



REPUBLIC OF THE GAMBIA

Department of State for Local Government and Lands

**FINANCIAL AND ACCOUNTING MANUAL FOR
LOCAL GOVERNMENT AUTHORITIES**

Prepared under
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Gamworks Agency

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FOREWORD

This is the first **Financial and Accounting Manual (FAM)** for Local Government Authorities (LGAs) that was developed with the full participation and involvement of Senior Local Government officials and other key Stakeholders.

The Financial Memorandum that LGAs are currently using has been in existence for over 20 years. In view of recent developments in Local Government administration especially the move towards decentralisation and good governance, the emphasis is now being placed on transparency and financial accountability. Therefore it has become prudent to introduce a new Financial and Accounting Manual that will govern the budgeting, procurement and financial accounting of LGAs.

This Manual has been prepared for the proper management of LGAs finances, and I do hope you will find it user friendly and dependable companion to assist you handle your day to day financial management activities.

It covers amongst others, the definition of key fiduciary responsibilities of Councils' officers, budget procedures, estimates, budgetary controls, treasury management, procurement and tender procedures for goods, works and services, accounting policy, accounting procedures, internal and external controls.

The regular use and adherence to the provisions of the Manual coupled with other improvements in the administrative and managerial capacities of LGAs will go a long way in promoting sound financial viability and ensure efficient delivery of quality services to the local communities which we all serve.

I encourage you to judiciously utilise this manual thereby helping to achieve the socio-economic development objectives of your LGAS.



Secretary of State
Department of State for Local Government and Lands

CHAPTER ONE

GENERAL

101 PREAMBLE

This **MANUAL** is to be cited as the “**FINANCIAL AND ACCOUNTING MANUAL**” and it shall govern the **budgeting, procurement, and financial accounting** of the Local Government Authorities in The Republic of The Gambia.

This manual has been prepared to:

- a) Provide accounting instructions which are suitable for the general application throughout Local Government Authorities within The Republic of The Gambia; and
- b) Give detailed procedures for the guidance of officials on the operation of specific systems within individual authorities.

The instructions contained in this manual are to be read in conjunction with the provisions of the Constitution, Acts of National Assembly, General Orders and Financial Regulations governing the operations of Local Government Authorities within The Gambia.

All offices concerned with the collection, disbursement and safe custody of Council monies or other Council property are required to observe these Accounting Instructions and the procedures laid down therein which must be strictly followed. Failure to observe the instructions may lead to disciplinary action being taken against offenders.

102 DEFINITIONS OF TERMS

In this Manual, unless the context otherwise requires or implies the following definitions shall apply:

- a) The “Manual” means, the financial and accounting Manual. “Accounting Instructions” wherever used shall be deemed to refer to the Manual unless expressly stated otherwise.
- b) The “Local Government Authorities” shall refer to the Banjul City Council, The Kanifing Municipal Council and Area Councils established by law on the functions of a Local Government Authority. They shall be separately refers to as the “Council”
- c) The “Department” means The Department of State for Local Government and Lands.
- d) “Financial Year” means any period from 1st January to 31st December in each calendar year.
- e) The term “General Orders” refers to the codified administrative framework and the rules within which the local authorities operate.
- f) Wherever used in these instructions “He” or “Him” should be construed as referring also to “She” or “Her”.

103 INTERPRETATION

The interpretation of the procedures in this Manual shall be made by the Chief Executive Officer of each Local Government Authority unless the context requires otherwise and all queries on the interpretation should be addressed to him.

In case that a ruling on the interpretation of the procedures by the Chief Executive is unacceptable and any person becomes aggrieved by the decision, an appeal can be addressed to the council and if necessary to the Secretary of State for Local Government and Lands for redress.

104 RECOMMENDATION ON AMENDMENTS OF THE FINANCIAL AND ACCOUNTING MANUAL

No new instruction, addition or amendment to any existing provision in the Manual shall have any force until passed by a Resolution of the Council members in consultation with the Secretary of State and issued as a Circular or Amendment slip, a copy of which shall be made available to every accounting officer of the Local Government Authority, Auditor General and the Department of State For Local Government and Lands.

Date of Commencement

This manual shall be deemed to have come into force and be in operation from and shall supersede all previous Financial and Accounting Instructions.

CHAPTER TWO

FINANCIAL MANAGEMENT - ROLES AND RESPONSIBILITIES

201 ROLES, DUTIES AND RESPONSIBILITIES OF KEY PERSONNEL

GENERAL

The Term “Accounting Officer” shall be the Chief Executive Officer according to Section 43 subsection 3(d) of the Local Government Act 2002 and shall be responsible for authorisation of expenditure, collection and disbursement of Council funds.

FINANCIAL STAFF – DUTIES OF THE FINANCIAL STAFF

The recording of the day-to-day transactions of the Council is the responsibility of the finance staff. There are numerous checks built into the system to reduce errors and fraud. Finance Officers should ensure that all revenues or other monies due to the authority are received and promptly collected and accounted for under the appropriate revenue accounts in each financial year. Payments are to be made on the prescribed form on the due dates and must be properly authorised by the Chief Executive or any other employee delegated by him.

202 THE CHIEF EXECUTIVE

The Chief Executive of Council shall be appointed by the Local Government Service Commission as prescribed in the Local Government Act 2002, section 42 (2).

As the Accounting Officer of Councils, he/she shall be responsible for the general management and supervision of the financial and accounting operations of the councils and the safeguarding of Councils assets in accordance with section 43 (1), (2) and (3) of the Local Government Act 2002.

He is personally responsible for:

- a) The due performance of the financial duties of Council.
- b) The observance by employees of council of all financial and accounting instruction issued from time to time.

- c) The proper disbursement of such money from the purchase of goods or acquisition of services for the day-to-day administration of the council.
- d) Ensuring that adequate steps are taken for proper control of financial transactions under his control.
- e) The general management, supervision and production of the accounts of the council.
- f) Any inaccuracies in the accounts so produced by him or under his authority.
- g) Extracting and Circulating to all finance staff all decisions of Council relating to finance, especially to those whose duties such decisions may effect.
- h) Designing and improving the form of accounting system in operation as described in this Manual.
- i) Issuing accounting orders which are completely in line with this Manual as may become necessary from time to time.
- j) Approving in consultation with Council, the appointment of Council staff in the absence of Local Government Service Commission.
- k) Carrying out surveys of cash, stores and the other assets.
- l) He shall be a signatory to all accounts of council in accordance with section 13 (3) of the Finance Audit Act 2004.
- m) He shall, with the assistance of his financial team present the annual budget or supplementary appropriation to council for its consideration and approval.
- n) Submit periodic financial reports to the Chairman/Mayor for onward transmission to Council.

203 FINANCE AND ACCOUNTING STAFF

In the exercise of his functions, the Chief Executive may delegate some of his roles and responsibilities as appropriate to his deputy where applicable and/or the Director of Finance. This arrangement, however, will not relieve the Chief Executive from any portion of his responsibility as the Accounting Officer of Council.

Accounting and Stores staff are responsible for the budgeting, accounting, financial management, and procurement and storekeeping function of council. They are personally responsible for the due performance of their financial duties and are required to:

- a) Make sure that they are acquainted with all financial and accounting manuals regulations, and procedures in operation and to see that they are duly observed.
- b) Promptly bring to account under the correct classification, by preparation of necessary vouchers, all money received and/or paid.
- c) See to it that adequate provision is made for security of cash, stores, receipts, and forms giving claims to goods and services (for example, good received notes, cheque books) and all other accountable document and assets under their charge.
- d) Ensure that proper authority and approval for all payments are obtained and that the vouchers are properly classified.
- e) Promptly bring to account any cash surplus to the cashbook figure and report this immediately to the Director of Finance.
- f) Promptly pay in or make good any cash deficit and report this immediately to the Director of Finance.
- g) See to it that all books of accounts, register, records etc are maintained in accordance with the Financial and Accounting Manual and are kept up to date.
- h) Make themselves acquainted with all Legislation, Gazette Notices, Regulations, Court Decisions and Circulars etc. relating to their financial and accounting duties.

204 DIRECTOR OF FINANCE

The Director of Finance is Head of the Finance department of the Council and shall be responsible for the:

- Overall coordination and control of the accounting functions of Council.
- Supervision of accounting staff.
- Production of the annual financial statement.
- Interpretation/analysis of accounts.

He will be specifically answerable to the Chief Executive for the following duties:

- a) General supervision of the accounting functions.
- b) The proper collection, recording and custody of all revenues of Council.
- c) Examination of payment vouchers to ensure that they have been properly authorised, that the allocations rates, calculations, castings and signatures of recipients are accurate and are in order and that the vouchers are properly filed.
- d) The Bank Reconciliation Statement.
- e) Verification of Accounting Records and the Annual Financial Statements and a continuous monitoring of Personal Advances Records.
- f) Verification of accounting entries in the Expenditure Control Statements.
- g) Custody and proper control over all books and documents relating to the Revenue and Expenditure of the Council particularly cheque books, purchase orders and receipts books.
- h) To produce proposals for improving the efficiency and effectiveness of income collection.
- i) To suggest potential new sources of revenues.
- j) He shall be a signatory to all accounts of Council.
- k) Any other matter that the Chief Executive may assign to him from time to time.
- l) Correctly assess revenue in accordance with the relevant laws or bye-laws and to secure its punctual collection.
- m) Submit promptly, all financial statements to the Chief Executive.
- n) Take adequate precautions against theft or fire of such books and documents as cashbook, personal record cards for advances and deposits, personal emoluments records, journals, ledgers etc.
- o) Produce promptly all cash, stamps securities, vouchers, documents and books of accounts for audit inspection when required to do so.
- p) Reply promptly and fully to all queries from the Chief Executive and the Auditors.
- q) Ensure that all records required to be kept are properly kept.

- r) Submit monthly summaries of receipts and payments to the Chief Executive and copies sent to the Internal Audit.
- s) Exercise supervision over receipt of council revenue and ensure its punctual collection.
- t) Ensure that a proper system of accounting is maintained.
- u) Consult the Chief Executive with regard to any matter affecting the accounts of the Council which is not specifically provided for in the Financial Manual or any accounting or Financial and Accounting Manual that may have been issued.
- v) Receive approval in writing from the Chief Executive for any departure from prescribed accounting procedures that may become necessary or inevitable from time to time.
- w) Prepare (in consultation with the Chief Executive) the annual budget/supplementary appropriation.

205 THE FINANCE MANAGER

The Finance Manager shall be responsible for safeguarding the council's interest in all financial transactions relating to revenue collection and expenditure. Under the guidance and supervision of the Director of Finance, ensures that effective accounting systems and procedures are laid down to aid the provision of appropriate management information for planning and control of the operations of council, particularly:

- a) Custody of all bank statements and a continuous check on all lodgements into the council's Bank Account.
- b) Postings and balancing the daily (monthly) abstracts book.
- c) Posting and balancing the General Ledger.
- d) Preparation of the monthly summary of receipts and payments.
- e) Drafting of Final Accounts and Financial Statements.
- f) Supervision of the work of the Senior Accounts Clerk.
- g) Any other duties assigned from time to time.
- h) To work with both the internal and external auditors ensuring that all the information required by them are provided.

206 THE DUTIES OF THE SENIOR ACCOUNT CLERK

The Senior Accounts Clerk is responsible for carrying out, with minimal supervision, accounting and associated duties as stipulated below:

- a) Confirmation of vouchers prepared and checked and passed by the Accounts Clerks.
- b) Verification of the posting made in the subsidiary books, record and document by the Accounts Clerks.
- c) Updating the Establishment Register and Personal Advance and Deposits records.
- d) Preparation of salary vouchers of established staff.
- e) Preparation of Purchase Orders.
- f) Posting of entries in the Expenditure Control Statement.
- g) Scrutiny of bills, cheques etc before final payment.
- h) Checking and passing all payment vouchers.
- i) Preparation of cheques for signature.
- j) Preparation and payment of monthly payment of salaries, wages and allowances to employees with bank accounts.
- k) Process payment to council members, social security, Income Tax Department and other firms and organisations.
- l) Postings of the cash book daily.
- m) Postings of all subsidiary books and records required to be maintained.
- n) Filing of all payment and receipt vouchers.
- o) Any other duties that may be assigned from time to time.

207 DUTIES OF THE ACCOUNTS CLERK

Accounts Clerks are responsible for carrying out accounting, financial control and associated duties of a routine nature, under supervision, such as –

- a) Preparation of payment vouchers.
- b) Checking of bills and invoices from suppliers.
- c) Preparation of receipts.
- d) Preparation of bank paying-in slips and the payment into bank of all collections promptly.
- e) Preparation of bank schedules for the payment of salaries and allowances of employees into bank.

