

CIVIL SERVICE AGENCY



FINANCIAL MANAGEMENT POLICIES AND PROCEDURES MANUAL

April 2025

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LIST OF ABBREVIATIONS AND ACRONYMS

AO	Accounts Officer
DGA&F	Director for General Administration & Finance
ADFHRM	Assistant Director for Human Resource Management
BA	Budget Analyst
DFC	Deputy Financial Comptroller
DDGA	Deputy Director General for Administration
DGA	Directorate of General Administration
DOB	Department of Budget /at Ministry of Finance & Development Planning
DPRD	Department of Planning, Research & Development
FC	Financial Comptroller
FO	Finance Officer
FMA	Financial Management Advisor
GAAP	Generally Accepted Accounting Principles
GAC	General Auditing Commission
GDN	Goods Delivery Note
GoL	Government of Liberia
GRN	Goods Received Note
GSA	General Services Agency
IAS	International Accounting Standards
IFMIS	Integrated Financial Management Information System
IAU	Internal Audit Unit of the CSA
IH	Institutional Head
LD	Liberian Dollar

LPO	Local Purchase Order
MA	Management Accountant
MFDP	Ministry of Finance and Development Planning
OFM	Office of Financial Management
PC	Project Consultant
PFMU	Public Financial Management Unit
PPA	Payroll and Procurement Accountant
PPCA	Public Procurement and Concessions Act
PPCC	Public Procurement and Concessions Commission
SAO	Senior Accounts Officer
SOPS	Standard Procurement Operating Procedures of the CSA
USD	United States of America Dollar

Foreword

The civil service Financial Management Manuel, like any other manuals such as the Human Resource Policy Manual, is the inter alia, aimed at ensuring compliance with the Public Financial Management Act of 2009 and Amended in 2019. All spending entities in government have responsibilities in so far as the management of the public funds is concerned. In many cases institutions which do not have the right guidance for reference make procedural errors in their financial transaction.

It must be clear that the Government of Liberia has put in place financial control system and procedures encompassing the Integrated Financial Management Information Systems (IFMIS), the Public Procurement Concession Commission (PPCC) and the Public Financial Act of 2019 as amended to ensure that public financial transactions are executed efficiently, prudently, accurately, and Transparently. Each Ministry or Agency is expected to translate or customize these policies for its own operational purpose including bank transactions, petty cash management, payment policies and procedures, budgeting, financial reporting requirement, assets management, assets management, payroll management and so on.

One of the key strengths of the Civil Service Agency is the development of professional working tools to accelerate the Civil Service Reform. Years and Years ago, the Human Resource Policy Manual, the Performance Management Documents, and the Merit-Based procedures manual were developed. The development of this customized Civil Service Financial Management Manual is another plus that needs to be celebrated, because it will ameliorate this Agency's financial management system and guide the users to make sound decisions. It will further enhance internal controls, and strengthen the reporting system. Like the standing Orders for the Civil Service, this manual is going to function as the financial management procedures in the Civil Service.

Finally, we acknowledge the tireless efforts exerts by our USAID-GEMS partners as well as member of the finance section of the Agency. It is this collaboration that has resulted into this manual. Deep appreciation goes to the Comptroller Mr. Boakai Jette Varney and team for the hard work and long hours spent in working sessions that has given a successful birth to this professional documentation.



Hon. Josiah F. Joekai Jr, Ph.D
Director General
Civil Service Agency

1.1 Background

1.1.1. Establishment of the CSA

The Civil Service Agency (CSA) was established in 1973 based on pre-constitutional legislation and were implemented by the old Civil Service Agency established in 1973. It is mandated to address the following areas as they specifically relate to civil servants within the Government of Liberia (GOL):

- Classification of civil service jobs
- Recruitment, hiring and promotion in the civil service through testing and based on objective criteria;
- Effect adequate system of remuneration for civil servants; and,
- Appropriate protection of employment, position, tenure, subject to continuing compliance with the rules and procedures.

1.1.2. Mandate of the Agency

The Civil Service Agency is the central government agency responsible for managing the Civil Service. It is responsible for improving human resources capacity, service delivery and thereby enhancing the effectiveness and efficiency of the Civil Service. This entails planning human capacity needs, selection and recruitment, training and development, performance management, and career development of civil servants. In addition, the Civil Service Agency provides advice to the Government of Liberia in key areas of the Civil Service, including organization, staffing, pay and benefits, pension, conditions of employment and human resources development.

1.1.3. Key Functions of the Agency

The CSA also has a mandate that emanates from the National Civil Service Training and Development Policy. Its specific goal is as follows:

“The Government of Liberia aims to professionalize the Liberian Civil Service, increase its institutional capacity and deliver high quality services to the people of Liberia.”

The provisions in which CSA has responsibility to perform the following key functions include:

- Ensure training activities are consistent with Civil Service regulations;
- Ensure all Civil Service organizations undertake the annual process to assess training requirements and plan training activities for the coming year;
- Review and approve Annual Training Plans together with LIPA

- Develop core competencies for Civil Service positions, as part of its role in job evaluation and grading; and,
- Arrange induction training for new Civil Servants to be conducted by LIPA or line ministries and agencies.

1.1.4 Organization and Structure of the Agency

The Structure of the Civil Service Agency remains in keeping with the Constitution of the Republic of Liberia, and the mandate of the Civil Service Agency is to ensure that the Civil Service of Liberia is well structured and adequately staffed to provide first rate services to the stakeholders, institutions and people of Liberia.

The Agency has the following Division which includes

- Director General of the Civil Service Agency
- Deputy Director General for Human Resource Management Policy
- Deputy Director General for Administration and Finance
- The Policy Planning, Monitoring and Evaluation Directorate,
- The Human Resources Management Information System Directorate,
- The Management Services Directorate,
- The Employment Services Directorate,
- The Career Management and Training Directorate, and
- The General Administration and Support Services Directorate.
- Reform Directorate
- Rural Outreach Division Directorate
- Welfare Directorate

1.2 Financial Policies and Procedures Manual

Pursuant to the amended Public Financial Management Act 2019 and the Public Financial Management Regulations 2019, the Civil Service Agency has taken steps to enhance its financial management operations, to ensure compliance with the Public Financial Management Act 2019, the Public Financial Management Regulations 2019, and other applicable GoL rules and regulations.

1.2.1. Purpose of the Manual

As required by the PFM Regulations [*PFM Regulations A.5 (1) (2)*], the head of a government agency shall, with the approval of the Minister of Finance and Development Planning, issue an accounting manual to suit its operations and regulate the financial matters of the government agency.

The accounting manual shall contain relevant procedures for the keeping of accounts, preparation and format of financial statements, chart of accounts, and all administrative issues relating to the keeping and preparation of government accounts.

In the area of financial management, CSA must be able to demonstrate that from an organizational perspective, its policies, procedures, various levels of management and authority, and roles and responsibilities are well-documented, clearly communicated, and well understood.

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

The purpose of this manual is to:

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

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

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

- The Amended PFM Act 2019: provides governance authority over all matters related to the management of the public finances of GoL.*
- The PFM Regulations 2019: specifies the procedures for the governance authority over all matters related to the management of the public finances of GoL.*

- *PPCA Act 2005 (amended 2010): provides governance authority over all matters related to procurement for all ministries and agencies.*
- *PPCA Regulations 2009: specifies the procedures for the governance authority over all matters related to procurement for all ministries and agencies.*
- *The Cash Basis IPSAS: prescribes and guides the accounting treatment of all GOL financial transactions.*
- *The GOL Chart of Account: provides structured guidance for classifying, analyzing and reporting all GOL financial transactions.*
- *The IFMIS: provides a customized and integrated tool for recording and reporting on all GoL financial transactions.*

1.2.2 Primary Users of the Manual

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

1. Finance Division of the CSA, which include
 - (a) *Comptroller & the two deputies comptrollers*
 - (b) *Senior Account Officer*
 - (c) *Accounts Officers & Budget Analyst*
 - (d) *All staff of the Office of Accounting & Finance*
2. The Office of Senior Managers of CSA, which Include:
 - (a) *The Director-General*
 - (b) *Deputy Directors-Generals for Human Resource Management*
 - (c) *Deputy Director-General for Administration and Finance*
 - (d) *Principal Administrative Officer*
 - (e) *Heads of Directorates*
3. The Internal Audit Unit and the Internal Audit Committee
 - (a) *Director General*
 - (b) *Deputy Director General for administration*
 - (c) *Comptroller*
 - (d) *Principal Administrative officer*
 - (e) *Director for monitoring and Evaluation*
4. The Budget Committee
 - (a) *Director General*

- (b) Deputy Director General for administration
- (c) Comptroller
- (e) Principal Administrative officer
- (f) Director for monitoring and Evaluation

1.2.3 Changes to the Manual

This manual is subject to periodic review to reflect the changing financial management environment as well as changes in the financial management and reporting needs of CSA and the GoL.

The Comptroller or his/her designee will facilitate the introduction of new instructions, to reflect the changing financial management environment as well as changes in the financial management and reporting needs of the CSA, and will propose revisions to the manual to the Director-General or his/her designee,.

The Director-General, in consultation with the Internal Audit Unit, shall approve all revisions to this Manual.

This manual is the result of the finalization of the GoL Financial Management Manual on July 31, 2013, in order to ensure that the CSA's financial management system is compatible and consistent with the GoL treasury management system.

1.2.4 Function and Structure of the Office of Financial Management of the CSA

The various processes and related activities of the financial management function within the CSA are performed under the direction of a Comptroller, who reports to the Deputy Director General for Administration.

