

# STATUTORY INSTRUMENT

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## THE PUBLIC FINANCIAL MANAGEMENT REGULATIONS, 2018

### ARRANGEMENT OF

### REGULATIONS

#### PART I-PRELIMINARY

1. Application
2. Interpretation

#### PART II – INSTITUTIONAL RESPONSIBILITIES IN BUDGET SYSTEMS

3. Cabinet Budget Committee
4. Budget Committees of Budgetary Agencies
5. District Budget Oversight Committee

#### PART III - MACROECONOMIC AND FISCAL POLICIES

6. Fiscal Objectives
7. Macro-fiscal Strategy Group
8. Policy Costing

#### PART –IV PREPARATION AND APPROVAL OF BUDGET

##### *Subpart I – Appropriations and Budgetary Principles*

9. Budget Classification
10. Head of Expenditure and Ambit of Vote
11. Program and Group of Expenditures
12. Program Classification
13. Prohibition of Retaining Fees and Charges of Budgetary Agencies
14. Retaining Fees and Charges of Sub-Vented Agencies

##### *Subpart II - Budget Preparation and Approval*

15. Budget Calendar
16. Expenditure Ceilings in Budget Call Circular

ii

17. Revenue and Expenditure Estimates in Budget Proposals
18. Participatory Budget Discussions
19. Public Investment Process
20. Preparation of Public Investment Programme
21. Public Investment Programme Execution
22. Coordination with Development Planning
23. Use of Contingencies Fund
24. Temporary Budget

##### *Subpart III - In-year Adjustments*

25. Supplementary Estimate
26. Transfer of Functions
27. Virement
28. Procedure for Virement
29. Carryover
30. Unbudgeted Expenditure and Overspending

#### PART V – CASH MANAGEMENT AND BANKING ARRANGEMENTS

##### *Subpart I - Banking Arrangements*

31. Establishment of Core Treasury Single Account Structure
32. Extension of the Treasury Single Account
33. Service Level Agreement
34. Opening and Closure of Bank Accounts
35. Access to Bank Accounts and their Register
36. Bank Reconciliation

##### *Subpart II - Cash Management*

37. Establishment of Cash Management Committee
38. Functions of the Sub-Committee
39. Annual Cash Flow Plan
40. Cash Forecasting
41. Bank of Sierra Leone
42. Management of Balances

#### PART VI – REVENUE MANAGEMENT

##### *Subpart I - Collection of Public Monies*

43. Scope of Application
44. Deposit of Revenue in the Consolidated Fund
45. Responsibility for Revenue Management

46. Revenue Collectors
47. Methods of Payment
48. Payment of Non-tax Revenue by Electronic Fund Transfer
49. Payments of Non-tax Revenue by Cash or Cheque
50. Acceptance of Cheques
51. Dishonoured Cheques
52. No charge to be offset against revenues
53. Difficulty in Assessments and Collections of Monies to be Reported
54. Separation of duties between assessment and collection of revenue
55. Public money not to be used

***Subpart II - Assessment of non-tax revenues, Payment and Receipts***

56. Assessment of non-tax revenues
57. Issuance of an Order of Payment
58. Written notice of an Order of Payment
59. Instalment Payments
60. Exemptions waivers and reductions
61. Receipts and Receipt Books
62. Revenue collection records
63. Date of Record of the Transaction

***Subpart III - Enforcement, Penalties and Interests***

64. Payment due
65. Responsibility for enforcement of delinquent non-tax debts
66. Penalty on Debts
67. Interests on Debts
68. Waiver
69. Assessment of Interests and Penalties

***Subpart IV - Reconciliation, Refund, Reporting and Secure Custody of Public Monies***

70. Reconciliation
71. Refund of Non-tax Revenue
72. Recovery of an Overpayment of Expenditure
73. Arrears of Revenue Returns
74. Secure Custody
75. Reporting Revenue Information

**PART VII-EXPENDITURE CONTROL**

76. Expenditure Subject to Commitment Control
77. Budget Warrant
78. Allocation of Commitment Ceilings through PETS Form 1
79. Budget Warrant Covering Entire Financial Year
80. Unused Balance of a Commitment Ceiling
81. Changes in Commitment Ceilings
82. Distribution of commitment heads and sub-heads
83. Commitment Requisition
84. Commitment Approval
85. Commitment Control Number
86. Expenditure and Contract Management Committee
87. Provision in a Procurement Contract
88. Multiannual Commitment
89. Increase in Amount of an Approved Commitment
90. Cancellation or Reduction in an Approved Commitment
91. Cut-off Date of a Commitment
92. Outstanding Commitment at the end of Financial Year
93. General Warrant
94. Recording of Commitments for Compensation of Employees
95. Commitment Register
96. Monthly Reporting of Commitments
97. Commitment Reporting from General Government Entities

**PART VIII-PAYMENT PROCESS**

98. Certification of Completion of Works or Supply of Goods and Services
99. Inspection of Completion of Works
100. Certification of Payment Vouchers
101. Submission and Record of Payment Vouchers and Supporting Documents
102. Processing of Payment Vouchers for Payment made by a Budgetary Agency
103. Payment by Cheques
104. Types of Cheques
105. Signatories of a Cheque
106. Payment by Electronic Fund Transfer
107. Payment of Debt Obligations and Repayments

## PART IX– PAYROLL PAYMENT

- 108. Compensation of Employees
- 109. Payroll Date
- 110. Payment by Bank Transfer or Cheque
- 111. Payroll System
- 112. Payroll Payment of Budgetary Agencies
- 113. Payroll Payment of Sub-Vented Agencies
- 114. Reconciliation with the Payroll System
- 115. Stoppage of Payroll Payment
- 116. Payroll Deductions

## PART X–IMPREST

- 117. Establishment of an Imprest Fund
- 118. Ceiling on an Imprest Fund
- 119. Imprest Holder
- 120. Advances to an Imprest Fund
- 121. Utilization of an Imprest Fund
- 122. Regularization of Advances to an Imprest Fund
- 123. Reporting of an Imprest Fund
- 124. Retirement of an Imprest Fund

## PART XI–ADVANCE PAYMENTS

- 125. Approval of Advance Payment for Goods, Services and Civil Works
- 126. Disbursement of Advance Payment for Goods, Services and Civil Works
- 127. Acquittal of Advance Payment for Goods, Services and Civil Works
- 128. Database of Advance Payment for Goods, Services and Civil Works
- 129. Reporting of Advance Payment for Goods, Services and Civil Works
- 130. Staff Loan
- 131. Prohibition of Other Advance Payment
- 132. Inclusion of Advance Payments in Financial Reports and Statements

## PART XII - DONOR AND SPECIAL FUNDS

- 133. Coming into Force of External Loans and Grants
- 134. Negotiation of External Loans and Grants
- 135. Conclusion and Ratification of Agreement on External Loans and Grants
- 136. Donor Funds
- 137. Budget Execution Process for Externally Financed Expenditure
- 138. Consolidated aid Database and Reporting Framework
- 139. Donor Bank Account
- 140. Grants and Donations in Kind
- 141. NGOs Implementing a Project
- 142. Prohibition of Special Fund

## PART XIII - INTERNAL AUDIT

- 143. Internal Audit Function
- 144. The Ministry Responsible for Finance to Improve and Develop Internal Audit standards
- 145. Risk Management and Internal Control
- 146. Vote Controller to establish Risk Management Strategy
- 147. Vote Controller to Ensure Effective System of Internal Control
- 148. Management of the Internal Audit Function
- 149. Access to Documents and Information
- 150. Independence of Internal Audit
- 151. Reporting
- 152. Audit Committees

## PART XIV - ASSET MANAGEMENT

*Subpart I. General Provision*

- 153. Definition
- 154. Scope of Application

*Subpart II. Holding Entity*

- 155. Identification of the Holding Entity
- 156. Temporary Holding Entity

*Subpart III - Registration of the National Assets*

- 157. Registration Obligation
- 158. Competent Registrar
- 159. Accountant-General Record
- 160. National Asset Register

*Subpart IV - Maintenance of the National Assets Register*

- 161. General Provision
- 162. Maintenance Plan
- 163. Inspection

*Subpart V - Management of the National Assets*

- 164. General Provision
- 165. Acquisition
- 166. Lease
- 167. Pledge
- 168. Transfer
- 169. Disposal
- 170. Write Off

**Subpart VI - Report and Documentation**

171. Reporting of Assets

**Subpart VII - Board of Survey**

172. Board of Survey

**Subpart VIII- Financial Assets**

173. Safeguarding of Cash and Valuables

174. Management of Disposal of Shares

175. Management of Advances and Lending

176. Government Guarantee

177. Management of Receivables

**PART XV- INVENTORY MANAGEMENT**

178. Management of Government Stores

179. Responsibility for Stores

180. Purchase and Receipt of Inventories

181. Recording of Stores

182. Accounting for Inventories

183. Inspection of Inventories

184. Hand-over of Duties in Respect of Stores by Public Officers

185. Losses of Stores

186. Write-off of Stores

187. Condemnation of Unserviceable Stores

188. Unwanted Serviceable Inventories

189. Operation of Revolving Fund

**PART XVI- MANAGEMENT OF EXTRACTIVE INDUSTRIES REVENUES**

190. Publication of Semi-annual Reports on Extractive Industries Revenues

191. Commencement Date

192. Cash Forecasts and Payment Schedules

193. Revised Cash Forecasts and Payment Schedules

194. Authority for Payments

195. Monthly Statements of the Transformational Development Fund Account

196. Investments of the Transformational Development Stabilization Fund

197. External Investment Manager of the Transformational Development Stabilization Fund

198. Internal Audit on the Transformational Development Stabilization Fund

199. Quarterly Reports on the Transformational Development Stabilization Fund

200. Investments of the Intergenerational Savings Fund

201. Quarterly Reports on the Intergenerational Savings Fund

**PART XVII- ACCOUNTING, FINANCIAL REPORTING AND AUDITING**

202. Accounting Basis of the State Budget

203. Accounting Basis of the Financial Statements of the Consolidated Fund

204. Accounting Basis of Sub-vented Agency

205. Chart of Accounts

206. Accounting Records and Registers of the Consolidated Fund

207. Journal Entry for the Consolidated Fund

208. Suspense Account

209. Deposit Account

210. Reconciliation and Investigation of Deposit Accounts

211. Refund of Deposits and Dormant Deposits

212. Closure of Accounts

213. Availability of Financial Information

214. Accounting Records and Registers of Sub-Vented Agencies

215. Financial Management System

216. Submission of Monthly Financial Statements

217. Monthly Statement of the Consolidated Fund

218. Quarterly Consolidated Statement of the Central Government

219. Submission of End-year financial statements

220. Annual Financial Statements

221. Responsibility for Financial Reporting

222. Oversight Function of the Auditor-General in Financial Reporting

223. Finance Procedures Manual

**PART XVIII - OVERSIGHT OF SUBSECTORS AND PUBLIC ENTERPRISES****Subpart I. Local Governments**

224. Budget Call Circular

225. Submission of Draft Budgets

226. Discussions and Comments on Draft Budgets

227. Submission of Approved Budgets

228. Medium-term Forecasts

229. Development Plan

230. Bank Account

231. Primary Bank Account

232. Revenue Management

233. In-year Adjustments

234. Lapse of Appropriations

235. Unbudgeted expenditure and overspending

236. Budget preparation and execution process

- 237. Borrowing
- 238. Donor Funds
- 239. Accounting Basis of Local Councils
- 240. Chart of Accounts of Local Councils
- 241. In-year and End-year Reporting
- 242. Monitoring of Budget Execution
- 243. Publication of Fiscal Information of Local Councils
- 244. Chiefdom Councils

***Subpart II. Sub-vented Agencies***

- 245. Sub-vented Agencies
- 246. Fees and Charges and Subvention of Sub-Vented Agencies
- 247. Information on Fees and Charges of Sub-Vented Agencies
- 248. Budget Process for Sub-Vented Agencies
- 249. Over-Collection of Fees and Charges
- 250. Expenditure Control of Sub-vented Agency
- 251. Payment Process of Sub-vented Agency
- 252. Sub-vented Agency to be Brought into the State Budget
- 253. Borrowing of Sub-vented Agency
- 254. Financial Reporting of Sub-vented Agency

***Subpart III. Public Enterprises***

- 255. Public Enterprises
- 256. Business Planning Process
- 257. Shareholder's Compact
- 258. Dividends Policy
- 259. Investment Projects
- 260. Disposal of Major Assets
- 261. Borrowing
- 262. Guarantee issued by a Public Enterprise
- 263. Monthly financial statements
- 264. Quarterly and Annual Financial Statements
- 265. Recapitalization
- 266. Monitoring of Restructuring Plan

***Subpart IV. Government Guarantees and On-lending***

- 267. Assessment of Readiness
- 268. Conditions on Government Guarantees and On-lending
- 269. Ratification of Government Guarantees and On-lending
- 270. Government Guarantees and On-lending without Parliamentary Ratification
- 271. Recording of a Register of Guarantees and Loans
- 272. Reserve Fund of Guarantee Fees
- 273. Recovery and Calling Procedures

***PART XIX - LIABILITIES AND OFFENSES***

- 274. Investigation of Ineligible Expenditure
- 275. Reporting and Register of Ineligible Expenditure
- 276. Annual Report on Ineligible Expenditure
- 277. Recovery of Ineligible Expenditure

***PART XX - MISCELLANEOUS***

- 278. Revocation

debit card, Automated Teller Machine (ATM), computer magnetic tape or any other electronic device so as to order, instruct, or authorize a financial institution to debit or credit an account;

"Ineligible Expenditure" means expenditure that either has been made in excess of a provision of the State budget or has been used for purposes other than for which it was approved.

"Ministry" means the Ministry responsible for finance and "Minister" shall be construed accordingly.

#### PART II – INSTITUTIONAL RESPONSIBILITIES IN BUDGET SYSTEMS

Cabinet  
Budget  
Committee.

3. (1) For the purpose of section 4 of the Act, the Cabinet shall establish a Cabinet Budget Committee, which shall be a subcommittee of the Cabinet, composed of -

- (a) the Minister whom shall chair the Cabinet Budget Committee; and
- (b) such other ministers as specified by the President of the Republic.

(2) The Cabinet Budget Committee shall assist the Cabinet in performing its functions under section 4 of the Act and shall be responsible for-

- (a) providing the Cabinet recommendations on the Fiscal Strategy Statement, the State budget, and a Supplementary Estimate as set out in regulation 25;
- (b) providing the Minister recommendations on expenditure ceilings in a budget call circular;
- (c) providing recommendations or approval, as the case may be, on use of the Contingencies Fund, special warrant of the President, and unallocated head of expenditure;
- (d) scrutinizing a fiscal report before it is submitted to Parliament;
- (e) providing the Cabinet an opinion on a new policy with financial implication; and
- (f) performing such other functions as may be specified by the Cabinet.

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### **The Public Financial Management Act, 2016** (Act No. 13 of 2016)

#### **THE PUBLIC FINANCIAL MANAGEMENT REGULATIONS, 2018** Short title.

In exercise of the powers conferred upon him by section 123 of the Public Financial Management Act, 2017, the Minister hereby makes the following Regulations.

#### PART I – PRELIMINARY

1. These Regulations shall apply to the general government institutions, including public enterprises. Application.

2. In these Regulations, unless the context otherwise requires— Interpretation.

"Act" means the Public Financial Management Act, 2016;

"Appropriation-in-Aid" means an appropriation for expenditure of a budgetary or a sub-vented agency that is financed by revenue approved by Parliament to be used by the budgetary or sub-vented agency;

"Capital transfers" means any unrequited transfer where either the party making the transfer realizes the funds involved by disposing of an asset (other than cash or inventories), by relinquishing a financial claim (other than accounts receivable); or the party receiving the transfer is obliged to acquire an asset (other than cash or inventories) or both conditions are met;

"Chief Accountant" means the highest-ranking accountant in a budgetary or sub-vented agency;

"Commissioner-General" means the Commissioner-General appointed under any existing National Revenue Authority Act;

"Electronic Document" means information that is created, generated, communicated, stored, displayed or processed by electronic means;

"Electronic Fund Transfer" means any transfer of funds, other than a transaction originated by cheque, draft or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, point-of-sale terminal, stored value card terminal,

(2) The Fiscal Strategy Statement that is first prepared by the new Cabinet and specifies the fiscal objectives for the next five years shall—

- (a) define in full accordance with the internationally accepted standards—
  - (i) the fiscal indicators of public debt, deficit, compensation of employees, revenue, external grants, and other indicators used in the fiscal objectives; and
  - (ii) the general government or its sub-sectors or components covered by the fiscal objectives;
- (b) specify the institutions responsible for producing the outturn data on the fiscal indicators and the reports in which the outturn data to verify compliance with the fiscal objectives are presented.

(3) In relation to the fiscal objectives, the Fiscal Strategy Statement shall include—

- (a) analysis of consistency between fiscal forecasts mentioned in paragraph (c) of subsection (1) of section 23 of the Act and the fiscal objectives; and
- (b) if the fiscal forecasts are inconsistent with the fiscal objectives, the reasons why a consistent framework has not been recommended and the corrective measures towards the achievement of the fiscal objectives.

Macro-fiscal  
Strategy  
Group

7. (1) For the purpose of subsection (1) of section 22 of the Act, the Minister shall establish a Macro-Fiscal Strategy Group responsible for macroeconomic modelling and forecasting.

(3) The Cabinet Budget Committee shall meet at least quarterly.

(4) The Cabinet Budget Committee shall prescribe its own procedures.

4. (1) For the purpose of section 11 of the Act, the head of a budgetary agency shall establish a Budget Committee which shall be chaired by the vote controller and includes a budget officer, who shall serve as secretary to the Budget Committee and such other public officers as specified by the vote controller. Budget Committees of budgetary agencies.

(2) The Budget Committee of a budgetary agency shall be an advisory body to the vote controller and shall be responsible for -

- (a) coordinating preparation of budget proposals and strategic, procurement, and personnel plans;
- (b) monitoring and coordinating budget execution; and
- (c) performing any other functions as may be specified by the vote controller.

(3) The vote controller shall prescribe the procedures for the Budget Committee of the budgetary agency in accordance with a circular of the Minister.

5. District Budget Oversight Committees established under sub-section (1) of section 4 of the Act shall consist of between ten and sixteen members, being persons of note in the district who are not members of the public service or local council, selected by the Chiefdom Administration after consultation with the Financial Secretary and the persons representing each ward or chiefdom in the district. District Budget Oversight Committee.

### PART III—MACROECONOMIC AND FISCAL POLICIES

6. (1) The fiscal objectives set out at subsection (1) of section 21 of the Act shall ensure the sustainable funding of State expenditure, and subject to the foregoing, contribute to the macroeconomic stability and growth and poverty reduction. Fiscal objectives.

(2) A new policy with financial implication introduced to the Cabinet for decision, whether in a form of a draft Bill or otherwise, shall be accompanied by the Minister's opinion on its cost information and assessment of affordability.

(3) The Minister shall issue a circular to prescribe the timeframe for proposing a new policy with financial implication and other instructions for implementation of this regulation.

PART IV—PREPARATION AND APPROVAL OF BUDGET  
(Appropriations and budgetary principles)

Budget classification.

9. (1) The Financial Secretary shall, on the proposal of the Budget Bureau, determine the structure and nomenclatures of items of revenue and expenditure in the estimates, in accordance with the revenue laws and internationally accepted standards, and in accordance with the following paragraphs of this regulation and regulations 10 and 11.

(2) The Financial Secretary shall not make a change in the items of revenue and expenditure or create a new item, unless the Accountant-General has made a change in the codes of the chart of accounts or has created a new code to reflect the change.

(3) In addition to the administrative and economic classification required under paragraph (a) of subsection (2) of section 27 and subsection (3) of the Act, the Financial Secretary may classify expenditures in the State budget by the functions of the Government or by other classification.

(4) The economic and functional classification mentioned in subsection (3) of section 27 of the Act and sub-regulation (3) shall be in accordance with internationally accepted standards.

Head of expenditure and ambit of vote.

10. (1) For the purpose of subsection (2) of section 27 of the Act, the revenue and expenditure estimates shall be divided into such heads of expenditure as determined by the Financial Secretary.

(2) The purposes of expenditures included in, and the services provided under, each head of expenditure shall be outlined in a preamble to the head to be called the "ambit of the vote".

(2) The Macro-Fiscal Strategy Group shall be chaired by a representative from a division of the Ministry responsible for the macroeconomic and fiscal policy and composed of representatives from -

- (a) such other divisions of the Ministry as determined by the Minister;
- (b) the Bank of Sierra Leone;
- (c) the National Revenue Authority;
- (d) Statistics Sierra Leone; and
- (e) any ministry or entity invited by the Minister from time to time to present to the Group, but not to partake in decisions or substantive discussions of the Group.

(3) The Macro-Fiscal Strategy Group shall, at least, -

- (a) discuss and advise on the key assumptions to be used in macroeconomic forecasting;
- (b) produce macroeconomic forecasts for the next three years, including forecasts of gross domestic product, inflation, the balance of payments, exchange rate, and other main macroeconomic variables;
- (c) produce fiscal forecasts for the subsequent three years, including forecasts of revenue, expenditure, deficit, borrowing, and other main fiscal variables; and
- (d) produce analyses of macroeconomic risks.

8. (1) For the purpose of subsection (1) of section 24 of the Act, before a new policy with financial implication is introduced to the Cabinet, the responsible minister shall produce and provide the Minister with the cost information and assessment of affordability. Policy costing



Program classification.

12. (1) For the purpose of subsection (4) of section 27 of the Act, expenditures in the state budget may be classified by programs, if -

- (a) the head of a relevant budgetary agency appoints a program manager for each program, whose responsibilities are specified in writing;
- (b) the objectives and activities of each program are specified and evaluated in the budget preparation process;
- (c) the program structure is reflected in the chart of accounts; and
- (d) such other requirements as prescribed by the Financial Secretary are complied with.

(2) A program classification may be applied to some or all of the expenditures of one or more budgetary agencies.

Prohibition of retaining fees and charges of budgetary agencies.

13. (1) For the purpose of subsection (2) of section 29 of the Act, any fees and charges collected by a budgetary agency, under or by an Act of Parliament, shall be deposited into the Consolidated Fund and shall not be earmarked or retained for the expenditure of the agency, unless provided otherwise by an Act of Parliament.

(2) A credit balance of any bank account into which fees and charges collected by a budgetary agency are deposited shall be daily swept into the designated Treasury account in accordance with paragraph (g) of sub-regulation (1) of regulation 31.

Retaining fees and charges of sub-vented agencies.

14. (1) A sub-vented agency may use fees and charges that it collects to finance its expenditure only when -

- (a) the fees and charges are reviewed by the Cabinet under sub-regulation (2) of regulation 246; and

(3) No expenditure shall be charged to the head unless it falls within the ambit of the vote.

11. (1) Each head of expenditure shall be divided into such programs as determined by the Financial Secretary.

Program and group of Expenditures.

(2) Each program shall -

- (a) include, as far as possible, all the items of expenditure relating to particular services provided under the program and show clearly the total estimated cost of the services; and
- (b) meet the requirements under regulation 12.

(3) The items of expenditure under each program shall be classified into the following groups-

- (a) compensation of employees;
- (b) other recurrent expenditure excluding current transfers;
- (c) current transfers;
- (d) capital transfers; and
- (e) capital expenditure.

(4) Compensation of employees shall contain-

- (a) basic salaries;
- (b) personnel allowances such as allowances for special duty, overtime, representation expenses, entertainment, housing, medical, transport, power clothing, or allowances in lieu of accommodation;
- (c) retiring benefits, including pensions and gratuities; and
- (d) government contribution to social security.

(5) Each personnel allowance shall be described in a separate line item of expenditure and shall not be included in the same line item as that of basic salaries.

- (b) an annual cash flow plan;
- (c) a strategic plan which presents prioritized policy measures for the implementation of programmes in the national development plan, for the next three years or more and their estimated costs and work plans for their implementation; and
- (d) a procurement plan according to section 29 of the Public Procurement Act, 2016.

(4) No later than the end of every May, the Minister shall submit the draft Fiscal Strategy Statement to the Cabinet for its scrutiny and approval, after holding budget hearings concerning expenditure ceilings and policy measures.

(5) The Minister shall submit an annually updated Fiscal Strategy Statement to Parliament for its information before Parliament goes into a summer recess but in any case, no later than the end of every July.

(6) In accordance with subsection (1) of section 31 of the Act, the Financial Secretary may issue a revised budget call circular including the expenditure ceilings.

(7) The Minister or Ministry shall hold budget hearings concerning the draft State budget, before submitting the finalized State budget to the Cabinet for approval.

Expenditure ceilings in Budget Call Circular.

16. For the purpose of paragraph (a) of subsection (2) of section 31 of the Act, expenditure ceilings of a budget call circular shall be consistent with the fiscal forecasts set out in the annual updates of the Fiscal Strategy Statement.

Revenue and Expenditure Estimates in Budget Proposals.

17. (1) When preparing revenue estimates to be included in a budget proposal under paragraph (a) of subsection (1) of section 32 of the Act, a vote controller of a budgetary agency shall -

- (a) identify all activities that already generate revenue or have a potential to generate revenue;

- (b) the maximum amount of expenditure to be financed by the fees and charges is authorized by Parliament as an Appropriation-in-Aid in the State budget.

(2) Notwithstanding sub-regulation(1), a sub-vented agency that is treated as a budgetary agency under sub-regulation (1) of regulation 252 shall deposit fees and charges that it collects into the Consolidated Fund and shall not retain or earmark the fees and charges for the expenditure of the agency.

(3) An Appropriation-in-Aid shall be presented in the State budget on a gross basis without being netted with any revenue.

***(Budget preparation and approval)***

15. (1) No later than the end of every March, the Financial Secretary shall issue the budget call circular which includes—

Budget calendar issue.

- (a) a budget calendar setting out the timeframe for preparation and approval of the State budget;
- (b) instructions for preparation of the medium-term strategy and work plans for the implementation of that strategy; and
- (c) any other matters as deemed necessary by the Financial Secretary.

(2) A budget call circular shall give budgetary agencies and sub-vented agencies at least a six week-period for preparation of their budget proposal.

(3) In addition to a budget proposal, by such date as prescribed by a budget call circular, every budgetary agency and sub-vented agency shall submit to the Minister, at least—

- (a) a plan on recruitment, retirement, promotion, and payroll allocation for the next three years or more with relevant costs;

18. (1) The budget call circular shall require every vote controller to submit within a specified time and in a prescribed manner a medium- term budget framework for his budget entity, including -
- (e) include all recurrent and capital expenditure of the budgetary agency.
  - (a) a medium-term strategy and target outcomes in line with national and sectoral strategies, and keyperformance indicators for assessing the achievement of the outcomes;
  - (b) detailed work plans for the implementation of the strategy andthe anticipated revenue and recurrent and capital expenditure for the following three years within the financial ceilings prescribed by the Minister;
  - (c) a procurement plan showing details of the estimated amount of continuing contracts and each contract to be entered into in the following year, item to be purchased, estimated timing and amount of payments, and the modality of each contract; and
  - (d) revised estimates of revenue and expenditure for the current year.

(2) A vote controller shall, in preparing draft estimates of revenue and expenditure, convene a budget committee meeting to review and ensure that the estimates are realistic and accurate in all respects and are prepared with the involvement of all relevant divisional or programme officers, procurement officers, internal auditors and other relevant officials of the budgetary agency in accordance with any other instruction or guideline given by the minister.

(3) A vote controller shall brief his Minister on the preparation of the budget and, during the year, on budget performance.

- (b) assess efficiency of assessment and, or collection, where applicable, and accuracy of past revenue estimates;
- (c) indicate in a budget proposal, assumptions of the revenue estimates and plans to change rates and charges;
- (d) explain the rationale for changes in rates and charges;
- (e) describe the outlook for corresponding tax bases;
- (f) list all revenues to be collected by the budgetary agency as provided by an act of Parliament; and
- (g) include all revenue collected, if any.

(2) When preparing expenditure estimates to be included in a budget proposal under paragraph (b) of subsection (1) of section 32 of the Act, a vote controller of a budgetary agency shall -

- (a) incorporate the recurrent expenditures for ongoing and new projects and also payments to settle outstanding multiannual commitments;
- (b) reflect the impact of new policy measures and any changes in costs of current policy measures;
- (c) prioritize policy measures within expenditure ceilings and in accordance with the Fiscal Strategy Statement and the budget call circular;
- (d) ensure that the expenditure estimates are consistent with personnel, strategic, and procurement plans; and

- (c) the best option, which means that the project or PPP project is the most efficient and effective option to deliver the good or service.

(2) All budgetary or sub-vented agencies shall, in relation to all projects and PPP projects, included in the lists mentioned in paragraph (a) of subsection (1) of section 35 of the Act, gather and submit to the Minister all necessary information about the project to allow the Minister to determine if the project meets the criteria in sub-regulation (1).

(3) For the purpose of subsection (1) of section 35 of the Act, the Minister has the power to select a transformational development project to be included in the State budget.

(4) The Minister may select a transformational development project only when it meets the requirements under this regulation.

(5) The Minister shall publish the Public Investment Operational Manual, which describes the standard methodologies to design, estimate cost of, and appraise whether the project or PPP project is affordable, economically viable, and the best option.

(6) The Operational Manual shall also prescribe the procedures of project selection and financing, implementation, and monitoring & evaluation.

(7) Estimates of revenue foregone due to waivers and reductions shall be attached to any project or PPP project mentioned in section 35 of the Act when submitting to Parliament.

20. (1) The preparation, submission, screening, appraisal, and selection of all new projects and PPP projects into the Public Investment Programme hereinafter called "PIP", shall follow the procedures provided in the National Public Investment Management Operational Manual, and completed by such date as prescribed in a budget call circular.

Preparation  
of Public  
Investment  
Programme.

(4) Proposals for any new establishment or expansion of an existing one including an increase or upgrading in the establishment, shall be included in the draft estimates only after the approval of the Minister has been obtained.

(5) Not later than the end of every September, the Financial Secretary as chairman with the Director of Budget and local government finance departments shall convene the stakeholder budget discussions of Central Government followed by Local Councils.

(6) The discussions with Local Councils shall be held at the respective district or municipality.

(7) The stakeholders of the participatory budget discussions shall include Civil Society Organisations, District Budget Oversight Committee Members, the Media, Non-State Actors, Donors, Members of Parliament and budgetary and sub-vented agencies.