- f) Posting the Establishment Register from monthly salary vouchers.
- g) Posting regularly Personal Advances Record from monthly salary deduction sheets.
- h) Filling of all payment and receipt vouchers.
- i) Any other duties that may be assigned from time to time.

208 THE INTERNAL AUDIT DEPARTMENT

The Internal Auditor is Head of the Internal Audit Department. He shall be responsible to ensure that the procedures stipulated in this Manual with respect to all transactions involving revenue collection and expenditure and receipt and issue of stores are properly authorised, promptly carried out and punctually recorded and to make a continuous and thorough check on Councils' financial transactions.

The Internal Auditor is directly responsible and answerable to council and should provide a service to the management in the effective discharge of its financial duties. The Internal Auditor in the discharge of his duties must be independent. He shall submit all his reports to the Council through the Local Government Accounts Committee with copies to the CEO.

In order to perform his duties effectively and impartially he must also have freedom to investigate from a financial viewpoint, the activities of the Council. In addition, the Internal Auditor shall prepare quarterly audit reports and shall submit them to Council.

209 THE DUTIES AND FUNCTIONS OF THE INTERNAL AUDITOR

His main functions are to:

1. Ensure the Council that:
 - a) The whole system of Internal Control including internal check, is adequate and is functioning satisfactorily,
 - b) The Financial, Accounting and Stores Regulations and Procedures issued from time to time by the council are being complied with.
 - c) The accounting records form a reliable basis for the production of the council accounts.
 - d) Report to the Council and Chief Executive on any apparent waste or extravagant expenditure, which comes to his notice.

e) There is no loss of council funds as by theft or by fraud by organising surprise checks of cash.

2. Draw the attention of the council to:

- Deficiencies and loop holes' in the internal check, and controls.
- Inefficiencies, irregularities, duplicated function and waste where these exist.

3. Suggest solutions to these where possible and follow up to ensure that corrective measures are taken.

4. Ensure that disbursements and expenditure are checked before they are made by organising a pre-audit of all payment vouchers.

5. Conduct:

a) A detailed examination of the final account and other financial statement of the Council when submitted by the accounting staff.

b) A constant examination of the books of accounts thereby facilitating the improvement and modernisation of the system of accounting.

c) Carryout monthly general or part verification of stocks and submit reports to the Chief Executive.

d) Special assignments as and when required.

6. Conduct manpower audit embracing all employees of the administration including staff records, salary levels, allowances, and payments to ensure conformity with budget, and approved establishment.

7. Liaise with the External Auditor and giving them access to make internal audit reports pertaining to the financial operations of the Council.

CHAPTER THREE

BUDGETING AND BUDGETARY CONTROL

301 THE ANNUAL BUDGET

The Annual Budget shall be the document in which the income and expenditures of the Council are stipulated and authorised by the members of Council. It shall form the basis for the Income (Revenue) and Expenditure (payments) during the financial year.

The Director of Finance shall, after consultation with the ward committees, administrative, technical and professional Staff of the Council, responsible for controlling expenditure and performance, cause the budget to be drawn up and presented to the Council as provided in Local Government Finance and Audit Act Section 8.

302 THE FORMAT OF THE BUDGET

The budget shall be prepared on the prescribed format which shall include:-

- a) Revenue Budget: this will be prepared (in ledger accounting order) for each item of income for the incoming year.
- b) Expenditure Budget: detailed estimates for expenditure to be incurred during the coming year is divided into:

I) **Development Expenditure Budget**

This will take care of the acquisition, replacement or procurement of capital items. This budget is the anticipated expenditure on fixed assets during the period and is crucial to decision making. Funds available for capital expenditure are limited and great care is essential to ensure that funds are invested profitably.

The Development Expenditure Budget should show:-

- The capital project of item
- Where the duration of the project spans over 2 or more years:
- The total projected cost

- The amount spent to the end of previous year
- The current year's approved budget
- The current year's revised budget
- The amount spent to date in the current year
- The forecast for the following year (Budget year)
- Method of financing
- Additional annual recurrent costs (both running and financing costs) of the project or item.

The Expenditure Budget of the Council shall constitute 60% of Development Expenditure and 40% of Recurrent Expenditure or any other percentages that may be prescribed by law from time to time.

II) The Recurrent (or Administration) Budget

This involves the salaries and allowances of council Employees and all other operating costs of the Council as detailed in the General Ledger in preparing this budget.

The Director of Finance shall:

- Give the actual expenditure for the previous financial year.
- Calculate the estimated expenditure for the ensuing year.
- Prepare a Nominal Roll and Details of Establishment for the Council employees.

This is in effect the Manpower Budget of Council and should show:

- Their names, post/designation: current grade and salary and salary for the budget year (adjusted for any increments and promotions).
- Eliminate double allocation and inappropriate charges.
- A summary of the revenue and expenditure for the budget year is then prepared.

303 TIMETABLE FOR THE PREPARATION AND SUBMISSION FOR APPROVAL OF THE BUDGET

- 1) The Budget will include the anticipated revenue from all sources and the anticipated expenditure during the year to which it relates. It must be constructed as accurately as possible.
- 2) A circular is sent to the various Wards and Committees of Council (after reference to and consultations with, officials of the council for relevant information about the administration of the council as a whole) requesting them to complete and submit their proposals for items to be included in the Budget before 31st July of each year.
- 3) The Director of Finance shall compile the draft budget made from the submissions and submit it to the Finance committee for discussion, review and the finalisation and then to be displayed at ward levels for their comments on or before 30th September each year. The Draft Budget will then be considered at a Council meeting organised for that purpose and a copy of the draft sent to the Secretary of State not later than **30th October** each year. The comments and observations from the DOSLG&L shall be submitted to Council not later than **21st December** each year. The Council will then approve the budget (including any amendments it may deem necessary **by 31st of December**, so that the council may be able to operate in accordance with the Approved Budget as from **1st January** each year.
- 4) The Approved Budget shall be open to public inspection in the **1st week of January** each year.

304 GRANTS AND EQUALISATIONS GRANTS

Conditional Grants

Conditional grants shall be separated from the local government revenue and accountability shall follow the conditions agreed between the partners.

Unconditional Grants

General and Equalisation grants shall be handled in accordance with the procedures agreed.

305 AUTHORITY FOR EXPENDITURE

The authority to incur expenditure is vested in Council through budget approval. The Finance Director shall not make any payment nor accept any charge in his accounts unless authorised by the Chief Executive and in accordance with the monetary thresholds approved by each Council. As regard the monetary threshold it should be noted that up to a given amount the CEO can approve and incur expenditure without reference to the Chairman/Mayor of the Council. Up to a certain amount, the CEO is required to consult and seek clearance from the Chairman/Mayor. Beyond a given amount, the CEO is required to refer such expenditure to Council to seek approval.

306 MONETARY THRESHOLDS IN EMERGENCY CASE

The Monetary thresholds approved by each Council shall be strictly followed by the Chief Executive except in emergency situation(s) in which payments cannot be delayed for due consultation with either the Chairman/Mayor or the Council for threshold approval. The reason for such emergency payment shall be made in writing by the Chief Executive and attached to the Payment Voucher.

307 VOTE ON ACCOUNT

When there is a delay in the approving of the budget and has not come into operation at the beginning of the year, the Council may move a motion to spend an amount not exceeding the sum spent in the relevant period in the immediate preceding year and should be on expenditure which is absolutely necessary for carrying out its operations in anticipation of the budget approval.

308 VIREMENT

The amount authorised by the Chief Executive for any item of expenditure is the maximum amount that can be spent on the activity and is an upper limit on expenditure for a given activity. This amount must not be exceeded without proper authority and reallocation of funds from one Head to another and within Expenditure group. Virement can only be made either within Development Expenditure heads or within Recurrent Expenditure heads. Virement is totally disallowed from personnel emoluments for any reason

If in the course of the financial year it is found that the budgetary allocation of one Head of expenditure is inadequate and savings are anticipated under another Head within the same

Expenditure group, funds can be reallocated to the former from the latter, subject to the limitations contained in the Financial Manual of Council. This process is known as “Virement”.

309 SUPPLEMENTARY APPROVALS AND ESTIMATES

1. The approved budget constitutes the complete programme of the Council for the year; therefore **budget proposals should be prepared with the greatest possible care providing for all items of expenditure, which are likely to come in the course of payment in the ensuing financial year.**

2. If in any financial year it is found that:

- a) Additional funds cannot be provided for by virement.
- b) The amount budgeted for any service is insufficient.
- c) The need has arisen for new expenditure for which no amount has been approved.
- d) Moneys have been expended in excess of the amount budgeted or of a purpose for which there is no provision, because it has become manifestly evident that these are exceptional cases and time does not permit of authority to be obtained in the usual manner.

Supplementary funds may be made available.

3. All requests for supplementary approval must be submitted to the Council through the Finance Committee.

This is done by presenting:

- a) A “Schedule of Additional Provision” (SAP) in the case of (a), (b) and (c) above and
- b) A “Statement of Excess Expenditure” in the case of (d).

310 BUDGETARY CONTROL

It is the role of the Chief Executive and the Director of Finance of the Council to:

- a) Ensure that expenditure and revenue targets remain on course as far as possible;
- b) Establish an efficient accounting system for recording actual results and comparing them with the budget; and
- c) Initiate corrective action whenever necessary.

311 BUDGET MONITORING

A Quarterly Report on Budget Performance for both revenue and expenditure should be produced and submitted to Council and Management showing variances comparing the actual with planned figures on monthly basis and cumulatively to date.

CHAPTER FOUR

RECEIPTS, REVENUE AND INCOME

401 SOURCES OF RECEIPTS AND REVENUE

Councils shall collect revenue from the following sources according to schedule 2 of Local Government Finance and audit Act, 2004.

- a) All rates and taxes, if any, levied under the provision of all relevant legislations.
- b) All fees for licences issued by the Council under any enabling legislation.
- c) All fees and moneys received from inspection or sale of any listed books, accounts or documents in the custody of the Chief Executive of the Council.
- d) All tribunal fines and fees due to the council
- e) Penalties, costs and amounts recovered in respect of any prosecution or action under any act for the operation of which the Council is responsible or under which the Council exercises power.
- f) The rent on all premises vested in the Council.
- g) Profits, royalties, interest, dividends and annual proceeds due from any other source.
- h) Any amounts paid to the Council by the Government or other Donor Agencies whether as a grant or endowment
- i) Any other income, forfeitures, receipts or proceeds lawfully derived by the Council from any other source whatever and which source is not specifically mentioned in this section

402 DUTIES OF THE FINANCE STAFF

It is the responsibility of the Director of Finance to ensure that all revenues or receipts due to the Council are promptly collected and accounted for on a daily basis. The Director of Finance must ensure that:

- a) Proper arrangement and procedures exist for the prompt assessment of all revenue and that appropriate measures are taken to collect arrears.
- b) Every amount due to the Council is promptly collected and receipted.
- c) Clear guidelines and procedures are in place to prevent and detect inaccuracies and or fraudulent practices.
- d) Adequate stock of receipts are kept for revenue collection

- e) Maximum efficiency and effectiveness is obtained from the subordinate staff.
- f) Revenue and receipts are properly accounted for and fully reflected in the books of account
- g) Monthly Analysis or Summary of revenue collected is duly prepared.

Where any or all of these responsibilities are delegated to other finance staff, the Director of Finance cannot absolve himself from any negligence arising from action or inaction of such staff.

403 CLASSIFICATION OF RECEIPTS

Finance staff must take great care to ensure that receipts are correctly classified into revenue accounts using appropriate codes. In case of doubt, clarification should be sought from the Director of Finance for a ruling; and if necessary the allocation of a new sub-head if none exists. (See Annex 1 for details of Income Codes).

404 PROCEDURE FOR RECEIPT OF REVENUE

The following procedure should be adopted whenever any receipt of money takes place:

- 1) Upon receipt of any money from any source, an “OFFICIAL RECEIPT” (GTR) must be issued by the collector/accounting staff for the amount received in the name of the person, institution or organisation that has paid the money. The term official receipts include all receipts, licences, certificates, permits, tickets etc. used for collection of revenue.
- 2) All cheques, postal orders and money orders paid to the Council should be receipted and crossed.
- 3) Direct transfers and revenue paid directly to the bank account of the Council should be receipted and brought to books of accounts as soon as notice of such receipt is given by the Bank
- 4) The Receipt must be signed by the Accounting staff or the revenue collector issuing the receipt. **Under no circumstances may temporary unofficial receipts be issued.**
- 5) The Receipt serves as evidence of payment and must contain sufficient details as to the date of the transaction, the Head and Subhead and the amount, to facilitate proper posting, classification and verification of the revenue.
- 6) All official receipts should be in triplicate copies and completed in ink or ball pen with carbon used to make the duplicate and the triplicate copies.

