be the daily wage multiplied by 365 and divided by 12.
- (e) Such employees shall lose one twenty-eighth, one twenty-ninth, one thirtieth or one thirty-first of a month's according as there are 28, 29, 30 or 31 days in the particular month for each day's absence from work.
- (f) Full payment shall be made in respect of statutory holidays under the Public Holidays Law, 1989 (PNDCL 220) (as amended by Public Holiday's (Amendment) Act 1995 (Act 507) and for such other public holidays as are announced by the Government from time to time.
- (g) Full payment shall be made for days on which an employee attends work, irrespective of whether wet weather prevents him from carrying out his normal work and whether it is not possible to arrange some alternative work for him on these days.

- 50 Daily-rated employees engaged on a temporary basis, that is for a continuous period of less than one month shall be paid at the daily wage rate multiplied by the number of days worked. Sub-sections (f) and (g) of paragraph 49 are equally applicable to this category of employee.

- 51 Payment Vouchers for wages due to daily-rated employees shall be supported by Time Sheets which shall be marked daily and signed by an officer under whose supervision the employees work, for example Works Supervisor.

- 52 Payment of salaries / wages shall normally be effected on or about the last convenient working day in a month.

- 53 Every daily-paid employee shall be identified to the Paying Officer, before he is paid by the person responsible for the preparation of the Time Sheet. Payments shall be supported by a certificate on the Payment Voucher from a literate officer that the payments have been made in his presence. The witnessing officer shall write his initials in the acknowledgement column against each amount paid to daily-rated employees. The payment voucher shall be signed by the Paying Officer.

- 54 The name of every daily-rated employee shall be recorded in a Register of Daily-Rated Employees together with particulars of his grading, date of birth, details of service.

- 55 All unclaimed wages shall be refunded to the Treasury within forty-eight hours and shall be separately placed on Deposit to the credit of the payee.

- 56 The unpaid entries on Payment Vouchers shall be cross-referenced to the serial numbers and dates of the Receipts on which the amounts unpaid have been deposited.

- 57 If no claim has been established by the end of three complete financial years following the date of deposit, then the accounts shall be transferred to Revenue.

- 58 Every Assembly shall keep a Social Security Fund Contribution Register in which shall be recorded the contributions of the employer and the employee.

#### CONTRACTS

- 59 Section 39 of the Local Government Act provides that every Assembly shall have a District Tender Board which shall advise the Assembly on the award of contracts in the district that:

- (a) Are to be financed from the resources of the Assembly
- (b) Have been approved by Government and are not in excess of such limits as shall be determined by the Minister responsible for Finance

- 60 Notice shall be given of the intention of the Assembly to enter into any contract for the supply of goods and materials or for the execution of works and such notice shall state the latest date by which tenders shall be submitted. The notice shall be in the form set out in Model Standing Orders for Assemblies.

- 61 On receipt of the sealed tenders the Assembly shall forward them unopened to the Chairman of the Tender Board for consideration by the District Tender Board.

Daily Rated  
employees on  
permanent basis

Daily-rated  
employees on  
temporary basis

Time Sheets

Payment of  
Wages

Payment of  
illiterates

Register of  
Daily-rated  
Employees

Unclaimed  
Wages

Social Security  
Contribution  
Register

Power of  
Assembly to  
Contract

Notice of  
intention to  
Tender

Tender board



- 62 The sealed tenders shall not be opened unless a majority of members of the District Tender Board are present.
- 63 The District Tender Board shall consider the tender within seven days of receipt and shall forward their recommendations thereon to the Assembly. Should the Board not recommend the lowest priced tender they shall state their reason therefore to the Assembly.
- 64 The Assembly may ratify the award of a contract if satisfied that all conditions have been complied with.
- 65 On acceptance by the Assembly, a contract under the common seal of the Assembly and the hand and seal of the Contractor shall be entered into by the Co-ordinating Director of the Assembly or such other person as may be authorized by the Assembly to act on that behalf and the Contractor. Sealing and signing of Contracts
- 66 The form of contract and the conditions set forth therein shall be as shown in the Model Standing Orders for Assemblies. Form of contract and conditions
- 67 In the case of a works contract, specifications shall, so far as is possible, be incorporated in the plan of the works and shall be attached to the contract and signed by the Co-ordinating Director of the Assembly or such other person as may be authorized by the Assembly to act in that behalf, and by the Contractor. The Schedules to contract for the supply of goods, materials or services shall be treated in the same manner as applied to specifications. Specifications
- 68 No alterations shall be made to any contract or schedule or specification thereof except on the recommendation of District Tender Board and provided that Assembly provision is available. Such alterations shall be signed by the Presiding Member of the Assembly or such other person as may be authorized by the Assembly to act on that behalf, and by the Contractor. Alterations
- 69 No advance payment shall be made to a contractor unless provided for in the terms of the contract, and shall in no case exceed fifteen per cent of the contract. Advance payments
- 70 No payment shall be made to a contractor, unless:
- (a) In the case of payments in respect of work done, the Works Engineer, or such other person as the Assembly may appoint for the purpose, has inspected the work done and given the certificate required (contract payment certificate on D.A. Form 22A or retention money payment certificate on D. A. Form 22B), which form shall be attached to the Payment Voucher. Payment to be made on certain conditions
- (b) In the case of an initial advance payment prior to the commencement of work, the contractor enters into a bond with sureties for the repayment of the advance.
- 71 Every advance / installment payment made to a contractor shall be charged direct to the relevant item of expenditure.
- 72 Every contract shall provide for at least ten per cent of the sum to be paid to the contractor to be retained and shall specify the period after the completion of the contract for which such sums shall be retained. Retention money
- 73 The Finance Officer shall pay all amounts owing to the contractor when such amounts become due. Time of payment
- 74 A Contract Register (D.A. Form 21) shall be maintained by the Assembly and shall be entered promptly as the details become available. Contract Register

### PART X

#### CASH AND BANKS

##### BANK ACCOUNTS

1. A decision to open and close a bank account shall be made by resolution of the Assembly. Resolution to open bank account
2. The lodging of Assembly money to a private account at a bank, or of private money to the Assembly Bank Account is prohibited. Assembly money not to lodged in private account
3. In accordance with Section 88 of the Local Government Act, an Assembly Bank Account may not be overdrawn. Overdrafts
4. Cheques received shall be paid to the credit of the Assembly's Bank Account as soon as possible. On no account shall they be used to effect payments by endorsement. Payment of cheques to bank
5. Post-dated cheques and cheques drawn on banks outside Ghana in payment of debts shall not be accepted. Post dated and foreign cheques prohibited
6. The Assembly shall not cash cheques other than those drawn for Assembly business. Dishonoured
7. In the event of a cheque received by the Assembly being dishonoured by the bank, a Payment



