



MINISTRY OF FINANCE

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My Ref. No. MOF/BDCU/BII/01/23

Your Ref. No.

Date: 16TH MARCH, 2023

ALL HONOURABLE MINISTERS MINISTRIES/DEPARTMENTS/AGENCIES

2023 BUDGET IMPLEMENTATION INSTRUCTIONS

Following the passage of the Appropriation Act, 2022, (Act 1019) by Parliament, the Ministry has issued this Budget Implementation Instructions in accordance with the Public Financial Management Act, 2016 (Act 921), to guide all Ministers (Principal Account holders) and Chief Directors (Principal spending officers) in the implementation of the 2023 Budget.

2. The Instructions provide information on the procedures for accessing funds in respect of Compensation of Employees, Goods and Services and Capital Expenditures.

3. In line with the provisions in the PFM Act, Colleague Ministers/Heads of Institutions are kindly requested to note especially the following;

a. Expiration of 2021 Budget

Sub-Section 1 of Section 26, of the PFM Act, 2016 (Act 921) provides that each appropriation approved by Parliament shall cease to have effect at the close of the financial year in respect of which the appropriation was made. Consequently, the 2022 approved budget has expired.

b. Government Expenditure Measures

MDAs are to take note of the following Expenditure measures as outlined in the 2023-2026 Budget Statement and Economic Policy of Government that will be pursued to support fiscal consolidation and help restore macroeconomic stability as envisaged by the 2023 Budget Statement.

- Migrate all earmarked funds to the GIFMIS platform by end 2023 and ensure the use of GIFMIS platform to process all revenue and expenditure transactions.
- Government will continue with the 30 percent cut in the salaries of the President, Vice President, Ministers, Deputy Ministers, MMDCEs, and political office holders including those in State-Owned Enterprise.
- Relevant recommendations from the on-going review of government flagship programmes under the Public Expenditure Review (PER) exercise will be implemented once the review is completed.
- Government has placed a cap on salary adjustment of SOEs to be lower than the negotiated base pay increase on Single Spine Salary Structure for each year.

c. Compensation

MDAs and MMDAs are to note that there is a freeze on employment in the Public Sector for 2023.

d. Goods and Services Expenditure

Ministry of Finance will continue to issue quarterly budget allotments and warrants to the Controller and Accountant-General Department with copies to all MDAs at the beginning of every quarter to cover normal Goods and Services. MDAs can however, access the funds on monthly basis and are required to initiate their request for funds in line with the budget allotments on the GIFMIS within two (2) weeks of receipt to facilitate processing and release of funds.

MDAs are no longer required to submit written requests (letters) to the Ministry of Finance for release of funds in respect of normal Goods and Services, except in cases where they relate to the key priority programmes of Government and critical expenditures, or the amount is in excess of GH¢10,000,000.00. This is to facilitate the monitoring of implementation of such programmes.

e. Capital Expenditures

i. Multi-year Capital Expenditure

In accordance with Section 33 of Act 921, Colleague Ministers/Heads of Institutions are to ensure that their MDAs seek written approval from the Ministry of Finance for the Implementation of all multi-year contract projects to ascertain fiscal space prior to commencement of these projects.

ii. Award of New Contracts

MDAs must be guided by relevant provisions of the Public Financial Management Act (Public Investment Management) Regulations, 2020 (L.I. 2411) to prepare necessary documentation including the following for new investment projects".

- Project Concept Note (PCN)
- Pre-feasibility study and/or Feasibility studies depending on project size
- Pre/Feasibility Appraisal Reports by Entity Project Committees (EPC)
- Obtain a "Seal of Quality" (SOQ) from the Minister for Finance
- Update MDAs Portfolio of Projects, and
- Public Investment Plan

Additionally, MDAs awarding new contracts must ensure that:

- there is no indexation to foreign currency;
- there should be no advance mobilisation payment clauses; and
- no price variations;
- the projects are in the approved PIP submitted in the PBB document to Parliament.

MDAs must also note that Public Procurement Authority (PPA) approvals does not constitute the permission to award new contracts.

iii. Implementing on-going Investment Projects

In accordance with the Public Financial Management (Public Investment Management) Regulations, MDAs must ensure that on-going projects are collated and presented as a portfolio of projects, which must be a first charge on the Public Investment Plan and must satisfy the following criteria:

- Projects must all be aligned to the Medium-Term Development Plans;
- Projects that are 100% physically complete but have outstanding payment balances must be prioritised for payment together with those that are 85% and above complete;
- Projects that are Development Partner (DP) funded but require some counterpart funding must be prioritised and funded; and
- Projects requiring complementary works, equipment supply and some expansion works must also be prioritised and budgeted for.

MDAs must ensure that the prioritized projects are implemented and fully paid for before new investment projects are included in the Public Investment Plan and budget based on available fiscal space within the Medium Term Expenditure Framework.

Principal Spending Officer of Covered Entities are advised to avoid embarking on investment projects unless there is available resources, a completed expert assessment and there has been a justification for the investment project and efficiency is established.

iv. Judgement Debt

In the process of implementing the Budget, MDAs are advised not to enter into transactions or contractual obligations that are likely to end up in a judgement debt to the state. MDAs are also to take note that any judgment debt incurred by them in violation of this directive will be paid from their Goods and Services Budget and the operations involving the occurrence of the judgment debt subjected to forensic audit. Public Officers whose actions or inactions result in loss or deficit in public funds, or damage to public property will be surcharged in accordance with Section 97 of the PFMA.

v. Validation of Salary Arrears by Internal Audit Unit

The Internal Audit Units (IAUs) of MDAs/MMDAs are required to validate and certify all salary arrears before submission to MoF. In the event that, the Head of Internal Audit Unit makes false certification, the appropriate sanctions under Section 96 of the PFM Act will be applied.

vi. Validation of Staff for Salaries

Heads of MDAs/MMDAs are required to comply with the directives on validation of the monthly salaries of their employees using the E-SPV system. Only staff at post are to be validated monthly and salaries paid to them. Any Public Officer whose actions and or inactions result in the payment of unearned salaries will be sanctioned consistent with Section 96 of the PFM Act.

vii. Tax Exemptions, Waivers and Variations

MDAs should note that the authority to grant tax exemptions is vested only in Acts of Parliament. As such, no tax exemption will be honoured unless the waiver or variation is supported by an Act of Parliament or relevant Legislative Authority.

4. For clarifications and further explanations, please call the following numbers 0501407947, 0267588227.

5. A softcopy of the Instructions is available at the Ministry's website (www.mofep.gov.gh) while hardcopies can be obtained at the Director of Budget's Secretariat.

6. Thank you.



KEN OFORI-ATTA
MINISTER

Cc: The Executive Secretary to H. E
The President, Jubilee House
The Chief of Staff, Jubilee House
The Hon. Deputy Ministers, MoF
The Head of Civil Service
The Head of Local Gov't Service
All Chief Directors, MDAs
The Director of Budget, MoF
The Controller & Acct. General
The Auditor-General, GAS
All Heads of Dept./Agencies
All Regional Co-ord. Directors
All Directors of PPME
All Regional Budget Officers.



REPUBLIC OF GHANA

MINISTRY OF FINANCE

2023 BUDGET IMPLEMENTATION INSTRUCTIONS

ISSUED BY MINISTRY OF FINANCE
JANUARY 2023



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1.0 INTRODUCTION

1.1 Legal Framework

The Appropriation Act, 2022 (Act 1019) was passed by Parliament on 6th December, 2022 and given Presidential assent on 29th December, 2022 for the 2023 Fiscal year. The implementation of the annual budget takes effect from 1st January, 2023 in line with Section 22 (2) of the Public Financial Management Act, 2016 (Act 921) herein referred to as the PFM Act.