- 7) The **original** Receipts are to be handed to the payer, **duplicates** used as receipt vouchers to support cash book entries and **triplicates** retained in the books.
- 8) If an error is made in preparing a Receipt, the Receipt should be marked “CANCELLED” and all copies retained in the book and a new one prepared.

405 CONTROL OVER RECEIPT AND LICENCE BOOKS

- 1) All Receipts, Licence books and forms used in connection with collection of revenue are security documents. The Chief Executive shall arrange for these documents to be printed by the approved printer under strict security conditions and ensures that they are fully accounted for. No other books or forms may be locally produced, used or improvised by the employees of the Council.
- 2) Whenever counterfoil receipts and licence books are required, the Director of Finance through the Chief Executive shall place the order with GPPC or any government approved printer through the DOSLGL&RA. Sufficient notice should be given to the printing corporation to ensure that the documents are available on the required date and before the existing stock is fully exhausted. Only the Director of Finance or any other staff designated by the Chief Executive will be allowed to take delivery of receipts and licence books.
- 3) Receipts and Licence books when not in use must be kept under lock and key in a fire proof safe at all times. They should be considered as cash itself and should be treated as such.
- 4) The main stocks of unused official receipts and forms will be under the control of Director of Finance who will take stock of all revenue earning books and receipts on hand at least once in a month, to ensure adequate stocks are available for the following month.
- 5) The employee to whom official Receipts and Licence books are issued is personally responsible for their safe keeping and must ensure that adequate measures are taken to safeguard them at all times.
- 6) Should there be any loss of revenue due to the Council by reason of the neglect of a Finance staff, the circumstances will be reported to the Council through the Chief Executive and the officer concerned may be surcharged with the amount of loss.
- 7) The Director of Finance will maintain a Register of Revenue Earning Books in which will be recorded every receipt issued, return and re-issue of these documents. The Register should give the following details:
 - a. the dates of receipt or issue

- b. serial numbers of each book
- c. the names and signatures of officers to whom the books are issued
- d. the names and signatures of officers making the returns and the dates of return by those officers
- e. the name and signature of officer to whom returns are made
- f. the maximum and minimum stock levels

8) Finance staff should maintain a “REGISTER OF CHEQUES AND POSTAL REMITTANCES” to record details of all cheques and postal orders received. The Register should give the following details:

- a) the number and date of the official receipt on which the money was brought to account;
- b) the number and date of the cheque or remittance;
- c) the name, address and telephone numbers of the payer and the amount of the cheque or remittance
- d) the purpose for which the cheque or remittance was made
- e) the date on which the cheque or remittance was paid into the bank

9) Only legal tender of The Gambia may be accepted by the Finance staff. Only in exceptional cases, and with the prior approval of the Chief Executive, may any other currency be accepted.

10) When any currency other than the local currency is accepted, such currency must be translated to the local currency at the prevailing rate of exchange and official receipt issued accordingly. The currency should be lodged to the bank account of the Council immediately.

406 CONTROL OF REVENUE

- 1) All collections made by the accounting staff should be immediately deposited into the Council’s bank account(s) using pre-numbered paying-in-slip. No cheque or cash substitutions shall be made from revenue collected.
- 2) Between the time of receipt and the time of payment into the Council’s bank account(s), no money received should be made use of in any private way whatsoever. All Finance staff are

strictly prohibited from using for any private purpose, moneys for which they are answerable to the Council.

- 3) All receiving cashiers should have fire proof safes with combination and keys where all receipts are kept before they are deposited into the Council's bank account or remitted to the main office in case of sub-stations. Only the cashiers should have the safe combination numbers.
- 4) When a cashier is due for an annual leave and another officer is assigned to take over as cashier, the combination numbers shall be changed for the new officer and the same process repeated on the resumption of the previous cashier.
- 5) Sub Treasurers or Collectors in sub stations shall maintain a Revenue Collection Cash book which shall be promptly posted and reconciled with lodgements made to main office or paid to bank
- 6) There shall be **no** disbursement from revenue collected by sub stations except with the express permission of the Chief Executive Officer and with Payment Voucher duly approved.
- 7) The Director of Finance should ensure that all moneys collected by sub stations are promptly paid to the Council's bank account or remitted to the main office in a timely manner.
- 8) **The Director of Finance should arrange the duties of the Finance staff to ensure that the same employees are not deployed both in collecting revenue and in maintaining the records necessary for recording the receipts thereof.**
- 9) **The Director of Finance should as much as practicable rotate Accounts and Finance staff in the various units after a reasonable period of time**
- 10) The Chief Executive Officer is responsible for ensuring that all revenue due to the Council is promptly collected and brought to account, he is not absolved from this responsibility by the duties being assigned to Finance staff of the Council.

407 HANDOVER OF DUTIES AND RESPONSIBILITIES

The following steps shall be followed whenever a finance staff is going on leave or resigning from office:

1. Handover note shall be prepared by the leaving employee containing precise state of duties and functions to be transferred to the other party
2. Handover note shall contain records of physical assets (inventory of office furniture etc) and cash if any
3. Where transfer of safe with lock combination numbers is involved Handover note shall indicate that proper arrangement has been made for change of combination numbers
4. Where training is required by the relieving officer, Handover note shall indicate that appropriate training has been provided by the departing employee
5. Handover note shall be signed by the leaving and relieving employees and witnessed by the Director of Finance

408 CONTROL OVER USED RECEIPTS

1. All used Receipts and other Revenue Earning books shall be kept in achieves and safeguarded for a minimum period of six (6) years or any other period that is prescribed by law before they are destroyed. The Chief Executive shall seek the approval of the Council in writing before destroying used Receipts and other Revenue Earning books on or after the prescribed period
2. The Chief Executive shall be caused to be written out the numbers and dates of use of all documents being destroyed
3. The Internal Auditor shall witness the destruction of the documents and sign the list

CHAPTER FIVE

PAYMENTS AND EXPENDITURE

501 TYPES OF PAYMENTS

The payments and expenditure of the Council shall be categorised into two, namely:

- 1) Development or non-recurrent expenditure; and
- 2) Operating Costs or Recurrent Cost

DEVELOPMENT OR NON-RECURRENT EXPENDITURE

These are costs incurred for the following purposes:

- a) Additions, Improvements and Extensions to Buildings;
- b) Civil works and the purchases or replacement of Vehicles, Furniture, Fixtures and Fittings, Plants and Equipment and Projects.

OPERATING OR RECURRENT EXPENDITURE

The Council's Operating costs will include the following:

- a) Staff Salaries and Wages
- b) Allowances to Council Members
- c) Transport and Travelling Allowances to staff
- d) Utilities – Telephone, Electricity and Water
- e) Purchases and Supplies
- f) Maintenance of Vehicles, Equipment and Generator
- g) Maintenance of Buildings
- h) Maintenance of Furniture
- i) Fuel and lubricants
- j) Minor works
- k) Rents
- l) Bank Charges
- m) Any other expenditure

502 CLASSIFICATION OF PAYMENTS

Finance staff must exercise great care to ensure that payments are correctly classified into expenditure accounts using appropriate codes. When in doubt, correct clarification should be sought from the Director of Finance; and if necessary the allocation of a new sub-head if none exists. (See Annex 2 for details of Expenditure Codes).

503 PROCEDURE FOR PAYMENTS AND EXPENDITURE

The following procedures are to be followed for the various payments and expenditure listed in Annex 2.

1. PREPARATION AND PAYMENT OF PERSONAL EMOLUMENTS

Finance staff must keep proper records of salaries, wages and allowances payable and paid to all employees of the Council. An “ESTABLISHMENT REGISTER” is to be maintained for the purpose of recording details of all employees of the Council as follows:

- a) The name of the officer/employee
- b) Date of Birth
- c) The position and grade
- d) The salary per annum
- e) The incremental date of the officer/employee
- f) Staff employment number

2. PAYMENT OF SALARIES AND WAGES

- a) The salaries and wages of the employees of the Council should be prepared monthly by the designated Account clerk(s) by the 20th of each month using the Council’s “PAYROLL”.
- b) The Payroll should contain the following details:
 - i. The name of the Officer/Employee
 - ii. Position and grade
 - iii. Staff employment number
 - iv. Monthly basic salary
 - v. Allowances
 - vi. Gross emoluments
 - vii. Tax deduction

viii. Other deductions

ix. Net pay

- c) The Allowances are shown in analysis columns for Transport, Residential, Attendance, Responsibilities, Professional and Other.
- d) The salary deductions are shown in analysis columns for income tax, personal advances, building loans, vehicle loans, interest, miscellaneous and total.
- e) Tax deduction should be calculated correctly using the latest Tax Schedule from the Gambia Revenue Authority (GRA).
- f) Receipt Vouchers (in duplicate) should be prepared for all deductions made, namely Income Tax, Loans and Advances etc.
- g) Salary calculation and tax deduction should be prorated when employee joins or leaves the services of the Council within the month.
- h) The “SALARY PAYMENT VOUCHER(S)” shall be prepared for the net salaries payable to the employees with the “MONTHLY PAYROLL” as a back up document.
- i) Bank Schedules shall be prepared for employees who receive their salaries through their bank accounts.
- j) Cash Schedule shall be prepared for employees who receive their salaries in cash. The Schedule should contain column for employees’ signatures.
- k) The Bank Schedules and Cash Schedule should all total up to the amount on the Salary Payment Voucher.
- l) The Salary Payment Voucher, Bank Schedules and Cash Schedule are then checked and passed by Payroll clerk and confirmed by the Senior Accounts Clerk and submitted to the Internal Auditor for pre payment auditing.
- m) After verification by the Internal Auditor, the cheques are drawn as follows:
 - 1) In the case of employees whose salaries are being paid directly to banks, for the total amount on each bank schedule containing the names of employees, their bank account numbers and the amounts to be credited to their respective bank accounts.
 - 2) In the case of employees who receive their salaries in cash at the Council, for the total net salaries payable in the name of employee designated as “Paying Officer”.
 - 3) Payment of salaries in cash to employees shall be witnessed by the Director of Finance or any Senior Officer so delegated by him

- n) The Payment and Receipt Vouchers and Cheques are then returned to the Senior Accounts clerk who then enter the details in the Expenditure Control Statement and send the Vouchers, Statement and Cheques to Director of Finance for final check and signature before passing them to the Chief Executive Officer for approval and signature.
- o) After approval and signature, the Vouchers and Cheques will go back to the Senior Accounts clerk who will pass the Payment Vouchers and cheques to the Cashier for payment by the 26th of the month or any other day directed by the Chief Executive Officer.
- p) A Salary Advice Slip detailing the Gross Salary, Deductions and the Net Pay of each employee should be prepared monthly and given to each employee at the time of payment of salaries.
- q) The Payment Vouchers are then posted on the Credit side of the Cash Book and the Vouchers filed.

1) WAGES

Council may engage temporary staff on a day-to-day basis as the need arises. The following procedures should be adopted on payment of wages to temporary staff:

- i) Time Sheets: The attendance of all daily rated employees at the Council should be recorded daily by the Time Keeper or a Clerk assigned for that duty on the Time Sheet.
- ii) Whenever an employee is absent from work the Time Sheet should be marked “A” (Absence) for that day.
- iii) The Time Sheet has columns for the name of the employee, the day of the month, the number of days worked, week ends and public holidays.
- iv) The wages of daily rated employees should be prepared by the 25th of each month on “WAGES PAYMENT VOUCHER”.
- v) The Accounts Clerk collects the Time Sheets from the Time Keeper to calculate for each month:
 - i) The number of days worked by each employee
 - ii) The Basic Pay which is the number of days worked (excluding weekends and holidays) multiplied by the rate per day.
 - iii) Overtime payment which is the number of weekend days (Saturday and Sunday) and Public holidays multiplied by the rate(s) set by the Council for this purpose or agreed by Council with Employees in the Joint Industrial Council Agreement.

- iv) Gross Amount Payable to each employee is calculated as Basic pay plus Overtime (b + c) above.
- vi) The Timesheets and Wages Payment Voucher will be checked and passed to the Senior Accounts clerk who will confirm the days of attendance and wages calculated before passing them to the Internal Auditor for verification.
- vii) After verification by the Internal Auditor, the Payment Voucher and Cheque drawn are passed to Director of Finance for final check and signature.
- viii) The Director of Finance then passes Wages Payment Voucher to the Chief Executive Officer for final approval and signature after final check.
- ix) Payment of wages should be done by the Paying cashier and in the presence of a witness who, together with the paying officer, should certify the payment.
- x) Illiterates should be required to make legible marks or thumb prints on the Voucher at the time of payment.