- Voucher shall be prepared for the amount involved, entered in the bank column of the Cash Book and debited to an Advance Account opened in the name of the person by whom the cheque was drawn. The dishonoured cheque shall be retained by the Finance Officer and the drawer informed. When the drawer of the cheque subsequently produces cash or a cheque accepted by the bank, a receipt shall be issued and allocated to the credit of the personal advance Account after withdrawing the first receipt.
8. Pay-in-Slips receipted by the bank for all payments made to Bank shall be recorded within forty-eight hours and thereafter carefully preserved and produced for Audit. Bank pay-in slips
  9. Cheques drawn on the Assembly Bank Account shall be signed by the Finance Officer and countersigned by the Co-ordinating Director and they shall also initial the counterfoil. Signatories to cheques
  10. Cheques shall be prepared by the Finance Officer. They shall not be signed by either signatory until the amount has been filled in figures and words. Preparation of cheques
  11. Cheques shall be prepared so as to preclude the possibility either of alteration to the amount in words or figures, or of the insertion of additional words and figures so as to increase the original amount of the cheque.
  12. Cheques shall not be detached from their counterfoils until they have been signed and countersigned. If a cheque is spoiled or cancelled, it shall remain attached or be attached to the relevant counterfoil.
  13. Any cheque drawn in replacement of an original lost before payment has been made by the bank, shall be issued only after the bank has been requested to stop payment of the original cheque. Lost Cheques
  14. Cheque books shall be kept in the Finance Officer's safe when not in use and the used counterfoils shall be carefully preserved for Audit purposes. Cheque Books
  15. Assembly shall make payments by cheque whenever possible. Cheque payments

#### CUSTODY OF CASH

16. Assemblies shall ensure that adequate provision is made for the safe custody of cash by means of a safe for the Finance Officer and a cash box, in the case of Revenue Collectors. Safes shall be set in concrete or built in to an inner wall. Safes, etc to be provided
17. If the Treasury safe has two locks the keys shall be held by the Finance Officer and one other person appointed by the Assembly. If the safe has one lock only an iron cross bar and padlock shall be fitted. The duplicate of all safe keys shall be deposited in a bank or with the Co-ordinating Director. Officers holding keys are personally responsible for their safe custody and for the contents of the safe. Key holders
18. All cash, cheques, postal or money orders and drafts that are received on behalf of the Assembly by the Finance Officer shall be deposited immediately in the Treasury safe. Custody of cash.
19. The use of an Assembly safe to safeguard private money is prohibited.
20. Whenever the holder of a key to the Treasury safe is obliged to surrender his key, the balance of the cash held in the safe shall be counted and compared with the Treasury Cash Book by all the key holders to that effect, and any discrepancies recorded. Change of key holder
21. Whenever a Revenue Collector hands over to a successor, his cashbook shall be checked by the Finance Officer, as laid down in Part VIII and any cash balance shall be paid into the Bank.
22. Whenever the Finance Officer hands over to a successor the key holders shall first verify the contents of the safe, and the Finance Officer shall obtain a certified Bank Statement and produce Bank Reconciliation. As soon as the cash on hand has been verified and the bank balance has been reconciled a certificate to that effect shall be entered in the Treasury Cash Book and signed by the incoming and outgoing Finance Officers. The stock of value books, receipt forms, store forms and local Purchase Orders shall be checked and the Stock Register endorsed to that effect. Handing over of Finance Officer and Revenue Collector
23. The loss of the key to the Treasury safe shall be reported immediately to the Co-ordinating Director in writing giving a full explanation. A tape shall at once be sealed across the door of the safe by the Co-ordinating Director in the presence of the key holders and the time of doing this carefully noted. A guard, if possible a Police guard, shall be placed over the safe. The duplicate key shall be obtained and the contents checked by the Co-ordinating Director in the presence of the key holders. Thereafter the safe shall not be used until the lock has been altered and a new key provided. Loss of key
24. An officer responsible for losing a key may be called upon to meet the cost of altering the lock and the provision of new keys, at the discretion of the Assembly. He may also be called upon to make good any loss occasioned by the loss of the key.
25. Remittances shall normally be sent through the Bank. They shall in no case be entrusted to members Custody of Remittances



of the public or to Assembly employees who are not bonded as laid down in Section 27 below.

26. When remittances have to be conveyed by Assembly staff the following procedure shall be observed:

- (a) Before dispatch, particulars of the covering Payment Voucher shall be entered in the Treasury Cash Book
- (b) The remittances shall be checked by a Board consisting of the Co-ordinating Director and the Finance Officer, or other established officer of the Assembly in the absence of the former, in the presence of the bearer; and all three shall sign a certificate saying that they have checked the remittance and stating the amount. One copy of the certificate shall be handed to the bearer and a duplicate shall be retained in the Treasury.
- (c) Remittances shall be sent in a securely locked box with a Police escort.

27. All person employed by the Assembly whose duties entail responsibility for cash shall be bonded with two sureties, using the security bond form (D.A. Form 19). The amount of the security shall be decided by the Assembly in each case.

Bonding of  
Assembly  
employees

28. The Assembly shall take steps to recover from the sureties any loss of funds due to the negligence or misconduct of an officer, which cannot be recovered from the officer himself.

29. Any officer accepting counterfeit coins or notes may be held liable to make good the loss.

Counterfeit coins  
or notes

### BOARDS OF SURVEY

30. Boards of Survey on all Assembly Units shall be held annually after the close of business at the end of the financial year and before the commencement of business in the next financial year.

Boards of Survey  
to be held  
annually

31. Surprise Boards of Survey shall also be appointed from time to time, their appointment, memberships, duties and procedure being similar to those of Annual Boards.

Surprise Boards  
of Survey

32. Boards of Survey shall be appointed by the Assembly.

33. The Board shall consist, wherever possible, of three persons and in no case less than two persons. A member of the Finance and Administration Sub-Committee shall be a member of the Board. The officer-in-charge of the cash shall be present while the Board is being held, but shall not be a member.

Appointment and  
members of  
Boards

34. No cash transactions shall take place between the close of business at the end of the financial year and the meeting of the Annual Board.

End of financial  
year

35. The Board shall count all the cash on hand and shall compare the actual balance found with the balance as shown in the Cash Book. A certificate shall be written in the Cash Book and signed by the members of the Board as follows: -

Procedure of  
Board of Survey

*We certify that we have today counted the cash in the ... Treasury and found it to be  
made up as follows:*

Notes .....  
Coins .....  
Cheques (to be detailed ) .....  
Postal and Money Orders (to be detailed) .....  
Stamps ..... Total .....

*The balance shown in the Cash Books is \$ ..... P.....*

Signed ..... Chairman  
..... Member  
..... Member  
Date .....

Board of Survey  
to inspect Bank  
Statement.

36. The Finance Officer shall obtain a certified statement of the Bank Account at the close of the financial year. He shall prepare reconciliation between the balance as shown in the Bank Statement and the balance shown in his Cash Book. This reconciliation shall be produced for the Boards inspection not later than one month after the close of the financial year. The reconciliation shall be written in the Cash Book over the signature of the members of the Board.