It is imperative, therefore, for all MDAs/MMDAs to ensure efficient and effective management of Public Funds within the context of the PFM Act, 2016, Act 921, PFM Regulations, 2019, LI 2378 as well as other PFM related laws to achieve the fiscal objectives of the annual approved budget. It may be noted that, Section 3 of the PFM Act establishes the general responsibility for public officers in the management of Public Funds in accordance with the Act and its Regulations.

Further to this, Regulation 62 (1) of PFM Regulations, 2019, (L. I. 2378) enjoins the Budget Office to issue Budget Implementation Instructions to all MDAs for each financial year, detailing the procedures and requirements in implementing the approved budget.

The Ministry of Finance, hereby, issues for the attention of and compliance by all Ministries, Departments and Agencies (MDAs) and Metropolitan, Municipal and District Assemblies (MMDAs) this Budget Implementation Instructions (“Instructions”), for the 2023 financial year.

It is important for all MDAs/MMDAs to note that the theme for the 2023 Budget Statement and Economic Policy is “Restoring Macro-Economic Stability and Resilience through Inclusive Growth & Value Addition”

The 2023 Budget is anchored on the following seven-point agenda aimed at restoring macro-economic stability and accelerating economic transformation as articulated in the Post-COVID-19 Programme for Economic Growth (PC-PEG).

- Aggressively mobilize domestic revenue;
- Streamline and rationalise expenditures;
- Boost local productive capacity;
- Promote and diversify exports;
- Protect the poor and vulnerable;
- Expand digital and climate-responsive physical infrastructure; and
- Implement structural and public sector reforms.

To ensure that Government meets these programme objectives, as well as, its fiscal and economic targets, it is expected that all MDAs/MMDAs will take note and strictly comply with all aspects of these Instructions and also prioritize their programmes accordingly as contained in the approved budget.

All MDAs/MMDAs are to ensure that all expenditures follow these Budget Implementation Instructions. In this regard, the Internal Audit Units of MDAs/MMDAs are to undertake expenditure scrutiny using the checklists provided in Appendix II. These instructions apply to all funding sources, including Government of Ghana (GoG) Funds, Annual Budget Funding Amount (ABFA), Development Partner (DP) Funds, and Retained Internally Generated Funds (IGFs).

MDAs are to note and strictly comply with these Instructions in order to facilitate timely processing of requests for release of funds. Failure to comply fully with these Instructions will result in delay of releases, and in some cases, may result in outright denial of releases.

1.2 Government Expenditure Measures

MDAs are to take note of the following Expenditure measures as outlined in the 2023-2026 Budget Statement and Economic Policy of Government that will be pursued to support fiscal consolidation and help restore macroeconomic stability as envisaged by the 2023 Budget Statement.

- Migrate all earmarked funds to the GIFMIS platform by the end of 2023 and ensure use of the GIFMIS platform to process all revenue and expenditure transactions.
- Government will continue with the 30 percent cut in the salaries of the President, Vice President, Ministers, Deputy Ministers, MMDCEs, and political office holders including those in State-Owned Enterprise.
- Relevant recommendations from the on-going review of government flagship programmes under the Public Expenditure Review (PER) exercise undertaken will be implemented once the review is completed.
- Government has placed a cap on salary adjustment of SOEs to be lower than the negotiated base pay increase on Single Spine Salary Structure for each year.

The following additional expenditure measures approved by government will be implemented to improve public sector efficiency and effectiveness:

- All MDAs, MMDAs and SOEs are directed to reduce fuel allocations to Political Appointees and heads of MDAs, MMDAs and SOEs by 50 percent. This directive applies to all methods of fuel allocations including coupons, electronic cards, chit system, and fuel depots. Accordingly, 50 percent of the previous year's (2022) budget allocations for fuel shall be earmarked for official business pertaining to MDAs, MMDAs and SOEs.
- A ban is placed on the use of V8s or its equivalent except for cross country travel. All government officials would have to use GV number plates from January 2023.
- Only essential official foreign travel across government including SOEs shall be allowed. No official foreign travel shall be allowed for board members. Accordingly, all government institutions should submit a travel plan for the year 2023 by end January of all expected travels to the Chief of Staff for prior approval.
- To reduce expenditure on meetings and workshops, all MDAs, MMDAs and SOEs as far as possible are directed to hold meetings and workshops within their official premises or other government facilities.
- Government sponsored external training at the office of the President, Ministries and SOEs must be put on hold for the 2023 financial year.
- As part of measures to reduce fuel and maintenance cost, there shall be a reduction in the size of convenient convoys.
- There is a freeze on recruitment into the civil and public service, except in very critical cases.
- All Sector Ministers and Heads of MDAs, MMDAs and SOEs are directed to ensure that no new institutions or government agencies are established either locally or abroad in 2023.
- No Ministry, Department and Agency including SOEs is permitted to use public funds for the purchase and distribution of hampers in 2022 and beyond.

- All Sector Ministers and Heads of MDAs, MMDAs and SOEs are to note that there shall be no printing of diaries, notepads, calendars, and other promotional merchandise for 2024.
- Heads of MDAs, MMDAs and SOEs are to ensure that all non-critical projects that can wait for a year must be suspended.

1.3 MDAs Annual Work and Cash Plans

In line with Section 31 of the PFM Act 2016, Act 921 and Regulation 62 (2 & 3) of the PFM Regulations 2019, LI 2378, MDAs are required to capture their work and cash plans on the computerised budget management system (Hyperion) as well as populate the cash plan template provided on the Ministry of Finance website to inform the quarterly budget allotments. In responding to MDAs cash requirements, MoF will take into account the seasonality in the implementation of programmes and projects of MDAs and the cash projections for the quarter. As much as possible, the cash plan must be evenly spread except the implementation of the programme or activity is highly seasonal.

1.4 Undischarged Commitments at the end of 2022

The 2022 financial year ended on 31st December, 2022 and is officially closed to all transactions. MDAs that have undischarged commitments from 2022 and consider them as valid must therefore initiate and charge them against their approved 2023 Budget. All undischarged Compensation of Employees, Goods and Services as well as Capital Expenditure commitments at the end of 2022 are to be **the first charge** on the approved 2023 Budget.

1.5 Commitment Control

Regulations 61 to 77 of the PFM Regulations outlines Expenditure Control measures all Covered Entities are expected to comply with in all financial transactions. It further requires covered entities to use the Ghana Integrated Financial Management Information System (GIFMIS) for the approval of payment vouchers for all commitments made. MDAs must also note that according to Section 25 (4) of the PFM Act, a Principal Spending Officer or any other public officer shall not commit Government to a financial liability, unless that Principal Spending Officer is specifically authorised to do so under this Act, the Regulations or directives issued pursuant to this Act. MDAs are therefore reminded to ensure commitment to their 2023 approved budget in line with section 25 of the PFM Act and that all procurement activities are adequately provided in the approved budget.

MDAs must in addition ensure that:

- all procurement requests relating to the fiscal year must be backed by confirmed appropriation for the year and must also be based on confirmed sources and availability of funding;
- all procurement approvals by the Entity Tender Committees (ETCs), Public Procurement Authority (PPA) and the Central Tender Review Committee (CTRC) relating to the fiscal year must be backed by the approved appropriation for that year.
- as far as possible, commitments for obligations for each specified year must be adhered to in the case of approved multi-year commitments.
- with the exception of approvals for emergency expenditures, all other approvals

for new programmes, projects, and activities must be considered within the medium-term expenditure framework approved by Cabinet for the current budget year.

- they implement their ABFA Budget in line with Section 8 of the Petroleum Revenue Management Act, 2011 (Act 815).

1.6 Letter of Guarantee / Undertaking

MDAs/MMDAs are to note that as contained under Section 66 (2) of the PFM Act, the Public Debt Management Office of the Ministry of Finance shall, before the issuance of a government guarantee, assess the local government authority, public corporation or other entity to ascertain the fiscal risk of that local government authority, public corporation or other entity to the Government in respect of that guarantee. Similarly, Section 66 (10) of the PFM Act states that “A letter of intent, letter of comfort or similar letter, or an approval by Government of a borrowing to be undertaken by another entity **shall not constitute a government guarantee or any other form of legal undertaking of Government**”

Under no circumstance shall a Public Official sign any MOU or agreement that commits the Government of Ghana financially without any prior approval or clearance from the Minister for Finance. These actions by MDAs usually results in judgement debts to Government and therefore, flouting this directive will attract sanctions specified under Section 96 (1) of the PFM Act.