2) UNDRAWN SALARIES AND WAGES

- a) It may happen that an employee who is receiving salary by cash is away from the Council at the time of payment of salaries and wages. If the absence is for more than one week, the unpaid salaries and wages will be paid back to the Council's bank account.
- b) A Receipt should be drawn for the net amount returned to the Council's bank account with original attached to the Payment Voucher for salaries and receipt number quoted against the employee's name under the signature column.
- c) The Receipt drawn is used to debit the Cash book and credit the Salaries and Wages Account.
- d) On the return of the employee to the Council, a Payment Voucher for the net salary amount (quoting the relevant Receipt Voucher) will be prepared and processed in the usual way and payment made to him.

3) COUNCIL MONTHLY AND SITTING ALLOWANCES

- a) Monthly and Sitting Allowances for the Council members and its Committees shall be prepared separately at the end of each month.

- b) The Attendance Registers duly signed by the Council members shall serve as the basis for preparing the Sitting Allowances.
- c) The rates of the Monthly Allowances shall be as approved by Secretary of State for Local Government and Land from time to time.
- d) The rates of the Sitting Allowances shall be determined by each Council but subject to the approval of the Secretary of State for Local Government.
- e) Other payment procedures as stated under salaries and wages shall be followed to effect payment

4) STAFF ALLOWANCES

- a) Allowances in the main are those incorporated in the Salary Payment Voucher.
- b) All other allowances including per-diem and night allowances and overseas passages payable to employees who are travelling away on official duties should be properly authorised by the Chief Executive Officer or a responsible officer delegated by him.
- c) The Finance staff should then prepare a Payment Voucher for such allowance(s).
- d) The Payment Voucher should be properly classified and full details of the allowance and the authority for payment given. The procedure for the processing and payment of the allowances will be the same as for salaries and wages.

3. OTHER PAYMENTS

These will include payments for other expenditure such as utilities, purchases and supplies, office expenses, bank charges/interest and repairs and maintenance.

1) UTILITIES

- a) These are the bills received from GAMTEL, NAWEC or any other Utilities company for services rendered to the Council in the previous month(s).
- b) The bills will be verified by the Director of Finance to confirm that services have been received from the Company that has submitted the invoices/bills.
- c) After confirmation the bills will be forwarded to the Senior Accounts to for posting to the Creditors Ledgers.
- d) The Director of Finance will give directive to the Senior Clerk at month end on payments of bills.

- e) The Senior Clerk will then require the Accounts Clerk to prepare a Payment Voucher for the amount to be paid.
- f) After preparation the Accounts Clerk will pass the Payment Voucher to the Senior Accounts Clerk for confirmation.
- g) The Senior Accounts Clerk will then pass the voucher to the Internal Auditor for verification.
- h) After the voucher has been verified by the Internal Auditor, a cheque will be drawn in the name of the relevant Company and passed to the Chief Executive Officer for approval and signature.

2) PURCHASES AND SUPPLIES

- a) Purchases and Supplies cover all stores items such fuel, spare parts, stationery etc. The procurement of these items should be in accordance with the GPPA Act, 2001 and its rules and regulation. (See section on Procurement).
- b) Upon receipt of the invoice/bill, the Accounts Clerk will march it with the copies of Purchase Order, Goods Received Note and Statement of Accounts as applicable.
- c) The Accounts Clerk will check the arithmetical accuracy of the documents and submit them to the Director of Finance for approval.
- d) After the documents have been approved for payment, the Accounts Clerk will then prepare a Payment Voucher and process it the usual way.

3) OFFICE EXPENSES

Office expenses cover items such as office refreshments, office cleaning materials, minor stationery and other miscellaneous items. These should always be properly authorised by the Chief Executive Officer or Director of Finance. A Payment Voucher should be prepared in the name of the Supplier and processed in the usual way.

4) **BANK CHARGES AND INTEREST**

These will only be known when the monthly bank statements have been received. Immediately the amounts have been established, a Journal Entry should be prepared by the Senior Accounts Clerk to debit Bank Charges and credit the Cash Book.

5) **MINOR WORKS**

- a) These will be the amount payable for repairs and maintenance of buildings, vehicles and other equipment.
- b) The procurement of such services should follow the GPPA Act, 2001 and its rules and regulations.
- c) The work or services to be done should be well specified and approval of the Chief Executive Officer obtained before any contract can be entered into by the Council.
- d) As soon as work or service contracted has been concluded, or (where the work is to be done in stages) at the completion of each stage, the Director of Planning and Development should certify that the work has been satisfactorily done by issuing "Certificate of Stage or Final Completion"
- e) The Chief Executive Officer will be required to authorise payment thereafter.
- f) When the authority for payment has been received from the Chief Executive Officer, a Payment Voucher giving full details of the work done or services rendered will be prepared by the Finance staff and processed in the usual way.

504 CONTROL OF EXPENDITURE

The Director of Finance is directly responsible for the control of expenditure. He is personally responsible for the control of all votes and liable for any unauthorised expenditure.

He or she should ensure the following:

- a) The expenditure of the Council shall be within the approved estimates.
- b) All payments made must follow due process as stated in this chapter.
- c) For all expenditure, appropriate Payment Voucher must be completed by the Finance staff. The Payment Vouchers must be accompanied by the appropriate supporting documents such as Purchase Order, original Invoice/Bill/Debit Note, Timesheets, Goods Received Note, Receipt Voucher, Payroll etc.

- d) He/she shall examine the Payment Voucher and the supporting documents and ensure that they have been properly analysed and certified by relevant officers including the Internal Auditor before they are passed to the Chief Executive Officer for payment.
- e) The Payment Vouchers must be properly authorised by the Chief Executive Officer or other responsible Officer delegated by him to do so. The Chief Executive must make sure that:
 - i. The Payment Voucher is correctly made out with all supporting documents
 - ii. Properly classified
 - iii. That the goods and services have been received or the services properly provided or rendered.
- f) The Senior Accounts Clerk should maintain an “Expenditure Control Statement” in which will be recorded the actual payments against each item of expenditure in the annual budget. A separate sheet should be opened for each Expenditure Head and Subhead. At the top of the form the amount Budgeted should be entered in the space provided and any additions and transfers approved by the Chief Executive from time to time recorded to give the anticipated balance on expenditure for the year. The form shall have columns (a) to (f) for the following records:
 - 1. Date: For the date of the transaction
 - 2. Particulars: For a brief description of the transaction
 - 3. Actual payment: For recording the actual amount on the Payment Voucher
 - 4. Total to date: To record cumulative total of all actual payments
 - 5. Balance: The unspent and uncommitted balance available for future expenditure
 - 6. Initials: of the Chief Executive or the employee responsible for authorising payments on his behalf.
- g) Paid vouchers: After payment has been effected, all Payment Vouchers and their supporting documents shall be stamped paid. If payment is made by cheque the cheque number shall be written on the Payment Voucher before filing.

- h) The Director of Finance is responsible for the safe custody of paid vouchers and shall maintain a Voucher Movement Register to trace voucher location. The duration for which the paid vouchers are to be kept shall be in line with the general requirements of Government Financial Regulations.
- i) Limitation on Authority to spend: Funds approved in the budget shall lapse on the 31st day of December each year. The Chief Executive shall not vary the normal course of payment to avoid causing an excess on any item of expenditure or to avoid lapse of funds and in particular, shall not:
 - a) make payments in advance for goods or services to be delivered in the subsequent financial year;
 - b) place funds on deposit with supplier of goods or service provider or any other agency to avoid the consequence of lapse of funds

CHAPTER SIX

PROCUREMENT AND TENDER PROCEDURES FOR GOODS, WORKS AND SERVICES

601 PROCUREMENT METHODS AND THRESHOLDS

PREAMBLE

Local Government procurement procedures should be done strictly in accordance with the Public Procurement Act 2001 and its attendant Regulations and any subsequent amendments to the Act.

All Councils purchases of goods, works and services shall comply with thresholds prescribed in the GPPA Regulations 2003 Section 12.

- 1) Except as otherwise provided in this Part, procurement shall be through the use of open tender proceedings.
- 2) Restricted Tender proceedings may be used only when
 - a) the goods, works or services are only available from a limited number of bidders, known to the procurement organisation; and
 - b) the time and cost of considering a large number of bids is disproportionate to the value of the procurement.
- 3) A tendering proceeding may be conducted in two stages: -
 - a) when it is not feasible to define fully the technical or contractual aspects of the procurement; and
 - b) when because of the complex nature of the goods, works or services to be procured, the Council wishes to consider various technical or contractual solutions, and to negotiate with bidders about the relative merits of those variants and possible amendments thereto, before deciding on the final technical specifications and contractual terms.

- 4) **An international tendering proceeding shall be held-**
- a) when the estimated value of the contract exceeds the amount set by the Gambia Public Procurement Authority;
 - b) when the goods, works or services are not available at competitive prices and conditions from at least three suppliers in The Gambia; or
 - c) when a supplier was not revealed by national tender proceedings.
- 5) Request for proposals may be used for the procurement of consultants' services and other types of intellectual services.
- 6) (i) Request for quotations may be used for the procurement of –
- a) readily available commercially standard goods not specially manufactured to the particular specifications of the procuring organisation;
 - b) small works; or
 - c) routine services,

When the estimated value of the procurement does not exceed the amount set in the GPPA Regulations 2003 or any amendment thereafter.

- (ii) Local requests for quotation proceedings shall be used when the desired goods, works or services are ordinarily available from three or more sources in The Gambia at competitive prices and conditions.
- 7) (i) The single-source procurement method may be used only in the following circumstances:
- a) when the estimated value of the procurement does not exceed the amount set in the GPPA Regulations 2003 Section 12 or any amendment thereafter;
 - b) when only one supplier has the technical capability or capacity to fulfil the procurement requirement, or the exclusive right to manufacture the goods, carry out the works, or perform the services to be procured, and no suitable alternative exists;
 - c) when there is an emergency need for the goods, works or services, involving an imminent threat to the physical safety of the population or of damage to property, or in the case of other unforeseeable urgent circumstances not due to the dilatory

conduct of the Council, and engaging in tendering proceedings or other procurement methods would therefore be impractical;

- d) when the Council, having procured goods, works or services from a supplier, determines that additional goods, works or services must be procured from the same source for reasons of standardisation or because of the need for compatibility with existing goods, equipment, technology, works or services, taking into account –
 - i. the effectiveness of the original procurement in meeting the needs of the council;
 - ii. the limited size of the proposed procurement in relation to the original procurement,
 - iii. the reasonableness of the price, and
 - iv. the unsuitability of alternatives to the goods or services in question;
- e) for purchase of perishable commodities such as fresh fruits, vegetables or other similar items which are purchased on competitive market terms.
- (ii) A single-source procurement on the grounds referred to in subsections (1) (b), (c) and (d) shall be subject to approval by the Gambia Public Procurement Authority.

- 8) Where Council uses a method of procurement other than open tendering or, in the case of procurement of consultants' services, a method other than request for proposals, it shall note in the record of the procurement proceedings the grounds for the choice of the procurement method used.

602 AUTHORITY FOR OBTAINING

- 1) Council is responsible, and the accounting officer (Chief Executive) and other members of the Contracts Committee are accountable for procurement in accordance with the GPPA Act and its attendant Regulations.
- 2) The Contracts Committee may delegate, to a specialised procurement unit, authority to make contract award decisions, subject to such decisions being subsequently reported to and recorded in the minutes of the Contracts Committee.

- 3) Delegation of the authority shall be expressed in terms of estimated maximum contract values, which may differ according to whether the contract is for procurement of goods, works or services.
- 4) The aforementioned notwithstanding, no council shall engage in any procurement of value D1 million or above or such amount as may be specified in Section 13 of the GPPA Regulations 2003 or any subsequent regulations, without obtaining the approval of the Gambia Public Procurement Authority at every stage of the procurement proceedings, including tendering, request for proposals, awards and direct procurement.

603 PROCEDURES FOR OPEN TENDERING

- 1) The invitation to tender shall contain, at a minimum, the following information:
 - i. The address of the Council;
 - ii. The detailed specifications and quantity, and place of delivery of the goods to be supplied,
 - iii. The nature and location of the works to be effected, or
 - iv. The nature of the services and the location where they are to be provided;
 - v. The desired or required time for the supply of the goods, for the completion of the works or for the performance of the services;
 - vi. The means of obtaining the bidding documents and the place from which they may be obtained;
 - vii. The price, if any, charged by a Council for the bidding documents;
 - viii. The currency and means of payment for the bidding documents;
 - ix. A statement that the language in which the bidding documents are available is English;
 - x. The date of any pre-bid conference and site visit;
 - xi. The deadline for submission of inquiries and requests for clarification;
 - xii. The deadline for purchase of the bidding documents; and

xiii. The place and deadline for the submission of tenders.