### PART XI

#### LOSS OF FUNDS AND STORES

1. Losses of funds and stores comprise the following: -



	Types of Loss
<p>(a) Overpayment as a result of: -</p> <ul style="list-style-type: none"> <li>i) Services specified in the payment voucher not having been performed.</li> <li>ii) Prices charged not being according to contract or approved scales or fair or reasonable according to local rates.</li> <li>iii) Lack of authority for the payment; for example, no or insufficient provision in the Estimates.</li> <li>iv) Computations and castings on the payment voucher being incorrect.</li> <li>v) Payment having been made to a person not entitled to receive payment.</li> </ul> <p>(b) Shortage of cash in respect of Finance Officer's or Cashier's, Revenue Collector's or an Imprest Holder's accounts.</p> <p>(c) Loss of stores not due to fair wear and tear or due to unserviceability or obsolescence.</p> <p>(d) Loss of a Receipt Form.</p>	
<p>2. It is the responsibility of the Finance Officer to ensure that adequate checks against negligence and misconduct are in force in the Assembly and that they are efficiently maintained.</p>	Checks against negligence and misconduct
<p>3. In the case of a loss due to overpayment which cannot be made good immediately, a journal voucher shall be prepared debiting, in equal proportions, Advance accounts in the names of the persons authorizing and passing the Voucher for payment and crediting the account which has been overpaid with the total of the overpayment, provided that if such account is an Expenditure item in respect of a previous financial year, the credit shall be to the Revenue sub-head 'Overpayments recovered in respect of previous years'</p>	Initial accounting action in respect of losses
<p>4. In the case of a shortage in the Finance Officer's or Cashier's cash which cannot be made good immediately, a payment voucher shall be prepared debiting an Advance Account in the name of the Finance Officer or Cashier and crediting cash.</p>	
<p>5. In the case of a shortage in an imprest, which cannot be made good immediately, a journal voucher shall be prepared debiting and Advance Account in Advance Account in the name of the Imprest Holder and crediting the Imprest Account with the amount of the shortage.</p>	
<p>6. In the case of a shortage in the accounts of a Revenue Collector, which cannot be made good immediately, a journal voucher shall be prepared debiting an Advance Account in the name of the Revenue Collector and crediting the appropriate Revenues Sub-head (a) with the amount of the shortage.</p>	
<p>7. In the case of a loss of stores, not due to fair wear and tear, which cannot be made good immediately, a journal voucher shall be prepared debiting an Advance Account in the name of the Storekeeper and crediting stock with the original value of the store in question. The quantity of the stores lost shall be written off stores Ledger charge or inventory, (for example, in the case of loss of safe key or cash box).</p>	
<p>8. In the case of unserviceable or obsolescent stores no initial accounting entries are necessary prior to approval of write-off or sale.</p>	
<p>9. In the case of loss of Receipt Forms, the cost price of which cannot be made good immediately, a journal voucher shall be prepared debiting an Advance Account in the name of the person responsible for the custody of the receipt Form and crediting revenue with the cost price thereof. If there is evidence that a lost Receipt Form has been used fraudulently and that cash has been stolen the Advance Account shall be debited with the amount collected on the Receipt Form.</p>	
<p>10. All cases of loss of stores or funds shall be reported immediately by the Co-ordinating Director through the Finance and Administration Sub-Committee to the Assembly on Losses Report form (D.A Form 23) with recommendations. In the case of losses of over ₵500,000.00, copies shall also be sent to the Regional Minister, District Chief Executive and the Local representative of the Auditor-General.</p>	Reporting of losses to Assembly
<p>11. All cases of loss due to misconduct or suspected misconduct, for example theft or fraud, shall be reported immediately to the Police and it shall be the duty of the Assembly to ensure that each loss is promptly and thoroughly investigated.</p>	Reporting of cases of misconduct to Police
<p>12. The results of the investigations with recommendations shall be reported to the Minister, with copies to the Regional Minister, District Chief Executive and representative of the Auditor-General.</p>	
<p>13. The Authority for write-off of losses of funds and stores shall be in accordance with Section 35 of the Local Government Act.</p>	
<p>14. On receipt of the decision either of the Assembly or the Minister to write-off the Finance Officer shall in all cases, with the exception of write-off of unserviceable stores, prepare a journal voucher debiting the Expenditure item "losses of Cash and Store" and crediting the relevant Advance Account.</p>	Authority for write-off of losses Consequent accounting entries
<p>15. In the case of unserviceable store the writing-off authority may either direct that the stores be sold to</p>	



the best advantage or destroyed. When stores are destroyed they shall be written off stores ledger or inventory charge. When they are sold they shall be written off stores ledger or inventory charge and the amount realized shall be credited to Revenue.

## **PART XII**

### **STORES AND TRANSPORT**

#### **SAFE CUSTODY OF STORES**

- |  |  |
|--|--|
| 1. Assembly shall ensure that suitable accommodation is provided for the safe custody of all stores received by them.  | Accommodation  |
| 2. The Storekeeper shall be responsible for the stores and stores accommodation of the Assembly.   | Storekeeper  |
| 3. He shall ensure that the storerooms are kept clean and tidy and are properly ventilated. He shall take special care that no unauthorized person has access thereto.   | Care of Stores accommodations                                  |
| 4. He shall examine his stores daily and shall immediately bring to the notice of the Finance Officer any case of loss, damage, leakage or deterioration.  | Daily examination of stores                                    |
| 5. The storekeeper and the Co-ordinating Director shall be responsible for the keys of all storerooms of the Assembly and shall ensure that such rooms are properly secured before quitting the premises.  | Security of stores   |
| 6. He shall examine daily the window fastening and the locks on the doors of the storerooms under his charge.  |  |
| 7. He shall not permit the stores to remain unattended when the storerooms are open.   |  |
| 8. He shall not delegate the duty of securing and locking up the storeroom to any other person.  |  |
| 9. Fluids contained in tins or drums shall be stored raised from the ground to enable leakage to be readily detected.  |  |
| 10. Petrol, Diesel Fuel, Kerosene, Explosives, Dangerous and Inflammable stores shall not be kept with or near to other stores.  | Arrangement of stores  |
| 11. Unserviceable and obsolete stores shall be kept apart from unused stores.  |  |
| 12. Issues shall not be made from a fresh consignment of stores while any balance of a previous consignment remains.   |  |
| 13. The Storekeeper shall ensure that sufficient fire-fighting appliances are available and placed within easy access, and that they are regularly inspected, tested and maintained in good order.   |  |
| 14. He shall be responsible for: -   |  |
| (a) the checking and proper binding or stacking of stores received;  |  |
| (b) the maintenance of his stores in good order and in a fit condition for issue.  |  |
| (c) The correct selection of stores authorized for issue;  | Responsibility for the receipt maintenance and issue of stores |
| (d) The issue of stores only to properly authorized persons bearing a properly authorized requisition;   |  |
| (e) Losses and waste of stores occasioned by his negligence or misconduct.   |  |
| 15. Whenever stores are handed over from one storekeeper to another a full stocktaking shall be carried out and necessary particulars shall be entered on a Stock-taking Record (D.A. Form 26), which shall be signed by the incoming and outgoing Storekeeper. Consequent action in regard to surpluses, deficiencies, unserviceable or obsolete stores shall be as described in Sections 55 – 57 below, the outgoing Storekeeper being held responsible there for. | Handover of stores   |