As delegated by the Director General of CSA, the functions of the Office of Financial Management [*Government of Liberia Financial Management Manual, Section 2.5*] include:

- (a) *Managing and operating the accounting systems of the CSA so as to ensure the accountability of all staff transacting business and facilitating the efficient discharge of such business;*
- (b) *Ensuring that the CSA financial management system is compatible and consistent with the GOL treasury financial management system;*
- (c) *Securing the efficient and effective use of appropriations under the control of the CSA in compliance with any enactment, regulations or instructions issued under the authority of any enactment;*

- (d) *Ensuring that all books of accounts under the control of the CSA are correctly posted and kept up-to-date;*
- (e) *Producing, when required by the Minister of Finance & Development Planning, the CAG, Head of Internal Audit Unit, or Auditor General, or by other Authorized Officers, all cash, books, records, vouchers or other items of value in the charge of the CSA:*
- (f) *Ensuring that staffs who contravene the law are disciplined;*
- (g) *Managing and reconciling the bank accounts authorized for the CSA;*
- (h) *Exercising oversight over donor-funded project accounts.*
- (i) *Preserving, in good order, and securing the economical use of all equipment and inventories used by the CSA;*
- (j) *Establishing systematic mechanism to follow up on audit recommendations and address audit queries raised by the Auditor General in respect of the financial transactions and accounts of the CSA;*
- (k) *Appearing before the Ways, Means and Finance Committee of the National Legislature to give any explanations required by the Committee in respect of the CSA's annual accounts;*
- (l) *Preparing the General Purpose Financial Statement at the end of each fiscal year;*
- (m) *Signing of the Special Purpose Financial Statements by the Director-General and the Comptroller; and*
- (n) *Submitting the CSA financial statements to the CAG and Minister of Finance within a period of two months of the end of each fiscal year [PFM Regulations: I.11]*

As delegated by the Director-General of the CSA, the Office of Financial Management has custodial responsibility of public resources from the time when:

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

1.2.5 CSA's Financial Management Accounting & Reporting System

The CSA uses the Integrated Financial Management Information System (IFMIS) and (IPSAS) Integrated Public Sector Accounting Standards for recording and reporting its financial transactions. The CSA also uses manual books (ledger books, excel worksheets) for recording its financial and budgetary transactions until such time when the CSA should have access to all relevant modules of IFMIS.

1.2.6 Summary of Roles and Responsibilities of the Office of Financial Management

The decentralization of management support systems in Liberia is a well-established vision of the Government of Liberia (GOL) and the CSA. The Mission of the Civil Service Agency is to build a Civil Service that has the capacity, competence and motivation to deliver sustainable good governance to the nation.

Below is a general overview of the roles and responsibilities of the Office of the Financial Management of the Civil Service Agency (CSA)

Function	OFM
Cash and Bank	<ul style="list-style-type: none"> • Maintain cash books for all cash transactions. • Maintain bank accounts. • Prepare bank reconciliations for all bank accounts on a monthly basis.
Petty Cash	<ul style="list-style-type: none"> • Maintain Petty Cash books. • Responsible for the safekeeping of petty cash funds. • Maintain petty cash ceiling in accordance with CSA's petty cash policy (USD 2,000.00 as per the prevailing operation disbursement ratio) • Maintain petty cash ceiling per individual petty cash disbursement in accordance with CSA's petty cash policy (maximum USD 300). • Perform petty cash reconciliations
Revenue	<ul style="list-style-type: none"> • Record all funds received from all sources in cash books and other accounting books of records. • Appropriately account for all funds received.

	<ul style="list-style-type: none"> • Ensure all funds are banked promptly.
Expenditure	<ul style="list-style-type: none"> • Ensure CSA's policies and procedures and PFM Regulations over expenditures are adhered to. • Disburse funds based on approved budgets. • Record all expenditures in the accounting books of record
Payroll	<ul style="list-style-type: none"> • Manage incentives and allowance payments according to CSA's policies and procedures and PFM regulations.
Budgeting	<ul style="list-style-type: none"> • Manage MTEF Budget Process for the CSA, ensuring compliance with relevant regulations. • Liaise with budget holders, Budget Committees, and senior management of CSA on budget issues. • Liaise with the Department of Budget in the Ministry of Finance & Development Planning. • Submit MTEF Budget to Ministry of Finance & Development Planning.
Accounting Ledgers	<ul style="list-style-type: none"> • Keep current and accurate accounting ledgers on all sources and uses of funds.
Financial Reporting	<ul style="list-style-type: none"> • Prepare monthly, quarterly and annual financial reports for the CSA and for submission to the MOFDP, in compliance with the PFM Regulations and CSA's policies and procedures.
Monitoring	<ul style="list-style-type: none"> • Monitor departments to ensure they are in compliance with GOL's, CSA's financial policies and procedures.
Audit	<ul style="list-style-type: none"> • Provide documents, reports, accounts, records, information, etc. to internal and external auditors, as required. • Respond to audit queries

2.1 Accounting Standards and Policies

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

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

The accounts of the CSA shall be maintained using double entry accounting concepts, on cash basis of accounting. The cash basis of accounting recognizes transactions and events only when cash (including cash equivalents) is received or paid by the CSA. The CSA shall recognize receipts as follows:

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

The CSA shall recognize expenses as follows:

- a) All expenses are recognized in the Statement of Cash Receipts and Payments when paid by the CSA. However, in the statement of Financial Performance, the CSA will recognize expenses when incurred. Expenses incurred but not paid are recognized in the Statement of Financial Position as a liability.

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

2.2 Basis for Preparation of Financial Statement

The Cash Basis IPSAS, the accounting standard adopted by the GOL, requires the CSA to:

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

The financial statements shall be prepared on a cash basis with adoption of an accrual principle where possible and in accordance with International Public Sector Accounting Standards (IPSAS). According to the GOL PFM Regulations, statements based on modified accrual basis are to show amounts due the CSA and liabilities of the CSA at the end of the cut-off period.

2.3 Chart of Accounts

The CSA uses the GOL Chart of Account, which is compliant with the Government Finance Statistic (GFS) 2001, as issued by the International Monetary Fund; the PFM Act and the PFM Regulations.

2.4 Qualities of the CSA Accounting and Reporting System

The CSA will ensure that its accounting and reporting system has the following essential qualities:

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

2.5 Accounting Recording System

The CSA shall record all of its financial transactions. Through timely recording of financial transactions, accurate and reliable financial reports can be generated to provide the CSA's management with information to assist in decision making, as well as generate reports required by the PFM.

The CSA will use accounting vouchers to record and post financial transactions. These accounting vouchers shall be consecutively pre-numbered, and have signing evidence of preparer, authorization, review, verification and approval. (See Appendix _____, *Format for Accounting Transactions Processing and Reporting*)

2.5.1 Book of Accounts

The following minimum books of accounts will be maintained by the CSA:

Book of Account	OFM
Journal vouchers	✓
General Ledger	✓
Cash Book	✓
Donor Cash Book	✓
Petty Cash Book	✓
Advances Ledger	✓
Checkbook Register	✓
Check Payment Log	✓
	✓
Monthly Bank Reconciliation	✓
Monthly, quarterly and annual financial reports	✓

Journal Vouchers: A journal voucher is used to evidence the nature of a transaction and serves as a basis to record transaction into the accounting system. They may be used as postings of original transactions, adjustments, reversals, or corrections. They may also be used to transfer amounts between budget items, different accounts, projects and cost codes.

General Ledger: The CSA's general ledger shall be maintained in a logical manner, according to the GOL Chart of Account categorization.

Cash Books: The CSA shall maintain separate cash books for each of its funds: GOL, Pooled Funds, program funds, etc. All cash transactions shall be recorded in the cash books as soon as funds are received or payments are made to ensure that the CSA captures all payments and receipts for an accounting period. The cash books will also be used to reconcile the CSA's bank statements.

Petty Cash Books: The CSA shall operate a petty cash system to take care of day-to-day operational transactions. All payments made from petty cash shall be entered into the Petty Cash Book using the accounting code structure, as soon as payments are made and petty cash refunds received.

Advances Ledger: The CSA will maintain an 'Advances Ledger' to record, track and monitor all advances given. Liquidations must be entered against each advance in the Advances Ledger. The Advances Ledger shall be updated promptly and the balances shall be reviewed weekly to avoid the accumulation of long outstanding advances.

2.6 Currency of Account

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

2.7 Fiscal Year

The CSA's fiscal year is the same as that of GOL, which is from the 1st day of January to the 31th day of December [PFM Regulations I.18]

2.8 Record Maintenance and Retention

The CSA will store and maintain all of its records in an organized and secure manner, which facilitates timely retrieval of such records (for example, in files, filing cabinets, etc.). All financial documents shall be kept for a minimum of seven years.

All electronic files are to be saved to the server and backed up per the OFM Backup Policy.

2.9 Application of Accounting Policies

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

2.10 Payment Policies

All payments made by the CSA within Liberia, above \$150.00 USD, shall be made by check and direct bank transfer. To avoid transporting cash, payments made in the counties under specific conditions, either to staff, for goods or services, are also to be transferred through the banking system or Mobile Money.

2.11 Approval of Funds and Signing of Internal Payment Vouchers

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

2.12 Types of Fund Flows

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

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

SECTION 3.0 BUDGETING AND PLANNING

3.1 Policy

The CSA must prepare its budget in the context of a Medium Term Fiscal Framework for the purpose of achieving its objectives over a multi-year period. *[Amended Public Financial Management Act 2019, Section 8 (1)].*

The preparation of the CSA's budget must conform to the Budget Preparation Calendar set forth by the Minister of Finance and Development Planning. *[Amended PFM Act 2019, Section 11 (2)].*

3.1.2 General

The Central Agency shall prepare budgets based on the institution's multi-plan, priorities, goals and objectives, ensuring that all activities, projects and programs are within the mandate of the CSA.

3.2 Overview of the Budget Process

3.1.1 The Government of Liberia has adopted a three (3) year Medium Term Expenditure Framework (MTEF). The MTEF provides a link between the GOL five year national development plan, the Agenda for Transformation, and the annual budgeting cycle.

There are three major objectives of an MTEF:

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

There are three stages to the Budget process:

- a) *Budget Preparation*
- b) *Budget Execution*
- c) *Budget Reporting & Accountability*

3.3 Budget Preparation Stage

The budget preparation process begins as soon as the Department of Budget at the MOFDP begins the annual budget process and ends when the Legislature approves the budget.

Preparation of the budget conforms to a Budget Preparation Calendar set forth by the MOFDV [PFM Act 2009, Section 11 (2)].

The Preparation of the Budget consists of two phases:

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

The CSA is to carry out the following activities during the *Strategic Phase*:

The CSA shall establish a Budget Committee whose responsibility is to [PFM Regulations D.16]:

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

Members of the CSA’s Budget Committee shall include:

- | | | |
|-----|---|-----------------------------|
| (a) | <i>Director General</i> | <i>Chairman</i> |
| (b) | <i>Deputy Director General for administration</i> | <i>Co-Member</i> |
| (c) | <i>Principal Administrative officer</i> | <i>Member</i> |
| (c) | <i>Director for Monitoring & Evaluation</i> | <i>Member</i> |
| (d) | <i>Comptroller</i> | <i>Member and Secretary</i> |

3.3.1 Planning

The CSA must prepare mid-term plans that:

- a) *Are consistent with the GOL' overall strategic plan;*
- b) *Describe the CSA's core business goals, objectives, strategies, performance measures and targets;*
- c) *Cost the CSA's strategic plan;*
- d) *Consider projects and recurrent costs together;*
- e) *Take into consideration a comprehensive approach to planning GOL expenditure, as this is done alongside donor funded projects and other revenue streams;*
- f) *Address the upcoming fiscal year and the following two fiscal years;*
- g) *Include a statement that the CSA is accountable for the plan and for achieving the specific objectives in the plan; and*
- h) *Establish performance measures that are results-oriented.*

The CSA's Budget Committee and the Office of Financial Management will play key roles in the budget preparation process, ensuring that the CSA's budget and operational policies are fully implemented. The OFM will also provide periodic variance reports of actual and budgeted amounts to be used in making informed decision and analysis.