- 2) (i) The Contracts Committee, prior to the public notice of an invitation to bid, shall have available, in a sufficient number of copies, the bidding documents and shall assure that the invitation is in compliance with the requirements in the GPPA Act and Regulations.
(ii) Public notice shall be by publication of the invitation to bid, as described in Section 1 above, in the local press, and, in the case of international tendering, also in accordance with Regulation of the GPPA Regulations 2003, at least seven and twenty days respectively prior to the issuance of the solicitation.
 - a) In addition to the publication referred to in sub-regulation (ii), the invitation to bid, shall be broadcast on local radio and television and shall be displayed in the head office of the council in a publicly accessible place.
- 3) (i) Quantifiable evaluation criterion shall be used to assess the qualifications of bidders, and the technical merit of their tenders.
(ii) The evaluation criteria shall be formulated in as clear, precise, and objective a manner as possible.
- 4) The bidding documents shall be prepared by the Specialised Procurement Unit using standard formats issued by the GPPA.
- 5) The price that the council may charge for the bidding documents shall reflect only the cost of printing them and providing them to bidders.
- 6) (i) Bidders interested in the tendering proceedings may preview the bidding documents at the office of the Council indicated in the invitation to bid.
(ii) Bidding documents shall be provided to all bidders responding to the invitation to bid or, in the event of pre-qualification proceedings, to all bidders that have been pre-qualified.
(iii) A record of the transmission of bidding documents shall be maintained by using GPPA-Form 011.

- 7) (i) A Council may organise a conference for the purpose of briefing bidders and taking their questions on the bidding documents, including the technical specifications and other requirements.
- (i) Cancellation of procurement proceedings should be avoided unless it is clearly in the public interest to do so.
- (ii) Any such conference should take place at an early point following the distribution of the bidding documents.
- (iii) Clarification of defects or ambiguities in the bidding documents at the conference does not relieve a council of the obligation to amend the bidding documents.
- (iv) Where a council convenes a meeting of bidders, it shall prepare minutes of the meeting containing amongst others;
- a) the requests submitted at the meeting for clarification of the bidding documents;
 - b) its responses to those requests, without identifying the sources of the requests.
- (5) The minutes shall be provided promptly to all bidders to which Council provided the bidding documents.
- 8) (i) Cancellation of procurement proceedings should be avoided unless it is clearly in the public interest to do so.
- (ii) Cancellation is in the public interest in cases such as the following:
- a) Where the procurement need in question has ceased to exist; and
 - b) Where the bidding documents have to be modified to such an extent that economy and efficiency in procurement dictates the re-commencement of the tendering proceedings;
 - c) It would likely lead to an inevitable cancellation of the proceedings after the opening of tenders if no action is taken at this stage to cancel the proceedings.

604 TENDER SUBMISSION

- 1) (i) Subject to section (2) hereinafter, deadlines for submission of tenders shall be no less than 30 days:-
 - a) from the date of publication of the invitation to tender, in the case of procurement whose estimated value is 1,000,000 dalasis or more;
 - b) from the date of publication of the invitation to tender, in the case of procurement whose estimated value is D350,000 or more but is less than 1,000,000 dalasis; and
 - c) from the dispatch of the invitation to tender, in the case of restricted tender.
- 2) A council may extend the deadline for submission of tenders for a period of no less than 14 days if, following a clarification or modification of the bidding documents, or the late issuance of minutes of a conference of bidders of a site.
- 3) Where an extension is necessary to allow bidders sufficient time to take the clarification, modification or other added information into account in preparing their tenders.
- 3) (i) The date and specific (local) time that tenders must be submitted shall be stated in the bidding documents.
 - (ii) The specific address to which tenders must be lodged or submitted shall be stated in the bidding documents.
- 4) (i) The method for submission will be a single envelope containing the complete tender as required in the bidding documents.
 - (ii) The bidder shall submit the tender signed, in the required number of copies and in a tightly closed and sealed envelope. The copy marked as the “original” shall be included amongst them.
 - (iii) In addition to direct deposit in the tender box, tenders may be submitted by registered mail, courier or any other means that may be permitted by the bidding documents.
 - (iv) Council shall provide to the bidder a receipt showing the date and time when its tender was received, signed by the person receiving the tender with their name clearly written.

- 5) (i) Council shall ensure that all bids, and any samples required thereunder, that it receives are kept in a confidential and secure manner to avoid disclosure of their characteristics prior to bid opening.
(ii) Guidance on the receipt of bids is provided in the GPPA Instructions.
- 6) (i) Bids received by council after the deadline for its submission shall not be opened and shall be returned to the bidder that submitted it.
(ii) The date and time of arrival of a late bid shall be noted in the record of the procurement proceedings.

605 BID OPENING, EVALUATION AND AWARD

- 1) (i) Tenders shall be opened in a session open to the public, including bidders and their representatives, at the time and place indicated in the bidding documents and in accordance with the Instructions.
(ii) The time of tender opening shall coincide with the deadline for submission of tenders.
(iii) The name and address of each bidder whose tender is opened and the tender price, and the price of any alternative tenders if they have been solicited or permitted, shall be announced to those persons present at the tender opening,
(iv) Tender prices may be communicated on request to bidders that have submitted tenders but were not present or represented at the tender opening.
(v) The communication in (iv) must be recorded immediately in the record of the tendering proceedings as required by section 36 of the Act and Regulations by using GPPA-Form 013: *Record of Tender Opening*.
2. (i) After the opening of tenders, a preliminary screening of tenders shall be carried out.
(ii) The preliminary screening shall determine whether tenders comply with council's requirements as to the tenders themselves and the accompanying documents. This may involve examining:
 - a) Whether all the required documents, including any standard forms supplied with the bidding documents, have been submitted fully completed;

- b) Whether the bidder has met the qualification requirements, including the requirements applicable through the involvement of a financing institution;
 - c) Whether the tender substantially conforms with the contractual terms and technical requirements set out in the invitation to tender and instructions to bidders;
 - d) Whether the tender has been signed by an authorised representative of the bidder;
 - e) Whether a tender security, if required, has been provided; and
 - f) If any other stipulated requirement has been complied with.
- (3) At the preliminary screening, tenders shall be checked for arithmetical errors or clerical errors that may appear on their face.
- (4) Bidders that have submitted tenders that appear to contain such errors shall be contacted and given an opportunity to correct them, or to accept a correction made by council in accordance with GPPA Regulation.
- (5) Any communication under (4) must be circulated to all other bidders.
- (6) At the stage of preliminary screening, tenders may be classified according to whether they contain deviations from the technical specifications and contractual terms set forth in the bidding documents in the following categories:
- a) Those tenders that do not contain deviations or reservations;
 - b) Those tenders that contain material deviations, reservations or qualifications and are therefore to be rejected as non-responsive in accordance with GPPA Regulation 70(d); and
 - c) Those tenders that contain minor deviations or reservations, but that may be considered responsive, provided that the deviations or reservations are quantified and taken into account in the evaluation and comparison of tenders.
- 7) (i) The Contracts Committee shall correct any arithmetical errors appearing on the face of the tender, and inform the bidder in question of the correction. The tender shall be rejected if the bidder refuses the correction, and the tender security is thereby subject to forfeiture.

- (ii) If there is a discrepancy between the unit price and the total price, or the line item total, that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected, unless in the opinion of the Contracts Committee there is an obviously gross misplacement of the decimal point in the unit rate or a similarly obvious gross mathematical error, in which cases the line item total, or total price, as the case may be, as quoted will govern and the unit rate will be corrected.
 - (iii) Where there is a discrepancy between the amounts in figures and in words, the amount in words will govern.
 - (iv) Should any contradiction occur in the information between the submitted copies, the original copy shall be adopted.
- 8) (i) Council shall evaluate and compare the bids that have been received in order to ascertain the successful bid, as defined in sub-section (4) of the GPPA Regulations, in accordance with the procedures and criteria set forth in the bidding documents.
- (ii) No criterion shall be used that has not been set forth in the bidding documents.
 - (iii) A record of the evaluation of the each bid and the comparison between them shall be maintained by council by using GPPA-Form 017: “Record of Evaluation of Each Tender”, and GPPA-Form 018: “Summary Report of Evaluation and Comparison of Tenders”.
- 9) Information relating to the examination, clarification, evaluation and comparison of bids shall not be disclosed to bidders or to any other person not involved officially in the examination, evaluation or comparison of bids or in the decision on which bids should be accepted, except as provided in section 36(3) and section 36(6) of the GPPA Act.

606 PROCEDURES FOR RESTRICTED TENDERING

- 1) Similar procedure to Open Tendering is followed however in this case the Invitation to Tender is restricted to only the suppliers that are capable of supplying the requirement, or to a minimum of 5 suppliers in accordance with Section 40 of the GPPA Act 2001 and Regulation 83(1) and (2) of the GPPA Regulations 2003.

607 PROCEDURES FOR REQUEST FOR PROPOSALS

- 1) This is the “Open Tender” version for procurement of Consultancy Services. It provides a competitive process among short-listed firms that takes into account the quality of the proposal and, when applicable, the cost of the services in the selection of the successful service provider.
- 2) Sections 86 through to 107 of the GPPA Regulations 2003 outline the procedures for “Request for Proposals”.

608 PROCEDURES FOR REQUEST FOR QUOTATIONS

- 1) Quotations shall be requested from at least three bidders.
- 2) The request shall contain a clear statement of the requirements of Council as to quality, quantity, terms and time of delivery as well as any other special requirements and shall be formed by using GPPA-Form 101: “Request for Quotations”.
- 3) Bidders shall be given adequate time to prepare their quotations. Each bidder is permitted one quotation, which may not be altered or negotiated, and which shall be submitted in written form. Quotations may also be submitted by facsimile or email or in any other form that leaves a record of the content of the communication and is acceptable to Council.
- 4) A purchase order, based on GPPA-Form 102: “Purchase Order”, shall be placed with the bidder that provided the lowest-priced responsive quotation.

609 SINGLE SOURCE PROCUREMENT

609 (a). Procedure for Local Purchase Orders and Petty Contracts

- 1) In accordance with section 45(1)(a) of the GPPA Act 2001 –
 - i. The Local Purchase Order Form shall be used for goods and non-consultant services below the threshold established in Section 12 (a) (ii) of GPPA Regulations 2003; and
 - ii. The Petty Contract Form shall be used for works below the threshold established in Regulation 12 (a) (ii) of the same regulations.

- 2) Procurement transactions referred to in sub-section 1) of the GPPA Regulations shall be documented, as a minimum, with two copies of the annotated invoice for the item with the name of the person who bought the item.
- 3) Any single source procurement actions under the thresholds set forth in Section of the GPPA Regulations Section 12 (a) shall be aggregated into a summary monthly report identifying the types of items purchased, amounts and vendor for each such transaction.
- 4) The monthly summary report referred to in sub-section 3) of the GPPA Regulations 2003 shall be submitted to the Contracts Committee by the user units by using GPPA-Form 006: Monthly Summary Report of Local Purchase Orders and Petty Contracts.

609 (b). Procedure for Other Single Source Procurement

- i) Procurement carried out on a single source basis over the thresholds set forth in Section 12 (a) of the GPPA Regulations 2003 shall be embodied in a written contract or purchase order as approved by the Contracts Committee in accordance with section 48(8) and section 50(c) of the GPPA Act 2001.
- ii) When Council engages in single-source procurement on the grounds referred to in section 45(1) (b) through (e) of the GPPA Act 2001, it shall prepare a written description of its needs and any special requirements as to quality, quantity, terms and time of delivery, and shall be free to negotiate with the sole bidder.

610 CONTRACTS COMMITTEE

- 1) A Contracts Committee shall be established in every council supported by specialised procurement units.
- 2) The composition of a Contracts Committee shall be in accordance with section 49 of the GPPA Act 2001.
- 3) A Council is responsible, and accounting officers and other officials concerned are accountable, for procurement in accordance with the GPPA Act and its attendant Regulations, and other applicable laws, regulations, and Financial Instructions applicable in The Gambia.

- 4) The accounting officer shall appoint a staff member of the council to act as secretary to the Contracts Committee.
- 5) The Secretary of the Contracts Committee shall take minutes of meetings of the Contracts Committee and maintain a file of all matters considered by the Contracts Committee.
- 6) A Contracts Committee may delegate, to a specialised procurement unit, authority to make contract award decisions, subject to such decisions being subsequently reported to and recorded in the minutes of the Contracts Committee.
- 7) Delegation of the authority shall be expressed in terms of estimated maximum contract values, which may differ according to whether the contract is for procurement of goods, works or services.
- 8) A decision by a council to proceed with direct procurement in accordance with the GPPA Act 2001 shall be subject to review and approval by the relevant Contracts Committee.
- 9) The minutes and other records of a Contracts Committee shall be open to inspection by representatives of the GPPA at any time and shall be made public to the extent provided for in section 36 (3) of the GPPA Act 2001.
- 10) A Contracts Committee shall submit, to the GPPA for review, monthly reports on all the evaluations done by the Contracts Committee.
- 11) A Contracts Committee shall make necessary arrangements to ensure that timely information on the conclusion and execution of contracts by a department or division of a council, as well as on supplier performance, is reported to the Contracts Committee.
- 12) The general functions of a Contracts Committee shall include:
 - a) verification of proper procurement planning and availability of funds;
 - b) approval of the invitation to bid and the bidding documents;
 - c) approval of use of single-source procurement in accordance with the Regulations;
 - d) conducting the opening of bids;
 - e) comparing and evaluating the bids, and selecting the winning bid, subject to paragraph (f);
 - f) submitting the recommendations resulting from the evaluation of bids to the official designated in the Regulations, in case the value of the procurement exceeds the authority of the Contracts Committee;

- g) considering applications for the variations; and
- h) ensuring reports are sent to the GPPA in accordance to the GPPA Act and its attendant Regulations.

