

**REPUBLIC OF SOMALILAND**  
**ACTS OF THE MINISTRY OF FINANCE**



REGULATION FOR THE ACCOUNTS OF THE STATE

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**REGULATION FOR THE ACCOUNTS OF THE STATE**

**CHAPTER I  
THE ESTIMATES**

**Article 1  
Duty to prepare estimates**

The preparation of the draft estimates of the ordinary and special budgets of the State is governed by article 11 and 14 of the Financial and Accounting Procedure legislative decree, and is the duty of the Minister of Finance.

**Article 1  
Preparation of estimates**

1. In order to enable the ordinary and special budget draft estimates to be prepared, each Ministry shall submit proposals. Supported by justifications, to the Ministry of Finance not later than the 15<sup>th</sup> of August each year.
2. The estimates shall be prepared in the form required by the Minister of Finance and in accordance with his instructions.

**Article 3  
Content of estimates**

1. The estimates shall be divided into Heads and sub-heads and shall include the gross receipts and gross payments as follows:
  - a. All the revenue of the State foreseen for the financial year including revenue accruing from the sale of moveable and immovable property, interest from investments or from any other source,
  - b. All the expenditure of the State, which it is foreseen shall actually be disbursed during the financial year.
2. To avoid confusion, a Head in the special budget shall be called a "Project".

**Article 4  
Presentation of the budget**

1. The draft budget law, approved by the Council of Ministers, shall be presented to the National Assembly not later than the 31<sup>st</sup> of October each year, accompanied by a statement of the Minister of Finance.
2. The Statement of the Minister of finance may include:
  - a. The economic policy of the Government,
  - b. Explanations of important difference between the estimates of revenue and expenditure under heads and sub-heads compared with budget of the preceding year,
  - c. Justifications for the inclusion of new heads and sub-heads,
3. The Statement shall be accompanied by such data as will show the financial position of the State.

**Article 5**  
**Expenditure for the year fixed**

On the approval of the budget law by the National Assembly, the expenditure for the year shall be held to be definitely limited and arranged, and the Government is authorized to assess and collect the revenue and to make the payments.

**Article 6**  
**Variations to the budget**

Variations to the approved budget may be authorized as follows:

- a. Where a Minister wishes to vire funds from one subhead to another within the same head or project, he shall make application to the Minister of Finance on the appropriate form,
- b. The Minister of Finance shall either return the application to the Minister concerned stating in writing his reasons for refusing the application, or arrange for the approval for the virement in accordance with article 16, of the Finance and Accounting Procedure legislative decree.
- c. Virement between Heads or Projects shall be approved by law. The same procedure shall be followed as already laid down in this regulation,
- d. Any increase in the authorized provision that cannot be covered by a virement shall be authorized by a supplementary budget law, which shall indicate where the funds to meet shall be found, variations which create a new head or subhead shall be authorized by law,

- e. No change in the approved establishment or in the emoluments of any officer, apart from normal increments, shall be made except after approval by the Personnel Department of the Presidency Council of Ministers and shall be subject to the provisions of the Civil Service Law.

**CHAPTER II**  
**RESPONSIBILITY FOR ACCOUNTING AND CONTROL**

**Article 7**  
**Accountant General control officer**

1. The Accountant General is the head of the Accountant General's department of the Ministry of Finance,
2. As part of his duties, the Accountant General shall:
  - a. Prepare the final accounts of the State in accordance with article 26 of the Financial and Accounting Procedure legislative decree,
  - b. Control the inventory of state property, prepared in accordance with article 5 and 6 of the aforesaid legislative decree,
  - c. Control the accounts of the State, and submit them to the Magistrate of Accounts for audit,
  - d. Ensure that there is an adequate system of account in each Ministry,
  - e. Ensure that proper provisions is made for the safe keeping of all public monies, stamps, securities, valuable documents and stores,
  - f. Exercise supervision over the receipt of revenue and other public monies, informing the responsible officer of any delay in collection,
  - g. Exercise supervision over the expenditure and other disbursements of the State, take care that no payment is made which is not covered by proper authority, expressed or referred to on the voucher relating to it, ensure that no payment is made for which funds are not available in the vote concerned, and in cases of any apparent extravagance call the attention of the Minister of Finance in writing to the matter.
3. The officer in charge of a section formed in accordance with article 29 (2) of the aforesaid legislative decree shall perform such duties as may be delegated to him by the Accountant General shall be called a Control Officer.

**Article 8**

### **Treasurer**

1. As part of his duties, the Head of the Budget and treasury department shall:
  - a. Prepare the estimates of the State in accordance with chapter I of part II of the Financial and Accounting Procedure legislative decree and these regulations,
  - b. Supervise the budget and deal with any necessary variation.

### **Article 9 Magistrate of Accounts**

The Magistrate of Accounts shall exercise independent control and audit the accounts in accordance with articles 31 to 36 of financial and Accounting Procedure legislative decree and the special law governing his office.

### **Article 10 Cashiers**

1. The duties of the cashiers are to receive, keep and pay out public monies and to register these transactions in a Cash book, in a manner prescribed in these regulations, under the control of the Accountant General.
2. The Accountant General, however may make other arrangements where necessary.

### **Article 11 Revenue Collectors**

1. The duties of the Revenue Collectors are to collect State Revenue and to pay the same into the public treasury.
2. Revenue collectors are not empowered to make disbursements from revenue collected.

### **Article 12 Inspections and quarries**

1. The Accountant General, the Magistrate of Accounts and their deputies are at all times entitled to have access to all books, return or other papers relating to accounts, also cash, stamps, stores, and other moveable or immovable property of the State.

2. All officers responsible shall give them every facility for these inspections, and give the information requested for inspection purposes.
3. It is the duty of all officers responsible for accounts to reply promptly to any enquiries addressed to them by the Accountant General or the Magistrate of Accounts, giving fully the information or particulars desired.
4. In this article, the word "Deputies" means any officer authorized in writing by the Accountant General or the Magistrate of Accounts to carry out duties of inspection

#### **Article 13 Reports**

The Accountant General and the Treasurer shall report to the Minister of Finance, with a copy to the Magistrate of Accounts, any material irregularity connected with the public accounts that may be brought to their notice.

#### **Article 14 Responsibility**

1. All officers responsible for accounts shall be personally and pecuniarily responsible for the due performance of the financial duties of their Ministries, Departments of offices, for the proper collection of all public money received by them and for any inaccuracies in the accounts rendered by them or under their authority.
2. If the public fund sustain a loss by reason of the neglect or failure of any officer responsible for accounts to carry out the provisions of any of these regulations he may be held liable to make good the whole or part of the loss sustained by reason to such neglect or fault.
3. No officer shall be relieved of any part of his responsibility because he deputes to a subordinate, duties which he should perform himself.

#### **Article 15 Accounting forms, etc.**

No accounting forms or books shall be introduced or amended without the prior approval of the Accountant General.

**CHAPTER III**  
**CLASSIFICATION AND CONTROL**

**Article 16**

**Credits and charges to be made in correct year**

1. The date of receipt or payment governs the date of the transaction in accounts.
2. Payment shall not be made before they are for the purpose of utilizing an anticipated saving on a sub-head, nor may the unexpended portion of any sub-head be drawn for the purpose of setting it in reserve to meet impending payments or to be carried to a deposit or suspense account.
3. Expenditure properly chargeable to the account of a given year shall, so far as possible, be met within the year, and shall not be deferred for the purpose of avoiding in excess on the amount provided in the estimates. Similarly, outstanding items of revenue shall not be carried to revenue sub-head as a charge against an advance or suspense account pending the collection of the amount. On the other hand, revenue collected in any one year shall not be placed on deposit or held on suspense with the object of transferring it to revenue in the following year.