19. (1) For the purpose of subsection (1) of section 35 of the Act, when a cost of a project or Public Private Partnership (PPP) project, including a transformational development project, exceeds 1% of the Annual Public Investment Program for the budget year, the project or PPP project shall not be included in the State budget, unless the Minister determines that the project or PPP project is -

- (a) affordable, which means that financial obligations, including contingent liabilities, to be incurred for the project or PPP project may be met by the State budget without hindering achievement of the fiscal objectives established under section 21 of the Act or the principles of responsible financial management mentioned in subsection (2) of section 20 of the Act;
- (b) economically viable, which means that the project or PPP Project is feasible and determined by cost-benefit analysis to have more benefits than costs; and

(2) Financial resources required by a development plan of the Government shall be consistent with the fiscal objectives established under section 21 of the Act.

Use of Contingencies 23. (1) The use of the Contingencies Fund shall be in accordance with subsection (1) of section 37 of the Act.

(2) Expenditures that shall not be funded by the Contingencies Fund or a special warrant of the President or the unallocated head of expenditures include but is not limited to -

- (a) expenditure that, although known when finalizing the State budget, could not be accommodated within the State budget;
- (b) increase in expenditure due to tariff adjustments or price increases; and
- (c) expenditure for extensions of existing services or creation of new services that are not urgent or unforeseen.

(3) The Minister or the President as the case may be, may consult the Cabinet Budget Committee before exercising his authority for the Contingencies Fund or a special warrant under subsection (3) of section 37 or subsection (1) of 38 of the Act.

(4) The Minister shall obtain approval of the Cabinet Budget Committee before issuing a warrant for the unallocated head of expenditure under subsection (2) of section 39 of the Act.

(5) When rejecting a request for the use of the Contingencies Fund or the unallocated head of expenditure, the Minister shall convey the decision to the affected agency.

(6) For the purpose of paragraph (c) of subsection (5) of sections 37, subsection (3) of 38 and subsection (5) of 39 of the Act, expenditure paid during a financial year by using the Contingencies Fund, special warrant of the President, or unallocated head of expenditures shall be reflected in a Supplementary Estimate, if any is submitted within the financial year under subsection (1) of section 42 of the Act.

(2) For the purpose of subsection (1) of section 35 of the Act, by such date as prescribed in a budget call circular, every budgetary and sub-vented agency shall submit to the Minister the following documents and information of all on going and new projects and PPP projects, using templates provided by the Public Investment Management Unit -

- (a) documents required in paragraph (c) of subsection (1) of section 35 of the Act;
- (b) a revised contract including all technical and financial information in the event of contract variation during implementation, for existing PPP projects; and,
- (c) any other documents and information may be required by a budget call circular.

(3) The PIP shall be finalized by such date as prescribed in a budget call circular and as instructed in the National Public Investment Management Policy.

(4) The Minister may refuse to include a public investment project or PPP project in the State budget, if the responsible budgetary or sub-vented agency fails to comply with the requirements under sub-regulations (1) and (2).

21. (1) Once a new project is included in the PIP, budgetary or sub-vented agencies may start the contractual negotiation, procurement, and implementation activities according to the National Public Investment Management Operational Manual. Public Investment Programme Execution.

(2) All procurement activities shall be in compliance with the Public Procurement Act in force.

22. (1) A development plan of the Government, referred to development in paragraph (c) of sub-regulation (3) of regulation 15, shall include cost information on planned projects. Coordination with Development Planning.

- (b) the impact on achievement of the fiscal objectives and the adjustments to be made towards its achievement; and
- (c) a source of financing.

(3) All budgetary agencies shall request additional funds through a Supplementary Estimate in accordance with a circular for that purpose.

(4) The Minister may annually issue a circular on preparation of a Supplementary Estimate.

Transfer of functions.

26. (1) When a function is to be transferred between heads of budgetary agencies, the Minister shall be consulted in advance, and a head of a budgetary agency to which a function is transferred shall submit to the Minister a memorandum to request a Supplementary Estimate.

(2) A circular mentioned in sub-regulation (5) of regulation 25 shall include instructions for implementation of this regulation.

Virement.

27. (1) All virements shall be made in accordance with section 43 of the Act.

(2) An item of expenditure from which reallocation is made shall not be eligible for provisions of additional funds by a Supplementary Estimate, the Contingencies Fund, a special warrant of the President, or the unallocated head of expenditure.

(3) Reallocation shall not be made by the head of a budgetary agency or approved by the Minister under sub-section (2) or (3) of section 43 of the Act, unless -

- (a) an amount of an item of expenditure reduced by the reallocation is still sufficient to pay outstanding and planned commitments under the item of expenditure; and

24. (1) In accordance with paragraph (a) of subsection (2) of section 114 of the Constitution and section 41 of the Act, the President shall issue a warrant for expenditure, authorized by the Minister with the prior-approval of Parliament, to be made before an Appropriation Act comes into force. <sup>Temporary budget.</sup>

(2) Expenditure authorized under paragraph (1) -

- (a) may be made only for services for which a provision was made in the state budget or Supplementary Estimate of the previous financial year; and
- (b) shall not exceed one third of the total expenditure authorized in the State budget of the previous financial year.

*(In-year adjustments)*

25. (1) For the purpose of subsection (5) of section 42 of the Act, a Supplementary Estimate shall not increase the total expenditure of the State budget, unless the increase in the total expenditure - <sup>Supplementary Estimate.</sup>

- (a) is required due to a natural disaster, epidemic of illness, or other significant and unforeseen economic and financial event; or
- (b) can be financed by the increase in the revenue other than domestic or external borrowing.

(2) In addition to information required under subsection (5) of section 42 of the Act, a Supplementary Estimate shall be accompanied by a justification for its proposal.

(3) When a Supplementary Estimate increases the total expenditure of the State budget, the Minister shall submit to Parliament, at least, the following information -

- (a) revised fiscal forecasts, including revenues, expenditures, deficit, and debt, of the State budget for the next three years or more;

(3) A provision of the State budget shall not be carried over for more than one financial year.

Unbudgeted expenditure and over-spending.

30. (1) A vote controller of a budgetary agency shall not incur or settle any commitment for which public money has not been provided by the State budget or authorized to be charged on the Consolidated Fund.

(2) When a budgetary agency has overspent a head or subhead of expenditures under the State budget or made unbudgeted expenditure, the Minister shall require the head of the budgetary or sub-vented agency to submit an action plan under paragraph (b) of subsection (2) of section 120 of the Act, as soon as practicable after the end of a financial year.

(3) As soon as practicable after the end of a financial year, the Minister shall submit to Parliament a report on overspending.

(4) The Minister shall issue a circular to prescribe the instructions for implementation of this regulation.

#### **Part V - Cash Management and Banking Arrangements** **(Banking Arrangements)**

Establishment of Core Treasury Single Account structure.

31. (1) For the purpose of subsection (1) of section 47 of the Act, the Minister shall establish a core Treasury Single Account structure, which shall satisfy at least the following requirements -

- (a) the Treasury Single Account shall include only one bank account opened with the Bank of Sierra Leone hereinafter called "Treasury Main Account" and other accounts of the Treasury Single Account opened with the Bank of Sierra Leone and commercial banks in accordance with subsection (2) of section 47;
- (b) all tax and non-tax revenue of the Consolidated Fund shall be deposited into the Treasury Main Account;

(b) the reallocation does not create conflict with the priorities and objectives of the agency.

28. (1) The Minister may delegate to the Financial Secretary all or part of his powers for approving reallocation between different subheads under subsection (2) of section 43 of the Act. Procedure for Virement.

(2) When requesting the Minister's or Financial Secretary's approval for reallocation, the vote controller shall submit an Application for Virement form clarifying the chart of account codes of the items from and to which the reallocation is made.

(3) When approving reallocation requested under sub-regulation (2), the Minister shall issue a virement warrant that is numbered sequentially within the same financial year.

(4) When making reallocation within the same subhead under subsection (3) of section 43 of the Act, the head of a budgetary agency shall use such standard preform as determined by the Financial Secretary.

(5) The vote controller of each budgetary agency shall maintain a register of all the virements made by the agency.

(6) The vote controller of a budgetary agency shall submit to the Minister a quarterly report that specifies all virements that the agency made during the quarter.

29. (1) For the purpose of subsection (1) of section 45 of the Act, a provision of the State budget of a financial year which was not spent in the financial year may be carried over, subject to availability of cash, to the following financial year with the approval of the Minister only to discharge an outstanding commitment that has been made before the end of the financial year and provided for in the next financial year budget. Carryover.

(2) The head of a budgetary agency shall submit to the Minister a request for carryover under this regulation in accordance with a circular of the Minister.

- (g) all credit balances of transit bank accounts opened with commercial banks shall be swept automatically into the Treasury Main Account at the end of every business day;
- (h) bank reconciliation of all bank accounts included in the Treasury Single Account shall be automatically or manually, as the case may be, conducted every business day;
- (i) at the end of every business day, a consolidated statement with the following contents shall be auto-matically generated -
  - (i) a debit and credit balance of each sub-ledger account;
  - (ii) a credit balance of the Treasury Main Account; and
  - (iii) credit balances of all said commercial bank accounts included in the Treasury Single Account.

(2) All commercial banks shall submit to the Accountant-General at the end of the day, all information identifying the payments made in the day.

(3) When a commercial bank does not comply with the requirements of paragraph (1) of sub-regulation (1) and sub-regulation (2), the Accountant-General may require the account to be closed under sub-regulation (2) of regulation 34 and sub-regulation (3), and transfer any balance to the Treasury Main Account.

(4) The Cabinet shall, on the proposal of the Minister, issue an Order that specifies, in accordance with the requirements under sub-regulation(1), -

- (c) all expenditure of the Consolidated Fund shall be paid out of the Treasury Main Account, except the following expenditures which may be paid from a bank account other than the Treasury Main Account -
  - (i) expenditure for externally financed projects included in a Public Investment Program;
  - (ii) expenditure for embassies;
  - (iii) expenditure made from imprest funds; and
  - (iv) expenditure made from special funds.
- (d) there shall be a book of sub-ledger accounts where revenue of each sub-ledger account shall be recorded as a credit balance of the Treasury Main Account and expenditure of each sub-ledger account shall be recorded as a debit balance of the Treasury Main Account;
- (e) separate sub-ledger accounts shall be opened for-
  - (i) major categories of revenue and expenditure;
  - (ii) major categories of financing transactions and advance payments; and
  - (iii) major budgetary and sub-vented agencies;
- (f) bank accounts may be opened with said commercial banks only as transit accounts into which tax and non-tax revenue is deposited before being deposited into the Treasury Main Account;



to be recorded separately from the rest of the Consolidated Fund; and

- (b) the structure of the sub-ledger accounts uses the classification of the chart of accounts, to the extent possible.

Extension of  
Treasury  
Single  
Account.

32. (1) All revenue and expenditure of donor funds, where appropriate, special funds, sub-vented agencies and extra-budgetary agencies shall be deposited into and paid from the Treasury Main Account or commercial bank accounts included in the Treasury Single Account.

(2) All bank accounts opened for budgetary and sub-vented agencies, donor funds, where appropriate and special funds shall be closed or included in the Treasury Single Account.

(3) The scope of the full Treasury Single Account referred to in sub-regulation (1) of regulation 31 may be extended to all or some of revenues and expenditures when provided by enactment, including the local governments, and other general government entities, if so specified in the Cabinet Order referred to in sub-regulation (4) of regulation 31.

Service Level  
Agreement.

33. (1) For the purpose of subsection (3) of section 47 of the Act, the Minister and the Bank of Sierra Leone shall conclude a Service Level Agreement that specifies, in respect of the core Treasury Single Account structure,—

- (a) the responsibilities of the Bank of Sierra Leone for the operation of the Treasury Single Account, including but not limited to -
  - (i) handling and transmission of receipts, notices, and other transactional documents;
  - (ii) handling of government cheques;

- (a) the bank accounts opened for ministries, other departments, and sub-vented agencies, into or from which revenue or expenditure of the Consolidated Fund is deposited or paid, and which shall be closed;
- (b) the sub-ledger accounts to be opened as part of the core Treasury Single Account structure established under sub-regulation(1);
- (c) the transit bank accounts to be opened with said commercial banks as part of the core Treasury Single Account structure established under sub-regulation (1); and
- (d) the expenditures of the Consolidated Revenue Fund that will be paid from bank accounts outside the core Treasury Single Account structure.

(5) Under paragraph (a) of sub-regulation (4), all bank accounts opened for ministries, other departments, and sub-vented agencies, into or from which revenue or expenditure of the Consolidated Revenue Fund is deposited or paid, shall be closed, except for bank accounts -

- (a) from which the expenditures excluded from the core Treasury Single Account structure under paragraph (d) of sub-regulation (4) are to be paid; and
- (b) the needs of which are fully justified.

(6) When proposing a draft Order under sub-regulation (4), the Minister shall ensure that

- (a) a sub-ledger account is opened only for an accounting item that requires its cash balance

(2) For the purpose of paragraph (d) of subsection (5) of section 47 of the Act the Accountant-General may require banks to close, transfer or suspend bank accounts of budgetary agencies, sub-vented agencies or other entities in the central government that fail to obey section 47 of the Act and this regulation.

(3) For the purpose of paragraph (d) of subsection (5) of section 47 of the Act, the Accountant-General shall require a budgetary or sub-vented agency or other entity in the central government to close any account opened with a commercial bank or the Bank of Sierra Leone, whenever necessary for the effective operation of the Treasury Single Account.

(4) For the purpose of paragraph (d) of subsection (5) of section 47 of the Act, and subject to subsection (2) of section 67 of the Act, any account opened with a commercial bank for a budgetary or sub-vented agency or other entity in the central government shall not be overdrawn, and no advance or loan shall be obtained from the account, without the prior approval of the Minister.

(5) For the purpose of paragraph (d) of subsection (5) of section 47 of the Act, the Accountant-General may set a minimum or maximum balance of any account of the Treasury Single Account opened with a commercial bank or the Bank of Sierra Leone for a budgetary or sub-vented agency or other entity in the central government.

(6) For the purpose of paragraph (e) of subsection (5) of section 47 of the Act, a service level agreement shall be approved by the Accountant-General in advance of opening an account with a commercial bank for a budgetary or sub-vented agency or other entity in the central government.

(7) A service level agreement with a commercial bank may be negotiated on a competitive basis.

(8) A service level agreement with a commercial bank shall specify, at least, -

- (a) the requirements to implement the Accountant-General's instruction on opening, transfer, and closure of the bank accounts;

(iii) processing of payment instructions;

(iv) processing of transfer between sub-ledger accounts;

(v) processing of refunds and repayments;

(vi) handling of public money held in trust;

(vii) record-keeping of sub-ledger accounts;

(viii) reporting to the Accountant-General; and

(ix) cooperation with the Cash Management Committee on cash forecasting;

(b) use of intra-day overdraft of the Treasury Main Account;

(c) remuneration on a credit balance and charge on a debit balance of the Treasury Main Account;

(d) notwithstanding subsection (2) of section 52 of the Act, other fees to be paid to the Bank of Sierra Leone for the operation of the Treasury Single Account; and

(e) any other matters necessary for the operation of the Treasury Single Account.

(2) The Service Level Agreement between the Minister and the Bank of Sierra Leone shall be revised along with any extension of the Treasury Single Account under sub-regulation (1) of regulation 32.

34. (1) The Minister's power to approve a budgetary or sub-vented agency or other entity in the central government to open or close a bank account under subsection (4) of section 47 of the Act shall be delegated to the Accountant-General.

Opening and closure of bank accounts.

(4) The Accountant-General shall maintain a register of all bank accounts opened with commercial banks or the Bank of Sierra Leone for budgetary or sub-vented agencies or other entities in the central government.

Bank reconciliation.

36. (1) Vote Controllers of budgetary agencies and sub-vented agencies and other entities in the central government shall submit a bank reconciliation statement of the month to the Accountant-General of all bank accounts managed by them.

(2) Notwithstanding sub-regulation (1), the Accountant-General may require bank reconciliation more than once a month.

(3) Bank reconciliation shall also be carried out -

- (a) when a responsibility for any bank account or cheque book is handed over from one officer to another;
- (b) on the occasion of any inspection by the Board of Surveys; or
- (c) when the Accountant-General so requires.

(4) A vote controller shall conduct bank reconciliation in accordance with a circular of the Accountant-General.

**( Cash Management )**

Establishment of Cash Management Committee.

37. (1) For the purpose of subsection (1) of section 48 of the Act, the Cash Management Committee shall be chaired by the Financial Secretary and composed of representatives of-

- (a) the Bank of Sierra Leone, co-chairing the Committee;
- (b) the Budget Bureau, Accountant-General's Department, the director responsible for public debt and such other divisions of the Ministry as may be determined by the Minister;

(b) the requirements of handling and transmitting receipts, notices, and other transactional documents;

(c) the requirements for handling of government cheques and processing of payment instructions;

(d) the requirements for record-keeping and reporting to the Accountant-General and cooperation with the Cash Management Committee on cash forecasting;

(e) the prohibition of overdraft, loan, and advance without the prior-approval of the Minister;

(f) remuneration on a credit balance and charge on a debit balance of the bank account;

(g) notwithstanding subsection (2) of section 52 of the Act, other fees to be paid to the commercial bank for its services; and

(h) the requirements for the operation of the Treasury Single Account, when the bank account is included in the Treasury Single Account.

35. (1) For the purpose of subsection (6) of section 47 of the Act, the Accountant-General may require a commercial bank to submit to him a bank statement and any other information of any account opened for a budgetary or sub-vented agency or other entity in the central government.

Access to bank Accounts and register.

(2) The bank shall comply with the request to submit a bank statement within two working days.

(3) When a commercial bank refuses to submit a bank statement and the required information under paragraph (1), the Accountant-General may require the account to be closed under sub-regulations (2) and (3) of regulation 34.

- (a) any discrepancy on the management of bank accounts and the Treasury Single Account;
- (b) the transaction and operation of the Treasury Single Account;
- (c) recommendations on the development of the Treasury Single Account; and
- (d) consolidated cash plans.

Functions the Sub-Committee.

38. For the purpose of sub-regulation (2) of regulation 37, the Cash Management Sub-Committee shall be responsible for -

- (a) assisting the Cash Management Committee to perform its functions;
- (b) forecasting the government cash flow and cash balances;
- (c) advising the Cash Management Committee on the risks associated with cash management, future borrowing programs, and financing options;
- (d) monitoring balances of bank accounts opened for budgetary and sub-vented agencies;
- (e) overseeing the performance of the Treasury Single Account; and
- (f) performing such other functions as may be specified by the Accountant General.

Annual Cash Flow Plan.

39. (1) The budgetary agencies and sub-vented agencies shall submit an annual cash flow plan to the Cash Management Committee within 20 days prior to the beginning of the financial year.

- (c) the National Revenue Authority; and
- (d) any other institutions as may be specified by the Minister.

(2) The Cash Management Committee may establish a sub-committee.

(3) For the purpose of subsection (2) of section 48 of the Act, the Cash Management Committee shall perform the following duties:

- (a) reviewing cash forecasts;
- (b) approving the consolidated cash plans;
- (c) discussing financing options;
- (d) coordinating the cash and debt management;
- (e) monitoring the development and
- (f) management of the Treasury Single Account; and
- (g) any other functions assigned by the Minister or under these Regulations.

(4) when performing its duties, the Cash Management Committee shall have access to-

- (a) bank statements of any account opened for a budgetary or sub-vented agency;
- (b) all information about the Treasury Single Account; and
- (c) the cash forecasts and data on budget execution of budgetary and sub-vented agencies.

(5) The Cash Management Committee shall report to the Minister about -

- (a) payment dates;
- (b) type and amount of payments;
- (c) expected weekly cash inflow and outflow;
- (d) weekly net balance;
- (e) historical trends of cash flows patterns; and
- (f) any change to the cash flow plan and justification.

(3) The Cash Management Committee shall train the budgetary and sub-vented agencies about -

- (a) the approved cash-forecasting manual;
- (b) the approved cash-forecasting template; and
- (c) the mechanism to conduct cash-forecasting.

(4) For the purpose of subsection (1) of section 49 of the Act, the budgetary and sub-vented agencies shall submit to the Minister the following cash forecasting reports -

- (a) a cash forecast for the quarter, broken down into weekly cash inflow and outflow not later than one month before the beginning of every quarter;
- (b) a cash forecast for the month, broken down into weekly cash inflow and outflow not later than two weeks before the beginning of every month.

(5) The Cash Management Committee shall -

- (a) provide the Bank of Sierra Leone with a monthly liquidity forecast, within 10 business days at the end of each month;

(2) The annual cash flow plan shall reflect the entity's execution of the State budget for the next financial year.

(3) The annual cash flow plan shall contain at least -

- (a) the expenditure and the revenue collection plan;
- (b) cash flow analysis and its indicators; and
- (c) the remarks or highlights of the factors that may affect the annual cash flow plan.

(4) The Cash Management Committee shall consolidate and review the annual cash flow plans within 10 days prior to the beginning of the financial year.

(5) The Cash Management Committee shall produce -

- (a) the consolidated annual cash flow plan for its approval; and
- (b) the analysis report highlighting at least the following points -
  - (i) any differences between the annual cash flow plan to the Budget document;
  - (ii) any negative net cash flow during the whole year plan; and
  - (iii) recommendations on the annual cash management plan upon consulting with the director responsible for public debt.

40. (1) The Cash Management Committee shall prepare a cash- forecasting template and guideline. <sup>Cash forecasting.</sup>

(2) The cash-forecasting template shall at least contain the following information -

(4) On a rolling basis, the Cash Management Committee shall verify the accuracy of its cash forecasts and the cash forecasting reports with the real cash flows of the budgetary and sub-vented agencies.

(5) The Cash Management Committee shall produce a monthly verification report to identify at least-

- (a) the rate of accuracy;
- (b) the causes of any inaccuracy; and
- (c) the forecast performance evaluation of the budgetary and sub-vented agencies.

(6) The Cash Management Committee may request the Minister to reduce by 1-3% of the next financial year appropriations of the budgetary or sub-vented agencies, which have large errors within its cash forecasting report.

(7) The budgetary or sub-vented agencies shall promptly report to the Cash Management Committee any significant changes on the cash forecasting.

(8) If the changes have a great impact on the net cash flow or the balance sheet of the Treasury Single Account, the Cash Management Committee shall convene an urgent meeting in order to address the problem.

Bank of  
Sierra Leone. 41. The Bank of Sierra Leone shall make payments and transfers from the Treasury Single Account in accordance with these regulations and the service level agreement mentioned in regulation 33.

Management  
of balances. 42. (1) The Bank of Sierra Leone shall make the daily statements of the Treasury Single Account available to the Accountant-General through the computerized financial management system.

(2) The Cash Management Committee shall annually determine the minimum target cash balance of the Treasury Single Account three weeks prior to the start of the financial year.

(b) consolidate and review the cash-forecasting reports every month;

(c) identify the daily net cash position by highlighting any shortage or surplus within a consolidated statement of the Treasury Single Account;

(d) record at least the following data: actual revenue and expenditure of budgetary and sub-vented agencies; macroeconomic data; historical cash flow patterns; known dates of large revenue and expenditure payments; forecast data submitted by budgetary and sub-vented agencies; and past cash forecasts.

(2) The information referred to in sub-regulation (2) shall be made accessible to -

- (a) the Bank of Sierra Leone;
- (b) the Accountant-General; and
- (c) the director responsible for Public Debt.

(3) The Cash Management Committee shall convene a monthly meeting to discuss cash management plan.

(4) In order to prevent shortfall of cash, the cash management plan shall at least include -

- (a) the future borrowing programs;
- (b) financing options; and
- (c) any recommendation on the budget warrants and the expenditure control process under Part VII of these Regulations.

(2) Any department of Government that may, by or under an Act of Parliament retain monies to defray its expenses shall pay into the Consolidated Fund within 30 days following the end of the fiscal year, any money retained above its expenses.

(3) For the purpose of Section 28 of the Act, non-tax revenues, include-

- (a) administrative fees;
- (b) licence fees;
- (c) tolls;
- (d) proceeds from goods and services rendered;
- (e) proceeds from privatizations;
- (f) rents from Government assets;
- (g) fines and damages from civil actions;
- (h) levies;
- (i) penalties;
- (j) interests;
- (k) royalties;
- (l) dividends and other payments;
- (m) charges;
- (n) stamp duties; and
- (o) any other non-tax revenues as prescribed by written law.

Responsibility  
for revenue  
management.

45. (1) The National Revenue Authority shall be responsible for assessing and collecting national revenue, in accordance with the National Revenue Authority Act.

(3) The Accountant-General shall ensure that the approved minimum target cash balance shall not be breached.

(4) If there is any breach to the minimum target cash balance, the Accountant-General shall notify the Cash Management Committee.

(5) The Cash Management Committee shall propose the necessary action in order to restore the balance of the Treasury Single Account.

(6) In the event that there is insufficient cash within the Treasury Single Account to service any payment, the Cash Management Committee may request the Minister to -

- (a) execute any existing loan commitment;
- (b) take any new borrowing;
- (c) perform any available financial options; or
- (d) adjust the expenditure.

## **PART VI- REVENUE MANAGEMENT**

### *(Collection of public monies)*

43. (1) Part VI of these Regulations shall not apply to assessment and collection of tax revenues. Scope of application.

(2) Part VI of these Regulations applies mutatis mutandis to budgetary agencies, collecting revenues under or by an Act of Parliament.

(3) Subpart III shall not be applicable to a person in respect of default to which tax laws apply.

44. (1) All public monies, including but not limited to tax and non- tax revenue shall be paid into the Consolidated Fund, unless otherwise provided by an Act of Parliament. Deposit of Revenue in the Consolidated Fund.

- (c) in the case of electronic payment, shall facilitate the collection of revenue when due and ensure it is banked promptly;
- (d) account for the revenue collected;
- (e) ensure that for all amounts credited to the designated Treasury account or to any other official bank accounts -
  - (i) the source and purpose of the amount is identified;
  - (ii) the appropriate accounting entries are made in the entity's records to reflect the amount received;
- (f) keep such registers and other records which shall enable them to supervise efficiently the collection of revenue for which they are responsible and provide the relevant financial statements; and
- (g) ensure safe custody, recording and proper use of all receipts, licenses and other documents issued for the receipt of public money.

(4) A revenue collector shall not improperly use his position to-

- (a) gain an advantage for himself, herself or itself or someone else; or
- (b) cause a detriment to the Government of Sierra Leone.

Methods of payment.

47. (1) Payments of non-tax revenue may be made by electronic fund transfer.

(2) The National Revenue Authority shall ensure that adequate safeguards exist and are applied for the collection of non-tax revenue, in accordance with the National Revenue Authority Act.

(3) For the purpose of paragraph (h) of subsection (2) of section 13 of the Act, vote controllers of budgetary agencies shall be personally responsible for ensuring that adequate safeguards exist and are applied for the assessment of such revenues and other public monies relating to their entities.

(4) The National Revenue Authority shall be afforded full, free and unrestricted access to all assessment records and relevant personnel to carry out its collection functions.

(5) For the purpose of paragraph (i) of subsection (4) of section 15 of the Act, vote controllers of sub-vented agencies, other entities in the central government, social security funds and public enterprises shall be personally responsible for ensuring that adequate safeguards exist and are applied for the assessment, collection of and accounting for such revenues and other public monies relating to their entities.

46. (1) Revenue collectors shall be -

Revenue Collectors.

- (a) Collecting officers who shall be permanently appointed officers; and
- (b) any other entity duly authorized to collect public money.

(2) A public officer shall not collect public monies unless he is authorised to do so.

(3) Revenue collectors shall -

- (a) collect revenue when it is due and pay it into the Treasury Main Account or other designated Treasury bank account;
- (b) issue official receipts;



(3) The National Revenue Authority or the vote controller of a sub-vented agency shall, on a daily basis, issue receipts to the payers of non-tax revenue on the basis of the information received under paragraph (b) of sub-regulation (2).

(4) Until the date prescribed by the Minister by notice in the Official Gazette for the introduction of electronic receipts, payers of non-tax revenue shall collect receipts from the National Revenue Authority or sub-vented agency offices within five working days of lodging their payment

(5) The Bank of Sierra Leone and all relevant financial institutions, shall inform the Accountant-General, the Commissioner-General and vote controllers of sub-vented agencies of all non-tax payments that have been received in the designated accounts, and transmit the payment-slip identifying the payer's details, the purpose of the payment and the amount received, on a daily basis.

Payments of non-tax revenue by cash or cheque.

49. (1) Every revenue collector who collects, receives, or has a custody of, any public money shall deposit it, within twenty-four hours of receipt, into the Treasury Main Account or other Treasury account designated by the Accountant-General.

(2) An official receipt shall be issued by revenue collectors immediately after public money is received in the case of manual payment.

(3) Any office where public money is collected shall have a public notice informing all payers that an official receipt shall be obtained by the payer for any sum of money paid to the Government.

(4) After paying collected monies into the Treasury Main Account or other designated Treasury account, the revenue collector shall submit to the Commissioner-General and to the vote controller of a sub-vented agency, where appropriate, and to the Accountant General, upon request, as and when necessary -

- (a) bank payment-slip;
- (b) complete receipt vouchers; and
- (c) duplicate receipt.

(2) Payments of non-tax revenue may also be made by cash or cheque when payments by electronic fund transfer are not available.

(3) For the purpose of paragraph (a) of subsection (1) of section 9 of the Act, the following payments are prohibited, unless specifically authorised by the Accountant-General -

- (a) payments in foreign currency, notes or coins, foreign stamps or cheques drawn in foreign currency;
- (b) payments in kind are prohibited, unless they are necessary for collection of delinquent claims.

48. (1) A payer of non-tax revenue with no automatic interface with a bank may fill a prescribed fund transfer form and submit it to the Bank.

Payment of non-tax revenue by electronic fund transfer.

(2) Any receiver of public monies paid by electronic fund transfer shall -

- (a) process the payment to the Treasury Main Account or other Treasury account designated by the Accountant-General, at the Bank of Sierra Leone or such other financial institution as maybe specified by the Minister, identifying the payer's details and the purpose of the payment;
- (b) transmit to the National Revenue Authority or the vote controller of a sub-vented agency, a copy of the payment-slip identifying the payer's details, the purpose of the payment and the amount received, on a daily basis; and
- (c) submit promptly an electronic document or any other appropriate form of advice to the payer notifying the amount received.