1.7 Judgement Debt

In the process of implementing the Budget, MDAs are advised not to enter into transactions or contractual obligations that are likely to end up in a judgement debt to the state. MDAs are also to take note that any judgment debt incurred by them in violation of this directive will be paid from their Goods and Services Budget and the operations involving the occurrence of the judgment debt subjected to forensic audit. Public Officers whose actions or inactions result in loss or deficit in public funds, or damage to public property will be surcharged in accordance with Section 97 of the PFMA.

A Principal Spending Officer or any other Public Officer shall not commit Government to a financial liability, including contingent liability, unless that Principal Spending Officer is specifically authorised to do so under the PFM Act, the Regulations or directives issued pursuant to PFM Act, or it is within the covered entity’s appropriated expenditure ceilings.

Principal Spending Officers of Covered Entities are advised to avoid embarking on investment projects unless there is available resources, a completed expert assessment and there has been a justification for the investment project and efficiency is established.

2.0 REQUESTS FOR RELEASE OF FUNDS

2.1 COMPENSATION OF EMPLOYEES

2.1.1 Payment of Salaries

The Ministry of Finance will continue with the issuance of General Warrants on quarterly basis, to the Controller and Accountant-General's Department (CAGD) for the payment of salaries of all employees at Cost Centre level. MDAs/MMDAs are to ensure judicious and efficient use of public funds by ensuring that Government pays for only verified employees at post. In line with the above, allotments for compensation will be based on the cash plans submitted by respective MDAs/MMDAs and also within the budget provisions for the year.

2.1.2 Validation of Staff for Salaries

Heads of MDAs/MMDAs are required to comply with the directives on validation of the monthly salaries of their employees using the E-SPV system. Only staff at post are to be validated monthly and salaries paid to them. Any Public Officer whose actions and or inactions result in the payment of unearned salaries will be sanctioned consistent with Section 96 of the PFM Act.

2.1.3 Validation of Salary Arrears by Internal Audit Unit

The Internal Audit Units (IAUs) of MDAs/MMDAs are required to validate and certify *all* salary arrears before submission to MoF. In the event that, the Head of Internal Audit Unit makes false certification, the appropriate sanctions under Section 96 of the PFM Act will be applied.

2.1.4 Non-Salary Related Allowance

The Ministry of Finance will issue quarterly allotments for all Non-Salary Related Allowances to MDAs who are expected to manage the payment of the allowances from these allotments. MDAs are to initiate the quarterly Non-Salary Related Allowances on GIFMIS using the non-salary related allowances codes and submit same to the Ministry of Finance for processing. **MDAs should not submit individual Non-Salary Related Allowances to the Ministry.**

The Principal Spending Officer of all MDAs must ensure that the Internal Audit Unit (IAU) validates all claims for Non-Salary Related Allowances before processing on GIFMIS. Where necessary, MDAs will be required to submit a computed list of beneficiaries for review.

2.1.5 Payment of Categories 2 and 3 Allowances

Payment of Categories 2 and 3 allowances in the Public Service will be guided by the revised Administrative Rules and Procedures for implementing allowances. Principal Spending Officers of MDAs must ensure that **ONLY** those who qualify are paid subject to budget availability. MDAs should note that category 1 allowances were consolidated into the base pay and therefore ceases to exist. No MDA will be permitted to use funds under Category 1 allowances.

2.1.6 Financial Clearance

MDAs and MMDAs are to note that there is a freeze on employment into the Public Sector for 2023.

2.2 GOODS AND SERVICES

To ensure that MDAs properly plan for the implementation of the 2023 approved Goods and Services budget, Ministry of Finance will continue to issue quarterly budget allotments and warrants to the Controller and Accountant-General Department with copies to all MDAs at the beginning of every quarter to cover normal Goods and Services. MDAs can however, access the funds on monthly basis and are required to initiate their request for funds in line with the budget allotments on the GIFMIS within two (2) weeks of receipt to facilitate processing and release of funds.

MDAs are reminded that the Goods and Services budget includes expenditures on the following items:

- foreign travel expenses;
- medical treatment;
- utilities – water, electricity, telephone, among others;
- property rate and ground rent payment; and
- annual subscriptions to international organizations.

MDAs are no longer required to submit written requests (letters) to the Ministry of Finance for release of funds in respect of normal Goods and Services, except in cases where they relate to the key priority programmes of Government/critical expenditures.

The list of priority programmes is attached as Appendix III.

2.2.1 Requests for Goods and Services Budget for the Payment for Priority Programmes

Requests for payment for Goods and Services related to the priority programmes listed in Appendix III will be initiated on the GIFMIS and must be accompanied by:

- duly signed request letter from the Sector Minister, Deputy Minister or Chief Director;
- detailed breakdown of request

Reference Appendix IV for detailed process on GIFMIS.

2.2.2 Requisition for Selected Goods and Services

MDAs shall prepare a WEB ADI (Application Desktop Integrator) which would create a Journal on GIFMIS to be forwarded to MOF for final approval. Once it is approved at MOF, the funds are available for the MDA to start their P2P (Procure to Pay) business processes.

2.3 CAPITAL EXPENDITURE (CAPEX)

2.3.1 Award of New Contracts

MDAs must be guided by relevant provisions of the Public Financial Management (Public Investment Management) Regulations, 2020 (L.I. 2411) to prepare necessary documentation including the following for new investment projects”:

- Project Concept Note (PCN)
- Pre-feasibility study and/or Feasibility studies depending on project size
- Pre/Feasibility Appraisal Reports by Entity Project Committees (EPC)
- Obtain a “Seal of Quality” (SOQ) from the Minister for Finance
- Update MDAs Portfolio of Projects, and
- Public Investment Plan

Additionally, MDAs awarding new contracts must ensure that:

- there is no indexation to a foreign currency;
- there should be no advance mobilisation payment clauses; and
- no price variations;
- the projects should be in the approved PIP submitted in the PBB document to Parliament.

MDAs must also note that PPA approval does not constitute permission to award new contracts.

2.3.2 Authorisation of Requests

All Commencement requests initiated on GIFMIS should be approved by the Principal Spending Officer on the authority of the Minister of the MDA. In the case of the Commissions, the Head of the Commission or any of his or her Deputies may authorise the initiation of the process. No commencement should be issued for new projects that are not in the Public Investment Plan and the 2023 Budget. The same applies to on-going investment projects.

2.3.3 Approval of Requisitions

Application and approval of requisitions shall be based on projects in the approved Public Investment Plan (PIP) included in the Programme Based Budget (PBB) and approved by Parliament. MDAs must, therefore, be guided by Regulations 28 of the Public Financial Management (Public Investment Management) Regulations, 2020 (L.I. 2411).

2.3.4 Payments for Capital Projects

MDAs must initiate all payment requests for capital projects on the GIFMIS. In this regard, MDAs must ensure that all requests are made against the appropriate Chart of Accounts that there is sufficient budget allotment and the necessary procurement processes were duly followed. In addition, MDAs must ensure that the request being initiated represents the most prioritised projects in the approved Budget and must be in line with Regulations 78 to 83. The Principal Spending Officers should ensure that there is a duly completed Checklist before approving the request.

All Interim Payment Certificates should have the endorsement of the following:

- the Consultant;
- the Head of Department or Agency which is implementing the project;
- the Regional Minister of the Region where the project is located; and
- the Sector Minister.