All other departments and divisions of the CSA are encouraged to develop realistic financial plans that will facilitate allocation of resources according to the CSA's priorities. Planning, budgeting and reporting are all elements of performance management and accountability.

The CSA's planning should be closely tied to its budget process and the accounting and reporting system of the GOL. Budget transparency and accountability requires the CSA to produce a strategic plan and three-year mid-term plans.

The CSA's human, financial and capital resources required to achieve its goals and objectives need to be set out in the budget. The budget is developed based on forecasts, key assumptions and risk assessments, which are integral to the planning process.

The MTEF involves the planning of recurrent (ongoing costs) and capital (development related expenditures) resources together. During the planning stage, the CSA needs to consider whether it is more effective to spend limited resources on the operation of existing facilities, or on new investments. The integrated approach also ensures that the CSA plans for operational costs that will arise from new investments.

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

The MTEF approach provides more information on objectives and services delivered by the CSA, and the related costs. The CSA can be held accountable by the National Legislature, Cabinet, the Ministry of Finance and Development Planning, and the citizens of Liberia for the achievement of its objectives, the delivery of its services and the efficiency of these efforts.

3.3.2 Overall Responsibility for the Preparation of the Budget

The responsibility for preparing budget cost estimates lies with the budget holders, and managers. However, the Office of Financial Management has the overall responsibility for the budget preparation process.

The responsibilities of the OFM in the budget preparation process include:

- a) *Preparing and distributing internal budget guidelines upon receipt of the BCC from the Minister of Finance and Development Planning;*
- b) *Coordinating the budget preparation process;*
- c) *Providing technical assistance to budget holders in preparing their budgets;*
- d) *Ensuring that all information related to the budget process is properly communicated within the CSA and to relevant stakeholders outside of the CSA (i.e. Ministry of Finance & Development Planning);*
- e) *Consolidating the cost estimates of the budget submitted by budget holders and submitting the consolidated budget to the Director General, Deputy Director General Administration, and Budget Committee for review;*
- f) *Recording the minutes of the Budget Committee meetings;*
- g) *Submitting the consolidated budget to the Ministry of Finance & Development Planning;*
- h) *Administering control over the approved budget;*
- i) *Preparing budget performance reports and analyzing actual performance against budget; and*
- j) *Submitting budget performance reports to budget holders, management, and the MOFDP.*

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

- *Prepare its Budget Policy Note with support from the DOB;*
- *Submit its BPN to the MOFDP for inclusion in the Budget Framework Paper;*
- *Produce and present final project proposals to the DOB for review;*
- *Prepare its detail program and project budgets;*
- *Attend sectorial budget hearings;*
- *Revise its detail budget based on Legislative feedback; and*
- *Make re-adjustments to its budget.*

3.4 Budget Execution Stage

The following summarizes the responsibility of the Office of Financial Management of the CSA during the Budget Execution Stage:

- *Distribute copies of the approved budget to all members of the Budget Committee, Senior Management and budget holders.*
- *Enter approved budget in IFMIS.*
- *Resubmit Cash Plan based on the adjusted and approved budget if budget appropriations were adjusted at the approval of the budget.*
- *Revise Spending Plans based on Quarterly allotments.*
- *Record breakdown of allotments to appropriate budget line items in the budget ledger.*

3.5 Budget Reporting & Accountability Stage

The following summarizes the responsibilities of the CSA during the Budget Reporting and Accountability Stage:

- *Prepare Budget Performance Reports each quarter no later than the close of business on the fifteen (15th) working day of the subsequent month.*
- *Submit quarterly report within a period of not later than 15 (fifteen) days after the end of each quarter.*
- *Submit Quarterly progress reports in a timely manner in order to access next quarter's allotment.*
- *Prepare Mid-Term Plan Report in the second week of July of each year.*
- *Prepare general purpose financial statements at the end of each fiscal year within a period of two months of the end of each fiscal year.*

3.6 CSA's Detailed Annual Budgeting Process

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

Stage	Process	Responsibility	Approx. Timing
Budget Preparation Stage			
1.	Upon receipt of the Budget Circular Call (BCC), the Comptroller informs the CSA's the Budget Committee and all budget holders that the budget process is to begin.	Comptroller	2nd week in May
2.	Circulates the BCC to the Director, Deputy Directors, Budget Holders and Budget Committee.	Comptroller	2 nd week in May
3.	The CSA's Budget Policy Note (BPN) is then prepared with support from relevant stakeholders within the CSA and the MOFDP.	Comptroller/BO/ DPRD/Budget Holders/Budget Committee/MOFDP	Start 2 nd week in May
4.	Submit sector BPN for inclusion in the Budget Framework Paper.	Comptroller	1 st week in June
5.	Produce and submit final project proposals to MOFDP for review	Comptroller	1 st week in August
6.	Issue Internal Budget Guidelines to CSA's Head of Units to begin preparation of budget. The Guidelines will include: <ul style="list-style-type: none"> • Budget Preparation Timetable • Standard rates to be used for various items, e.g. per diems, miles per gallon of fuel, unit price, measurement units, price per book, exchange rate, etc. • Budget Format (which includes expenditure requirements and cash plan) 	Comptroller	3 rd week in August

7.	OFM informs budget holders of their new budget totals, decided by MOFDP, and gives them a copy of current budget	Comptroller	3 rd week in January
8.	OFM holds a budget preparation workshop to discuss the budget process	Comptroller	3 rd week in January
9.	<p>Budget holders prepare budgets for their respective units (with guidance from the Comptroller/Deputy Comptroller/Budget Officer and submit budgets to Deputy Comptroller</p> <ul style="list-style-type: none"> • Budget Holders develop their respective budgets using the formats provided to them by the Comptroller • All Budget Holders develop their respective budgets based on the upper limit provided by the Comptroller in the Internal Budget Guidelines • Budgets should have corresponding work plans, categorized by month. 	Budget Holders	4 th week in January

10.	Hold budget discussions meetings during Step 9 above, to discuss the budget.	Budget Holders/Budget Committee/Budget Officer/Comptroller	4 th week in January
11.	Budget Holders submit their draft budgets to the Deputy Comptroller for 1 st review	Budget Holders/Deputy Comptroller	4 th week in January
12.	The Deputy Comptroller reviews and ensures accuracy and completeness of each Unit's budget, and submits budget to the Comptroller.	Deputy Comptroller	4 th week in January
13.	Reviews and consolidates all Units' budgets and prepares the CSA's consolidated budget. Submits consolidated budget to the Deputy Director for Administration for review.	Comptroller	4 th week in January

Budget Approval Stage (CSA and MOFDP)

14.	The Deputy Director for Administration reviews the CSA's consolidated budget and submits it to the Budget Committee.	Deputy Director for Administration	4 th week in January
15.	The Budget Committee reviews the consolidated budget and conducts budget hearings with each budget holder. If requested, a secondary budget containing only priority items is also compiled. <i>During this stage, the Internal Audit Unit is to provide attestation services.</i>	Budget Committee/Budget Holders/Internal Audit Unit	4 th week in January
16.	Prepares revision to the budget, if any, based on review and budget hearings conducted by the Budget Committee.	Comptroller/Budget Officer	4 th week in January
17.	<i>Repeat review process steps 13 to 15</i>	Deputy Comptroller/Comptroller/DDA/Budget Committee	4 th week in January
18.	Verify budget and sign off on budget as to its accuracy, consistency and completeness.	Internal Audit Unit	4 th week in January
19.	Submit draft budget along with supporting documentation to the Director.	Budget Committee	4 th week in January
20.	Hold meetings to review and approve consolidated budget.	Director/Budget Committee	1 st week in February
21.	Submit consolidated budget to DOB, MOFDP.	Comptroller/Budget Committee	1 st week in February
22.	Invites the Budget Committee, Department Heads, and the Director of CSA to defend the submitted budget, as required.	DOB, MOFDP	March
23.	Revise budget based on Legislative feedback	Budget Committee	April
24.	After approval of National Budget, the DOB sends approved budget to CSA	DOB, MOFDP	May

Budget Execution & Reporting Stage

25.	The approved budget is entered into IFMIS.	Budget Officer/DOB, MOFDP	June
26.	Copies of the approved budget are distributed to all members of the Budget Committee, Senior Management, and Budget Holders.	Comptroller	June
27.	Files a copy of the approved budget, with evidence of approval	Comptroller	June
28.	<p>Seeks the authority of the Minister of MOFDP to spend budgetary appropriation:</p> <ul style="list-style-type: none"> • Prepares and signs monthly, quarterly or priority-basis allotment requests. • Submits the signed allotment to the Minister for approval and stamping. • Approves and stamps the allotment request and sends it back to the Comptroller for onward submission to the DOB, MOFDP. • Processes allotment and gives the CSA authority to spend/commit its approved budget 	<p>Comptroller</p> <p>Comptroller Director</p> <p>DOB,MOFDP</p>	Monthly, quarterly, or as required during the fiscal year.
29.	Monitor and review performance against approved budget.	Comptroller/Budget Holders/management	Monthly, during the fiscal year
30.	Prepares budget performance reports and annual financial statements.	Comptroller	Monthly, Quarterly and Annually

3.7 Changes to the Approved Budget

The CSA may propose changes to its approved budget through two mechanisms [Government of Liberia Financial Management Manual Section 3.5]:

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

The Budget Transfer process is the mechanism used by the CSA to align and take corrective actions with its approved budget during the fiscal year.

The Supplementary Budget process is the mechanism used by the MOFDP to increase estimates made in the approved budget as a result of insufficient appropriation, and/or to make additional appropriation to fund expenditure not appropriated in the approved budget.

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

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

3.7.1 CSA's Budget Revision Process

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

The CSA must observe the following rules regarding budget transfer requests [Government of Liberia Financial Management Manual Section 3.5.5]:

- (a) The CSA cannot transfer from its budget to another ministry or agency's budget, except for national emergency which the President of Liberia has notified the National Legislature. This does not apply to donor-funded projects.
- (b) Request for budget transfers between ministries and agencies can, however, be approved up to twenty (20) percent of the total budget appropriation for the M&A from which the transfer is being made. Any transfer exceeding twenty (20) percent must be approved by the Minister of Finance & Development Planning.
- (c) The CSA cannot transfer from, or into the personnel expenditure budget category; or, between items within the personnel budget category, without written approval of the CSA.