(11) In exceptional circumstances, such as for diplomatic missions, the transfer to the Treasury Main Account or other designated treasury account may be made once a month.

(12) When public money is being paid into a bank by cheque, the amount and serial number of the cheque and the name of the bank shall be recorded and retained with the copy of the bank payment-slip identifying the payer's details, the purpose of the payment and the amount received.

(13) The Bank of Sierra Leone and all relevant financial institutions, shall inform the Accountant-General and, where appropriate, the Commissioner-General or the vote controllers of a sub-vented agency of all non-tax payments that have been received in the Treasury Main Account and other designated accounts, and transmit to the Accountant-General the payment-slip identifying the payer's details, the purpose of the payment and the amount received, on a daily basis.

Acceptance  
of cheques.

50. (1) A cheque drawn in local currency shall be accepted in payment of public monies if the revenue collector receiving it has no reasonable grounds for believing that the cheque will not be honoured.

(2) All cheques received shall be made payable to the Government and shall be crossed "Account Payee Only" and any cheque not so crossed on receipt shall immediately thereafter be crossed.

(3) Post-dated cheques shall not be accepted in payment of public money.

(4) Revenue collectors accepting cheques in payment of public monies shall ensure that-

- (a) the cheque is correctly dated (that it is neither time-expired nor post-dated);
- (b) the amounts in words and figures agree;
- (c) the cheque is signed; and

(5) The public officer receiving the collections shall, where appropriate verify that all receipts issued have been entered in the receipt vouchers and that the totals in the vouchers are correct and correspond with the amount acknowledged in the bank payment-slip.

(6) The public officer shall post details of the receipt into the computerized financial management system or cash book.

(7) No State Revenue or other public monies shall be held or paid into a private bank account.

(8) When State Revenue or other public monies is received in a bank, the bank shall -

- (a) process the payment into the Treasury Main Account or other designated treasury account identifying the payer's details and the purpose of the payment; and
- (b) provide two copies of the bank payment-slip identifying the payer's details, the purpose of the payment and the amount received and
  - (i) and one of the copies shall be issued to the payer; and
  - (ii) the other copy transmitted to the National Revenue Authority or the vote controller of a sub-vented agency, as appropriate.

(9) Where the payer pays at the bank, the original receipt shall be issued by the National Revenue Authority or the vote controller of a sub-vented agency upon presentation of the bank payment slip and one copy of the official receipt shall be sent to the Accountant-General.

(10) When public monies are paid into accounts other than a Treasury account where the Bank of Sierra Leone is not operational, those accounts shall only be for transitory purposes and all balances shall be transferred to the Treasury Main Account or other designated Treasury account within twenty-four hours of receipt, except when otherwise approved by the Accountant-General.

No charge to be offset against revenues.

52. (1) Gross amounts of payments shall be accounted for.
- (2) Any charges against revenues shall require appropriate authority as expenditure.

Difficulty in Assessment and Collections of monies be reported.

53. (1) The Commissioner-General and vote controllers of sub-vented agencies shall report to the Minister -
- (a) any case in which they consider, after due inquiry, that the payment of national revenue is falling unduly into arrears; and
- (b) any difficulty in assessing and collecting monies.

Separation of duties between assessment and collection of Revenue.

54. No public officer whose duty involves the assessment of non-tax revenues, or the issuance of an order of payment, shall be authorized to collect public monies to post collections into a cash book or into the computerized financial management system.

Public money not to be used.

55. (1) No use of any public money shall be made by any public officer in any manner between the time of its receipt and payment into the bank, Treasury or other public office designated by the Accountant-General and no public money shall be lent or borrowed in any manner or for any purpose by any person.

(2) No money received shall be used by a public officer or any other person to cash any cheque other than a Government cheque.

(3) No public officer shall convert public monies received in local currency into foreign currency.

***(Assessment of non-tax revenues, Payment and Receipts)***

Assessment of non-tax revenues.

56. (1) Any person carrying out activities subject to the payment of non-tax revenues identified in sub regulation (3) of regulation 44 shall provide to the vote controllers of government agencies, in the best possible delay, accurate and sufficiently detailed information, necessary for the assessment of payable amounts.

- (d) all alterations to any details of the cheque are validated by the full signature of the drawer, and shall not accept any cheque which contravenes any of these conditions.

(5) When payment is made by cheque, the revenue collector receiving it shall insert the cheque number on all copies of the book or document and record the serial number of the book or document on the back of the cheque.

(6) An accepted cheque shall be recognised and acknowledged only after that cheque has been cleared or credited on account.

51. (1) If a cheque received by a revenue collector is dishonoured by the bank and cannot be immediately corrected and re-presented, the revenue collector shall, if the cheque has been received in payment of a Government Agency license or similar pre-paid item or in settlement of a debt owed to Government, or any other liability, debit the appropriate revenue item by the entry of a debit item in the revenue cash book and inform the Commissioner-General or vote controller of a sub-vented agency or relevant authority in order that appropriate action can be taken;

(2) Without limiting sub-regulation (1), all necessary steps shall be taken immediately to obtain the revenue including where appropriate, legal actions, in respect of the dishonoured cheque.

(3) All amounts involved with dishonoured cheques shall be included in the Register of Losses.

(4) No dishonoured cheques shall be held as part of a cash balance.

(5) The name of the drawer and the amount of a dishonoured cheque shall be included in a schedule to be maintained by the Accountant-General and when the revenue is collected from the debtor, the entry shall be removed.

(6) Any dishonoured check shall be kept in safe custody.

- (d) the vote controller's assessment of the non-tax obligations;
- (e) the manner in which the assessment is calculated;
- (f) the reasons why the vote controller has made the assessment;
- (g) the amount due to be paid;
- (h) the date by which the amounts shall be paid;
- (i) where payment may be made;
- (j) a transactional arrangement, including accepted means of payment;
- (k) the time, place and manner of objecting to the assessment;
- (l) the signature of an authorized officer.

(2) Any recipient of an Order of Payment shall countersign it to acknowledge its receipt.

- (3) Unless provided otherwise in other legislation -
  - (a) a liable person shall comply with an Order of Payment within three working days;
  - (b) when the assessment issued by the vote controller is provisional the liable person shall pay the greater of the following amounts-
    - (i) the undisputed assessment value;
    - (ii) fifty percent of the assessment value. within three working days.

(2) The vote controller concerned shall determine the assessment value based in the legislation providing for non-tax revenues and their decision is final.

(3) When the vote controller concerned is not satisfied with the information submitted or in case there is a disagreement on the value of the assessment the vote controller may issue a provisional assessment.

(4) All vote controllers involved in the assessment of non-tax revenue, shall send to the Commissioner-General all relevant non-tax revenue assessment information.

(5) A person shall comply with the obligation to submit information within five working days.

57. (1) Orders of Payment shall be issued through a computerized financial management system approved by the Accountant-General. Issuance of Order of Payment.

(2) As a provisional arrangement, until a computerized financial management system is fully operational, orders of payment maybe issued in a written form and authenticated.

(3) An Order of Payment shall be issued to the person carrying out activities subject to the payment of non-tax revenue and a copy of the Order of Payment shall be given, within twenty-four hours of its issuance, where applicable, to the National Revenue Authority.

58. (1) Where an assessment is made under regulation 56, the vote controller concerned shall serve, within three days of the assessment, the liable person with a written notice of the Order of Payment, containing - Written notice of an Order of Payment.

- (a) a serial number;
- (b) the name and Taxpayer's Identification Number of the liable person;
- (c) the issuance date;

(4) Any receipt book shall be approved by the Accountant-General and where appropriate by the Commissioner-General or vote controller of sub-vented agencies.

(5) All receipts shall contain-

- (a) a serial number;
- (b) the number of the Order of Payment and one of the following numbers, where applicable-
  - (i) the number of the cheque if payment was made by cheque;
  - (ii) the number of the bank payment-slip if payment was made into a bank account;
  - (iii) the number of the electronic document if payment was made by electronic means;
- (c) the name and Taxpayer' Identification Number of the payer;
- (d) issuance date;
- (e) sufficiently detailed information on the revenue base;
- (f) payment date;
- (g) amount paid;
- (h) signature of an authorized officer.

(6) No alterations shall be made to any receipt.

(7) Revenue collectors shall ensure that receipt copies are clear and legible in every aspect.

59. (1) The Commissioner-General or a vote controller of a sub-vented agency may authorize, in writing, instalment payments, with the following limitations - Instalment Payments.

- (a) prior submission of a local bank guarantee in favour of the National Revenue Authority or Government agency;
- (b) the total payable amount shall be paid no later than the time of extinction of the liability-creating event;
- (c) no more than four instalment payments shall be granted annually.

(2) When the total assessed amount has not been paid by the time of extinction of the liability creating event, the bank guarantee may be monetized by the Commissioner-General or the vote controller concerned.

(3) Where an extension is granted by permitting the liable person to pay by instalments and the liable person defaults in paying any of the instalments, the whole balance of the payable amount outstanding becomes payable immediately.

60. Any exemption waiver and reductions of non-tax revenue not signed by the Minister and ratified by the Parliament shall be considered null and void. Exemptions, waivers and reductions.

61. (1) Any receipts may be produced by a computerized system approved by the Minister. Receipts and receipt books.

(2) Official receipts shall be issued in a form prescribed by the Commissioner-General or vote controller of sub-vented agencies and authorized by the Accountant-General.

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

(4) Any outstanding revenue arrears, refund, exemption and discount shall be properly recorded in the computerized system.

(5) Where a revenue collector is using a computerised system of receipting or an electronic cash book, the system shall keep an audit trail of all receipts, time, amount, transaction and the user id of who issued them.

(6) Public officers responsible for recording shall ensure correct application of the chart of accounts or classification codes when receipts are recorded.

(7) Public officers who post revenue assessment registers, rent tolls, ledgers and similar documents shall inform the Commissioner-General or the vote controller whenever the amount collected differs from the amount due and such differences shall be immediately investigated.

(8) Entries in receipts, cash books, licences, rent tolls, ledgers, assessment registers, accounting records or documents shall not be obliterated, erased or altered by being written over.

(9) Incorrect figures shall be corrected by passing the necessary journal entries.

(10) Records shall be reconciled with cash collections regularly.

(11) The Commissioner-General and vote controllers concerned shall keep sufficiently detailed records of public monies received and make them accessible to the Accountant-General and the Minister.

Date of  
record of  
transaction.

63. (1) The date of the record of the transaction in the accounts shall be the date of receipt.

(2) Revenue collected shall not be placed on deposit or held in a suspense account with the object of transferring it to revenue in the following year.

(8) All issues of receipt books shall be acknowledged in writing by the officer to whom the issue is made.

(9) All receipt books shall be kept by the issuer in accordance with the requirements of the Accountant-General and, where appropriate, the Commissioner-General or vote controller of sub-vented agencies.

(10) When receipts are issued from counterfoil books, the officer signing the receipts shall initial the counterfoil and shall ensure it contains all the necessary detail and that it accords with the original.

(11) No original, counterfoil, or copy of a receipt shall be destroyed or receipt data entry deleted.

(12) The National Revenue Authority and all vote controllers shall be responsible for safe custody of receipt books.

(13) Before being entered in a register, all receipt books shall be checked to ensure that they are correct and consecutively numbered.

(14) The officer in charge of the register shall ensure that details of receipt books are fully and correctly entered as soon as they are received.

62. (1) All public officers responsible for revenue collection shall keep such registers and other records manual or electronic as prescribed by the Accountant-General. Revenue collection records.

(2) All monies collected shall be recorded by an officer responsible for recording.

(3) Records shall show the liability, the number of the order of payment, persons from whom revenue is due, the amount payable, the date, location, receipt number, number of bank payment-slips, cheques or electronic documents and amount of collections made.

## (2) Interests shall-

- (a) be calculated on a simple interest basis;
- (b) accrue from the date of delinquency; and; continue to accrue on the unpaid amounts until the debt is fully paid or otherwise resolved.

Waiver.

68. The Commissioner-General or the vote controller of a sub-vented agency and subject to the approval of the Minister may waive collection of interest and penalties, if he determines that the Government is unable to collect the amount in full within a reasonable time by enforced collection proceedings.

Assessment of interests and penalties.

69. (1) The Commissioner-General or the vote controller of a sub-vented agency, may assess penalties owed to the Government of Sierra Leone in accordance with this regulation, the National Revenue Authority Act and the revenue laws applicable.

(2) Where an assessment is made under this regulation, the Commissioner-General or the vote controller of a sub-vented agency shall serve the person liable with a written notice of assessment, which may be incorporated with another notice of assessment under a revenue law, stating -

- (a) the name of the person and the person's Taxpayer Identification Number;
- (b) the assessment value of the interest and penalties;
- (c) the manner in which the assessment is calculated;
- (d) the reason why the assessment was made;
- (e) the date by which the interest or penalties shall be paid; and
- (f) the procedure by which a person liable may object the assessment.

*(Enforcement, Penalties and Interests)*

64. Unless provided otherwise in other legislations, when a liability-creating event occurs, any non-tax revenue that is due and payable shall be a debt owed to the Government of Sierra Leone. Payment due.

65. (1) The Commissioner-General and the vote controller of a sub-vented agency shall enforce any delinquent debt of non-tax revenue to the Government of Sierra Leone, where applicable- Responsibility for enforcement of delinquent non-tax debts.

- (a) in accordance with the National Revenue Authority Act;
- (b) any other acts providing for non-tax revenues; and
- (c) making use of the same process as that for tax revenue, as enacted in Revenue Laws.

(2) A debt becomes delinquent when payment is not made within the due date specified in the Order of Payment or agreement for instalment payment.

66. (1) A person who fails to pay non-tax revenue by the due date shall be liable for a penalty. Penalty on debts.

(2) The penalty shall be the higher of -

- (a) 2.5 per cent of the amount of the non-tax payable that is unpaid at the due date; or
- (b) in the case of an individual, 5 currency points or, in the case of an entity, 10 currency points.

(3) The penalty shall be imposed on the due date for payment and separately each month that the non-tax or a part of the non-tax remains unpaid.

67. (1) Non-tax debts shall be subject to payment of interests. Interests on debts.

(4) A rebate or drawback made in accordance with an enactment or instruction shall be authorised by the officers prescribed in the enactment or instruction and charged against the appropriate revenue or expenditure programme.

Recovery of overpayment of expenditure.

72. (1) When an overpayment charged to an expenditure item is charged in the same financial year as that in which the expenditure occurred, it shall be treated as an expenditure credit to the same expenditure item but when recovery is made in a subsequent year, the recovery shall be treated as a revenue and credited to the revenue sub-head called "recovery of overpayment".

(2) Recovery of an overpayment made from an advance or suspense account shall be credited to that account irrespective of the financial year in which the original payment is made.

(3) Where departmental revenue is refunded or overpayment is recovered, the original receipts or vouchers on which the over-collection or overpayment occurred shall be fully cross-referenced and copies attached to the vouchers or receipts by which the adjustments are made or otherwise.

Arrears of revenue returns.

73. (1) Within sixty days after the close of the financial year, the Commissioner-General and each vote controller concerned shall submit to the Accountant-General in a form approved by the Accountant-General with a copy to the Auditor-General, a return of all arrears of the revenue for which they are responsible.

(2) The return shall state for each revenue head and item the arrears outstanding at the end of that financial year.

(3) The Accountant-General shall, on receiving the individual returns consolidate them into a statement showing all the revenue outstanding under each revenue item as at the end of that financial year.

(4) The statements shall form part of the Government's annual statements of accounts.

(3) An assessment made under this regulation shall be considered an original assessment.

(4) The imposition of interest and penalties under this Part shall be in addition to any other duty imposed by a revenue law and shall not relieve any person from liability to criminal proceedings.

(5) Where a particular failure incurs interest or a penalty both under this regulation and another revenue law, the Commissioner-General or the vote controller of a sub-vented shall assess the person under one law only, at the Commissioner-General or vote controller's choice.

***( Reconciliation, Refund, Reporting and Secure Custody of Public Monies )***

70. (1) The Commissioner-General and the vote controller of a sub-vented agency shall, on a daily basis, reconcile receipts, bank payment-slips, collections recorded and monies deposited into bank accounts and submit the reconciliation to the Accountant-General. Reconciliation

(2) The Accountant-General shall, on a regular basis, reconcile the revenue accounts by matching the bank payment-slips with the receipt voucher and matching the revenue to the daily collections listing and subsequently the bank statement.

71. (1) Refunds of non-tax revenue may become necessary because of collections or over-collections made in error or because, although properly collected in accordance with an Act or regulation, provision exists under the Act or regulation for the revenue to be reclaimed under certain circumstances in the form of a rebate or drawback. Refund of non-tax revenue.

(2) Where the collection, over-collection, rebate or drawback is made in the same financial year as that in which the revenue was originally collected, it shall be authorised by the Accountant-General to be charged as a debit item in the appropriate revenue head.

(3) A rebate or drawback made in the financial year subsequent to that in which the revenue was collected shall be made with prior approval of the Accountant-General who shall debit it to an expenditure item called "Refunds of Revenue of Previous Year".



Secure custody.

74. (1) It shall be the responsibility of the Commissioner-General or the vote controller of a sub-vented agency to ensure that adequate arrangements are made for the safe custody and preservation of public monies, official receipts and records.

(2) The Accountant-General shall issue instructions regarding the security and custody of public monies, official receipts and records.

Reporting revenue Information.

75. The National Revenue Authority and all sub-vented agencies shall provide the Minister and the Accountant-General with-

- (a) an annual report, including a financial statement, accounting for revenue collected disaggregated by revenue type;
- (b) a monthly report, no later than the 15th working day of each month, on -
  - (i) the actual collection for the preceding month and an updated monthly revenue projection for the remainder of the year;
  - (ii) revenue arrears;
- (c) monthly reconciliation information on revenue collected;
- (d) any instance of a dishonoured cheque relating to the Consolidated Fund or other funds under his control.

#### PART VII - EXPENDITURE CONTROL

Expenditure subject to commitment control.

76. (1) A commitment for recurrent and capital expenditure of budget heads and sub-heads from the State budget shall be subject to a commitment ceiling set out by a budget warrant issued according to cash availability and the requirements of the requisition and approval through the computerized financial management system under this Part.

(2) A commitment for the expenditure to be paid from an imprest fund shall not be subject to the requirements under this Part.

(3) The Accountant-General shall, on the advice of the Financial Secretary, specify by circular the chart of accounts codes of the expenditures subject to the commitment control under this Part.

77. (1) For the purpose of subsection (3) of section 56 of the Act, within one week after the approval of the State budget and at least 10 business days after the beginning of every January, April, July, and October, the Minister shall, on the advice of the Financial Secretary, issue to the vote controller of every budgetary and sub-vented agency a budget warrant which specifies a ceiling on commitments to be made during the quarter for the expenditures subject to the commitment control. Budget warrant.

(2) A budget warrant shall be based on consolidated cash forecasts produced by the Cash Management Committee under sub-regulation (5) of regulation 39.

(3) Commitment ceilings under a budget warrant shall be set at a level of heads of expenditures.

(4) The Accountant-General shall process the commitment ceilings in the computerized financial management system when the Minister issues a budget warrant.

(5) The Minister may issue a budget warrant which specifies a commitment ceiling for a period longer or shorter than a quarter.

78. (1) This regulation only applies for a transitory period up to the implementation of the new Integrated Financial Management Information System, hereinafter called IFMIS. Allocation of commitment ceilings through PETS form 1.

(2) For the purpose of sub section (2) of section 56 of the Act, a budget officer of each budgetary and sub-vented agency shall, with the approval of the vote controller of the agency, submit to the Minister for approval of a MTEF/PETS form 1 or an IFMIS generated commitment control form which specifies the agency's request for

(2) Other regulations under this Part shall apply mutatis mutandis to commitment ceilings issued under sub-regulation (1).

Unused balance of commitment ceiling

80. A balance of a commitment ceiling that remains unused at the end of a quarter shall be carried over to the subsequent quarters but shall lapse at the end of the financial year.

Changes in commitment ceilings.

81. (1) When a budget appropriation was created or changed because of the following reason, the Financial Secretary shall make necessary changes in a commitment ceiling for the budget appropriation and communicate the changes to the Accountant-General -

- (a) the approval of a supplementary estimate under section 42 of the Act;
- (b) the withdrawal of the Contingencies Fund under section 37 of the Act;
- (c) the issuance of a special warrant of the President or a warrant of the Minister for an unallocated head under section 38 or 39 of the Act; and
- (d) the approval for virement under subsection (2) of section 43 of the Act and regulation 27.

(2) The Budget Bureau and any other unit within the Ministry mandated by the Financial Secretary shall process in the computerized financial management system changes in a commitment ceiling made under sub-regulation(1).

(3) When the head of a budgetary and sub-vented agency makes reallocation of an appropriation that does not require the Minister's approval under sub section (3) of section 43 of the Act, an existing commitment ceiling for the appropriation shall be reallocated proportionately by -

- (a) the Budget Officer of the agency; or

allocation of the amount given by the recurrent or capital budget warrant to each item of expenditure, not exceeding the total allocation for the fiscal year.

(3) Before submitting a MTEF/PETS form 1, or an IFMIS generated commitment control form, under sub-regulation (2), a budget officer of a budgetary and sub-vented agency shall hold meetings of the agency's Budget Committee in order to reach agreement on the MTEF/PETS form 1, or an IFMIS generated commitment control form.

(4) A MTEF/PETS form 1, or an IFMIS generated commitment control form, submitted by a Budget Officer shall consolidate requests for allocations of commitment ceilings to all subordinated units of the agency.

(5) An allocation of commitment ceilings to each item of expenditure requested under a MTEF/PETS form 1, or an IFMIS generated commitment control form, shall be within an available balance of a budget provision for the item of expenditure and consistent with an updated procurement plan notified to the Minister under subsection (6) of section 29 of the Public Procurement Act, 2016.

(6) A MTEF/PETS form 1, or an IFMIS generated commitment control form, shall be numbered sequentially within the same financial year.

(7) The Financial Secretary shall approve a MTEF/PETS form 1 through the computerized financial management system as soon as practicable after its submission.

(8) The Financial Secretary shall by circular specify a form of a MTEF/PETS form 1 and a procedure for the submission.

79. (1) Notwithstanding sub-regulation (1) of regulation 77, by the last business day before the beginning of a financial year, the Minister may issue a budget warrant which specifies commitment ceilings for each quarter during the financial year.

Budget warrant covering entire financial year.

- (c) approval by a procurement committee of price variations, in case of increases in prices or occurrence of additional payments under on going projects or existing procurement contracts;
- (d) placing an order or awarding a contract, in case of other procurement; and
- (e) competent authorities' decisions that result in expenditure, in case of grants, subsidies, or transfers.

(2) An officer of a budgetary or sub-vented agency shall not commence with the procurement or the decisions on grants, subsidies, or transfers, until a commitment requisition is approved under regulation 84.

(3) When a budgetary or sub-vented agency has no access to the computerized financial management system, a commitment requisition shall be submitted to the Accountant-General for its approval.

(4) A commitment requisition that requests a commitment covered by a sub-ceiling shall be submitted to the program manager responsible for the sub-ceiling.

(5) The Accountant-General shall by circular specify a form of a commitment requisition, supporting documents to be submitted together with a commitment requisition, and a procedure for the submission.

Commitment approval.

84. (1) The Chief Accountant of a budgetary or sub-vented agency may approve a commitment requisition only when the requested commitment is within an available balance of a commitment ceiling as determined by the allotment in the IFMIS.

(2) In case of a commitment that requires multiple payments, the Chief Accountant of a budgetary or sub-vented agency may approve a requisition of the commitment only when -

- (b) the Accountant-General when the agency has no access to the computerized financial management system.

(4) The Financial Secretary may change or revoke an existing commitment ceiling only when the budget appropriation was changed or suspended or consolidated cash forecasts were significantly changed.

82. (1) A Budget Officer of a budgetary or sub-vented agency may, with the approval of the vote controller, distribute commitment ceilings approved under a MTEF/PETS form 1 to the agency's subordinated units. Distribution of commitment heads and sub-heads.

(2) All distributions of commitments set under sub-regulation (1) shall be recorded in the computerized financial management system.

(3) When a distribution of commitments is set under sub-regulation (1), the vote-controller of the budgetary or sub-vented agency shall designate a program manager to whom the responsibilities of the Budget and Chief Accountant shall be delegated in respect of the object of expenditure.

(4) The Accountant-General shall, on the request of the vote controller, set and record in the computerized financial management system the distribution of commitments for an agency that has no access to the computerized financial management system.

83. (1) For a requisition of a commitment subject to the commitment control, an officer of a budgetary or sub-vented agency shall prepare and submit to the Chief Accountant a commitment requisition before - Commitment requisition.

- (a) placing an order or awarding a call-off, in case of procurement under the framework agreements;
- (b) awarding a contract, in case of procurement of new projects;

(2) The Expenditure and Contract Management Committee shall comprise representatives from each of the following agencies and departments -

- (a) The National Public Procurement Authority;
- (b) Law Officers' Department;
- (c) The Accountant General;
- (d) The Director responsible for Public Debt; or
- (e) any other functional department or unit within the Ministry as prescribed by the Minister

(3) The Expenditure and Contract Management Committee shall, in relation to a public contract subject to national and international tender, ensure -

- (a) availability of budget;
- (b) adherence to the procurement plan;
- (c) enforcement of compliance conditions, including legal and administrative;
- (d) the requirements of the National Public Procurement Authority, Law Officers Department and other relevant agencies and departments have been adhered to; and
- (e) risk analysis is undertaken.

(4) The Expenditure and Contract Management Committee shall establish the Secretariat of the Expenditure and Contract Management Committee responsible for -

- (a) checking for required documents;

- (a) the entire amount of the payments to be made during the current fiscal year is within an available balance of the commitment ceiling; and
- (b) the Minister has approved the commitment if it is a multiannual commitment.

(3) On the approval of a commitment requisition, the Chief Accountant shall record the approved commitment in the computerized financial management system and provide the requesting officer with the following document generated by the computerized financial management system -

- (a) a Local Purchase Order; or
- (b) a Commitment Control Form in case of a commitment -
  - (i) for subsidies, grants, and transfers; or
  - (ii) that does not use a purchase order.

(4) In case of a commitment requisition from a budgetary or sub-vented agency that has no access to the computerized financial management system, the Accountant-General shall approve the commitment requisition in accordance with this regulation.

(5) In case of a commitment requisition covered by a sub-head, the Chief Accountant responsible for the distribution of commitments shall approve the commitment requisition in accordance with this regulation.

85. A unique commitment control number shall be given by the computerized financial management system to each Local Purchase Order and Commitment Control Form. Commitment Control Number.

86. (1) There shall be established an Expenditure and Contract Management Committee in accordance with these Regulations. Expenditure and Contract Management Committee.

(2) Any contract, other than a framework agreement, that was made under the Public Procurement Act, and requires expenditure from the State budget shall be deemed to include the following provision -

- (a) the contract shall be suspended automatically, if the contractor receives no Commitment Control Form with a unique commitment control number when they enter into the contract; or a local purchase order; and
- (b) the contractor shall not be entitled to compensation for any performance provided during the suspension of the contract until the contractor receives a Commitment Control Form or a local purchase order with a unique commitment control number.

Multiannual  
commitment.

88. (1) For the purpose of section 60 of the Act, when a commitment requisition requests a multi-annual commitment, the vote controller of a budgetary or sub-vented agency shall submit the requisition to the Financial Secretary for the approval of the Minister.

(2) The Minister shall approve or reject a requisition of a multi-annual commitment within one week after the requisition was submitted by the vote controller or head of the budgetary agency.

(3) The vote controller or head of the budgetary agency shall not approve a requisition of a multi-annual commitment, until the approval of the Minister is sought.

(4) When the Minister rejects a requisition of a multi-annual commitment, he shall return the requisition to the vote controller or head of the budgetary agency, who shall in turn return it to the requesting officer.

(5) When the Minister approves a requisition of a multi-annual commitment, the Financial Secretary shall notify the vote controller or head of the budgetary agency, who shall approve the requisition in respect of a portion of the multi-annual commitment that will be paid during the current financial year in accordance with regulation 84.

- (b) calling for meetings with budgetary sub-vented agencies, if necessary;
- (c) reviewing relevant documents and produce a report on the findings, with recommendations.

(5) When the Expenditure and Contract Management Committee receives the report on the findings and recommendations it shall-

- (a) submit the report for the approval of the Minister; or
- (b) send it back to the Secretariat for corrections and representation, if unsatisfied with the contents of the report.

(6) After the approval sought under paragraph (a) of sub-regulation 5 the certificate of contract approval shall be issued by the Minister.

87. (1) Any framework agreement that is made under the Public Procurement Act, and requires expenditure from the State budget shall be deemed to include the following provision -

Provision in a  
Procurement  
contract.

- (a) an order or call-off made under the framework agreement shall be valid only when it is made by a Local Purchase Order or Commitment Control Form with a unique commitment control number;
- (b) the contractor shall not be entitled to compensation for any performance provided in response to an order or call-off that was not made by a Local Purchase Order or Commitment Control Form with a unique commitment control number.

(3) After verifying the cancellation under sub-regulation (1) or reduction in price notified under sub-regulation (2), the Chief Accountant shall cancel or modify records of the commitment in the computerized financial management system.

(4) In case of a budgetary or sub-vented agency that has no access to the computerized financial management system, the cancellation or reduction in price of an approved commitment shall be notified to the Accountant-General in accordance with this regulation.

(5) In case of cancellation or reduction in price of an approved commitment covered by an object of expenditure, the cancellation or reduction in price shall be notified to the program manager responsible for the object of expenditure in accordance with this regulation.

Cut-off date of a commitment.

91. (1) The Accountant-General shall annually issue a circular to announce a cut-off date of submission of a commitment requisition.

(2) After the cut-off date and before the beginning of the next financial year, the vote controller and the program manager, or the Accountant-General, as the case maybe, shall not approve any new commitment.

Outstanding commitment at the end of financial year.

92. (1) Any commitment that is approved under this Part and remains outstanding at the end of a financial year shall be -

- (a) discharged by payments under -
  - (i) an appropriation of the next year's budget; or
  - (ii) an appropriation carried over under regulation 29; or
- (b) in case of a decision on provision of grants, subsidies, or transfers, cancelled by the Accountant-General at the beginning of a financial year through the computerized financial management system.