2.3.5 Project Contract Extensions and Variations

Principal Spending Officers are required to notify the Ministry of Finance before granting extensions to project contracts or varying same with cost implications. The Ministry of Finance will not honour any claims for payment in respect of contract extensions or variations not consistent with Regulation 73 of the Public Financial Management Regulation 2019 (L.I. 2378). MDAs are also reminded to comply with Section 87 of the Public Procurement Act 2003 (Act 663).

2.3.6 Multi-Year Expenditure Commitments

In accordance with Section 33 of the PFM Act, MDAs must first seek written approval from the Minister for Finance for all multi-year contracts/expenditure commitments and may propose or commit to invest in a project only after expert assessment has been completed and the justification for the investment project and efficiency is established. This includes the procurement of works and acquisition of physical and other non-financial assets with a service life of more than one year; ***contract for purchase of goods, supplies or services for a period of more than one programme year.***

Note: MDAs must ensure all capital projects are well labelled by indicating the sources of funds (example, ABFA, GOG, Donor, IGF etc.)

2.3.7 Implementing on-going Investment Projects

In accordance with the Public Financial Management (Public Investment Management) Regulations, 2020 (L.I. 2411), MDAs must ensure that on-going projects are put together and presented as the portfolio of projects, which must be prioritised per the following criteria, and are a first charge in the development of the Public Investment Plan and then budget within the constraints of the Medium-Term Expenditure Framework consistent with the Medium-Term Fiscal Framework;

- Projects must all be aligned to the Medium-Term Development Plans;
- Projects that are 100% physically complete but have outstanding payment balances must be prioritised for payment together with those that are 85% and above complete;
- Projects that are Development Partner (DP) funded but require some counterpart funding must be prioritised and funded; and
- Projects requiring complementary works, equipment supply and some expansion works must also be prioritised and budgeted for.

MDAs must ensure that the prioritized projects are implemented and fully paid for before new investment projects are included in the Public Investment Plan and budget based on available fiscal space within the Medium Term Expenditure Framework.

2.3.8 Payment of Compensation in respect of Land and Property

MDAs requesting for payment in respect of compensation arising from acquisition of land by the State or destruction of property as a result of construction of roads or any other infrastructure should be valued and certified by the Land Valuation Division of the Lands Commission including beneficiaries of such compensation payment.

2.3.9 Compensation for People Affected by Projects (PABPs)

MDAs should ensure that the Land Valuation Division of the Lands Commission certifies

the list of beneficiaries and the amount due each person in the case of payment of compensation for people affected by the implementation of projects. In the event where the contractor pre-finances the payment of compensation to acquire the right of way, the contractor should be reimbursed with the amount certified by the Land Valuation Division. MDAs must, however, seek pre-approval from the Ministry of Finance before entering into any pre-financing undertaking with contractors.

3.0 PUBLIC PROCUREMENT

3.1 Compliance with the Public Procurement Act – Single Sourcing

MDAs must strictly adhere to the provisions of the Public Procurement Act, 2003 (Act 663), especially with regard to single sourcing, which has proven to pose significant risks to fiscal policy management. MDAs must comply with the provisions in Regulation 30 of the Public Financial Management (Public Investment Management) Regulations, 2020 (L.I. 2411) on unsolicited investment project and single source procurements. MDAs must note that when items are procured through sole sourcing, the contract shall be subjected to value for money audit.

3.2 The use of Purchase Orders (PO)

All contract awards for goods, services and works must be preceded by a GIFMIS generated Purchase Order (PO). MDAs are to note that no contract is valid without a GIFMIS generated Purchase Order and it is an offence under Sub-section 1(b) of Section 98 of the PFM Act and Regulation 72 of the PFM Regulation, 2019, L.I. 2378, to issue any other purchase order outside of the GIFMIS.

4.0 OTHER GENERAL INSTRUCTIONS

4.1 Verification and Certification of all MDAs Claims by Internal Audit Unit

Internal Audit Units (IAUs) of MDAs are required to scrutinise and certify all claims submitted to MoF requesting for release of funds. It is expected that Internal Audit Units will satisfy themselves that works have been executed or goods have been supplied and received into store and service rendered. In addition, the IAUs are required to complete the appropriate checklists, endorse and attach to all requests submitted to MoF. In the event that, the Head of Internal Audit Unit makes false certification, the appropriate sanctions under Section 96 of the PFM Act will be applied.

4.2 Letters of Credit

All MDAs/MMDAs that have established Letters of Credit (LC) which are due for maturity in 2023, are required to discharge the claims from their 2023 approved estimates, as there is no other budgetary provision to cover the LC claims.

4.3 Lifting of Fuel by Security Agencies

All expenditures in respect of fuel lifting by relevant MDAs are to be met from their 2023 Goods and Services approved budget estimates. All Security Agencies are hereby informed that there is no central vote for the payment of fuel lifting.

4.4 Duties and Taxes

All MDAs are reminded that, they will bear all duties, taxes, levies and other related fees and charges in respect of all imports, local purchases and contracts. All quotations should therefore include the relevant duties, taxes, levies, and related fees and charges.

MDAs should note that they are required to pay VAT, NHIL, GETFund Levy and COVID-19 Levy on all imported services. Provision for these taxes should therefore be made when signing contracts for services with non-resident persons.

MDAs are further reminded that they must withhold the appropriate taxes on income and VAT where the Income Tax Act and Value-Added Tax Act requires them to do so.

4.5 Social Intervention Programmes

All MDAs that have responsibility for implementing social intervention programmes are required to submit detailed quarterly reports and expenditure returns on the programmes to MoF. MDAs must note that these will be monitored and must put all strategies in place to ensure smooth implementation and efficiency.

4.6 Government Borrowing

In line with Article 181 of the 1992 Constitution and Section 55 (1) of the PFM Act, the Minister for Finance is the only authority to raise a loan on behalf of the Government of Ghana. All borrowing by an MDA, local government authority, public corporation or any State-Owned Enterprise should be in accordance with the relevant provisions of the PFM Act.

4.7 Development Partner Funds

All MDAs/MMDAs are to ensure that due processes for accessing Development Partner Funds using GIFMIS are followed to ensure proper accounting and reporting of budgetary inflow from this funding source.

4.8 Payment of Contracts in Foreign Currencies

Payment of any contract with indexation to a foreign currency is to be done in accordance with Regulations 84 of the PFM Regulations, 2019 (L.I. 2378).

4.9 Monitoring and Performance Reporting

In accordance with Sections 27, 30 and 34 of the PFM Act, 2016 (Act 921), all MDAs are required to provide quarterly reports on expenditures made, progress on the implementation of programmes and sub-programmes and targets using templates provided for the purpose. MoF scheduled monitoring visits will be undertaken to inspect project sites where necessary for validation. MDAs are to note that subsequent releases for Goods and Services will be based on receipt of previous quarters' reports consistent with Regulation 230, Sub-Regulation 2a.

(2) Where a covered entity fails to submit the monthly, quarterly or annual financial statement in accordance with these regulations, the Minister shall

(a) suspend allotment and warrant for the budget expenditure of that covered entity until the monthly, quarterly financial reports or unaudited annual financial statements are submitted;

5.0 INTERNALLY GENERATED FUND (IGF)

5.1 Retention of Internally Generated Funds (IGF)

Covered Entities under the Public Financial Management Act, 2016 (Act 921) that have authorisation to retain and use all or portions of their IGFs are required to ensure that due processes are followed in the use of such funds, as per the PFM Act, the Appropriation Act for the 2023 Budget and the MDAs Retention of Funds Act, 2007 (Act 735).

5.2 Processing of IGF Transactions

All IGF-generating institutions are required to process their retained IGF portions on GIFMIS. Any Covered Entity having difficulties should contact the GIFMIS Secretariat for assistance.

5.3 Gross Lodgment of IGF

A Treasury Single Account (TSA) has been established under Section 46 of Act 921 to:

- i. serve as a unified structure of Government Accounts;
- ii. provide a consolidated view of Government cash resources at any given time;
- iii. receive moneys collected by covered entities; and
- iv. serve as the account from which all expenditures of the covered entities shall be funded.