611 SPECIALISED PROCUREMENT UNIT

- 1) The Chief Executive or Accounting Officer shall establish specialised procurement units and assign, to the heads of those units, authority to conduct procurement activities in accordance with the GPPA Act and its attendant Regulations.
- 2) A specialised procurement unit shall be staffed with personnel that are well trained concerning public procurement, and whose professional qualifications meet the requirements that may be established in accordance with guidelines to be issued by the Gambia Public Procurement Authority.

612 MONTHLY REPORTS

- 1) The Contracts Committees at each procuring organisation shall file a monthly report on status of procurements by using GPPA-Form 200: “Monthly Report on Status of Procurements”.

The Contracts Committees at each procuring organisation shall file an annual report of single-source procurements by using GPPA-Form 201: “Annual Report of Single-Source Procurements”

CHAPTER SEVEN

IMPREST AND PETTY CASH PAYMENTS

701 IMPREST

If it is necessary for any officer of the Council to have money at his or her disposal for disbursement on public service, for which the usual pre-authorization procedures cannot apply, such officer may be given an imprest. All imprests must be authorised by the Chief Executive Officer who will prescribe the terms and conditions under which imprests may be approved.

702 PROCEDURE

- 1) All requests for imprests should be made on an **Application for an Imprest** and approved by the Chief Executive or in his absence his Deputy.
- 2) The Council should maintain an Imprest Ledger in which will be recorded all imprests approved by the Chief Executive. A subsidiary imprest ledger will be opened in the name of each imprest holder detailing the imprests paid out, reimbursement and retirements when they occur.
- 3) When an Imprest is approved a Payment Voucher will be raised by Finance staff in the name of the Imprest holder for the approved amount. The payment is posted to the Cash book and Imprest ledger while the rest of payment process is followed.
- 4) Officers entrusted with imprests will be held responsible for all money advanced to them until such a time it has been properly accounted for.
- 5) All imprests must be retired or repaid on or before the last day specified by the Chief Executive when authorizing the imprest.
- 6) When the imprest is being retired or reimbursed, relevant receipts and invoices must be submitted to the Senior Accounts Clerk who will then prepare a Payment Voucher for the total amount expended.
- 7) Any cash refund paid by the imprest holder at retirement should be receipted. The Receipt is used to debit the Cash book and credit the Imprest Ledger.
- 8) The transactions in the Payment Voucher will be classified by the Senior Accounts Clerk for posting into the Imprest Ledger.
- 9) No imprest will be issued to any employee in whose name a previous imprest is still outstanding.

- 10) All imprests must be retired on or before the last day of the financial year or on such earlier date as may be specified by the Chief Executive.
- 11) Imprest should be repaid when no longer required, or reduced when found to be excessive.

703 PETTY CASH PAYMENTS

The Council will operate a Petty Cash Float from which minor expenses can be paid. The float should not exceed the amount prescribed and approved by the Chief Executive Officer. The Chief Executive in consultation with the Director of Finance should set the ceiling on the amount and types of expenses that can be paid through petty cash.

704 PROCEDURE

- a) When a petty cash float is approved, a Payment Voucher is prepared in the name of the Petty Cashier and a cheque drawn for the approved amount.
- b) The Petty Cashier will post this amount in the debit side of the Petty Cash Book
- c) Payments from the float will be made through Petty Cash Vouchers approved the Director of Finance.
- d) This float shall be replenished regularly by the amount of the payments made during the period and Petty Cash Vouchers entered on the credit side of the Petty Cash Book fully analysed.
- e) At the time of replenishment the Petty Cashier will submit to the Senior Accounts Clerk or Finance Manager the Petty Cash Book and related vouchers for verification.
- f) If the Senior Accounts Clerk or Finance Manager is fully satisfied with the entries and payments made, reimbursement will be recommended.
- g) A Payment Voucher will then be raised while following other due process.

705 POSTING THE PETTY CASH

The Petty Cash Book should be ruled with suitable analysis columns and posted as follows:

1) DEBIT SIDE

On this side is recorded the balance of cash brought forward from the previous period and any reimbursement(s) made in the current period.

2) CREDIT SIDE

All expenses paid out of petty cash will be entered under suitable headed analysis columns. There should also be included a total column for balancing purposes.

At the end of the period the Petty Cash Book is balanced and total of each analysed column transferred to the debit side of the appropriate expenditure heads in the General Ledger.

CHAPTER EIGHT

LOANS, ADVANCES, DEPOSITS AND INVESTMENTS

801 LOANS

Loans may be granted to employees for building construction, purchase of vehicle and personal needs in accordance with the terms and conditions set out in the General Orders of the Council.

- a) All requests for loans must be made on the prescribed Application Form and passed through the Director of Finance for verification and confirmation of availability of funds for such loans.
- b) Subject to funds availability and the applicant meeting all the eligibility criteria the Application will be forwarded to the Chief Executive for appropriate action.
- c) After approval the Finance staff will raise a Payment Voucher in the name of the applicant for the approved amount. Other payment processes shall be followed.

802 TERMS AND CONDITIONS

1) Building loan

Category of staff: For employees on grade 8 and above

Length of service: Must have served the Council or any other arm of government with transferable service for 5 years or more.

Repayment periods: Loan is payable between 10 - 20 years but not beyond the retirement age of the applicant

Security: The applicant will execute deed of mortgage to the Council in respect of the building until loan is fully repaid.

Limitation: No employee can take a new building loan while servicing an existing one.

2) Car loan

Category of staff: For employees on grade 8 and above

Length of service: Must have served the Council or any other arm of government with transferable service for 5 years or more.

Repayment periods: Loan is payable within 7 years but not beyond the retirement age of the applicant.

Security: The applicant will execute Bill of Sale to the Council in respect of the car until loan is fully repaid.

Limitation: No employee can take a new car loan while servicing an existing one.

3) Personal loan

Category of staff: For employees on grade 1 and above

Length of service: Must have served the Council or any other arm of government with transferable service for 2 years or more.

Repayment periods: Loan is payable in 24 months

Security: The applicant will provide personal guarantor

Limitation: No employee can take a new personal loan while servicing an existing one.

Total loan deductions cannot exceed 50% of employee's net salary per month. Where this is the case, fresh application for any loan from such an employee shall be disallowed.

803 ADVANCES

Salary advances or any other advances can be given to employees of the Council subject to terms and condition laid down by the Council.

804 TERMS AND CONDITIONS

a) Eligibility

- 1) Category of staff: Employees from grade 1 upward
- 2) Length of service: Confirmation of appointment
- 3) Repayment period: Maximum of 6 months

b) Procedure

- 1) All advances must be approved by the Chief Executive Officer on Application for Advance Form duly completed by the requesting officer.

- 2) A Payment Voucher for the sum approved is prepared in the name of applicant and payment effected following due process.
- 3) The total amount of advances is debited to the Advances Control Account.
- 4) Individual personal accounts will be maintained for each employee granted an advance in the Advances Ledgers.
- 5) Deductions will be made monthly from the employees salaries which will be posted to the credit of Advances Control Account. The individual personal accounts in the Advances Ledgers will be equally credited with the deductions.
- 6) The individual personal accounts balances should be reconciled with the balance in the Control Account on monthly basis.
- 7) It is the responsibility of Director of Finance to ensure deductions are regularly made until advance is fully recovered.
- 8) An employee must fully repay one advance before applying for another.

805 WRITE OFF OF BAD DEBTS

The Council reserves the right to write off unrecoverable debts from its employees. Loans/Advances may become unrecoverable if the employee is insane, died or dismissed. However all avenues for recovery must have been fully exhausted before the Chief Executive will recommend a write off of any debt.

806 DEPOSITS

Deposits are the amounts received by the Council for repayment at a later date e.g. rents paid by tenants. Deposits are under the direct control of the Chief Executive or other responsible Officer delegated by him. Deposits should not be accepted unless thoroughly justified and mandatory. In particular, money may not be received from members of the public or employees merely for safe custody.

807 PROCEDURE

- 1) When an amount is received on Deposit for subsequent repayment a Receipt is issued in the name of the individual or organisation paying it and classified as Deposits. The amount is posted to the debit side of the Cash book.

- 2) A Deposit Account in the name of the individual or organisation is opened in the general Ledger and this Account is credited with the amount deposited.
- 3) Whenever repayment is being effected, a Payment Voucher is prepared with the Receipt number quoted on it. The amount is debited to the Deposits Account in the General Ledgers and credited to the Cash book.

808 INVESTMENTS

In accordance with Section 20 of the Local Government Finance and Audit Act 2004, a Council may invest in Government and Central Bank Treasury Bills, real property development and any other investment it may deem fit. Any temporary investment made by the Chief Executive from Council's fund shall be made in consultation and with the approval of the Council. Investments with legitimate and properly registered organisation and financial institutions must be approved by the Chief Executive.

809 PROCEDURE

- 1) The Chief Executive shall ensure that prudent norms of investment are applied before any such investments are made and that returns from such investments are optimised.
- 2) When approval has been given to invest a given amount, a Payment Voucher will be raised in the name of institution or bank concerned following due payment process.
- 3) An individual ledger account shall be opened for each investment to which the purchase price shall be debited and credited to the Cash book.
- 4) Interest or dividend accruing from the investment will be credited to interest/dividend account and debited to the Cash book when received.
- 5) Proceeds realized from the sale of the investment shall appear as a receipt in the Cash book and credited to the Investment Account. The profit or loss arising from the sale shall be transferred to the Income and Expenditure Account.
- 6) The individual investment accounts shall be adjusted annually to reflect the current market value of the investments whenever there is a loss in value. Such loss will be transferred to the Income and Expenditure Account.

CHAPTER NINE

THE BOOKS OF ACCOUNTS AND FINANCIAL STATEMENTS

901 ACCOUNTING POLICY

- i. Council accounts shall generally be prepared on cash basis in line with central government's policy choice of accounting basis. Modifications, if any, shall be determined by the Council after the approval of relevant Secretary of State.
- ii. Capital costs or expenditure shall be recognized in their year of occurrence only and fixed assets shall not reflect in the Balance Sheet. Fixed Assets Register shall be kept to give adequate records on the fixed assets of the Council.
- iii. Fixed assets will be listed at their cost prices in the Fixed Assets Register and there will be no depreciation charge.
- iv. Investments shall be stated at costs.
- v. Assets and Liabilities shall be stated at their net values

902 THE CASH BOOK

- i. The Cash Book is the main book of original entry of the Council in which all the cash receipts and cash payments are recorded on a daily basis. Analysed Cash book is hereby required to fully analyse receipts and payments to various heads and subheads.
- ii. All Receipts of cash or cheques are recorded on the debit side and all payments by cash or cheques are recorded on the credit side.
- iii. On the Debit side are the following columns:
 - i. A column for the date of the transaction
 - ii. A column for recording the particulars of the receipts
 - iii. A column for the Receipt Number
 - iv. A column for total amount
 - v. Columns for analysis of receipts
- iv. On the credit side are the following columns:
 - a) A column for the date of the transaction
 - b) A column for recording the particulars of the payment
 - c) A column for recording the Payment Voucher Number

- d) A column for recording the cheque number
 - e) A column for total amount
 - f) Columns for analysis of the payments
- v. The Cash book should be posted daily by the Accounts Clerk and the postings should be checked on each subsequent working day by the Senior Accounts Clerk.
 - vi. At the end of the month the Cash book should be balanced off and the balance carried forward to the following month.
 - vii. The Cash book will then be checked by the Director of Finance who then prepares the Bank Reconciliation Statement.

903 THE BANK RECONCILIATION STATEMENT

The Balance shown on the monthly Bank Statements received from the bank will usually not agree with the balance shown in the Cash book. Certain transactions recorded by the Council may not have been recorded by the Bank and vice versa. In order to agree on the balances shown on the Bank Statement and Cash book, a Bank Reconciliation Statement must be prepared monthly by the Director of Finance. A copy of the Statement must be filed for reference purposes.