(6) When the Minister and the vote controller or head of the budgetary agency approve a requisition of a multi-annual commitment, the vote controller or head of the budgetary agency shall record all commitments that will arise in the current and future years in the computerized financial management system.

(7) The Financial Secretary shall maintain a database of an approved multi-annual commitment, into which all commitments that will arise in the current and future years are recorded.

(8) In case of a requisition of a multi-annual commitment from a budgetary or sub-vented agency that has no access to the computerized financial management system, the Accountant-General shall record all commitments that will arise in the current and future years into the computerized financial system.

(9) In case of a requisition of a multi-annual commitment covered by commitment's head or sub-head, the person responsible for the head or sub-head shall submit the requisition to the vote controller or head of the budgetary agency who shall deal with the requisition in accordance with this regulation.

89. (1) When an amount of an approved commitment is increased, the increase shall be treated as a new commitment.

Increase in amount of an Approved Commitment.

(2) An increase in amount of an approved commitment shall be null and void and of no effect, unless it is approved and recorded in accordance with regulation 84 as a new commitment.

90. (1) When an approved commitment is no longer needed because of cancellation of procurement, contract, or grants, subsidies, or approved transfers, an officer who submitted the requisition shall submit to the Chief Accountant a copy of the decision document on the cancellation.

Cancellation or reduction in approved commitment.

(2) When there is reduction in price of an approved commitment, an officer who submitted the requisition shall submit to the Chief Accountant a document proving the reduction in price.

- (a) a name of supplier or recipient;
- (b) a chart of account object code;
- (c) a date of commitment approval;
- (d) a commitment control number;
- (e) a date and amount of an invoice and payment made under the commitment; and an amount outstanding on the commitment;
- (g) an amount payable on the commitment, unpaid for-
  - (i) less than 30 days after the due date;
  - (ii) more than 30 days but less than 90 days after the due date;
  - (iii) more than 90 days after the due date; and
- (h) an amount of a multiannual commitment to be paid in each future financial year.

Monthly reporting of commitments.

96. (1) The Accountant-General shall close accounts of outstanding commitments and payables in the commitment register at the end of every month and carry forward their balances to the next month.

(2) After the end of each month, the Accountant-General shall prepare and submit to the Cash Management Committee a monthly commitment report which shall include, in respect of each provision of the State budget—

- (a) the original and revised budget provision and the available balances at the end of the month;

(2) When a commitment for a grant, subsidy, or transfer is cancelled under sub-regulation (1), an officer of a budgetary or sub-vented agency shall re-submit a commitment requisition and obtain again the necessary approval based on commitment ceilings of the upcoming financial year.

93. For the purpose of subsection (1) of section 55 of the Act, as soon as practicable after the approval of the State budget, the Minister shall issue to the Accountant-General a general warrant which covers -

- (a) the entire amount of appropriations under the State budget for -
  - (i) salaries, wages, and other compensation of employees;
  - (ii) grants, subsidies, and transfers, including social benefits, that are legally obligated;
  - (iii) debt services; and
  - (iv) any other expenditure and payment that that is not covered by a budget warrant; and
- (b) the entire amount of expenditure and payment to be charged on the Consolidated Fund.

94. A commitment for compensation of employees of budgetary or sub-vented agencies for each payroll period shall be recorded by the Accountant-General in the computerized financial management system when running the payroll in the computerized payroll system.

95. The Accountant-General shall develop in the computerized financial management system a commitment register, into which a committed and available balance of each budget provision and a commitment ceiling and the following information on each commitment to the extent applicable is recorded -

General Warrant.

Recording of commitments for compensation of employees.

Commitment register.

## PART VIII- PAYMENT PROCESS

Certification of Completion of Works or Supply of Goods and Services.

98. (1) When certifying completion of works or supply of goods or services under section 63 of the Act, the vote-controller or his authorized officer shall prepare an inspection report that includes the date, quantity and particulars of the works and supply, method, and results of the inspection, and any evidences supporting the results, and record this information in the financial management system.

(2) If the vote-controller or his authorized officer identifies that works, goods, or services rendered or their prices are inconsistent with the contracts or specifications, he shall specify necessary remedial actions in an inspection report.

(3) When inspection of works, goods, or services under sub-regulation (1) requires specific expertise, the vote-controller may appoint an independent person or firm as an inspector.

Inspection of completion of works.

99. (1) When certifying completion of works under section 63 of the Act, the vote-controller or his authorized officer shall inspect the physical output of the works in the field.

(2) Inspection of completion of works shall be carried out -

- (a) when works are fully completed; and
- (b) before a progress payment required under a contract is made, in order to certify progress in works required for the progress payment.

(3) The vote-controller or his authorized officer shall not certify completion of works, unless -

- (a) the contractor has complied with all provisions in the contracts;
- (b) the measure of the physical output is consistent with the design and specifications; and

- (b) the approved commitment ceiling and the available balances at the end of the month;
- (c) the opening and closing balances of the outstanding commitments at the beginning and end of the month and the amount of commitments made during the month;
- (d) the opening and closing balances of the payments at the beginning and end of the month and the amount of payments made during the month;
- (e) the closing balances of the unpaid commitment at the end of the month, broken down to those unpaid for -
  - (i) less than 30 days after the due date;
  - (ii) more than 30 days but less than 90 days after the due date; and
  - (iii) more than 90 days after the due date; and
- (f) the closing balances of the multi-annual commitments at the end of the month, broken down to the amount to be paid in each future financial year.

97. (1) The Accountant-General shall request from any entity in the general government, information on commitments to be paid from the general State budget, donor funds, own revenue, and any other funding source. Commitment reporting from general government entities.

(2) The Accountant-General shall by circular specify a list of entities subject to the commitment reporting framework under sub-regulation (1) and the frequency, forms, and procedures for the reporting.



- (iii) through the review of the Local Purchase Order or Commitment Control Form, whether the Local Purchase Order or Commitment Control Form has been generated by, and the commitment has been authorized and recorded in the computerized financial management system; and
- (iv) whether there is a sufficient available balance of an appropriation.

(2) A sequential number shall be assigned to each payment voucher through the computerized financial management system.

(3) A vote controller may in writing authorize by name or position an officer in his budgetary agency to sign a payment voucher on behalf of the vote controller within such financial limit and under such conditions as determined by the vote controller.

(4) The Chief Accountant may in writing authorize by name or position an accounting officer to verify a payment voucher on behalf of the Chief Accountant, but verification of a payment voucher under paragraph (b) of sub-regulation(1) shall not be made by its signatory.

Submission and record of payment vouchers and supporting documents.

101. (1) The Chief Accountant of a budgetary agency shall use the computerized financial management system to record certified payment vouchers and batch sheets and to send them to the Accountant-General's Department.

(2) When the computerized financial management system is not available for a budgetary agency, a budgetary agency shall -

- (a) prepare two copies of certified payment vouchers and batch sheets;
- (b) send one copy, together with supporting documents, to the Accountant-General's Department by such time and in such manner as determined by the Accountant-General;

- (c) the quality and performance of the physical output is consistent with the design and specifications.

(4) An officer authorized by the vote controller to carry out inspection under sub-regulation (1) shall have adequate expertise in construction or engineering.

(5) When necessary for inspecting the measure, quality, or performance of a physical output of a work, the vote-controller or his authorized officer shall carry out destructive inspection.

(6) The Minister, on the recommendation of the Minister responsible for public works, shall issue guidelines specifying methodologies for certifying completion of works under this regulation.

100. (1) No payment from the Consolidated Fund or a donor or special fund shall be made without a payment voucher -

Certification of payment vouchers.

- (a) signed by the vote controller of a budgetary agency as to validity, accuracy and legality of the claim as mentioned in subsection (2) of section 64 of the Act; and
- (b) verified by the Chief Accountant of a budgetary agency as to -
  - (i) whether a complete set of supporting documents, including a contract, Local Purchase Order or Commitment Control Form, invoice, and an inspection report, has been submitted to the Chief Accountant;
  - (ii) through the review of the journal entries, whether the claim has been already paid;

Payment by cheques.

103. (1) For the purpose of subsection (1) of section 65 of the Act, a cheque to make a payment from the bank accounts opened for the Treasury Single Account with the Bank of Sierra Leone and a cheque to make a payment from accounts opened for grants and loans from donors, may be drawn only by the Accountant-General.

(2) A cheque to make a payment from bank accounts opened for budgetary agencies or their donor or special funds may be drawn by the budgetary agency, unless otherwise instructed by the Accountant-General.

(3) A cheque may be drawn by the Accountant-General under sub-regulation (1) or by the budgetary agency under sub-regulation (2) only when the payment voucher is duly signed and verified by the vote controller and the Chief Accountant and meets the requirements mentioned in subsection (2) of section 65 of the Act.

(4) A cheque drawn by the Accountant-General under sub-regulation (1) or by the budgetary agency under sub-regulation (2) shall be printed through the computerized financial management system, except for payments from donor funds, special funds, imprest funds and bank accounts of budgetary agencies that are not brought into the computerized financial management system.

Types of cheques.

104. (1) A cheque drawn by the Accountant-General, a budgetary agency or a sub-vented agency shall be crossed, except when an open cheque is specifically requested by the payee and approved by the Accountant-General or Head of Budgetary or Sub-vented Agency for which the cheque was drawn.

(2) If an open cheque is remitted by post, it shall be sent to the payee under registered cover.

Signatories of a cheque.

105. (1) A cheque drawn by the Accountant-General shall be signed by two officers authorized by the Accountant-General.

(2) A cheque drawn by the budgetary or sub-vented agency shall be signed by two or more officers authorized by the vote-controller of the budgetary or sub-vented agency.

(c) retain one copy for the budgetary agency' record; and

(d) keep a logbook in which copies of batch sheets and payment vouchers and their supporting documents are recorded.

(3) On receipt of batch sheets and certified payment vouchers under paragraph (b) of sub-regulation (2), the Accountant-General's Department shall compare the batch sheets return one copy of the batch sheets to the vote controller as an acknowledgement of the receipt.

(4) A budgetary agency shall send supporting documents of each payment voucher to the Accountant-General's Department in a paper based form in such manner and by such date as determined by the Accountant-General.

(5) Notwithstanding sub-regulation (4), the Accountant-General may by instructions require a budgetary agency to send supporting documents through the computerized financial management system.

102. (1) Notwithstanding regulation 101, this regulation shall apply to-

(a) payment by self-accounting budgetary agencies approved to do so; and

(b) payments by a budgetary agency from donor funds.

(2) In order to make payments listed in sub-regulation (1), the Chief Accountant of the budgetary agency shall -

(a) record a certified payment voucher and supporting documents into the computerized financial management system; and

(b) send a copy of a certified payment voucher, together with supporting documents, to a signatory of a cheque or an officer authorized to send a payment instruction for electronic fund transfer.

Processing of payment vouchers for payment by budgetary agency.

(2) The division responsible for Public Debt and the Bank of Sierra Leone shall each prepare and send to the Accountant-General's Department debt service payment schedules for external and domestic debt in such manner and by such date as determined by the Accountant-General.

(3) All debt service payments shall be recorded in the financial management system within (1) month of the payment.

PART IX–PAYROLL PAYMENT

Compensation of employees.

108. (1) In a budgetary or sub-vented agency, the person authorizing appointments, payments, and compensation of employees, shall not be the person recording those payments.

(2) The vote controller of a budgetary or sub-vented agency shall ensure that appointments, promotions, salary increases, performance bonuses, and other costs of compensation of employees are within amounts of the line items in the State budget or the sub-vented agency's budget.

Payroll date.

109. At the beginning of every financial year, the Accountant-General shall issue to all vote-controllers of budgetary or sub-vented agencies a schedule of payroll dates.

Payment by bank transfer or cheque.

110. (1) An employee of a budgetary or sub-vented agency shall be paid by bank transfer.

(2) Notwithstanding sub-regulation (1), an employee of a budgetary or sub-vented agency may be paid by cheque if the employee has made in writing a specific request and obtained the prior-approval of the Accountant-General.

(3) An employee of a budgetary or sub-vented agency paid by cheque shall sign a payroll report when collecting the cheque.

(4) The vote controller shall ensure that any unclaimed employee compensation to be paid out, shall be appropriately refunded to either the Consolidated Fund or to the sub-vented agency account, in the subsequent month.

(3) The signatories of a cheque shall verify that the amount and payee of the cheque is in accordance with the certified payment voucher and supporting documents.

(4) The Accountant-General and the Chief Accountant shall daily -

(a) examine certified payment vouchers and copies of cheques against a report on cheque issued to verify if the serial numbers of cheques actually issued are all accounted for; and

(b) make journal entries into the computerized financial management system.

106. (1) For the purpose of sub-section (1) of section 65 of the Act, an electronic fund transfer to make a payment from bank accounts opened for the Treasury Single Account with the Bank of Sierra Leone may be initiated only by the Accountant-General.

Payment by electronic fund transfer.

(2) An electronic fund transfer to make a payment from a bank account opened for budgetary agencies and sub-vented or their donor or special funds may be initiated by the vote-controller of the budgetary or sub-vented agency, unless otherwise instructed by the Accountant-General.

(3) When initiating an electronic fund transfer, the Accountant General or vote-controller of a budgetary or sub-vented agency, as the case may be, shall send a payment instruction through the computerized financial management system.

(4) A payment instruction may be sent under sub-regulation (1) only when a payment voucher is duly certified by both the vote controller and Chief Accountant and meets the requirements referred to in sub-section (2) of section 65 of the Act.

107. (1) Notwithstanding regulation 100, when paying loan related debt obligations or repaying principal of domestic and external debt of the Consolidated Fund and donor fund, the Accountant-General shall send a payment instruction to the Bank of Sierra Leone on the instruction of the Financial Secretary.

Payment of debt service obligations and repayments.

(3) The vote-controller of each budgetary agency shall ensure that all payroll approvals required under sub-regulation (2) have been made on a monthly basis through the computerized payroll system.

(4) After receiving approved payroll, the Accountant-General shall make payroll payments for all employees of budgetary agencies by drawing cheques, payees of which are payroll processing banks.

(5) Payroll processing banks shall acknowledge receipt of cheques drawn under sub-regulation (4) in such manner as specified by the Accountant-General.

(6) Notwithstanding sub-regulation (4), the Accountant-General may make payroll payments by sending a payment instruction through the computerized financial management system.

(7) The Accountant-General shall make journal entries for compensation of employees based on the payroll.

Payroll  
payment of  
sub-vented  
agencies.

113. (1) The payroll payments of a sub-vented agency that has access to the computerized payroll system shall be made in the same process as that for payroll payments of a budgetary agency under regulation 112.

(2) A sub-vented agency that has no access to the computerized payroll system shall submit to the Accountant-General a certified payroll report in such form and by such date as determined by the Accountant-General.

(3) After receiving approved payroll, the Accountant-General shall make payroll payments for all employees of sub-vented agencies by drawing cheques.

(4) Payroll processing banks shall acknowledge receipt of cheques drawn under sub-regulation (3) in such manner as specified by the Accountant-General.

111. (1) The Accountant-General shall ensure that the computerized payroll system, assembling and processing all relevant personnel information and transactions of budgetary agencies, is fully integrated into the computerized financial management system. Payroll System.

(2) All personnel information and personnel transactions of sub-vented agencies shall be assembled and processed through the computerized payroll system integrated into the computerized financial management system under sub-regulation (1).

(3) The Accountant-General shall ensure that the structure of personnel transaction codes used by the computerized payroll system integrated into the computerized financial management system under sub-regulation (1) is made automatically consistent with the chart of accounts.

(4) Amendment to the payroll shall be by the employing authority of the affected employee.

(5) The Human Resource Management Office shall be responsible for keeping up to date the organizational and establishment structures captured in the computerized payroll system of civil servants and contract staff integrated into the computerized financial management system under sub-regulation (1).

112. (1) Unless authorised by the Accountant-General, no payment for costs related to compensation of employees of a budgetary agency shall be made, unless - Payroll payment of budgetary agencies.

(a) the employee has been registered on the computerized payroll system; and

(b) the costs have been processed on the computerized payroll system.

(2) After the payroll date the head of a budgetary agency shall certify that all employees listed on the payroll are entitled to the payments.

- (a) a deceased employee– the first day of the month following the month when the employee died;
- (b) an employee convicted of an offence involving theft or fraud or sentenced to imprisonment– the date of the conviction;
- (c) an employee on leave without pay– the first day of the leave;
- (d) an employee absents from duty without leave– the first day of the absence;
- (e) an employee suspended from duty– the first day of the suspension; and
- (f) a resigned or retired employee– the first day of the month following the month when the employee resigned or retired.

(2) When the vote-controller of a budgetary agency identifies that the occurrence of events rederrred to in sub-regulation (1) have not been recorded in the computerized payroll system by the date of the stoppage, the vote-controller shall immediately notify the Accountant-General of the details of the fact.

(3) If a payroll payment has been made to a person referred to in sub-regulation (1) after the date of the stoppage, the employing authority shall take actions necessary for refund of the payroll payment.

Payroll deductions.

116. (1) Deductions from salaries of employees of budgetary or sub- vented agencies shall be limited to the following–

- (a) a deduction of taxes and social contributions;
- (b) a benefit deduction to facilitate a payment of amount owed to the Government arising from employee's benefits;

(5) Notwithstanding sub-regulation (3), the Accountant-General may make payroll payments of sub-vented agencies by sending a payment instruction through the computerized financial management system.

(6) In case of a sub-vented agency that has access to the computerized payroll system, the Accountant-General shall make journal entries for compensation of employees based on the paid payroll.

(7) In case of a sub-vented agency that has no access to the computerized payroll system, the Chief Accountant shall return the paid payroll report to the Accountant-General who shall make journal entries for compensation of employees if applicable.

114. (1) The Accountant-General shall reconcile financial data on all personnel transactions, including expenditure, deductions, net salaries, and employer's social contribution, recorded in the computerized financial management system with the data generated from the computerized payroll system on a monthly basis.

Reconciliation with the payroll system.

(2) The reconciliation under sub-regulation (1) shall be made at a level of totals per personnel transaction type and for each payroll processing run.

(3) The Accountant-General shall be responsible for clearing errors in payroll postings on the computerized payroll system during the reconciliation under sub-regulation (1).

(4) The Accountant-General shall retain the results of the reconciliation and all source documents used for the reconciliation for audit purposes.

(5) After the computerized payroll system is fully integrated into the computerized financial management system, the reconciliation under sub-regulation (1) shall be made automatically through the system.

115. (1) Unless otherwise prescribed in any other enactment, payroll payment to the following employees of budgetary agencies shall be stopped for the reasons and on the dates specified below -

Stoppage of payroll payment.

(3) Establishment of standing and special imprest funds of a budgetary agency shall require the prior-approval of the Accountant-General in the order.

(4) A vote controller of a budgetary agency shall submit to the Accountant-General at least 15 working days before the beginning of each financial year a list of required standing imprests, which shall be supported by an analysis and costing of activities or events on a monthly basis, from which a monthly float can be determined.

(5) A vote controller of a budgetary agency shall submit to the Accountant-General as the need arises a request for special imprest using a special imprest form supported by an analysis and costing of activities or events at least 7 working days before the special imprest fund is required or the commencement of the activities or events.

Ceiling on an  
Imprest Fund.

118. (1) The ceiling on a standing imprest for a financial year shall be determined by the Accountant-General at the beginning of the financial year.

(2) A ceiling on each special imprest shall not exceed five (5) percent of the respective head or sub-head annual budget and shall be approved by the Accountant-General.

(3) Any request for a standing or special imprest, a ceiling of which exceeds the limit referred to in sub-regulations (1) and (2) shall be approved by the Financial Secretary.

Imprest-  
holder.

119. (1) The vote-controller of a budgetary agency may delegate, in writing, his powers to an imprest-holder to each standing and special imprest fund.

(2) An imprest-holder shall be responsible for -

- (a) safeguarding public money included in the imprest fund;
- (b) ensuring that an imprest fund is used wholly and exclusively for the purposes for which it is established;

(c) a deduction of fines, losses, and damages determined through the disciplinary process;

(d) a deduction that is required or permitted under the law or court order; and

(e) a deduction to which the employee agrees in writing;

(2) A payroll approver of a budgetary or sub-vented agency shall not make any discretionary deduction, which is a deduction not listed in sub-regulation (1).

(3) When approving a payroll, a payroll approver of a budgetary or sub-vented agency shall verify that amount of payroll deductions actually due and no portion of the payroll deductions shall be a discretionary deduction.

#### PART X-IMPREST

117. (1) An imprest fund shall be established for making payments of petty expenditure that cannot be made through the ordinary payment Process required under the Act and these Regulations without undue inconvenience. Establishment of an imprest fund.

(2) Imprest funds shall be classified into-

(a) a standing imprest fund, which is maintained throughout a financial year, and utilized amount of which can be replenished; and

(b) a special imprest fund, which -

(i) shall be established for making specific payments in respect of specific activities or events;

(ii) shall not be replenished; and

(iii) shall be fully retired within a period specified by the Accountant-General.

(3) The Accountant-General shall make an advance to an imprest fund by drawing cheque or making bank transfer, at such frequency as he determines.

(4) Public money advanced to an imprest fund shall be deposited by the imprest-holder into a bank account opened for the budgetary agency, and the imprest-holder shall not keep cash in hand.

(5) The Accountant-General may require an imprest-holder to deposit an imprest into a bank account specifically opened for the imprest fund.

Utilization of  
an imprest  
fund.

121. (1) A payment from an imprest fund shall be made by cheques or bank transfer.

(2) A cheque drawn on an imprest fund shall be signed by the authorized signatory of the fund.

(3) Regulation 104 and sub regulation (2) of regulation 105 shall apply to a cheque drawn on an imprest fund.

(4) A payment instruction to make bank transfer from an imprest fund shall be initiated by the imprest-holder.

(5) An imprest-holder may sign cheque drawn on, or initiate bank transfer from, an imprest fund, only when -

- (a) the imprest-holder has received a certified imprest payment voucher and a complete set of receipts and other supporting documents; and
- (b) the payment is within the balance of the imprest fund and made for the purpose for which the imprest fund is established.
- (c) an imprest payment voucher shall be certified by a requesting officer and his super-visor as to legality, propriety, and validity of the claim.

(c) ensuring that the full amount of the imprest is fully accounted for at all times in cash, invoices, receipts and money at a bank; and

(d) entering accounting records into the imprest account, using the Government chart of accounts.

(3) For any change in an imprest-holder, the handing-over and taking-over imprest-holders shall -

(a) prepare a statement of accounts on the imprest, which shall -

(i) show how the imprest is made up at the time of handing-over; and

(ii) be signed by both the handing-over and taking-over imprest-holders; and

(b) submit a copy of the signed statement to the Accountant-General.

(4) An imprest-holder shall be personally responsible for loss or shortage of the imprest fund under his control and such loss or shortage shall be recovered from the salary or other emoluments or any amount due to the office or recovered as civil debt due to the Government.

(5) An imprest-holder shall not be relieved from his personal responsibilities for loss or shortage of the imprest fund until the retirements submitted to the Accountant-General have been examined and found to be correct.

120. (1) An imprest fund of a budgetary agency shall be funded and replenished by advances from the Consolidated Fund.

Advances to  
an imprest  
fund.

(2) Advances under sub-regulation (1) shall be within an amount of a line item in the State budget.

## PART XI—ADVANCE PAYMENTS

Approval of  
advancepay-  
ment for  
goods, services  
and civil  
works

125. (1) For the purpose of section 70 of the Act, an advance payment for goods, services and civil works to be financed by the State budget or donor funds shall meet the following conditions-

- (a) the advance payment shall be required by a written public and civil contract works.
- (b) the amount shall be within 30 percent of a total price to be paid under the contract;
- (c) a supplier or contractor shall have obtained from a financial institution a guarantee on payments of damages to the Government in case of its non- performance of contractual obligations;
- (d) the term of the guarantee shall cover the period until all goods, services and civil works covered by the guarantee are delivered; and
- (e) the financial institutions issuers of the guarantee-
  - (i) are licensed by the Bank of Sierra Leone or subject to the regulations of the foreign central bank or regulator; and
  - (ii) meet the regulatory requirements of capital adequacy or solvency ratios calculated in accordance with internationally accepted standards; and either
  - (iii) are locally rated at the highest level designated by Moody's or an equivalent designated by Standard & Poor's or Fitch; or

122. When a payment is made from an imprest fund, the Accountant-General shall record the expenditure in the computerized financial management system and regularize the corresponding amount of advances made to the imprest fund. Regularization of advances to an imprest fund.

123. (1) The Accountant-General shall monitor utilization and determine replenishment of an imprest fund through the computerized financial management system. Reporting of an imprest fund.

(2) The budgetary agency shall report utilization and request replenishment of an imprest fund on a monthly basis or in such manner and at such frequency as determined by the Accountant-General.

124. (1) All standing and special imprest funds shall be fully retired at the end of a financial year, and any remaining balance shall be refunded to the Consolidated Fund by January 31 of the following financial year. Retirement of an imprest fund.

(2) When failing to retire and refund an imprest fund under sub-regulation (1), the amount failed to be retired and refunded shall be deducted from salaries of the imprest-holder.

(3) Sub-regulation (2) shall not relieve the imprest-holder from liability to criminal proceedings in case of misappropriation.

(4) When any regulations under this Part is breached, the Accountant-General may freeze or close a bank account opened for the imprest fund and require it to be fully retired.

(5) No further special imprest shall be funded or issued to an imprest-holder if the imprest-holder is still in possession of an unretired imprest previously issued.

(6) Special imprest shall be retired 30 days after the completion of the activity.



(5) The Accountant-General may approve an advance payment for goods and services and civil works, only when it meets all the conditions specified under sub-regulation (1).

(6) Any advance payment for goods and services and civil works to be financed from the State budget or donor funds that violates any of the conditions specified in sub-regulation (1) shall be null, void and of no effect, and the recipient shall repay the advance payment to the extent in violation of sub-regulation (1) within one month after the Accountant-General requires the repayment.

Disbursement of advance payment for goods, services and civil works.

126. (1) An advance payment for goods, services and civil works from bank accounts opened for the Treasury shall be disbursed only by the Accountant-General.

(2) In the case of disbursement of an advance payment for goods, services and civil works from a bank account opened for a budgetary or sub-vented agency, an officer authorized by the vote controller of the agency shall make disbursement only after the approval of the Accountant-General under sub-regulation (5) of regulation 125.

Acquittal of advance payment for goods, services and civil works.

127. For the purpose of sub-section (3) of section 70 of the Act, an advance payment for goods, services and civil works made in a financial year shall be acquitted when -

- (a) goods and services are delivered or civil works are completed;
- (b) progress payments are made.

Database of advance payments for goods, services and civil works.

128 (1) The Accountant-General shall maintain a database of advance payments for goods and services and civil works, which shall cover all approved advance payments of budgetary or sub-vented agencies to be disbursed from the State budget or donor funds.

(iv) are rated A1 or higher designated by Moody's or an equivalent designated by Standard & Poor's or Fitch, for overseas banks.

(2) The powers of the Minister for approving an advance payment for goods and services and civil works under sub-section 2 of section 70 of the Act may be delegated to the Accountant-General.

(3) When seeking for the approval of an advance payment for goods and services or civil works under sub-regulation (2), a Chief Accountant of a budgetary or sub-vented agency shall submit to the Accountant-General a payment voucher for the disbursement signed by the vote controller and verified by the Chief Accountant, together with the following documents-

- (a) a written public contract for the goods and services or civil works; and
- (b) a guarantee certificate issued by a financial institution.

(4) A payment voucher and supporting documents required under sub-regulation (3) shall be submitted -

- (a) through the computerized financial management system; or
- (b) if the budgetary or sub-vented agency has no access to the computerized financial management system or the advance payment is to be disbursed from donor funds, in such manner as determined by the Accountant-General.

(3) The State budget shall include a provision for a gross amount of staff loan to be provided in a financial year.

(4) In the computerized financial management system or otherwise, the Accountant-General shall maintain a database on staff loans, in respect of each loan which includes-

- (a) the name of the borrower;
- (b) the amount and date of the loan;
- (c) the repayment period and repaid amount; and
- (d) the interest, if any.

(5) The Accountant-General may disburse a staff loan by electronic fund transfer.

Prohibition of other advance payment.

131. For the purpose of section 70 of the Act, no advance payment other than those specified in this Part of these Regulations shall be made from the Consolidated Fund, donor funds, special funds or by sub-vented agencies.

Inclusion of advance payments in financial reports and statements.

132. (1) The monthly statements of the Consolidated Fund and its annual financial statements prepared and published under regulations 217 and 220 shall include at least opening and closing balances of -

- (a) advance payments for goods, services and civil works made from the State budget or donor funds of budgetary agencies; and

(2) The database referred to in sub-regulation (1) shall include, in respect of each advance payment, -

- (a) the amount and date of the advance payment;
- (b) the name of the guaranteeing financial institution; and
- (c) the date, amount, and reason of the acquittal.

129. (1) Every month, the vote controller of each budgetary and sub-vented agency shall submit to the Accountant-General, a report showing information listed in sub-regulation (2) of regulation 128 in respect of each advance payment disbursed from bank accounts opened for the budgetary or sub-vented agencies. Reporting of advance payment for goods, services and civil works.

(2) The Accountant-General may, at any time, require a vote controller of a budgetary or sub-vented agency to provide such information as the Accountant-General deems necessary for maintaining the database referred in sub-regulation (2) of regulation 128.

130. (1) Subject to sub-section (4) of section 71 of the Act, the Accountant-General may provide a staff loan - Staff loan.

- (a) only to a member of Parliament and civil servant that meets the eligibility criteria prescribed by the Accountant-General; and
- (b) which shall be repaid by payroll deductions within such repayment period as prescribed by the Accountant-General.

(2) The Accountant-General may charge interest on staff loans.

(2) The Development Secretary may approve an initiation of negotiation with a donor under sub-regulation (1), only when –

- (a) in case of financing of a project, a preliminary appraisal of the affordability, the economic viability, and the best option has been made by the Financial Secretary under regulation 19;
- (b) in case of financing of a project, the project is aligned with the government priorities specified in the development plan of the Government; and
- (c) the size of the requested external financing is not disproportionate to the transaction cost.

(3) The Development Secretary and, in case of external loans the Financial Secretary shall make a material representation to donors during negotiation of all agreements on external loans and grants to finance expenditure of budgetary or sub-vented agencies.