Section 47 of the Act also requires all revenue receipts by covered entities to be paid and form part of the Consolidated Fund, and where provision is made for any covered entity to retain all or part of its revenue collections, expenditures from the retained funds shall be backed by an appropriation approved by Parliament.

Accordingly, all Covered Entities that generate NTR/IGF are required to lodge their revenue collections in gross into the NTR Holding Accounts where available, before disbursement into their operational accounts for use consistent with the annual appropriation for 2023. Covered Entities that are yet to be provided with Holding Accounts are to lodge their revenue collections in gross into their respective operational accounts and ensure that expenditures incurred thereof, are within the approved annual appropriation for the 2023 financial year.

6.0 TAX EXEMPTIONS, WAIVERS AND VARIATIONS

MDAs should note that the legal framework underlying taxes and tax Expenditures stems from Article 174 of the 1992 Constitution of Ghana, Exemptions Act, 2022 (Act 1083), and other legislations. The authority to grant tax exemptions is vested only in Parliament.

MDAs are to be guided by the Exemption Act, 2022 (Act 1083) and its provisions in addition to the provisions in other relevant revenue legislation. It should be noted that the Act repeals exemptions related provisions in all other legislation with the exception of the Income Tax Act, VAT Act and Excise Duty Act. For the benefit of this guideline please note the following:

6.1 Under Section 4 of the Act;

- a) A person shall not be granted an exemption unless that person is entitled to the exemption under the Act.
- b) A person shall not grant an exemption to another person unless the person is authorised to grant the exemption under the Act.
- c) A person shall not waive or vary a domestic indirect tax or enter into an agreement to waive or vary a domestic indirect tax unless expressly provided for under the Act or the relevant tax law.
- d) An exemption granted to a person cannot be transferred to another person.
- e) No person shall waive or vary a tax, levy, rate, duty, fee or a charge imposed by a Local Government Authority unless the waiver or variation is authorised under a bye-law of the Local Government Authority.

6.2 The following requirements provided in Section 6 of the Act on negotiation and approval of exemption must be adhered to by all Covered Entities:

- i. A person shall not negotiate or enter into an agreement to grant an exemption except with the prior written approval of the Minister.
- ii. An agreement to grant an exemption is void unless the relevant subsection is complied with.
- iii. Where a request for an exemption is contained in a contract to be laid before Parliament for approval, the contract shall be accompanied with
 - a) a detailed assessment of the value of the anticipated exemptions contained in the contract;
 - b) the list of items and taxes to which the exemptions are applicable;
 - c) a limit on the total value of the exemptions to be granted under that contract;
 - d) a time limit on the exemption to ensure that the exemption does not exceed the duration of the contract;
 - e) the impact of the exemption on programmed revenue;
 - f) details of the beneficial owners of the entities involved in the contract; and
 - g) a value for money assessment report.
- iv. A contract that contains an exemption will not be accepted nor submitted to Parliament unless the requirements (1) and (3) are complied with.

6.3 Covered Entity as defined in the Act means;

- a) the Executive, Legislature and Judiciary,

- b) Constitutional bodies,
- c) Ministries, Departments, Agencies and Local Government Authorities,
- d) the Public Service,
- e) autonomous agencies, or
- f) statutory bodies

6.4 The following should also be noted:

- a) Contracts with resident persons whether delivered CIF or consigned to a covered entity do not constitute imports and therefore do not qualify for exemptions.
- b) Goods supplied from bonded warehouses do not constitute imports and therefore do not qualify for exemptions,
- c) No exemptions will be provided for imported goods and services which have their equivalents produced in Ghana,
- d) All entities with exemptions provisions in their legislation are required to confirm the exemptions with the Minister in order to enjoy those exemptions.

6.5 All covered entities are to submit to the Commissioner-General and copy the Minister a statement of exemptions utilised in the year; at the end of each quarter; and when the person files a tax return for the year.

The statement should indicate;

- a) the total value of exemptions utilised;
- b) the tax types of the exemptions utilised;
- c) the legal basis for the exemptions utilised; and
- d) the aggregate amount of the total exemptions value utilised to date and the remainder to be used up in future.

7.0 OFFENCES AND PENALTIES UNDER PFM ACT 2016, ACT 921

Ministry of Finance wishes to bring to the attention of all MDAs and MMDAs the offences and penalties indicated in Section 96 of the PFM Act, some of which are listed below.

- (1) A person, acting in an office or employment connected with the procurement or control of Government stores, or the collection, management or disbursement of amounts in respect of a public fund or a public trust who
 - (a) makes an unauthorised commitment resulting in a financial obligation for the Government,
 - (b) fails to collect moneys due to the Government,
 - (c) is responsible for any improper payment of public funds or payment of money that is not duly verified in line with existing procedures,
 - (d) is responsible for any deficiency in or for the loss, damage or destruction of any public funds, stamp, security, stores or any other Government property,
 - (e) accepts or receives money or valuable consideration for the performance of an official duty,
 - (f) in relation to the duties of that person, willfully makes or signs a false certificate, false return or false entry in a book, or
 - (g) fails to report knowledge or information in respect of fraud committed by a

person against the Government, contrary to any enactment related to public financial management, to the appropriate authority or law enforcement authority

commits an offence and is liable on summary conviction to a term of imprisonment of not less than six months and not more than five years or to a fine of not less than one hundred penalty units and not more than two thousand and five hundred penalty units or to both.

- (2) A person, acting in an office or employment connected with the procurement or control of Government stores, or the collection, management or disbursement of amounts in respect of a public fund or a public trust who authorises an expenditure exceeding the approved appropriation in the relevant budget commits an offence and is liable on summary conviction to a term of imprisonment of not less than six months and not more than twelve months or to a fine of not more than the value of the assessed impact of the commitment or to both.
- (3) A person who promises, offers or gives money or any other valuable consideration to another person, acting in an office or employment;
 - (a) connected with the procurement or control of government stores,
 - (b) connected with the collection, management or disbursement of amounts in respect of a public fund or a public trust; or
 - (c) with the intent to influence
 - (i) a decision or action on any question or matter that is pending or is likely to be brought before the person in an official capacity; or
 - (ii) a person to commit fraud against the Government or to connive with, take part in or allow an opportunity for the commission of the fraud;

commits an offence and is liable on summary conviction to a fine of not more than three times the amount offered or accepted or a term of imprisonment of not less than six months and not more than two years or to both.

- (4) A Principal Spending Officer or any other public officer shall not commit Government to a financial liability, including contingent liability, unless that Principal Spending Officer is specifically authorized to do so under this Act, the Regulations or directives issued pursuant to this Act. A Principal Spending Officer who contravenes this is liable to an administrative penalty of two thousand penalty units.
- (5) A person who
 - (a) refuses or fails to produce or submit any information required under this Act,
 - (b) issues a local purchase order outside the Ghana Integrated Financial Management Information System or any other electronic platform in use by Government,
 - (c) misuses or permits the misuse of any Government property which results in a loss of public resources, contravenes or knowingly permits another person to contravene a provision of this Act or the Regulations, or instigates

another person to contravene a provision of this Act or the Regulations,

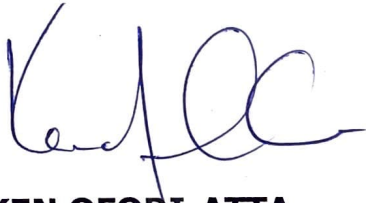
commits an offence and where no penalty is provided for the offence, is liable on summary conviction to a fine of not less than one hundred and fifty penalty units and not more than two hundred and fifty penalty units or to a term of imprisonment of not less than six months and not more than two years or to both.

- (6) A person who contravenes sub-section (1) is, in addition to the penalty specified in that subsection:
- (a) liable for any liability contracted on behalf of Government as a result of the contravention; and
 - (b) subject to disciplinary action by Government including dismissal, demotion or suspension.