**Article 17**

**Budget provision to be observed**

1. No sum shall be expended in excess of the provision in the budget of a financial year.
2. No sum shall be expended in excess of the provision in the budget of a financial year, except that:
  - a. Any commitment which by its nature or by law may extend to more than one year shall be met in each year as it falls due within the limits of the authorized annual budget,
  - b. Where, for the smooth running of the public administration, commitments of a normal recurrent nature may be entered in a previous financial year to that in which the expenditure shall be charge against the state, with the prior approval of the Minister of Finance.
3. For the purpose of these regulations, a commitment is the creation by law, contract or otherwise of a liability to pay.

**Article 18**  
**Commercial account**

Where any commercial or industrial enterprise is administered on behalf of the State and separate provision has not been made by law with regard to its financial control and administration, the whole of the receipts and payments of the undertaking shall be included in the ordinary budget, or with the approval of the Minister of Finance, through a suspense account.

**Article 19**  
**Revaluation of securities**

1. At the close of each financial year, each of the securities be held on behalf of the State shall be valued at the current middle market price on the last working day of each year, and the value assigned to each security in the accounts shall be adjusted so as to correspond with that price. The amount by which the new value exceeds or falls short of the old value shall be carried to the credit or debit of the general balance account.
2. Where securities are held on behalf of a fund so that they belong to the fund and not to the State a similar procedure shall be followed, but the gain or loss shall accrue to the fund and not the State.

**Article 20**  
**Economy**

1. All officers responsible for expenditure shall exercise due economy. Money shall not be spent if it is not absolutely necessary merely because it has been voted.
2. Economy should be encouraged by a controlled distribution of Votes through expenditure warrants, which should normally authorize not more than a quarter of the provision appearing in the budget at on time.

**Article 21**  
**Expenditure to be correctly classified**

1. Every charge to expenditure shall be classified strictly in accordance with the details of the approved estimates, and every vote shall be applied only for the purpose for which it was intended. The fact that certain expenditure may be considered necessary or justified is not excuse for charging it to a vote which is not intended for the purpose.

2. Expenditure incorrectly charged shall be disallowed by the Accountant General.
3. New heads or sub-heads shall be opened for items of expenditure not properly falling within any of those appearing in the estimate (see F.R.6).

#### **Article 22**

#### **Disagreement on legitimacy of payment**

1. If the Accountant General cannot agree with a Ministry that a proposed payment is legitimate, the matter shall be reported in writing to the Magistrate of Accounts before payment is made in accordance with article 34 (2) of the Financial and Accounting Procedure legislative decree. The Magistrate of Accounts shall decide on the correctness of the allocation in accordance with articles 35 and 36 of the aforesaid legislative decree.
2. If a Ministry is in doubt regarding the correctness of an allocation, the opinion of the Accountant General should be sought prior to the commitment of the funds.

#### **Article 23**

#### **Vote Book**

1. Every warrant holder shall keep a vote book which shall show:
  - a. Expenditure authorized under each sub-head,
  - b. Commitments,
  - c. Expenditure charged and amounts sub-delegated by warrant to other officers,
  - d. The balance available.

#### **Article 24**

#### **Authority to be quoted on the voucher**

Every payment voucher shall contain a reference to the proper authority, eg., Expenditure Warrant, Imprest Warrant, Minister's Letter, etc, and shall show the relevant head and sub-head of the budget.

#### **Article 25**

#### **Control of Vote books**

1. Before signing a voucher, an officer authorizing payment shall first check the vote book entry relative to the payment.
2. If the entry is correct and the necessary funds are available, the officer shall initial the entry in the Vote Book and then sign the voucher.

**Article 26**  
**Monthly expenditure return**

1. Holders of warrants shall submit to the officer who issued the warrant a monthly statement on the voter together with a copy of each payment voucher.
2. This statement should be submitted within seven days after the end of the month to which it refers.

**Article 27**  
**Transport of stores**

1. Expenses incurred for the transport of stores to a State store or to their initial place of use shall be charged to the sub-head bearing the purchase price of the stores so transported.
2. In this connection stores mean all goods of whatever nature on first purchase.

**CHAPTER IV**  
**RECEIPTS**

**Article 28**  
**Responsibility for collection**

The duty of ascertaining, collection and paging in the revenue shall rest with the officers and agents who are listed in the schedule of classification of revenue which is drawn up by the Ministry of Finance each year.

**Article 29**  
**Revenue received by other officers**

If a civil servant not being a regular collector or revenue, comes into receipt of public money, he shall pay it to the treasurer or a cashier without delay, obtaining a receipt for the amount so paid in.

**Article 30**  
**Receipts to be issued**

1. All receipt entries in the accounts shall be vouched for on the prescribed form. All collectors of revenue shall display a notice requesting the public to insist on receiving and official receipt for any sum of money tender where no special form is prescribed by law or regulation, a general receipt shall be issued.
2. Receipts shall be written in ink or indelible pencil.

**Article 31**  
**Receipts in cash or by Cheque**

Officers receiving public money shall, when issuing receipts, indicate upon the receipts whether the payment was made in cash or by cheque, and in the case of cheque, quote the number of the cheque on the receipt.

**Article 32**  
**Prior control of revenue collectors**

1. Revenue collectors shall pay in their collection through the same control officer.
2. The control officer shall verify the amounts to be paid in by the collector. He shall also sign the Cash book, and initial and date stamp the back of the last receipt in each book that has been used by the collector. He shall ensure that all books issued to the collector are produced for inspection.
3. The revenue collector shall then hand to the cashier the duplicates of receipts, where applicable, that have been issued by the collector in support of the amount paid in.
4. In such station as the accountant General may direct, revenue collectors shall bring the original of the cash book, duplicate receipt, the analysis of the revenue (Where not included in the cash book) and pay in slip to the control officer for verification.

**Article 33**  
**Collections to be paid daily**

1. All regular collectors of revenue, who receive any duties, taxes, licenses, fees, rents or other public money whether forming a portion of the revenue of the State or not, shall pay the whole amount of such money, daily or at the earliest possible opportunity to a cashier.

2. The cashier shall issue a collector's receipt for the money so paid in.

**Article 34**

**Collectors to pay in whole amount**

Between the time of receipt and the time of payment to the cashier no public money shall be made use of whatsoever, nor shall any officer advance or lend any sum for which he is answerable to the State.

**Article 35**

**Difficulty in collection**

Any collector of revenue who experience difficulty in collecting sums due to the State in revenue whether from public officers or non-officials, shall report the circumstances to his immediate superior, as soon as his efforts at collection are unavailing.

**Article 36**

**Irregularities and arrears to be reported**

The Accountant General shall report to the Minister of Finance, with a copy to the Magistrate of Accounts, any failure on the part of any officer to receive and duly account for any sums receivable by him. He shall also report in like manner any case in which he may have reason to think that the revenue is falling unduly into arrear, Ministries shall also report in like circumstances, forwarding a copy of the report to the Magistrate of Accounts.

**Article 37**

**Records of amounts receivable**

It shall be duty of all regular collectors of revenue to maintain a proper record of the amounts receivable and the collection thereof.