- (d) *The CSA cannot make budget transfers to increase amounts appropriated for purchase of vehicles.*
- (e) *A request by the CSA for budget transfers between its programs must be approved up to a total for the year not to exceed ten (10) percent of the original appropriation for the program from which the budget transfer is made.*

In order for a budget transfer request to be approved, the CSA must ensure the following [Government of Liberia Financial Management Manual Section 3.5.6]:

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

Below is the detailed process for revising the approved budget.

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

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

In all such cases, the DMA shall approve any such revisions, and inform the OFM.

3.8 Monthly Allotments

Before the CSA can spend its approved budget, the Minister of Finance & Development Planning has to give authorization. This is done through budgetary allotments.

On a monthly basis, departments are required to review their upcoming monthly allotment. If a department wishes to change its allotment, it submits a request to the BO by 20th of the month. This request must first be authorized by the budget holder. The DOB must also be informed. In practice, changes in allotments are rarely requested.

The BO inputs the allotment change into IFMIS before the start of the relevant month.

Below is the CSA's Allotment Process.

Stage	Process	Responsibility
1.	On a monthly basis, departments are required to review their upcoming monthly allotment.	Budget Holders
2.	If a department wishes to change its allotment, it submits a request to the BO by 20 th of the month. This request must first be authorized by the budget holder.	Budget Holders/Budget Officer
3.	Reviews the allotment request and approves, if in line with the approved budget, GOL rules and regulations and CSA's policies and procedures.	Comptroller
4.	Prepares and signs the allotment request, based on the procurement plan and the cash plan submitted to the MOFPD.	Comptroller
5.	Submits the signed allotment request to the Director General for approval and stamping.	Comptroller
7.	Approves the allotment request and sends it back to the Comptroller for submission to the DOB	Director General
8.	Submits the approved allotment to the DOB	Comptroller
9.	Receives processed allotment, authorizing the CSA to spend or commit funds	Comptroller

SECTION 4.0: CASH AND BANK MANAGEMENT

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

- a) *The efficient use of public funds, donor funds and internally generated funds;*
- b) *The banking arrangements of the CSA complies with the requirements of the PFM Act and regulations;*
- c) *All funds are used for the purposes stated in the budget;*
- d) *All funds spent are within budget limit; and*
- e) *Funds are spent in accordance with the GOL and donor's rules and regulations.*

4.1 Bank Accounts

4.1.1 General

The CSA shall seek written approval from the Minister of Finance and Development prior to opening a bank account to hold the GOL funds [*PFM Regulations Section R.3 (1)*].

All funds of the CSA and any areas of the CSA shall be channeled through the Central Agency, to be accounted for at the Central Agency.

Generally, the CSA's central bank accounts shall be the only recipient of external funds for all of the CSA's programs.

Checks may be written on the CSA's bank accounts only upon written instructions, approved by the signatories of the accounts.

No signatory to the CSA's accounts shall sign checks, or any document or records related to the CSA's bank accounts, when such check is blank or such documents and records are not fully completed.

All check books for all of the CSA's bank accounts shall be kept under lock and key.

The CSA will keep a detailed "Check Listings" of all of its checks.

The CSA will mutilate all voided checks, writing in big, bold letters "VOID" across the voided check.

The CSA will keep all of its stale-dated checks (checks outstanding for a period of six months or longer) in a safe.

The CSA will not make any check payable to "Cash".

The CSA’s bank accounts (both US\$ and Liberian Dollar) shall be maintained by OFM for all categories of funding received, specifically: GOL Funds, donor funds and internally generated funds.

The CSA’s funds shall be used only for the purposes approved in the budget; it shall not be lent or borrowed in any manner, by any person, for any purpose. No private funds shall be deposited into the CSA’s bank accounts.

All CSA’s funds shall be deposited into its bank account immediately upon collection.

4.1.2 Central Office

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

Category A		Category B
1	Director General (Primary Signatory)	Comptroller (Primary Signatory)
2	Deputy Director General for Administration (Alternate Signatory)	Deputy Comptroller for Accounting Services (Alternate Signatory)

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

In no circumstances shall the signatories in the above categories sign a check, any document or record pertaining to the CSA’s accounts when it is blank or before it has been fully completed.

The CSA must send signature specimen for all signatories to its accounts, in duplicate form, to all of the banking institutions it has accounts with. The banking institution must keep the original signature specimen, while the CSA keeps the duplicate.

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

4.1.3 Program Level

The CSA’s Programs shall maintain their own US dollar and/or Liberian dollar bank account. Signatories to the CSA’s Programs bank accounts shall be as indicated herein:

	Category A	Category B
1	Director General (Primary Signatory)	Financial Comptroller (Primary Signatory)
2	Deputy Director General for Administration (Alternate Signatory)	Deputy Comptroller for Accounting Services (Alternate Signatory)

Alternate signatory can be used only in the absence of the Primary Signatory A or B.

4.1 Procurement and Cash Plans

4.1.1 Procurement Plans

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

The CSA shall establish a Procurement Committee who will:

- (a) Review and approve procurement plans in order to ensure that they support the objectives and operations of the CSA and that it complies with the national budget process.
- (b) Oversee the procurement function of the CSA, i.e.:
 - i) *Identify the proposed budget items requiring application of the procurement process*
 - ii) *Separate the proposed budget items into procurement types such as Goods, Works and Services.*
 - iii) *Decide the procurement method: International Competitive bidding, National Competitive Bidding, Restricted Bidding, Single Source and Request for Quotation.*
 - iv) *Confirm bid price is reasonable and in line with available funds.*
 - v) *Decide on whom to approve the award decision taking into consideration the PFM Act 2009; PFM Regulations 2009; the PPCA Act and Regulations and other legal and relevant documents.*
 - vi) *Determine the timing of the procurement.*
 - vii) *Give approval to the Bid Evaluation Panel or otherwise enable the CSA's Procurement Unit to continue with the process.*
- (c) Ensure that stock and assets are disposed of in compliance with the PPCC Act and Regulations; and
- (d) Provide the PPCC with quarterly reports as required.

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

- (a) *The Director General of the CSA/ or his/her Deputy – Chairman*
- (b) *A Senior Management Team Member - Member*
- (c) *The Comptroller – Member*
- (d) *Director of Procurement (Secretary)*
- (e) *One (1) other qualified official or employee*

When the Procurement Committee completes the Procurement Plan, it is approved by the head of the procurement committee and subsequently submitted to the PPCC for approval.

When the Procurement Plan is approved by the PPCC, it is returned to the CSA. The CSA forwards the Procurement Plan to the Department of Budget at the MOFDP and uses the Procurement Plan as a basis for preparing the Cash Plan.

4.2.2 Cash Plans

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

The CSA will set up a Cash Plan Committee to review its procurement plan and prepare weekly cash plans, which will be a basis for a monthly cash plan.

The CSA will submit to the Minister of MOFDP, annual revenue projections, *if any*, broken down by month and by quarter within forty five days of the commencement of the fiscal year.

Below is the CSA’s Cash Plan process.

Stage	Process	Responsibility
1.	Prepare Procurement Plan for Units (<i>If budget appropriation was adjusted at the approval of the national budget, plan must be based on the adjusted and approved budget appropriation</i>)	Budget holders
2.	Submit Procurement Plan to Budget Officer for review	Budget Holders
3.	Review Units Procurement Plan and submit to the Comptroller for further review.	Budget Officer/Deputy Comptroller
4.	Reviews Units’ Procurement Plans, consolidates and submits to the Budget Committee.	Comptroller
5.	Reviews procurement plan and prepares weekly Cash Plan and use weekly Cash Plan as a basis for preparing monthly Cash Plan.	Budget Committee

6.	Prepare detail analysis of the Cash Plan and submit to Senior Management (Director General and Deputy Director General for Administration).	Budget Committee
7.	Analyze and critique the Cash Plan	Director General and Deputy Director General for Administration
8.	Based on analysis and critique by the Director General and Deputy Director General, the Cash Plan is adjusted and re-submitted to Director General and Deputy Director General for approval	Budget Committee
9.	Approves Cash Plan	Director General/Deputy Director General for Administration
10.	Submits approved Cash Plan with cover letter signed by the Director to the Deputy Minister for Budget at MOFDP	Director General

4.3 Cash Books

The CSA shall maintain cash books for the purpose of recording, tracking, monitoring, controlling, and reporting its cash.

In addition to its cash books, the CSA will maintain source documents as supporting evidence for all of its transactions.

All transactions shall be entered in the cash book as soon as funds are received or payments are made.

All cash books shall be categorized by the source of fund as per the prescribed cashbook formats.

All incoming funds should be banked immediately and before any expenditure is incurred.

4.4 Bank Reconciliation

Bank reconciliation is carried out to detect any discrepancies between the CSA's accounting records and that of the bank. Such discrepancies might exist due to error on the part of the CSA or the bank.

Bank reconciliations also provide the necessary control mechanism to help protect the CSA's cash through uncovering irregularities such as unauthorized bank withdrawals.

Preparing monthly bank reconciliations also assist in the regular monitoring of the CSA's cash flows.

Bank reconciliation - reconciling the bank accounts and the cash books - shall be undertaken on a monthly basis for all of the CSA's bank accounts. [*PFM Regulations, Section R.3 (6)*].

Bank reconciliation will be performed within two weeks after the end of the month (see Annex _____ for Bank Reconciliation Template).

An accountant separate from the one who writes checks on the bank account and the one who records cash transactions in the cash book, is responsible for performing the bank reconciliations.

The bank reconciliation accountant will sign the bank reconciliation as preparer, and the completed bank reconciliations shall be reviewed by the Deputy Comptroller for Accounting Services by the Deputy Comptroller.

The Deputy Comptroller for Accounting Services and the Comptroller shall each sign the bank reconciliation, evidencing review and approval of the bank reconciliation.

The CSA will request all of its cancelled checks from the MOFDP on a monthly basis for its sub-treasury bank account from which payments are made by the MOFDP.

4.4.1 Outstanding Checks and Stop Payment

Checks issued by the CSA shall remain valid for six months. Upon expiry of this time period, checks shall become "stale". A stale check shall not be revalidated. Such a check must be replaced by the issuance of a new check in accordance with the CSA's policies and procedures over payments, and the following:

- a) *After obtaining an explanation from the payee as to why the check has not been cashed, the check will be cancelled and removed from the outstanding check list, through the recording of the appropriate accounting entry.*
- b) *A notation shall be made in the Check Issue Register, referencing the cancelled check with the new check.*

The CSA may decide to place a "stop payment" on a check already issued, for whatever valid reason. In such a case, the Comptroller shall promptly send a written stop payment request to the bank. The Comptroller will also request a written confirmation from the bank that the request was received and the stop payment executed.