8.0 CONCLUSION

Ministry of Finance will continue to focus on facilitating MDAs and MMDAs access to funds for effective and efficient implementation of approved programmes and projects.

All MDAs and MMDAs are, therefore, expected to cooperate and strictly comply with these instructions for the smooth implementation of the National Budget to facilitate the attainment of government policy objectives as set out in the 2023 Budget Statement and Economic Policy of Government.

A handwritten signature in blue ink, appearing to read 'Ken Ofori-Atta', written in a cursive style.

KEN OFORI-ATTA
MINISTER FOR FINANCE

9.0 APPENDICES

9.1 Appendix I: Attachments Required when processing requests

It is required that the following documents are scanned and attached for all invoices. All MDAs and MMDAs must ensure that all attached scanned copies are of the original document and must be eligible. Any request with attached documents that are difficult to read will be rejected outright.

Works

The attachment for works are;

- Certified IPC
- contract document
 - cover page
 - signed page
 - The pages on payment clauses
- Checklist
- The full contract document must be submitted to the Schedule Officer
- The PPA approval letter

Supplies

- VAT Invoice / GRA approval for company to issue own Invoice
- GRA letter if exempted from Tax
- GIFMIS generated SRA - duly signed and certified by relevant officers or
- Scanned copy of manual SRA
- Award letter
- Checklist
- PPA Approval letter

Consultancy

- VAT invoice
- Contract agreement
 - Cover page
 - Signed page
 - The pages on payment clauses
- Consultant's Report
- User acceptance report from MDA
- Checklist
- PPA Approval letter

Goods and Services (Flagship/Priority)

- Request from MDA
- Request from Supplier/contractor/consultant
- Checklist
- GIFMIS generated SRA - duly signed and certified by relevant officers or
- Scanned copy of manual SRA
- Expenditure returns of earlier releases
- Progress Report

9.2 Appendix II: - Checklists

Checklist for Release of Compensation of Employees (Allowances/Salary Arrears)

NATURE OF REQUEST:					
AMOUNT:					
S/NO.	DESCRIPTION	YES	NO	N/A	REF PAGE
1	Is copy of Ministry of Finance approved letter attached?				
2	Are the beneficiaries entitled to the allowances?				
3	Is it category one (1) allowance?				
4	Is it category two (2), three (3) or four (4) allowances?				
5	Is the rate in line with current MoF approved levels?				
6	Are the Names, Grades and Staff IDs of beneficiaries provided?				
7	Is the request in the approved budget of the MDA?				
8	Is the request for current year?				
9	If request is for previous year, has it been validated by Internal Audit Unit?				
10	After analysis and projecting the monthly actual to cover end year, can the balance accommodate current request?				
I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Internal Audit Officer:			Signature:		
Rank:			Date:		
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Officer's certification and hereby recommend for payment.					
Name of Head of Internal Audit Unit:			Signature:		
			Date:		

Checklist for Supplies e. g. motor vehicle, computers, stationery

NATURE OF REQUEST:					
AMOUNT:					
S/N O.	DESCRIPTION	YES	NO	N/A	REF PAGE
1	Is the contract document attached?				
2	Is there any advance mobilization clause in the contract document?				
3	Is there any bank/insurance guarantee attached to the request?				
4	Is the award of contract letter attached?				
5	Has the Goods been fully supplied or services rendered?				
6	Is the VAT/NHIL Invoice (s), Way Bill and Stores Receipt Advice attached?				
7	Is the request in the approved budget of the MDA?				
8	Is the request denominated in the local currency?				
9	If not denominated in the local currency, was it approved by Ministry of Finance?				
10	Has payment been requested for by the executing company?				
11	Has the accuracy of the amount being paid been ascertained?				
12	Is there any evidence that the transaction is exempted from tax?				
I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Internal Audit Officer:			Signature:		
Rank:			Date:		
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Officer's certification and hereby recommend for payment.					
Name of Head of Internal Audit Unit:			Signature:		
			Date:		

Checklist for Services e.g. Fumigation etc

NATURE OF REQUEST:					
AMOUNT:					
S/N O.	DESCRIPTION	YES	NO	N/A	REF PAGE
1	Is the contract document attached?				
2	Is there any advance mobilization clause in the contract document?				
3	Is there any bank/insurance guarantee attached to the request?				
4	Is the award of contract letter attached?				
5	Has the work been fully done?				
6	Is the VAT/NHIL Invoice (s), Way Bill and Stores Receipt Advice attached?				
7	Is the request in the approved budget of the MDA?				
8	Is the request denominated in the local currency?				
9	If not denominated in the local currency, was it approved by Ministry of Finance?				
10	Has payment been requested for by the executing company?				
11	Has the accuracy of the amount being paid been ascertained?				
12	Is there any evidence that the transaction is exempted from tax?				
I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Internal Audit Officer:			Signature:		
Rank:			Date:		
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Officer's certification and hereby recommend for payment.					
Name of Head of Internal Audit Unit:			Signature:		
			Date:		

Checklist for Release of Funds Capital Expenditure (CAPEX) e.g. road construction, sea defence, office building, school building etc.

NATURE OF REQUEST:

AMOUNT:

S/NO	DESCRIPTION	YES	NO	N/A	REF. PAGE
1	Is the contract agreement attached?				
2	Is the award of contract letter attached?				
3	Is there any advance mobilization clause in the contract document?				
4	Is there any bank/insurance guarantee attached to the request?				
5	Has the Interim Payment Certificate (IPC) been properly endorsed?				
6	Is the request in the approved budget of the MDA?				
7	Has the Contract/Contract sum been extended/varied?				
8	If extended/varied, has it been approved by appropriate Tender Review Board?				
9	If the contract is denominated in foreign currency, was it approved by MoF?				
10	Has payment been requested for by the executing company?				
11	Has the accuracy of the amount being paid been ascertained?				
12	Is the transaction exempted from tax?				
13	If yes, is there any evidence that this transaction is exempted from tax?				

I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.

Name of Internal Audit Officer:	Signature:
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Rank:	Date:
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I certify that I have cross-checked the responses to the questions on this checklist and endorse the Officer's certification and hereby recommend for payment.

Name of Head of Internal Audit Unit:	Signature:
	Date:

Checklist for Release of Funds: Land Compensation

NATURE OF REQUEST:					
AMOUNT:					
S/NO	DESCRIPTION	YES	NO	NA	REF PAGE
1	Has the Instrument of Acquisition been attached?				
2	Is the Instrument of Acquisition Number indicated?				
3	Does the request indicate the dimensions/hectare of the land?				
4	Is the rightful owner(s) identified and indicated?				
5	Has the value of the land been assessed by the Valuation Division of Land Commission?				
6	Is the assessed value indicated?				
7	Is the holder of the Power of Attorney attached?				
I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Internal Audit Officer:			Signature:		
Rank:			Date:		
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Officer's certification and hereby recommend for payment.					
Name of Head of Internal Audit Unit:			Signature:		
			Date:		

Checklist for Release of Funds. Judgment Debt

NATURE OF REQUEST:					
S/NO	DESCRIPTION	YES	NO	NA	REF PAGE
1	Is the Suit No. indicated?				
2	Is the Judgment attached?				
3	Is there any covering letter from the Attorney General's Department?				
4	Has the Legal Division expressed its opinion?				
5	Is there any evidence of stay of execution?				
6	Is the beneficiary (ies) indicated?				
7	Has the amount involved been indicated?				
8	Has the request been approved by Management for processing?				
I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Internal Audit Officer:			Signature:		
Rank:			Date:		
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Officer's certification and hereby recommend for payment.					
Name of Head of Internal Audit Unit:			Signature:		
			Date:		