(4) The Minister shall not sign an agreement on external loan, grant, or negotiation which has been –

- (a) initiated without obtaining the advice of the Development Secretary, with respect to grants; or
- (b) made without a material representation of the Development Secretary and the Financial Secretary with respect to external loans.

(b) staff loans.

(2) The annual financial statements of donor and special funds and sub-vented agencies shall present opening and closing balances of advance payments.

### **Part XII – Donor and Special Funds**

133. (1) For the purpose of paragraphs (e) and (f) of section 3 of the Act, all agreements on external loans and grants to finance expenditure of budgetary and sub-vented agencies shall be signed by the Minister and ratified by Parliament. Coming into force of external loans and grants.

(2) An agreement on an external loan or grant to finance expenditure of a budgetary or sub-vented agency shall come into force under the laws of Sierra Leone, only when it has been signed by the Minister and ratified by Parliament.

(3) If disbursement from a donor has been made under an agreement on an external loan or grant that has not yet come into force under the laws of Sierra Leone under sub-regulation (2) –

- (a) the amount received shall be repaid to the donor within one month after the disbursement; and
- (b) the Minister shall report the violation to the Cabinet and Parliament, together with the names of the vote controller and Chief Accountant responsible for the violation.

134. (1) For the purpose of sub-section (3) of section 73 and sub-section (3) of section 74 of the Act, a budgetary and sub-vented agency that wishes to find a donor who finances the agency's expenditure shall submit to the Development Secretary for his approval a request to initiate negotiation with a donor. Negotiation of external loans and grants.

(3) After an agreement on an external loan or grant is signed under sub-regulation (1), the Minister shall submit the following documents to Parliament in order to seek ratification-

- (a) a copy of the signed agreement;
- (b) explanation of terms and conditions on the external loan or grant;
- (c) in case of financing of a project, an excerpt from the latest Public Investment Programme; and
- (d) in case of financing of a project, a summary of the final appraisal mentioned in paragraph (d) of sub-regulation (2).

Donor Funds. 136. Where a government project receives from a donor an advance or a reimbursement of earlier expenditure, whether by way of grant or loan, the actual amount received shall be classified and brought to account in accordance with the government Chart of Accounts and where the amount is in foreign currency, it shall be brought to account at the equivalent in Leones at the official rate of exchange on the date of receipt.

Budget Execution Process for Externally Financed Expenditure. 137. (1) For the purpose of sub-section (3) of section 73 and sub-section (3) of section 74 of the Act, all expenditures of budgetary and sub-vented agencies to be financed by external loans and grants shall be fully integrated into the budget execution process of other expenditures of the State budget and shall be –

- (a) subject to the commitment control through the computerized financial management system under Part VII of these Regulations, where appropriate;

135. (1) On the conclusion of negotiation under regulation 134, any external loan and grant to finance expenditure of a budgetary or sub-vented agency shall have a written agreement to be signed by the Minister as well as any other relevant ministers

Conclusion and ratification of agreement on external loans and grants.

(2) The Minister may sign an agreement on an external loan and grant under sub-regulation (1), only when –

- (a) the donor has agreed that the proceeds of the external loan and grant are to be part of the Treasury Single Account, where appropriate;
- (b) the donor has agreed to provide updated disbursement schedules in the preparation of the State budget for every financial year and data on actual disbursements at least every quarter;
- (c) in case of financing of a project, it has been included in the Public Investment Programme under sub-section (1) of section 35 of the Act;
- (d) in case of financing of a project a final appraisal of the affordability, the economic viability, and whether the best option has been made by the Financial Secretary under regulation 19; and
- (e) in case of financing of a project to be implemented by a non-governmental organization, the non-governmental organization meets the requirements under regulation 141.

138. (1) For the purpose of sub-section (3) of section 73 and sub-section (3) of section 74 of the Act, the Ministry shall expand the consolidated aid database to include the following information-

- (a) in respect of each external loan and grant to finance expenditure of a budgetary or sub-vented agency, –
  - (i) a copy of the loan or grant agreement;
  - (ii) a copy of the parliamentary ratification;
  - (iii) an updated disbursement schedule from the donor for the subsequent three years;
  - (iv) amount of actual disbursements from the donor for every quarter;
  - (v) in case of financing of a project, the monthly actual expenditure broken down by the economic classification included in the chart of accounts; and
  - (iv) in case of financing of a project implemented by a non-governmental organization, the updated constitutional document and the audited financial statements for every financial year of the non-governmental organization; and
- (b) in respect of each external loan or grant to finance expenditure of a local government or public enterprise–

(b) paid by the Accountant-General through the payment process specified under Part VIII of these Regulations where appropriate; and

(c) accounted by the Accountant-General through the computerized financial management system by keeping cash receipt and disbursement journals, general journals, general and subsidiary ledgers, and a loan register as required under Part XVII of these Regulations.

(2) The Minister shall –

(a) specify in the State budget for every financial year externally financed projects of budgetary or sub-vented agencies that are to be brought into the computerized financial management system and subject to the requirements under sub-regulation (1); and

(b) increase a number of externally financed projects brought into the computerized financial management system so that the deadline under sub-regulation (1) can be met.

(3) From the 1st day of January 2018 and subject to Part XVII of these Regulations, the Chief Accountant of each budgetary or sub-vented agency shall make journal entries and produce monthly and end-year financial statements of externally financed projects that are not brought into the computerized financial management system under sub-regulation(2), in full compliance with the chart of account codes and classifications, including the economic classification.

(6) When a budgetary or sub-vented agency fails to comply with the reporting requirements under this regulation, the Minister shall suspend an appropriation for the externally finance project in the State budget, until the reporting is made.

(7) The Financial Secretary or the Director with delegated responsibility for Public Debt Management shall be given access to the consolidated aid database for the purpose of discharging its functions under the Public Debt Management Act, 2011.

Donor bank account. 139. (1) For the purpose of sub-section (3) of section 73 of the Act, donor bank account for an externally financed project of a budgetary and sub-vented agency shall, where appropriate, be part of the Treasury Single Account opened with the Bank of Sierra Leone, except where the Minister specifically permits otherwise.

(2) Only one bank account may be opened for each externally financed project of a budgetary and sub-vented agency under sub-regulation (1).

Grants and donations in kind. 140. Subject to sub-section (1) of section 74 of the Act, the grant or donation to a budgetary or sub-vented agency receivable in kind shall be approved, valued, recorded, and managed in accordance with Part XIV of these regulations.

NGOs implementing a Project. 141. (1) A non-governmental organization (hereinafter referred to as “NGO”) that implements a project of a budgetary or sub-vented agency shall be a **project** registered by the responsible authority in the jurisdiction where it is established.

(2) An NGO referred to in sub-regulation (1) shall annually submit to the vote controller of the relevant budgetary or sub-vented agency and the Development Secretary the updated constitutional document, the audited financial statements and such other information in such manner as specified by the Development Secretary.

- (i) a copy of the loan or grant agreement;
- (ii) an updated disbursement schedule from the donor for the next year or more;
- (iii) amount of actual disbursements from the donor for at least every year; and
- (iv) in case of financing of a project, the actual expenditure for at least every year.

(2) The Development Secretary shall collect from each donor of external loans and grants to finance expenditure of budgetary and sub-vented agencies and record into the consolidated aid database updated disbursement schedules and actual disbursements to the extent possible under the loan and grant agreements.

(3) The Accountant-General shall, every month, provide the Development Secretary with bank statements and monthly financial statements in respect of each externally financed project of a budgetary or sub-vented agency that has been brought into the computerized financial management system.

(4) The Chief Accountant of each budgetary and sub-vented agency shall, every month, provide the Development Secretary with bank statements and monthly financial statements in respect of each externally financed project of the agency that is not brought into the computerized financial management system.

(5) Each local government and public enterprise shall, every year, provide the Development Secretary with updated disbursement schedules, actual disbursements, and in case of a project, actual expenditure, in respect of each external loan and grant that the local government and public enterprise receives, in such form and manner as prescribed by the Development Secretary.

(3) The vote controller shall be responsible under these Regulations for ensuring that the status and powers of the internal audit function in each budgetary agency or other entity referred to in sub-regulation (1) conforms to the procedures established by the Internal Audit Department of the Ministry.

(4) The role of the internal audit function in each budgetary agency, sub-vented agency, other entities of government, local council, social security fund, or public enterprise shall be to provide an independent and objective assurance and consulting service designed to add value and improve the operations.

(5) The internal audit function shall provide independent assurance on-

- (a) compliance with all policies, plans, procedures, laws and regulations;
- (b) safe guarding and use of public funds as intended;
- (c) effectiveness and efficiency of operations and employment of resources;
- (d) reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information;
- (e) consistency of operations or programs with established objectives and goals and effective performance;
- (f) identification, assessment and management of risks; and

142. (1) For the purpose of this regulation a “Special Fund” shall be a fund managed by a budgetary or sub-vented agency, revenue or expenditure of which is not included or appropriated in the State budget or the sub-vented agency’s budget. <sup>Prohibition of Special Fund.</sup>

(2) No budgetary or sub-vented agency may establish a Special Fund.

(3) By the end of 2017, the Financial Secretary shall, in coordination with the Accountant-General, stock-take all existing Special Funds of budgetary and sub-vented agencies.

(4) By the end of 2018, all budgetary and sub-vented agencies shall dissolve all existing Special Funds identified under sub-regulation (3).

(5) When a budgetary or sub-vented agency violates sub-regulation (2) or fails to dissolve an existing Special Fund by the deadline referred to in sub-regulation (4), the Accountant-General shall immediately, by exercising its power under sub-regulation (2) and (3) of regulation 34, close a bank account opened for the Special Fund.

### **Part XIII – Internal Audit**

143. (1) Internal audit unit within a budgetary agency, subvented agency, other entities of government, local councils, social security fund, or public enterprise shall examine the accounting systems, internal controls, risk management and governance processes of the entity. <sup>Internal Audit Function.</sup>

(2) The internal audit unit established within a budgetary agency, sub-vented agency, other entities of government, local councils, social security fund, or public enterprise shall operate in accordance with the operational procedures outlined within the Internal Audit Manual and other guidance provided by the Internal Audit Department of the Ministry.

Ministry responsible for finance to improve and develop internal audit standards.

144. The Internal Audit Department in the Ministry shall be responsible for the improvement and development of the standards, framework and guidelines of internal audit in the Public Sector.

Risk Management and Internal Control

145. The vote controller shall ensure that there is an effective risk management process that determines the material risks to which the entity may be exposed.

Vote controller to establish Risk Management Strategy.

146. The vote controller shall establish entity wide risk management which-

- (a) contributes to the development of an internal audit strategy and plans relevant to the risks facing the entity; and
- (b) assists in determining the resources and skills necessary to effectively deliver the internal audit plans.

Vote Controller to Ensure Effective System Internal Control.

147. For the purpose of sub-section (1) of section 13 of the Act, the vote controller shall ensure that there is an effective system of internal control over the financial and operational processes in the entity, including-

- (a) management policies and requirements made by the Act and these Regulations;
- (b) sound practices for the efficient, effective and economical management of each function within the entity;
- (c) a system of authorization and recording of transactions to provide accounting and

(g) safeguarding of assets.

(6) The responsibility of the internal auditor for checking and reporting short comings in connection with the accounts, finances and related operations of the entity, shall not absolve any public officer from responsibility for complying, or securing compliance with instructions within the scope of his or her own authority.

(7) The prevention, detection and investigation of fraud shall be the responsibility of management, although in conducting audit assignments the internal auditor shall be alert to opportunities, such as control weaknesses that could allow fraud; and where fraud is suspected, the appropriate authorities within the department shall be informed.

(8) The internal audit function may assist vote controllers by providing advice on internal controls, risks and governance matters.

(9) The internal audit function shall assist the vote controllers in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the processes through which –

- (a) objectives and values are established and communicated;
- (b) the accomplishment of objectives is monitored;
- (c) accountability is ensured; and
- (d) corporate values are preserved.



- (f) a financial budget which supports the programmes and activities of the internal audit function.

Access to Documents and Information.

149. (1) For the purpose of carrying out any function under this regulation, internal audit shall be afforded full, free and unrestricted access to all the entities records, physical properties, and personnel to carry out audit assignments.

(2) All employees are to assist internal audit activity in fulfilling its role and responsibilities.

Independence of internal audit.

150. (1) Internal Audit shall not be subject to any direct or indirect influence or control by an auditee, but the Minister, Financial Secretary or Vote Controller of a budgetary agency, sub-vented agency, other government entity, local council, social security fund, or public enterprise may request the Director of the Internal Audit Department to carry out such specific investigations as may be considered reasonable by the Director.

(2) Internal Audit shall not perform or direct any operational duties for an auditee.

Reporting.

151. (1) An auditee shall respond within ten working days after an internal auditor has issued a draft audit report in writing.

(2) The final report should be sent to the Director of the Internal Audit Department in the Ministry.

(3) Vote Controller of a budgetary agency, sub-vented agency, other entity in the central government, local council, social security fund, or public enterprise has the ultimate responsibility to implement audit recommendations.

related controls in relation to assets, liabilities, receipts and payments of the entity;

- (d) proper segregation of functional responsibilities; and
- (e) procedures to review the adequacies of and compliance with the entity's internal control system.

148. The Head of the Internal Audit shall prepare in consultation with, and for approval by, the vote controller and the Audit Committee

Management of the internal audit function.

- (a) a rolling three-year strategic internal audit plan based on its assessment of key risk areas for the department, including those identified in the department's strategic plan and risk management strategy;
- (b) an annual internal audit plan for the first year of the rolling three year strategic internal audit plan;
- (c) plans indicating the scope of each audit in the annual internal audit plan;
- (d) operating procedures to guide the audit and stakeholders' relationships;
- (e) a quality assurance and improvement programme which allows for evaluation of the unit's performance and implementation of strategies towards the progressive improvement in scope, quality and value of internal audit services provided; and

(3) The Internal Audit in the budgetary or sub-vented agency shall serve as the Secretariat for the Audit Committee.

(4) The Audit Committee shall perform the following functions –

- (a) advise on-
  - (i) the planned activities and results of both internal and external audit;
  - (ii) the performance of the internal audit function against its annual internal audit plans and strategic plans;
  - (iii) the adequacy of management response to issues Identified by internal audit activity;
  - (iv) adequacy of management response to issues raised by the auditor general's and public accounts committee's recommendations; and
  - (v) the accounting policies, the accounts, and the annual report of the budgetary or sub-vented agency, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter from the Auditor-General.
- (b) prepare an annual statement showing the status of implementation of recommendations made in all audit reports, including internal and external audit reports;

(4) An internal audit department, division or unit of a budgetary agency, sub-vented agency, other government entity, local council, social security fund, or public enterprise shall follow up with the auditee, within the quarter in which the audit was finalized, any unresolved issues and to formally report in a follow up report to the Director of the Internal Audit Department in the Ministry and the Audit Committee.

(5) The Internal Audit Department shall conduct annual follow up reviews on the annual report of the Auditor-General and report to the Financial Secretary.

152. (1) There shall be established in every budgetary and subvented agency, a committee to be known as Audit Committee <sup>Audit Committees.</sup> which shall report to the head of the budgetary or sub-vented agency.

(2) An Audit Committee shall not less than three and not more than five members, appointed by the head of the budgetary or sub-vented agency comprising the following members–

- (a) at least one representative of the budgetary agency not below the rank of Deputy Secretary or the sub-vented agency not below the rank of Assistant Director as appropriate;
- (b) at least one external member with extensive knowledge of financial management as chair; and
- (c) at least one external member with extensive knowledge of accounting, auditing or administration issues.

(8) Internal Audit Department in the Ministry shall serve as the Secretariat for the Government Audit Committee.

(9) The functions of the Government Audit Committee shall be to -

- (a) ensure the implementation of the recommendations that could not be handled by Audit Committees at budgetary or sub-vented agency level;
- (b) follow-up on the Auditor-General's and Public Accounts Committee's recommendations as well as internal audit recommendations that are still outstanding after review by the audit committees in the various budgetary or sub-vented agencies;
- (c) follow-up on outstanding issues resulting from reviews done by Audit Committees on all audit reports and financial matters raised in the internal audit reports in the various budgetary or sub-vented agencies-
- (d) ensure that the Audit Committees are adequately resourced;
- (e) prepare on an annual basis a report showing the status of implementation of outstanding recommendations made in the Auditor-General's reports and all audit reports that have gone through Parliament and any other related directives of Parliament;
- (f) oversee the role of the Audit Committees at budgetary or sub-vented agency level of

- (c) review the activities, resources and organizational structure of the internal audit and ensure that no unjustified restrictions or limitations are placed on the internal auditors;
- (d) consider the strategic processes for risk, control and governance within the budgetary or sub-vented agency;
- (e) review anti-fraud policies, whistle-blowing processes, and arrangements for special investigations;
- (f) meet separately with the head of internal audit to discuss any matters that the audit committee or internal auditors believe should be discussed privately; and
- (g) review periodically its own effectiveness and report the results of that review to the agency.

(5) The Audit Committee members shall be paid sitting fees and allowances as the budgetary or sub-vented agency may determine.

(6) There shall be established in the Ministry, a committee to be known as the Government Audit Committee which shall report to the Minister.

(7) The Government Audit Committee shall comprise of not more than five members who are neither politicians nor civil servants and shall be appointed by the Minister.

(d) it is not subject to any private ownership.

Scope of  
Application.

154. (1) Subject to the Act, this Part aims to set out rules for managing the buildings and structures, transport equipment, land, and some specific types of the financial assets held by any budgetary agency.

(2) Notwithstanding this Part, these Regulations shall apply when they refer to any specific asset management regime.

(3) The Minister may, after consulting with the National Asset and Government Property Commission, issue other policies and procedures to cover the national asset management for sub-vented agencies in accordance with the Act.

#### **Subpart II. Holding Entity**

Identification  
of holding  
entity

155. (1) The Minister shall ensure that all national assets are registered as national property having a budgetary agency as the holding entity.

(2) The holding entity may be identified by-

- (a) any act or regulation; or
- (b) the free usage or occupation of the assets for its operations, public interest, or national interest.

(3) The holding entity shall have the right to use, and obligation to maintain, its holding asset only for its operations to serve the public or the national interest in accordance with applicable laws or regulations.

implementing regulatory compliance of financial reporting standards, ethics & whistle blowing activism; and

(g) review and make recommendations on the strategic and Annual Work Plan of the Internal Audit in the Ministry.

(10) The Government Audit Committee shall be paid sitting fees and allowances as the Ministry may determine.

### **PART XIV - ASSET MANAGEMENT**

#### **Subpart I. General Provision**

153. (1) For the purpose of paragraph (k) of sub-section (1) of Definition section 5 of the Act, assets means-

- (a) non-financial assets, include fixed assets, inventories, valuables, and non-produced assets such as state land; and
- (b) financial assets.

(2) The asset shall be classified as the national assets when-

- (a) it directly or indirectly belongs to the general government;
- (b) it is entitled to the general government or the State by any act or regulation;
- (c) it is freely occupied or used by the general government; or

- (a) the competent registrar for ownership identification including but not limited to the Register of Lands and Buildings, the Corporate Affairs Commission, the Road Transport Authority, and other competent registrar authorities; and
- (b) the Accountant-General for recording purposes.

Competent Registrar.

158. (1) The competent registrar shall create a register of documents for the respective national assets, including, but not limited to, the application form, the registrar book, and the legal identification document.

(2) The registrar book shall cover at least the specification, the quality, the owner, the holder, the status, and the conveyance of the assets.

(3) The registrar book shall be computerized and made public.

Accountant-General's Record.

159. (1) The Accountant-General shall create a manual for national asset valuation and reporting in accordance with the internationally accepted standards.

(2) The national assets shall be recorded as prescribed by the Accountant-General.

(3) If applicable, the value of the national assets shall be recorded in accordance with the following-

- (a) capital assets shall be recorded at its historical costs including freight and installation; and

(4) The holding entity shall have the right to represent the State, through the Attorney-General, in any lawsuit for defending the State's ownership of the asset.

156. (1) When sub-regulation (2) of regulation 155 above does not apply, the National Asset and Government Property Commission shall identify any national asset and act as the temporary holding entity of the identified asset. Temporary holding entity.

(2) The confiscated assets shall be classified and registered as national assets having the National Asset and Government Property Commission as the temporary holding entity.

(3) Within 6 months after acquiring the asset, the National Asset and Government Property Commission with the Cabinet's approval shall allocate its holding asset to any Budgetary Agency, which-

(a) is entitled to the asset by any act or regulation;

(b) needs the assets to serve their operation; or

(c) has authority or capacity to use the asset to serve the public or national interest.

### Subpart III - Registration of the National Assets

157. (1) Within 10 working days after acquiring the asset, the Vote Controller shall submit the relevant information to the National Asset and Government Property Commission for registration as a national asset. Registration Obligation.

(2) The National Asset and Government Property Commission shall register the national asset with-

#### Subpart IV - Maintenance of the National Assets

General  
Provision.

161. (1) All budgetary or sub-vented agencies shall ensure that the national assets are properly maintained and used with due care and diligence for the best interest of the public or the State.

(2) The National Asset and Government Property Commission shall set out guidelines on the maintenance and the use of the national assets.

(3) The guidelines on the maintenance and use of the national assets shall at least address-

- (a) the benchmark of the maintenance requirements;
- (b) the reporting requirement of any damage; and
- (c) the quality check and control.

(4) The Vote Controller shall ensure that the national assets held are used and maintained in accordance with the guideline and with prudence, care, effective, and efficient principles.

Maintenance  
Plan.

162. (1) Every year, prior to submitting the budget proposal, the Vote Controller shall survey, and check the quality of all assets held in order to produce the maintenance plan for the next financial year.

(2) The Vote Controller shall incorporate the maintenance expenditure within the budget proposal.

(3) In the event that maintenance cost is not covered by any budget allocation, the Vote Controller shall include in the maintenance plan-

- (b) donated assets shall be recorded at fair market value.

(4) The National Asset and Government Property Commission shall report to the Accountant-General in accordance with the manual of asset valuation and reporting.

(5) In the event that sub-regulation (3) above does not apply, the value of the national assets may be recorded at tax value or acquisition value as suitable.

160. (1) The National Asset and Government Property Commission shall create and maintain a National Asset Register in accordance with internationally accepted standards, and shall include it in the financial management system. <sup>National Asset Register.</sup>

(2) The National Asset Register shall contain significant information on the national assets, including, but not limited to -

- (a) specification, value and quality;
- (b) the status of usage;
- (c) the acquisition date; and
- (d) the maintenance records.

(3) The National Asset Register shall be updated to reflect any changes to the asset.

(4) The National Asset and Government Property Commission shall annually provide a summary of the National Asset Register to the Minister by the end of each financial year.

the budgetary agency and a gain to the National Asset and Government Property Commission.

#### **Subpart V - Management of the National Assets**

General  
Provision.

164. (1) For the purpose of paragraph (k) of sub-section (1) of section 5 of the Act the Minister shall be responsible for managing the national assets through acquiring, leasing, pledging, transferring, disposing or writing off the assets.

(2) Any agreement or document to manage the national assets shall be enforceable when it is co-signed by the Minister and the vote controller of the holding entity.

(3) The agreement or document to manage the national assets shall be notified to the Parliament.

(4) The ownership transfer, lease, or pledge is enforceable only when it is properly registered at the competent registry.

(5) The Minister shall consult with the National Asset and Government Property Commission before making any decision on acquisition, lease, pledge, transfer or disposal of the national assets.

(6) The consultation between the Minister and the National Asset and Government Property Commission shall be recorded.

(7) If there is any disagreement between the Minister and the National Asset and Government Property Commission, the Minister shall further make explanation on the final decision.

(a) the justification for the need to include the maintenance cost in the Supplementary Estimate if the maintenance cannot wait until the next financial year; or

(b) the justification for the need to withdraw from the Contingencies Fund when the damage must be repaired immediately and cannot wait for Supplementary Estimate.

163. (1) With or without notification, the National Asset and Government Property Commission may inspect the national assets held by any budgetary agency at the office of the budgetary agency. <sup>Inspection.</sup>

(2) If the National Asset and Government Property Commission identifies any breach of the maintenance guidelines, it shall promptly notify the budgetary agency.

(3) Within 10 working days upon receipt of the notification of a breach, the budgetary agency shall rectify the breach.

(4) The National Asset and Government Property Commission may with the approval of the Cabinet confiscate the asset in case of-

(a) serious violation of the maintenance guidelines; or

(b) the budgetary agency does not comply with sub-regulation (3) above.

(5) If the asset is confiscated under sub-regulation (4) the replacement cost of the asset shall be recorded as loss to

or the Parliament may require the budgetary agency, the Minister, or the government to revoke the contract at any cost to the institution.

(14) Subject to sub-regulation (13) the institution may represent the state to hold any person, who has caused the non-compliance with intent or gross negligence, to be liable for the cost.

(15) For the purpose of paragraph (a) of sub-section (1) of section 9 of the Act, all proceeds derived from leasing, disposing, or pledging the national assets, shall be deposited in the Consolidated Fund.

Acquisition.

165. (1) Unless stated otherwise in other provisions, and for the purpose of section 32 of the Act, the vote controller shall submit the plan and the request to acquire the new asset, which shall not constitute a project, to the Minister through the annual budget proposal.

(2) The acquisition request shall at least specify-

- (a) the cost and benefit in acquiring the new asset;
- (b) specification of the proposed asset to acquire;
- (c) the proposed plan to acquire the asset;
- (d) the price of the asset; and
- (e) payment terms.

(3) Only the Minister may be a lessee of a financial lease of an asset to be used by a budgetary or sub-vented agency.

(8) The request for managing the national asset shall be endorsed by the Minister for the Cabinet's approval.

(9) The Minister and the Cabinet shall not endorse or approve any acquisition, leasing, pledging, transferring, disposing, or writing-off of the assets if-

- (a) the transaction is not made in accordance with these Regulations;
- (b) the lease or the disposal price are lower than the market value;
- (c) the required information or request is not fulfilled; or
- (d) it does not comply with the Fiscal Strategy Statement.

(10) The holding entity shall conduct public or formal bidding or auction for acquisition, lease, or disposal of any national assets in accordance with the Public Procurement Act.

(11) Any agreement to manage a national asset, which does not comply with these Regulations, shall be null, void and of no effect.

(12) The competent registrar, the Accountant-General, and the National Asset and Government Property Commission shall record acquisition, lease, pledge, transfer, or disposal of the national assets only if the transaction is made in accordance with these Regulations.

(13) In the event that the asset has been already managed without compliance to these Regulations, the Minister, the Cabinet,



(9) When the financial lease term ends without any default on payment, the budgetary agency shall ensure the proper and legal ownership transfer and register as required by the lease contract in accordance with these Regulations.

(10) If the budgetary agency urgently wants to acquire the asset within the financial year, the vote controller may make an urgent request to the Minister.

(11) The request to acquire the asset within the financial year shall be allowed only when there is adequate allocation in the budget.

(12) In addition to sub-regulation (10), the urgent acquisition request shall specify the case of urgency and the proposed available budget in acquiring the asset.

Lease.

166. (1) The national assets may be leased out only when-

- (a) the asset or a part thereof is not used by the budgetary agency for its operation, any public interest, or national interest;
- (b) the proposed lease term does not exceed 10 years and it is not subject to automatic renewal;
- (c) the lease contributes to the State and the public interest in terms of direct financial contribution and economic development; and
- (d) the lease does not cause major negative impact on the society, environment, and economy.

(4) Any financial lease transaction concluded by a budgetary or sub-vented agency without signature of the Minister shall be null and void and of no effect.

(5) The Minister may delegate his competencies under sub-regulations (3) and (4).

(6) In the event that the budgetary agency wants to use an asset through financial lease, the budgetary agency shall send the Minister a request specifying-

- (a) amount of lease liabilities;
- (b) the financial lease terms and conditions;
- (c) interest rate;
- (d) term of the lease;
- (e) the draft agreement; and
- (f) the budgetary agency's plan in paying the leasing fee.

(7) If the financial lease is approved, the amount of lease liabilities and payments of interest and principles shall be recorded and processed by the director responsible for Public Debt in the same manner as borrowing.

(8) Within the financial lease term, the asset shall be recorded at the National Asset and Government Property as leased asset.

Pledge.

167. (1) Pursuant to section 117 of the Constitution, a national asset may be pledged for debt taken by the Minister on behalf of the State in accordance with section 68 of the Act.

(2) The Minister, in consultation with the National Asset and Government Property Commission, may identify any national asset to secure any potential loan.

(3) A national asset that is by its nature classified by any Act or Regulation, as a conservation, natural, historical, or heritage asset, shall not be pledged.

(4) The Minister shall send the request to pledge the asset to the Parliament through the Cabinet by specifying-

- (a) the cost and benefit of the pledge;
- (b) the proposed terms and conditions of the pledge;
- (c) the consequence when the pledge is enforced; and
- (d) the analysis on the social, economic, security and revenue impact of the pledge.

(3) The pledge shall come into force upon the ratification of the Parliament.

Transfer.

168. (1) A national asset may be transferred from one holding entity to another when-

- (a) the holding of the asset does not comply with any existing act or regulation;

(2) In the event that the holding entity wants to lease its holding asset, the holding entity shall send a request to the Minister specifying at least-

- (a) the analysis of the cost and benefit of the proposed lease;
- (b) the current use of the asset and the revenue generated by the asset in the past years;
- (c) the current value of the asset, the proposed rental fee, and the market rental fee of the similar asset;
- (d) the identity of the potential lessee, the purpose of the lease, and the analysis of social and environmental impact of the lease;
- (e) the proposed term of the lease; and
- (f) the draft of the lease agreement.

(3) In general, the lease shall not be made in concessional terms except for-

- (a) local government; or
- (b) serving the public interest without charge.

(4) In addition to sub-regulation (3) above, the request to lease with concessional terms shall include further justification on its necessity and information on foregone revenues.

- (c) the benefit from selling the asset outweighs the benefit of keeping the asset, taking into account the future economic benefit and the appreciation value of the asset.

(2) In the event that the holding entity wants to dispose the asset, the holding entity may send a request to the Minister by specifying-

- (a) the cost and benefit of the proposed disposal;
- (b) the proposed sale value in kind or cash;
- (c) the current and future value of the asset taken into account depreciation and appreciation factors; and
- (d) the draft of the sale agreement.

(3) At all times, the asset shall be disposed through a competitive process and at a price no lower than its market value.