**Article 38**

**Arrears of Revenue Returns**

All officers charged with the collection of revenue or other monies due to the State shall furnish by the first of March in each year returns to the Accountant General, the relevant revenue department and the Magistrate of Accounts showing the state of arrears in the collection of such sums as at the thirty first of December in the proceeding year. In the event of their being no such arrears, a nil return shall be furnished. Returns shall be rendered on the prescribed form.

**Article 39**  
**Revenue collector's chart**

For control purpose Control Officers shall keep a revenue collector's chart, which shall be maintained up to date and shall show:

- a. Name of collector,
- b. Type of revenue,
- c. Dates of paying in revenue,
- d. Reference to cashier's collectors receipt.

**Article 40**  
**Collectors to keep a Cash book**

Revenue Collectors shall:

- a. Keep a cash book,
- b. Submit their Cash books to the control officer on each occasion that revenue is paid in.

**Article 41**  
**Licenses credited in year received**

In the case of licenses issued in one financial year, which refer to the following financial year, the fees so collected shall be brought to account in the year in which the fees are actually received.

**Article 42**  
**Credit of overpayment**

Receipts in respect of the overpayment of expenditure shall be accounted for as follows:

- a. Recoveries in respect of expenditure incurred in the current year shall be credited to the relevant expenditure head and sub-head of the estimates,
- b. With the exception of the items mentioned (C) below, recoveries in respect of previous years shall be credited to Miscellaneous revenue,
- c. Recoveries in respect of special budget expenditure shall be credited back to the project irrespective of the year in which the expenditure took place. If the accounts of the Project have been close, recoveries will be credited to general revenue.

**Article 43**

### **Cancelled receipts**

Alterations to receipts are not permitted. If a mistake has been made, the receipt should be cancelled by drawing two thick lines across all copies and writing thereon the word (CANCELLED). The originals and duplicates of cancelled receipts shall be forwarded to the Accountant General with the monthly accounts, and the number of the cancelled receipt shall be shown in the cash book in the correct sequence.

### **Article 44 Liability to surcharge**

If any time the public revenue sustains a loss by reason of the neglect or fault of any officer, he shall be liable to be surcharged with the amount.

## **CHAPTER V RECEIPT BOOKS**

### **Article 45 Definition**

The expression (receipt book) includes all receipts, licenses, permits, tickets, discs, vehicle plates, etc., used in connection with the collection of public revenue.

### **Article 46 Ordering and control of main stock**

The ordering and issue of all receipt books shall be under the control of the Accountant General.

### **Article 47 Control officers to hold stocks**

The Control Officers shall hold stocks of receipt books for the district or region for which they are responsible and shall issue books as required to cashiers and revenue collectors.

### **Article 48 Receipt book register**

Every officer who has the care or use of receipt books shall keep a register on the prescribed form, in which he shall enter full particulars of the books issued to and by him.

**Article 49**  
**Issues to Revenue Collectors**

1. Control Officers shall keep a record of all books issued to Revenue Collector, and each time the collector pays in his collections, the number of the last receipt used in each book should be recorded, Revenue Collectors must produce to the Control Officer all books issued to them, whether used or not, each time they pay in. The Control Officer shall verify that this is done.
2. The Accountant General may make different arrangement in such stations as he may direct.

**Article 50**  
**Books to be examined**

Any officer who receives receipt books from the Accountant General shall be responsible for checking and examining all such books on receipt, to ensure that they contain the correct number of forms and that the numbering is correct.

**Article 51**  
**Security of receipts**

Receipt books shall be kept in a safe or other secure place used books shall be kept separately from unused. Both types of books shall be neatly stacked in numerical order.

**Article 52**  
**Transfers to be reported**

In the exceptional case where it is necessary for an officer to obtain an unused receipt book from another officer rather than from the Accountant General or Control Officer, the officer by whom the transfer is made shall inform immediately the Accountant General, the Magistrate of Accounts and his Control Officer of full details of the transfer.

**Article 53**  
**Disposal of unused receipts**

Unused receipt books, which are in excess of requirements shall be listed and sent under registered cover to the Accountant General, a copy of the list shall be sent to the Magistrate of Accounts. The Accountant General shall decide on the disposal of such books.

**Article 54**  
**Return of unused receipts**

A return in duplicate in the prescribed form of the serial numbers of all unused receipts in his district, which have not been brought to account in the cashier's cash book shall be prepared by the Control Officer and shall be submitted monthly with the accounts to the Accountant General (see F.R. 145).

**CHAPTER VI**  
**AUTHORITIES FOR EXPENDITURE**

**Article 55**  
**Authority**

1. No expenditure shall be incurred without due authority.
2. Every authority for expenditure shall indicate the relevant heads and sub-heads of the budget.
3. The total of the expenditure warrants issued under on sub-head shall not exceed the amount voted for that sub-head.
4. An expenditure warrant should not normally be issued for more than a quarter of the provision appearing in the budget (see F.R. 20).

**Article 56**  
**Expenditure Warrants**

1. The Minister may delegate the authority to incur expenditure by decree, duly registered, to the Director General, or in default to another person.
2. The Director General or other person shall issue expenditure warrants (Form F. 16) as necessary to the various officers responsible for the expenditure.
3. Sub delegation expenditure warrant (from F. 17) shall only be issued in exceptional circumstances and in accordance with the previous regulation. They shall refer to the expenditure warrant under which they are issued.
4. The expenditure warrant shall not be effective until it has been registered by the Magistrate of Accounts.

**Article 57**

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### **Reserved Expenditure**

1. The Council of Ministries, on the proposal of the Minister of Finance, may reserve expenditure on a sub-head either in whole part, except for payments, which the government is legal bound to make.
2. The Minister of Finance, through the Accountant General, shall control expenditure any voucher presented for payment under reserved item shall be referred by the Minister of Finance to the Council of Ministers.
3. The Council of Ministers, on the proposal of the Minister of Finance, may reserve any expenditure previously reserved.

### **Article 58**

#### **Expenditure Authority lapses: Ordinary Budget General Balance**

1. At the close of the financial year, the authority for expenditure lapses. The result of the year's transactions on the ordinary budget shall be transferred to the General Balance Account by decree of the Minister of Finance on the proposal of the Accountant General.
2. Unpaid commitments shall be met from the corresponding provisions of the budget for the succeeding year or from appropriations from the General Balance Account.
3. Appropriations from the General Balance account shall be made by law.

### **Article 59**

#### **Expenditure Authority lapses: Special Budget**

1. At the close of the financial year, all sums available in the special budget for capital works not completed shall remain available in the succeeding years.
2. Other sums shall lapse, unless the specific authority of the Minister of Finance is given for them to be carried forward.
3. Sums available on the completion of a project shall revert to the revenue of the special budget.
4. The amount of the unspent balance in each case shall be agreed by the Ministry concerned with the Accountant General.

**CHAPTER VII  
PAYMENTS GENERAL**

**Article 60  
Payment voucher**

Every payment shall be supported by a proper voucher and shall be signed by the warrant holder or in his absence, by a person duly authorized by him.

**Article 61  
Payment Voucher: Preparation**

1. All vouchers shall contain full particulars of each service such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other document.
2. Vouchers shall be prepared and signed in ink, indelible pencil, or shall be typewritten.
3. The original of the voucher shall be on the appropriate form A list of forms is attached at Appendix A to these regulations.
4. Payments in the accounts shall be made to the nearest five cents.