#### **RECEIPT AND ISSUE OF STORES**

- |  |                            |
|--|----------------------------|
| 16. All stores received by an Assembly shall be supported by one of the following receipt forms:   | Receipt Forms              |
| (a) Triplicate copy of a Local Purchase Order (D.A Form 10)  |                            |
| (b) Original of a Stores Receipt Voucher (D.A Form 27)   |                            |
| 17. Procedure in regard to Local Purchase Orders is described in Part IX of this Financial Memoranda. When locally purchased stores are received they shall be carefully checked against the Local Purchase Order and any shortage, damage or incorrect specifications shall be immediately reported to the Finance Officer. | Local Purchase Order Forms |
| 18. Stores Receipt Vouchers shall be used to support the receipt of stores, which are not accompanied by   | Stores Receipt Vouchers    |



a local Purchase Order.

19. They shall be printed in duplicate, bound in book form and serially numbered.
20. The duplicate of a Stores Receipt Voucher shall always be the carbon copy of the original, which shall be filled in ink.
21. No alterations shall be made on a Stores Receipt Voucher. If an error has been made the original and duplicate shall be cancelled and a fresh receipt issued.
22. When a Stores Receipt Voucher has been cancelled the original and duplicate shall be preserved in the book.
23. The duplicate of a Stores Receipt Voucher shall not be removed from the book in which it is bound.
24. The duplicates of Stores Receipt Vouchers issued by the Storekeeper to the supplier and triplicate Local Purchase Orders shall be endorsed with the relevant Stores Ledger folio at the time of posting.
25. Having been received, checked and brought on charge the stores shall be carefully binned or stacked and placed in racks in such a manner as shall allowed their whereabouts to be easily determined.
26. The following document shall be used to support issue of stores: -
  - (a) Stores Issue Voucher (D.A Form 25)
  - (b) Stores Requisition (D.A Form 28)
27. Stores Requisitions shall be printed in duplicate, Stores issue Vouchers in triplicate and sections 19-23 shall otherwise apply equally to them.
28. Stores shall be issued only after presentation of a properly authorized Requisition. The original shall be handed to the Storekeeper, the duplicate remaining in the book
29. Having received, scrutinized and satisfied himself that the requisition is in good order the Storekeeper shall look out the items required and shall carefully count and check them in the presence of the recipient
30. The Storekeeper shall then prepare a Stores Issue Voucher.
31. The Stores shall be handed over to the recipient who shall receipt the original and duplicate of the Stores Issue Voucher. The duplicate shall be retained by the recipient.
32. The Storekeeper shall then post the original Stores Issue Voucher to the Stores Ledger, endorsing the Voucher with the relevant Ledger Folio and shall enter the new balance for the stores item in the ledger.
33. The original copy of the Requisition shall be attached to the original copy of the Stores Issue Voucher and shall be carefully filed by the Storekeeper.
34. The Stores Ledger (D.A Form 29) shall be in bound form.
35. Erasures may not be made in the Stores Ledger. Corrections of erroneous figures or words shall be made by striking out the erroneous entries and writing above them the correct figures or words. Such corrections shall be initialled.
36. The ledger shall be indexed and separate folio, or block folios shall be allocated to each separate item of stores.
37. At the top of each page of the Stores Ledger the unit quantity shall be shown and articles shall always be taken on charge and issued in that unit of quantity.
38. The ledger shall be posted daily from the Receipt and Issue Forms in respect of that day's transactions.
39. The Stores ledger shall be preserved and not destroyed without the Auditor's permission.
40. Requisitions for supply of Stores Forms (Ledger Sheets, Stores Issue Vouchers, Requisition, Stores Receipt Vouchers, Stock-taking Records) shall be placed with the Controller and Accountant General.
41. All Stores Forms shall be carefully checked on arrival with the corresponding requisition by the Finance Officer. The Finance Officer shall immediately report to the supplier any error either in the numbering or the quantity supplied and shall, at the same time, return to him under registered cover any forms in which errors have been discovered. Failure to carry out this procedure shall result in the Finance Officer being held liable for any loss to the Assembly
42. The Stock of unused Stores Forms shall be kept under lock and key in the Finance Officer's office. All Stores Forms shall be separately taken on charge in serial sequence in the Stock Register (D.A Form 4)
43. Stores Forms required by the Storekeeper or Requisitioning Officer shall be drawn in serial sequence by him in person from the Finance Officer and shall be signed for.

Requisitions and  
Stores Issue  
Vouchers

Requisitions

Stores Issue  
Vouchers.

Stores Ledger

Control of Stores  
Forms



44. The Storekeeper or Requisition Officer shall normally have in his possession not more than two stores forms, one for current use and one for reserve.
45. All Stores Forms that are surplus to requirements shall be returned to the Finance Officer without delay. The Finance Officer shall be responsible for completing the relevant columns in the Stock Register and for ensuring that all surplus Stores Forms are taken on charge again.
46. Completed Stores Forms shall be carefully preserved by the Storekeeper for a minimum period of three years.
47. The Stock of unused Stores Forms shall be checked at least quarterly by the Finance Officer against the balance in the Stock Register.
48. The Finance Officer shall be responsible for ensuring that there is always an adequate stock of Stores Forms.
49. The Storekeeper or Requisitioning Officer to whom Stores Forms have been issued shall be responsible for their safe custody.

## BOARD OF SURVEY

- |     |   |                                     |
|-----|---|-------------------------------------|
| 50. | Board of Survey on all Assembly Stores shall be held annually after the close of business at the end of the financial year and before the commencement of business in the next financial year.  | Boards to be held annually          |
| 51. | Boards of Survey shall be convened by the Assembly.   | Boards to be convened by Assemblies |
| 52. | The Board shall consist, wherever possible, of three persons and in no case of less than two persons. A member of the Finance and Administration Sub-Committee shall be a member of the Board. The Storekeeper shall be present while the Board is being held but shall not be a member.  | Membership of Boards                |
| 53. | No stores transaction shall take place between the close of business at the end of the financial year and the meeting of the annual Board.  |                                     |
| 54. | The Board shall: -<br>(a) Check the total physical holding of each item of stores against the balance recorded in the Stores Ledger and record the results on a Stocktaking Record.<br>(b) Examine the stores checked for obsolescence or unserviceability and record the results on the Stocktaking Record.<br>(c) Certify the Stocktaking Record. | Duties of Boards                    |
| 55. | Where surpluses are disclosed they shall be brought on charge immediately on a Store Receipt Voucher and recorded in the Stores Ledger.   |                                     |
| 56. | Where deficiencies are disclosed the losses shall be recorded on a Stores Issue Voucher and posted in the Stores Ledger.  |                                     |
| 57. | Particulars of losses and unserviceable or obsolete stores shall thereupon be reported to the Finance Officer for necessary action as described in Part XI.   |                                     |
| 58. | Surprise Boards of Survey shall be appointed from time to time, their duties and procedure being similar to those of Annual Boards.   | Surprise board                      |