(4) A list of all assets disposed and the disposal value shall be published monthly.

Write off.

170. (1) The holding entity shall report to the National Asset and Government Property Commission about any loss or grave damage to its respective national assets by specifying-

- (a) the market value of the assets prior to the event of loss or damage;
- (b) the status and the value of the assets after the event of loss or damage;

- (b) the asset has not been allocated to the suitable entity for effective and efficient use in serving the public and the national interest;

- (c) the asset is an excess to the holding entity and a necessary need to another entity;

- (d) the holding entity has misused the asset; or

- (e) the holding entity cannot, or has failed to, maintain or to preserve the asset.

(2) Subject to sub-regulation (3) , the transfer of the asset may be made on a voluntary basis between the Budgetary Agencies, or by the decision of the National Asset and Government Property Commission with the approval of the Minister.

(3) In order to transfer the asset, the Budgetary Agency or the National Asset and Government Property Commission shall make a request to the Minister who shall decide in accordance with sub-regulation (1).

(4) Except for the consequence of the sale or the enforcement of the pledge security, the national asset shall not be transferred to the other person besides the budgetary agency.

169. (1) A national asset can be disposed only when-

Disposal

- (a) the asset or a part thereof is not or will not be used by any budgetary agency for its operation, any public interest, or national interest;

- (b) the asset is not classified by any act or regulation or its nature as a conservation, natural, historical, or heritage asset; and

(2) The Internal Audit of the budgetary agency shall annually audit the national assets held by the budgetary agency within 3 months after the end of each financial year.

(3) The internal audit report shall be sent to the Auditor-General and the National Asset and Government Property Commission.

(4) The building, structures and land shall be appraised by an independent reputable valuator at least once every 2 years.

(5) The valuation report shall be sent to the Accountant-General and the National Asset and Government Property Commission.

(6) In addition to regular valuation, the asset shall be valued immediately when-

- (a) there is a specific event that would affect the value of the asset; or
- (b) the budgetary agency wants to make request to the Minister to lease, transfer, dispose, or write off the asset.

(7) Within two months after the financial year ends, the vote controller shall report to the Accountant-General and the National Asset and Government Property Commission about the status and the value of the assets taken into account depreciation and appreciation factors.

(8) In addition to the annual report, the vote controller shall notify the National Asset and Government Property Commission or the Accountant-General within 5 working days after there is any change to the asset including but not limited to any damage, loss, lease, transfer, dispose, pledge, or write off.

(c) the impairment cost;

(d) the causes of the loss or damages; and

(e) the actions taken by the entity to prevent or to cure the loss or damages.

(2) The holding entity shall be held liable if it fails to notify the National Asset and Government Property Commission about the loss or grave damage of its respective assets.

(3) In the event that the National Asset and Government Property Commission determines that the loss or damage is caused by any event beyond the entity's control including the natural wear out and force majeure, the National Asset and Government Property Commission shall write off the asset from the National Register.

(4) The National Asset and Government Property Commission may charge the entity liable for the loss or damage if such loss or damage is caused by gross negligence of the entity.

(5) Subject to sub-regulation (4), the cost of loss or damage shall be paid by the entity to the Consolidated Fund or deducted from the budget allocation to the entity.

(6) Subject to sub-regulation(5), the National Asset and Government Property Commission or the vote controller may represent the State to hold any person, who has caused the non-compliance with intent or gross negligence, liable for the cost.

#### **Subpart VI - Report and Documentation**

171. (1) The vote controller shall keep records of all documents related to its holding of national assets at the office of the budgetary agency in order to make them available to the Auditor-General, the National Asset and Government Property Commission, and the Board of Survey. Reporting of assets.

(7) The Board of Survey shall treat all information obtained pursuant to its function, confidential.

(8) The Board of Survey, with its discretion, may conduct the survey with or without prior notification.

(9) After completing the survey, the Board of Survey shall send the survey report highlighting any discrepancy and recommendation to the Accountant-General and the Auditor-General.

(10) The Accountant-General shall be responsible for the expense of the Board of Survey.

#### **Subpart VIII- Financial Assets**

Safeguarding  
of cash and  
valuables.

173. (1) When a budgetary agency collects public monies under or by authority of an Act of Parliament, the vote controller of the budgetary agency shall assign in writing, a public officer to collect, receive, or have a custody of the public money with specific delegated authorities.

(2) The collection, receipt, and custody of cash shall be made in accordance with Part VI of these Regulations.

(3) The vote controller shall ensure that the office of the budgetary agency has at least one safe box to keep the valuables and cash.

(4) For the purpose of section 58 of the Act, the Minister shall prescribe the standard conditions of the safe box.

(5) In the event that the loss or damage to the public money and valuables is caused by any event beyond reasonable control of the cashier, the vote controller shall send the Accountant-General a request to write off the asset in accordance with these regulations.

(9) The Auditor-General shall make the audit report on the national assets available to the National Asset and Government Property Commission.

(10) In the event that the budgetary agency breaches its reporting obligations within this chapter, the National Asset and Government Property with the Cabinet's approval may confiscate the asset from the budgetary agency.

#### **Subpart VII - Board of Survey**

172. (1) The Accountant-General shall appoint a Board of Survey consisting of at least 3 members one of whom shall be the chairman.

Board of  
Survey.

(2) The members of the Board of Survey shall be persons, having knowledge and expertise in accounting and finance, elected from any budgetary agency.

(3) The members of the Board of Survey shall be persons who are not involved with the national asset management work of the budgetary agency.

(4) The Board of Survey shall conduct a survey within three months after the accounts of a financial year are closed through reviewing the registry books, records, reports, and statements to verify with the actual physical assets.

(5) The Accountant-General shall prepare a survey guideline to describe the function of the Board of Survey and the procedure to conduct the survey.

(6) When carrying out its function, the Board of Survey shall work in accordance with transparency and accountability.

- (b) the record of the Corporate Affairs Commission.

(4) The holding entity shall register the shares with the National Asset and Government Property Commission, and the Accountant- General.

(5) All dividends derived from the shares held by the State in the public enterprises shall be deposited in the Consolidated Fund as the national revenue.

(6) The disposal of the shares held by the National Commission for Privatization shall be made in accordance with section 20 of the National Commission for Privatization Act.

(7) The disposal of the shares held by any budgetary agency shall require first the transfer of the shares to the National Commission for Privatization and shall be subject to the privatization process under the National Commission for Privatization Act.

(8) The proceeds from the disposal of shares shall be deposited in the Consolidated Revenue Fund as national revenue.

Management of advances and lending.

175. (1) For the purpose of section 70 of the Act, the budgetary agency shall send a request on the advances from the Consolidated Fund in accordance with Part XI of these regulations.

(2) For the purpose of section 71 of the Act, the Minister may enter into an agreement for granting a loan from the Consolidated Fund.

(3) The loan agreement shall come into force when it is ratified by Parliament in accordance with Part XII of these Regulations.

(6) Where the Accountant-General has reasons to believe that the loss or damage to the public money and valuables is caused by any act of negligence or fault intent, the budgetary agency shall be liable for such loss or damage through paying the replacement cost to the Consolidated Fund.

(7) Subject to sub-regulation (6), the Accountant-General or the vote controller may represent the state to hold any person, who has caused the non-compliance with intent or gross negligence, liable for the cost.

(8) Presumably, the cashier or the vote controller shall be held liable for any loss or damage if it fails to swiftly notify the vote controller or the Accountant-General about such loss.

174. (1) For the purpose of paragraph (e), of sub-section (1) of section 9 of the Act, the Accountant-General shall maintain the register of the public enterprises specifying the shareholdings belonging to the State. Management of disposal of shares.

(2) The Accountant-General shall include detailed information on shareholding belonging to the State in the financial statements including but not limited to-

- (a) the share's value;
- (b) the holding entity of the shares; and
- (c) the total capital of the public enterprises.

(3) The holding entity of the shares may be identified by-

- (a) any act or regulation; or

(9) Upon granting the loan, the Minister, with the assistance from the National Revenue Authority shall ensure the collection of the loan repayments.

(10) The collection of the loan repayments shall be made in accordance with Part VI of these Regulations.

Government  
Guarantee.

176. (1) For the purpose of section 68 of the Act, the Minister shall send the guarantee proposal to Parliament for its ratification as part of the State budget.

(2) For the purpose of section 69 of the Act, any money paid by the State under the guarantee shall be converted to loan.

Management  
of  
Receivables.

177. (1) Pursuant to sub-section (2) of section 12 of the National Revenue Authority Act, the National Revenue Authority shall ensure that all budgetary agencies effectively and efficiently assist in the collection of national revenue.

(2) When a budgetary agency collects revenue, under or by an Act of Parliament, the vote controller shall submit a daily report on account receivable and bank statement of its budgetary agency to the National Revenue Authority and to the Accountant-General.

(3) The report shall specify the following-

- (a) amount of account receivable;
- (b) type of receivables;
- (c) due date;
- (d) method of payment and collection; and

(4) Prior to signing the loan agreement, the Minister shall obtain sufficient information about the potential borrower including but not limited to-

- (a) the identity and general background;
- (b) the financial statement, cash flow, and repayment capacity; and
- (c) the availability of any asset and its value to be used as security for the loan.

(5) The Minister shall include the loan request and proposal within the budget to the Parliament.

(6) The Minister shall not grant any loan within the financial year except-

- (a) there is adequate allocation to cover the loan;
- (b) the loan is granted in accordance with a commitment that has already made by the government; or
- (c) the loan is necessary to meet an urgent need in the public or national interest.

(7) Prior to signing the loan agreement, the Minister shall consult with the Accountant-General.

(8) No loan from the Consolidated Fund shall be made without proper security.

(8) The National Revenue Authority or the vote controller concerned with its discretion or as directed by the Minister may act in the name of the Government to collect the receivables and may use any enforcement measures available to it.

(9) Subject to the request made in accordance with sub-regulation (7), the Accountant-General may approve the write off.

(10) The write off shall not have any effect on the legal right of the State to collect the receivables in order to deposit into the Consolidated Revenue Fund.

#### **PART XV - INVENTORY MANAGEMENT**

Management  
of  
Government  
stores.

178. (1) The acquisition, receipt, custody, control, issue and disposal of Government stores shall be in accordance with the Act and these Regulations.

(2) Subject to sub-regulation (1) the Minister may give general directions in writing to the Procurement Board on matters relating to Government stores under the Act.

Responsibility  
for stores.

179. (1) A vote controller or the head of the budgetary agency shall be the chief authority in relation to the use of government stores.

(2) A vote controller or the head of the budgetary agency shall be accountable for the proper care, control, supervision, custody and use of Government stores from the time of acquisition until they have been used or otherwise disposed of in accordance with these regulations.

(e) justification on default of payment, if there is any.

(4) The National Revenue Authority and the Accountant-General may require the budgetary agency to further submit other documents related to receivables such as the invoice or the evidence of assessment and when applicable, the collection.

(5) With or without notice, the National Revenue Authority may visit the office of the budgetary agency in order to inspect the documentation related with assessment of State revenue.

(6) Unless otherwise provided in other legislations, the vote controller shall ensure that the collected receivables are not used for any expenditure or other purposes besides depositing in the Consolidated Fund in accordance with Part VI of these Regulations.

(7) The Commissioner-General or the vote controller concerned may request the Accountant-General to write off the receivables when-

- (a) the receivable is uncollectable for certain period of time starting from the due date;
- (b) all collection methods and measures have been implemented and exhausted; and
- (c) there is a strong justification showing that the receivable is not collectable and will not be collectible in the future;
- (d) the budgetary agency has taken all available enforcement measures.



(3) All purchases of inventories shall be charged directly to the relevant expenditure lines immediately on purchase, and the records referred to in sub-regulation (1) of this regulation shall not form part of the general ledger.

Inspection of inventories.

183. (1) A vote controller or head of budgetary agency shall arrange for the stores for which they are responsible to be inspected regularly and for written reports to be made to them on the sufficiency of the storage accommodation and on the general condition of the stores and storage facilities.

(2) The inspecting public officer shall report to the vote controllers or head of budgetary agency promptly and in writing, any case of loss, shortage, leakage, damage, waste, deterioration or irregularity observed in the course of his or her inspection and the vote controllers or head of budgetary agency shall take prompt and appropriate action to correct any defects or deficiencies reported.

(3) In addition to the departmental internal inspections, which are designed to satisfy vote controllers or head of budgetary agencies that they are adequately discharging their own responsibilities for the correctness of stores and stores records, the inventory holdings of all public stores shall be verified at least once a year by stocktaking by a Stock Verifier appointed by the Accountant-General.

Hand-over of duties in respect of stores by public officers.

184. Vote controllers or heads of budgetary agencies shall ensure that whenever one public officer relinquishes to another the whole or part of his responsibilities for any store, the stores and stores ledgers are properly examined and the hand-over conducted in such a manner that there can be no doubt or ambiguity as to the items handed over and taken over.

180. (1) A vote controller or the head of the budgetary agency shall ensure that government stores are acquired and applied to public purposes in the most economical way. <sup>Purchase and receipt of inventories.</sup>

(2) Care must be taken to ensure that the stores received are in good condition and conform to order requirements, and the procedures governing the receipt of stores from suppliers into any store shall aim at ensuring that payment is made only for the quantities actually received in good order and condition and meeting the required specification.

(3) So far as is possible the task of receiving and checking stores shall be carried out by an officer other than the one who places the orders and authorises payment for the supplies, and the documentation should permit the various elements of the transaction, including ordering, receipt and payment, to be identified with and checked against each other.

(4) A vote controller or the head of the budgetary agency shall procure government stores in accordance with the procurement laws and regulations.

181. The Accountant-General shall issue instructions on the format to be kept in respect of every delivery received and the procedure for the issuing of stores. <sup>Recording of stores.</sup>

182. (1) Stores shall be accounted for by value as well as by quantity, and it is necessary to keep records so as to determine the unit cost of each stock item and the reconciliation of the total value of the stocks with the financial records. <sup>Accounting for inventories.</sup>

(2) All vouchers and ledger entries for stores shall show the value as well as the quantity of the items concerned.

Unwarranted serviceable inventories.

188. Where stores or items which, although serviceable, are no longer required and are to be sold, they shall be disposed of by public auction or by tender after public advertisement; except where the specific approval of the Minister has been obtained for them to be sold through other means.

Operation of revolving fund.

189. (1) Subject to this regulation, when the Minister has given authority for any department to operate a revolving fund for the purpose of acquiring and managing stores or for manufacturing, producing, processing or dealing in stores or materials and has fixed the amount that may be charged to the revolving fund at any time –

- (a) payment may be made out of the Consolidated Fund for such purposes, subject to such terms as the Minister may direct; and
- (b) the Chief Accountant shall keep an account to which shall be charged –
  - (i) the cost of such of the stores or materials on hand in the department at the time the revolving fund is established as the Minister may specify; and
  - (ii) the payments made under clause (a) of sub-regulation (1).

(2) There shall be shown as credits in the account kept under paragraph (b) of sub-regulation (1) –

185. (1) On the discovery of any loss or shortage of stores or other property, vote controllers or heads of budgetary agencies or the Board of Survey, as the case may be, shall start an investigation with the aim of surcharging or otherwise disciplining any public officers found to be responsible.

Losses of Stores.

(2) In the context of stores and other property, losses shall include any damage or deterioration which cannot be attributed to fair wear and tear.

186. (1) Vote controllers or heads of budgetary agencies may, with the authority of the Minister, write-off minor items of stores which have been accidentally lost or broken beyond repair such as glassware and small tools, or perishable items which have become unserviceable, provided that no question of fraud, theft or negligence is involved.

Write-off of stores.

(2) In each case of minor articles lost or broken, the vote controllers or heads of budgetary agencies may order that the cost of the article shall be recovered from the public officer concerned.

(3) All write-offs shall be compiled and reported to the Minister for inclusion in a resolution to be introduced in the Cabinet.

187. Where it is considered that stores, vehicles, plant, equipment, have reached the end of their useful life, are beyond economical repair or are unserviceable for any other reason, or have become redundant through obsolescence, they shall be retained until a sufficient quantity has accumulated to merit the convening of the Board of Survey to inspect them; and it shall be the duty of such Board to recommend the action to take.

Condemnation of unserviceable stores.

PART XVI – MANAGEMENT OF EXTRACTIVE INDUSTRIES  
REVENUES

Publication of  
semi-annual  
reports on  
extractive  
industries  
revenues.

190. (1) Within one month after the end of every June and December, the Minister shall prepare and publish on its website a semi-annual report on Extractive Industries Revenues, which includes –

- (a) actual amount of total extractive industries revenues received during the six months, broken down by economic categories;
- (b) actual amount of extractive industries revenues received from each major mining company during the six months;
- (c) volume and value of total productions of extractive industries during the six months, broken down by commodities and major mining companies; and
- (d) volume and value of total exports of extractive industries, broken down by commodities.

(2) Within two weeks after the end of every June and December, the National Revenue Authority shall provide the Minister with data on extractive industries revenues necessary for preparing the semi-annual report under sub-regulation(1).

(3) Within two weeks after the end of every June and December, the Ministry of Mines and Mineral Resources shall provide the Minister with data on production and exports of extractive industries necessary for preparing the semi-annual report under sub-regulation (1).

(4) The Minister shall, after consultation with the National Revenue Authority and the Ministry of Mines and Mineral Resources, prescribe by a circular forms of data to be provided under sub-regulations (2) and (3).

(a) all monies received into the Consolidated Revenue Fund in respect of the operations of the revolving fund; and

(b) amounts charged for the reimbursements of costs charged to the revolving fund of the stores or materials issued or work performed in respect of services for which the appropriations were made.

(3) Any payment made out of the Consolidated Fund together with the balance of the revolving fund shall not be greater than the amount fixed by the Minister as the amount that may be charged to the revolving fund at any time or such lesser amount as the Minister may prescribe.

(4) At the end of each financial year, the value of the stores and materials held, and accounts receivable in respect of the operation of a revolving fund shall be determined in such manner as the Minister may prescribe, and if such value added to the receipts shown in the revolving fund exceeds the total of the expenditure shown in such fund and liabilities in respect of the operations of the fund then due and payable, the excess shall be transferred into the Consolidated Revenue Fund, but if the value is less, no amount may be credited to the revolving fund to meet the deficiency except with the authority of the Minister.

(5) All accounting transactions with respect to a revolving fund under this regulation shall be recorded as cost but for the purpose of valuing stores or materials on hand at the time the revolving fund is established and of valuing inventories and issues of stores and materials, cost may be determined in accordance with such recognised accounting practices as the Accountant-General may direct.

(6) For the purposes of this regulation “balance of the revolving fund” means, the aggregate of all payments charged to the revolving fund, less all credits to the revolving fund.

- (ii) monthly cash outflow from the Transformational Development Account to the main bank account of the Treasury Single Account necessary for meeting expenditure for transformational development projects under the State budget; and
- (b) schedules for the first three months of the financial year of payments—
  - (i) from the Transformational Development Fund Account to the main bank account of the Treasury Single Account;
  - (ii) from the Transformational Development Fund Account to the Transformational Development Stabilization Fund; and
  - (iii) from the Transformational Development Stabilization Fund to the Transformational Development Fund Account.

(2) Before the beginning of each financial year, the Cash Management Committee shall approve quarterly payment schedules mentioned in sub-regulation(1) and transmit the approved payment schedules to the Bank of Sierra Leone.

(3) Quarterly payment schedules approved under sub-regulation (2) shall smooth and minimize fluctuations of payments –

- (a) into and out of the Transformational Development Stabilization Fund; and
- (b) into the main bank account of the Treasury Single Account.

191. (1) Regulations 194 to 201 shall come into force on the date determined by the Minister by Statutory Instrument following the date when a ratio of a three year moving average of extractive industries revenues for the previous, current and forthcoming year to the three-year moving average of non-Extractive industries revenues of the said year first exceeds 35%. Commencement of Regulations 194 to 201.

(2) Until the beginning of the financial year referred in sub-regulation(1), –

- (a) all Extractive Industries revenues shall be –
  - (i) deposited by the National Revenue Authority into a bank account included in the Treasury Single Account; and
  - (ii) able to be spent for meeting expenditures of the State budget; and
- (b) no money will be paid into the Transformational Development Fund Account or the Transformational Development Stabilization Fund.

(3) Together with the State budget for the financial year referred in sub-regulation (1), the Minister shall submit to Parliament amendments to these Regulations and an explanatory report required under sub-section (4) of section 78 of the Act to prescribe a reference value of the fiscal rules mentioned in sub-section (1) of section 78 of the Act.

192. (1) For the purpose of subsection (4) of section 77 of the Act, at least two weeks before the beginning of each financial year, the Cash Management Committee shall prepare – Cash forecasts and payment schedules.

- (a) cash forecasts for the entire financial year, broken down to –
  - (i) Monthly cash inflow from Extractive Industries revenues to the Transformational Development Fund Account; and

- (a) from the Transformational Development Fund Account to the main bank account of the Treasury Single Account;
- (b) from the Transformational Development Fund Account to the Transformational Development Stabilization Fund; and
- (c) from the Transformational Development Stabilization Fund to the Transformational Development Fund Account.

(2) The Accountant-General shall make payments into and out of the Transformational Development Fund Account mentioned in sub-regulation (1) bi-weekly or more frequently in accordance with payment schedules approved by the Cash Management Committee.

(3) Without prejudice to sub-regulation (2), the Accountant-General may decide the date and amount of each payment out of the Transformational Development Fund Account on his discretion.

(4) When initiating a payment out of the Transformational Development Fund Account, the Accountant-General shall send a payment instruction to the Bank of Sierra Leone through the computerized financial management system.

(5) When initiating a payment out of the Transformational Development Stabilization Fund, the Accountant-General shall send a payment instruction to the Bank of Sierra Leone.

(6) On deposit of money from the Transformational Development Stabilization Fund into the Transformational Development Fund Account, the Accountant-General shall make a journal entry for recording the receipt in the computerized financial management system.

(4) The Accountant-General shall prescribe a circular specifying forms of cash forecasts and quarterly payment schedules mentioned in sub-regulation (1).

(5) The National Revenue Authority and the Ministry of Mines and Mineral Resources shall supply all relevant information on historical revenue and tax base to allow Cash Management Committee to accurately forecast extractive industries revenues.

193. (1) At least two weeks before the beginning of every April, July, and October, the Cash Management Committee shall prepare—

Revised cash forecasts and payment schedules.

- (a) revised cash forecasts for the remainder of the financial year, broken down in the same manner as the initial cash forecasts mentioned in sub-regulation (1) of regulation 192;
- (b) succeeding quarterly payment schedules with the same contents as the first payment schedules mentioned in sub-regulation (1) of regulation 192.

(2) Before the beginning of every April, July, and October, the Cash Management Committee shall approve succeeding quarterly payment schedules mentioned in sub-regulation(1) and transmit the approved payment schedules to the Bank of Sierra Leone.

(3) Revised cash forecasts mentioned in sub-regulation (1) shall specify actual cash inflow and outflow of the Transformational Development Fund Account up to the last month.

(4) Succeeding quarterly payment schedules shall be prepared by smoothing differences between the initial and revised cash forecasts over the remainder of the financial year.

194. (1) The Accountant-General shall have the authority to make payments—

Authority for payments.

- (a) deposits denominated in a fully convertible foreign currency with a maturity less than one year with a foreign central bank or a public international financial institution that is given a rating of A1 or higher designated by Moody's or an equivalent designated by Standard & Poor's or Fitch;
- (b) deposits denominated in a fully convertible foreign currency with a maturity less than one year with a foreign commercial bank that—
  - (i) has the headquarters abroad;
  - (ii) meets the regulatory requirement of capital adequacy ratios calculated in accordance with internationally accepted standards; and
  - (iii) is given a long-term bank deposit rating of A1 or higher designated by Moody's or an equivalent designated by Standard & Poor's or Fitch; and
- (c) a debt instrument denominated in a fully convertible foreign currency with a maturity of one year or less issued or guaranteed by a public international financial institution, a foreign sovereign, or a foreign central bank that is given a rating of A1 or higher designated by Moody's or an equivalent designated by Standard & Poor's or Fitch.

(2) The investments of the Transformational Development Stabilization Fund shall not use any leverage or derivative or include any structured note or other instrument with any embedded derivative.

195. (1) Within one month after the end of each month, the Accountant-General shall prepare and publish, as part of a monthly statement of the Consolidated Revenue Fund referred in regulation 217, a monthly statement of the Transformational Development Fund Account including –

Monthly statements of the Transformational Development Fund Account.

- (a) total amount of Extractive Industries revenues deposited into the Transformational Development Fund Account during the month;
- (b) total amount of payments from the Transformational Development Fund Account to the Treasury Main Account during the month;
- (c) total amount of payments from the Transformational Development Fund Account to the Transformational Development Stabilization Fund during the month;
- (d) total amount of payments from the Transformational Development Stabilization Fund to the Transformational Development Fund Account during the month; and
- (e) the balance of the Transformational Development Fund Account at the end of the month.

(2) By the first business day after the end of each month, the Bank of Sierra Leone shall provide the Accountant-General with a bank statement of the Transformational Development Fund Account.

196. (1) For the purpose of subsection (5) of section 79 of the Act, the Transformational Development Stabilization Fund may be invested only in the following qualified investment instruments—

Investments of the Transformational Development Stabilization Fund.

(2) Within one week after the receipt, the Minister shall publish in the Ministry's website a quarterly report on the Transformational Development Stabilization Fund.

Investments  
of Inter-  
generational  
Savings  
Fund.

200. (1) For the purpose of sub-section (5) of section 81 of the Act, at least ninety 90 percent of the Intergenerational Savings Fund shall be invested in the following qualified investment instruments—

- (a) deposits denominated in a fully convertible foreign currency with a foreign central bank or a public international financial institution that is given a rating of A1 or higher designated by Moody's or an equivalent designated by Standard and Poor's or Fitch;
- (b) deposits denominated in a fully convertible foreign currency with a foreign commercial bank that –
  - (i) has the headquarters abroad;
  - (ii) meets the regulatory requirement of capital adequacy ratios calculated in accordance with internationally accepted standards; and
  - (iii) is given a long-term bank deposit rating of A1 or higher designated by Moody's or an equivalent designated by Standard and Poor's or Fitch; and
- (c) a debt instrument denominated in a fully convertible foreign currency with a maturity of ten years or less issued or guaranteed by an issuer that is given a rating of A1 or higher designated by Moody's or an equivalent designated by Standard and Poor's or Fitch.

(3) When investing the Transformational Development Stabilization Fund, the Bank of Sierra Leone shall respect reliability, liquidity, and yield in the order of priority.

(4) When an investment of the Transformational Development Stabilization Fund ceases to be a qualified investment instrument because of a change in an issuer's rating or otherwise, the Bank of Sierra Leone shall dispose of the investment within one month after it ceases to be a qualified investment instrument.

197. The Bank of Sierra Leone shall select a public international financial institution or related institution, to manage the Transformational Development Stabilization Fund.

External  
investment  
manager of  
the Trans-  
formational  
Development  
Stabilization  
Fund.

198. (1) For the purpose of paragraph 4 of the Schedule to the Act, the internal auditors of the Bank of Sierra Leone shall audit annually the accounts, records, and other documents relating to the Transformational Development Stabilization Fund and the Intergenerational Savings Fund.

Internal  
audit on the  
Transform-  
ational  
Development  
Stabilization  
Fund.

(2) The internal auditors of the Bank of Sierra Leone shall provide the Minister with a copy of a report showing the results of the audit required under sub-regulation (1).

199. (1) Within one month after the end of each quarter, the Bank of Sierra Leone shall prepare and submit to the Minister a report on the Transformational Development Stabilization Fund, which includes—

Quarterly  
reports on  
the  
Transform-  
ational  
Development  
Stabilization  
Fund.

- (a) the statements of financial positions as of the end of the quarter, including the comparison with those of the preceding quarter and the same quarter last year; and
- (b) the statements of profit and loss and other comprehensive income for the quarter and the year-to-date, including the comparison with those for the preceding quarter and the same year-to-date last year.

- (b) the statements of profit and loss and other comprehensive income for the quarter and the year-to-date, including the comparison with those for the preceding quarter and the same year-to-date last year;
- (c) an explanation of market trends during the quarter;
- (d) the portfolio performance, broken down to each asset class and type of income, in comparison with the performance of benchmarks;
- (e) the payments of management costs for the quarter, broken down to each type of expenses, including fees for external management, custody, and central bank management;
- (f) an explanation of portfolio risks, including tracking errors, durations, credit and liquidity risks; and
- (g) a compliance statement demonstrating the compliance with the requirements of the Act these Regulations and with the Public Investment Programme.

(2) Within one week after the receipt, the Minister shall publish in the Ministry’s website a quarterly report on the Intergenerational Savings Fund.

PART XVII – ACCOUNTING, FINANCIAL REPORTING, AND AUDITING

202. (1) The State budget shall be prepared on a cash basis of accounting and–

Accounting basis of the State Budget.

(2) Less than ten 10 percent of the Intergenerational Savings Fund may be invested in financial instruments that are not qualified investment instruments but–

- (a) meet the requirements under section 81(5) and paragraph 5 of Schedule of the Act;
- (b) are credible, liquid, and transparent; and
- (c) are traded in a financial market of the highest regulatory standards.

(3) The investments of the Intergenerational Savings Fund may use a derivative and include a structured note and other instrument with any embedded derivative, only if–

- (a) they reduce the financial exposure to risks associated with the underlying instruments; and
- (b) the underlying instruments satisfy the requirements under sub-regulation(1).

(4) When an investment of the Intergovernmental Savings Fund ceases to be a qualified investment instrument because of a change in an issuer’s rating or otherwise, the Bank of Sierra Leone shall dispose of the investment within one month after it ceases to be a qualified investment instrument.

201. (1) Within one month after the end of each quarter, the Bank of Sierra Leone shall prepare and submit to the Minister a report on the Intergenerational Savings Fund, which includes–

Quarterly reports on Inter-generational Savings Fund.

- (a) the statements of financial positions as of the end of the quarter, including the comparison with those of the preceding quarter and the same quarter last year;



Accounting basis of sub-vented agency.

204. (1) The budget of any sub-vented agency may be prepared on a cash basis of accounting in accordance with the International Public Sector Accounting Standards Board, and regulation 202 applies to recognition of revenue and expenditure in terms of the budget of any sub-vented agency.