**Article 62  
Alterations**

Any alterations to a voucher shall be signed by the authorizing officer and by the payee, if the alteration occurs in the receipt portion.

**Article 63  
Delegation by payee**

Payment should only be made to the person to whom it is due, unless written authority has been given by the payees for payment to be made to his representative. If the authority is for one payment only, it should be attached to the relevant voucher. Where more than one payment is covered by the authority, number should be quoted on the authority, which should be prepared in duplicate, the duplicate copy being attached to the voucher. The Accountant General shall detach the duplicate from the voucher, and shall register it in a special file, quoting reference to the document on every subsequent voucher.

**Article 64  
Responsibility**

The officer who signs the voucher shall be personally responsible for the correctness and the legitimacy of the payment.

**Article 65**  
**Payments to illiterates**

Where a cash payment is made to an illiterate person, the signature of a witness to the thumbprint of the payee shall be obtained.

**Article 66**  
**Deductions from payments**

Where a payment is made subject to any deduction and the amount deducted is to be credited to a different sub-head of expenditure to that of the payment, or to revenue, the gross amount to the expenditure shall on the voucher as a charge to the relevant sub-head. The credit shall be shown separately.

**Article 67**  
**Receipt stamp**

Receipts for payments shall bear stamps, as prescribed by law, duly cancelled.

**Article 68**  
**Payments abroad**

Payments abroad shall be made through the Accountant General, and the voucher shall be supported by the approval to transfer, currency issued by the Currency Department of the Minister of Industry and Commerce.

**Article 69**  
**Payment in another district**

1. Where an officer finds it necessary to incur expenditure in another district, he shall normally issue an expenditure warrant.
2. For occasional expenditure and for extra budget accounts, he may pass the vouchers to the Control Officer in his district for control. Two copies shall be sent to the cashier in the relevant district for payment and disposal in accordance with regulation 71.

**Article 70**  
**Control Officers not to control votes**

Control Officers shall not be authorized to incur expenditure.

**Article 71**  
**Presentation of Vouchers for payment**

1. Vouchers shall be submitted in triplicate to the Control Officer.
2. The Control Officer shall retain a copy and pass two to the Cashier.
3. After payment, the Cashier shall retain the original and shall return the last copy to the authorizing officer with the voucher.
4. The original of the voucher shall support the payment entry in the Cash book.

**Article 72**  
**Duties of Control Officer before passing payment**

1. When vouchers are presented for payment, the Control Officer, before signing, shall ensure that funds are available, that the voucher is properly completed in all respect, that there are no arithmetical errors, and that all other requirements of these regulations have been fulfilled. He will then sign the voucher as "Passed for payment".
2. In order to ascertain that funds are available, the Accountant General shall supply to Control Officers copies of the Expenditure Warrants relating to the Control Officer's district. The Control Officer shall verify that the amounts warranted have been correctly entered in the responsible officer's vote books, and each time a payment is to be made, the responsible officer shall produce his vote book to the Control Officer, who shall check the entry. If funds are not available, the voucher shall not be passed for payment.
3. In such stations as the Accountant General may direct, Control Officers shall maintain their own registers of warrants and payments made there under.

**Article 73**  
**Authorities for payment**

1. Ministers shall forward to the Accountant General and to the Magistrate of accounts copies of all documents approving contracts and all authorities for more than one payment.

2. The original of the authority for one payment only shall be attached to the payment voucher.

**Article 74**  
**Payment to be made to correct person**

Paying officers shall satisfy themselves that the person claiming payment is in fact the person authorized to receive it. In the event of any doubt, it is the duty of the Ministry or Office, which received the service to provide proof of identity and this can be done by the attestation of the payment by a responsible member of the Ministry or office.

**Article 75**  
**Non-payment days**

The first two days after the close of month shall be non-payment days to enable the accounts and returns to be prepared.

**CHAPTER VIII**  
**PAYMENTS - SALARIES AND WAGES**

**Article 76**  
**Date of Payment**

1. Monthly salaries and wages are normally paid on the last business day of the period for which they are due. Should public holidays and weekends, however, make this inconvenient, paying officers have it in their discretion to pay up to forty-eight hours earlier than the due date.
2. In Hargeisa, salary vouchers shall be sent to the Accountant General by the 10<sup>th</sup> day of the month for which the payment is due.

**Article 77**  
**First and last payment**

In all cases of new appointments, or where an officer's services are terminated, excluding manual laborers, a note shall be inserted on the voucher covering the first or last payment, giving the necessary details and quoting the relevant authority.

**Article 78**  
**Alterations in pay**

In case of alterations in pay of persons other than manual laborers, the authority shall be quoted on the voucher.

**Article 79**  
**Salaries in pay**

Officers who have bank accounts and have given authority in writing for their emoluments to be paid into such accounts shall have their monthly salaries credited to their accounts direct.

**Article 80**  
**Salaries paid in cash**

1. Payments of staff salaries in cash may be effected by an expressly delegated officer. Cash to meet the payment shall be drawn from the Cashier and the individual disbursement to the persons concerned shall be the responsibility of the said delegated officer. The officer who actually makes the disbursements shall sign the voucher as "Paying official".
2. When cash is drawn from a Cashier for the payment of salaries or wages the officer drawing the cash shall sign for its receipt on form F. 12, which shall be retained by the Cashier as a temporary voucher, pending the return of the complete payment voucher.
3. The completed payment voucher shall be returned to the Cashier not later than five days after the cash has been drawn. Within the time, the cash shall be credited back to the vote, and the original receipt attached to the payment voucher. A new voucher shall be prepared when the officer or employee arrives to claim his pay.

**Article 81**  
**Leave Salaries**

The salary of an Officer on leave in a station other than his duty station may be forwarded to him by means of postal or bank order, should he request. In such cases, the counter-foil of the order shall be attached to the voucher as proof of payment.

**Article 82**  
**Payments to laborers**

1. Muster rolls shall be prepared for the payment of wages to large labor gangs. Muster rolls shall be completed in duplicate, both copies being completed in every respect, and shall be signed by the paying officer who shall initial each payment.

Each muster roll shall be signed by a witness to the payment. The original, together with a muster roll voucher (Form F. 7), shall support the accounts, and the duplicate shall be retained by the paying officer for his records. Muster rolls shall be made up from the time book.

2. Vouchers unsupported by muster rolls may be used for the payment of wages to labor gangs of not more than five laborers, provided the following details given:
  - i. Names of Laborers,
  - ii. Official number,
  - iii. Period employed with dates,
  - iv. Rate to pay,
  - v. Amount to pay.

## **CHAPTER IX IMPRESTS**

### **Article 83 Definition**

An Imprest is a sum of money placed at the disposal of an officer to enable him to meet State expenditure when it is impossible for him to present vouchers for immediate payment through a Control Officer.

### **Article 84 Types of Imprest**

1. Imprests are of two types - Standing Imprest and Special Imprest.
2. Standing Imprest are amounts of money placed at the disposal of officers for regular use throughout the financial year they are renewable from time to time.
3. A special Imprest may be either of a particular journey or may be issued for a particular purpose. In both cases the imprest shall be enclosed as soon as the purpose of issue is fulfilled.

### **Article 85 Imprest Warrant**

1. Application for the issue of an Imprest, should be made to the Minister of Finance, who may approve the Imprest by means of an Imprest Warrant.

2. Imprest Warrants shall contain a clear statement of the purpose for which the imprest is issued and the money which is drawn for the imprest shall not be used for any purpose which is not covered by the statement on the warrant. The Statement shall refer to the relevant expenditure warrant.
3. Imprest Warrants shall be registered by the Magistrate of Accounts before issue.

**Article 86**  
**Retirement of Imprest**

1. All Imprest of whatever nature shall be closed at the end of the financial year, unless the Minister of finance directs otherwise.
2. An officer who does retire his Imprest before the close of the year, shall close it at the earliest opportunity. Thereafter.
3. He may be liable to surcharge of the amount that was outstanding.

**Article 87**  
**Accounting for Imprest**

1. When an officer first draws his imprest the paying officer concerned shall charge "Imprest" and give the same name and designation of the officer and quote the warrant number. When an imprest is accounted for, the receiving officer shall credit the full value of the cash and completed vouchers received to "Imprest" giving the name and designation of the officer and shall enter the vouchers in his cash-book as part of his own expenditure.
2. When cash upon an imprest begins to run short and the imprest has to be renewed the imprest holder shall submit completed payment vouchers to the receiving officer who shall enter them in his cash-book as part of his own expenditure. He shall then refund the total amount to the vouchers to the imprest holder. It flows that the imprest holder shall always have either cash or unrepresented vouchers, or both, equal to the amount of his imprest.
3. Vouchers are subject to the normal control procedure.

**Article 88**  
**Imprest Cash Books**

Every holder of an imprest shall keep a Cash book in which he shall account for the money spent by him.

**Article 89**  
**Advice of retirement**

If an imprest is accounted for to an officer other than the one who originally issued it the former officer shall advise the latter that the imprest is cleared, informing him of the relevant receipt number and date.

**Article 90**  
**Responsibility of imprest**

Imprest holders are not relieved of their responsibility for accounting for their imprest until all vouchers in connection with them have been examined by the receiving officer.

**CHAPTER X**  
**BANK ACCOUNTS**

**Article 91**  
**Banking Procedure**

1. Official Bank Accounts shall not be opened without the approval of the Treasurer. The Treasurer shall issue such instructions as are necessary both to the banks and to the officials concerned regarding the conditions attached to State Accounts.
2. Official Bank Accounts shall not be used for other than official transaction, nor shall officers operating an official bank account permit them to become overdrawn.
3. The balance in the bank account as shown in the pass book or bank statement shall be verified with the balance shown in the cash book once a month and statement shall be prepared showing how the two figures have been reconciled. A bank statement shall be forwarded in support of Cashier's account together with the reconciliation proving the account.

**Article 92**  
**Unpaid Cheque**

Officers controlling bank accounts shall ensure that drawn cheques are not left outstanding for longer than three months without an enquiry being instituted.

If after due enquiry it is found to be impossible to clear the cheque the following procedure shall be adopted:

a. Where the payee is untraceable,

1. Place a (stop order) on the cheque with the bank when it has been outstanding for six months.
2. Account for the cancellation of the cheque by the issue of a receipt for the amount of the cheque, crediting Miscellaneous Revenue or the appropriate extra budget account. The entry shall appear in the bank column of the cash book, and the original and duplicate receipts shall support the account.
3. Record against the original payment entry in the cash book a reference to the date and receipt number on which the cheque has been cancelled.

a. Where the payee confirms that the cheque has been lost.

4. Place a (stop order) on the cheque with the bank.
5. Issue a receipt suitably cross-referenced to the original cheque at the same time make out a new cheque, which shall be cross-referenced to the receipt in cash. Both credit and debit shall be to miscellaneous Revenue.

## **CHAPTER XI CASH AND SECURITY ARRANGEMENTS**

### **Article 93 Responsibility of officers handling cash**

It is the duty of all officers handling cash, cheque, stamps etc., to see that it is deposited in the most adequate form of safe custody available.

### **Article 94 Safe Custody**

1. All cash, cheque, stamps, etc., received by public officers shall be deposited in a cash box, safe or strong room.
2. In stations where there are banks, cash and cheque shall be paid in daily. If any surplus remains overact the end of the day's work it shall be deposited in a safe or strong room as available.

3. The main stock of cash at a station with no bank shall be secured in a safe or strong room. Two locks should be provided, one key being held by the Cashier, and the other by a responsible officer. A register of transactions effecting the main stock shall be maintained.

**Article 95**  
**Security of cash on tour**

Officers who must travel on tour with State cash shall provide themselves only with the minimum amount necessary and shall keep the cash in a cash box. When the cash box is not actually in use for payments or receipts it shall be secured to some object, which is not easily removable.

**Article 96**  
**Security of cash on tour**

The Cash book and other principal books of account shall be deposited in a cash box, safe or strong rooms each night.

**Article 97**  
**Control of cash**

1. Cash shall be checked and balanced with the Cash book daily.
2. The cash and Cash book shall be verified daily by the Control Officer.

**Article 98**  
**Cheque, etc.**

1. All cheque, postal order and money orders shall be crossed on receipt.
2. A note of the number of cheque shall be made on the receipt, and the number of the relevant receipt, shall be written on the back of the cheque and also on the bank pay-in slip.
3. All cheque, bank drafts and articles of value sent through the post shall be registered. The receipts issued by the Post Office shall be filed and identified with the items posted.
4. In stations where there are no banks, the Treasurer shall issue instructions regarding the disposal of cheque received.

**Article 99**  
**Supply of sales, etc.**

The Treasurer is responsible for the supply of all chains, padlocks, cash boxes, safes and strong room doors and these items shall be obtained from him.

**Article 100**

**Private cash not to be kept in safe**

No funds or valuables other than State funds or valuables, or such money or valuables as may come into an officer's possession by virtue of his office, shall be kept in office safes, etc.

**Article 101**

**Security of safes, etc.**

1. Officers are responsible for ensuring that their safes and cash boxes are in good order and that the cash boxes are secured to a table or that they are built into a wall or floor. Safes shall be built into the wall or otherwise secured to the building.
2. The keys of all strong rooms, safes, etc., shall be safeguarded by the officers to whom they have been issued and if it is found that any officer has been guilty of negligence in this connection he may be surcharged with the cost resulting from the loss of the keys, and any other loss incurred.
3. Duplicate keys shall be held by the Accountant General and shall in no circumstances be retained by the officers who hold the originals.
4. The loss of a key of a strong room, safe, etc., shall be reported at once to the Treasurer. If the key has been stolen, or if the officer in charge suspects that a lost key might be misused, the Treasurer shall be informed immediately and a full report shall be given of the circumstances. Adequate steps should be taken to safeguard the contents pending further instructions.

**Article 102**

**Maximum cash balance**

1. The maximum cash balance that may be held by an officer at the close of a month is fixed by the Treasurer. Care shall be taken to see that cash balances are kept strictly within the authorized limit.

**Surplus cash**

2. If at any time a surplus of cash is found, the cause of which cannot be discovered, it should be taken on charge by the issue of a receipt crediting "Miscellaneous Revenue" and a report made to the Accountant General.

**Article 103**  
**One-man station**

In cases where a senior officer is single handed in a station and it is necessary for him to travel on duty, such only as is necessary to meet normal daily requirements shall be left in charge of a junior officer during the senior officer's absence.

**Article 104**  
**Acceptance of money**

1. Worn notes and coins shall be accepted in the normal payment of State dues. Such money should periodically be exchanged at the bank, or remitted in accordance with the Treasurer's instructions if no bank is available.
2. Defaced or counterfeit money shall not be accepted in payment of State dues in any circumstances.
3. Foreign money shall only be accepted with the agreement of the Treasurer.

**CHAPTER XII**  
**DRAFTS AND REMITTANCES**

**Article 105**  
**Acceptance of Cheque**

1. Cheque may be accepted from private individuals in payment of State dues, provided that the officer is satisfied that the cheque will be honored. If the cheque is not honored, the officer shall be liable to be surcharged with the amount of the cheque.
2. Government officers may cash cheque up to a maximum of Sh.Sl. 400, per cheque provided funds are available. Misuse of this privilege shall mean its withdrawal.

**Article 107**  
**Purpose of drafts**

Treasury drafts exist for the purpose of enabling Cashiers to replenish their balances when necessary. The primary consideration in the issuing of these drafts is the convenience of Government and a cashier should not draw a draft for payment by another cashier unless the former has reason to suppose that it can be paid by the latter without having to obtain special funds to meet it.

**Article 108**  
**Nature of draft**

Treasury drafts shall be drawn in three parts:

- a. The draft itself,
- b. The advice,
- c. The counterfoil, which remains in the book.

The draft shall be handed to the payee and the advice shall be forwarded by registered mail immediately the draft is issued to the cashier on whom it is drawn.

**Article 109**  
**Payment of draft**

As a general rule, payment shall not be on a Treasury draft until the advice portion has been received by the Cashier on whom it is drawn. In exceptional circumstances, however, where it is obvious that the advice portion will be delayed, the issuing cashier may send a telegraphic advice agrees with the details shown in the draft, payment may be made before the advice portion is received. Care shall be taken to ensure that the information on such as telegraph advice agrees with details shown on the draft.

**Article 110**  
**Accounting for drafts**

Receiving Cashiers shall credit the amount to "drafts (paying Cashier)" paying cashiers shall debit the payments to "Draft- (Issuing Cashier)".

**Article 111**  
**Lost draft**

1. A lost draft shall not be paid except on the authority of the Treasurer. The letter of authority shall be attached to the payment voucher together with the advice.
2. The foregoing rule shall apply mutatis mutandis when advice of the draft is lost.

**Article 112**  
**Adjustment by draft not permitted**

Drafts shall not in any circumstances be issued for the purpose of adjusting accounts between Ministries or Offices.

**Article 113**  
**Accounting for remittances**

When is necessary to make remittances of cash or cheque between the Treasurer and/or Cashiers:

- a. A remittance slip shall be made out in triplicate by the remitting Cashier and debit to "Remittances - (Receiving Cashier and station)".
- b. The original and duplicate of the form shall be forwarded with the remittance
- c. The remittance, when received, shall be checked by two officers, one of whom shall be the Cashier.
- d. A receipt for the amount shall be returned to the remitting Cashier together with the duplicate copy of the remittance slip. The receiving Cashier shall credit the amount of the remittance to "Remittance - (Forwarding Cashier and Station)".

**Article 114**  
**Excess or Shortage**

If any excess or Shortage of importance is found, the dispatching Cashier shall be informed by telegraph; minor differences shall be dealt with by letter.

Adjustments shall be made as follows:

- a. In the case of deficiencies arising from shortages, counterfeits or foreign currency, the amount shall be debited to "advances" and the designation of the dispatching Cashier when the deficiency has been cleared, the amount shall be credited to the same advance account.
- b. Minor excesses will be credited to Miscellaneous Revenue.

- c. Excesses of importance shall be credited to "Deposits" and the designation of the dispatching Cashier. After enquiry has been made the matter shall be reported to the Treasury for instructions as the disposal of the amount placed of the amount placed on deposit.

**Article 115**  
**Submission or cash requisition**

Requisitions for cash shall be submitted to the Treasurer or to a Cashier and where the amount of cash under requisition exceeds Sh.Sl. 15,000, two weeks notice shall, so far as possible, be given by the requisitioning Cashier before dispatch of remittance, the receiving Cashier shall be notified of the estimated time of arrival.

**Article 116**  
**Escort for remittance**

1. In all cases where cash is remitted to or drawn from a Cashier within the same station, the arrangements for escorting the cash shall be the responsibility of the officer concerned.
2. Cash not be remitted between stations without a proper escort. The strength of the escort to be provided for such remittances shall be as laid down by the general commanding the Police Force.

**Article 117**  
**Officer to take charge of escort**

The Treasurer or Cashier is authorized, if required, to call upon any officer, who is traveling on duty direct from one station to another, to charge of a special escort destined for the same station as the one to which the officer is proceeding.

**CHAPTER XIII**  
**BOARD AND SURVEY**

**Article 118**  
**Purpose of Boards**

Boards of Survey, whether annual or surprise, are appointed with the express purpose of checking that the funds in the hands of public accounting officers, whether in the nature of cash, stamps or accountable documents, are in proper order.

**Article 119**

### **Annual Boards**

Boards are appointed annually to verify all cash balances, bank balances, stamps, etc., after the close of the last business day of the financial year or before the commencement of business on the first day of the new financial year.

### **Article 120 Convening of Boards**

Boards of Survey in Hargeisa shall be appointed by the Minister of Finance and else where by Regional governors who should send to the Minister of Finance a list of offices to, which Boards have been appointed. The Magistrate of Accounts shall be informed of all Boards conceded.

### **Article 121 Composition of Board**

1. When possible, a Board shall consist of three officers, one of, whom shall be specifically nominated as President. The officer in charge of the cash shall not serve on the Board.
2. When it is not possible to hold a Board of at least two officers, the officer in-charge of the cash should prepare the report himself, and a surprise Board should be convened at the earliest opportunity.
3. Treasury and audit officers are prohibited from taking part in Boards of Survey on cash. Exceptions to this regulation only be made by the Minister of Finance.

### **Article 122 Duties of Board**

The duties of the Board shall include:

- a. In offices where cash and bank accounts are held it is the duty of the Board to see that both are correct. This implies that all cash shall be counted and reconciled with the last entry in the cash book and that any balance shown in the cash book as on hand with the bank shall be reconciled with the bank certificates.
- b. In the case of cash, all currency notes and coins must be counted in detail.
- c. Details of all un-receipted remittance shall be shown in the report.

- d. All stamps on charge shall be counted and reconciled with the entries in the stamp register.
- e. Reports, signed by each member, shall be sent in quadruplicate to the Minister of Finance.

**Article 123**  
**Convening notice**

Notifications of the convening of a Board shall be sent to the President and the other members in good time. It is the duty of the President to arrange the actual time of assembly with the other members.

**Article 124**  
**Responsible officer to be present**

All officers on whom Boards of Survey are being held are required to be present during the whole period when a Board is examining their stock.

**Article 125**  
**Board lasting more than one day**

If the verification of the cash or stamps takes more than one day the strong room or safe shall be sealed by members of the Board and the seal shall not be broken except in the presence of the Board.

**Article 126**  
**Surplus or shortage**

If a surplus is disclosed as a result of a Board this shall be brought to account in the books of the responsible officer. A deficit shall be charged to the advance account of the responsible officer unless it is made good at once. A Board, which discovered any serious shortage in cash or stamps shall report the matter at once to such senior officer as may appear the appropriate person to take local action before full report is submitted.

**Article 127**  
**Surprise Boards**

A surprise Board shall be treated as confidential. Otherwise the procedure is the same as in the case of annual Boards.

**CHAPTER XIV**  
**LOSSES**

**Article 128**  
**Definitions**

For the purpose of these regulations, unless the context otherwise requires:

"Loss" means any loss, theft, deficiency, fraudulent payment, misappropriation or unauthorized destruction, but does not include the failure to collect monies due, nugatory payments made without proper authority, payments improperly vouched or abandoned claims.

"Public money" means:

- a. The public revenue of the State,
- b. Any trust or other monies held, whether temporarily or otherwise, by an officer in his official capacity either alone or jointly with any other person.
- c. Any stamps, securities or receipt books.

**Article 129**  
**Loss to be made good**

If, at any time, a loss occurs by reason of the neglect or fault of any officer, the officer shall normally be required to make good the amount involved. Similarly, any officer who has supervisory duties in regard to such money may also be liable to make good the loss sustained in whole or in part; it is shown that the loss was facilitated by his failure or neglect to carry out his duties.

**Article 130**  
**Losses be reported immediately**

All losses or suspected losses shall be reported immediately to the officer's immediate superior with copies to the Ministry concerned, the Minister of Finance and the Magistrate of Accounts. Where the loss does not exceed Sh.Sl. 20 in value it may be dealt with by the Minister concerned as seems appropriate in each cases shall be communicated to the Ministry of Finance and the Magistrate of Accounts.

**Article 131**  
**Police or Finance Guard to be informed**

1. The Police or the Finance Guard shall be informed immediately in all cases where theft or fraud has been committed or is suspected of having been committed.
2. The Police of Finance Guards shall immediately investigate.

**Article 132**  
**Report not to be withheld**

No officer shall have discretion to withhold a report on any loss, even if restitution has already been made. Reports shall not be deferred to enable restitution to be made.

**Article 133**  
**Full report to be submitted**

After submission of the report referred to in regulation 130 above, investigations shall be carried out and a full and complete report on the loss, in the appropriate form, shall be submitted within two weeks to the Ministry concerned, with copies to the Minister of Finance and the Magistrate of Accounts. Where the above procedure is not possible, an interim report shall be submitted within that period.

**Article 134**  
**Accounting for losses**

1. In the case of a loss of cash the officer responsible for reporting the loss shall debit the full amount of the loss, by payment voucher, to an advance account in the name of the responsible officer.
2. Where revenue has been lost before being brought to account, a receipt shall also be prepared crediting the relevant revenue item or items.
3. Where the loss occurs after revenue has been brought to account a payment voucher only shall be prepared.

**Article 135**  
**Responsibility for loss**

1. It shall be the duty of the Minister concerned to decide on which officer, or officers the responsibility for the loss lay, and where more than one officer is held responsible, the individual degree of responsibility and whether there was any degree of neglect or fault on the part of any officer. Where it is decided that there was in fact neglect or fault, the Minister shall call upon the responsible officer to make good the loss, reporting the action taken to the Minister of Finance and the Magistrate of Accounts.

2. Where a Minister considers that any officer who is held responsible for a loss should, for some good and sufficient reason, be relieved of the whole or part of his liability to make good the loss, he shall submit his recommendation to the Minister of Finance.

**Article 136**  
**Authority to write off**

The Minister of Finance, after consultation with the Magistrate of accounts, may write off a loss in whole or in part where the loss does not exceed Sh.Sl. 5,000. Where the loss exceeds Sh.Sl. 5,000, he may do so only with the prior approval of the Council of Ministers.

**Article 137**  
**Accounting for write off**

Where authority is given for the write off or partial write off of a loss the Accountant General shall ensure that the amount written off is debited to the appropriate sub-head for losses of cash and stores, and where partial write off only is approved the advance account shall be closed by recovery of the balance of the loss from the officer (s) responsible.

**Article 138**  
**Compensation**

Where an officer is being tried on a criminal case of having misappropriated public money the court should be asked to make an order for compensation in favor of the State. Where it is not possible for any such recoveries to be made for any reason, the matter should be reported to the Ministry concerned, the Minister of Finance and the Magistrate of Accounts.

**Article 139**  
**Allocation of court fine**

A fine in a case of misappropriation of State money cannot be applied directly to make good the loss unless the court so orders. The fine shall be credited to the appropriate sub-head of revenue and the loss written off or otherwise made good.

**Article 140**  
**Abandoned claims**

Where any revenue or claim remains uncollected and is considered to be irrecoverable, it may be written off on the authority of the Minister of Finance, after consultation with the Magistrate of Accounts, where it does not exceed

Sh.Sl. 3,000; where it exceeds Sh.Sl. 3,000, the Minister of Finance may be write it off with the prior approval of the Council of Ministers.

## **CHAPTER XV ACCOUNTS AND ACCOUNTING GENERAL**

### **Article 141 Cash Book**

1. The cash book is a simple record of the transactions on State account/receipts are recorded on the left and payments on the right.
2. The number of the receipts shall be entered on the receipts side of the cash book, which is divided into columns for the purpose of analyzing the main items of receipts in any month.
3. For payments, the vouchers shall be numbered consecutively from No. 1 each month and shall be entered in the Cash book in numerical order; the number of the month shall be added, e.g. 1/5 denotes voucher number 1 of May.
4. If a payment voucher contains deductions, the net amount only shall be shown in the Cash book.

### **Article 142 Analysis**

1. The analysis of account shall show the classification of the items according to the Heads and sub-heads of the Estimates or according to extra-budget accounts.
2. Where a payment voucher contains deductions:
  - a. The gross amount of the expenditure shall be shown under the respective sub-heads.
  - b. The deductions shall be shown appropriately allocated on the receipts side.
3. The numbers of the accompanying receipts and payment vouchers shall be quoted against the items of receipt and payment. Where items under a particular sub-head have already been analyzed in the Cash book, the total of the items only for the month shall be shown in the analysis.

### **Article 143**

#### **No cash adjustments**

No cash transactions shall take place between Ministries or offices. Adjustments shall be effected by means of adjustment vouchers.

#### **Article 144**

#### **Supplementary financial instructions**

Where necessary Ministers shall submit to the Minister of Finance, with a copy to the Magistrate of Accounts, supplementary financial instructions of particular application to their Ministries for approval.

#### **Article 145**

#### **Self-Accounting Ministries Self-Accounting**

A self-accounting Ministry shall submit to the Accountant General at the close of each month, and not later than the 10<sup>th</sup> day of following month, figures, showing the total expenditure under each sub-head of expenditure incurred by that Ministry during that month, and also figures for receipts and payment effecting extra-budget accounts Vouchers shall not be submitted but shall be retained in the Ministry for audit.

#### **Article 146**

#### **Cashier's Accounts Accounts and returns**

Cashiers shall submit their accounts through the Control Officer to the Accountant General by the first possible mail, and not later than ten days, after the end of the month. The following statements and returns, as may be applicable, shall be rendered:

- a. Top copies of the Cash book,
- b. Receipts-duplicate copies,
- c. Payment vouchers-original copies,
- d. Summary or receipts and payments,
- e. Analysis of receipts and payments,
- f. Cash balance certificate,
- g. Bank balance certificate, statement and reconciliation,
- h. Return of missing vouchers,
- i. Return of unused receipts (F.R. 54),
- j. Windows' and orphans' pension fund - return of contributions collected from salaries,
- k. Return of income tax collected,
- l. Return of business profit tax collected,

**Article 147**  
**Extra-budget accounts**

**Definition**

Extra-budget accounts record transaction other than those dealing with estimated revenue and expenditure.

**Article 148**  
**Special Budget Account**

The special budget shall be accounted for in total in an extra budget account, with details recorded in sub-VXK,D! Account's.

**Article 149**  
**Deposit**

A deposit is a sum of money received and taken on charge by an officer on behalf of an individual for a specific purpose, or until it is repaid. The Treasurer shall issue instructions as to what monies may be received on deposit.

**Article 150**  
**Advances**

1. Advances are sums paid out, or otherwise debited, which are due to be repaid.
2. No advance shall be opened, except as provided for in these regulations, without the authority in writing of the Minister of Finance. Such authority shall state the reason for the advance.

**Article 151**  
**Deposit and advance Register**

All officers receiving deposits and making advances shall maintain deposit and advance registers in which receipts and payments shall be recorded. At the end of the financial year, the outstanding balances of deposits and advances shall be carried forward to new part of the registers, and the balance on hand reconciled with the Accountant General's figures. Reconciliation should also be made every three months.

**Article 152**  
**Unclaimed deposits**

When a deposit has remained unclaimed for three years, the approval of the Accountant General should be sought to transfer it to miscellaneous revenue.

**Article 153**  
**Outstanding advances**

Where an officer who has an advance account outstanding is transferred from one station to another the fact shall be recorded on the last pay certificate of the officer concerned. A note should be inserted on the appropriate page of the advance register showing to which station the officer has been transferred.

**Article 154**  
**Funds**

1. A fund set up for a definite purpose may be created,
  - a. With sums transferred from the budget, by law,
  - b. With other sums, on the authority of the Minister of Finance,
2. Funds shall be accounted for by the accountant General and shall be subject to the same rules for expenditure as for the ordinary budget,
3. The Accountant General at the end of each financial year shall prepare annual accounts for each fund. These annual accounts shall be submitted to the Magistrate of accounts for audit. The Magistrate of accounts shall cause the accounts together with his report thereon, if any, to be submitted to the President of the National Assembly,
4. Annual accounts.

**Article 155**  
**Preparation and submission of annual accounts**

At the close of the financial year the Accountant General should prepare the Annual Accounts of the State. The accounts shall then be submitted to the Magistrate of Accounts for audit not later than the 30<sup>th</sup> of April in the year following that to which the account-relate.

**Article 156**  
**Form of Annual Accounts**

The annual accounts consist of:

- a. An Abstract Account for receipts and payment showing under several heads both of the ordinary budget and extra-budget accounts, the totals of receipts and payments in the year, together with the cash balances at the beginning and end of the period,
- b. A statement of assets and liabilities at the close of the year,
- c. Detailed statements of revenue and expenditure, for the ordinary and for the special budget, arranged according to subheads, showing the excess or saving on each subhead, and showing also supplementary provisions for expenditure under any sub-head,
- d. A tabular statement of all funds,
- e. A full statement of expenditure on works and other payments chargeable to loan accounts, if not accounted for the budget of the State,
- f. A statement of the public dept of the State,
- g. A statement of outstanding loans made by the State,
- h. Such other statements as the National Assembly or the Minister of Finance direct.
- i. Other accounting points

**Article 157**  
**Corrections in the accounts**

No erasures may be made in the accounts. Corrections should be made by striking out the incorrect figures with a single line and writing the correct figures above. Such alterations require the initials of the officer responsible. On no account shall audited figures be altered without the consent in writing of the Magistrate of Accounts.

**Article 158**  
**Books to be numbered**

The pages of account books shall be numbered if the numbers are not printed on the pages they shall be inserted in ink before the book is brought into use.

**Article 159**

### **Refunds of revenue**

Subject to any law in force, all refunds of revenue require the sanction of the relevant Head of Department.

#### **Article 160 Destruction of records**

1. Cash books, ledgers and journals may be destroyed after twenty years.
2. Payment vouchers, completed receipt books, and similar accounting records may be destroyed after seven years.

### **CHAPTER XVI AUDIT**

#### **Article 161 Duties of Magistrate of Accounts**

1. The Magistrate of Accounts shall exercise a prior control on the legitimacy of Government acts involving financial obligations, namely,
  - a. The issue of virement expenditure, and imprest warrants,
  - b. Contracts,
  - c. Indents or requisitions for purchases exceeding Sh.sl. 1,500,
  - d. Appointments, promotions and retirement of public officials,
  - e. Individual payment vouchers, which have been referred to him by the Accountant General.
2. The Magistrate shall examine, enquire into and audit the accounts of all accounting officers and of all persons entrusted with the collection, receipt custody, issue, sale, transfer or delivery of any stamps, securities, stores or other State property.
3. The Magistrate of Accounts shall satisfy himself;
  - a. That all reasonable precautions have been taken to safeguard the collection of public monies and that the laws, regulations, directions or instructions relating thereto have been duly observed and,
  - b. That all money appropriated or otherwise disbursed has been expended or applied for the purpose or purposes for which the grants were made by the National Assembly and that the expenditure conforms to the authority, which governs it.

**Article 162  
Discharge**

After one year from the date of submission of a monthly account to the Accountant General, the cashier, the revenue collectors and imprest holders concerned shall be deemed to be discharged of their responsibility for the correctness of the cash as represented by the figures appearing in their accounts, unless during that time they have received a query from the Magistrate of Accounts relating to the said account. If such a query is received, they shall not be discharged of their responsibility until the said query is settled. A petition may be filed with the Supreme Court in accordance with article 40 of the financial and accounting procedure legislative decree.

**Article 163  
Responsibility for accounts**

The responsibility of the Magistrate of Accounts for checking and reporting any shortcomings in connection with the public accounts or finances does not absolve any officer from his responsibility for complying, or securing compliance with instructions within the scope of his own authority.

**Article 164  
Green Pencils**

Green pencils and green ink are reserved exclusively for the use of officers of the Audit Department. Officers responsible for accounts may under no circumstances use green pencils or ink for making out receipts, payment vouchers, or other accounting entries or returns, and shall ensure that they are not kept in their offices.

**CHAPTER XVII  
MISCELLANEOUS**

**Article 165  
Last pay certificate**

The officer in charge of a department or station shall furnish to the officer in charge of another department or station where the persons are to be employed or paid of a last pay certificate in respect of all persons transferred from one department or station to another. The original of the last pay certificate shall be attached to the first payment voucher issued at the new station.

**Article 166**

### **Handing over statement**

On each handing over of cash, stamps, etc., from one officer to another, a Handing Over Statement shall be prepared and forwarded to the Accountant General through the Officer's Ministry Both outgoing and incoming officers shall sign as having checked the items taken over. Copies of all orders, circulars, regulation, etc., shall be handed over amended up to date. The Cash book shall be balanced and signed by both officers. All revenue registers and Vote Books shall be written up to date.

### **Article 167 Office Space**

The Magistrate of Accounts and the Accountant General may station in any Ministry or Department any person employed in their offices to enable them more effectively to carry out their duties, and the Ministry or Department shall provide the necessary accommodation for any such officer so attached.

### **Article 168 Surcharge**

Any surcharge, or other recovery, levied under these regulations may be deducted from the salary of the responsible officer in installment not exceeding one third of a Month's salary in accordance with article 18 of the Civil Service Law.