9.3 Appendix III: Government Priority Programmes

1. Road Infrastructure
2. Free Senior High School Programme
3. Water and Sanitation Initiative
4. School Feeding Programme
5. Planting for Food and Jobs
6. Railways Development
7. Infrastructure for Poverty Eradication Programme
8. Livelihood Empowerment Against Poverty
9. Nursing Trainee Allowances
10. Teacher Trainee Allowances
11. One District One Factory Programme
12. Regional Reorganisation and Development
13. National Identification Authority
14. Fish Landing Sites
15. Zongo Development Fund
16. Micro Finance and Small Loans Centre

9.4 Appendix IV: GIFMIS Business Process

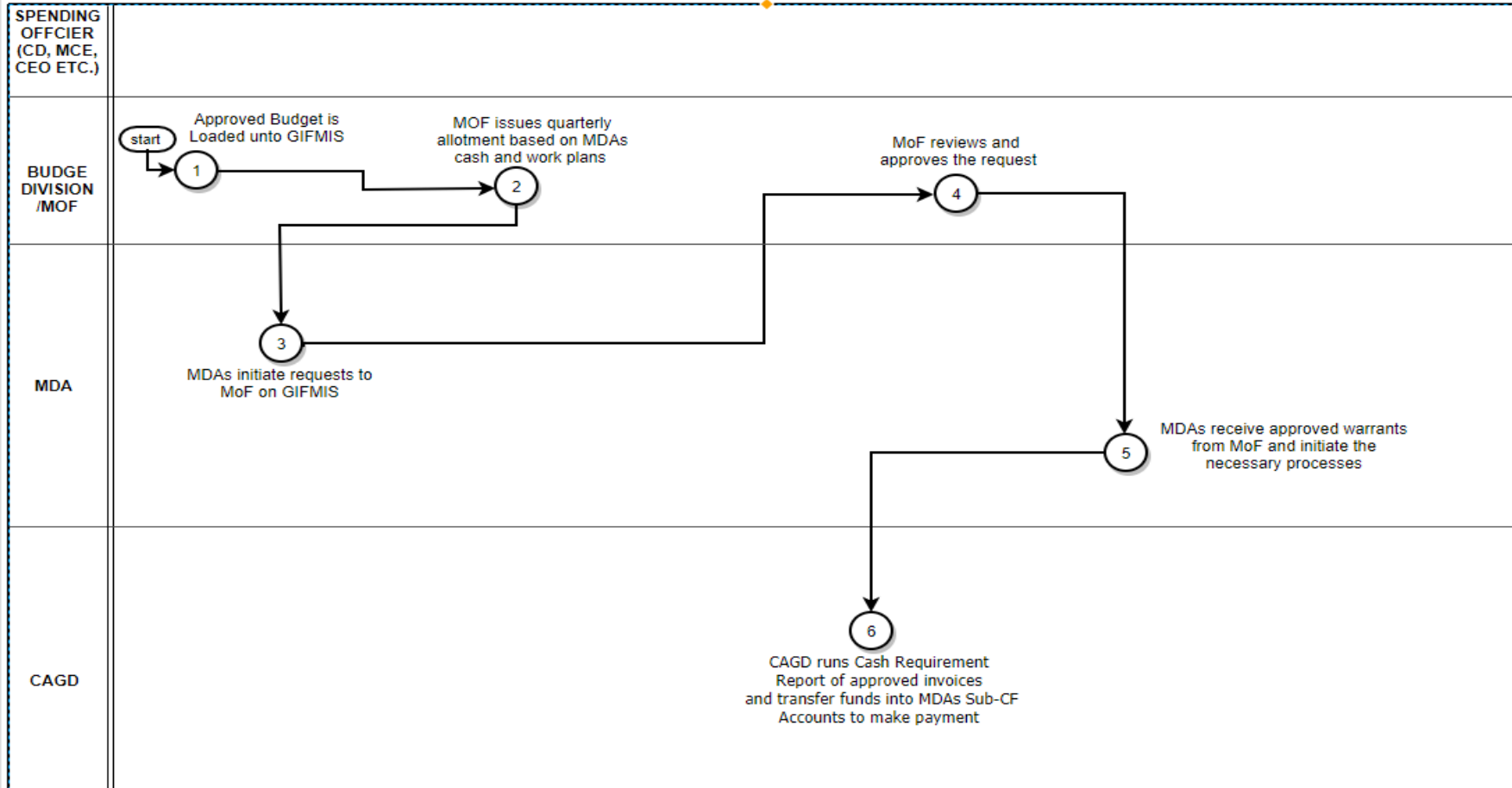
Business Process for Non Salary Related Allowances

17. MoF issues quarterly Budget Allotment based on MDAs cash and work plans
18. MDAs initiate requests to MoF on GIFMIS.
19. MoF reviews and approves the request.
20. MDAs receive approved warrants from MoF and initiates the necessary processes.

These steps have been designed diagrammatically as below



Business Process for Non Salary-Related Allowance



Business Process for Goods and Services (Normal)

MoF Responsibilities

1. MoF issues quarterly allotment based on MDAs cash and work plans
2. MDAs initiate their request based on quarterly budget allotment issued by MoF (using WebADI)
3. MoF reviews and approves the request

MDA Responsibilities

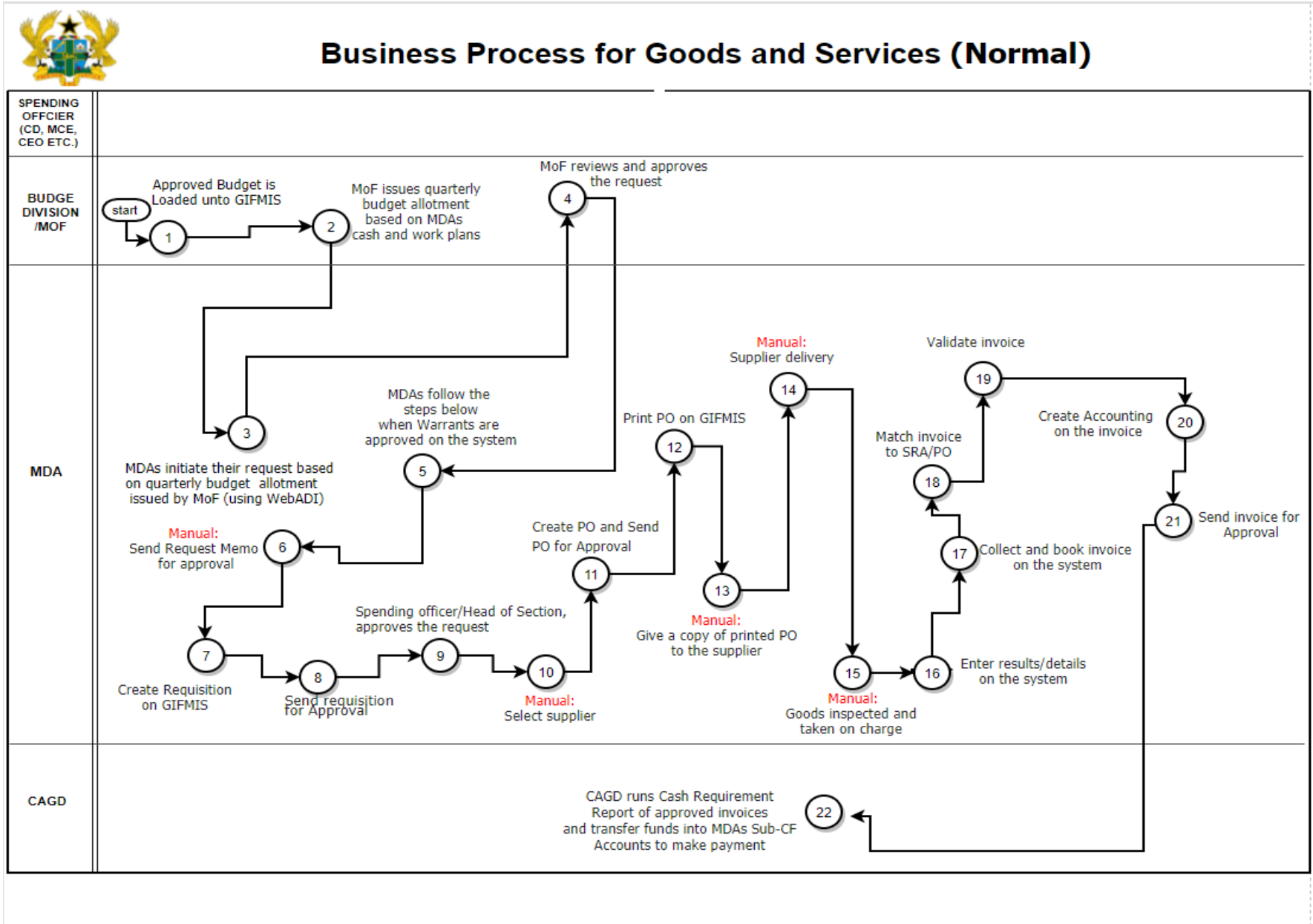
Follow the steps below when Warrants are approved on the system.