904 PROCEDURE – BANK RECONCILIATION STATEMENT

- i. Compare the credit entries on the bank statements with the debit entries of the cash book and tick off the amounts which agree. Any unticked amounts on the debit side of the cash book will be deposits not yet credited by the bank. For example money bank on the day the bank statement was prepared or money in the process of clearing. Any unticked amounts on the credit side of Bank statement will be payments made directly into the Council's Accounts but not yet recorded in the cash book e.g. direct transfer of car park fees by the government.
- ii. Compare the Debit entries on the Bank statements with those on the Credit side of the Cash book and tick off the amounts that agree. Any unticked amounts on the credit side of the cash book will be payments recorded in the cash book but the cheques have not yet been presented to the bank. Any unticked amounts on the debit side of the bank statement will be deductions made by the bank but which have not been credited in the cash book e.g. bank interest and bank charges.

iii. The Bank Reconciliation will appear as follows:

a) Bring items un-ticked in the bank statements to the Cash book to arrive at the Adjusted Cash book balance. The unticked credit and debit entries in the bank statements will be recorded on the debit and credit sides of the cash book to have this new balance.

b) The Bank Reconciliation Statement is prepared thus:

Balance as per Bank Statement	XXX	
Add: Uncredited cheques	XXX	
Less: Unpresented cheques	<u>(XX)</u>	
Balance per Cash book as adjusted		<u>XXX</u>

905 THE SUBSIDIARY CASH BOOK

This is the Cash book to be used by employees charged with the receipts of revenue and who are required to make lodgement to the Main Cashier at Council Headquarters. In it is recorded in serial number order the receipts, tickets, licences etc. and the amounts received from the public, on the day of receipt.

- i. The appropriate standard receipt book, licence, ticket or other approved form, serially numbered must be used by the Accounts Clerk charged with the receipt of the Council funds.
- ii. Extra care must be taken to ensure that all receipts, licences or ticket numbers are entered in the Subsidiary Cash book with evidence that they have been accounted for in strict numerical sequence both as regard the books and individual receipts in each. One booklet must be fully used before another is taken.
- iii. The total receipts of each day must be banked or paid to the Main Cashier at Council headquarters. When the amount has been received or stamped paying-in-slip from the bank has been obtained by the Main Cashier, he will issue a Receipt for the amount collected from the Accounts Clerk.
- iv. The amount is then posted to the credit side of the subsidiary Cash book with the Main Cashier signing it off.

906 MONTHLY ABSTRACT BOOK

Each Council shall maintain separate Abstract Books for Revenue and Expenditure. The Abstract Book is to be posted at the end of the month by the Senior Clerk to analyse the transactions in the Cash book prior to being posted to the General Ledger.

Abstract Books may not be needed where a Council is able to prepare Analysed Cash book for Receipts and Payments using Spreadsheet or where the Accounting system is fully computerised.

907 PROCEDURE

- i. All Receipt Vouchers and Payment Vouchers would have been entered in the Cash book and filed in serial number order by the Accounts Clerk.
- ii. At the end of the month the Senior Accounts Clerk will take the Receipt Vouchers and list them under suitably headed columns (according to the revenue classification list) in the Abstract book. The subheads are then totalled for the month.
- iii. The Payment Vouchers are similarly listed and then totalled for the month in the Abstract book
- iv. The monthly totals in the Abstract book are then extracted in a Summary of Receipts and Payments. This Summary shows on the Receipts side the Balances of cash in hand and at the banks and the Total Receipts collected in the month. On the Payments side is shown the Total Payments for the month plus the closing Balances of cash in hand and at the banks. Both the totals should agree and be the same as the Cash book.
- v. If the totals of the Receipts and Payments sides agree and of the same figures with the cash book figures, then it can be reasonably assumed that the Monthly Abstract Book postings are correct.
- vi. Monthly totals of Receipts under different columns on the Abstract Book shall be posted to the credit of their respective ledger accounts in the General Ledger.
- vii. Monthly totals of Payments under different columns on the Abstracts shall be posted to the debit of the respective ledger accounts in the General Ledger.

908 THE GENERAL LEDGER

A Council shall maintain a General Ledger to record all financial transactions. The General Ledger is posted from entries in the Monthly Abstract book and the Journals by the Senior Accounts Clerk.

909 PROCEDURE

- 1) The totals of the subheads in the Monthly Abstract Book are transferred as follows:
 - a) Receipts to the Credit side of the appropriate Ledger Accounts
 - b) Payments to the Debit side of the appropriate Ledger Accounts.
- 2) The Monthly abstract Book folio number(s) are then inserted under the folio column of the General Ledger.
- 3) Control Accounts will be kept in General Ledger as necessary.

910 THE JOURNAL

The Journal should be used for recording the following:

- a) Opening Entries: These will mainly be the opening balances on the Assets and Liabilities Accounts as reflected in the previous Balance Sheet.
- b) Transactions done on behalf of the Council by other organizations which cannot conveniently be recorded in the Cash Book.
- c) The correction of errors that may occur in writing up the accounts of the Council or during postings to the General Ledger.
- d) Transfers between Accounts.
- e) Closing Entries – These will be transfers of the Ledger Account balances to the Final Accounts and for preparation of Financial Statements.

911 PROCEDURE

- 1) The date of the transaction, the name of the Accounts to be debited and credited and the amount involved will be entered in the Date, Particulars and Amount columns respectively.
- 2) To complete the Journal Entry, a brief explanation of the transaction known as narration is given and the entry ruled off.

- 3) The Journal Entry is immediately posted to the appropriate Ledger Accounts; care taken to cross reference the postings by inserting the correct folios in both the Ledger and the Journal.

912 THE FINAL ACCOUNTS AND FINANCIAL STATEMENTS

a) SUMMARY OF RECEIPTS AND PAYMENTS

- 1) The opening cash and bank balances will be recorded on the Receipt side. These figures will be extracted from the Cash Book.
- 2) After recording opening cash and bank balances all the amounts received and posted to the General Ledger from the Monthly Abstract Books are recorded in Head and sub-head order. The addition of the figures will give the Total Receipts for the year.
- 3) On the Payments side, all the payments made in the year in Head and Subhead order will be listed. This is done by adding up all the Ledger balances from the Monthly Abstract Book/Spreadsheet.
- 4) The next step is to record the closing Cash and Bank balances to arrive at the Total of the Payments side.
- 5) The Total Receipts and the Total Payments should agree. If there is any disagreement the Monthly Abstract Book/Spreadsheet and the Ledger should be rechecked and any error discovered should be corrected through Journal.

b) THE TRIAL BALANCE

- 1) Before preparing the Final Accounts, a Trial Balance should be extracted to test the arithmetical accuracy of the book keeping entries in the ledger accounts.
- 2) The Trial Balance is merely a list of the balances remaining in the Cash book and the General Ledger. Both the Debit and Credit balances totals should agree. If they do, it can safely be assumed that there are no arithmetical errors in the postings. If they do not, the any errors in postings should be investigated and adjusted through the Journal and then posted to the Ledger.
- 3) When both totals on the Trial Balance have been agreed, the Ledger Accounts will be closed by means of Journal Entries to the Final Accounts.

c) THE FINAL ACCOUNT

The Final Accounts and Financial Statements shall comprise a minimum of:

- a) Revenue and Expenditure Statement
 - b) Balance Sheet
- 1) **Revenue and Expenditure Statement:** All revenue and expenditure accounts balances in the Trial Balance will be transferred to this Statement summarised into appropriate heads.
 - 2) For every Debit Entry made in the Ledger Account with respect to operating expenses there must be a corresponding Credit Entry in the Revenue and Expenditure Statement and for Every Credit Entry made in the Ledger Account with respect to operating expenses there must be corresponding Debit entry in the Revenue and Expenditure Statement.
 - 3) The balance on the Revenue and Expenditure Statement after these transfers have been made will result in:
 - i. A Surplus that is, excess of Revenue over Expenditure. This is added to the Accumulated Fund in the Balance Sheet
 - ii. A Deficit that is, excess of Expenditure over Revenue. This is deducted from the Accumulated Fund in the Balance Sheet.

Note: The expenditure account balances include capital expenses

d) THE BALANCE SHEET

The Balance Sheet Statement will record the assets and liabilities and accumulated funds of the Council as at the end of the financial year.

- 1) The Assets will include:
 - i. Liquid Assets – Cash and Bank balances, Call Accounts balances and Others
 - ii. Investment and Other Assets – Staff Debtors on housing, vehicles, personal loans and Advances, Investment in shares and other investments.
 - iii. Fixed Assets: See footnote*

**Fixed Assets: the summary of fixed assets depreciated according to the Council's policy will appear as a note to the Account*

- 2) The Liabilities side will include Accumulated Fund and Bank Loan if any. The Accumulated Fund is the net difference between the Assets and the Liabilities of the Council at the beginning of each financial year. This Account is adjusted at the end of the year by adding the Surplus or deducting the Deficit from the Revenue and Expenditure Account.
- 3) The Liabilities are amounts outstanding at the Balance Sheet date, which the Council is under obligation to pay and should be separated into:
 - i. Long – term liabilities which are loans not fully repayable within the next financial year;
 - ii. Current liabilities which are amounts owing by the Council which are to be settled in a relatively short time (within the next financial year) such as bank overdraft.

913 DEBTORS AND CREDITORS CONTROL ACCOUNTS

- i. Loans and Advances: Debtors Control shall be maintained in respect of staff loans and advances with subsidiary ledgers kept for the individual ledger accounts. At the end of each month the totals of the balances in the individual ledger accounts shall be compared with the total of the Debtors Control. Any disagreement between the two totals shall be investigated and corrections made accordingly.
- ii. Trade Debtors: Debtors Control shall be kept in respect of arrears of Rates and Licences and other amounts owed the Council. Individual ledger accounts or list of debtors shall be maintained. The arrears of revenue will not reflect in the Revenue Account since cash basis of accounting is being adopted.
- iii. Creditors Control: Councils are not expected to have many creditors since they operate a balanced budget with expenditure paid as at when incurred. Creditors Control shall be maintained in respect of utilities bills which are normally received in arrears (GAMTEL and NAWEC) and any other amounts owed by the Council to the third parties such as SSHFC and GRA.
- iv. Stores Ledger Control: This control accounts records in total the receipts and issues of stores. Subsidiary ledger accounts are kept for individual stock items.

914 COMPUTERISED ACCOUNTING SYSTEM

The Books of Accounts prescribed in this Manual can be prepared manually or through computerised accounting system. The Accounting system can be computerised fully or partially. An Accounting package can be adopted to capture all the financial transactions of the Council right from the source documents to the production of monthly Final Accounts and end of year Financial Statements. Certain aspects of Council operations (such as Payroll, Rates etc) can be partially computerised depending on the availability of resources particularly key personnel to handle the process.

Where the Accounting system is fully computerised, the charts or account codes as given in this Manual may be modified as required and abstract books which are designed for analysis or revenue and expenditure may not be needed.

CHAPTER TEN

ACCOUNTING FOR STORES

1001 STORES MANAGEMENT

Stores contain goods purchased with Council funds to provide services to the people. Stores may be classified into Stationery, Fuel and Spare parts where a Council is in position to buy these items prior to time of usage. Good stores management is required to prevent loss of stores through theft and damage.

1. Each Council should establish a specialised Procurement Unit with a Procurement Officer to take care of the purchases and supplies of the Council.
2. A trained and capable Stores Officer is employed to take charge of all matters relating to receiving and custody of stock items, issuing and recording of stock movements.
3. Store Clerk(s) employed to assist the Stores Officer in the receipt, issue and recording of stock items.
4. The Stores Officer who is in charge or custody of the stores shall be personally responsible for:
 - i. Checking, handling and storage of the stores received
 - ii. Checking and packing of stores issued
 - iii. Proper maintenance of the stocks
 - iv. Periodic verification of stock balances with Stores Record Card balances and reporting any discrepancies found, damaged or deteriorated stores, slow moving items and stores in excess of requirements to the Chief Executive for appropriate action.
 - v. Ensure no article is removed from the Stores without his knowledge
5. When a Stores Officer hands over to another officer, both officers will sign a handling over certificate, a copy of which is sent to the Chief Executive.

1002 PROCEDURES FOR RECEIVING INTO STORES

1. The Store Officer should prepare Goods Received Note or Stores Receipt Note whenever goods are received into the stores.
2. The Goods Received Notes should be cross referenced to the Delivery Notes and relevant Purchase Order.
3. Goods Received Notes should also be raised in the following circumstances:
 - a. Stores returned unused and undamaged.
 - b. Excess stock discovered during stock verification.
 - c. Stores donated by International Organisations or other benefactors.
 - d. Stock received in replacement following the submission for goods short landed or damaged.
4. Bin Cards or Stores Record Cards should be updated with receipts.
5. Delivery Notes should be checked and reconciled with Purchase Orders.