4.4.2 Replacement of Lost Checks

The CSA may decide to consider a request for issuing a new check to replace a missing check. Such request should be processed in the following manner:

- a) *The Bank reconciliations and bank statements will be reviewed to ascertain that the check has not been cashed.*
- b) *The alleged loss of the check shall be communicated to the bank with a request to stop payment of the check.*
- c) *A written confirmation of receiving the stop payment order and executing it shall be obtained from the bank before a replacement check is issued.*
- d) *A replacement check may be issued in lieu of the lost check only upon completion of the above steps.*
- e) *The lost check will be noted in the check book, and will reference the replacement check issued.*
- f) *If the lost check is found before a replacement check is issued, the Comptroller shall send written communication to the bank to lift the stop order.*
- g) *If the lost check is found after a replacement check is issued and has been given to the vendor, the stop order on the lost check will remain in place.*
- h) *If the lost check is found after a replacement check is issued but not yet given to the vendor, the Comptroller will inform the bank in writing to lift the stop order so that the original check can be paid. The replacement check will be cancelled immediately.*

SECTION 5: PETTY CASH IMPREST

5.1 Petty Cash Fund Procedures at the OFM

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

The maximum amount that may be held as Petty Cash in any one calendar month is the equivalent of US \$2,000.00 (US TWO thousand Dollars). [PFM Regulations Part B, B.33 (4)] A waiver could be requested if the amount needed exceeds the required PFM amount.

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

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

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

The CSA shall determine the amount, and set a limit that is sufficient to meet the normal day to day operational needs of the counties and districts offices.

The Petty Cash Imprest amount for the Central Office shall be in the amount of \$2,000.00 US dollars. The custodian of the Petty Cash Imprest Fund shall be the Senior Accounts Officer.

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

No single item costing more than US\$150.00 shall be procured through petty cash.

The approval to disburse petty cash is with Director General and Deputy General for Administration.

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

Petty cash below US\$75.00 may be approved only by the Comptroller. Petty cash requests above US\$75.00 for purchases, must be accompanied by three proforma invoices. All receipts and invoices supporting a petty cash claim must be issued in the name of the CSA, not to the individual making the claim.

The petty cash process is below.

Stage	Process	Responsibility
a) Requesting Petty Cash Expenditure		
1	<ul style="list-style-type: none"> • A petty cash request is made via a memo, which is attached to a Petty Cash Form accompanied by appropriate invoices / receipts. 	Applicant
2.	<ul style="list-style-type: none"> • If the request is US\$75.00 and above, it is sent to the DDGA for approval. If the request is below US\$75.00, it is sent to the 	Officer/ Applicant

	Comptroller for approval.	
3	<ul style="list-style-type: none"> Once authorized / approved, the payment request is submitted to the Accounting Officer for disbursement. 	Officer
4	<ul style="list-style-type: none"> The Accounting Officer disburses the required cash. The recipient of the cash signs the Petty Cash Request form to confirm receipt of the cash. 	Officer/Recipient
5	<ul style="list-style-type: none"> The Officer files the petty cash request form and records the transaction in the Petty Cash Book 	Officer
b) Petty Cash Advances		
1	<ul style="list-style-type: none"> Points 1 to 5 under 'Requesting Petty Cash' above apply. 	As Above
2	<ul style="list-style-type: none"> The Officer places the request on the pending imprest file, pending retirement of the request. The officer also records the transaction in the Petty Cash Book 	Officer
3	<ul style="list-style-type: none"> Upon retirement of the petty cash advance, the Officer attaches the invoices/receipts to the petty cash request form and files it. Any unspent balance must also be returned to the cashier at this time. A receipt will be issued by the Officer for the funds returned. In the case where funds are released for a particular activity , such funds shall be accounted for within two working days following completion of the activity 	Officer
4	<ul style="list-style-type: none"> When a new petty cash request is received, the Accounts Officer reviews the pending imprest file to determine whether there are any unretired advance from the same source. If such is the case, no petty cash is given until 	Officer

	previous advance requests are retired.	
5	<ul style="list-style-type: none"> The responsible staff will be asked to refund the outstanding advance. <i>Note: Outstanding advances will be charged to the staff receivable account when not cleared on timely basis.</i> If the advances are not cleared within the required period, the amount shall be recovered from any amounts payable to the Official through monthly allowance or basic salary before further advances to individuals shall only be made to the individual. 	Applicant / Officer

Stage	Process	Responsibility
When Outstanding Balances have been accounted for.		
c) Accounting		
1	<ul style="list-style-type: none"> The Accounts Officer records all petty cash transactions into the Petty Cash Book 	Officer
2	<ul style="list-style-type: none"> The Deputy Comptroller for accounting services reviews the Petty Cash Book and supporting documentation on a weekly basis, as well as whenever a replenishment of the petty cash float is requested. The Deputy Comptroller for accounting services also reviews the petty cash file to ensure that requests are being retired on a timely basis. 	Deputy Comptroller for accounting services

3.	<ul style="list-style-type: none"> The Senior Accountant performs reconciliation of the petty cash, including a cash count in the presence of the IAA. The Chief Accountant will, after the cash count and reconciliation, sign the Petty Cash Reconciliation Form, and will also sign a print-out of the Petty Cash Book to confirm that it reconciles to the physical cash. 	Senior Accountant
4.	<ul style="list-style-type: none"> The petty cash reconciliation form is then reviewed and signed by the Deputy Comptroller for accounting services. 	Deputy Comptroller for accounting services

d) Replenishing Petty Cash

1	<ul style="list-style-type: none"> The Petty Cash Fund should be replenished when the balance reaches approximately 25% of its float, to ensure funds are available for the day to day operations. The Officer prepares a Petty Cash Utilization Report and raises a Disbursement Request for the replenishment amount. 	Officer
2	<ul style="list-style-type: none"> The Petty Cash Utilization Report is reviewed by the Deputy Controller for accounting services, next the Controller who certify it and submit the certified Disbursement Request to the DDGA. 	Deputy Comptroller for accounting services/Comptroller
3	<ul style="list-style-type: none"> The disbursement request is approved by the DDGA and forwarded to the 	DDGA

	Comptroller for action.	
4	<ul style="list-style-type: none"> The check to replenish petty cash is prepared by the OFM and forwarded to Controller for signature. 	FO/Comptroller
5.	<ul style="list-style-type: none"> The Check and Payment Request are then submitted to the DDGA or Director for the second signature. 	DDGA/Director
6.	<ul style="list-style-type: none"> Upon completion of all signatories, the check is sent back to the OFM for entry into the Check Log. 	FO
7	<ul style="list-style-type: none"> After entry into the Check Log, the FO signs for the check, and cashes the check to replenish petty cash. 	FO

e) Security

1	<ul style="list-style-type: none"> Petty cash funds must be kept in a locked safe in the Comptroller’s office and keys kept by the accounts officer. 	Officer
2	<ul style="list-style-type: none"> There shall be a weekly cash count performed by the IAA. Notwithstanding, the Comptroller shall perform unannounced/surprise cash count and same shall be documented. 	Senior Accountant/IAA

6.1 Overview

The OFM and CSA-supported Institutions may have access to several sources of funds, namely:

- GOL Funds
- Pool Funds
- Earmarked Grants
- Registration Fees

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

6.2 Receipt of Funds

6.2.1 Receipt of funds by the OFM

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

Reference	Process	Responsibility
1	<ul style="list-style-type: none"> • All checks received in the OFM office shall be issued an official receipt before being banked and posted in the Cash Book. • All checks received are to be logged in the Check Log Book. 	Cashier and FO

7.1 Objectives of the CSA's Payment Procedures

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

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

7.2 Payment Procedures of CSA

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

All petty cash payments shall be recorded in the petty cash book.

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

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

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

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

The detailed payment procedures are outlined below.

Reference	Process	Responsibility
a) CSA Payment		
1	<ul style="list-style-type: none"> • Payment requests are generated by the budget holders and are signed by the supervisor, Assistant Director of the Unit / department, Head of Unit/Department and sent to the comptroller for review. • Payment requests in excess of US\$1,000.00 must be approved by the Deputy Director General for Administration or his/her assistant, if delegated. • Upon completion of all required authorization and approvals, the payment request is sent to the OFM for action. • If the payment is for goods and the goods have been supplied, the IAA must verify the supply and sign and stamp the Delivery Note “VERIFIED” to authenticate that it was actually verified. 	<p>Budget Holder/OFM/Comptroller</p> <p>DDGA</p> <p>IAU</p>
2	<ul style="list-style-type: none"> • The FO in the OFM logs in each payment request as soon as it is received. The details of each payment request are noted in the Payment Request Log. 	FO
3	<ul style="list-style-type: none"> • The Payment Request is then given a reference number, taken from a pre-numbered log. As each reference number is assigned, it is crossed out in the log. 	FO
4	<ul style="list-style-type: none"> • The payment request is then distributed to the relevant accountants in the OFM, as follows: <ul style="list-style-type: none"> - Procurement Expenditures to the payroll and Finance Officer (FO) - Other governmental expenditures to the 	FO

	<p>Budget Officer (BO)</p> <ul style="list-style-type: none"> - Program/Donor expenditures to the Donor Accountant (DA) 	
5	<p>Procurement Expenditures</p> <ul style="list-style-type: none"> • The FO checks the Payment Request documentation to ensure the following: <ul style="list-style-type: none"> - Payment Request has been appropriately authorized. - All required documentation is attached as follow: <ul style="list-style-type: none"> ✓ Approved PO with all of the documents that were attached during the approval process: <ul style="list-style-type: none"> ➤ Minimum of 3 quotations ➤ Current tax clearance, valid business registration and articles of incorporation ➤ Procurement Unit/Committee minutes ➤ Acceptance Letter to the selected vendor ➤ Rejection Letter (for unsuccessful vendors) ➤ A notification letter to PPCC, and ➤ Contract ✓ Delivery note (the date on the delivery note must be after the date on the PO), ✓ A validation certificate (signed by the DDGA along with the voucher. The DDGA signs the certificate to testify that the voucher originated from the CSA) - Calculations are correct. - Public Procurement and Concession (PPC) Act regulations have been followed by the Procurement Section. - All documents received must be originals 	FO

or certified copies – photocopies shall not be accepted as these may lead to multiple payments being made.