## TRANSPORT

- |     |  |   |
|-----|--|---|
| 59. | Journeys of Assembly vehicles shall be authorised by the Co-ordinating Director or such other officer as may be assigned this responsibility by the Assembly.  | Authorization of vehicle journeys to Book |
| 60. | A Log book shall be maintained for each vehicle. The Log book shall be entered up daily by the driver. Full particulars of receipts of oil and petrol and persons undertaking surveys shall be recorded in the Logbook, which shall be carried at all times in the vehicle. The kilometre recording at the beginning and end of each journey and the signature of the officer authorizing the use of the lorry shall be recorded in the Log book. Entries relative to journeys for which charges are raised shall quote reference to the serial numbers and dates of the bills issued. |   |
| 61. | The cost of journeys performed on behalf of Assemblypersons, Firms, Missions and members of the public shall always be prepaid. The cost of journeys performed on behalf of government or other Assemblies shall be adjusted as a credit to Revenue and a debit to an advance account in the name of the Government Department or Assembly concerned and a bill shall be sent giving full details of the charges.  | Payment for journey                       |
| 62. | All vehicles shall be comprehensively insured.   | Insurance                                 |
| 63. | A history chart shall be kept by the Co-ordinating Director for each vehicle. This chart shall show:   | History chart                             |
|     | (a) Vehicle No.  |   |
|     | (b) Engine No.   |   |
|     | (c) Chassis No.  |   |



- (d) Serial Nos. of tyres (including spare wheel)
- (e) Original Cost.
- (f) Insurance Policy No.
- (g) Amount of Premium.
- (h) Renewal Date.
- (i) Details and costs of Repairs and Spares
- (j) Details of New Tyres: -
  - i) date fitted
  - ii) kilometre reading at date of fitting
- (k) Manner in which used, replaced, unserviceable, and replaced parts (tyres, batteries, etc.) have been disposed of.
- (l) Final Disposal of Vehicle.

### REGISTER OF ASSETS

- 64. Each Assembly shall maintain a Register of Assets that it owns or leases (e.g. land, buildings, infrastructure, plants & equipment, vehicles)
- 65. The Assets to be recorded in a Register of Assets shall as a minimum include:
  - (a) The date of acquisition, or for a building, the date of completion as recorded on the consultant's completion certificate.
  - (b) The location of the asset
  - (c) The vendor, or for a building the main contractor
  - (d) The original purchase price or cost of the asset
  - (e) Provision for depreciation and contribution to be made to any replacement funds
  - (f) Details of any additions, including date, cost and method of financing
  - (g) Details of disposal, including date, method of disposal (e.g. by public auction) and the disposal price
  - (h) Whether the asset is insured.

### PART XIII

#### INTERNAL AUDIT FUNCTION

- 1. Notwithstanding the general duties of the Internal Auditor of the Assembly as described in section 120 of the Local Government Act, and Regulation 32 (8) of L.I 1589, the Internal Auditor shall pre-audit or cause to be pre-audited, all payment vouchers with all appropriate attachments.
- 2. The Internal Auditor shall ensure the safeguarding of the Assembly's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption.
- 3. The Internal Auditor shall analyse the internal control system of the Assembly and establish a review programme.
- 4. For the purpose of the Internal Auditor's work, there shall be kept a voucher register and he shall record all inflows and outflows of payment vouchers.
- 5. It shall be the duty of the Internal Auditor to verify that all transactions are proper in all respects including signature authority, arithmetical accuracy, proper accounts coding, budget authority and physical verification of items.
- 6. If satisfied, the Internal Auditor shall stamp payment vouchers as passed for payment.
- 7. The Internal Auditor shall also conduct post-payment audit of all payment vouchers.
- 8. The Internal Auditor shall carry out specific investigations as may be directed by the Assembly.
- 9. All projects shall be carried on as work in progress in the books of account until completion when they shall be transferred into finished projects account.
- 10. All projects shall be strictly monitored by the Assembly's Project Inspection Team to ensure that cost are accurate and posted under the appropriate project account.
- 11. It shall be the duty of the internal auditor to validate the financial statement of the Assembly.
- 12. In accordance with Section 120 of the Local Government Act and Section 11(4) of the Audit Service Act, 2000, (Act 584) the Internal Auditor shall prepare and submit quarterly reports to the Presiding Member, with copies to the Minister responsible for Local Government, the District Chief Executive, the Regional Co-ordinating Council, and the Auditor General.

Pre-audit of  
payment  
vouchers

Project  
Inspection Team

Internal Audit  
reports to be  
submitted  
Quarterly

**PART XIV**  
**COMPUTERISATION**

- |  |                           |
|--|---------------------------|
| 1. Each Assembly shall computerize its financial and accounting system:  | Assemblies to computerize |
| 2. The Assembly's computer software package shall be as approved by the Minister responsible for Local Government, the Auditor General and the Controller and Accountant General.  |                           |
| 3. The software package in use shall provide for a module for billing.   |                           |
| 4. Each Assembly shall provide for back-up facilities for all the data on its computers.   | Back-up of files          |
| 5. The Finance Officer shall be responsible for the security of the computer system and all associated financial records of the Assembly.  | Security of records       |
| 6. The Co-ordinating Director shall be responsible for authorizing the use of records held on the Assembly's computer system for any purpose other than for the routine processing of those records for normal operations. | Access to computers       |
| 7. The Co-ordinating Director shall be responsible for the use and security of all personal data held on the computer to avoid any unauthorized access.  | Security of personal data |



**LIST OF ASSEMBLY FINANCE FORMS**

i) Assembly Estimate (Book)	D. A. Form 1
ii) Supplementary Estimates/Reallocation. (Forms)	D. A. Form 2
iii) Licence (Form).	D. A. Form 3
iv) Stock Register (Books).	D. A. Form 4
v) Cash Book.	D. A. Form 5
vi) Ledger Sheets	D. A. Form 6
vii) General Counterfoil Receipt (Books)	D. A. Form 7
viii) Rate Receipt (Books).	D. A. Form 8
ix) Balance Sheet.	D. A. Form 9
x) Local Purchase Order (Books)	D. A. Form 10
xi) Payment Voucher (Salaries and Wages).	D. A. Form 11
xii) Payment Voucher (Other charges).	D. A. Form 12
xiii) Payment Voucher (Travelling and Transport).	D. A. Form 13
xiv) Establishment Schedule.	D. A. Form 14(A)
xv) Nominal Roll on Salary/Wages	D. A. Form 14(B)
xvi) Nominal Roll of Ratepayers	D. A. Form 15
xvii) Loans register	D. A. Form 16
xviii) Salaries Register	D. A. Form 17
xix) Journal Voucher	D. A. Form 18
xx) Security Bond	D. A. Form 19
xxi) Trial Balance	D. A. Form 20
xxii) Contract Register	D. A. Form 21
xxiii) Contract Payment Certificate	D. A. Form 22A
xxiv) Retention money payment Certificate	D. A. Form 22B
xxv) Losses Report	D. A. Form 23
xxvi) Deed of Assignment	D. A. Form 24
xxvii) Stores Issue Voucher	D. A. Form 25
xxviii) Stock taking Record	D. A. Form 26
xxix) Stores Receipt Voucher	D. A. Form 27
xxx) Store Requisition.	D. A. Form 28
xxxi) Stores Ledger Sheets	D. A. Form 29
xxxii) Revenue and Expenditure Statement.	D. A. Form 30
xxxiii) Register of Assets	D. A. Form 31

## APPENDIX I

## MAKING OF ADVANCES TO STAFF BY ASSEMBLIES

No advances other than the following may be made by Assemblies to their staff and repayment shall be in accordance with the instructions appended below:

1. *Advances on first appointment:*

An advance, not exceeding one month's gross emoluments may be made to an officer on first appointment; the period of repayment shall not exceed six months and shall commence in the month in which the officer receives the first salary.

2. *Advances to officers for the purchase of motor vehicle:*

Advances for the purchase of motorcars may only be made to senior officers subject to the approval of the Assembly.

(a) No advance may be granted if a previous similar advance has been made within five years provided that the Assembly may in its discretion waive this rule, upon being satisfied by that the applicant's present vehicle has become unsuitable for the performance of his duties by reason of some defect in it; in such cases, the applicant if he sees the vehicle may without repaying the balance of the previous advance, be granted an additional advance by the Assembly not greater than the difference between the amount received on selling the vehicle (or the unrepaid balance of the advance, whichever is the greater).

(b) Advance for the purchase of Motor Vehicles other than Motor Cars – i.e. Motor Cycles or Scooters, or auto cycles may be made to junior officers subject to the approval of the Assembly.

(c) Advances to purchase motor vehicle other than motor cars may not be granted if a similar advance has been made within five years and must not exceed any of the following amounts: -

- i) The cost of the vehicle plus comprehensive insurance for one year
- ii) The officer's basic or national basic salary

The balance of any previous advances to buy a vehicle must have been repaid. The vehicle to be purchased must not have been Licensed for the first time more than four years before the proposed date of purchase.

(d) In considering a decision to grant an advance to an employee to purchase means of transport, the Assembly will require to be satisfied that:

- (i) the vehicle to be purchased by the officer is appropriate for the efficient performance of his duties
- (ii) the specified monthly installments to be deducted from the officer's emolument will not amount to more than 2/5 of his gross monthly salary and will not embarrass him financially;
- (iii) the officer has no liability to the Assembly in respect of a subsidy on a previous vehicle;
- (iv) he has repaid in full the advance which he received for the purchase and insurance of his previous vehicle and no longer owns it.

3. *Repayment of advances*(a) *Repayment of advances*

The monthly installments due from an officer of an Assembly in respect of an advance should be deducted at source from his monthly salary before payment is made to him.

(b) Monthly deductions for repayment of an advance to purchase a motorcar must not exceed 2/5 of the officer's monthly basic or national yearly salary.

4. *Insurance*

(a) It is the duty of the Co-ordinating Director to ensure that an officer who receives an advance to purchase a motor vehicle keeps his vehicle comprehensively insured for an amount not less than the amount of the advance outstanding; he must require the officers concerned to produce for inspection, at the insurance renewal date, the receipt for other notification from the Insurance Company showing that the insurance of the vehicle has been renewed;

(b) If the officer to whom an advance has been granted to purchase a motor vehicle does not renew the insurance before the expiry of the policy, the Clerk may forthwith arrange for the amount of the renewal premium to be paid to the Insurance Company or Corporation from Assembly's funds and debit the officer's personal advance account for immediate repayment at source from the officer's salary.

5. *Sale of Vehicles*

Authority from the Assembly must be obtained before the sale of a vehicle upon which any advance is outstanding.



**LICENCE (FORM)****Original**

No. ....

..... Assembly

Licence is hereby granted to .....  
 of ..... to .....

within the area of the ..... Assembly  
 until the ..... day of ..... 2002

Dated at ..... this ..... day of ..... 2002

Fee paid for (in words) .....

¢ .....

Signature .....

On behalf of the ..... Assembly

**NOTE.** INDELIBLE PENCIL TO BE USED. ORIGINAL TO BE GIVEN TO PAYER. DUPLICATE TO REMAIN IN THE BOOK FOR AUDIT.

D.A Form 4

STOCK REGISTER (Books).

TITLE .....

[illegible]





(2).....

D.A. FORM 6

[illegible]



D. A. Form 7

Original

**GENERAL COUNTERFOIL RECEIPT**

ASSEMBLY .....

Date .....

Received from .....

the sum of ₵ ..... Ghana cedis

Head and sub-head or Account Credited .....

Details and Reference .....

Signature .....

Designation .....

NOTE- INDELIBLE PENCIL TO BE USED.  
 ORIGINAL TO BE GIVEN TO PAYER  
 DUPLICATE FORMS TO REMAIN IN THE BOOK FOR AUDIT.

**D.A Form 8****RATE RECEIPT**

..... ASSEMBLY

Town or Village .....

Date: .....

Received from .....

The sum of .....

Head and sub-head or Account Credited .....

Year of Assessment ..... Male/Female

Reference Number in Nominal Roll .....

Purpose : Basic/Special for .....

.....

¢

.....  
Signature of Collector

NOTE. - INDELIBLE PENCIL TO BE USED. ORIGINAL TO BE GIVEN TO PAYER.  
DUPLICATE FORMS TO REMAIN IN THE BOOK FOR AUDIT.



..... ASSEMBLY

## BALANCE SHEET AS AT .....

## LIABILITIES

## ASSETS

LOANS  
(Detail)

¢

¢

## CASH

¢

¢

In Hand

At Bank

## INVESTMENTS

SAVINGS BANK

## DEPOSITS

Capital Grants

Capital Grants

Special Rates

SSF Contributions

Miscellaneous

## FIXED DEPOSITS

## ACCUMULATED SURPLUS

## ADVANCES

Surplus at 1<sup>st</sup> Jan

Revenue for Year

Staff (Vehicles)

Losses and

Surcharges

Miscellaneous

Imprest

Expenditure for Yr

Surplus at 31<sup>st</sup> Dec

D.A Form 10

ORIGINAL  
DUPLICATE  
TRIPPLICATE  
QUADRUPLICATE

## LOCAL PURCHASE ORDER

Name of Supplier.....

Date	Articles	Number in words	Rate Quoted	Amount		
			Total .. ¢			

Quoted cost in words .....

Quoted cost in words .....  
This does not cause an excess on Head ..... Sub-head ..... Item.....

Finance Officer

I certify that the above-mentioned stores have been received, and taken on charge

Signature of Storekeeper



..... ASSEMBLY

Station .....

Sub-Head of Estimate ..... Item No.

Salary for the Month .....

[illegible]

I hereby certify that the above is a correct statement of the amounts payable to the persons named in respect of their services for the period stated.

Signature of Authorising Officer. ....

Title .....

Date .....

Passed for payment for .....

.....

(D.F.O.)

**Witness to mark**

● ● ● ● ●  
● ● ● ● ●  
● ● ● ● ●

---

● ● ● ● ●  
● ● ● ● ●  
● ● ● ● ●

(Internal Auditor)

P.V

Head of Estimate / Account

No. ....

Dr. to.....

Amount ¢ ..... p .....

I CERTIFY that the above amount is correct, and incurred under authority and that the rate/price charged is/are according to regulation/contract fair and reasonable.

Received this ..... day of

Signature of Authorizing Officer

.....20.....

in payment of above account the sum of

.....  
Title and Date

.....

.....

Entered in Cash Book page No.....

Initials .....

Entered in Ledger folio number

Initials .....

.....  
Signature of receiver

Witness to marks and payment .....

Date .....



D.A FORM 13

P. V

NO. ....

.....ASSEMBLY

Station .....

Head of Estimates .....

Sub-head ..... Item .....

Dr. to ..... Post ..... Approved Allowance .....

	Rate	¢	
Allowance for month of ..... 20...			
(a) Transport Allowance (Maintenance) .. ..			
(b) Transport Allowance (Mileage as reverse) .....			
(c) Traveling Allowance (Subsistence as reverse) .. ..			
<b>Total</b>			

I CERTIFY that I own and have used on duty a .....motor-car / motorcycle / bicycle which has been in use during the period covered by the claim and that I claim maintenance allowance under category .....

.....  
Signature of Claimant

I CERTIFY that the type of vehicle for which allowance is claimed by this office is suitable for his post and that the claim is in order under the existing regulations.

PASSED FOR PAYMENT FOR

¢. ....

.....  
Finance Officer

.....  
Signature of Authorizing Officer

.....  
Title

Received this. .... day of ..... 20... the sum of. .... cedis

Witness to mark and payment .....

.....  
Signature of Receiver

.....2002.....

Entered in Cash Book page ..... Initial

.....  
Entered in ledger folio . ....

ITINERARY FOR TRAVELLING AND MILEAGE CLAIM[illegible]

I HEREBY CERTIFY that the journey was performed without delay and that the mileage allowance claimed hereon is in respect of journeys travelled by me on duty and in the manner described.

.....

Officer Submitting

### Claim

I CERTIFY that Mr. .... Whose headquarters are at ..... was travelling on duty. The mileage claimed is not excessive. I am satisfied that the allowance claimed is in accordance with rates approved by that Assembly.

..... days at full allowance @ .....¢

Net mileage (a) standard .....@ .....¢

(b) Sub-standard ..... @ ..... ¢

**Signature Authorizing Officer**











## LOAN REGISTER

Installment of  $\phi$  .....

[illegible]



DA Form 17

## SALARY REGISTER

DEPARTMENT

[illegible]

D.A FORM 18

A.V No.....

JOURNAL VOUCHER

..... ASSEMBLY

Date ..... 2002

DEBIT Head .....

Sub-head .....

Folio .....

Item .....

Amount ¢ .....

CREDIT Head .....

Sub-head .....

Item .....

Folio .....

Reasons for Adjustment:-

.....  
Finance Officer



**SECURITY BOND**

KNOW ALL MEN BY THESE PRESENTS that we ..... of .....  
 ..... and ..... of .....

are jointly and severally bound unto the ..... Assembly and its Successors in the sum of ..... of good and lawful money of Ghana to be paid to the said Assembly and its successors for which payment well and truly to be made we jointly and severally and for and in the whole bind ourselves and each of us and the heirs executors administrators and successors according to native customary law of ourselves and of each of us firmly by these presents.

Sealed with our seals dated this ..... day of ..... in the year of our Lord Two thousand and .....

WHEREAS the said first above-named obligor has been duly appointed to an office under the Assembly namely ..... at ..... subject to the condition that he shall give security by bond approved by the Assembly for the due and faithful discharge of the duties of such office and subject to the further condition that he shall at any time when so required by the Assembly give further or better security as aforesaid.

AND WHEREAS each and every one of the above-named obligors agrees to be jointly and severally bound in the sum of ..... and the said Assembly has approved of the said three above-named obligors being so bound as aforesaid in respect of the due and faithful discharge by the said first above-named obligor of his duties as ..... at .....

Now the condition of the above obligation is such that if the said first above-named obligor shall from time to time and at all times hereafter so long as he shall hold the said office under the said Assembly duly and regularly account for and pay to the Treasure of the said Assembly or to any person or persons who may be appointed for this purpose all moneys which shall come to his hand, either by virtue of his office for the time being or by any other means on account of the said Assembly and in every other respect shall fully and faithfully perform and discharge the duties and obligations which from time to time shall devolve on him as such employee in the service of the said Assembly as aforesaid, then the above-written bond or obligation shall be utterly void; otherwise and in the event of a breach of any or either of the above-written conditions the same shall remain in full force and virtue and the said sum of ..... shall forthwith be payable to the said Assembly in respect of such breach by way of liquidated damages and not as a penalty.

Signed, sealed and delivered by ..... the first  
 above-named obligor, in the presence of ..... of .....

Signed, sealed and delivered by ..... the second  
 above-named obligor, in the presence of ..... of .....

Signed, sealed and delivered by ..... the third above-  
 named obligor, in the presence ..... of .....

.....ASSEMBLY

TRIAL BALANCE ..... / ..... / 2002

[illegible]



D.A Form 20A CONT.

## TRIAL BALANCE — continued

DEBIT BALANCE		CREDIT BALANCE	
Approved Estimate ¢	Actual to Date ¢	Approved Estimate ¢	Actual to Date
Expenditure brought forward ¢		Revenue brought forward ¢	
Below the line Accounts ... ..		Below the Line Accounts...	

D.A Form 21

CONTRACT REGISTER

Folio No.....

1. Contract No. ....
2. Amount of Contract .....
3. Work to be done .....
4. Name of Contractor .....
5. Head, Sub-head and Item of Expenditure.....
6. Date Commenced .....
7. Location .....
8. Date Completed.....

## PAYMENTS

Certificate	VOUCHER REFERENCE		Retention Money		Total Amount		Running Total
	Number	Date	¢		¢		¢
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							



**CONTRACT PAYMENT CERTIFICATE**

Name of Contractor .....

Number of Contractor .....

Description of Contract .....

Expenditure Head and Sub-head and Item .....

Value .....

Date due for completion .....

Date of inspection .....

1. Total Value of work completed to date .. .. . \$ .....

2. Deduct : 10 per cent Retention Money .. .. . \$ .....

3. Deduct : Total of instalments already paid .. .. . \$ .....

4. Instalment now recommend .. .. . \$ .....

**REPORT OF INSPECTING OFFICER**

I, ..... certify that : \_

5. I have inspected the work done;

6. The work has been satisfactorily done in accordance with the terms of the contract, subject to .....

7. Payment of \$ ..... Is now recommended.

.....  
Signature

Title and date .....

Note: - Payment Voucher to be made out for the sum recorded at item 7 above.

D.A Form 22B

**RETENTION MONEY PAYMENT CERTIFICATE**Name of Contractor  
.....Number of Contract  
.....Description of Contract  
.....Expenditure Head and sub=Head and Item  
.....Value  
.....Date due for completion  
.....Actual Date of Completion  
.....Date of Inspection  
.....**CERTIFICATE**

1, ..... CERTIFY that:-

(1) I have inspected the work done;

(2) The work has been satisfactorily completed in accordance with the terms of the contract,

subject to  
.....

(3) The period of ..... months has elapsed since the work was completed;

(4) Payment of Retention Money ₵ ..... is recommended.

.....  
SignatureTitle and date  
.....



REPORT OF LOSS: CASH /STORES

- 1. Assembly.
- 2. Place where loss occurred.
- 3. (a) Date loss occurred.  
(b) Date it was discovered ]  
(c) Reasons for any delay in discovery and who responsible
- 4. (a) Article lost  
Cash .. .. .  
Store .. .. .  
(b) Details of any recovery .. .. .  
5. (a) Name and Designation of officer in direct charge of Cash/Stores  
(b) Arrangements in existence for safe-guarding Cash/Stores  
(c) Whether loss

¢ ¢ ¢

DA Form 24

**DEED OF ASSIGNMENT**

THIS DEED made on the ..... day of .....  
 between ..... on behalf of the ..... Assembly of the  
 one part, hereinafter referred to as the Assembly, and ..... of  
 ..... of the other part, thereafter referred to as the officer,  
 witnesseth that in consideration of an advance of ₵ ..... made by the  
 Assembly to the officer at his request, receipt of which the officer hereby acknowledges, the  
 officer hereby assigns to the Assembly the vehicle described in the Schedule hereto by way  
 of security for the repayment of the aforesaid advance.

In consideration as aforesaid the officer further undertakes and agrees as follows: -

- (1) That he will supply evidence within one month of receipt of the advance that he has purchased the said vehicle,
- (2) That he will maintain at his own expense the said vehicle in good serviceable condition,
- (3) That he will insure the said vehicle within one month of purchasing it and will keep it insured until the advance aforesaid has been repaid for an amount equal to or greater than the amount of the advance outstanding,
- (4) That he will repay to the assembly the said advance by equal consecutive monthly instalments of ₵ ..... beginning on ..... such instalments to be deducted at source from the officer's salary by the Treasurer of the Assembly,
- (5) That if
  - (a) the officer fails to supply evidence that he has purchased the said vehicle in accordance with the provisions of paragraph (1) of this clause; or
  - (b) default is made in the payment of any of the said instalments; or
  - (c) before the said advance is repaid in full the officer dies or leaves the service of the Assembly; or
  - (d) the said vehicle is destroyed or so damaged that it cannot be repaired except at a cost exceeding the amount of the said advance then outstanding or the vehicle ceases to be in good serviceable condition and the officer on being so required in writing by the District Director of the Assembly fails or neglects to restore the vehicle to that condition as soon as is reasonably possible; or
  - (e) the officer fails or neglects to insure or keep insured the said vehicle in accordance with the provisions of paragraph (3) of this clause;

then and in any such event as aforesaid the whole of the balance of the said advance then outstanding shall become due and payable forthwith.

(6) That if at or after the time when any part of the said advance becomes payable under the provisions of paragraph (5) of this clause any money is or becomes due by Assembly to the officer by way of salary, allowances or otherwise, the Assembly may retain the said money in repayment or part repayment of the said advance or if the said money exceeds the amount of the advance then outstanding, may retain so much of the said money as is equal to that amount.



The Assembly further agrees as follows: -

- (i) The Assembly will not seize or take possession of the said vehicle for any other than the following causes: -
  - (a) if the officer makes default in repayment of the said advance or any instalment thereof;
  - (b) if the officer suffers the vehicle to be taken in execution;
  - (c) if the officer attempts to sell or part with the possession of the vehicle;
  - (d) if the officer fails to insure the vehicle or to keep it insured as hereinbefore provided or does or omits to do any act whereby the whole of the balance of the said advance outstanding at the time of such act or omission becomes due and payable forthwith.
- (ii) When the District Coordinating Director of the Assembly shall certify that repayment of the whole of the said advance by the officer has been completed the vehicle shall cease to be the property of the Assembly and shall revert to the officer.

The Assembly and the officer further mutually agree that if the Assembly seizes or takes possession of the vehicle in pursuance of these presents the Assembly may unless the whole of the balance of the said advance then outstanding is sooner paid, sell the vehicle and retain the proceeds of the sale or so much thereof as may be equal to the amount of the advance outstanding together with expenses of the seizure to taking possession and sale.

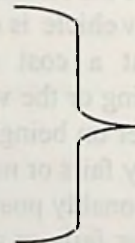
.....  
 .....  
 .....  
 .....  
 .....

In witness whereof the parties have hereunto set their hands

And seals this                      day of

Signed, sealed and delivered by within-named parties in the

Presence of



DA Form 25

..... ASSEMBLY

Date .....

STORES ISSUE VOUCHER

The under-mentioned items have been issued to .....

.....

Date of Issue	Requisition No,	Description of Item	Unit of Issue	Quantity Issued

.....  
Signature of Issuing Officer

.....  
Signature of Receiving Officer

IN TRIPLICATE





DA Form 27

..... ASSEMBLY

Date .....

**STORES RECEIPT VOUCHER**

I certify that I have received into stores the following items/goods from .....

.....

Date of Receipt	Description of Item	Unit of Issue	Quantity Received	Amount

Received by. ....  
Officer-in-Charge of Stores*IN DUPLICATE*



..... ASSEMBLY

Date .....

Please supply the under-mentioned items to .....

No.	Description of Item	Unit of Issue	Quantity Received	Remarks

Requested by..... Authorised by .....

Title .....

Title .....

IN DUPLICATE

Article .....	Unit of Quantity .....
---------------	------------------------

[illegible]



## REVENUE AND EXPENDITURE STATEMENT FOR THE PERIOD .....

2

4

## Accumulated Surplus - Brought forward

2

4

[illegible]

### Accumulated Surplus - Carried forward

**Total ..**

Total.. ..

Assembly.....

# REGISTER OF FIXED ASSETS

[illegible]