1003 PROCEDURE FOR ISSUING FROM STORES

- a. Before any item is taken from the Stores, a properly authorised “Stores Requisition Note” must be completed by the Requisitioning Officer and presented to the Stores Officer.
- b. The Stores Officer upon receiving the Requisition Note will issue the material to the Receiving Officer using the “Stores Issue Note”.
- c. The Stores Officer will sign the appropriate section on the Stores Issue Note indicating the material has been issued.
- d. The Receiving Officer will sign the appropriate section of the Stores Issue Note indicating the material has been received.
- e. The Stores Officer will number the Requisition Notes serially, attach them to their respective Stores Issue Notes and post them to the Stores Record/Bin Cards.
- f. Copies of the Stores Issue Notes will be sent to the Accounts for costing and posting to the Stores Ledger Control and Stores Ledger Accounts.
- g. The original Stores Requisition and Issue Notes will be filed by the Stores Officer for future reference

1004 VERIFICATION OF STOCKS BY THE INTERNAL AUDITOR

- 1) The Internal Auditor of the Council will carry out a monthly general or part verification of stocks as part of his routine duty, and as may be directed from time to time by the Chief Executive.
- 2) The Internal Auditor should certify that the stocks as recorded in the Stores Record Cards have a physical existence.
- 3) On completion of the verification, a report will be submitted to the Chief Executive who will make such enquiries as may be necessary concerning the shortcomings revealed and then forward the recommendations to the Council.
- 4) In addition, the Internal Auditor should report on:
 - i. unserviceable, excess and obsolete stocks
 - ii. the general condition of stocks in stores
 - iii. the manner in which they are stored and the adequacy of storage facilities
 - iv. the security provided to safeguard stocks and the stores
- 5) Any deficiencies and surpluses discovered during verification will be fully investigated in collaboration with the Stores Officer, after which they must be immediately accounted by either raising a Stores Issue Note or Receipt Voucher as the case may be, so that the physical stock agrees with the Record Card balance.
- 6) The verification of stocks items by the Internal Auditor will not relieve the Chief Executive and the Stores Officer of their responsibility for ascertaining by systematic checks that the balances of stocks on the Stores Record Card are actually in stock

1005 FIXED ASSETS

- 1) Each Council should ensure that there is control over the physical existence of the assets and a Fixed Asset Register maintained for that purpose.
- 2) Separate Register shall be kept for each class of assets e.g. for Land & Buildings, Vehicles, Plants, Computers and Furniture. Vehicles include cars, four-wheel cars, lorries, tractors, motor cycles, power tillers, mini buses and trailers. Plants include fixed and movable plants such as machines, engines, generators, boilers, compressors, pumps and equipment.
- 3) The Fixed Assets Register shall record the following information of each item:

- a. date of acquisition
 - b. cost of purchase
 - c. description of asset (including make or model)
 - d. location
 - e. insurance policy and date
 - f. date of disposal
- 4) The Chief Executive shall ensure that title documents for all assets of the Councils are obtained and properly secured in a safe.
 - 5) Office Furniture and Equipment should be given unique identification numbers which are clearly written on them.
 - 6) Inventory of fixed assets in each departments and offices should be taken and signed for by the Head of department.
 - 7) There should be proper hand-over of inventories of assets whenever a new officer is taking over a department.
 - 8) Annual inspection of assets should be performed by the Internal Auditor to confirm the physical existence and conditions of these assets.

1006 DISPOSAL OF ASSETS

- a) When stores and other assets have become obsolete, redundant or unserviceable through normal wear and tear arising from usage or passage of time, the Chief Executive shall duly inform the Contract Committee comprising Heads of Departments and the Internal Auditor for the purpose of disposing the assets.
- b) The Chief Executive should cause a list to be prepared of such items showing the following details:
 - i. A description of the item
 - ii. The original cost;
 - iii. The reason for write-off
 - iv. The value according to the stores ledger or Asset Register
 - v. The current estimated value
 - vi. The proposed method of disposal

- c) The Contract Committee will advise the Chief Executive of the write-off value for the item(s)
- d) The Contract Committee may engage the services of a competent Engineer/Valuer to determine the write-off value.
- e) Redundant, obsolete or unserviceable stores and other assets, which have been written off, may be disposed of according to the following rules:
 - i. Items having no marketable value should either be passed to Council or non-Council institutions that could make use of them, or disposed of at approved dumping sites under the supervision of the Internal Auditor;
 - ii. Items considered to have a marketable value must be sold by public auction with all procedures taken clearly documented;
 - iii. Government Licenced Auctioneer shall be engaged for the auctioning the items.

CHAPTER ELEVEN

ACCOUNTABILITY AND REPORTING

1101 EXTERNAL AUDIT

- 3) In accordance with Section 30 (1) of the Local Government Finance and Audit Act 2004, the accounts of every Council shall be audited by the Auditor General or an Auditor appointed by him.

- 4) In auditing the accounts of a Council, the Auditor General shall satisfy himself or herself that:
 - i) The accounts are prepared in accordance with this Financial and Accounting Manual and comply with the requirements of all other statutory provisions applicable to the accounts.
 - j) Standard practices have been observed in the compilation of the accounts
 - k) The Council whose accounts are being audited has made proper arrangements for securing economy efficiency and effectiveness in use of resources.

ANNEX 1

CLASSIFICATION OF RECEIPTS

INCOME CODE 90

HEAD 90 - 91 GOVERNMENT SUBVENTIONS

SUBHEAD	101	General Grant
	102	Grant-In-Aid
	103	Equalization Grant

HEAD 90 - 92 LICENCES

SUBHEAD	101	Trade
	102	Liquor
	103	Handcarts
	104	Firewood
	105	Other

HEAD 90 - 93 TAXES

SUBHEAD	101	Lodgers
	102	Farmers
	103	Cattle
	104	Other

HEAD 90 - 94 RATES

SUBHEAD	101	Residential
	102	Commercial
	103	Government
	104	Water - General
	105	Water - Special
	106	Other

HEAD 90 - 95 RENTS AND FEES

SUBHEAD	101	Public Land
	102	Staff Housing
	103	Royalties
	104	Markets - Annual
	105	Markets - Monthly
	106	Markets daily
	107	Car Parks
	108	Other

HEAD	90 -96	<u>OTHER INCOME</u>
SUBHEAD	101	Service Charges
	102	Sales of Produce
	103	Sales of Stray Animals
	104	Sales of Assets
	105	Court Fines
	106	Court Fees
	107	Hire of Vehicles
	108	Hire of Other Facilities
	109	Miscellaneous
HEAD	90 -97	<u>DEDUCTIONS FROM SALARIES</u>
	100	Surcharge
	102	Other
HEAD	90 -98	<u>INTEREST AND DIVIDENDS</u>
SUBHEAD	101	Investment interest
	102	Interest on Fixed Deposits
	103	Interest on Loans & Advances
	104	Other
HEAD	90 – 99	<u>GIFTS, ENDOWMENTS AND DONATIONS</u>
SUBHEAD	101	Statutory
	102	Private Organizations
	103	Local Private Donors
	104	International Organizations
	105	Miscellaneous

ANNEX 2

EXPENDITURE CODE 10

HEAD	10 - 10	Mayor/Chairman
	10 - 11	General Administration
	10 - 12	Finance and Accounts
	10 - 13	Planning and Development
	10 - 14	Utilities
	10 - 15	Repairs and Maintenance
	10 - 16	General Expenses
	10 - 17	Loans and Advances
	10 - 18	Capital Expenditure
	10 - 19	Stock
	10 - 20	Deposits
	10 - 21	Liabilities

SUBHEAD	100	<u>EMOLUMENTS</u>
	101	Basic Salaries & Wages
	102	Transport Allowance
	103	Residential Allowance
	104	Meeting Attendance Allowance
	105	Responsibilities Allowance
	106	Professional Allowance
	107	Medical
	108	Other

SUBHEAD	200	<u>UTILITIES</u>
	201	Telephone
	202	Electricity & Water
	203	Other

SUBHEAD	300	<u>REPAIRS AND MAINTENANCE</u>
	301	Buildings
	302	Motor Vehicles
	303	Tractors/Caterpillars
	304	Furniture
	305	Office Equipment/Computers
	306	Other

SUBHEAD	400	<u>GENERAL EXPENSES</u>
	401	Entertainment
	402	Donation
	403	Other
SUBHEAD	500	<u>LOANS AND ADVANCES (Debtors)</u>
	501	Building loan
	502	Vehicle loan
	503	Personal loan
	504	Advances
	505	Sundry debtors
SUBHEAD	600	<u>CAPITAL EXPENDITURE</u>
	601	Land and Buildings
	602	Motor Vehicles
	603	Tractors/Caterpillars
	604	Furniture
	605	Office Equipment/Computers
	606	Public latrines
	607	Civil Works
	608	Long term investments
SUBHEAD	700	<u>STOCKS</u>
	701	Motor Vehicle Spare parts
	702	Plant & Equipment Spare parts
	703	Stock of Fuel
	704	Stationery
	705	Work-In-Progress
	706	Other
SUBHEAD	800	<u>DEPOSITS</u>
	801	Cash at Bank (Main Cash book)
	802	Cash at hand – Petty Cash
	803	Imprest
SUBHEAD	900	<u>LIABILITIES</u>
	901	Creditors
	902	Deposits
	903	Short term loans
	904	Long term loans
	905	Accumulated Fund

ANNEX 3

_____ COUNCIL

TRIAL BALANCE FOR THE PERIOD ENDED 200-

		Dr	Cr
CODE	DESCRIPTION	AMOUNT	AMOUNT
90-91	Government Subvention		XX
90-92	Licenses		XX
90-93	Taxes		XX
90-94	Rent & Fees		XX
90-95	Rates		XX
90-96	Other Income		XX
90-97	Deductions from Salaries		XX
90-98	Interest & Dividend		XX
90-99	Gifts, Endowment and Donations		XX
10-10	Mayor/Chairman	XX	
10-11	General Administration	XX	
10-12	Finance and Accounts	XX	
10-13	Planning & Development	XX	
10-14	Utilities	XX	
10-15	Repairs & Maintenance	XX	
10-16	General Expenses	XX	
10-17	Staff Loans and Advances	XX	
10-18	Capital Expenses	XX	
10-19	Stock	XX	
10-20	Deposits (Cash balances)	XX	
10-21	Liabilities		XX
	Total	XXXX	XXXX

This is the summarized version. A full blown Trial Balance will list out the subheads as applicable.

_____ COUNCIL

REVENUE AND EXPENDITURE STATEMENT FOR THE YEAR ENDED -----

Code	Description	Amount	Amount
	REVENUE		
90-91	Government Subventions	XX	
90-92	Licenses	XX	
90-93	Taxes	XX	
90-94	Rents & Fees	XX	
90-95	Rates	XX	
90-96	Other Income	XX	
90-97	Deductions	XX	
90-98	Interest & Dividend	XX	
90-99	Gifts & Donations	<u>XX</u>	
	Total Revenue		XXX
	EXPENDITURE		
10-10	Mayor/Chairman	XX	
10-11	General Administration	XX	
10-12	Finance & Accounts	XX	
10-13	Planning & Development	XX	
10-14	Utilities	XX	
10-15	Repairs & Maintenance	XX	
10-16	General Expenses	XX	
10-18	Capital Expenses	<u>XX</u>	
	Total Expenditure		<u>XXX</u>
	Surplus/ (Deficit) of Revenue over Expenditure		<u>XXX</u>

ANNEX 4

_____ **COUNCIL**

BALANCE SHEET AS AT _____

ASSETS	Notes	Amount
Cash and Bank Balances	1	XX
Deposits accounts	2	XX
Investments	3	XX
Stocks	4	XX
Advances	5	<u>XX</u>
		<u>XX</u>
LIABILITIES		
Deposit	6	XX
Loans	7	XX
Accumulated Fund	8	<u>XX</u>
		<u>XX</u>

Notes

- a. Cash and Bank balances comprise of all cash and bank balances in all Council's bank accounts and the Petty Cash balances
- b. Deposit Accounts: These are balances in fixed deposit accounts
- c. Investments: Cost of investments made by the Council during the year
- d. Stocks: Balances of Stocks as contained in the Stores Ledger Control as physically existing at the end of year
- e. Advances comprise of staff loans and advances on buildings, vehicles etc
- f. Deposits (Liabilities): These will comprise of deposit accounts payable to either third parties or refundable to the depositors e.g. PAYE, SSHFC, Withholding tax or Retention money
- g. Loans: Outstanding loan balance at the year end
- h. Accumulated Fund: This will comprise of Accumulated surpluses/deficit of Revenue over Expenditure. The figure will be arrived at as follows:

	Amount
Balance b/f from previous year	XX
Add surplus or less deficit this year	<u>XX</u>
Balance c/f	<u>XX</u>