- All proforma invoices include the Tax Identification Number provided by the Department of Revenue in the MOFDP. For service invoices, withholding taxes are deducted from the invoice amount based on the percentage in the Revenue Code.
- If there are any issues with the documentation, the FO liaises with the Procurement Department and other relevant staffs until all issues are resolved.
- Having made all the appropriate checks, the FO signs the payment request and passes it to either the BO or DA as appropriate, who then checks to ensure that there are available budgeted funds or the expenditure.
- All programs/ donors' vendor payment requests be passed to the DA and shall follow **part (d)** below.
- For all GOL's vendor payment requests, the designated FO checks the documentation to ensure:
 - Payment request has been appropriately authorized and approved.
 - All necessary documentation is attached as follow:
 - ✓ Approved PO with all of the documents that were attached during the approval,
 - ✓ Delivery note (the date on the delivery note must be after the date on the PO),
 - ✓ A valid tax clearance,
 - ✓ Valid business registration,
 - ✓ A validation certificate (signed by the DDGA along with the voucher. The DDGA signs the

	<p>certificate to testify that the voucher originated from the CSA)</p> <ul style="list-style-type: none"> - Calculations are correct. - Expenditure falls within budget. <ul style="list-style-type: none"> • If the payment request has come from within the Ministry, and the allotment for the request is already held, then the procedures in Part “c” are followed. • Otherwise, if the payment must be requested via the MOFDP, Part “b” below is followed. 	
b) Payment requested via CSA		
1	<ul style="list-style-type: none"> • Payment requests are generated by the budget holders (end user), signed by the supervisors, Deputies, Department Heads, and send to the Comptroller for review. • The FO checks the payment request documentation to ensure of the following: <ul style="list-style-type: none"> - Payment request has been appropriately authorized and approved - All necessary documentation is attached • Calculations are correct. If there are any issues with the documentation, the FO liaises with the appropriate department to resolve the issue. • When the review has been completed and verified as being correct, having all required documentation authorization and approval, the payment request is sent to the DDGA for approval. Amounts in excess of US\$ 500 are also approved by the Director General or his / her assistant under delegated authority. • When the documents have been signed by the DDGA and/or the Director General, it is then sent to OFM for action. 	<p>Budget Holders/FC/ADFAH RD/DMA/Minister/IAA.</p> <p>FO</p> <p>DDGA/Director General</p> <p>OFM</p>

Reference	Process	Responsibility
	<ul style="list-style-type: none"> • Upon approval by all parties, the check is raised and the FO signs the payment request and attaches it to the internal voucher raised. • The check request (internal voucher) is signed by the Comptroller, DDGA and the Director General. • Finally, the actual check attached to the internal voucher is signed only by the Comptroller and the Director General; as prime "A & B" signatories, or the DDGA in the absence of the Director General • When the check is collected, the recipient signs the Check Paid Out Log to confirm receipt and an official receipt is obtained for the payment. 	FO Comptroller/DDGA /Director General Comptroller/Director General/DDGA Recipient FA

7.3 Petty Cash Advances

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

Reference	Process	Responsibility
1	<ul style="list-style-type: none"> • When a petty cash advance request is received, the Finance Officer reviews the pending petty cash file to determine whether there are any unretired requests from the same applicant. If so, no petty cash fund is advanced until all outstanding advance requests are retired. 	FO
2	<ul style="list-style-type: none"> • The responsible staff will be asked to refund the outstanding advances. • If the advances are not cleared within the required period, the amount shall be recovered from any amounts payable to the responsible staff. Further advances to staff shall only be made when all outstanding balances have been accounted for. 	Applicant/FO
3	<ul style="list-style-type: none"> • All petty cash advances shall be accounted for by the recipient without delay. 	FO/Recipient

8.1 Procurement Procedures

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

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

8.1.1 Procurement Committee

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

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

- | | | |
|--|---|--------------------|
| a) <i>Director General</i> | - | <i>Chairperson</i> |
| b) <i>Deputy Director for Administration</i> | - | <i>Member</i> |
| b) <i>Comptroller</i> | - | <i>Member</i> |
| c) <i>Director of Procurement</i> | - | <i>Secretary</i> |
| d) <i>Principal Administrative officer</i> | - | <i>Member</i> |

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

Function of the Procurement Committee:

The Procurement Committee shall:

- (a) *Review and approve procurement plans in order to ensure that they support the objectives and operations of the Entity and comply with the national budget process;*
- (b) *Oversee all the procurement functions of the CSA as set forth in the PPC A and Regulations;*
- (c) *Ensure compliance of the CSA with the PPC A and its regulations;*

- (d) *Review the activities of the Procurement Unit and the Bid Evaluation Panels and provide advice and direction where necessary to ensure selection of the lowest responsive evaluated bid in accordance with the requirements of the PPCA and its regulations;*
- (e) *Verify that a budget allocation is available under the public financial management law for the expected amount of any contract award and, before giving any approvals pursuant to PPCA and regulations ensure that a budget allocation is available in the amount of any bid or proposal recommended by a Bid Evaluation Panel;*
- (f) *Receive the reports and recommendations of the Bid Evaluation Panel and reject the award if not consistent with the requirements of this Act, for procurements in excess of the relevant Thresholds contained in Section 7 of the Schedule. The Minister of the CSA shall perform this function for procurements within the Thresholds provided for the CSA in Section 7 of the Schedule;*
- (g) *Provide the Commission with quarterly reports and as required;*
- (h) *Confirm the bid price is reasonable for the items to be procured and is in line with available funds or, otherwise, withhold approval of award as provided in clause (f) of the PPCA. The Minister of the CSA shall perform this function for smaller procurements as provided in the Regulations promulgated by the Commission;*
- (i) *Oversee contract administration and the applicable financial management laws to ensure compliance with all reporting requirements under this PPCA;*
- (j) *Ensure that stores and assets are disposed of in compliance with the provisions of the PPCA*
- (k) *Review the activities of each step of the procurement cycle leading to the selection of the lowest responsive evaluated bid by the Procuring Entity; and*
- (l) *Give approval to the Bid Evaluation Panel or otherwise to enable the CSA or Procurement Unit to continue with the procurement process.*

8.1.2 Procurement Unit

The CSA shall establish a Procurement Unit which shall operate under the supervision of the CSA's Procurement Committee.

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

The Director shall determine the composition of the Procurement Unit, provided that every Procurement Unit shall consist of not less than two (2) officials charged with

responsibility for budgeting, expenditure and administration of public procurement for the CSA.

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

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

- (a) *Preparing the Entity's procurement plan as contemplated by Section 40 of the PPCA and updating such plan as required;*
- (b) *Preparing invitations to bid, requests for quotation, requests for proposals and bidding documents, including schedules and specifications;*
- (c) *Publishing and distributing invitations to bid, requests for quotation, requests for proposals and bidding documents;*
- (d) *Receiving and safeguarding bids; Amended and Restated Public Procurement and Concessions Act 35*
- (e) *Conducting bid opening procedures in accordance with Section 61 of this Act;*
- (f) *Performing secretarial and administrative services for the CSA's Procurement Committee;*
- (g) *Ensuring that the procurement procedures to be followed are in strict conformity with the provisions of the PPCA, its operating regulations and guidelines;*
- (h) *Monitoring and administering the performance of contracts;*
- (i) *Assessing the quality of the procured goods, works and services;*
- (j) *Maintain a database of all suppliers, contractors and consultants;*
- (k) *Maintain a profile of the past performance of suppliers, contractors and consultants with respect to their performance of contracts awarded under the PPCA; and*

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

8.1.3 Bid Evaluation Panel

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

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

The PPCCC may make rules to regulate the composition and activities of Bid Evaluation Panels.

No member of the PPCC or the CSA's Procurement Committee shall serve on a Bid Evaluation Panel.

8.1.4 Procurement limits per the Procurement Manual

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

SECTION 12: FINANCIAL REPORTING

12.1 Reporting Policy

The Director General of the CSA will prepare and submit to the Auditor General, the Minister of MOFDP, and the CAG the accounts covering all public funds under the control of the CSA within a period of 30 days after the end of each quarter commencing from the beginning of the fiscal year. The accounts include statements and documents in accordance with the Cash Basis IPSAS and as specified in the GOL Financial Management Manual. *[PFM Regulations I.9 (1) and (2)]*

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

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

12.2 Reporting Objectives:

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

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

12.3 Monthly Accounts Closing

The CSA is required to perform monthly accounts closing within each fiscal year, and submit such reports to the CAG within 10 days after the end of the month [*GOL Financial Management Manual, Section 8.6 (8.6.11 (a))*]. The CSA will monitor expenditures in relation to budget on a monthly basis and prepare monthly reports that compare actual expenditures to budgeted expenditures, including an analysis of major variances. The CSA will ensure that the monthly reports are correct and complete and the reports adhere to the GOL rules on classification of charges and budgetary appropriations.

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

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

{See Section _____ below for the detail process over preparing reports}

{See Appendix _____, Financial Statement Template}

12.4 Quarterly Accounts Closing

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

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

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

The quarterly account reports must:

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

12.5 Annual Accounts Closing

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

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

The Cash Basis IPSAS requires all ministries and agencies to:

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

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

The Annual Accounts Closing Procedures are:

- a) The CAG will provide the CSA with the relevant timeline regarding the receipt of LPOs and vouchers for the closure of the end of the fiscal year; usually two (2) weeks before June 20.
- b) When the LPOs and vouchers are received during that period, they are encumbered and committed respectively, paving the way for them to be processed even after December 31 (up to March 31).
- c) During the 90-day (January 1 to March 31) grace period, encumbrances and commitments can be paid off; outstanding payments can be made. Similarly, outstanding revenues can be received. They are subsequently captured as Payables and Receivables respectively in the Statement of Financial Performance.
- d) The CSA will prepare and submit Statement of Undercharged Commitments within 15 working days after the end of the fiscal year to MOFDP.
- e) The CSA will submit annual accounts within two months after the end of the fiscal year to the MOFDP and CAG. The annual accounts should include:
 - i. *A balance sheet showing the CSA's assets and liabilities;*
 - ii. *A statement of the revenue and expenditure in comparison with the approved and revised estimates for the year;*
 - iii. *A cash flow statement; and*
 - iv. *Other statements as required.*
- f) The annual accounts must:
 - i. *Support checks of transactions to ensure they have been processed accurately and completely;*
 - ii. *Enable effective budgetary control (by identifying allocations, disbursements, undercharged commitments and fund balance);*
 - iii. *have a budgetary appropriation for each program of expenditure in the national budget;*
 - iv. *have a budgetary allotment (allocation) for each program of expenditure that will not exceed the appropriation;*
 - v. *have a budgetary commitment that will not exceed budgetary allotment as this will reflect a sound budgetary control;*
 - vi. *Be made available to all those required by the PFM Act 2009 to receive financial reports, and*
 - vii. *Be timely and accurate.*

12.6 Mid-Term Plan Reports

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

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

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

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

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

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

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

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

12.7 General Purpose Financial Statements

The CSA will prepare the general purpose financial statements at the end of each fiscal year, which will be signed by the Director General and the Comptroller. The financial

statements must be submitted to the Minister of Finance and the CAG within two months of the end of each fiscal year. *[PFM Regulations: I.1.11]*

The requirements for preparing Annual Financial Statements are:

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

12.8 Accounting Policies and Explanatory Notes

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

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

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

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

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

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

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

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

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

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

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

Where the CSA receives external assistance from more than one provider, the significant classes of providers of assistance should be disclosed separately, either on

the face of the Statement of Cash Receipts and Payments or in the notes to the financial statements.