(2) The comparison of budget and actual amounts in the monthly financial statements and the annual financial statements of any sub-vented agency shall be made on the cash basis of accounting and accrual basis when appropriate.

(3) The vote-controller of a sub-vented agency may prepare the annual financial statements on a cash basis and a standard format to be prescribed by the Accountant-General, only if –

- (a) the sub-vented agency maintains two sets of accounting ledgers on cash and accrual bases of accounting;
- (b) the two sets of accounting ledgers are fully integrated and automatically reconciled; and
- (c) the budget reports required under sub-regulation (2) are automatically generated.

Chart of accounts.

205. (1) The chart of accounts referred in sections 84 and 85 of the Act shall show a list of general ledger accounts and specify the descriptions of all the accounts.

(2) The budget classification, including program classification referred in regulation 12, shall be fully integrated into the chart of accounts.

(3) The object classification included in the chart of accounts shall be consistent with the internationally accepted standards.

(4) The chart of accounts shall consist of digit codes to be approved by the Financial Secretary.

- (a) revenue of the State budget shall be recognized only when cash or cash equivalent is received; and
- (b) expenditure of the State budget shall be recognized only when cash or cash equivalent is paid.

(2) For the purpose of sub-section(2) of section 44 of the Act, revenue that is received after the end of a financial year shall be reported as actual revenue of the State budget of the financial year when the revenue is received.

(3) For the purpose of sub-section (1) of section 44 of the Act, expenditure that is paid after the end of a financial year shall be reported as actual expenditure of the State budget of the financial year when the expenditure is paid.

203. (1) The comparison of budget and actual amounts in the monthly and quarterly statements and the annual financial statements of Consolidated Fund shall be made on the cash basis of accounting.

Accounting basis of the financial statements of Consolidated Fund.

(2) Without prejudice to sub-regulation (1), the Accountant-General may require a budgetary agency to record amount of such accruing revenues and expenditures, receivables, payables, and other assets and liabilities as the Accountant-General deems appropriate, in order to monitor, manage, and present in the monthly and quarterly statements and annual financial statements the revenues, expenses, assets, liabilities, and net assets on the accrual basis of accounting.

(3) The recording of accruing revenues and expenses under sub regulation (2) shall be made in addition to the recording of revenues and expenditure on the cash basis of accounting required under regulation 202.

through the computerized financial management system, in case of a Ministry, Department or Agency responsible for the printing of their cheques or other form of payment, including, but not limited to the Ministry of Defence, the Sierra Leone Police, and the Sierra Leone Correctional Services.

(3) The National Commission for Privatization shall maintain an investment register to record details of equity and investment fund shares of the Consolidated Fund, including dates and prices of acquisition and disposal and valuation.

(4) The Development Secretary shall maintain a register to record details of each external borrowing of the Consolidated Fund.

(5) The Financial Secretary shall maintain a register to record details of each domestic borrowing of the Consolidated Fund.

(6) The National Asset and Government Property Commission shall maintain the National Asset Register mentioned in regulation 160.

(7) The National Revenue Authority and vote controllers, where applicable, shall maintain a register to record details of tax and non-tax arrears of the Consolidated Fund.

Journal entry  
for the  
Consolidated  
Fund.

207. (1) The Accountant-General shall make a journal entry for all revenue and expenditure of the Consolidated Fund, except for those mentioned in sub-regulation(2).

(2) The Chief Accountant of a budgetary agency shall make a journal entry for recording the following revenue and expenditure of the Consolidated Revenue Fund–

- (a) revenue and expenditure of donor funds and special funds administered or overseen by the budgetary agency and its imprest funds; and

(5) No new account may be opened, without the written approval of the Accountant-General for changing the chart of accounts.

(6) All sub-vented agencies shall use the same chart of accounts as that of budgetary agencies.

206. (1) The Accountant-General shall maintain –

- (a) a record of all receipts and payments of the Consolidated Fund, consisting of cash receipt and disbursement journals, general . journals, general ledger and subsidiary ledgers, through the computerized financial management system, but except for receipts and payments referred in paragraphs (a) and (b) of sub-regulation(2);
- (b) a commitment register mentioned in regulation 95 through the computerized financial management system;
- (c) databases of advance payments and staff loans mentioned in regulations 128 and 130;
- (d) a register of Ineligible Expenditure mentioned in regulation 274.

Accounting  
records and  
registers of  
the Conso-  
lidated Fund

(2) The Chief Accountant of a budgetary agency shall maintain –

- (a) a record of all receipts and payments of donor and special funds administered or overseen by the budgetary agency and its imprest funds;
- (b) a record of payments of expenditure accounting for in other recurrent expenditure accounts or capital expenditure accounts

- (d) provide monthly the Minister and the Accountant-General a report on non-cleared amount of suspense accounts, including forecasts of an amount to be cleared from a suspense accounts for a remainder of a financial year.

(4) A suspense account of a receipt for a financial year shall be brought to zero balance or converted into a deposit account when the Accountant-General believes that the receipt involves a third party, before the accounts for the financial year are closed.

(5) No suspense account shall be used to transfer expenditure from one financial year to another.

(6) A suspense account used in contravention of this regulation shall be treated as Ineligible Expenditure and subject to financial corrective actions, restitution, and penalties in accordance with sections 120, 121, and 122 of the Act.

Deposit  
account.

209. (1) The Accountant-General has the sole power to open a deposit account into which money that does not belong to the State but is held by a budgetary agency on behalf of other person in terms of a deed of a trust or equivalent instrument is recorded.

(2) No amount in a deposit account may be used to meet State expenditure, except when a dormant deposit becomes State revenue under sub-regulation (2) of regulation 211.

(3) Money accounted for in a deposit account shall be deposited into the Bank of Sierra Leone.

- (4) A deposit account consists of –
  - (a) a control account showing the total balance of each category of deposits; and
  - (b) an individual account showing the amount and details of deposits of each depositor.

- (b) expenditure accounted for in other recurrent expenditure accounts or capital expenditure accounts mentioned in clause (b) of sub-regulation (2) of regulation 206 of budgetary or sub-vented agencies, including but not limited to the Ministry of Defence, the Sierra Leone Police, and the Sierra Leone Correctional Services.

(3) The Accountant-General and the Chief Accountant, as the case may be, shall make adjusting journal entries necessary for ensuring that revenues and expenditures are recorded in the period when they are received or paid.

(4) A journal entry shall be posted daily and numbered consecutively through the computerized financial management system and supported by authentic and verifiable source documents and adequate explanations.

208. (1) The Accountant-General have the sole power to open a suspense account into which amount of a transaction, classification of which has not been resolved, is recorded temporarily. Suspense  
account.

(2) A suspense account of a payment for a financial year shall be brought to zero balance before the accounts for the financial year are closed.

(3) The Accountant-General and the Chief Accountant of a budgetary agency shall ensure that –

- (a) the sources of the transactions recorded in a suspense account are readily identifiable;
- (b) the amount of a suspense account is cleared and correctly allocated to the relevant account on a monthly basis;
- (c) monthly reconciliation is performed to confirm the balance of each suspense account; and

Availability of financial information.

213. (1) Subject to any other related laws and regulations, the vote-controller of a budgetary and sub-vented agency shall retain all financial information in its original form as follows–

- (a) information relating to one financial year – for one year after the audit report for the financial year has been tabled in Parliament; and
- (b) information relating to more than one financial year-for one year after the audit report for the last financial year to which the information relates has been tabled in Parliament.

(2) After the expiration of the periods referred to in sub regulation (1) the information may be secured in an electronic form that ensures the integrity and reliability of the data and enables the information to be reproduced as permissible evidence in a court of law.

(3) Notwithstanding sub-regulation(1), the following information shall be retained for the following periods–

- (a) books and registers mentioned in regulation 222 and general ledger: indefinitely;
- (b) establishment and salary records necessary for determining pensions and terminal benefits of officers and widows: indefinitely;
- (c) main transaction summary records, including subsidiary ledgers and general and specific journals, store ledgers, internal audit reports, and system appraisals: seven years;
- (d) primary evidentiary records, including original payment vouchers, used and returned cheques, receipt vouchers and their copies of the Accountant-General's Department, and official orders and licenses: seven years; and

(5) The vote controller of a budgetary agency is responsible for receiving, recording, safekeeping, and refunding deposits relating to the budgetary agency in accordance with the relevant deed of a trust or equivalent instrument.

(6) The vote controller of a budgetary agency may charge a fee for the administration of deposits.

210. (1) The vote controller of a budgetary agency shall, annually, prepare and submit to the Accountant-General and Auditor-General a statement between balances of individual and control accounts and relevant bank statements, by such time as specified by the Accountant-General. Reconciliation and investigation of deposit accounts.

(2) The Accountant-General may investigate any control or individual account maintained by a budgetary agency.

211. (1) The vote controller of a budgetary agency shall authorize refund of a deposit account when a claim for the refund is submitted and the vote controller is satisfied that the purpose of the deposit has been fulfilled and a person claiming the refund is legally entitled to the refund. Refund of deposits and dormant deposits.

(2) When refund of public money accounted for in a deposit account has not been claimed within seven years after it was deposited, the amount becomes State revenue.

212. (1) The Accountant-General shall notify the vote-controllers of budgetary and sub-vented agencies of the date of closure of accounts of a financial year, not later than one month before the end of the financial year. Closure of accounts.

(2) After closure of accounts, no further adjustment may be made to the accounts, and such adjustment shall be made to accounts of a financial year when the adjustment is made.

(3) Closure of accounts shall not debar any claim or legal proceedings related to transactions recorded in the accounts.

(3) Beginning from the 1st day of January 2018, all sub-vented agencies shall maintain at least the records mentioned in clauses (a) and (b) of sub-regulation (1) through the computerized financial management system.

(4) Regulations 208 to 213 shall apply mutatis mutandis to sub-vented agencies.

Financial management system.

215. A budgetary or sub-vented agency when applicable, other entity in the central government, or local government shall not amend existing or institute new financial management systems without the prior written approval of the Accountant-General.

Submission of monthly financial statements.

216. (1) A monthly financial statement mentioned in this regulation shall show the equality of debit and credit balances of all general ledger accounts as of the end of the month and be prepared after recording the adjusting journal entries.

(2) The Accountant-General shall prepare and submit to the Minister a monthly financial statement of the Consolidated Fund within 10 days after the end of the month.

(3) The vote-controller of a budgetary agency shall prepare and submit to the Accountant-General and the Auditor-General the monthly financial statements of the following funds within 10 days after the end of the month—

(a) all the donor funds administered or overseen by the budgetary agency; and

(b) all the special funds administered or overseen by the budgetary agency.

(4) Sub-regulation (3) shall not apply to donor funds that are brought into the computerized financial management system under regulation 137.

(e) supplementary accounting records, including bank statements, time sheets, store receipt and issue vouchers, and departmental copies of receipts, payment vouchers, receipts, and official orders and licenses: three years.

(4) Notwithstanding sub-regulations (1), (2), or (3), when financial information is required as evidence in proceedings before a court, Parliament, or an official inquiry, or for an audit, the information shall be secured in the then current form until no longer required.

(5) The Accountant-General shall issue an instruction to the vote-controller of a budgetary or sub-vented agency on retention and destruction of financial information.

214. (1) The vote controller of each sub-vented agency shall maintain –

Accounting records and registers of sub-vented agencies.

(a) a record of all receipts and payments of the agency's funds and donor and special funds administered or overseen by the agency;

(b) a commitment register mentioned in regulation 95, when the commitment control applies to the agency under Part XVIII;

(c) a register to record details of each borrowing approved under regulation 253;

(d) a register to record details of the agency's revenue arrears;

(e) a register to record details of non-financial assets owned by the agency.

(2) The Chief Accountant of each sub-vented agency shall make journal entries for all revenue and expenditure of the agency's funds and donor and special funds administered or overseen by the agency.

Quarterly consolidated statement of the central government.

218. (1) Beginning from the 1st day of January 2018, the Accountant-General shall prepare a quarterly statement of the central government mentioned in subsection (2) of section 66 of the Act, consolidating the actual revenue, expenditure, and financial transactions of the Consolidated Fund and sub-vented agencies.

(2) A quarterly statement of the central government shall be published in the Official Gazette and the website of the Ministry and submitted to Parliament for the information, within two months after the end of each quarter.

Submission of end-year financial statement.

219. (1) An end-year financial statement mentioned in this regulation shall show the equality of debit and credit balances of all general ledger accounts as of the end of the financial year and be prepared after recording the adjusting journal entries and closing suspense accounts.

(2) The vote-controller of a budgetary agency shall prepare and submit to the Accountant-General and the Auditor-General the end-year financial statements of the following funds within two months after the end of the financial year—

- (a) all the donor funds administered or overseen by the budgetary agency; and
- (b) all the special funds administered or overseen by the budgetary agency.

(3) Sub-regulation (2) shall not apply to donor funds that are brought into the computerized financial management system under regulation 137.

(4) The vote-controller of a sub-vented agency shall prepare and submit to the Accountant-General the end-year financial statements of the following funds within two months after the end of the financial year—

(5) The vote-controller of a sub-vented agency shall prepare and submit to the Accountant-General the monthly financial statements of the following funds within 10 days after the end of the month—

- (a) the fund of the sub-vented agency;
- (b) all the donor funds administered or overseen by the sub-vented agency; and
- (c) all the special funds administered or overseen by the sub-vented agency.

(6) Sub-regulation (5) shall not apply to sub-vented agencies that are treated as budgetary agencies under regulation 252.

217. (1) A monthly statement of the Consolidated Fund mentioned in subsection (1) of section 66 of the Act shall include the following amounts and compare those amounts with the corresponding budgeted amounts for the financial year—

- (a) the actual revenue for the month and for the financial year up to the end of the month disaggregated by tax stream in accordance with tax legislation;
- (b) the actual expenditure per vote distinguishing between recurrent and capital expenditure for the month and for the financial year up to the end of the month; and
- (c) the actual financial transactions including borrowing for the month and for the financial year up to the end of the month.

(2) A monthly statement of the Consolidated Fund shall be published in the Official Gazette and on the website of the Ministry within one month after the end of each month.

Monthly statement of Consolidated Revenue Fund.

(4) Sub-regulation (3) shall not apply to donor funds that are brought into the computerized financial management system under regulation 137.

(5) For the purpose of subsection (3) of section 86 of the Act, the vote-controller of a sub-vented agency shall submit to the Accountant-General the unaudited and annual financial statements of the following funds respectively within three and nine months after the end of the financial year—

- (a) the fund of the sub-vented agency; and
- (b) all the donor funds administered or overseen by the sub-vented agency; and
- (c) all the special funds administered or overseen by the sub-vented agency.

Responsibility for financial reporting.

221. (1) Responsibility for the fair presentation and reliability of financial reports and statements required under the Act and these Regulations shall rest with the Accountant-General or the vote-controller of the reporting budgetary or sub-vented agency, as the case may be.

(2) The responsibility mentioned in sub-regulation (1) shall be discharged by –

- (a) applying internationally accepted accounting standards specified by the Accountant-General under section 83 of the Act and the Finance Procedures Manual issued by the Accountant-General under regulation 225;
- (b) maintaining effective system of internal control; and
- (c) adhering to the chart of accounts determined by the Accountant-General under subsection (1) of section 84 of the Act.

- (a) the fund of the sub-vented agency; and
- (b) all the donor funds administered or overseen by the sub-vented agency; and
- (c) all the special funds administered or overseen by the sub-vented agency.

220. (1) Unless otherwise provided in the accounting standards specified by the Accountant-General under section 83 of the Act, the annual financial statements of the Consolidated Fund, donor and special funds, and sub-vented agencies shall be prepared on a cash basis of accounting and shall consist of –

- (a) statement of cash receipts and payments;
- (b) statement of comparison of budget and actual amounts; and
- (c) notes to the financial statements.

(2) The annual financial statements mentioned in sub-regulation (1) shall include a descriptive report explaining any other matters and information material to the affairs of the fund or agency.

(3) For the purpose of sub-section (2) of section 86 of the Act, the vote-controller of a budgetary agency shall submit to the Accountant-General the unaudited and audited annual financial statements of the following funds respectively within three and nine months after the end of the financial year—

- (a) all the donor funds administered or overseen by the budgetary agency; and
- (b) all the special funds administered or overseen by the budgetary agency.

- (e) financial business has been conducted with due regard to economy in relation to the results achieved.

(3) For the purpose of section 89 of the Act, the Auditor-General shall—

- (a) examine the annual financial statements of the central government and draw the attention of the appropriate authority to any irregularity disclosed during the examination of the annual financial statements as soon as the facts of such irregularity have been established and confirmed;
- (b) as a result of the audit conducted by him, make such queries and observations addressed to the Accountant-General or any other person and call for such accounts, vouchers, statements, documents and explanations as he may think necessary;
- (c) issue queries or observations to the Accountant-General or any other person if necessary which shall, within fifteen days after its receipt, reply to the Auditor-General.
- (d) Every response to an audit query shall state the action the vote controller shall institute into implement the recommendation of the Auditor-General.

(4) The Auditor-General may, whenever the Minister or Parliament so requires, of his own motion, inquire into and report on any matter relating to—

- (a) the financial affairs of the Government or any public property; and
- (b) any person or organisation in receipt of financial aid from the Government or in respect of which financial aid from the Government is sought.

(3) Lack of, or delay in, submission of financial reports and statements required under the Act and this regulation shall be subject to financial corrective actions in accordance with sections 104, 113, 119, and 120 of the Act.

(4) The Accountant-General shall publish in the Ministry's website an updated list of financial reports and statements that are submitted with delay or not submitted, together with the names of the responsible vote controllers.

222. (1) In order for the Auditor-General to perform his audit, he shall station in any budgetary agency any person employed in his office to make him more effective in carrying out his duties, and such agency provide the necessary office accommodation and other facilities for such officer so stationed.

(2) Prior to the submission of the audited financial statements, the Auditor-General shall examine and ascertain whether in his opinion—

- (a) the accounts have been properly kept;
- (b) all public moneys have been accounted for, and the rules and procedures applicable are sufficient to secure an effective check on the assessment, collection and proper allocation of the revenue;
- (c) moneys have been expended for the purposes for which they were appropriated and the expenditures have been made as authorised and that departments or budgetary agencies have adhered to the law relating to procurement;
- (d) essential records are maintained and the rules and procedures applied are sufficient to safeguard and control public property; and



(2) When the revised budget call circular for the preparation of the budget is issued under sub-regulation (1), the Ministry, in consultation with the ministry responsible for local government, shall issue the revised budget call circular to local councils communicating, at least, assumptions on which grants to each local council are to be estimated.

Submission of draft budgets. 225. (1) For the purpose of sub-section (3) of section 99 of the Act, each local council shall submit its draft budget to the Ministry and the ministry responsible for local government by the end of every September or such other date as specified in the budget call circulars.

(2) For the purpose of sub-section (2) of section 99 of the Act, the draft budget documents submitted sub-regulation(1) shall at least contain–

- (a) assumptions on which own revenue is forecasted;
- (b) budgets of enterprises owned by the local council;
- (c) amount of grants, transfers, and subsidies to–
  - (i) each Chiefdom Council within the council;
  - (ii) each enterprise owned by the local council; and
  - (iii) summary of income and expenses of other programmes administered by each enterprise owned by council;
- (d) assumptions on which wages and salaries are estimated, including –

223. (1) The Accountant-General shall issue a Finance Procedures Manual to prescribe uniform guidelines and procedures in accounting for budgetary and sub-vented agencies and donor and special funds administered or overseen by them.

Finance Procedures Manual.

(2) The Finance Procedures Manual shall be an instruction of the Accountant-General mentioned in sub-section (6) of section 8 of the Act.

(3) The Finance Procedures Manual shall include forms of books, registers, payment vouchers and instructions, batch sheets, statements and reports required under the Act and these Regulations.

#### PART XVIII – OVERSIGHT OF SUBSECTORS AND PUBLIC ENTERPRISES

##### *Subpart I. Local Governments*

224. (1) When the first budget call circular for the preparation of the budget is issued under sub-regulation (1) of regulation 15, the Ministry, in consultation with the ministry responsible for local government and other devolved budgetary or sub-vented agencies, shall issue the first budget call circular to local councils prescribing, at least, –

Budget Call Circular.

- (a) a budget calendar including budget ceiling;
- (b) broad devolved sectors' policy instructions to prepare the budgets;
- (c) forms of the budgets and supporting documents; and
- (d) key macroeconomic and policy parameters including but not limited to assumptions–
  - (i) of an inflation rate; and
  - (ii) on which own revenue is to be estimated.

- (a) forecasts of revenue and expenditure for the next three years or more;
- (b) annual work plan; and
- (c) such other information on the medium-term expenditure planning as required by the Ministry.

(2) In order to assist the local council in preparing the medium-term forecasts, the Ministry shall set out, through a budget call circular, at least, –

- (a) key macroeconomic and policy parameters necessary for preparation of the medium-term forecasts; and
- (b) assumptions on which inter-governmental grants, or any other grants from the State budget, for the next three years or more, are estimated.

Development plan. 229. (1) For the purpose of subsection (1) of section 101 of the Act, a local council, shall submit their revised local development plan to the Ministry and the ministry responsible for local government together with its draft budget.

(2) The revised local development plans shall be consistent with the national development plan and highly reflects the needs of local communities.

Bank account. 230. (1) For the purpose of section 102 of the Act, each local council may open or close a bank account only with the approval of the Minister signified by the Accountant-General.

(2) Within 10 days after the end of every month, each local council shall, through the Local Government Finance Department, submit to the Accountant-General a bank reconciliation statement for the month of every bank account opened for the local councils.

- (i) the wage policy;
  - (ii) the establishment number and the number of actual employees broken down to each unit and grade; and
  - (iii) the human resources plan including recruitment, retirement and promotion.
- (e) summary budgets of chiefdom councils within their jurisdiction; and
  - (f) an explanation on revenue performance for the previous year and a resource mobilization strategy.

(3) The forecasts of own revenue of each local council may take into account revenue streams that will determine revenue potential that will consequently result in collection.

226. By the end of every October, the Local Government Finance Committee shall hold meetings to discuss the draft budgets submitted by each local council, make comments and advise the Minister thereon. Discussions and comments on draft budgets.

227. For the purpose of sub-section (2) of section 100 of the Act, each local council shall submit to the Ministry and the ministry responsible for local governments, within 7 business days after the approval by the local council, – Submission of approved budgets.

- (a) the approved budget; and
- (b) the council's reviewed local development plan.

228. (1) For the purpose of subsection (3) of section 97 of the Act, a local council, shall include in their budget documents – Medium-term forecast.

Primary  
bank account.

231. (1) Each local council shall designate its primary bank account with the prior notice to the Accountant-General.

(2) The following revenue of a local council shall be deposited only into the primary bank account—

- (a) grants and transfers from the State budget;
- (b) dividends from enterprises owned by the local council; and
- (c) such other revenue as may be prescribed by the Minister.

Revenue  
management.

232. (1) The Chief Administrator of a local council shall be responsible for the assessment, collection and accounting of its own revenue.

(2) Part VI applies mutatis mutandis to local council's revenue management.

(3) Every local council shall maintain a record of its own revenue, into which the following information shall be recorded—

- (a) the issue date, amount, revenue item, due date, and debtor of every Order of Payment issued;
- (b) the receipt date, amount, revenue item, and payer in respect of every Official Receipt;
- (c) the amount, revenue item, penalty interest, and debtor of every revenue arrears;
- (d) the details of every exemption, discount, and waiver in respect of any own revenue; and
- (e) such other information as may be prescribed by the Minister.

(3) For the purpose of sub-section (5) of section 47 of the Act, the Accountant-General may require a local council to close a bank account that is dormant.

(4) For the purpose of section 98 of the Act, any bank account opened for a local council shall not be overdrawn, and no advance or loan shall be obtained from the account, without the prior approval of the Minister, in consultation with the minister responsible for local governments.

(5) For the purpose of sub-section (5) of section 8 of the Act, the Accountant-General may require any local council to submit to him any information on the bank accounts in such form and by such time as determined by the Accountant-General.

(6) For the purpose of subsection(5) of section 47 of the Act, when bank accounts of a local council are included in the Treasury Single Account under regulation 31, regulation 35 shall apply mutatis mutandis to the local council, and it shall—

- (a) not open a bank account without the prior approval of the Minister signified by the Accountant-General;
- (b) close a bank account if so required by the Minister signified by the Accountant-General under sub-regulations (2) and (3) of regulation 34;
- (c) comply with a minimum or maximum balance of a bank account set by the Accountant-General under sub-regulation (4) of regulation 34; and
- (d) obtain the approval of the Accountant-General for the service level agreements in accordance with sub-regulation (6) of regulation 34.

(4) A local council may include in the budget a contingency appropriation that shall not exceed 2 percent of the total expenditure.

Lapse of appropriations. 234. (1) An unspent appropriation of the budget of a local council shall lapse at the end of a financial year.

(2) Carry-over of an unspent appropriation of the local council's budget to the next financial year shall be prohibited.

Unbudgeted expenditure and over-spending. 235. Regulation 30 shall apply mutatis mutandis to this regulation.

Budget preparation and execution process. 236. Parts IV and VII shall apply mutatis mutandis to the budget preparation and execution process for local councils.

Borrowing. 237. For the purpose of section 98 of the Act, all borrowing shall be in compliance with the Public Debt Management Act in force.

Donor funds. 238. (1) All external grant agreement of a local council shall be signed by the Minister and ratified by Parliament in accordance with regulation 133.

(2) When wishing to obtain an external grant, the local council shall notify a designated unit of the Ministry, which shall negotiate with donors in accordance with Part XII.

(3) All external grants received by a local council shall be appropriated in its annual budget.

(4) Any external grant agreement negotiated or signed in violation of this regulation shall be null and void and of no effect, and the disbursed amount shall be repaid to the donor in accordance with sub-regulation (3) of regulation 133

(4) Each local council shall submit to the Ministry and the ministry responsible for local governments, as part of quarterly financial statements under regulation 218, the total amount of revenue arrears broken down to major categories of revenue.

(5) Beginning from the 1st day of January 2018, the Minister shall present a summary table of revenue arrears of local councils at a meeting of the Inter-Ministerial Committee on Local Government, and discuss how to facilitate collection of arrears in respect of the local councils that have significant amount of arrears or the categories of revenue that are regularly in arrears.

233. (1) A supplementary budget of a local council shall not increase the total expenditure, unless the increase is financed by the increase in the revenue. In-year Adjustments.

(2) For the purpose of subsection (3) of section 100 of the Act, a local council shall submit to the Ministry and the ministry responsible for local governments a draft supplementary budget for their comments, before the local council approves the supplementary budget.

(3) A local council shall not make the following reallocations of appropriations in its budget—

- (a) those from capital to recurrent expenditure;
- (b) those to increase or decrease compensation of employees;
- (c) those to increase or decrease legally obligated transfers;
- (d) those to create a new program or activity; or
- (e) other reallocations of appropriations as may be prescribed by the Minister.

- (b) a summary table of revenue arrears mentioned in sub-regulation (4) of regulation 232; and
- (c) a progress in the implementation of major projects of local councils.

(2) By reviewing the information presented under sub-regulation (1), the Local Government Finance Committee shall, quarterly, discuss an issue in the budget execution of each local council and make any necessary recommendations to local councils that have deviations from the budget.

Publication of fiscal information of local councils.

243. (1) Beginning from the budget for 2018, the following documents and information of every local council shall be published in the website of the ministry—

- (a) the annual budget documents;
- (b) the supplementary budget;
- (c) the local development plan;
- (d) the annual financial statements; and
- (e) any other documents as may be prescribed by the Ministry.

(2) Beginning from fiscal outturns in 2016, the Ministry shall, in consultation with the ministry responsible for local governments, prepare and publish in the Ministry’s website an annual report on local government finance.

Chiefdom Councils.

244. (1) For the purpose of section 105 of the Act, every Chiefdom Council shall submit to the Ministry and the ministry responsible for local governments—

- (a) budgets approved by the Chiefdom council and subsequently the local council within which jurisdiction, the Chiefdom operates before the beginning of every financial year; and

239. The budget of any local council shall be prepared in accordance with such internationally accepted accounting standards as prescribed by the Accountant-General.

240. All local councils shall use the same chart of accounts as that of budgetary agencies.

241. (1) For the purpose of sub-section (2) of section 103 of the Act, within 15 days after the end of each quarter, every local council, shall submit the quarterly financial statements.

(2) Within three months after the end of each financial year, every local council shall submit the unaudited financial statements to the Ministry and the ministry responsible for local governments.

(3) Every local council shall include in the reports –

- (a) revenues collected broken down to revenue categories, in accordance with the revenue legislation;
- (b) explanations for the discrepancy between budget revenue estimates and actual execution and provide remedial measures to address revenue under-performance.

242. (1) The Ministry shall submit to the Local Government Finance Committee, for discussion, within 15 days after the quarterly preparation and submission of the financial statement of the local council together with—

- (a) an analysis of a deviation of the actual revenue and expenditure from the budget, if any, broken down to categories of revenue;

(3) When the Cabinet reviews fees and charges of sub-vented agencies under sub-regulation(2), the Cabinet shall ensure the compliance with sub-regulation (1).

(4) Any fees and charges imposed by sub-vented agencies without the Cabinet's review under sub-regulation(1) shall be null and void and of no effect, and the sub-vented agencies shall refund the fees and charges with market interest rate.

(5) This regulation shall not apply to fees and charges of sub-vented agencies, rates, scales, or tariffs of which are fixed in an Act of Parliament.

Information on fees and charges of sub-vented agencies.

247. (1) When the Cabinet reviews the rates, scales, or tariffs fees and charges of sub-vented agencies under sub-regulation (2) of regulation 246, the responsible minister shall publish in the Official Gazette the approved tariff structure of each sub-vented agency for the next financial year.

(2) Each sub-vented agency shall attach to its annual financial statements information on—

- (a) the tariff structure;
- (b) exemptions, discounts, free services and any other aspect of material influence on the revenue yield; and
- (c) comparison of its fees and charges with costs of corresponding services.

Budget process for sub-vented agencies.

248. (1) For the purpose of sub-section (1) of section 111 of the Act, beginning from the budgets for 2018, the budgets of sub-vented agencies shall be prepared and approved in the same process as that for the State budget.

(2) By the end of every September, sub-vented agencies shall submit to the Minister a budget proposal for the next financial year, including—

- (b) the unaudited annual financial statements within three months after the end of every financial year.