- i. Send Request Memo for approval (Manual)
- ii. Create Requisition on GIFMIS (A.E.&I)
- iii. Send requisition for Approval
- iv. Spending officer/Head of Section, etc. approves the request
- v. Select supplier (manual)
- vi. Create PO and Send PO for Approval
- vii. Print PO on GIFMIS.
- viii. Give a copy of printed PO to the supplier (manual)
- ix. Supplier delivery (manual)
- x. Goods inspected and taken on charge (manual)
- xi. Enter results/details on the system (i.e. create SRA)
- xii. Collect and book invoice on the system
- xiii. Match invoice to SRA/PO (the exact amount to be paid is now determined)
- xiv. Validate invoice (i.e. check to make sure rules are adhered to)
- xv. Create Accounting on the invoice (i.e. the account to be debited and credited). This represents PVs that can be printed from the system.
- xvi. Send invoice for Approval

CAGD Responsibilities

1. CAGD Treasury Headquarters (Chief Cashier) runs Cash Requirement Report which is a summary of approved PVs/Invoices from MDAs upon which funds are transferred into MDAs Sub-CF Accounts to make payment for the invoices.

MDAs effect payments on the system via Electronic Funds Transfer for 3rd parties



Business Process for Goods and Services (Priority/Flagship Programmes)

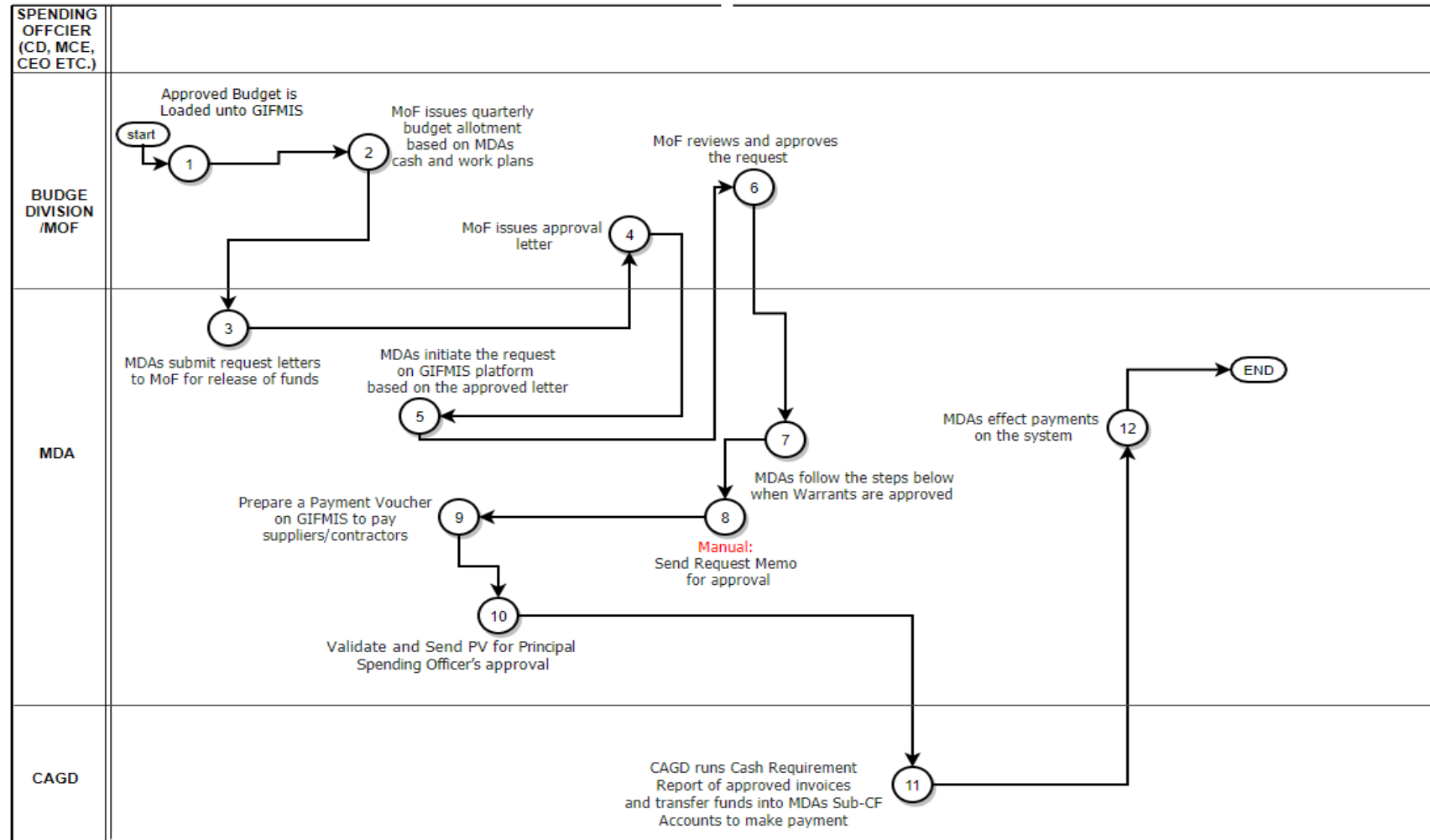
1. MoF issues quarterly budget allotment based on MDAs cash and work plans.
2. MDAs submit request letters to MoF for release of funds.
3. MoF issues approval letter.
4. MDAs initiate the request on GIFMIS platform based on the approved letter.
5. MoF reviews and approves the request.
6. MDAs follow the steps below when Warrants are approved on the system.
 - i. Send Request Memo for approval (Manual)
 - ii. Prepare a Payment Voucher on GIFMIS to pay suppliers/contractors.
 - iii. Validate and Send PV for Principal Spending Officer's approval
7. CAGD runs Cash Requirement Report of approved invoices and transfer funds into MDAs Sub-CF Accounts to make payment.
8. MDAs effect payments on the system.

These steps have been designed diagrammatically as below

Note: Documents can be scanned and attached to transactions on the GIFMIS.



Business Process for Goods and Services (Priority/Flagship Programmes)



Business Process for Capital Expenditure (CAPEX)

1. MDAs check from the Funds inquiry at the appropriation level whether that particular asset has been budgeted for and supported by adequate budget allotment.
2. MDAs initiate a Requisition and select the supplier for the existing project on GIFMIS and forward to MOF (***NB. Do not select a supplier for new project***).
3. Warrant is processed at MoF on GIFMIS and approved alongside the Requisition.
4. MDAs receive notification of the approved Requisition
5. MDAs go through procurement or tendering process (**for new project**)
6. Upon completion of works, supply of goods and provision of services, the consultants submit relevant documents which is booked on the GIFMIS as invoices and matched to the purchase order.
7. Scan and attach all the necessary documentation for onward submission to Ministry of Finance on GIFMIS. The invoices are submitted to MoF for final approval.



Business Process for CAPEX