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

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

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

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

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

The CSA shall disclose accounting policies and explanatory notes

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

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

8.6.31 the notes to the financial statements of the CSA should:

- (a) *Present information about the basis of preparation of the financial statements and the specific accounting policies selected and applied for significant transactions and other events; and*

- (b) *Provide additional information which is not presented on the face of the financial statements, but is necessary for a fair presentation of the CSA's cash receipts, cash payments and cash balances.*

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

{See Appendix _____, General Purpose Financial Statements}

12.9.1 Reporting Procedures

The following reporting procedures shall be followed.

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

	monthly vouchers.	
4.	<ul style="list-style-type: none"> • Prepare monthly financial reports which include: <ul style="list-style-type: none"> - Expenditure report Form 'A' by source of funds. - Income and Expenditure report Form 'B' by source of funds. - GOL Reports. - Expenditure plan for following quarter. - Bank reconciliation. - Copy of bank statement. 	Comptroller/FO
5	<ul style="list-style-type: none"> • The Comptroller, with support of the accounting team, reviews the financial reports and consolidates them to produce one financial report for the entire Agency 	Comptroller
6	<p>The consolidated quarterly financial statements shall be distributed to:</p> <ul style="list-style-type: none"> • Director General of CSA • All Deputy Directors General, • Budget Holders, and • Other relevant stakeholders 	Comptroller
7	<ul style="list-style-type: none"> • Copies of the signed financial reports are kept on file. All documents shall be initialed by the Controller. 	Comptroller
8	<p><i>At the end of the year, in addition to the monthly procedures, the following shall be done</i></p> <ul style="list-style-type: none"> • Verify physical existence of the assets and stock. • Physical cash count of petty cash in hand attended by the FA/CHSA/HA respectively. • Prepare financial statement for the external audit (OFM only) 	
9	All year-end financial reports and schedules shall be reviewed by the Comptroller.	Comptroller

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

14.1 Definition of Internal Control

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

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

14.2 Roles and Responsibilities

Everyone in the Civil Service Agency has responsibility for internal control:

- **CSA's Management** – *The Director General is ultimately responsible for the CSA's internal control system. However, Deputy Directors General, Assistant Directors, and heads of departments also have responsibilities for the CSA's internal control system. They have the responsibility to provide leadership and direction, assign responsibility for the establishment, maintenance, and compliance with the internal control system.*
- **Internal Auditors** – *CSA's internal auditors play an important role in evaluating the effectiveness of the CSA's control systems, and contributing to ongoing effectiveness. Because of organizational position and authority in the CSA, the Internal Audit Function plays a significant monitoring role.*
- **CSA's staff** – *Internal control is, to some degree, the responsibility of everyone in the CSA, and therefore should be an explicit or implicit part of everyone's job description. Virtually all staff produces information used in the CSA's internal control system, or take other actions needed to effect control.*

14.3 Objectives of Internal Controls

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

- a) *Security of the CSA's assets, segregation of duties, and the required approvals, authorizations, verifications, reconciliations, reviews of operational performance are in place.*

¹ COSO's Internal Control – Integrated Framework

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

14.4 CSA's Internal Control System

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

Overall, the CSA's internal control system will encompass [*Government of Liberia Financial Management Manual Section 9.3, (9.3.5)*]:

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

14.5 Internal Audit

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

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

The Internal Audit Unit shall be given unrestricted access to all of the CSA's books of accounts, records, reports, files, contracts, vouchers, bank statements, and all other documents, as well as access to CSA's staff and facilities, as is considered necessary, for the proper conduct of their audits.

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

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

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

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

The Internal Audit Unit shall:

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

14.5.1 Responsibilities of the Internal Auditors

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

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

- a) *Determine CSA's extent of compliance with the established policies & procedures and regulations based on the risks involved therein.*
- b) *Evaluate the soundness of CSA's operating and financial controls and their cost effectiveness.*
- c) *Ascertain the extent to which the CSA's assets are safeguarded and deployed gainfully.*
- d) *Appraise the reliability of information generated by the CSA.*
- e) *Evaluate the quality of performance in carrying out the tasks and responsibilities assigned to various employees.*
- f) *Provide suggestions for improving the control environment of the CSA.*
- g) *Investigate allegations of fraud, misappropriation, or possible loss to the CSA, and suggest corrective and preventive measures to avoid future mishaps.*
- h) *Provide consultation to the CSA's line management wherever they seek IAD's views in resolving complex issues confronted by them.*
- i) *Review new products, services and computerized systems being proposed (before they are finally offered and accepted) to CSA to ensure adequacy of controls therein.*
- j) *Review policies and procedures before they are finalized to ensure that necessary controls and procedures are taken into consideration.*

14.6 External Audit

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

The Auditor general or an person authorized or appointed for the purpose by the Auditor General shall have access to all books, records, records returns and other documents relating or relevant to those accounts.

The President or the Minister of Finance & Development Planning may request the Auditor General, in the public interest, to audit, at any particular time, the accounts of any ministry or agency.

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

For the purpose of submitting audited financial statements to the GOL, the CSA financial statements will be audited by the GAC or a firm of approved Certified Public or Chartered Accountants.

Preparation of financial statement for CSA is the responsibility of the OFM.

It is the responsibility of the Comptroller, the CEO at the counties and the DEO at the districts to ensure that all records are kept up to date and ready for external scrutiny.

15.1 Internal Controls

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

The evaluations should be by: [*Government of Liberia Financial Management Manual, Section 9.3 (9.3.14)*].

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

15.3 Non-Negotiable Criteria

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

No	Criteria	Yes	No	Comment
1	Compliance with revenue collection and banking procedures and regular reconciliation of all bank accounts			
2	Compliance with the Financial Procedures Manual including regular update of accounting books (Cash Book/Ledger etc) as detailed above			
3	Adequate filing systems are kept and that all expenditures are properly supported by the required supporting source documentation.			

4.	Regular preparation of accurate and reliable financial reports that are backed by the records and their timely submission to the Central Ministry and MOFDP			
5	Institution adheres to satisfactory procurement practices and procurements are done according to the SoP of the Agency and the PPCA 2010 and PPCA Regulations. That procurement documentation is adequate and has been maintained in an acceptable manner.			
6.	Presence of a skilled and effective Accountant at post at the Institution.			
7	Commitment of Management to a good financial management control environment.			
8	Budgets and plans covering government/financial allocations are prepared and approved on a regular basis.			
9.	Institution takes remedial actions for any prior adverse finding by auditors.			
10	Reconciliation of Payroll/Personnel Listing or payroll/Nominal roll periodically.			
11	Maintains Fixed Assets Register.			
12	Maintains stock CIVIL SERVICE AGENCY Register.			
13	Maintains Staff Register.			

Annex 16.1

Official Receipt



**REPUBLIC OF LIBERIA
CIVIL SERVICE AGENCY**

Official Receipt

Receipt No

Date

Received from:

Amount in figures:

Amount in Words:

.....

For

.....

.....

Check No:

.....

Signature

Annex 16.2: Local Purchase

**REPUBLIC OF LIBERIA
CIVIL SERVICE AGENCY**

LOCAL PURCHASE ORDER

VENDOR
Name:
Address:
Tel: No.

No:

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

LPO No:

Item	Order Qty	Description	Unit Price	Amount

Prepared By:
Procurement Officer

Attested By:
Comptroller/Head of Finance

Authorized By:
Procurement Officer

Signed By:
Deputy Director for Administration

Signed By:
Vendor

Annex 16.5: Payment Voucher (PV)

**Republic of Liberia
CIVIL SERVICE AGENCY
Payment Voucher (PV)**

CSA Institution _____

Payment Voucher No: _____

Date: _____

Source of Funds: _____

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

Annex 16.6: Petty Cash Voucher

**CIVIL SERVICE AGENCY
Petty Cash Voucher (PCV)**

CSA Institution

Petty Cash Voucher No

.....

Source of Funds

Petty Cash Voucher

.....

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

Annex 16. 8: Bank Reconciliation Statement Form

**CIVIL SERVICE AGENCY
Bank Reconciliation Statement Form**

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

Annex 16.9: Description of the GOL Chart of Accounts²

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

² Table 7: Government of Liberia Financial Management Manual

Annex16.10: Sample Chart of Accounts³

No.	Segment	Description	No. of Digits	Format
1.	Agency	Ministry/Agency	3	XXX-XX-XX
		Department	2	
		Section	2	
		<u>Total of digits</u>	<u>7</u>	
2.	Budget Classification	Budget Classification	<u>1</u>	X
3.	Fund Type	Fund Type	<u>2</u>	XX
4.	Funding Source	Funding Source	<u>3</u>	XXX
5.	Project	Projects Name	4	XXXX-XX
		Project Components	2	
		<u>Total No of digits</u>	<u>6</u>	
6.	MTEF	Sector	2	XX-XX-XX

³ Table 8: Government of Liberia Financial management Manual

		Policy Area	2	
		Spare	2	
		<u>Total No of digits</u>	<u>6</u>	
7.	Function	1 st Level/Division	2	XX-X-X
		Group	1	
		Class	1	
		<u>Total No of digits</u>	<u>4</u>	
8.	Location	County	2	XX-XX
		District	2	
		<u>Total No of digits</u>	<u>4</u>	
9.	Economic Classification	Account Class	1	X-X-X-X-XX
		Item	1	
		Sub Item	1	
		Sub-Sub-Item	1	
		Sub-Sub-Sub-Item	2	
		<u>Total No of digits</u>	<u>6</u>	

		<u>Total</u>	<u>39</u>	
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Annex 16.11: Format for Accounting Transactions Processing and Reporting⁴

Name	Meaning	Example
Supporting /	Document or set of documents that	Document that emanates from parties outside of the M&A including receipt, invoice, waybill,