(2) The Ministry shall at least three times in a financial year prepare a summary of information submitted under sub-regulation(1) and present it to the Local Government Finance Committee, which shall discuss any issue in the budget preparation and execution of Chiefdom Councils and make any necessary recommendations to local councils supervising the Chiefdom Councils.

(3) The Minister may, in consultation with the minister responsible for local governments, issue an Order to prescribe a Schedule to apply all or part of regulations under this Part to all or part of Chiefdom Councils.

### ***Subpart II. Sub-vented Agencies***

245. (1) A sub-vented agency shall be established by or under Act of Parliament in accordance with subsection (1) of section 107 of the Act.

Sub-vented agencies.

(2) The Minister shall publish in the Official Gazette the updates of a list of sub-vented agencies under sub-regulation(1), whenever a new agency is added or an existing agency is dissolved, reorganized, or renamed or becomes a public enterprise.

246. (1) For the purpose of sub-section (1) of section 111 of the Act, beginning from the State budget for 2018, subvention from the State budget to each sub-vented agency shall not exceed a difference between –

Fees and charges and subvention of sub-vented agencies.

- (a) the estimates of fees and charges; and
- (b) the estimates of expenditure necessary for the agency's operations.

(2) For the purpose of subsection (1) of section 111 of the Act, beginning from the State budget for 2018, the rates, scales, or tariffs of any fees and charges of sub-vented agencies shall be annually reviewed by the Cabinet when the Cabinet approves the draft State budget, after the rates, scales, or tariffs are approved by the boards of sub-vented agencies.

(2) When the Financial Secretary reports that a sub-vented agency has over-collected fees and charges under sub-regulation (1), the Minister shall require the sub-vented agency to transfer the amount of over-collection to the Consolidated Fund within two months after the end of the month when the over-collection was made.

(3) Transfer required under sub-regulation (2) shall be made by depositing cash into the Treasury Main Account of the Treasury Single Account.

(4) If a sub-vented agency fails to transfer the over-collection to the Consolidated Fund by the deadline under sub-regulation (2), the Minister shall—

- (a) reduce the amount of transfer from the State budget to the sub-vented agency by the amount of the over-collection; and
- (b) take other financial corrective actions specified in section 113 of the Act, as he deems necessary.

(5) The Financial Secretary shall notify reduction of transfer from the State budget under sub-regulation(4) to the Accountant-General, who shall introduce the reduction of a budget appropriation in the computerized financial management system.

Expenditure control of sub-vented agency.

250. (1) For the purpose of subsection (1) of section 111 of the Act, beginning from the 1st of January 2018, an expenditure commitment of all sub-vented agencies shall be subject to a commitment ceiling set out by a budget warrant and the requirements of the requisition and approval in accordance with Part VII.

Payment process of sub-vented agency.

251. (1) For the purpose of subsection (1) of section 111 of the Act, a vote controller of any sub-vented agency shall inspect completion of works in accordance with regulations 98 and 99.

- (a) estimates of fees, charges, and other own revenues for the next financial year and an analysis of the revenue performance over the past 3 to 5 years;
- (b) the rates, scales, or tariffs of fees and charges approved by the boards;
- (c) estimates of expenditures for the next financial year, classified by using the same chart of account codes as those for the State budget; and
- (d) the annual financial statements for the last financial year, together with information on fees and charges required under sub-regulation (2) of regulation 246.

(3) By the end of every October, the Financial Secretary shall hold a meeting with each sub-vented agency to discuss the budget proposal submitted under sub-regulation (2).

(4) For the purpose of informing votes on subvention to sub-vented agencies in Parliament, the Minister shall include in the State budget documents a volume on sub-vented agency budgets, which shall contain –

- (a) the estimates of all revenues and expenditures for the next financial year of each sub-vented agency, regardless of whether they are funded by own revenues or transfer from the State budget; and
- (b) rates, scales, or tariffs of fees and charges for the next financial year of each sub-vented agency.

249. (1) For the purpose of sub-section (1) of section 111 of the Act, beginning from January 2018, within one month after the end of every month, the Financial Secretary shall assess and report to the Minister whether each sub-vented agency has over-collected fees and charges in excess of their estimates included in the State budget, on the basis of monthly financial statements balances submitted under sub-regulation (5) of regulation 216.

Over-collection fees and charges.

Borrowing of sub-vented agency.

253. (1) For the purpose of section 108 of the Act, a sub-vented Agency that has been brought into the State budget under regulation 252 shall not borrow for any purpose.

(2) For the purpose of section 108 of the Act, a sub-vented agency that has not been brought into the State budget under regulation 252 may borrow only for the cash management purposes with the prior-approval of the Minister, subject to the following conditions—

- (a) all borrowing of the sub-vented agency shall be repaid by the end of a financial year; and
- (b) borrowing shall not exceed a limit determined by the Minister in accordance with the Public Debt Management Act in force, when he approved the borrowing.

(3) When a sub-vented agency intends to obtain the Minister's approval under paragraph (2), the vote controller shall submit to the Minister, as part of its budget, a request for borrowing, including –

- (a) a demonstration of how the borrowing will be repaid within the financial year; and
- (b) the terms and conditions on the borrowing.

(4) A sub-vented agency shall not make external borrowing for any purposes.

(5) Borrowing of a sub-vented agency that has been made in violation of this regulation shall be null, void and of no effect, and the borrowing shall be repaid within one week after the violation is identified.

Financial reporting of sub-vented agency.

254. (1) The vote controller of a sub-vented agency shall submit a monthly and end-year annual financial statements in accordance with sub-Part XVII of these Regulations.

(2) A payment voucher of a sub-vented agency that is subject to the commitment control under regulation 250 shall be signed by its vote controller and verified by its Chief Accountant in accordance with regulation 100.

(3) Expenditure of a sub-vented agency shall be paid by the Chief Accountant of the agency in accordance with Part VIII of these Regulations, except for payroll payments.

(4) Payroll payments of a sub-vented agency shall be made by the Accountant-General in accordance with Part IX of these Regulations.

252. (1) Beginning from the preparation and execution of the State budget for 2018, the following sub-vented agencies shall be treated as budgetary agencies and subject to all requirements applicable to budgetary agencies under the Act and these Regulations—

- (a) the Petroleum Regulatory Agency;
- (b) the Petroleum Directorate;
- (c) the Road Maintenance Fund Administration;
- (d) the Environment Protection Agency;
- (e) the National Telecommunications Company;
- (f) Sierra Leone Maritime Administration.

(2) Fees and charges and any other own revenues of a sub-vented agency that has been brought into the State budget and treated as a budgetary agency under sub-regulation(1) shall be deposited into the Consolidated Fund and shall not be earmarked or retained for meeting expenditure of the agency.

Sub-vented agency to be brought into state budget.



- (e) Guma Valley Water Company;
- (f) Sierra Leone Road Transport Corporation;
- (g) Sierra Leone Airports Authority;
- (h) Sierra Leone Ports Authority; and
- (i) any other entity that falls within a definition of a public enterprise under section 1 of the Act.

(2) The Minister shall publish in the Official Gazette the updates of any new enterprise added or an existing enterprise dissolved, reorganized, or renamed or falls within the general government.

Business  
planning  
process.

256. (1) For the purpose of section 116 of the Act, by the end of every September, each public enterprise shall submit to the Minister the National Privatization Commission or the responsible minister a business plan which includes at –

- (a) the annual financial statements for the previous financial year;
- (b) the approved budgets for the current financial year;
- (c) detailed revenue generation strategy;
- (d) detailed information on actual revenue generation compared with budget estimates and an explanation on the implementation of remedial measures to improve revenue generation;
- (e) the latest financial statements for the current financial year;

(2) If a vote controller of a sub-vented agency fails to submit a monthly or end-year and annual financial statements by the deadline specified in Part XV11 of these Regulations, the Minister shall–

- (a) suspend transfers from the State budget until end-year and annual statements are submitted; and
- (b) publish the fact of the failure, together with the names of the vote controller and Chief Accountant, on the Ministry's website.

(3) The vote controller of a sub-vented agency shall include in the reports–

- (a) revenues collected broken down to revenue categories, in accordance with revenue legislation;
- (b) explanations for the discrepancy between budget revenue estimates and actual execution and provide remedial measures to address revenue under-performance.

### ***Subpart III. Public Enterprises***

255. (1) For the purpose of this Part, a public enterprise<sup>Public Enterprises.</sup> includes –

- (a) Electricity Generation and Transmission Company;
- (b) Electricity Distribution and Supply Authority;
- (c) Sierra Leone Telecommunications Company Limited;
- (d) Sierra Leone Postal Services Limited;

- (v) the amount and beneficiaries of outstanding guarantees issued by the public enterprise and a proposal for new guarantees to be issued by the public enterprise, if any;
- (h) a proposal of a shareholder's compact specifying financial targets for the next financial year;
- (i) a proposal of a dividend pay-out ratio and dividend payments in the next financial year;
- (j) an out turn and request of state support, including an actual amount for the last financial year, a budgeted or approved amount for the current financial year, and a request and justification for the next financial year of each of the following support –
  - (i) subsidies from the State budget;
  - (ii) on-lending from the State budget;
  - (iii) government guarantees on external borrowing;
  - (iv) government guarantees on domestic borrowing; and
  - (v) recapitalization by the government through capital injection, debt relief, or otherwise; and
- (k) in respect to a project, an investment project plan specifying –

- (f) the draft budgets for the next financial year, including;
  - (i) estimates of income and expense on such accounting basis as determined by the Accountant-General; and
  - (ii) estimates of acquisition and disposal of fixed assets for the next financial year;
- (g) a borrowing program for the next financial year, including –
  - (i) a proposal of a ceiling on short-term borrowing;
  - (ii) the amount, currency, interest rate, maturity, lender, and purpose of each proposed long-term domestic and external borrowing;
  - (iii) the amounts of opening balances, repayments, borrowing, and closing balances for the next financial year of domestic and external borrowing from each lender, broken down to short-term and long-term borrowing;
  - (iv) the detailed profile of outstanding long-term domestic and external borrowing, including the lender, type, currency, dates of borrowing and maturity, and original and outstanding amounts, broken down to each borrowing instrument; and

(2) By exercising the shareholder's rights, the National Privatization Commission or the responsible minister shall approve a shareholder's compact of each public enterprise, on the basis of the business plan submitted under regulation 256.

(3) The financial targets of a public enterprise shall be rates of return with a view to maximizing shareholder value of the public enterprise.

Dividends  
policy.

258. (1) By exercising the shareholder's rights, the National Privatization Committee or the responsible minister shall annually approve a dividends policy of each public enterprise, on the basis of the business plan submitted under regulation 256.

(2) When approving a dividends policy, the National Privatization Committee or the responsible minister shall ensure that the level of dividends –

- (a) gives an appropriate balance with future capital expenditure outlined in the business plan;
- (b) is consistent with improvements to profitability and cash flow; and
- (c) is comparable with that of peers in a similar industry, if any.

Investment  
projects.

259. (1) By exercising the shareholder's rights, the National Privatization Committee or the responsible minister shall approve or refuse an investment project plan of each public enterprise, on the basis of the business plan submitted under regulation 256.

(2) The National Privatization Committee or the responsible minister may approve an investment project plan of each public enterprise, only after the Minister has approved the plan.

- (i) the net present value;
- (ii) the internal rate of return;
- (iii) the funding source and state support;
- (iv) the total investment costs;  
and
- (v) the cash inflow and outflow from the project over the entire project life.

(2) For the purpose of section 116 of the Act, by the end of every October, the Minister and the National Privatization Commission or the responsible minister shall jointly hold a meeting with each public enterprise to discuss the business plan.

(3) On the basis of the business plan discussion under sub-regulation(2), the National Privatization Commission or the responsible minister shall approve the shareholder's compact, investment projects, disposal of major assets, and dividends policy, in accordance with regulations 257 to 260.

(4) On the basis of the business plan discussion under sub-regulation (2), the Minister shall set out a borrowing limit, assess a plan of investment projects, and decide on whether to provide and include in the Statebudget the requested state support, in accordance with regulations 259, 261, 265, and 266 and subpart IV.

(5) The National Privatization Commission shall, in consultation with the Minister, issue a guideline specifying forms and procedures for submission of a business plan.

257. (1) Before the beginning of every financial year, each public enterprise shall conclude a shareholder's compact specifying the financial targets to be attained by the public enterprise for that financial year.

(3) The National Privatization Committee or the responsible minister may approve a public enterprise's proposal for disposing of, leasing, or pledging its assets only when –

- (a) the proposal has commercial merits;
- (b) the disposal is made through a competitive process and the price of the disposal or lease is at the market price; and
- (c) the borrowing secured by the pledge of the assets has been approved by the Minister.

(4) A disposal, lease, or pledge of major assets made by a public enterprise without the approval required under this regulation shall be null and void and of no effect.

Borrowing. 261. (1) For the purpose of this regulation–

- (a) short-term borrowing means borrowing that has an original maturity of less than one year; and
- (b) long-term borrowing means borrowing that has an original maturity of one year or longer.

(2) For the purpose of section 116 of the Act and subsection (1) of section 19 of the Public Debt Management Act in force, a public enterprise shall not make –

- (a) short-term borrowing that exceeds a ceiling set by the Minister; and
- (b) a long-term domestic or external borrowing without prior-approval of the Minister.

(3) Before the end of October of every financial year, the Minister shall assess an investment project plan of each public enterprise and inform the National Privatization Committee or the responsible minister of whether the Minister has approved or refused the plan.

(4) The Minister may approve an investment project plan of a public enterprise only when –

- (a) the project has a positive net present value;
- (b) the long-term borrowing necessary for funding the project is approved under regulation 261; and
- (c) the state support necessary for funding the project is included in the State budget and medium-term budgetary framework.

(5) The Minister shall include in a Public Investment Program mentioned in section 35 of the Act information on all approved investment project plans of public enterprises.

(6) When assessing a net present value of a project of a public enterprise, the Minister shall use the same methodologies as those for evaluation of public investment projects.

260. (1) A public enterprise shall not dispose of, lease, or pledge its major assets, without the prior approval of the National Privatization Committee or the responsible minister.

Disposal of major assets.

(2) By exercising the shareholder's rights, the National Privatization Committee or the responsible minister shall approve or refuse a proposal of a public enterprise for disposing of, leasing, or pledging its assets on the basis of the business plan submitted under regulation 256.

(2) The monthly financial statements mentioned in sub-regulation (1) shall show the equality of debit and credit balances of all general ledger accounts as of the end of the month and be prepared after recording the adjusting journal entries in accordance with the accrual basis of accounting.

(3) If a public enterprise fails to submit a full set of monthly financial statements by the deadline specified in sub-regulation (1), the Minister shall –

- (a) suspend subsidies from the State budget until the monthly financial statements are submitted; and
- (b) publish the fact of the failure, together with the names of the Chief Executive Officer and Chief Accountant, on the Ministry's website.

Quarterly and annual financial Statements.

264. (1) For the purpose of sub-section (1) of section 117 and sub-section (2) of section 118 of the Act, each public enterprise shall submit to the National Privatization Commission or the responsible minister, the Minister, and the Auditor-General–

- (a) a quarterly financial report with the contents specified in subsection (1) of section 117 of the Act, within one month after the end of every March, June, and September; and
- (b) the unaudited annual financial statements required under subsection (1) of section 118 of the Act, within three months after the end of each financial year.

(2) If a public enterprise fails to submit a quarterly financial report or the unaudited annual financial statements by the deadline specified in sub-regulation (1), the Minister may –

(3) Long-term borrowing made by a public enterprise without the approval required under sub-regulation (2) shall be null, void and of no effect.

(4) Before the beginning of every financial year, on the basis of the borrowing program included in the business plan, the Minister shall –

- (a) set out a ceiling on maximum amount of outstanding short-term borrowing of each public enterprise for the financial year; and
- (b) approve or reject proposed long-term domestic and external borrowings of each public enterprise for the financial year.

262. (1) A public enterprise shall not issue a guarantee on obligations of a related party or any other person, without prior-approval of the Minister.

Guarantee issued by public enterprise.

(2) A guarantee issued by a public enterprise without the approval required under sub-regulation (1) shall be null, void and of no effect.

(3) When a public enterprise has outstanding guarantees issued by it, or intends to issue a guarantee in the next financial year, the public enterprise shall include information on the outstanding and proposed guarantees in the borrowing program, in accordance with sub-regulation (1) of regulation 256.

263. (1) For the purpose of sub-section (4) of section 117 of the Act, within 10 days after the end of each month, each public enterprise shall submit to the National Privatization Commission or the responsible minister, the Minister, and the Auditor-General monthly financial statements of all funds and subsidiaries managed and owned by the public enterprise.

Monthly financial statements.

- (c) impacts of the recapitalization on the fiscal framework;
- (d) a full set of a business plan submitted by the public enterprise; and
- (e) a restructuring plan of the public enterprise, including –
  - (i) the detailed financial projections for the next five years;
  - (ii) the restructuring measures to be taken for the next five years;
  - (iii) the targets of a rate of return for the next five years; and
  - (iv) the time-period until costs incurred by the State for the recapitalization will be repaid by the public enterprise.

(4) On the ratification by Parliament, the Minister shall publish, together with the State budget documents, all documents submitted under sub-regulation(3) in the Ministry's website.

(5) Any recapitalization by the State made without the prior-ratification by Parliament shall be null, void and of no effect.

Monitoring  
of restruc-  
turing plan.

266. (1) The Minister shall, through the business plan submitted under regulation 256, monitor progress in implementation of the restructuring plan submitted to Parliament in sub-regulation (3) of regulation 265.

(2) When a business plan shows that a public enterprise deviates by 30 percent from the target of the rate of return specified under a restructuring plan, the Minister shall take one or more of its powers for financial corrective actions under section 119 of the Act.

- (a) suspend subsidies from the State budget until the quarterly financial reports or unaudited annual financial statements are submitted; and
- (b) publish the fact of the failure, together with the names of the Chief Executive Officer and Chief Accountant, in the Ministry's website.

265. (1) A public enterprise may be recapitalized by the State prior to ratification by Parliament, regardless of whether it is through– <sup>Recapitaliza-  
tion.</sup>

- (a) capital injections from the State budget;
- (b) gifts of government securities;
- (c) gifts of government assets;
- (d) relief of debt owed to the government;
- (e) debt-equity swap; or
- (f) any other means.

(2) The Minister may seek ratification by Parliament of recapitalization under sub-regulation(1) only in an exceptional circumstance where there would be a significant macroeconomic impact without the recapitalization.

(3) When the Minister seeks ratification by Parliament under sub-regulation(1), the Minister shall submit to Parliament, as part of the State budget documents the following–

- (a) detailed explanation of schemes of the recapitalization;
- (b) detailed justification for the recapitalization falling within the grounds mentioned in sub-regulation (2);

- (d) a guarantee fee comparable with a market price is charged;
- (e) a written draft government guarantee or loan agreement has been prepared;
- (f) in case of a loan guarantee, a domestic or external financial institution has agreed with the Minister to provide regular data on performance of an underlying loan; and
- (g) when a public enterprise is the borrower, a complete business plan, as required under regulation 256, has been submitted.

Ratification of government guarantees and on-lending.

269. (1) For the purpose of paragraph (d) of section 3 of the Act, the Minister shall seek the ratification of Parliament for provisions of government guarantees and on-lending from the State budget by submitting the following information as part of the State budget documents—

- (a) in respect of each government guarantee,—
  - (i) a copy of a draft guarantee agreement;
  - (ii) the name of the borrower;
  - (iii) an explanation of the guaranteed financial obligation;
  - (iv) the guaranteed amount and period;
  - (v) the guarantee fee; and
  - (vi) the Minister's assessment of risks associated with the guarantee; and
- (b) in respect of each on-lending, —

(3) The Minister shall, together with the State budget documents, annually submit to Parliament a report including —

- (a) data on progress in implementation of a restructuring plan of every recapitalized public enterprise; and
- (b) financial corrective actions taken by the Minister under sub-regulation (2).

#### ***Subpart IV. Government guarantees and on-lending.***

267. (1) Before the Minister seeks the ratification of Parliament for a government guarantee or on-lending from the State budget for the first time under these Regulations, the Minister shall explain to the Cabinet Budget Committee a state of readiness to comply with the requirements under the regulations of this subpart.

(2) The ratification of Parliament for a government guarantee or on-lending from the State budget shall not be sought under these Regulations, unless the Minister assures a state of readiness under sub-regulation (1).

268. For the purpose of section 68 of the Act, the Minister may seek the ratification of Parliament for a government guarantee only when all of the following conditions are met—

- (a) the borrower is a local government or a public enterprise;
- (b) the borrower is not in financial difficulty;
- (c) the guarantee is given —
  - (i) to a specific financial transaction;
  - (ii) for a fixed period of time; and
  - (iii) for a specific amount.

- (a) a copy of a guarantee and loan agreement;
- (b) a copy of a ratification by Parliament; and
- (c) data on terms and conditions of a guarantee and loan.

(3) At least every quarter, the Financial Secretary shall obtain from a domestic or external financial institution data on performance of underlying loans in respect of each loan guarantee and record the data in the register of guarantees and loans.

(4) At least every month, the Financial Secretary shall obtain from the Accountant-General the bank statements showing receipts of guarantee fees and interests and principles of loans and payments and record these data in the register of guarantees and loans.

(5) By the end of every October, the Financial Secretary shall record in the register of guarantees and loans the financial statements of borrowers that are public enterprises on the basis of the business plan submitted under regulation 256.

(6) At least every month, the Financial Secretary shall obtain from the Accountant-General opening and closing balances of receivables arising from called government guarantees and defaulted on-lending from the State budget, amount of newly called government guarantees and defaulted on-lending, and amount of their recoveries during the month and record them in the register of guarantees and loans.

Reserve fund  
of guarantee  
fees.

272. (1) A guarantee fee paid by a beneficiary of a government guarantee shall be deposited into a bank account opened as a reserve fund.

(2) A payment out of a bank account mentioned in sub-regulation (1) may be made only to repay financial obligations when a government guarantee is called.

- (i) a copy of a draft loan agreement;
- (ii) the name of the borrower;
- (iii) the purpose, amount, maturity, and interest rate;  
and
- (iv) the Minister's assessment of risks associated with the on-lending.

(2) When a public enterprise is a borrower, the Minister's assessment of risks associated with a guarantee and on-lending shall include –

- (a) an analysis of key financial ratios, including but not limited to a rate of return, interest cover, current ratio, debt to equity ratio, and in case of financing of a project a net present value; and
- (b) a discussion of market competitiveness and governance of each borrower.

270. Any agreement on a government guarantee or on-lending from the State budget that has been concluded without the prior-ratification of Parliament shall be null and void and of no effect.

Government  
guarantees  
and on-  
lending  
without  
parliamentary  
ratification.

271. (1) For the purpose of section 72 of the Act, the Financial Secretary shall be responsible for maintaining the register of guarantees and loans.

Recording of a  
register of  
guarantees and  
loans.

(2) When Parliament ratifies a government guarantee or on-lending from the State budget, the Financial Secretary shall record in the register of guarantees and loans –



(4) The Financial Secretary may use a debt service provided by a financial institution for recovery and collection of a called government guarantee and non-performing on-lending.

(5) The Accountant-General shall make a journal entry –

- (a) debiting a relevant receivable account when a government guarantee is called or there is default on on-lending from the State budget; and
- (b) crediting a relevant receivable account when a called government guarantee or a defaulted on-lending from the State budget are recovered.

#### PART XIX- LIABILITIES AND OFFENSES

Investigation of ineligible expenditure.

274. (1) An employee of a budgetary or sub-vented agency who becomes aware of the occurrence of ineligible expenditure must immediately, in writing, report such expenditure to the vote controller of the agency.

(2) The vote controller shall keep a record of the details of the allegation, together with supporting documents, on discovery of any ineligible expenditure and initiate an investigation.

(3) When the investigation confirms the occurrence of the ineligible expenditure, the vote controller of the budgetary or sub-vented agency shall report the details of the transgression to the Accountant-General.

Reporting and register of ineligible expenditure.

275. (1) For the purpose of sections 120 and 121 of the Act, the Accountant-General shall maintain a register of ineligible expenditures, with a detailed schedule for each financial year listing all ineligible expenditures of budgetary and sub-vented agencies.

(3) The Accountant-General shall be responsible for managing any bank account mentioned in sub-regulation (1) and have the authority to make payments therefrom with the prior-approval of the Minister.

(4) The Minister shall specify in the State budget an amount of a reserve fund accumulated by guarantee fees.

(5) The Accountant-General shall make a journal entry of receipts of guarantee fees and payments and conduct a bank reconciliation by obtaining bank statements at least every week.

(6) The Financial Secretary shall at least every week obtain bank statements and record receipts of guarantee fees and payments into the register of guarantees and loans.

(7) A government guarantee agreement shall be deemed to include a provision that triggers immediate termination of the government guarantee when the guarantee fee has not been paid within one month after the due date specified in the agreement.

273. (1) When a public enterprise that is a borrower of a government guarantee or on-lending is likely to be defaulted in payment, the Financial Secretary shall immediately hold a meeting with either the National Privatization Commission or the responsible ministry, including representation from the parts of the ministry responsible for budget and public debt. Recovery and calling procedures.

(2) On the basis of the meeting mentioned in sub-regulation (1), the Financial Secretary shall make a proposal to the Minister for exercising his powers for financial corrective actions under section 119 of the Act.

(3) In case of call of a government guarantee or default on on-lending from the State budget, the Financial Secretary shall consult with the Attorney-General's Office on legal actions for the debt collection and recovery.

Recovery of ineligible expenditure.

277. (1) For the purpose of paragraphs (b) and (j) of subsection (2) of section 13 and paragraphs (d) and (j) of subsection (4) of section 15 of the Act, the vote controller of each budgetary and sub-vented agency shall take all contractor, appropriate actions to recover all money due to the State by a supplier or when ineligible expenditure arises from its non-performance of contractual obligations or overpayments to it.

(2) The actions to be taken by the vote controller against a supplier or contractor who does not perform contractual obligations under sub-regulation (1) shall include, but are not limited to –

- (a) suspension from future procurement for a period in accordance with the Public Procurement Act and procurement regulations in force;
- (b) reporting the amount owed to the government to credit bureaus, charging interests and penalties on the amount owned, and contracting with private debt servicers; and
- (c) suspension from financial assistance from the State budget in accordance with applicable laws.

PART XX–MISCELLANEOUS

Revocation

278. The Financial Management Regulations, 2007 are hereby revoked

(2) Within two months after the end of each financial year, the vote controller of every budgetary and sub-vented agency shall submit to the Accountant-General a detailed schedule of all ineligible expenditures that were not recovered at the beginning of the financial year, together with an explanation of what disciplinary and other sanction has been taken in respect of each ineligible expenditure.

276. (1) For the purpose of sections 120 and 121 of the Act, beginning from a report for 2018, within twelve months after the end of each financial year, the Accountant-General shall prepare and submit to the Minister an annual report which includes, at least, –

Annual report on ineligible expenditure.

- (a) amount of current year’s ineligible expenditure of each budgetary and sub-vented agency;
- (b) a progress in recovery of past and current years’ ineligible expenditure of each budgetary and sub-vented agency;
- (c) data on disciplinary and other sanction taken against ineligible expenditures during the financial year; and
- (d) analysis of the reasons why a particular budgetary or sub-vented agency achieved high and low recovery of ineligible expenditures during the financial year.

(2) Within one week after receiving an annual report under sub-regulation (1), the Minister shall submit it to the Public Account Committee of Parliament and publish it in the Ministry’s website.

Management; Oversight of Public Enterprises and Sub-Vented Agencies and Oversight of Local Governments.

The principles in the core areas are set out in the Regulation into twenty parts namely:

1. Preliminary
2. Institutional Responsibilities in Budget Systems
3. Macroeconomic and Fiscal Policies
4. Preparation and Approval of Budget
5. Cash Management and Banking Arrangements
6. Revenue Management
7. Expenditure Control
8. Payment Process
9. Payroll Payment
10. Imprest
11. Advance Payments
12. Donor and Special Funds
13. Internal Audit
14. Asset Management
15. Inventory Management
16. Management of Extractive Industries Revenues
17. Accounting, Financial Reporting, and Auditing
18. Oversight of Sub-sectors and Extra-budgetary Entities
19. Liabilities and Offences
20. Miscellaneous

These Regulations implement and actualise the provisions of the Public Financial Management Act 2016 which makes provision for the prudent, efficient, effective, and transparent management and use of public financial resources.

Made this of *June, 2018*.

JACOB JUSU SAFFA,  
*Minister of Finance.*

## EXPLANATORY MEMORANDUM

### THE PUBLIC FINANCIAL MANAGEMENT REGULATIONS, 2018

Following the enactment of the Public Financial Management Act 2016 (Act No. 13 of 2016), and in accordance with Section 123 of the said Act, the Ministry of Finance (MOF), undertook an extensive review of the current Public Financial Management Regulations 2007, which supplements the Public Financial Management Act 2016, in order to bring it up to date and provide for the new provisions contained in the said Act.

In collaboration with MOF, the International Monetary Fund's Fiscal Affairs Department (IMF/FAD) Team prepared drafting suggestions for the drafting of the PFM Regulations. The Team met with wide stakeholder groups across all MDAs, sub-vented agencies and other public enterprises. The outcome of the mission exercise was the production of draft Regulations. This was presented to the stakeholders at a workshop organized by MOF.

Subsequently, MOF formed a Drafting Committee to further review the draft PFM regulations. The Committee was made up of 11 members including the Legal Adviser to the Ministry and the Law Officers Department of the Ministry of Justice. The role of the Committee was to coordinate comments and suggestions received from stakeholders for incorporation into the draft Regulations.

Following the formulation of the draft Regulations, MOF, through support from the European Union State Building Capacity Technical Assistance Team, held a stakeholder validation workshop with the participation of officers (Permanent Secretaries/Vote Controllers, Accountants) from all Ministries, Departments and Agencies. Comments from this workshop were collated, reviewed by the Drafting Committee and incorporated into the draft Regulations.

The aforementioned review process culminated in the attached draft Public Financial Regulations 2017. The Regulations incorporate IMF/FAD recommendations on seven core public financial management areas that have the potential to catalyze broader success in public and fiscal management outcomes.

These seven areas are as follows: Macro-fiscal Management; Treasury Single Account; Cash Management; Accounting and Financial reporting; Asset