

GOVERNMENT OF SOUTHERN SUDAN

Ministry of Local Government



Local Government Financial Management Training Manual

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Legal Framework

Sources of Legislation

The sources of legislation in the Local Government Councils are as follows:

- The Interim Constitution of Southern Sudan, 2005
- The Constitutions of the respective States
- The Local Government Act, 2009
- Draft Local Government Financial and Accounting Regulations, 2009
- The Government of Southern Sudan Appropriation Act, 2011
- The Government of Southern Sudan, Income Tax Act 2009

The Interim Constitution of Southern Sudan (ICSS) 2005

Chapter 11, Section 173 (6&7) of the Interim Constitution of Southern Sudan gives authority to States to raise revenue and Chapter IV, Section 186 outlines the various sources of revenue to be collected and pooled into a Southern Sudan Revenue Fund.

In addition, the Constitution requires that all levels of government in Southern Sudan comply with Generally Accepted Accounting Procedures (GAAP), standards and fiscal accountability in order to ensure that funds are allocated and expended according to the approved budget.

The Local Government Act, 2009 (LGA)

The Local Government Act and the draft local government financial and accounting regulations constitute the principal financial management framework for local governments.

Sections 59 (2), 61(1C) 63(1C) and Appendix III, Part I of the Local Government Act outline the financial responsibilities of the Legislative and Executive Councils, the Chief Administrative Officer (CAO) and the Head of Department Finance and Economic Development (HoDFED)

Sections 73 and 74 of the Local Government Act, also outlines the different types of funding available to each LG Council and gives authority to Councils to raise funds from local sources, in order to meet their expenditure.

Section 84 outlines the role of the Chief Accounting Officer in relation to the execution of the budget and provides for the setting up of accounting policies by the HODFD.

Sections 85 and 87 make provisions for the annual audit of Local Government Councils by the Auditor General or external auditor and the presentation of the audited financial statements to the Legislative Council.

The Draft Local Government Financial Regulations (LGFR)

The draft Local Government financial regulations aim to interpret the financial management provisions contained in the Local Government Act, 2009. When approved, the regulations will provide the framework for managing Local Government Councils' financial affairs, thereby providing finance officials, at all levels, with detailed legal and regulatory instructions on most

aspects of a Local Government's financial management. The summary regulations also identify the financial responsibilities of the different players in the Local Government.

The State Appropriation Acts, 2011

The Appropriation Act provides the legal basis for the procedures to be used during the budget execution phase of financial management and governs the execution of the approved budget, prescribing rules and regulations to guide budget spending.

An Appropriation Act for Local Governments is provided for in Section 81(2) of the Local Government Act and requires that the Commissioner, Mayor or Town Clerk prepare and present the bill to the Legislative Council before the start of the financial year.

Some Local Councils are in the process of preparing their own Appropriation Acts.

The Income Tax Act, 2009

The Act provides guidance as it applies to all taxation issues that affect an LG council.

Financial Administration and Control

Roles and Responsibilities

All Local Government Council are responsible for the proper administration of their financial affairs.

Functions of the Finance Department

The summary regulations of the Local Government Board, identify the financial responsibilities of the following:

- Legislative Councils
- Executive Councils
- The Chief Administrator as Chief Financial Officer, as provided for in Sections 59 (2), 61 (1c), 63(1c), the Head of Department of the Finance and Economic Development under Appendix II, Part I of the Local Government Act, 2009.

According to Appendix III, Part I of the Local Government Act, 2009, the functions of a local Government include:

- Coordination of the preparation of revenue and expenditure estimates for the Council's annual budget
- The collection of revenues
- The control of public funds,
- Maintenance of accounts
- The preparation and presentation of the final statement of accounts to the Council.

The Legislative Council (LC)

The legislative Council is responsible for:

- The supervision of the performance of the Executive Council
- The approval of arrangements for proper administration of financial affairs
- Ensuring that arrangements remain effective and are applied appropriately.

In addition, the LC is responsible for:

- Approving the budget and policy framework within which the Executive council operates
- Agreeing guidelines for the carrying forward of under and overspending on budget headings
- Agreeing procedures to be followed and for virement of expenditure between budget headings
- Supervising and overseeing the performance of the Executive Council.

The Executive Council (EC)

The Executive Council, as provided for in Section 47 of the Local Government Act, 2009 has the following functions:

- The undertaking of general planning and administration of the Local Government Council

- The approval of administrative policies proposed by functional units of the Council
- The preparation of annual budgets and reports to the Legislative Council on progress of the Executive work
- The discharge of executive functions in accordance with the policy framework and budget.
- Reporting to the Legislative Council upon its requests
- The initiation of acts for submission to the Legislative Council
- The exercise of powers and competence specified in Schedules I, II, III and IV

Finance Officials

Section 59 of the Local Government Act requires that each Local Government Council be headed by a Chief Administrative Officer (CAO) to head the civil service of the council, from the general list of Local Government Administrative Officers.

The position of Chief Administrator is the equivalent of the following:

- The Executive Director of a County Council
- The Chief Executive Officer of a City Council
- The Chief Executive Officer of a Municipal Council and
- The Town Clerk of a Town Council

Chief Administrative Officer/Chief Financial Officer

The Council's Chief Administrative Officer under Sections 61, 63 and 65 of the Local Government Act, shall be the Chief Administrator of the County, City or Municipal or Town Council.

It is the overall responsibility of the Chief Administrative Officer to ensure the strategic management of the council and his duties include:

- Reporting and providing information to the EC, the LC and other committees
- Establishing a framework for management, direction, style and standards
- Monitoring the performance of the council

Under sections of the Act mentioned above, the Chief Administrative Officer is to be held accountable by the electorate to whom he owes a fiduciary duty to carry out those duties effectively and these cannot be overridden by the Council.

The Head of Department of Finance and Economic Development (HoDFED)

The HoDFED is responsible for:

- Administration of the Council's affairs
- Advising on effective systems of internal control which will ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice
- Ensuring that public funds are properly safeguarded and used economically, effectively and efficiently.
- Setting accounting policies and ensuring that they are applied consistently, in compliance with Section 84 (4-5) of the Local Government Act.
- Setting and monitoring compliance with financial management standards

- Determining the accounting procedures and records in compliance with Article 194 of the ICSS, 2005
- Treasury management and banking
- Reporting and providing information to the Executive and Legislative Councils and other committees

Heads of Departments (HoDs)

Heads of departments are responsible for ensuring that members are advised on the financial implications of all proposals and that the financial implications have been agreed by the HODFED.

It is the responsibility of HODs to consult with HODFED and seek approval on any matters liable to affect the Council's finances materially, before commitments are incurred.

Heads of Departments are responsible for:

- Controlling income and expenditure within their area
- Taking necessary action to avoid exceeding their budget allocation
- Monitoring of performance, taking account of financial information provided by the HOD Finance and Economic Development
- Reporting on variances within their own areas
- Alerting the HOD Finance Economic Development on any problems

The Head of Legislation and Legal Affairs as the Monitoring Officer

The Monitoring Officer, in conjunction with the HODFED is responsible for advising the EC and LC on who has the authority to take a particular decision and the likelihood of decisions being contrary to, or not in accordance with the budget.

Actions that may be contrary to the budget include:

- Initiating a new policy, which has budgetary implications
- Committing expenditure in future years over and above the approved budget
- Inter-departmental transfers which are above virement limits

Classification and Coding - Chart of Accounts

Introduction

The accurate classification of financial transactions is a vital pre-requisite for accounting and financial control.

All local Government revenue and expenditure must be recorded in the accounting records/books of accounts by applying the Chart of Accounts.

The need for classification of financial transactions/items

Classification of financial items is the process of grouping together items that are similar in nature. Local Governments realise revenue and incur expenditure as part of its operations to manage their operations and ensure service delivery. For control purposes, revenue and expenditure should be collected, recorded and analysed and classification facilitates these processes and ensures that transactions are charged to the correct cost centres and items.

Chart of Accounts (COA)

A chart of accounts is one of the most important organising tools to aid accounting and reporting processes. In Governments, there will be different kinds of financial transactions taking place such as purchasing of goods and services, payment for rents, receipts of different sources of incomes. To ensure good organisation of financial activity, the different types of income and expense are sorted into a series of pre-determined categories of accounts. These accounts are listed in the Chart of Accounts.

In order to facilitate the process of data collection and consolidation at the Local Government, State and National levels, all Council revenue and expenditure must be recorded in the accounting records/books of accounts by following the guidance held in the Chart of Accounts (details of revenue and expenditure chart of accounts are provided in this manual).

The COA provides an index system and enables the sharing of information with other Government entities. Uniform categories are used in the budget and financial reports, so promoting consistency and transparency.

Coding of revenue and expenditure items

Coding is one of the ways in which the classification system is applied. Codes are applied to a classified set of items in the Chart of Accounts, so that a brief and accurate reference is given to each class of item or transactions which then facilitates recording and analysis.

The main advantages of coding are:

- The processing of information is made easier especially when using computerised systems
- Shorter than name descriptions, therefore data storage is more efficient
- The codes help to identify items

Every transaction must be capable of fitting into one or more of the account names and codes provided in the Charts of Accounts and it is the responsibility of the CAO, as Head of Finance to ensure that all councils quote expenditure codes at the four or five digit levels as required.

The four digit code is the first classification used for a transaction or item.

The five digit code adds a digit to the four digit code to give a greater level of detail for the item. For example, expenditure relating to “Rent and Equipment Hire” falls under four digit expenditure code 2228.

Within the four digit code, the following classification applies:

22281 - Rent of vehicles

22282 - Rent of staff accommodation

22283 - Non-residential rent

22284 - Hire of equipment

It follows then that a payment request for hire of a road grader will automatically fall under the four digit code 2228 (Rent and Equipment Hire) and the five digit code 22284 (hire of equipment). The revenue and expenditure Chart of Accounts are to be found at the end of the manual.

Financial Management

Introduction

Financial management involves the planning, organising, controlling and monitoring of public financial resources in order to achieve objectives.

In practice, financial management will involve:

- The management of scarce resources to ensure that they are used properly
- The management of risks that the organisation faces, both internal and external
- Managing strategically, by examining how the whole organisation is financed in the medium and longer term

The Financial Management Cycle



Why is Financial Management important?

Good practice in financial management will assist Local Government Councils make effective and efficient use of resources, in order to achieve objectives and be more accountable to the public. Ignoring financial management may lead to poor financial planning and monitoring systems.

A good public Financial Management is considered to:

- Contribute to the fight against corruption
- Alleviate poverty
- Ensure the effective use of resources

Purpose of Financial Management in Local Government Councils

Financial management covers all financial accountabilities, in relation to the running of a Local Government Authority, including the budget and policy framework.

Every Local Government Council is under an obligation to ensure that there is proper administration of their financial affairs and the Chief Administrator has responsibility for the administration of those affairs.

Sound financial management systems are required by Local Governments to:

- Maintain liquidity
- Ensure that the burden of raising revenue through taxes, charges etc is fairly apportioned
- Ensure that available resources are properly spent in accordance with priorities
- Provide the necessary information to enable Local Government officials involved in the management of the councils discharge their responsibilities

Financial Control

The concept of financial control is central to financial management and describes a situation where public financial resources are correctly and effectively used.

Financial control is achieved when systems and procedures are established to ensure the proper management of financial resources.

Financial Accounting

Financial Accounting is the process of producing financial reports for presentation to all users of accounting information e.g Councillors.

To facilitate the production of financial reports, it is necessary to collect, analyse and summarise relevant data in an orderly manner.

Objectives of Financial Accounting

In Local Governments, the main purpose of financial accounting is to:

- Show how much revenue has been raised
- Provide an account to stakeholders of how revenue raised has been used
- Show the resources that have been allocated to the different services
- Show the financial position of the Local Government Council
- Provide adequate feedback, through reporting, to the budgeting process

Accounting Information Systems

The main elements of an accounting system are:

- The collection of data to ensure that only relevant data is collected
- The processing of data, using either a manual or computerised system
- The communication of data in a simple and effective way
- The storage of data for future reference

Basis of Accounting

There are two main bases of accounting that Local Governments may apply, i.e the cash basis and the accrual basis.

Currently, in Southern Sudan, the only basis of accounting in use is the cash basis. See section on Books of accounts for a description of the cash basis of accounting.

Internal Controls

Internal controls refer to the systems devised by the Executive Council to help ensure the Council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources.

The HODFEP is responsible for advising on effective systems of internal control to ensure that there is compliance with all relevant statutes, regulations and statements of best practice.

Definition of internal controls

Internal controls are defined by the Institute of Internal Auditors as “the whole system of controls, financial or otherwise established by management to secure as far as possible the accuracy and reliability of records and the security of assets.

The Institute of Internal Auditors defines internal control as a process designed to provide reasonable assurance regarding the following primary objectives:

- a) the reliability and integrity of information
- b) compliance with policies, laws, regulations and procedures
- c) the economic and efficient use of resources
- d) the safeguarding of assets
- e) the accomplishment of established objectives

Internal control systems are therefore fundamental to the success and survival of Local Government Councils.

The importance of Internal Controls

It is vital to have effective and operational control systems, in order to safeguard resources of Local Government Councils. These controls must be reviewed and updated on a regular basis to ensure that they are operational and being complied with.

A good system of internal controls is a system of checks and balances, put in place to safeguard assets and manage internal risks. Their purpose is to deter opportunistic theft or fraud and to detect errors and omissions in the accounting records.

Within the objectives of internal controls mentioned above, some specific control procedures will have to be put in place by Local Government Councils to facilitate attainment of its objectives and the accomplishment of its mandates.

Elements of internal controls

All Local Government Councils should at a minimum have in place the following:

- Adequate systems for the proper collection of income and control over bank accounts, funds and other properties of the council
- Proper procedures for the acquisition and the authorisation of payments
- Proper procedures for the recording and accounting of financial transactions
- Adequate control over stores

- Regulations to guide the submission and management of tenders and bids

Limitations of internal controls

Internal controls often only cover routine transactions and do not provide full guarantees against all risks as they can be affected by:

- Collusion by staff to override controls
- Abuse by those in authority e.g management may override controls
- Failure, due to human error, for example the innocent signing of a contract by an unauthorised official

Process of establishing a Financial Control System

Financial Regulations

A useful starting point for establishing a control system is the preparation of detailed financial regulations. The regulations are internal rules of the Council that will complement the requirements of the Local Government Act 2009 and provide the authority to guide, control and monitor council finances and assets and ensure that duties are allocated to achieve maximum security, internal checks and control.

Regulations spell out and stipulate how certain financial activities should be carried out and should cover all key areas of council financial operations and asset management.

By having financial regulations in place Council will have established the base for a control system.

Plans and Budgets

The budget is a control and management tool because it:

- Helps the executive to spend money efficiently through various cost centres
- Acts as a guide to forecast what expenditure is required
- Helps to secure balance between income and expenditure

Through periodic budget performance review reports the Chief Administrative Officer is able to monitor the performance of the council. The reports could cover:-

- Monthly income and expenditure
- Outstanding bills

Books of accounts

Local Government Councils should have in place, accounting systems based on internationally accepted accounting principles and these should include all relevant books of accounts. It is also imperative that the finance department be staffed with the right calibre of people with the required skills.

The LGA, 2009 requires Councils to maintain books of accounts in order to record:

- All transactions of funds received and spent
- All income cashed or accrued but not received
- All expenditure committed but not incurred

The books of accounts are of special interest to both the internal and external auditors and should therefore always be kept up to date.

Financial Monitoring

If budgets have been produced and a system of accounting is maintained, the production of financial reports is made easy and this allows for assessment of progress.

Internal Audit

Internal auditing is an independent appraisal function, established within councils to examine and evaluate their activities.

Local Government Councils should establish internal Audit sections/division, reporting to the Chief Administrative Officer. The principal tasks of the Internal Audit Section will be to ensure compliance by departments with financial regulations and reviewing and monitoring the efficiency and effectiveness of resource use.

Objectives of internal audit

The primary objective of internal audit is to provide reasonable assurance that there are:

- Controls over financial and operating data ensure data is accurate and reliable
- Controls over compliance with policies, procedures, laws and regulations are complied with
- Controls to ensure assets exist and are protected against loss resulting from theft, fire, improper and illegal activities
- Controls over operations to ensure resources are used efficiently and economically

Financial Statements

All Local Government Councils must ensure that the system of accounting is capable of producing financial reports which will show the financial position of the council at any point in time.

External Audit

Section 85 (1) states that “the accounts of Local Government Councils are to be audited annually by the Auditor General or any other audit firm appointed by the Legislative Council and approved by the Auditor General”.

Section 87 requires the County Commissioner, Mayor, or Town Clerk to present to the Legislative Council, within six months of the end of the financial year, the audited financial report of all council’s revenue and expenditure.

Objective of external audits

The purpose of the external audits is to strengthen systems and identify any system malfunctions which the internal auditor may have overlooked.

Revenue

Introduction

Revenue collection, remittance and recognition are critical to the provision of government services in all States and every citizen has the right to expect that revenues collected and remitted on their behalf are done in a transparent manner.

Revenue may be defined as income collected or received by a Local Government and is the life-blood of any local government. Revenues are a separate and distinct component of the budget and must be recorded and deposited in full without any deductions.

Therefore, in order to successfully implement their programmes, Local Governments need to raise as much revenue as possible, because the operations and functions of the council depend on the availability of revenue.

One of the challenges facing all local councils is to increase non-oil revenue and the Ministry of Finance Trade and Industry is therefore committed to ensuring that there is timely recognition of collection, remittance and recording of revenues with adequate internal controls over the processing of collections in place.

All Local Government Councils, collecting revenue are required to ensure that their collections are remitted to a State Revenue Account, to be set up by the State Ministry of Finance, Trade & Industry.

Authority for revenue collection

The Interim Constitution of Southern Sudan, Article 173 (6) states that “Local Governments shall have powers to levy, charge, collect and appropriate fees and taxes in accordance with the law”.

In addition, Article 173 (7) spells out that “The Government of Southern Sudan may pay grants in aid to states in support of their budgetary deficits and that of Local Government Councils”.

The onus of raising revenue is therefore on Local Government Councils as transfers from the central government depend on national priorities based on availability of resources.

Why do Local Governments need revenue?

For a Local Government to carry out the operations and functions of the council, thereby executing its mandate and delivering services to its citizens, it is necessary for Local Governments to collect revenue. Local Government activities are financed by revenue collections from the various sources and it is therefore important that their use is managed properly.

The revenue collected is used to:

- Pay the wages and salaries of council employees
- Pay for the day to day operations of the council
- Finance development projects e.g bridges, roads and clinics
- Provide services such as electricity, water, health etc

By raising more local revenue, and relying less on national and state government transfers, Local Government Councils are able to achieve more autonomy and greater degree of flexibility to fulfil its strategy, plans and objectives.

Revenues Sources available to State Governments

The ICSS Chap IV Section 186 and Section 73 of the Local Government Act 2009 provide for the sources of Local Government Finance. Section 74-80 categorises the source of revenue for Local Government councils which are:

- Grants from the Central Government
- Locally Generated Revenue
- Grants from Donors
- Loans- based on credit worthiness
- Funding from the Local Government Fund

Each Local Government Council should be funded by a mixture of locally raised revenues and grants from the Government of Southern Sudan and donor agencies as follows:

Grants from the Central Government:

Local Governments can receive development grants from the central government through the District or Municipality. These grants may be:

- (a) Conditional grants
- (b) Block grants
- (c) Equalization grants
- (d) State support grants

Locally Generated Revenue

This is income collected and received by a local government from sources within its jurisdiction and includes fees, taxes, rates, rent, royalties, stamp duties, etc.

Grants from Donors

These are funds granted to local governments by donor agencies and may be in the form of technical assistance to the council. Such grants are often conditional in nature, to be used only for a stated purpose. Donations can be transferred through Central or State Government, through the District/Municipality or directly to the Local Government Council.

Types of Revenue Collections

The following taxes and fees are collected as revenues:

- Income and Profits
- State Land and Properties
- Goods and Services
- Fines and penalties
- Other Sales of Goods and Services
- User service charges
- Licence fee
- Administrative fines
- Royalties
- Permits
- Contract fees
- Auction fees, and

Any other fees and charges as may be authorised by any laws, rules and regulations

The Local Government Act, Section 2 requires each council to raise funds from the sources provided above in order to meet its expenditure. The sources of local revenue detailed above may vary from one local council to another.

Procedures for Revenue Collection, Remittance and Reporting

The main objective of having procedures for revenue is to ensure that the collection remittance and timely recognition of revenues operate in an efficient, transparent and professional manner. GoSS is in the process of revising its revenue, remittance and reporting procedures, issued in October 2008.

The Official Financial Forms

Official forms currently being used in the counties are to receipt, record and report collections and are shown below:

Form Title	Form No.
Revenue Receipt (customer receipt)	1
Revenue Receipt (customer receipt)	14
Revenue Receipt (customer receipt)	15
Internal receipt for transfers prior to banking	39
Receipt used as trading licence	40
Collectors account (daily Receipt Register)	67
The Chest Book	19
Specimen deposit slip	N/A

However, some LG Councils may require additional documents to enhance the internal accounting control of their respective ministries/directorates and will be allowed to use such additional forms.

GoSS is in the process of revising the existing financial forms to comply with new systems and processes to be introduced.

Revenue Collection

According to Section 187 (2) of the ICSS 2005, all Agencies, collecting revenue must ensure that their collections are remitted to a State Revenue Account which will be established by the State Ministry of Finance Trade and Industry.

All revenues collected must be deposited at regular intervals into a specified State Revenue bank account and receiving agencies are not permitted to retain any revenues collected or to use collections to pay the salaries of collecting agents or operating costs.

Official receipts for all collections

An official receipt (Form 15 is being used)

An official receipt must be used to collect all revenues, regardless of the purpose for which the revenue is collected, including revenues collected on behalf of Government of Southern Sudan (GoSS), and collections made at the borders of Southern Sudan.

Forms 1 and 14 are also used by some LGs for receipting small receipts of revenue and for acknowledging cattle auction fees.

All Local Councils, collecting revenue are required to ensure that their collections are remitted to a State Revenue Account, to be set up by the State Ministry of Finance Trade & Industry.

Revenue collections must be accounted for using the authorised financial forms.

Collection and banking of revenue

Revenue should be collected by a competent government official in an established post, authorised by the Chief Administrative Officer.

The role of the revenue collector is to:

- Count cash in the presence of the tax/fee payer
- Issue an official receipt or licence for all collections
- Ensure that all revenue collected is promptly remitted to the cashier
- Balance the cash collected against the counterfoils of the receipt book

Receipting Procedures

- (1) An official receipt must be issued to every payer of taxes/charges /fees
- (2) The official receipt must be issued in numerical sequence
- (3) The receipts must be serially numbered and printed in duplicate:

The receipts will be distributed as follows:

- The original to the taxpayer
 - The duplicate to be retained in the book for audit purposes
- (4) All receipts must be completed in indelible ink
 - (5) All receipts must be stamped by the Local Government Council collecting the revenue.

Specimen Form : Official Receipt

GOVERNMENT OF SOUTHERN SUDAN Ministry of Local Government

Collection Agency Code..... (1)

Min/Prov.: (2)

Received from: (3)

On a/c of (code)	Particulars	Dinar/SDG
(4)	(5)	(6)
	Total in words: (7)	Total: (8)

Date: (9) /20

Name of Collector: (10)

Signature of Collector: (11)

Completing the Receipt

Indicated Field #	Description
1.	Collection Agency Code (see Revenue Chart of Accounts)
2.	The County
3.	Customer/payer's Name
4.	Revenue Account Number (see Revenue Codes)
5.	Description of purpose of the payment
6.	Amount paid on that account
7.	Total amount received in words
8.	Total amount in Sudanese Pounds
9.	Date of issuing receipt

10.	Name of revenue collector
11.	Signature of revenue collector

Dealing with errors made in the receipt form

- No alterations should be made on any receipt, original or duplicate being issued.
- If a receipt contains material errors, it cannot be issued to a customer.
- The original receipt and its copy must be voided in the following manner:
- A diagonal line must be crossed from lower left to upper right of the form and the word “VOID” written above the line
- The name, designation and signature of the person cancelling the receipt should be written on the face of the receipt
- The next sequentially numbered receipt will then be issued for the next collection
- Both the original voided receipt and its copy must be attached to that day’s summary form.

Control over receipt books and receipts

- A register of receipt books printed, procured and issued should be maintained by a storekeeper or cashier
- New receipt books will only be issued on presentation of the used receipt books
- Revenue collectors must sign the register as evidence of issue
- All issues of receipt books should be approved by the Accounting Officer/Chief Administrative Officer

Revenue Remittance

All collections must be deposited into the bank by the revenue collector or remitted to the cashier as soon as possible after collection.

Internal Transfers of Cash and Cheques

Currently all transfers of collections from the revenue collector to the cashier must be evidenced by a duly completed and signed financial form 39. The form is in recognition of the internal transfer of money or cheques acknowledging receipt of money

The financial form is:

- An internal receipt that provides the necessary audit trail for funds received and held in custody prior to banking
- Completed by the receiving cashier/Treasury when money is transferred internally for future deposit.
- Issued to the person submitting the revenues
- Signed by both the revenue collector and the cashier during the hand-over

Specimen Form 39: Internal Transfer of Funds

GOVERNMENT OF SOUTHERN SUDAN



Receipt AR

Receipt No. 830651

Name of Receiving Treasury or Office: (1)

Received from (2)

The Sum of (in words): (3)

On Account of: .. (4)

Details	SDG
(5)	(6)
Total	(7)

Collector's name and Signature (8)

Signature of Official authorised to receive payment (9)

Date (10)/20

Completing Form 39: Internal Transfer of Funds

Indicated Field #	Description
1.	Collection Agency
2.	Name of collector remitting collections
3.	Total in words of amount being received from collector
4.	Name and Revenue Account Code for remittances
5.	Sudanese Pounds or individual cheque numbers being transferred
6.	Total cash and amount of each cheque
7.	Total amount transferred
8.	Name of collector and signature
9.	Name and signature of authorised official receiving the funds on behalf of the office e.g the cashier
10.	Date the transaction takes place

Custody of Collections

It is the responsibility of the Chief Administrative Officer to ensure controls over the security of cash and cheques received prior to banking.

All Council offices should have a strong room/vault to ensure safe custody of cash, documents, books of accounts and cheque and receipt books.

The Chief Administrative Officer, in his capacity as the Accounting Officer should take precautionary measures that will enable him to fulfil his responsibilities.

Role of the Cashier

Role of the cashier is to:

- Receive cash/cheques from revenue collectors
- Issue an internal register (Form 39) as acknowledgement of receipt
- Prepare the summary of cash collection (Form 67)
- Prepare a reconciliation between the receipt forms and the daily summary form
- Maintain the cash book and summary of collections either in electronic or manual format
- Maintain adequate control over the cash book, stocks of receipt books, licences both used and unused for presentation to the internal auditor when required and

Revenue collectors and cashiers must be provided with tools such as safes and cash boxes for safe keeping of cash.

A revenue collector must either bank or hand over to the cashier all cash collections at regular interval.

Banking of Revenues

All revenue collected within an Local Government Council must be banked promptly into a specified revenue collection account. The revenue collector or cashier making the banking must ensure that copies of the banking slips are provided to him/her as evidence of depositing and will be used for accounting purposes.

The State Ministry of Finance Trade and Industry will nominate a bank account, into which all remittances of revenues will be made and the time limit for making these remittances.

Payments by Cheque or by Transfer

If LG Council's' clients prefer, they may pay the amount due, directly into the specified Revenue Account by cheque or bank transfer.

The Council must then provide the MoFTI with the original receipt and proof from the client that the funds have been paid into a State Revenue account (either a cheque deposit slip for a cheque, or a copy of the transfer letter for a transfer).

Handling of Deposits into the Bank

Where banking facilities exist at State or County levels, a bank deposit form should be used when depositing funds into a designated bank account.

This deposit form will allow for deposits into the GoSS Personal Income Tax (PIT) account, and deposits for all other State activity.

Typically, a deposit form will include:

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- The total amount of cash and cheques being deposited, with a listing of cash and cheques
- The listing of cash being deposited should be grouped by denomination
- The listing of cheques being deposited should be grouped by cheque number and the amount of the cheque on the Deposit Form
- Currency is to be bundled in stacks of 100 of each denomination unless there are less than one hundred bills of a single denomination
- Each stack should be wrapped in an envelope provided by the bank
- The person making the deposit must verify the count by initialling the envelope of each bundle
- The bank will be responsible for the final counting of all deposits
- The bank original receipt for each deposit will be retained and attached to the receipts and revenue summary forms for submission to MoFTI

Specimen Bank Deposit Form

GOVERNMENT OF SOUTHERN SUDAN

To: The Manager.....(Named Bank)

From: 1

Date..... 2/20

Pound Note		Count	Amount	Total in words
1	x			10
2	x		4	
5	x			
10	x			
20	x			
50	x			
		Sub-Total: Cash	5	
		Cheque Nos.		
		6	7	
		Sub-total: Cheque	8	
		Total	9	

Form 67 No: 11

12

.....
Ministry Representative Signature
Official Stamp Above

13

.....
BoSS Representative Signature
Official Stamp Above

Source: Adapted from GoSS paying slip

Completing the Bank Deposit Slip

This is to be filled out for all cash and cheque deposits.

Indicated Field #	Description
1.	The institution depositing money into the bank account
2.	Today's date (date deposit made)
3.	Note the number of bills being deposited under "Count" for each denomination
4.	Total amount for each denomination in "Amount" column
5.	Sub-total of cash being deposited
6.	Cheque number being deposited
7.	Amount on Cheque
8.	Subtotal of cheques being deposited
9.	Total of cash and cheques being deposited
10.	Amount of deposit in words
11.	Serial Number on summary form (Form 67)
12	Signature of Ministry employee making deposit
13	Signature of Bank of Southern Sudan cashier/representative

Revenue Recording and Reporting

Recording of cash collections

After banking of cash from the revenue collector, a summary of all collections must be prepared by the cashier and entered into the daily summary form.

A summary form is a daily receipt register which must be completed at the end of each day to document total collections according to revenue categories in the Revenue Chart of Accounts and submitted daily to the Director of Accounts.

The register must be supported by the receipts issued to the taxpayer and on internal transfers (forms 15 and 39) which need to be retained for inspection by the internal audit department or other nominated officials.

Completing Summary of Daily Collections

Indicated Field #	Description
1.	Name of Revenue Collector/Cashier
2.	Collection Agency Code
3.	Today's date
4.	Unique "Receipt No." number from receipt or transfer receipt
5.	Customer's Name
6.	Revenue Account Credited. Can have up to 6 separate revenue accounts per customer receipt
7.	Amount in Sudanese pounds for that revenue account
8.	Totals of each row
9.	Remarks or payment of arrears
10.	Totals of each column
11.	Sub-totals of columns to rows
12.	Signature of Cashier
13.	Today's Date
14.	Signature of Accountant verifying sums entered on the form

Reconciliation between Receipt book and Daily Register

Reconciliation between the amounts collected and receipted at the end of the day and the receipts recorded on the daily summary form should be carried out at frequent intervals. Any discrepancies must be reconciled before submission to Ministry of Finance Trade and Industry.

Recording Government Grants

The Government of Southern Sudan may make regular transfers to the states in the form of conditional, unconditional and equalisation grants.

Conditional Grants

Grants are transferred from the Government of Southern Sudan to the States and sometimes directly to the counties. Conditional grants consist of funds for local councils as indicated in their approved budgets for use in specific programmes.

Unconditional Grants

Unconditional grants are transferred to the Councils through the State or directly and are funds which are not for a specific purpose.

Both conditional and unconditional grants will be deposited into the Consolidated Fund and be recorded and accounted for separately.

Recording of Donor and Non Governmental Organisation (NGO) Funds

One of the sources of local revenue mentioned above is donor funds. Donors can provide a source of funding which can be used to bridge the gap between funds available to the Local Government and the level of services that needs to be delivered.

The accounting and reporting of such funds will depend on the memorandum of understanding between the Council and its donor.

Donors can play an important role in the delivery of local government services in the form of:

- Providing funds to be used in the delivery of essential services such as education, health, water and sanitation
- Providing for good governance procedures
- Providing technical assistance in areas like financial management strengthening
- Capacity building

Conditions applicable to Donor Funding

Most donor organizations have conditions in place, terms and regulations in their contracts. These conditions will dictate the sole purpose of the grant, use and reporting requirements and this would have been agreed upon by the Council and State or Central Government.

The conditions often fall into two main areas:

- All donated funds are to be used to finance specific activities as agreed between the donor and the Local Government Council
- There must be periodic and timely accountability of how the funds have been used

A Local Government Council, receiving funds from a donor must therefore ensure that the funds received are used for the purpose for which they were granted and accountability statements are submitted to the donor in the format agreed with the donor.

On receipt of donor funds, the council should raise and issue a receipt to the Donor of the funds, in acknowledgment of the receipt of funds.

Banking of donor funds

Unconditional funds

If the funds from the donor relate to unconditional donor funds, it may be banked into the main Council bank account to be used with other Council funds.

Conditional funds

Conditional funds which are funds to be used to fund specific activities agreed upon between the donor and the Local Government Council, however, should be banked separately in order to ensure that the recording and reporting of use of the funds are done separately.

Whether to maintain a separated bank account for donor funds will depend on the conditions and guidelines stipulated by the donor.

Reporting Requirements

All LG Councils are required to comply with reporting requirements and submit reports to relevant authorities.

Information on Fees and Licences collected

It is important to maintain records of all receipts of revenue and report these to relevant authorities e.g the MoFTI.

Regular reports on bank deposits to Ministry of Finance Trade and Industry

Agencies must ensure that reports of all deposits made are submitted to MoFTI Directorate of Accounts on the first business day following the deposit into the bank.

The report must include all the relevant financial forms.

Deposit reports should include:

- Bank deposit forms signed by a Bank Representative
- Duplicate copies of the receipt, the original copy of which would have been given to the customer
- The daily summary form, detailing all the revenues received each day

The Ministry of Finance Trade and Industry Directorate of Accounts is responsible for filing and maintaining all revenue records for the States and in the Official Financial Reports.

Expenditure

Introduction

The budget execution stage of the public financial management cycle begins with

- (a) the authority to spend
- (b) the implementation of the approved budget.

The Finance department is responsible for the initial budget implementation activities of opening budget books, cash books, registers, for the new financial year prior to making payments out of the appropriated funds.

To ensure that Local Government funds are used prudently and for the purposes for which they were allocated, effective controls need to be put in place.

It is important for the Chief Administrative Officer to be aware of the need for controls and the various ways in which they are implemented in order to ensure transparency and accountability.

Commitments

A commitment occurs when a local government enters into a legal obligation that requires it to pay for goods or services either immediately or sometime in the future.

A Local Government Council enters into financial commitments whenever it enters into an agreement which involves future financial payments. It is very important that LGs make commitments within their approved budget estimate limits.

Control over Commitments

The control over commitments is an important part of the management of resources and strengthens budgetary control by re enforcing the use of the budget/Vote book. Expenses are recorded and tracked in the budget/Vote book which is updated as soon as the commitment is made.

The commitment controls will ensure that Spending Agencies can only enter into contracts that have been budgeted for and ensure that the Local Governments avoid costly unfunded commitments in future years.

Distinction between commitments and obligations

In the accounting sense, commitments occur at the stage of the expenditure process at which a contract or other form of legally binding agreement is entered into, for the future delivery of goods or services (issue of LPO).

Obligations on the other hand, are liabilities recognised only on the delivery of the goods or services and it is at this stage that the Government becomes contractually committed to meeting the obligation.

The Appropriation Act states that “no Agency may enter into contracts without receiving written confirmation from the MOFTI that sufficient funds are available to finance the contract”.

Key principles of Local Government Commitment and Payment Process

- All Local Government council expenditure transactions should be processed using a commitment control system

- No local purchase order, contract or other commitments should be issued without the completion of a commitment requisition form, duly authorised (see below for LPO/LSO)
- All commitments should be:
 - (a) entered into the budget (Vote) book
 - (b) consistent with the approved annual budget and relate to activities in the annual work plan
- All commitment requisition should have a reference number
- Commitments should only be approved if there are sufficient balances available for the relevant budget item
- A contract/commitment register should be maintained for the purpose of monitoring commitments
- Payments can only be made if they are based on a previously approved commitment
- Payments should be made only if supporting documents are attached, showing that the commitment had been previously approved

Chief Administrative Officers are personally liable for any over-commitments in Local Councils and should monitor commitments together with those responsible for controlling the budget e.g heads of departments.

After the approval of budget estimates or vote on account, Local Government s have the authority to make payments and implement the approved budget. Local Government are required to follow established process for making payments and commitments.

Local Government Internal Procedures

Introduction

Local Governments will need to put systems and processes in place in order to comply with the provisions of the payment procedures and ensure efficient implementation.

Internal procedures prior to the submission of claims

Before submitting payment requests to the Chief Executive, each Local Government must follow standard internal authorisation procedures which will ensure that all requests for payment are in order and have been properly authorised by their respective Councils.

Internal authorisation procedures will take into account adequate procurement procedures for the requisition, ordering, receiving, recording and preparation of payment requests for goods/ services and works.

Procurement of goods and services

Procurement is the process of acquiring goods, services and works to satisfy identified goods.

Objectives of Procurement

The main objectives of procurement include:

- The provision of constant flows of goods, services or works to meet the needs of Local Government Councils

- The reduction of costs through more effective purchasing by buying appropriately to obtain “value for money”

Types of procurement

- Goods – materials, drugs, or office supplies
- Services – contracts for revenue collection, cleaning, provision of technical assistance and training by consultants
- Works – construction, design, maintenance, rehabilitation and repair of buildings, roads, bridges, plant and machinery

Procedures for the procurement of goods and services

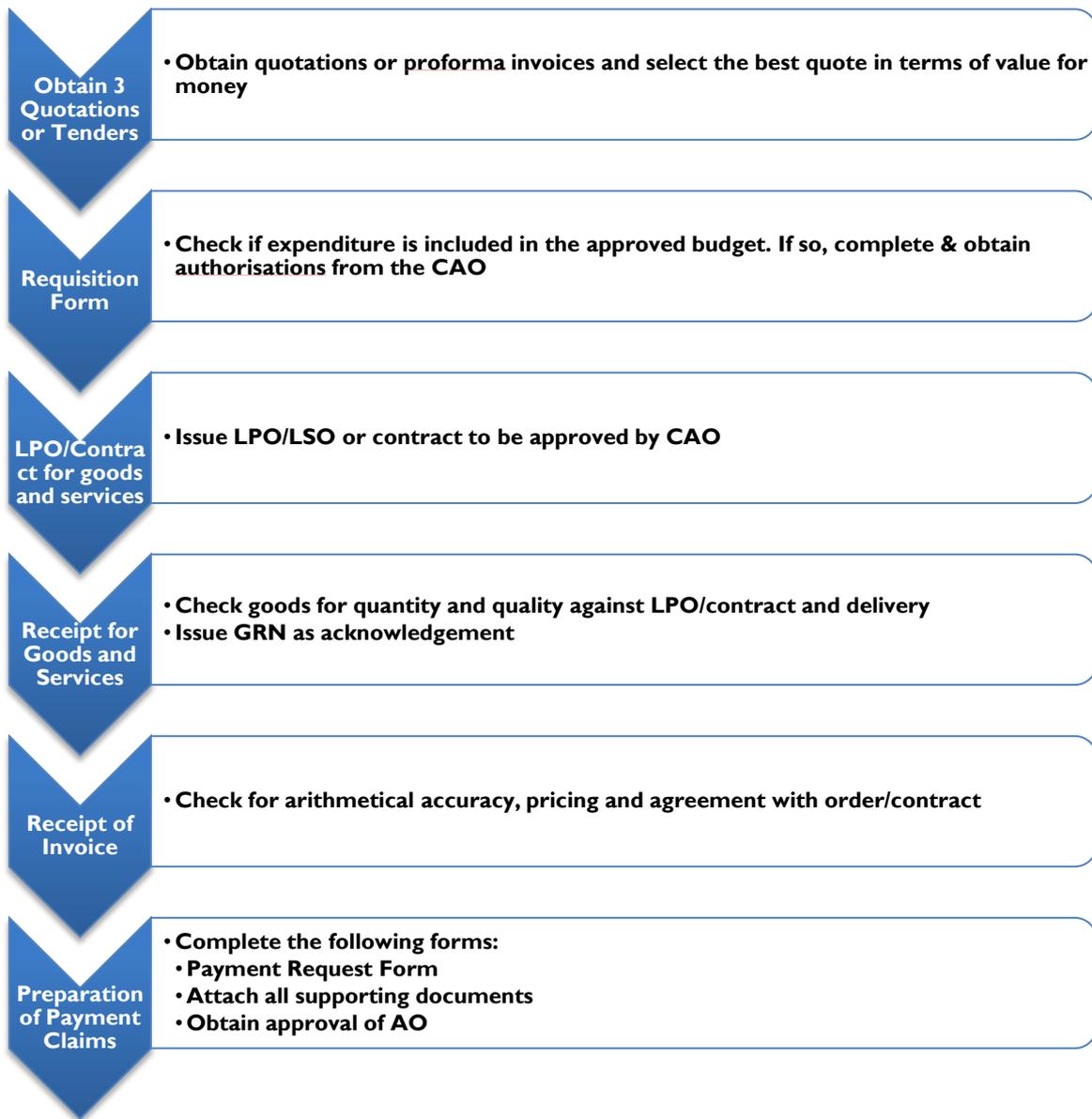
The internal authorisation procedures that must be established to ensure that payments are made for only goods and services that have been approved and received should include:

- Checks that all proposed expenditure for goods and services have been included in the approved budget
- All requisition for goods and services are made on the prescribed forms
- The authorisation and approval of all orders and contracts by the Chief Administrative Officer or nominated official
- The requirement to acquire pro-forma invoices, quotations, tenders, etc. and the selection of the best supplier/service provider in terms of value for money
- The issue of a local purchase order for goods (LPO) or a local service order/contract for services
- The recording of commitments into a Commitments Register/Budget Book
- Checks that all goods/services received/rendered against supplier delivery notes and LPOs/LSOs are carried out to confirm quality and quantity
- The checking of suppliers’ invoices for arithmetical accuracy, pricing and agreement with order or contract
- The preparation, authorisation, approval and submission of the payment request form for payment.

Note: The procedures for the procurement of goods, services and works do not include procedures for tendering.

The budget/vote book should be maintained by heads of departments and used to record all commitments, payments and show the balances available for commitments.

The Expenditure Process



Prescribed Forms

Official forms, which are purpose – designed documents are used to simplify or facilitate financial administration routines. Their use will ensure that procedures for requisitioning, ordering, purchasing and paying for goods or services are simplified. A summary of the forms and related description follows.

Typically internal forms for the procurement of goods and services will include:

1. Requisition Form
2. Local Purchase Order and/or Local Services Order (LPO/LSO)
3. Commitments Register
4. Goods Received Note (GRN)

Procurement of goods, services or works

Making a request to procure goods or services: Requisition Form

As goods and services are required, the vote controller/head of department should submit a request to the Chief Administrative Officer using a requisition form.

The requisition form is an internal document used at the point where a department/unit wishes to replenish goods or to procure services.

The form is a written request to the Council's Administrative Officer for authorisation to acquire goods/services, provided that the procurement is within the approved budget and there are sufficient funds.

The purpose of the form is to document:

- a summary of comparisons between suppliers' offers
- an estimated maximum value for purchases
- an approval to purchase

The request should be accompanied by the budget (Vote) book to ensure that on approval, entries recording the commitment are made immediately.

The CAO will check the need for the acquisition of the goods and services on request and the availability of funds before approving the request.

The requisition should be in duplicate:

- The original sent to the authorizing officer
- The duplicate is to be retained in the book

On approval of the requisition form, the form is returned to the department for them to raise an LPO.

Requisition forms should be prepared by the heads of departments, verified by the Chief Finance officer and approved by the CAO.

Specimen Requisition Form

GOVERNMENT OF SOUTHERN SUDAN

Ministry of Local Government

REQUISITION FOR GOODS AND SERVICES

Reference No. (1) Department: (2)

To: The Administrative Officer. (3)

This is a request for authority to purchase the following:

Item	Particulars	Code	Unit	Quantity	Rate (SDG)	Total (SDG)
				(8)	(9)	(10)
(4)	(5)	(6)	(7)			
					Total	

Requisitioning Officer	Recommended/ Not Recommended	Approved/ Not Approved
Name: (12)	Signature: (13)	Signature: (14)
Signature:	Title:	Title:
		Date: (15)

Completing the Requisition Form

Indicated Field #	Description
1.	Serial number of the request form
2.	The department making the requisition
3.	The official with the authority to approve the requisition
4.	Item number
5.	Description of goods to be ordered/purchased
6.	The expenditure code from the Chart of Accounts
7.	Units of the goods to be ordered, eg. reams of paper, litres of diesel etc
8.	Amount to be ordered (ie. number of units)
9.	Cost in SDG per unit
10.	Total cost of each item
11.	Overall total cost of all items requisitioned
12.	The official making the requisition
13.	Recommendation by a responsible official in the accounts department
14.	Approval by the Accounting Officer
15.	Today's Date

Ordering Goods: Local Purchase Order (LPO)

All goods procured should be ordered using an LPO. The form should be completed in triplicate:

- the original and duplicate to be sent to the supplier
- The triplicate to remain on file as a means of updating the Budget book for the commitment

The supplier will, on delivery of the goods, submit an invoice attached to the duplicate of the LPO.

The CAO must ensure all details of items being ordered are included as well as the date and signature authorising the order.

- LPOs must be signed by the CAO as confirmation of the request and availability of funds
- All LPOs must be countersigned by a nominated responsible official
- Before sending the LPO to the supplier, details of the order should be entered in the Vote Book or Commitment as a commitment

The LPO is an important document that must be kept in a secure place and protected from unauthorised usage.

The supplier will on delivery of the goods ordered, submit an invoice (see specimen supplier invoice below), together with the duplicate LPO.

Invoices from suppliers must be sent in duplicate, quoting the reference number and date of order.

Ordering Services: Local Services Order (LSO)

Service contracts should adopt the format prescribed in the Local Government Regulations (if any).

LSOs may be used for the procurement of services and contain details of the service to be provided and the authorisation of the CAO.

A typical service contract must contain:

Local Government Financial Management Manual

- Names, titles and signatures of the requisitioning official
- Approval and verification by the CAO
- Names, signatures and address of the person supplying the services

Specimen Local Purchase Order

GOVERNMENT OF SOUTHERN SUDAN

Ministry of Local Government

LOCAL PURCHASE ORDER

Requisition Ref No. (1) Date: (2)

LPO/LSO Ref. (3)

Local Government : (4) Department: (5)

To Supplier: (6)

Please supply goods or services as detailed below and deliver to:

(7)

Item No	Description of Goods/Services	Unit	Qty	Price per unit	Total Value
1.	(9)			(12)	(13)
2.					
3.					
4.					
(8)		(10)	(11)		
Total					(14)

Note: Invoice in duplicate quoting the reference number and date of this order

Completing the Local Purchase Order (LPO)

Indicated Field #	Description
1.	The serial number quoted on the requisition form
2.	Today's Date
3.	The serial number of the Local Purchase Order/Local Services Order
4.	The name of the Council ordering the goods
5.	Department in the Council ordering the goods
6.	Name of the Supplier of the goods/services
7.	Name and Address to which the goods/services are to be delivered
8	Number of the item
9.	Description of goods/services to be ordered/purchased
10.	Units of the item to be ordered e.g reams of paper, litres of diesel etc.
11.	The quantity of the item being ordered
12.	Cost in SDG per unit of the item
13.	Total value of the each item on order
14	Total cost of goods

Recognising the ordering of goods or services: Commitment Register

Public spending is recorded at the earlier point at which an official order is issued for the supply of goods, services or works.

The purpose of the commitment register is to ensure that all commitments are captured and Government does not have any commitments beyond the available balance at any given time.

If a budget (vote) book is in use, the approved budget provisions should be entered in the book at the beginning of the financial year.

When a commitment is paid, a reversal of the same amount is entered, increasing the available balance by the same.

Finally, when payment has been effected, the payment should be recorded in the register.

On delivery of goods ordered, the goods are counted and checked for agreement with the LPO or contract.

The commitment/Contract register should be maintained by the Chief Administrative Officer in his capacity as Chief Financial Officer. All commitments entered into should be recorded and all balances on commitments shown.

Specimen Commitment Register

GOVERNMENT OF SOUTHERN SUDAN

Ministry of Local Government

COMMITMENT REGISTER

Date	Commitment	Description of Item	Amount	Available Balance
1	2	Opening balance 3	4	5

Completing the Commitments Register

Indicated Field #	Description
1.	Today's date
2.	The number allocated to the commitment
3.	Description of the commitment item, eg. goods ordered
4.	The amount of the commitment
5.	Budgetary balance available

Acknowledging the receipt of goods and services: Goods Received Note (GRN)

On delivery of goods ordered, the goods are counted and checked for agreement with the LPO and a GRN is raised, as acknowledgement of receipt and completed at the point when goods are received from the supplier.

A delivery note, prepared in duplicate by the supplier specifying the quantities, quality, units and other details about the goods being supplied should accompany the goods.

The GRN should be in duplicate:

- The original will be attached to the duplicate copy of the LPO and original copy of the delivery note to accompany the payment request to be submitted to the CAO for payment processing.
- The duplicate is retained in the book.

Specimen Goods Received Note (GRN)

GOVERNMENT OF SOUTHERN SUDAN

Ministry of Local Government

GOODS RECEIVED NOTE

GRN Ref. 1 Date: 2

Name of Spending Agency: 3

Received the items below from (Supplier): 4

No. of Item	Description	Unit	Qty	Value	Remarks
1		7			10
5	6		8	9	
3					
4					
5					
6					
7					

Order No. 11 Order Date: 12

I certify that the quantities received have been taken into custody

Receiving officer: 13 Designation: 14

Signature 15 Date: 16

Completing the Goods Received Note

Indicated Field #	Description
1.	Serial number of the GRN
2.	Today's date
3.	The name of the department or Council ordering the goods
4.	Supplier's name
5.	The number of the item
6.	Description of the item
7.	Unit of the item delivered, eg ream (of paper), litre (of diesel), etc.
8.	The amount of the item delivered (ie. quantity of units)
9.	Value of the item delivered
10.	Comments, eg. Discrepancies, condition, etc
11.	Reference number of the LPO/contract
12.	Order date
13.	Name of Receiving Officer
14.	Designation of Receiving Officer
15.	Signature of Receiving Officer
16.	Date of signing by Receiving Officer

Supplier's invoice or Contractor's Certificate

On receipt of the supplier's invoice or contractor's certificate, accompanied by the duplicate LPO or contract, the appropriate officials will check the documents to confirm that the relevant actions have been taken at different stages of initiation, acquisition of services pertaining to the invoice.

Suppliers' invoices will differ from one supplier to another and the specimen invoice shown below is only an example.

All invoices however, should be uniquely numbered sequentially and should contain the names, addresses of both the supplier and the client.

For ease of reference, the LPO number of the order placed by the client should be quoted so the client can check the details of the order against the invoice and the goods delivered.

Specimen Supplier's Invoice

Invoice No.

LPO No.....

Supplier's

Address.....

P. O. Box

.....Tel/Fax.....Date.....

To:.....

.....

.....

Serial No.	Quantity	Particulars	Rate	Amount
Total Amount				

Signature.....

Title.....

Payment Terms: Payment on demand

Payment Request Form – Payment Voucher

The payment of goods, services or works should be made only against invoices, goods received notes, LPOs or contract for works or services completed.

A Payment Voucher form or a payment voucher is used to summarise payment details and provides the basis for the approval of a payment for goods purchased or services rendered. The voucher should be serially numbered and include:

- The original names of the payee
- Purpose of the payment/type of expenditure
- The amount
- Approval for payment by the CAO
- Cheque number/evidence of payment
- Date of payment

The specimen Payment Request Form (PRF) shown below is the one currently being used at State level and may be subject to revision. The form must be completed when requesting payment for goods or services.

Specimen Payment Request Form

GOVERNMENT OF SOUTHERN SUDAN Ministry of Local Government PAYMENT REQUEST FORM

A BUDGET INFORMATION <i>(to be completed by the Requesting Spending Agency)</i>																			
Spending Agency <i>(Ministry/Commission)</i>	(1)																		
Sector	(2)																		
Description	5-digit expenditure code	Amount																	
(3)	<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">(4)</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> </tr> </table>			(4)			(5)												
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Activity Code	<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> </tr> </table>						<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> </tr> </table>						<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> </tr> </table>						(6)
Supporting Documentation <i>(tick the attachments)</i>	Authorization letter	<input type="checkbox"/>	Contract	<input type="checkbox"/>															
(7)	Invoice	<input type="checkbox"/>	Goods received note	<input type="checkbox"/>															
Accounting Officer	(8)																		
Signature:	(9)		Date:	(10)															
B BUDGET AVAILABILITY <i>(to be completed in by Sector Officer)</i>																			
Request Ref No.	(11)																		
Available Balance:	(12)	Free Balance	<input type="checkbox"/>	Manual register															
			(13)	<input type="checkbox"/>															
Decision/Comments																			
Signature:	(14)		Date:	(15)															

Method of payment will be in accordance with the Approved Payment Procedures

Completing the Payment Request Form

Indicated Field #	Description
1.	Name of the LG Council submitting the request
2.	Sector, eg. Agriculture
3.	Description of the claim
4.	The 5-digit expenditure code allocated
5.	Amount of the claim
6.	The 6 digit activity code
7.	The documents attached to support the payment request (as indicated by ticked boxes)
8.	The CAO in LG Councils
9.	Signature of the #8 above
10.	Date of approval by the CAO
11.	Request reference number allocated on submission of claim
12.	Balance remaining after all commitments and payments
13.	Indicate whether FMIS or manual system in use
14.	Signature of accounting officer
15.	Today's Date

Payment Procedures

Contract payments (Commitments)

Before payment is made on works contract, the Head of Department must obtain a certificate from the technical officer supervising the contract, confirming that the payment is in order and in accordance with the contract.

Details of the payment must be entered in a contract register

A cash payment system may be authorised by the Chief Administrative Officer if deemed necessary. If cash requirements are of a regular nature, an imprest system may be put in place.

Relevant supporting documents that must accompany payment requests

It is very important to maintain supporting documents, in the form of receipts and vouchers for all financial transactions, preferably cross-referenced to standard financial forms or books of accounts and stored in date or number order.

Supporting documents are required by the CAO before payment requests are submitted for payment and are of interest to the internal and external auditors, as evidence to support the audit trail.

Local Government Councils must attach the following minimum documentation to support payment requests:

Payment for goods

On payment for goods, the following documents will be verified, matched with each other and attached to the payment voucher:

- The Payment Request form or payment voucher
- Original supplier's invoice for purchase of goods or services. (Bank details of the supplier must be indicated on the invoice if payment is to be made through the bank)
- Copy of requisition for goods
- Copy of the Local Purchase Order
- Delivery Note from the supplier
- Goods Received Note as proof that the goods/services/works were received/ performed according to a valid contract

Payment of Services or works

On payment for services or works, the following documents shall be verified, matched with each other and attached to the payment voucher:

- Copy of the contract/Agreement for the service
- Invoices from contractor
- Certificate of performance or approved Inspection Report

Expenses not related to purchase of goods and services, include travel allowances or donations. The necessary supporting documents will vary according to the expense, but must include:

- Original letter from the Accounting Officer, authorising the payment if necessary

Additional supporting documentation

The supporting documents described above are the mandatory minimum requirements, but Councils can attach additional supporting documentation relevant to the expense.

Processing of Payment Requests

Verification of Vouchers

Before a voucher is passed for payment, the CAO must verify that:

- The expenditure is in accordance with the approved budget
- All supporting documents such as invoices, contracts etc are attached and correct
- Each voucher has been entered in the vote book
- Sufficient provision is available to meet the expenditure

After examination of payment voucher, the Head of Finance will complete, sign and date the voucher to certify that the payment is in order and that there are sufficient funds available in the relevant item code to meet the expenditure. (Form 40 is in use in Councils for this purpose).

Rejection of claims

Any claim for payment which fails to comply with the conditions laid down for the approval of payments will be rejected. Claims will be rejected if:

- The claim was not authorised by the CAO
- The correct supporting documents are not attached to the claim
- The expenditure is not included in the Approved Budget

- There is insufficient budgetary balance to meet this claim

Payments

Payments should be authorised only when measures have been taken to ensure that there are adequate resources to cover the payment.

The CAO should be provided with the approximate cash position for the day with reconciled bank balances and a list of payments to enable him to approve payments.

- All payment vouchers and cheques or EFT instructions for signing shall be accompanied by a Budget/Vote book to ensure that the voucher is correctly made and paid from the correct program and sub-program. All paid vouchers and attached documents supporting accountability must be stamped "Paid"
- Vote book should be adjusted for the paid transaction
- All payments must be by crossed cheques or EFT instructions. Should it be necessary to open a cheque, this should be done by a "Crossing Cancelled" rubber stamp on the cheque and fully signed by the authorised bank signatories.

Open cheques may only be issued for the following:

- For encashment and payment of salaries, wages, allowances of employees
- To imprest holders for the purpose of replenishing their imprest
- To individual employees and councillors, for allowances, and other emoluments
- All cheques or other financial documents must be signed by the Chief Administrative Officer

Details on Cheques

- The title of account must be stamped on all cheques, using an official stamp
- The names of the payee should be written starting immediately after the word "Pay"
- No blank spaces must be left between the amount in words, or in figures, which could be manipulated
- The cheque stubs should be completed with the same details as the main cheque, and must be referenced to the relevant payment documents
- All signed payment instructions should be entered into a payment register

Recording of payments

The recording of payments must be made in the main cash book which is illustrated in this manual.

Petty Cash Advances

Introduction

The Chief Administrative Officer may authorise the use of a petty cash advance system in order to meet small day to day operational expenses, using an imprest cash system.

The imprest cash system requires that an amount is set at the beginning of a period, as a float to be disbursed on small payments. As the cash balance diminishes, a request for replenishment of the amount spent is made. A cheque is issued to replenish the petty cash float back to original set amount.

The amount of the imprest, which may not be exceeded at any time, will be determined by the Chief Administrative Officer and may be reviewed and adjusted periodically, in light of fiscal sustainability and cash availability.

Cash revenue collections should not be used to make payments or to supplement the imprest.

The internal procedures which must be followed when making payments by cash are similar to those for payments by cheque or electronic funds transfer, that is, appropriate authorisations and approvals must be complied with.

Responsibility for the Petty Cash Advance

In each Council, the cashier is the custodian of any cash held on the premises. However, the Chief Administrative Officer is personally responsible for providing accountabilities for the expenditure of funds.

Approved Petty Cash Payments

Payments out of petty cash are by nature small and may be made for the following:

- Operating expenses e.g. office supplies, fuel, hospitality
- Certain capital expenses (see below for details)

The following expenses cannot be paid out of the Petty Cash Advance

- Overtime and incentives
- Salaries
- Allowances (of any nature)
- Financial assistance and donations

The total funds allocated for the whole year will be taken into account in the accounting system to ensure budgets are not overspent and sufficient funding is made available to cover operating costs for the whole year. This will allow for the production of comprehensive, accurate and meaningful expenditure reports and total transparency and accountability.

Supporting Documentation

It is very important for each council to provide supporting documents to accompany all payments made out of the petty cash advance. Each expense/payment made, should as a minimum have the following supporting documentation:

- The internal authorisation document (currently form 40) shown below, signed by the Council's CAO
- The invoice for goods and services if appropriate
- and/or receipt as substantive proof of payment

Petty Cash Voucher

All petty cash payments must be made on petty cash vouchers.

The financial Form 40, a payment order, may be used in place of purpose designed petty cash voucher (see below), pending introduction of new forms.

Before payment is made out of the petty cash float:

- a payment voucher or Form 40 must be raised and authorised by a responsible Council official.
- The person receiving the money must sign the petty cash voucher or Form 40 to acknowledge receipt of money
- All relevant documentary evidence to support claims/requests must be attached to the petty cash voucher (receipts, LPOs, Contracts etc)
- All paid cash vouchers and attached documents, supporting accountability should be stamped "paid" to avoid the same documents being re-presented for payment in the future. A self-inking "paid" stamp may be used for this purpose.

Specimen Internal Authorisation Form For Petty Cash

**GOVERNMENT OF SOUTHERN SUDAN
STATE MINISTRY OF LOCAL GOVERNMENT**

Report Submission – Finance Form 40 a/c (Rev)

5

1

ORDER OF PAYMENT

Date Stamp:

Cheste Book No.

AJ 261001

Name of Payee: 1

Finance at which payable: 2

Date: 30 June 2011 3

Voucher No.	Chargeable against	Particulars	Details		Total	
			D	PT	D	PT
4						
	5	6				
					7	
8	Code					
		Net Amount Payable				

The sum of (in words): 9

Words should commence immediately after sum of and be so written as to allow no room for addition or alteration

Verified By

Signature of Applicant

Authorised

10

11

12

Received the above mentioned sum of: 13

Date: Signature:

A Finance Form 40 must be completed for expenses in the same sub-item codes. The expense classification will be at the sub-item level (5 digits) in accordance with the LG Chart of Accounts.

Completing Financial Form 40

Form 40 allows for the internal authorisation within councils and must be completed for expenses in the same sub-item codes. The expense classification will be at the sub-item level (5 digits) in accordance with the State Chart of Accounts.

Indicated field #	Description
1	Each Form must be sequentially numbered (no duplicates) Record this serial number in the centre on the top of the form
2	Name of the individual/entity to be paid
3	Name of the department
4	Date of the request
5	The number of supporting documents for this payment
6	Brief description/Activity code if not General Administration
7	Total amount in SDG
8	Sub-item code for this payment
9	Amount paid out – written in words
10	Chief Administrative Officer/Head of Finance
11	Person who prepared the Form 40
12	Cashier who paid out the amount
13	The individual receiving the funds

Source: GoSS Petty cash procedures

Note: Items 10 – 13 are recommendations only

Additional Information

1. Separate internal authorization forms may be used in accordance with the internal procedures of individual LGCs.
2. The 3 signatories on the form can also be amended in accordance with the internal procedures of the individual LGCs
3. Section 13 should be completed only if payment is made directly to individuals for direct purchases. A receipt will need to be provided.
4. Claims with the same 5 digit budget line code may be grouped on the same Finance Form 40 up to a maximum of 7 claims.

Specimen Cash Payment Voucher

**Government of Southern Sudan
Ministry of Local Government**

**CASH PAYMENT VOUCHER
VOUCHER No**

DATE:

2

1

Name of Supplier/Payee

3

P.O.Box.....

Code	Particulars	Unit	Quantity	Rate SDG	Amount SDG
4	5	6	7	8	9
Total					

Authorised by:

Paid by:

Received by:

Signature....

10

Signature....

11

12

Signature.....

Completing the Petty Cash Voucher

Indicated field #	Description
1	Each form must be sequentially numbered (no duplicates).
2	Date of the request
3	Name of the supplier or person receiving payment
4	Sub-item code for this payment (the five digit code)
5	Brief description of purchases
6	The unit of items being purchased e.g reams, litres, cases etc.
7	Number of items being purchased
8	Price per item/unit
9	Total amount in SDG
10	Person responsible for authorisation e.g Head of Department
11	Person making the payment e.g the cashier
12	Person receiving the cash

Accounting for the Petty Cash Advance according to the Chart of Accounts

The Petty Cash Advance forms part of the approved budget and must be classified accurately. All payments must be accounted for according to the Chart of Accounts.

The expenses summarised on the form will be entered into a petty cash summary form or a petty cash book, in accordance with the codes and amounts reflected.

Specimen Petty Cash Summary Form

GOVERNMENT OF SOUTHERN SUDAN STATE MINISTRY OF LOCAL GOVERNMENT

Spending Agency:	(1)
Submission for the period of:	(2)
Amount:	(3)

Serial No.	Form 40 No.	Amount	5 Digit expense code
(4)	(5)	(6)	(7)
TOTAL			(8)

Accountability verification:	
Name: _____ (9) _____	Signature: _____
Date: _____	Position: _____

Source: GoSS Petty Cash Procedures

The Petty Cash Summary Sheet must be completed for each accountability submission Financial Form 40 with the original documentation attached.

Completing the Petty Cash Summary Form

Indicated Field #	Description
1.	Name of Spending Agency
2.	The period for which the petty cash summary is being submitted
3.	Total Amount
4.	Serial number on the petty cash voucher form (or Form 40)
5.	No. on the petty cash voucher form
6.	Amount on the petty cash voucher form
7.	The five digit expense code from the Chart of Accounts
8.	Total of all petty cash voucher forms
9.	Name and signature of person authorising the summary form

Petty/Imprest Cashbook

A petty cashbook should be maintained by the LG’s cashier. The cashbook should indicate the opening balance, less all payments made out of the petty cash advance and the balance remaining.

One of the advantages of using a petty cash book is to avoid entering small cash payments into the main Cash Book and having to post each item individually into ledgers. The cashier therefore enters all petty cash transactions into a petty cash book which is then submitted for accountability and replenishment of cash.

On receipt of a cheque as the imprest payment, the cashier will cash the cheque at the bank and enter the proceeds of the cheque into the receipts column of the cashbook.

A specimen petty cashbook is illustrated below.

Specimen Petty /Imprest Cashbook

	Receipts	Date	Particulars	Voucher No.	Total	Cod e SDG	Cod e SDG	Cod e SDG	Cod e SDG
Balance b/f									
(1)	(2)	(3)	(4)	(5)	(6)			(7)	
Total	(8)				(9)				
Cash balance					(10)				
Cash balance c/f To next period					(11)				

Completing the Petty/Imprest Cashbook

Indicated field #	Description
1	Opening Balance
2	Amount received as float
3	Date of transaction
4	Description of transaction
5	The number of the petty cash voucher
6	Total Payments
7	Classification of each payment into respective Sub-item codes
8	The original amount of float
9	Total of all payments in SDG
10	Balance of cash after all payments are deducted
11	Opening balance for the next period

The main cash book into which all receipts and payments (including the petty cash details) will be maintained at the Ministry of Finance Trade and Industry and is shown below.

To maintain the internal control of segregation of duties, where possible, the petty cash book should be maintained by an official other than the cashier.

Submission of Accountabilities

All LGCs will be required to submit accountabilities to the CAO as a request for replenishment of the petty cash is being made, showing how they have used their petty cash advances.

Failure to provide accountabilities for the previous month will mean that no further transfers of advances will be made until accountabilities for the previous transfer are received and verified.

All accountabilities must be accompanied by the original vouchers which will be retained for auditing purposes when the accounting procedures have been completed.

A petty cash summary form, must be completed and accompany each accountability submission.

On receipt of the summary form, the requisition for replenishment will be sent to the main cashier to process the replenishment cheque/payment instruction and summaries of the expenses are entered into the cash book

The paid vouchers, payment summary form will be attached to bank payment voucher as supporting documentation that will be classified and posted to the main cash book.

Retention of Petty Cash Advance Records

It is recommended that LGCs keep copies of the petty cash summary reports for their own record keeping purposes.

Recording into the Main Cash Book

Basis of Accounting

The basis of accounting to be used by Local Government Councils, in the preparation of monthly and annual financial statements is the cash basis.

Under the cash basis of accounting, revenues are recognised and recorded when they have been paid to the Council in cash or cheque, and expenditures are recorded only when cash or cheque is paid out.

As a result of adopting this basis, revenues not yet received at the end of the financial year are not recognised or recorded in the books of account of the financial year.

Similarly, outstanding bills or commitments at the end of the financial year are not taken into account in the books, but treated as arrears.

Fixed assets purchased during the financial year are treated as expenses for the year that they are purchased. Stocks remaining at the end of the year will not appear in a balance sheet at the end of the financial year.

Books of Accounts

Introduction

Sound systems and procedures are essential to an effective framework of financial accountability and control.

The Head of Department of Finance and Economic Development Department is responsible for the operation of the Council's accounting systems and the form of accounts.

All LG councils are required under the Act, to maintain proper books of accounts in accordance with sound bookkeeping and accounting principles and standards which will show:

- Funds received and spent
- Income earned or accrued but not received
- All expenditure committed but not yet incurred (outstanding commitments)
- Proper records of moveable and immovable assets and discharged and un-discharged liabilities

In addition to the official financial forms and registers designed to facilitate the recording, accounting and reporting of financial information mentioned previously in the manual, the cashbook described below should be maintained as part of books of accounts by Local Governments.

The minimum requirements for books of accounts are:

- (a) Bank (or Cash) Book for each opened account
- (b) Petty Cash Book

Additionally other books of accounts may be maintained as part of a complete bookkeeping system, such as :

- General or Nominal Ledger
- Assets Registers

- Journals or Day books
- Stock Control books

The Cashbook

The Cash/Bank Book or Cash Analysis Book is the main book of prime entry which summarises all financial transactions that have taken place during the financial year and into which all revenue received from local collections and government grants and expenditure payments are recorded.

Each Local Government Council should maintain a separate cash/bank book for each of the Council's bank account that is being operated to make it easier to reconcile each account at the end of the month.

The cash book is used as a recording tool and has the following layout:

In a manual system, the debit side (left side) of the cashbook is for recording all receipts of cash or cheques, and the credit side (right side) is for recording payments made either in cash or cheque.

The number of columns required will depend on the type and volume of transactions.

Each transaction is entered on one line of either the receipts page or the payments page in date order. The column headings prompt the type of information to be entered e.g date, cheque number, payee, description, amount, code etc. The columns are totaled at the end of each page.

Opening the cash book

At the beginning of each financial year, the cashbook(s) are opened with the previous year's closing balances of bank and cash at hand entered as opening balances.

Recording into the cash book

Grants received by Local Government Councils, from Central Government and all revenue collections received and banked should be recorded in the main cash book.

All amounts received, whether in the form of cash, cheques, or EFT instructions should be entered on the receipts side of the cashbook in the appropriate columns.

• Deposits made directly into bank account by payer

- A payer may make payments directly into the LGC's bank account. On production of the bank pay-in-slip, a receipt should be issued as acknowledgement of the payment by the cashier. The bank pay-in-slip /receipt is used to record the receipt in the receipts side of the cash book.
- Where money has been deposited directly into the bank account (direct credits) to the credit of the Council, the entries into the cash book will be made in the cash book upon notification by the bank. The bank may issue a credit advice on request or the receipt may appear in the bank statement.

• Deposits made out of cash already entered in the cash book

Where cash is banked out of the cash which has already been entered in the cash book, a contra "C" is entered in both the debit side in the bank column and the credit side (right side) in the cash column, to show the removal of cash from the cash account into the bank account.

• Payments made by Cheque

When a cheque is issued, the cheque number is entered in the cash book in sequential numerical order followed by an entry of the amount in the bank column on the payments side of the cash book.

Verifying the cashbook

At the end of the day, all cash books should be ruled off and balanced and cash balances carried forward to the next day. A nominated officer, other than the cashier making the entries into the cashbook should check and balance the cash book daily.

The cashier responsible for writing up the cashbook should count the cash at hand and compare this with the cash balance shown in the cash book at the end of business daily.

GOVERNMENT OF SOUTHERN SUDAN
MINISTRY OF LOCAL GOVERNMENT



CASH BOOK

Receipts							Payments						
Date	Voucher No.	Particulars	Item Code	Receipt No.	Amount	Amount SDG	Date	Voucher No.	Particulars	Item Code	Cash SDG	Bank SDG	Total SDG
1	2	3	4	5		6	7	8	9	10	11	12	13

Completing the Cash Book

Receipts		Payments	
Indicated Field #	Description	Indicated Field #	Description
1.	Today's Date	7.	Today's Date
2.	Serial number on the voucher	8.	Serial number on the payment voucher
3.	Description of the transaction	9.	Description of the transaction
4.	Revenue code for the transaction	10.	Expense Code to be applied
5.	Serial number on the receipt	11.	Payments made in Cash
6.	The amount of the transaction in SDG	12.	Payments made through the Bank
		13.	Total Payments

Bank reconciliations

At regular intervals, bank reconciliations should be performed to confirm that the balances on the bank accounts agree with balances in the cash books agree.

The reconciliation follows the receipt of a statement of the current accounts held by the bank.

To implement internal controls such as segregation of duties, the bank reconciliation should not be prepared by the cashier. (i.e not the same person involved in the collecting, recording or banking of cash). An official nominated by the CAO will prepare the bank reconciliation and the CAO should certify as accurate the reconciliation statement at the end of every month.

Preparing a bank reconciliation

1. The entries in the bank statement are compared with the entries in the bank column of the cashbook i.e all credits (receipts) in the bank statement are ticked against debits (receipts) in the cashbook and debits (payments) in the bank statement against credits(payments) in the cash book.
2. Any outstanding items (un-ticked items) in both the bank statement and cash book should be identified
3. The outstanding items in the **bank statement** should be entered into the cashbook. These items may:

Debits such bank charges, commissions, interest, standing orders, direct debits
Credits made directly into the bank which have not been recorded in the cash book eg direct transfers, interest payments
4. The outstanding items in **the cash book** will appear in the bank reconciliation statement as items that will appear in the bank reconciliation statement as reconciling items.

Specimen Bank Reconciliation Statement

GOVERNMENT OF SOUTHERN SUDAN STATE MINISTRY OF LOCAL GOVERNMENT

Bank Reconciliation Statement for the period
ended

1

		SDG	SDG
Balance as per Bank Statement			xxx
2			
Add:			
(i) Receipts in the CB not yet credited at bank			xxx
3			
Total			xxx
4			
Less:			
(i) Un-presented cheques:			
5			
Date	Cheque No.	Amount	
		xxx	
Total			xxx
6			
(ii) Payments in the CB not shown in the bank statement			xxx
7			
Total			xxx
8			
Balance as per the Cash Book			xxx
9			

Completing the Bank Reconciliation Form

Indicated Field #	Description
1.	State month for which reconciliation relates to
2.	The balance as shown on the bank statement
3.	Receipts entered in the CB which have not yet been received/credited by the bank
4	Total of all additions to the bank statement balance
5.	List of all cheques drawn and recorded in the cash book but not yet paid out by the bank or recorded in the bank statement. (show dates, chq. nos. and amount)
6.	Total of all un-presented cheques listed above
7.	Payments made and entered into the CB which have not been cleared and reflected in the bank statement
8.	Total of all deductions from the bank statement balance
9.	Balance as per Cash Book (must agree with Bank Statement)

Financial Reporting

Introduction

The objective of financial reporting is to provide financial accountability for the actions of the different officials within a local government. The production of relevant and reliable financial information in the form of financial reports is the end product of the financial accounting system.

Legal Requirements

All Local Government Councils are required to produce monthly, quarterly and financial statements.

Reporting requirements are intended to enforce financial accountability of the Local Government Councils to the relevant stakeholders such as the public, state and central government, state assembly etc.

Section 85 of the Local Government Act, requires all Local Government Councils to submit final accounts which will be audited by the Audit Chamber (the Supreme Audit Institution) or any other firm appointed by the State Legislative Council and approved by the Auditor General.

In addition to the requirement for an annual audit, the Local Government Board, in collaboration with the State Ministry of Local Government and Law Enforcement, may conduct an inquiry into the financial affairs of any Council and also submit reports to the President of the Government of Southern Sudan and the Governor of the State.

Regular Reporting

The Chief Administrative Officer of the Council is under an obligation to report to the Council at each stage of the budget execution cycle.

Reporting should include details of revenue collections, expenditure and outstanding commitments (pending bills)

Monthly Reporting

Section 84 (6) requires the Executive Council to prepare and submit to the Legislative, a financial report on budget implementation during the year.

The report should detail:

- Expenditure by chapter (salaries, operating and capital)
- Expenditure by budget line item (e.g. 2208 Utilities, 2216 Domestic Travel etc)
- Expenditure by Activity according to activities identified in Budget Sector Plans
- Detailed expenditures (payments made)
- Detailed commitments (pending payments)
- Comparisons between budget and actual expenditure

Quarterly Reporting

The Chief Administrative Officer is responsible for reporting to the Executive Council and the Legislative Council on a quarterly basis, on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers.

The Head of the Department of Finance and Economic Development is responsible for:

- Providing relevant financial information to enable budgets to be monitored effectively
- Monitoring and controlling overall expenditure and income against budget allocations and report to the Executive Council on the Council's overall position.

Annual Reporting

- The Head of Department Finance and Economic Development is responsible for ensuring that the annual statement of accounts is prepared so as to comply with Section 85 of the Local Government Act, 2009.
Reports will include an annual report on treasury management for presentation by 30 June of the succeeding financial year.
- Section 87 requires that, the Commissioner, Mayor or Town Clerk is at the end of the financial year, required to prepare and submit to the Legislative Council, an audited financial report of all the Councils' revenue and expenditure. This report must be submitted during the six months following the end of the financial year

Auditing

Section 85 (1) requires the audit of the accounts of Local Government Councils, by the Auditor General or any other external audit firm appointed by the Legislative Council and approved by the Auditor General.

The Local Government Board is empowered under Section 85 (3) of the LG Act to conduct financial enquiries into the conduct and running of the financial affairs of any Council, in collaboration with the Ministry responsible for Local Government and Law Enforcement and to prepare a report to the President of the Government of Southern Sudan and the Governor of the State.

State Revenue Codes

Item Type	Item	Sub-Item	Description
11. TAX REVENUES			
	1110		Taxes on Income and Profits
		11110	Income Tax Payable by Individuals
		11120	Income Tax withheld by NGOs and Firms
		11130	Business Profits Tax payable by Corporations
		11140	Business Profits Tax payable by Small and Medium enterprises
		11150	Exemptions on Income Taxes
		11160	Miscellaneous /Unallocable
	1120		Taxes on payroll and workforce
		11210	Income Withheld by Goss and States
	1130		Taxes on Property
		11310	State Property Tax
		11320	State Land Tax
		11330	Stamp Duty on Capital & Financial Transactions
		11330	Receipts from Other Taxes on Property
	1140		Taxes on Goods and Services
		11410	Value Added Taxes (VAT)
		11420	Excise Duty
	1150		Taxes on International Trade and Transactions
		11510	Receipts from Customs and Other Import Duties
		11520	Receipts from Export Duties
		11530	Exemptions on Customs and Other Import Duties
	1160		Other taxes (not elsewhere classified)
		11610	Receipts from Unclassified Taxes
		11620	Receipts from Unclassified Taxes collected as AIA
	1170		National Oil Revenues
		11710	Unclassified National Non-oil Revenues
12. SOCIAL SECURITY SCHEME CONTRIBUTIONS			
	1210		Contributions to Pension Scheme
		12110	Employer Contributions to Pension Scheme
		12120	Employees Contributions to Pension Schemes
13. GRANTS			
	1310		Foreign Governments
		13110	Current Grants from Foreign Governments
		13120	Capital Grants from Foreign Governments
	1320		International Organisations
		13210	Current Grants from International Organisations
		13220	Capital Grants from International Organisations
	1330		Grants from Other Levels of Government
		13310	General Transfers to States from GoSS
		13320	Salary transfers to States from GoSS
		13330	Operating Transfers to States from GoSS
		13340	Capital Transfers to States from GoSS

Item Type	Item	Sub-Item	Description
		13350	Transfers to Counties from GoSS
		13360	Education support Transfers
14. OTHER REVENUES AND GRANTS			
	1410		Property Income
		14110	Interest Received by Government
		14120	Profits and Dividends Received by Government
		14130	Dividends from State Owned Enterprises
		14140	Rents including Market Licences
		14150	Rents on land use rights including (resource extraction rights, land rights, fishing and grazing rights)
		14160	Foreign Exchange Gains
	1420		Other Sales of Goods and Services
		14210	Sales by market establishments including (User Fees for Utilities and other Services
		14211	Airport and Sea-port fees
		14213	Other market sales
		14220	Tourism Licences
		14221	Vehicles Registration and Road Licences
		14222	Work Permits and Professional Licences
		14223	Registration of Companies and NGOs
		14224	Receipts from other licences and permits
		14230	Incidental Sales
		14240	Insurance provided by Agencies
		14250	Other Administrative Fees
	1430		Fines and Penalties
		14310	Traffic Fines
		14320	Fines and Penalties of the Judiciary
		14330	Other Fines, Penalties and Charges
	1440		Other Non-Tax Receipts Not Classified Elsewhere
		14410	Non-tax Receipts Not classified Elsewhere
		14520	Unclassified miscellaneous receipts collected as AiA
		14420	Miscellaneous/unallocable
16. SALE OF CAPITAL ASSETS			
	1610		Sale of Fixed Assets
		16110	Sale of Buildings and Structures
		16120	Sale of Plant, Machinery and other Equipment
		16130	Sale of Furniture and Institutional Equipment
		16140	Sale of Livestock
17. SALE OF COMMODITIES			
	1710		Sale of Natural Commodities
		17110	Sale of Cereals and Agricultural Produce
		17120	Sale of Other Natural Commodities
	1720		Oil Revenue
		17210	Export Oil Sales
		17220	Local Oil Sales
		17230	Arrears 2010

Item Type	Item	Sub-Item	Description
		17240	ORSA drawdown
		17250	Arrears 2011

Expense Codes

Item Type	Item	Sub-Item	Description
21. COMPENSATION OF EMPLOYEES			
	2110		Basic Salaries & Wages – Permanent Employees
		21101	Salaries of employees
		21102	Monthly Allowances (Representation, Responsibility, Housing)
		21105	Statutory (Constitutional) salaries
		21104	Personal Income tax withheld
	2115		Job Specific Allowances
		21150	Job specific allowances
		21151	Foreign Service Allowance
	2120		Pension
		21200	Employer contribution
	2125		Gratuity
		21250	Terminal benefits
	2130		Conditional Salary Transfers
		21301	Transfers to State Governments from GoSS
		21302	Transfers to Counties from State
	2135		Overtime & Incentives
		21350	Overtime for unclassified staff
		21351	Incentive pay for classified staff
22. OPERATING EXPENDITURES			
	2204		Contract Employment & Professional Services
		22041	Casual Labour
		22042	Contracted technical & professional services (incl. consultants)
		22043	Contracted security & cleaning services
	2208		Utilities
		22081	Water & Sewerage Charges
		22082	Electricity
	2212		Telecommunications & Postal Services
		22120	Telecoms Charges (phone calls, airtime, VSAT connections)
		22121	Postal & Courier Costs
	2216		Domestic Travel
		22160	Domestic travel costs (air tickets, buses, mileage allowance etc.)
		22161	Accommodation costs for domestic travel
		22162	Domestic Travel Allowance
	2220		Foreign Travel
		22201	Foreign Travel Costs (air tickets, buses etc)
		22202	Accommodation costs for foreign travel

Item Type	Item	Sub-Item	Description
		22203	Visa fees
		22204	Travel insurance
		22205	Foreign travel allowance
	2224		Advertising & Public Relations
		22241	Cost of Printing and Publishing
		22242	Cost of advertisement & media campaigns
		22243	Trade Shows & Exhibitions
	2228		Rent & Equipment Hire
		22281	Rent of vehicles (buses, cars, barges, ship, chartering of plane etc.)
		22282	Rent of Staff Accommodation (housing rent, hotel rent)
		22283	Non- Residential rent (rent of offices, Stores etc)
		22284	Hire of equipment, plant & machinery
	2232		Training, Workshops & Conferences
		22321	Internal Training Fees (within Sudan) for Goss and State Employees
		22322	External Training Fees (outside the country for Goss & State employees
		22323	Scholarships/Tuition fees for students sponsored by GoSS & States
		22324	Workshops, seminar & conference costs
	2236		Hospitality & Entertainment
		22361	Catering, accommodation & entertainment for visitors
		22362	National Celebrations
		22363	Expenses of President's /Governors Household
	2240		Insurance
		22401	Building Insurance
		22402	Plant, Equipment & Machinery insurance
		22403	Vehicle & Transport Equipment insurance
	2244		Specialised Supplies
		22441	Medical & Veterinary Supplies (drugs, dressings, vaccines etc.)
		22442	Agricultural workshop & Laboratory supplies
		22443	Education and Library Supplies (including books)
		22444	Military, Police & Prison Supplies
		22445	Security Costs
		22446	Uniforms
		22447	Food & Rations
		22448	Sports equipment (balls, rackets)
		22449	Other Specialised supplies
	2248		Office & General Supplies
		22481	General office supplies (stationery, staplers, cleaning materials, etc.)
		22482	Supplies & accessories and software for IT equipment (computers, printers, photocopiers etc)
		22483	Office water, soda and tea
		22484	Petty cash Advance
		22485	Offices and for specific Committees
		22486	Subscriptions (Newspapers, magazines, periodicals)
	2252		Fuel and Lubricants
		22521	Fuels & Lubricants for transport
		22522	Fuels & Lubricants for equipment and production

Item Type	Item	Sub-Item	Description
		22523	Other fuels (charcoal, wood etc.)
	2256		Vehicle Maintenance
		22561	Maintenance of vehicles
		22562	Maintenance of other transport equipment
	2260		Other Maintenance
		22601	Maintenance of plant, machinery & equipment
		22602	Maintenance of buildings
		22603	Maintenance of roads & bridges
		22604	Maintenance of civil works (power & water supplies)
	2264		Other employee costs
		22641	Medical costs of Goss employees
		22642	Medical insurance for GoSS employees
		22643	Employee transfer, relocation and repatriation costs
		22644	Death benefits and funeral expense
	2268		Emergency and Disaster Relief
		22681	Emergency relief (blankets, food, tents, medical relief, tent & other temporary shelter, cash grants)
	2272		Grants & Loans to profit-making institutions
		22721	Grants to business enterprises
		22722	Loans to business enterprises
	2276		Donations to non-profit making institutions & individuals
		22761	Assistance to GoSS/State employees
		22762	Donations to individuals, associations, co-operatives & non-profit organisations
		22763	Presidential/Governor's donations
	2280		Conditional Operating Transfers
		22801	Transfers to States Governments from GoSS
		22802	Advance on State Block Grants
		22803	Transfers to Counties from State
		22804	Other operating transfers
	2284		Other operating Expenses
		22841	Bank Charges
		22842	Management fees
		22843	Transportation & storage Charges (shipping etc.)
		22844	Penalties and court fees
		22845	License and registration fees
		22846	Exchange rate losses
		22847	Other losses (cash loss/write off etc.)
		22848	Subsidies to other institutions
	2288		Other Operating Expenses
		22881	Subsidies to Universities
		22882	Subsidies to other institutions
28. CAPITAL EXPENDITURE			
	2805		Furniture & General Equipment
		28051	Office Furniture and fittings including air conditioners
		28052	Computers, Printers, Photocopiers and other IT equipment

Item Type	Item	Sub-Item	Description
		28053	Communication equipment
	2810		Vehicles and other Transport Equipment
		28101	Cars
		28102	Bicycles and Motorbikes
		28103	Buses and Minibuses
		28104	Lorries
		28105	Other Transport Equipment
		28106	Specialised transport (Aircraft, ferries, boats)
	2815		Specialised Plant Equipment and Machinery
		28151	Generators, Boilers, Refrigeration & Irrigation Equipment
		28152	Tractors, tippers, Excavators, Bulldozers and Earth Movers
		28153	Medical and veterinary equipment
		28154	Agricultural, laboratory & workshop equipment
		28155	Weaponry
		28156	Sports Equipment (goalposts, gym equipment)
		28157	Tents and other non-permanent structures
		28158	Other Specialised Equipment
	2820		Preparation , Design and Supervision of Capital Works
		28201	Feasibility and appraisal studies for capital Works
		28202	Engineering and Design plans, architectural drawings
		28203	Supervision of capital works
	2825		Construction and Civil Works
		28251	Roads and Bridges
		28252	Residential Buildings for Government Officials
		28253	Non-residential Buildings (offices, schools, hospitals, laboratories, stores etc.)
		28254	Water Supply, drainage, sewerage, boreholes, Haffirs & Dykes
		28255	Power supply
		28256	Air Strips/ Airports
		28257	Land purchase
	2830		Renovations & Rehabilitation of Assets
		28301	Residential Buildings
		28302	Non- Residential Buildings
		28303	Roads & Bridges (upgrading & rehabilitation)
		28304	Water & Power Supply (upgrading & rehabilitation)
	2835		Conditional Capital transfers
		28351	Transfers to State Governments from GoSS
		28352	Transfers to Counties from State
	2840		Transfers to Development Projects
		28401	GoSS counterpart funding for development projects
	2845		Other Capital Transfers
		28451	Capital grants to associations and individuals
		28452	Constituency Development Fund
		28453	Co-contributions for DDR re-integration
		28454	Contributions to international organisations