⁴ Table 10: Government of Liberia Financial Management Manual

source Document	authenticates revenue and expense transactions	<p>delivery note, signed/notarized contract, etc.</p> <p>Internal M&A generated document such as memo, purchase request, purchase order, receiving report, completion report, petty cash voucher, cash receipt, check payment voucher, customers' invoices, vendor/suppliers' invoice, etc.</p>
Book of Original Entry	Serve as the basis for preparing journal vouchers & collectively referred to as the General journal.	Petty cash journal, cash receipt journal, check payment journal, purchasing/accounts payable journal, and sales/accounts receivable journal, fixed assets register and payroll.
Journal Voucher	Used to prepare journal entries from the totals or balances of all the journals, fixed assets register and payroll for posting to the general ledger.	Weekly and/or monthly journal entries
General Ledger	Used as a basis for balancing CSA accounts/Financial Statements	
Financial Statements	The financial statements which include Statement of Financial Performance (income statement), Statement of Financial Position (balance sheet), Statement of Cash Receipts and Payments and Cash Flow Statements are prepared from the General	<p>Statement of Financial Performance: is prepared from the revenues, expenses, gains and losses accounts.</p> <p>Statement of Financial Position: is prepared from the assets, liabilities and equity accounts.</p> <p>Statement of Cash Receipts and Payments: is from</p>

	Ledgers.	net inflows and outflows. Cash Flow Statement: is derived from the other financial statements using either the direct or indirect method.
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Annex 16.12: Specific Controls and Control Activities over Expenditure and Assets⁵

Controls	Control Activities
Payroll Administration	
Payroll changes	Each M&A should transmit duly authorized payroll requests to CSA
	CSA should transmit duly authorized Personnel Action Notice (PAN) to MOF
Analytical review of payroll outlays	Each M&A should compare monthly payroll outlay with the preceding month
Payroll reconciliation	MFDP should transmit payroll listing to each M&A
	Each M&A should reconcile the MOF payroll listing to its official personnel listing
Establish Condition of service	Each M&A should ensure that all new employees have employment letter, Uniform ID cards and PAN
	Each M&A should reconcile its personnel listing with CSA PAN
	Each M&A should compile job description for each position established within the organization
Payroll budget variance reporting	MFDP should prepare budget variance report showing whether each M&A's outlays for payroll are within the

⁵ Table 11: Government of Liberia Financial Management Manual

	limits of their respective allotments
Payroll checks	MOF should ensure that all checks are written in the name of the employee only
Approval for actual time worked	Each M&A should establish procedures including sign-in and sign-out sheets distributed by the HR Unit.
	Each M&A should ensure that all employees input total hours worked per day on "time sheet" distributed by HR Unit.
	Each M&A should ensure that "time sheet" are approved and submitted timely by Unit heads to HR Unit.
Management of Physical Assets	
Assets register	Each M&A should add all new assets to its "Assets Register" within three business days after acquisition
	Each M&A should ensure that all deletions from its "Asset Register" is duly authorized in accordance with the requirements of GSA & Part 8 of this Manual
Physical inventories	Each M&A should perform a physical inventory count of all assets (expendable and non-expendable)
	Each M&A should perform additional periodic surprise sample check of assets
Monitoring of fuel/lubricant usage	Each M&A should maintain a list of persons duly authorized to receive fuel/lubricant coupons
	Each M&A should assign custody of fuel/lubricant to no more than two employees who are not responsible for accounting and acquisition of store inventories
	Each M&A should continuously maintain a fuel/lubricant

	coupons log procured and distributed
Receipt & issues of supplies & materials	Each M&A should maintain a store room to keep supplies and materials purchased to be used daily
	Materials and supplies purchased as consumable should be requisitioned and duly signed and authorized by heads of department requesting them
	Materials and supplies received should be receipted with Receiving Notes and Delivery Notes
	Materials and supplies purchased as consumable should first be recorded in the store room stock card before they are distributed to the appropriate department
	Maintain a store room release to record all assets leaving the store room
	Maintain a "signing sheet" for each person taking supplies and materials from Store Room, to sign for them before taking them from the Store Room
	Conduct period count of inventory of materials and supplies in "store room"
	Internally, audit the inventory to determine movements in and out of Store Room on the basis of inventory count conducted by Director of Procurement
	Maintain a printing log wherein each person printing can sign in and record the number of sheet of papers used to leave behind an audit trail
	Maintain a photocopying log wherein each person photocopying can sign in and record the number of sheet of papers used to leave behind an audit trail

	Internally, audit the usage of materials and supplies
Procurement Administration	
Adoption of Procurement Plan	Each M&A should compile a formal Procurement Plan to project and prioritize its procurement needs, as required under the PPCC Act
	Each M&A should periodically monitor adherence to its Procurement Plan and update it based on new requirements
Notify of pre-qualification Bidders timely	Whenever a procurement M&A determines that bidders are subject to pre-qualification before bidding, this requirement should be stated in bid solicitation in accordance with PPCC Act and they are notified timely.
Reconciliation of business registration data & creation of "Bonafide Vendor List"	Ministry of Commerce (MOC) should reconcile its business registration database with the database of the Ministry of Foreign Affairs (Articles of Incorporation) and Ministry of Finance Tax Administration System (TIN) to create a reconciled "Bona-fide Vendor List"
	MOC should submit the reconciled "Bona-fide Vendor List" to PPCC
	PPCC should publish the reconciled "Bona-fide Vendor List" on its Website and transmit to all M&As' Procurement Directors, notifying them which firms are in good standing to do business with.
	Each M&A should use "Bona Fide Vendor List" published by PPCC to qualify vendors
Control of Financial Assets	
Reconciliations Prepared for Bank	M & A should reconcile bank statements for all of the bank accounts that are maintained against its cash books and an

Accounts	explanation for each discrepancy should be documented and followed-up
	MFDP should reconcile bank statements for the Consolidated Accounts with the respective cash books and explanation for each discrepancy should be documented and followed -up
Pre-numbered vouchers used for all disbursements	Each M&A should utilize vouchers pre-printed with sequential numbers that have been duly issued by MFDP
	Each M&A should continuously maintain a log of all internal disbursement vouchers used
	MFDP should transmit to each M&A a copy of all processed and paid vouchers
	Each M&A should review and reconcile submitted vouchers with paid vouchers and an explanation for each discrepancy should be documented and followed-up
	MFDP should submit a copy of all cancelled checks (i.e. returned) to the respective M&As
	Each M&A should review and reconcile cancelled checks with the MFDP paid vouchers submitted to it
	Each M&A should validate all payments made on its behalf by MFDP to vendors
Maintain disbursement logs	MFDP should prepare "Disbursement Log" categorized by (a) EDP Payroll, (b) Payment to vendors, and (c) Payment in the name of each M&A
	Each M&A should compare the disbursement vouchers received with (a) EDP Payroll, (b) processed and paid vouchers and an explanation for each discrepancy should

	be documented and followed-up
Establish control over checks	MFDP and Each M&A should establish procedures to immediately mutilate all voided checks
	MFDP and Each M&A should prepare detailed "Checks Listings" of all checks
	MFDP and Each M&A should compare the "Checks Listings" with cash books
	MFDP and Each M&A should immediately mutilate paid vouchers and supporting documents
	Each M&A should prepare listing of stale-dated checks (i.e. outstanding 60 days or more) and secure them in a safe
	Each M&A should prohibit checks made payable to 'cash'
	Each M&A should prohibit signing of blank checks
Designate authorized check signers	Each M&A should maintain a list of duly authorized check signers including specimen signatures and transmit it to the banks
	Each M&A should timely update its duly authorized check signers list and transmit the updated list to the banks
Preparation of budget variance report	Each M&A should prepare budget variance reports, which show actual against budgeted amounts and explanations for variances should be documented and researched
Preparation of expenditure reports	Each M&A should prepare expenditure reports which list actual expenditures as per budget code/chart of accounts
Manual governing use of operating accounts	Each M&A should compile and institute an Operating Account Manual to govern the receipts and disbursement of funds from the operating account. The Manual should

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

	Accounting Services Unit
	Each M&A should serially pre-number accountable documents:
	Imprest Request Form
	Petty Cash Request Form
	Imprest payment Form
	Petty Cash Payment Voucher
	Internal Payment Voucher
	Purchase Request Form
	Goods Receiving Note
	Store Room Release Form
	Local Purchase Orders
Specific MFDP Reconciliations	
Internal financial reconciliations	ASU should reconcile the "Commitments Ledger" with Department of Budget Allotments and explanation for each discrepancies should be documented, followed-up and resolved
	ASU should reconcile its expenditure Report with CMC Listing, investigate and explanation for discrepancies should be documented, followed-up and resolved
	CMC should reconcile the CMC Listing with checks issued per each M&A and explanation for discrepancies should be documented, followed-up and resolved
	MFDP should reconcile the number of checks written and 'Check Disbursement Ledgers' per M&A (Utilization

	Report) and explanation for discrepancies should be documented, followed-up and resolved
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Annex 16.13: Internal Budget Guidelines⁶

3.1 Below is an Internal Budget Guidelines set forth by the Comptroller of each for M&As. These guidelines are however subject to periodic changes during each budget preparation period:

Actions	Responsible	Period
Preparation of M&A BPN (support from MPEA and MFDP)	Comptroller	2 nd week in Nov.
Submit Sector BPN for inclusion in BFP	Unit Heads/DCF	1 st week Dec.
Produce final project proposals to MFDP and MPEA for review	Unit Heads/DCF	1 st week Jan.
Comptroller issues Internal Budget Guidelines to heads of units	Comptroller	3 rd week in Jan.
DCF holds budget preparation workshop	DCF	3 rd week in Jan.
Unit Heads prepare Unit budgets (with guidance from DCF) & submit to DCF	Unit Heads/DCF	4 th week in Jan.
DCF reviews and ensures accuracy & completeness of each Unit budget. DCF collates all Unit budgets & prepares the draft budget for the M&A. DCF submits the draft budget along with all details to the Comptroller.	DCF	4 th week in Jan.
Comptroller scrutinizes draft budget along with all the details & submits to the BC	Comptroller	4 th week in Jan.
BC reviews & conducts budget hearings with each Unit Head	BC	4 th week in Jan.

⁶ Table 3 from the Government of Liberia Financial Management Manual

(with attestation services by Internal Audit). BC makes required changes to all Unit budgets & the draft budget for the M&A		
Internal Audit provides attestation services to verify & sign-off for accuracy, consistency & completeness of each Unit budget & draft budget for the M&A	Internal Audit	
BC submits the draft budget along with the details to the HOE. BC meets with the HOE for review & approval of the draft budget as well as Unit budgets	HOE/BC	4 th week in Jan.
HOE, along with Comptroller, submits the draft budget for the M&A to DOB of MFDP	HOE/Comptroller	1 st week in Feb.

DCF = Deputy Comptroller for Finance, BC = Budget Committee, HOE = Head of Entity

Annex 16.14: Organization Chart of Finance Sections

The chart illustrates structure of the Finance Sections of the Civil Service Agency:



