



MINISTRY OF HEALTH

FINANCE AND ACCOUNTING INSTRUCTIONS (FAI)

(ACCOUNTING, TREASURY AND FINANCIAL REPORTING)

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List of Acronyms

| | |
|---------|--|
| A&EI | Activity & Expenditure Initiation Form |
| APAL | Analyzed Program Activity Ledger |
| ATF | Accounting Treasury and Financial Reporting Rules and Instructions |
| BMC | Budget Management Centre |
| BOG | Bank of Ghana |
| BTA | Bank Transfer Advice |
| CAG | Controller and Accountant General |
| CAGD | Controller and Accountant-General's Department |
| CHPS | Community based Health Planning and Services |
| CRF | Commitment Requisition Form |
| CRIV | Combined Requisition and Issue Voucher |
| DCB | Departmental Cash Book |
| DDHS | District Director of Health Services |
| DHD | District Health Directorate |
| DHO | District Hospitals |
| DJV | Departmental Journal Voucher |
| DPF | Donor Pool Fund |
| DPV | Departmental Payment Voucher |
| EBL | Expenditure Budget Ledger |
| ERF | Equipment Revolving Fund |
| FADF | Fixed Assets Delivery Form |
| FAI | Finance and Accounting Instructions |
| FC | Financial Controller |
| FR | Financial Reporting/Report |
| FRMU | Financial Reporting and Monitoring Unit |
| GAAP | Generally Accepted Accounting Principles |
| GHS | Ghana Health Service |
| GIFMIS | Ghana Integrated Financial Management Information System |
| GoG | Government of Ghana |
| HC | Health Centre |
| HC | Health Centre |
| HQ | Headquarters |
| IAA | Internal Audit Agency |
| IFA | International Federation of Accountants |
| IGF | Internal Generated Fund |
| IPPD | Integrated Personnel and Payroll Database |
| IPSAS | International Public Sector Accounting Standard |
| MDBS | Multi Donor Budget Support |
| Memo | Memorandum/Memoranda |
| MOF | Ministry of Finance |
| MOH | Ministry of Health |
| MOH-PPS | Ministry of Health – Payroll Processing Section |
| MTHS | Medium Term Health Strategy |
| NHIS | National Health Insurance Scheme |
| OFC | Office of the Financial Controller |
| PC | Petty Cash/Polyclinics |
| PFM | Public Financial Management Act |

| | |
|---------|--|
| PO | Purchase Order |
| PHC | Primary Health Care |
| POW | Program of Work |
| PPD | Payroll Processing Directorate/Department |
| PPME | Policy Planning Monitoring & Evaluation |
| PPS | Payroll Processing Section |
| PSAL | Partner Specific Activity Ledger |
| PU | Procurement Unit |
| PV | Payment Voucher |
| RDHS | Regional Director of Health Services |
| RHD | Regional Health Directorate |
| RHD-PPS | Regional Health Directorate – Payroll Processing Section |
| RHO | Regional Hospitals |
| RIRV | Requisition, Issue and Receipt Voucher |
| RMS | Regional Medical Stores |
| SAP | Structural Adjustment Program |
| SBS | Sector Budget Support |
| SDG | Sustainable Development Goals |
| SRA | Stores Received Advice |
| SRV | Stores Received Voucher |
| SVHPS | Staff Vehicle Hire Purchase Scheme |
| SWA | Sector-Wide Approach |
| THO | Teaching Hospitals |
| TI | Training Institutions |
| VB | Vote Books |
| Y-T-D | Year to Date |

Acknowledgements

This (Financial Accounting Instructions) FAI was reviewed under the auspices of the Minister, the Chief Director and the Financial Controller of the Ministry of Health. The Ministry of Health (MoH) also appreciates the support provided by the Controller and Accountant General (CAG) as well as the Auditor General (AG).

The FAI was reviewed over several months through the collaborative effort of a team of experts from MoH, and its agencies. Special thank you to Afri-Consult for leading the review process

In the same manner, MOH recognizes the enormous effort of the under-listed officers for drafting the second and third editions of the FAI which was then referred to as the Accounting Treasury and Financial Manual (ATF) Rules and Instructions issued in 2010 and 2016:

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A. Introduction to the Finance and Accounting Instruction

A.1. Background & Mandate

This Finance and Accounting Instructions (FAI) initially referred to as the Accounting Treasury and Financial (ATF) manual was first issued in October 1997 after many interventions aimed at improving the financial management procedures and processes within the Ministry of Health (MOH) set-up nationwide. The change in its name is in response to CAGD's recommendations as part of its effort to align the document to standards it has set for all accounting manuals set for all government entities in Ghana.

At the time of the preceding review, the PFM Act had been newly enacted, and the corresponding regulation was absent. GIFMIS was undergoing a pilot implementation and, consequently, was excluded from the document

The Medium-Term Health Strategy (MTHS) of 1995 espoused a comprehensive approach to health planning, financing, and strategy, thereby necessitating robust financial safeguards to accommodate the anticipated increase in resources. A proficient financial management system emerged as a paramount requirement for collaborative funding arrangements. Subsequently, the adoption of the Finance and Accounting Instructions (FAI) has facilitated the execution of *five-year Program of Work (POW)* plans within a sound financial management framework.

This FAI is the 4th Edition of the manual; the 1st Edition the ATF was being published in October 1997 while the 2nd Edition released in January 2010. The 3rd Edition was released in December 2016.

The Sector-Wide Approach (SWA) was introduced to address the problem of numerous, overlapping health programs. By pooling resources from development partners into a "common basket," SWA aimed to streamline health sector planning and implementation under the leadership of the Ministry of Health. Agreed-upon programs and interventions were outlined in *Program(s) of Work (POW) documents* and the attendant *Aide Memoir(s) adopted* finalized at health summits and partner meetings.

A key condition for maintaining the relationship was the establishment of a robust financial management system. As part of this agreement, the Ministry of Health (MOH) was obligated to submit quarterly financial reports and an annual audited report by the Auditor-General.

The Ministry was required to ensure that all financial reports from All BMCs nationwide were accurate, supported by adequate documentation, and reflected valid transactions. Additionally, partners demanded assurance from both internal and external stakeholders that strong internal control systems were in place to oversee funds allocated to programs and policies.

It was essential that the MOH adhered to all relevant laws, rules, as well as prescribed procedures and instructions to guarantee that funds were used for the intended purposes.

A.1.1 Finance and Accounting Instructions (FAI)

In order to meet these concerns, the Ministry in conjunction with the partners initiated the process through which the FAI was developed—as a document designed to standardize and improve financial management practices within the Agencies/BMC in the Ministry. Since the last review in 2016, some major policy changes such as Public Financial Management Act, 2016 (Act, 921); Public Financial Management Regulation, 2019, L.I. 2378; GoG Accounting Policy 2024, GOG Accounting Manual for Covered Entity March 2018, International Public Sector Accounting Standards (IPSAS), Ghana Health Financing Strategy 2023-2030 and the implementation of the Ghana Integrated Financial Management Information System (GIFMIS) have taken place that requires incorporation into the FAI. The review is therefore, important at this stage to ensure that financial reports generated from the accounting system remain relevant, adequate and reliable reflecting current policy issues and meeting emerging challenges in fulfilment of the accrual concept.

Hitherto, occasional edits referred to as “FC’s Advisory Notes” are issued by the Financial Controller to operationalize new directives and procedures in the intervening period—all of which require incorporation into the reviewed FAI.

Since the adoption, the FAI (previously referred to as ATF) has become synonymous with prudent financial management in the health sector. This review would necessarily require a massive training regime across the country for both Finance and Non-Finance managers.

A.2. PURPOSE

The FAI seeks to:

1. Provide operational instructions that comply with the rules as dictated by the Public Financial Management (PFM) Act 2016, (Act 921); PFM Regulations 2019 LI 2378
2. Describe the procedures to be followed by the MOH in accounting for Public Funds;
3. Explain the main accounting principles adopted by MOH;
4. Ensure uniformity in the accounting procedures in all BMC throughout the country;
5. Provide a ready means of reference in order to:
 - i. Explain the accounting system and management information to staff and management;
 - ii. Train staff of the Finance and Non-Finance department on FAI;
6. Ensure a system of internal control processes and procedures that provides value for money;
7. Ensure the required financial reports are produced on timely basis with reliability and relative ease.
8. At the time of the preceding review, the PFM Act had been newly enacted, and the corresponding regulation was absent. GIFMIS was undergoing a pilot implementation and, consequently, was excluded from the document. Between the last review in 2016 and the present, many policy

directives contained in various Appropriation Acts have been passed by Parliament. In addition, various PFM as well as Good Governance related Legislations have been amended or adopted. These include; the Public Procurement Amendment Act, 2016, (Act 914); the Public Financial Management Act, 2016 (Act 921); the Public Financial Management Regulations, 2019, L.I. 2378; GoG Accounting Policy 2024, GOG Accounting Manual for Covered Entity March 2018.

9. In addition, some major shifts in Policy have taken place at the National and Ministry level that requires specific attention, with regards to recording, accounting and reporting of financial information.

At the National level

- i. The adoption of Ghana Health Financing Strategy 2023 - 2030;
- ii. Program Based Budgeting and Accounting;
- iii. Implementation of International Public Sector Accounting Standard (IPSAS);
- iv. Implementation of GIFMIS to cover all sources of funds;

At the Ministry level

- i. PHC Person-Based Payment under the National Health Insurance Authority;
 - ii. Increase significance of the IGF and rolling unto the GIFMIS platform;
 - iii. On-Site Banking at IGF Institutions.
10. To incorporate relevant Advisory Notes, Other Official Guidelines and subsequent directives into the FAI e.g. the Guidelines for the Utilization of the IGF.
 11. To facilitate the training of Finance and Non-Finance staff countrywide.

This manual provides for the Ministry, “Financial and Accounting Instructions” bearing the approval of the CAGD as provided for in Regulation 8 and 9 of the Public Financial Management Regulations, L.I. 2378, 2019 or any enactment for a meantime in force at any particular time.

On adoption therefore, this issue (4th edition) of Finance and Accounting Instructions supersedes earlier versions.

A.3 THE USE OF GIFMIS

The Ghana Integrated Financial Management Information System (GIFMIS) is a major pillar for the reform of public financial management in Ghana. GIFMIS is designed to provide a seamless platform for the management of Government finances from planning, through to reporting.

GIFMIS provides automation support for the budget preparation, budget execution, accounting and reporting as well as cash management functions of Government.

GIFMIS is based on Oracle E-Business Suite of applications, a leading edge financial application widely used by governments and large corporations alike for enterprise wide financial management.

The Government of Ghana is implementing six modules of the Oracle E-Business Suite across all Covered Entities. The six modules are:

- General Ledger
- Purchase Ordering
- Accounts Payable
- Accounts Receivable
- Cash Management
- Fixed Assets

GIFMIS is integrated with the Government HRMIS to promote greater efficiency in the management of Government's wage bill.

GIFMIS serves as the single platform across all Covered Entities for budget execution, cash and treasury management and payment of goods and services as well as financial management and reporting.

GIFMIS will strengthen financial discipline and promote accountability and transparency in public financial management by automating financial and operating controls among others. GIFMIS will ultimately promote more effective public service delivery by providing managers in the public sector and other key stakeholders with the accurate and relevant information on a timely basis to support informed decision making.

Refer to the GIFMIS Operations Manual for information on how to process transactions on the platform.

A.4 THE APPLICATION OF ACCRUAL BASIS OF IPSAS

In order to meet their objectives, financial statements are normally prepared on the accrual basis of accounting. Under this basis, the effects of transactions and other events are recognised when they occur (and not as cash or its equivalent are received or paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate. Financial statements prepared on the accrual basis inform users not only of past transactions involving the payment and receipt of cash but also of obligations to pay cash in the future and of resources that represent cash to be received in the future.

Hence, they provide the type of information about past transactions and other events that is most useful to users in making economic decisions (Rephrase to reflect accrual basis and make reference to the controllers main document)

A.5 Overview of MOH Financial and Accounting Instructions

A.5.1 Understanding the structure of the ATF Rules and Instructions

The manual consists of a series of standard practice instructions grouped under the following section/subject areas.

| Chapter | Title | Description |
|---------|--|---|
| 1 | A. Introduction and general overview of the Finance and Accounting Instruction | Gives a brief introduction and general overview of the Finance and Accounting Instructions with details on the mandate, purpose of the Accounting Instructions, the use of GIFMIS and the application of Accrual basis of IPSAS. |
| 2. | B. Policy and Planning | This module describes how policies and planning contributes to the strengthening of national capacities in Health Systems to improve on the management of Public health interventions. This could be achieved if MoH is equipped with the concepts of health systems, and its ability to manage the available resources effectively and efficiently to improve health care delivery through better understanding and management of resources. |
| 3 | C. Budgeting, Budget Accounting and Control | The Budgeting process remains largely a function of the Budget Committee. What is incorporated in this manual seeks to re-echo the aids to Budgeting and how these budgets are translated into accounting documents. This is to support the IPSAS disclosure requirements. It therefore provides a Description of the Budget Accounting and Control process. Details out the procedures related to the: certifying, recording, commitments and revisions & virement for: Donor Funds, Government of Ghana, Internally Generated Fund and others |
| 4 | D. Revenue Accounting and Control (Cash/Receivables) | Describes the procedures relating to the management of revenue. Commencing with the assigning of Value books through revenue mobilizations procedures from Out patients and In Patients using the processes put in place. |
| 5 | E. Procurement Management | This section is based on the Procurement Procedure Manual that sets out the policies and procedures governing the procurement of goods, works and services (consulting and non- consulting) by the Ministry of Health and its agencies for the implementation of agreed programs. The Procurement Procedure Manual Standard Operating Procedures for Procurement in the Public Health Sector is the authoritative document on Procurement in the Ministry of Health. It is also based on the Public Procurement Act of 2003 (ACT 663) |

| | | |
|------------|---------------------------------------|--|
| 6 | F. Expenditure Accounting and Control | Describes the procedures relating to expenditure commitment, the process of payments, petty-cash, “advances” and recording. |
| 7 | G. Payroll Management | Current considerations with regards to payroll management have been incorporated. The E-Pay slip, ESPV systems have been factored into developing this module. Primarily, the module targets to improve the integrity of the Payroll. It describes the procedures designed to ensure that Payroll accounting is integrated into all levels of responsibility. It re-emphasizes key approval procedures and highlights the broad Accounting entries into the Financial Accounting system. |
| 8 | H. Cash and Bank Management | The Cash and Bank Management section describes the use and maintenance of the bank accounts of the Ministry of Health and its agencies including the financial instruments that are associated with those bank accounts |
| 9 | I. Asset Management | Describes the processes for safeguarding Non-Current Assets. It provides guidance to ensure that MOH policies on acquiring and maintaining Non-Current Assets are applied and to ensure that Non- Current Assets Register is updated to meet current requirements. |
| 10. | J. Accounting For Inventory (Stocks) | This module has been completely reviewed to meet our reporting standards—and made “IPSAS compliant” in respect to end of period procedures. It is meant to assist BMC to standardize the recording and reporting of inventory management procedures. It provides a framework to record store receipts, issues and disposal through the use of the CRIV. Emphasis has therefore, been placed on periodic Stock Taking and valuation. |
| 11. | K. Receivables management | This module explains what MoH deems as receivables, how to maintain receivables, loans and advances, debt recovery and bad and doubtful debts. |
| 12. | L. Value Books | This module explains what MoH considers as Value Books, how they may be obtained and instructions on how they are to be used. This includes both manual and electronically generated Value Books. |
| 13. | M. Payables Management | This module deals with the handling of unpaid debts to suppliers and third-party vendors for purchases made on credit, involving tasks of seeking trade credit lines, acquiring favorable terms of purchase, and managing the timing and flow of purchases. It also includes updating aging reports. |

| | | |
|-----|--|---|
| 14 | N. Accounting and Reporting | In two sections: (1) closing of the books (2) preparing the Financial Reports. Both provide very detailed guidance and procedures for the closing of all books of accounts and how to review the links amongst the books as well as how to methodically prepare the financial reports. It is designed such that, following the steps, the preparation of periodic financial reports become easy and reliable. The Reporting Deadlines to the various levels are emphasized. |
| 15 | O. Audit and Review | This explains the procedures and the operations of the Financial Monitoring Unit within our Agencies/BMC to assist the Head of Finance/BMC quickly review and be informed of FM issues as they emerge. |
| 16 | P. Accounting for Donor Funds | This is designed to bring sanity to Program funds—receiving, transferring, processing, retirements and reporting at the various levels until consolidation. It emphasizes strongly the “advance” principle while recognizing and reporting for large donors, Partner Specific visibility and traceability. |
| 17 | Q. Accounting for Gifts and Donations | To ensure that Donations (both in kind and cash) are duly receipted into the books and acknowledged. It also highlights its receipt into Store and Issue required for the purpose for which they were received. Reporting schedules have been developed to track such donations periodically. |
| 18. | R. Accounting for Investment | The process ensures that Investment Registers are available, and should be updated as and when circumstances change. In addition, the processes of investment shall be properly authorized. |
| 19. | S. Medical Stores Accounting | The processes of recording sales (credit & cash) and the use of standard documentations, example, Ledgers. Interest is on recording receipts and issues rather than the processes of procurement. Medical Stores would prepare periodic complete “financial reports” of their trading activities. Program stock would be accounted for at Inventory Management section |
| 20. | T. Accounting for Health Centers/Clinics/ CHPS Zones | The module details the financial operations expected at the Health Centers/ CHPS Zone level. Many of these have not been certified as full BMC (referred to as BMC of Record). These Rules and Instructions have been tailored to accommodate peculiar circumstances of these small sized facilities taking cognizance of inadequate staff numbers and lower numbers of patients attended to. Note that a distinction has been made regarding (a) large Health Centers and (b) Small Health Centers and each has a peculiar reporting expectation |

Each section has been divided into five main parts namely:

| No. | Section | Description |
|-----|-----------------------------|---|
| 1 | Overview | Gives an introduction and details out the purpose of the section and provides a brief summary of the Accounting, Treasury and Financial processes relating to the health delivery function. |
| 2 | Internal Control Objectives | Outlines the internal controls relating to the function and what to expect |
| 3 | Statement of Rules | States the instructions to be followed by BMC in recording and accounting for financial transactions relating to each business function |
| 4 | Highlight of Functions | The section indicates in a tabular form the “start,” “interim” and “end” point procedures as well as the functional officers. |
| 5 | Procedures/Steps to Follow | Details the key responsibilities to be performed by key personnel involved in a particular business function |

A.5.2 Control and Management of Funds of MOH

A.5.2.1 General Practices for Good Governance and Accountability

The Public Financial Management Act, 2016 (Act 921), the Public Financial Management Regulation, 2019, L.I. 2378, GoG Accounting Policy 2024, GOG Accounting Manual for Covered Entity March 2018 or any other enactment in for the meantime in force or whatever policy that would be in place at a particular point in time would continue to provide the Legal Framework for public financial management generally and specifically to MOH.

A.5.2.2 Accountability of Public Officers

At the operational level, the Head of BMC shall be responsible for the conduct of financial business on behalf of the MOH, and also responsible for the receipt, custody and disbursement of MOH funds. The Head of BMC is also responsible for the custody, care and use of MOH stores. The Head of BMC shall ensure that proper records are kept of transactions and shall be required to produce such records for inspection when called upon to do so by the Minister, Controller and Accountant-General, Auditor General, Chief Director, or their representative.

A.5.2.3 Financial Duties of Head of BMC/Agency (Principal Spending Officer)

The Head of BMC/Agency shall perform the following duties:

- i. Ensure the regularity and proper use of money appropriated in that BMC.
- ii. Authorize commitments for the BMC within a ceiling set by the Minister.
- iii. Manage the resources received, held or disposed of by or on account of the BMC.
- iv. Establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of the BMC.
- v. Where a Head of BMC receives a subvention on behalf of a Sub-BMC, He shall remit the subvention in accordance with the approved cash flow plan for the subvention.
- vi. May delegate a function or responsibility specified in this Act to a public officer who is under the control of that Principal Spending Officer but shall not be relieved of the ultimate.
- vii. Where a Principal Spending Officer delegates a function or responsibility under subsection (4), that Principal Spending Officer shall give the directives necessary for the proper exercise or performance of that function or responsibility.

A.5.2.4 Delegation of Financial Duties of Head of BMC/Agency

A Head of BMC/Agency may delegate financial duties. To ensure that the delegation processes are properly carried out, a Head of BMC/Agency may delegate financial duties as follows:

The delegating officer shall:

- i. Ensure that the person to carry out the duties is a fit and proper person to do so and has been instructed in or conversant with those duties
- ii. Make the terms and limitations of the delegation explicit in writing
- iii. Arrange the work of the office so that there is a system of supervising the work of the person carrying out the delegated duties

Where Heads of BMC/Agencies delegate certain duties, steps shall be taken by them to supervise the subordinate officers to ensure that those duties are properly executed.

The Head of BMC/Agencies shall be ultimately responsible for the actions of the “delegate”

A.5.2.5 Conformity with Law and Financial Regulations

MOH officials are required to conduct financial businesses of their BMC/Agencies in accordance with the requirements of any law for the mean time in place to govern Public Financial Management. It is the responsibility of the Heads of BMC/Agencies to ensure that any enactment or law is complied with in transacting financial business on behalf of the MOH.

A.5.2.6 Duty to Report Unsatisfactory Application of Regulations

MOH officials shall ensure that financial regulations are complied with in the execution or delivery of their financial duties. It shall be the responsibility of any officer conducting financial business to bring to the notice of the Head of BMC/Agency or the Chief Director or the appropriate authority any case of deviation from laid down instructions or policies.

A.5.2.7 Financial Discipline

Any financial transaction conducted that contravenes the stipulations of the ATF Rules and Instruction shall attract disciplinary action. It is therefore the responsibility of the Head of BMC/Agency to ensure that appropriate disciplinary action is taken against officers who contravene these rules and instructions. Failure to take such disciplinary action shall itself be a breach of financial discipline.

Sanctions for breach of financial discipline shall include reprimands, suspension, demotion, interdiction, termination and summary dismissal.

Within the Ministry of Health, the Head of BMC, Vote Controllers, Treasury Officers and any officer (both finance and non-finance) entrusted to manage funds is required to conduct financial businesses in accordance with these ATF Rules and Instructions. It is important for the Head of BMC to note that, failure to keep or render proper account of funds received or disbursed constitute a breach of financial discipline.

Reference herein is made to Sections 96, 97 and 98 of the PFM Act, 2016 (Act 921), which refers to Offences and Penalties, Surcharge and Penalty for Contravention of this Act respectively, and Regulations 230, 231, 232, 233 and 234 of LI 2378, 2019.

A.5.2.8 Institutional Arrangements

In order to carry out their responsibilities effectively within the organizational structure, Heads of BMC/Agencies and others in key management positions (particularly those that have direct responsibility for the financial statements) should possess requisite experience and level of knowledge that commensurate with their positions. Specifically, such officers should have attended at least 40 hours financial management orientation designed for MOH Non-Finance Managers.

A.5.2.9 The Role of the Office of the Financial Controller

The responsibility for coordinating the financial management activities rests with the Office of the Financial Controller (OFC) working with the Internal Audit and Policy, Planning, Monitoring and Evaluation (PPME) Directorates to put in place systems to ensure financial accountability within MOH.

OFC has the ultimate responsibility for implementing, monitoring and providing regular update of the ATF Rules and Instructions. The OFC may issue "*FC's Advisory Notes*" to provide further clarification and guidelines on important matters and issues and/or re-emphasize certain ATF related responsibilities deemed critical to ensure proper compliance by all BMC/Agencies.

OFC is responsible for the preparation of the consolidated financial reports of the Ministry. Agencies within the MOH have the responsibility of preparing and submitting timely accounts to the OFC for consolidating into a Ministry-wide account. The financial statements shall comprise of a:

- i. A Statement of Financial Position (Balance Sheet showing Assets and Liabilities)
- ii. A Statement of Financial Performance (Statement of Revenue and Expenditure)
- iii. A Statement of changes in Net Assets/Equity
- iv. A Cash Flow Statement
- v. Notes, comprising a summary of significant accounting policies and other explanatory notes;
- vi. Comparative information in respect of the preceding period

vii. A comparison of budget and actual amounts either as a separate additional financial statement or as a budget column in the financial statements

The OFC receives inputs for final consolidation in the form as specified above from the BMC through the Agency Heads.

B. Policy and Planning

The MoH in formulating its policies and plans considers the seven thematic areas under the National Development Planning Commission (NDPC) which specifically falls under the Social Development thematic area of the Medium-Term National Development Policy Framework (MTNDPF).

The key policy document that drives the Health Sector is the National Health Policy that was inspired by the national medium-term policy framework, set out in the Coordinated Program of Economic and Social Development Policies (2017-2024) as well as the Health Sector Medium Term Development Plan (2022-2025). The Policies recognize several global, continental and regional compacts and policy frameworks, such as the United Nations Sustainable Development Goals, the International Health Regulations (IHR 2005), the African Union (AU) Vision 2063: “The Africa We Want”, the ECOWAS Vision 2020 the African Health Strategy (2016-2030), and Ghana’s Roadmap for Attaining Universal Health Coverage (2020 – 2030).

All stakeholders and health professionals are expected to collaborate effectively to support the implementation of the National Health Policy in order to achieve a collective broad national health goal. **The Policies forms the basis for the provision of preventive, promotive, curative, rehabilitative and palliative care services across the country.**

The policy **Vision is** A healthy population for national development while the **Mission is to** contribute to socio-economic development by promoting health and vitality through access to quality health for all people living in Ghana, using well- motivated personnel.

B1. Health Sector Programs

In line with government program structures, the public health sector comprises four programs which is considered in the FAI as THEMATIC AREAS for the Ministry of Health. Under these four programs come 16 sub-programs. These four-health sector Thematic Areas include

1. Management and Administration
2. Health Service Delivery
3. Human Resources for Health Development and Management
4. Health Sector Regulation

B.1.1 Management and Administration

The Management and Administration program aims to: provide efficient and effective governance and leadership to the health sector; formulate and update policies; and supervise, monitor, and evaluate the delivery of health services. To achieve this, several sub-programs have been formulated.

The sub-programs include:

- General Management
- Health Research, Statistics, and Information Management
- Health Policy Formulation, Planning, Budgeting Monitoring and Evaluation
- Finance and Audit

- Procurement, Supply and Logistics
- Human Resources management

B.1.2 Health Service Delivery

The Health Service Delivery program aims to deliver cost-effective, efficient, and affordable quality health services at the primary, secondary, and tertiary levels of care. The primary and secondary levels offer curative, preventive, promotive, and rehabilitative care. The tertiary level concentrates on specialist services, referral, emergency response, medical training, health research and education.

The four subprograms are:

- Primary and secondary health services
- Tertiary health services
- Research
- Pre-hospital services

The delivery and management of all services under this program are organized from the national through regional, district, sub-district, and community levels.

B.1.3 Human Resource Development

The Human Resource Development program, which remains a major function of the health sector, aims to ensure the production of adequate and skilled health professionals and the provision of adequate resources to support their training. The sub programs include:

- Pre-Service Training
- Post-Basic Training
- Specialized Training

B.1.4 Health Sector Regulation

The Health Sector Regulation program aims to ensure that standards are maintained and adhered to in the sector. To achieve this, three sub-programs have been developed:

- Regulation of Health Facilities
- Regulation of Health Professionals
- Regulation of Pharmaceutical and Medical Health Products

B.2 Policy Objectives

The National Health policy has 5 objectives, namely

- i. To strengthen the healthcare delivery system to be resilient
- ii. To encourage the adoption of healthy lifestyles.
- iii. To improve the physical environment
- iv. To improve the socio-economic status of the population
- v. To ensure sustainable financing for health

These objectives collectively ensure improved alignment, complementarity and synergies within and across all public sector ministries as well as with other stakeholders, towards achieving the national health goal.

The policy also ensures that MDAs and other identifiable organizations work within the principles of the Health-in-All Policy and the One-Health Policy frameworks (WHO), to achieve the desired healthy life status of people living in Ghana.

B.3 Goal:

To improve health status of all Ghanaians through effective efficient policy formulation, resource mobilization, monitoring and regulation of health care delivery.

B.4 Sub-Goal:

1. Improving access to quality healthcare
2. Reducing disease burden and
3. Strengthening health systems and infrastructure

C. Budgeting, Budget Accounting and Control

C.1: Budgeting Guidelines (All Sources of Funds)

Applicability: All BMC

Introduction

Pursuant to Article 179(1) of the 1992 Constitution, Section 20(1) of the Public Financial Management Act, 2016 (Act 921) and Regulation 20(30) of the Public Financial Management Regulations, 2019 (L.I. 2378), the 2025-2028 Budget Preparation Guidelines are circulated by the Ministry of Finance to Heads of Covered Entities and members of Budget Committees for compliance.

In this regard a draft Budget Statement and Economic Policy for the ensuing year and a three months' "Expenditure in Advance of Appropriation" (Vote on Account) are prepared. This "Expenditure in advance of Appropriation" is laid in Parliament for consideration ahead of the full Budget Statement and Economic Policy Statement of Government for the next financial year to be presented to Parliament by the first quarter of the next year.

Subsequently expenditure ceilings are allocated by the Ministry of Finance to all Ministries Departments and Agencies (MDAs) and aligned with individual budgets

C.1.1 Overview

Budgeting is the process carried out in the course of creating Budgets. A Budget can be defined as a quantitative expression in monetary terms of an approved Program of Work (POW), prepared in advance of the period to which it is related. In simple terms, how much revenue the BMC plans to collect within a period and spent in accordance with the objectives, priorities and needs of the BMC for that period. Budgets are thus, an integral part of the planning process and focuses attention on the achievement of set targets in line with the objectives and priorities.

C.1.1.1 The legal framework of MOH Plans and Budget:

- i. The 1992 Constitution
- ii. The Public Financial Management Act, 2016 (Act 921)
- iii. Public Financial Management Regulations, 2019 L.I. 2378
- iv. Public Procurement Act, 2003, (Act 663), as amended by Act 914
- v. GOG Accounting Policy 2024
- vi. GOG Accounting Manual for Covered Entity March 2018

C.1.1.2 Budget Unit

All BMC under the ministry of health shall establish a budget unit to coordinate budget preparation, implementation, reporting, monitoring and evaluation provide and quality assurance issues as per the PFM Regulations, 2019 (L.I. 2378).

There are two (2) elements of Monitoring and Evaluation, while the PPME does the programmatic, the Finance Directorate does the financials.

C.1.1.3 BMC Budget Committee

The Head of a BMC shall constitute a Budget Committee comprising of (a) Head of BMC as chairperson; (b) Heads of sub-BMC or functional Directorates and Departments/Units (e.g., (See appendix) Finance, Procurement, Administration, Clinical, etc.)

The Head of Budget Unit shall serve as a secretary to the budget committee.

The functions of the Budget Committee shall among others include the following:

- Review and formulate strategic plans based on the policies of Government
- Review departments revenue collection activities
- Allocate resources based on programs/projects, objectives, outputs and activities
- Coordinate and consolidate the budget
- Monitor the performance of the budget
- Report in accordance with regulations in force
- Present a quarterly budget report to Principal Accounts Holders

C.1.1.4 Budgetary Control

Budgeting is important within the MOH overall performance management processes. Budgetary control is the process for BMC managers to set financial and performance goals with plans and budgets, compare the actual results, and adjust performance, as a requirement. It is expected that BMC managers will utilize the plans and budgets to guide operations, monitor and control costs as part of efforts to achieve efficiency in service delivery.

Consequently, BMC managers must ensure that plans are followed, and revised if need be, in order to make sure operations are within allowable and desirable limits.

C.1.2 Statement of Rules

Budgetary Control procedures in MOH are as follows:

1. BMC heads are required to ensure that they meet the procedures for prudent financial management and must comply with the directions and guidance contained within the Budget Guidelines by MOF/MOH
2. Based on the budget guidelines, all BMCs under MOH are required to prepare the annual plan and budget, in line with the Program of Work.
3. BMC heads are required to demonstrate efficient and effective allocation of resources whilst considering the overall financial health and priorities of MOH/BMC
4. BMC heads should ensure that Budget estimates are realistic and attainable
5. A budgetary provision shall be made for all anticipated commitment within MOH/ BMC

6. Expenditure of the BMC shall not exceed estimates (the allowable limits) in the approved budget
7. Approved Plans and Budgets of the BMC must be a working document, easily retrievable for use and reference purposes
8. Heads of BMCs shall prepare a Quarterly Cash Flow Forecast based on their approved Budgets to aid planning
9. The budget preparation process of the BMC shall be finalized in the GIFMIS application as stipulated by the PFM Act, 2016 (Act 921), Regulations 18 and 19 of the Public Financial Management Regulations, 2019 (L.I. 2378) and any Act in force.

C.1.3 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|---|-------------------------------------|
| Starting Point(s) | Receive Plans and Budget Instructions from MOH and MOF | Head of BMC |
| Intermediate points | Prepare Annual Work Plan and Budget broken down into Monthly and quarterly Allocation by 31 st July. | Budget Committee |
| | Authorize Work Plans and Budget | Unit/ Supervising Authority |
| | Prepare cash forecast | Head of BMC |
| | Transmit Plans and Budget to Headquarters | Head of BMC / Supervising Authority |
| | Approve Plans and Budget | Parliament |
| Ending Point | File copy of Approved Plans and Budget document | Head of BMC/Finance |

C.1.4 Procedures/Steps to Follow

1. MOF issues Budget Guidelines for the preparation of the budget for each financial year as stipulated in section 20 of the Public Financial Management Act, 2016 (Act 921).
2. Based on one (1) above MOH and Agencies may provide additional guidelines to the budget preparation pertaining to their peculiar operations.
3. BMCs are required to formulate their budgets using the Bottom-up approach
4. The budget preparation process involves consultations and negotiations between the various Directorates/Divisions, Units/Departments and other stakeholders, culminating in the compilation of a draft budget for approval
5. All BMCs submit a detailed budget, stating the revenue and expenditure for all Sources of Funds (SOF), annual development plans and programs of the BMC for the ensuing year to next level of reporting.
6. Heads of MOH/Agencies are responsible for submitting Plans and Budget for the

ensuing year(s) to the next level of the formulation process.

7. BMCs are required to prepare realistic budget estimates especially for IGF revenue and expenditure. Current policy directives do not permit BMC to spend beyond their budgets as captured by the appropriation Act.
8. BMC(s) may vire only after they have duly followed laid down rules as specified in the Regulation 27 of PFM Regulations, 2019 (L.I. 2378). **(should be removed to execution)**
9. The Budget Unit at MOH Headquarters coordinates the budget formulation and preparation processes for the Ministry in conjunction with the Finance Directorate, for onward submission to MOF for approval.
10. All Supervising BMC(s) hold budget hearing before submission.

C.2: Budget Development – Recording Approved Budget (GOG/DF)

Applicability: All BMCs

C.2.1 Overview

The Principal Account Holder will prepare cash plans indicating the timing of their cash requirements. This will be submitted to the Ministry of Finance (MOF) and will be used as a basis in determining cash ceilings for MOH. Where applicable, Warrants will then be issued to allocate budgets to BMC. In respect of GOG, Warrant is received electronically through the GIFMIS platform.

In respect of Donor Funds (DF), cash requirements shall be prepared by covered entities to a supervising authority for approval. In this instance, funds may be transferred to each BMC Operational Accounts and the BMC initiates the process to commit funds against such budgetary allocation.

The Head of BMC through the Head of Finance keeps an Activity Ledger to track approved Donor Funds.

C.2.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. Only approved budget and Warrants are recorded in the accounting records;
- ii. Such recording is made only by individuals acting within the scope of their authority
- iii. All approved budget documents are kept in a secure place and are easily retrievable.

C.2.3 Statement of Rules

1. The Annual Budget is only considered valid when approved by Parliament.
2. BMCs are advised on their portion of the budget through the published Approved Budget by MOF.
3. The BMC shall reconcile the approved budget by parliament to that of internally prepared budget authorized by a supervising authority.
4. No subsequent letters, notifications, or budget figures may be provided to Principal Account Holders/Principal Spending Officers once the annual/supplementary budget has been approved.
5. Approved budget/warrant must be recorded in the Vote Book/ Program Activity ledger by a designated Accounts Staff, and must be supported by a Departmental Journal Voucher (DJV).
6. Where the GIFMIS platform is being used for recording approved budget/warrant, rule **five (5)** above may not be applicable.

C.2.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|---------------------------|--|---|
| Starting Point | Obtain a copy of the Appropriated Budget | Head of BMCs |
| Intermediate Point | BMCs accesses the approved Budget on the GIFMIS | Financial Controller / Head of Finance/ Budget unit |
| | Where GIFMIS is not deployed, prepare and post the DJV into the Revenue and the Expenditure Budget ledger | Accounts Staff/Head of Finance |
| | Prepare DJV for Cash Forecast (Monthly) | Accounts Staff/Head of Finance |
| Ending Point | Print and file approved budget of the GOG and original DJV. | Financial Controller/Head of Finance |

C.2.5 Procedures/Steps to Follow

1. The approved budget is uploaded onto the GIFMIS, and accessed by BMCs.
2. Where GIFMIS is not deployed,
 - a) Upon accessing the Approved Budget, the Head of Finance instructs an Accounts Staff to prepare a DJV that clearly lists each budget amount for the period to record the Vote Book.
 - b) Once prepared, the Accounts Staff signs and submits this DJV to the Head of Finance for review and approval.
 - c) In cases where a BMC is managing the budget on behalf of another BMC (BMC of Record), a separate DJV is prepared for that sub-head (e.g., for all Clinics and Centers in each respective Sub-District), by item and sub-item, to support the entries in a separate Vote Book/Expenditure Budget Ledger/Activity Ledger maintained by the DHD Finance Office on behalf of the BMC of Record. Once prepared, the Accounts Staff signs and submits the DJVs to the Head of the DHD Finance Office for review and approval
 - d) Once approved, an Accounts Staff records the budget/warrant in the Vote Book, retains the duplicate copy of the JV in the book, then files the original copy of the DJV and budget notice in the approved budget file.

C.3: Budget Development – Recording Approved Budget (IGF Revenue)

Applicability: All IGF Generating BMC

C.3.1 Overview

In compliance with existing regulations, estimates of BMC revenue must be prepared each year by the budget committee of the BMC, and be based on approved Fees and Charges. The IGF Budgets shall be completed and submitted alongside the budget prepared for other fund sources and incorporated into the annual MOH budget.

Internally Generated Funds (IGF) comprises revenue from Fees and Charges from Hospitals, Health Centers, Health Training Institutions (HTI), and other Agencies of the Ministry. Specific guidance and rules governing the budget formulation process are provided in the budget guidelines. BMC Budget Committees shall review the budget quarterly to ensure that the revenue budget is maintained as “up to date” as possible. Therefore, any changes in the approved Fees and Charges should result in a corresponding change to the IGF budget (approved supplementary budget).

The approved budget as per GIFMIS requirement should be uploaded on the GIFMIS platform where applicable otherwise recording shall be done in the MOH revenue budget ledgers.

C.3.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. Only approved IGF revenue budgets are recorded in the Revenue Budget Ledgers through the DJV or uploaded through the GIFMIS platform
- ii. The IGF revenue budget is updated appropriately as budget parameter change (approved supplementary budget)
- iii. Such recording is made only by individuals acting within the scope of their authority
- iv. All IGF revenue budget documents are kept in a secure place and are easily retrievable.

C.3.3 Statement of Rules

1. The Minister shall review the IGF annual budget submitted through the Councils and Boards for Parliament’s approval. In case of adjustments or review to the budget, the Minister is deemed to have approved the proposals if no objection is communicated to the relevant Council or Board within 28 fiscal days.
2. Approved budgets shall be for a period of one year, however, monthly budgeted amounts must be provided in the form of supporting schedules.
3. Management shall adjust the IGF revenue budget (approved supplementary budget) from time-to-time as circumstances change. Such reviews at Sub-National level shall require the approval of the Regional Director or the relevant Supervising authority for other Agencies.
4. IGF revenue budgets shall be recorded on a monthly basis in the IGF Revenue Budget Ledger by a designated Accounts Staff, and shall be supported by a DJV prepared by that staff and approved by the Head of Finance.
5. In furtherance to this rule, the supervising BMC shall maintain a Revenue Budget Ledger on behalf of a BMC of Record.
6. BMC of Record that attains managing status through the certification of the Head of Agency shall report Revenue directly to the Supervising Authority.

C.3.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|---|-----------------------------|
| Starting Point | Access or receive a Copy of the Approved Budget | Head of Finance |
| Intermediate Points | Reconcile approved budget by Parliament with the Draft Budget | Budget Committee |
| | Prepare DJV (Monthly) | Accounts Staff |
| | Approve DJV | Head of Finance |
| | Post DJV into Revenue Budget Ledger | Accounts staff |
| Ending Point | Print and File Copy of Approved Budget and Original DJV | Head of Finance |

C.3.5 Procedures/Steps to Follow

1. The approved budget is uploaded onto the GIFMIS, and accessed by BMCs.
2. Where GIFMIS is not deployed,(Not complete)
3. Upon receipt of a copy of the approved IGF revenue budget, the Head of Finance instructs an Accounts Staff to prepare a DJV that lists the amount of each budgeted revenue type for the month.
4. Once prepared, the Accounts Staff signs and submits the DJV to the Head of Finance for review and approval.
5. Once approved, an Accounts Staff records the DJV in the Revenue Budget Ledger, retains the duplicate copy of the DJV in the book, then files the original copy of the DJV and budget in the approved budget file.

Note: Steps 1 to 3 above are to be repeated each month, except that, if changes are made by Budget Committee, a signed budget is needed to support the DJV.

C.4: Budget Development - Recording Approved Budget (IGF Expenditure)

Applicability: All IGF Generating BMC

C.4.1 Overview

As in the case of IGF revenue budgets, the BMC Budget Committee, must prepare estimates of each item and sub-item of expenditure to be financed in the ensuing fiscal year from the revenue to be generated by their respective institutions. It is also expected that, in a manner consistent with adjustments to the IGF revenue budget, whenever changes are made to this revenue budget, Budget Committee would review the impact of such changes on the underlying expenditure budget and make any adjustments necessary (approved budget variations).

It is the responsibility of Budget Committee, to review the IGF expenditure budget from time-to-time (with or without any changes in revenue projections) in order to reaffirm its continued relevance to planned activities.

C.4.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. Only approved IGF expenditure budgets are recorded in the accounting records.
- ii. Such recording is made only by individuals acting within the scope of their authority.
- iii. All IGF expenditure budget documents are kept in a secure place and are easily retrievable.

C.4.3 Statement of Rules

1. The Minister shall review the IGF annual budget submitted through the Councils and Boards for Parliament's approval. In case of adjustments or review to the budget, the Minister is deemed to have approved the proposals if no objection is communicated to the relevant Council or Board within 28 fiscal days.
2. Approved budgets shall be for a period of one year. Monthly budgeted amounts shall also be provided in the form of supporting schedules.
3. BMC Management shall adjust the IGF Expenditure Budget from time-to-time as circumstances change. Such modifications would only be valid if approved (approved budget variations). BMC at Sub-National level, shall require the approval of the Regional Director or the relevant Supervising authority for other Agencies.
4. IGF Expenditure budgets shall be recorded on a monthly basis in the IGF Expenditure Budget Ledger by a designated Accounts Staff, supported by a DJV and approved by the Head of Finance.
5. DHD shall be required to maintain consolidated Expenditure Budget Ledgers on behalf of BMC of Record under the DHD and report to the RHD.
6. BMC of Record that attains managing status through the certification of the Head of Agency shall report Expenditure directly to the Supervising Authority.
7. Despite rules 6, BMC below RHD shall copy the DHDs on any report on expenditure directed to the RHD.
8. These rules are applicable where the BMCs are not on GIFMIS platform.

C.4.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|---|-----------------------------|
| Starting Point | Access or receive a Copy of the Approved Budget | Head of Finance |
| Intermediate Points | BMCs accesses the approved Budget on the GIFMIS | Accounts Staff |
| | Where GIFMIS is not deployed prepare DJV based on Approved Budget | |
| | Approve DJV | Head of Finance |
| | Post DJV into Expenditure Budget Ledger | Accounts staff |
| Ending Point | Print and File Copy of Approved Budget and Original DJV | Head of Finance |

C.4.5 Procedures/Steps to Follow

1. The approved budget is uploaded onto the GIFMIS, and accessed by BMCs.
2. Where GIFMIS is not deployed, the following applies;
3. Upon receipt of a copy of the approved IGF expenditure budget, the Head of Finance instructs an Accounts Staff to prepare a DJV that lists each budget amount for the month by sub-item “under” the item to which each belongs.
4. Once prepared, the Accounts Staff signs and submits the voucher to the Head of Finance for review and approval.
5. Once approved, an Accounts Staff records the DJV in the Expenditure Budget Ledger; retains the duplicate copy of the DJV in the book, then files the original copy of the DJV and budget in the approved budget file.

C.5 Budget Coordination

Budget coordination is a key responsibility for the Budget Committee. The process ensures alignment of all the budget plans and goals of the different BMCs within MoH. It is a crucial step in ensuring that MoH’s budget is realistic, efficient, and effective. Budget coordination step helps to avoid conflicts, duplication, gaps, or waste of resources. It also fosters collaboration, communication, and accountability among the budget participants.

C.6: Budget hearing

The budget office of MoH holds budget hearing on behalf of the minister with BMCs after they have submitted budget proposals and before submission of the proposed budget to cabinet.

Subject to conclusions reached at the budget hearings the BMCs may adjust the budget estimate, which shall be within the set ceilings. (Reference section 17 of the Public Finance Management Regulation 2019)

D. Revenue Management

D.1. Sources of Revenue

Government of Ghana (GoG) is the biggest source of funds for the Ministry of Health and taking up about 70% of the total budget. This is followed by Internally Generated Funds (IGF) 25%, Donor 4% and Annual Budget Funding Amount (ABFA) 0.0% for the period under review (2024 Consolidated Financial Report).

D.2 Billing - (Managing In-Patient Revenue)

Billing/Accounting for Revenue

Applicability: TH, PH, PC, RHO, and DHO

D.2.1 Overview

All persons admitted to MOH hospitals are billed for services received, including those services rendered at no cost to the patient. In the case of Corporate (insured) Client or Patient, the bill is submitted to the relevant corporate body. This statement or bill is standardized across MOH hospitals, and serves as the basis upon which the final settlement of a patient's account is made.

In order to streamline operations and to avoid excess paperwork, in-patients are billed for services rendered at the time of discharge—unless hospital senior management have established a more frequent billing policy that has been discussed with, and agreed to, by the Financial Controller.

In this respect, in-patient payments should be collected upon presentation of a Patient Bill (i.e., upon discharge) except for an initial Good Faith Deposit which may be required at the time of admission.

The Good Faith deposit concept is a general rule which may require certain adjustments by senior hospital management to best suit local conditions within a specific District. Adaptations of this general policy should be discussed with and agreed to, by the Financial Controller to ensure consistency with overall MOH financial management and, in particular, MOH cash management policies. This general policy would not apply in the case of Corporate Institutions /National Health Insurance that maintain satisfactory payment records, or in the case of approved “exempted” patients.

Note: Paying In-Patients and other corporate clients other than NHI client upon discharge shall be billed in accordance with the Approved Fees and Charges by an Act of Parliament in force. Billing for NHI clients shall be based on the NHIA approved tariffs .

D.2.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. All In-patients are properly billed for services rendered by MOH institutions;
- ii. All In-Patient Bills are supported by a Daily Summary of In-Patient Charges and Payments
- iii. Daily Summary of In-Patient Charges and Payments is verified and cross-referenced to the Treatment Costing/Consumable Billing Sheets and supporting documents before the Patient Bill is prepared; by referencing approved out of pocket (cash and carry) tariffs
- iv. All NHI claims are accurately prepared for prompt refunds referencing the Approved NHI Tariffs
- v. All In-Patient Bills including corporates are recorded in the In-Patient Billed Revenue Ledger.
- vi. Such recording is made only by individuals acting within the scope of their authority.

vii. All In-Patient Folders and related billing documents are kept in a secure place and are easily retrievable.

D.2.3 Statement of Rules

1. Each patient admitted to a ward shall be registered in an Admission and Discharges book and provided with a Folder containing all pertinent admission details (blank Daily summary of In-Patient Charges and Payments, NHI Claim Forms and other applicable forms).
2. The charges incurred and the payments made by a patient shall be recorded on a Daily Summary of In-Patient Charges by the Accounts Staff as required when the patient is discharged. The Accounts Staff shall sign entries on the Daily Summary that pertain to money received from cash and carry patients throughout the patient’s stay.
3. All Patient Bills and Claim Forms shall be prepared and signed by a designated Accounts Staff after verifying the Daily Summary of In-Patient Charges and Payments, the Treatment Costing/Consumable Billing Sheets, and all underlying documents. The Accounts Staff preparing the Bill shall also sign the Daily Summary as evidence of this verification.
4. Each Patient Bill issued shall be recorded by a designated Accounts Staff in the In-Patient Billed Revenue Ledger. Accounts Staff shall ensure that both the Patient Bill Book and the In-Patient Billed Revenue Ledger are locked in a secure place.
5. Except for Corporate/NHI and “exempted” patients, each in-patient is expected to remit any balance due to the appropriate in-patient Revenue Officer prior to discharge—unless hospital policy states otherwise.
6. Refund due an in-patient shall be processed by the Finance Office and paid through Petty Cash or Bank.

D.2.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|---|-----------------------------|
| Starting Point(s) | Record Admitted Patients information in A&D Register (Manual or electronic) | Ward Nurse |
| Intermediate Points | Record Treatment Costing and Consumable Billing Sheets Record Deposit in Daily Summary Sheet | Ward Nurse/Clerk |
| | Complete NHI documentations | Ward Nurse/Clerk |
| | Post Summaries from Costing Sheet to Daily Summary Sheet | Accounts Staff |
| | Total Charges/Payments for Patient’s stay (Daily Summary Sheet) | Accounts Staff |
| | Prepare patient bill | Accounts Staff |
| | Complete NHI claims forms | Accounts Staff |
| Ending Point | Record Bills in In-Patient Billed Revenue Ledger (out of pocket and corporate/NHIA). | Accounts Staff |

D.2.5 Procedures/Steps to Follow

1. At the time a patient is admitted to a ward, the Nurse-in-Charge instructs a Nursing Staff to update the Folder for the patient (in addition other medical records-related tasks), and record the particulars of the admission in the In-Patient Register.
2. When a deposit is taken from the patient, the ward clerk/nurse obtains a copy of the receipt and records the amount collected on the Daily Summary of In-Patient Charges and Payments.
3. At the end of each day, a ward clerk/nurse summarizes the charges incurred by each patient on the respective Daily Summary of In-Patient Charges and Payments. All summarized amounts recorded on the Daily Summary are taken directly from the individual amounts appearing on the Treatment Costing/Consumable Billing Sheets.
4. This process of recording charges and collecting periodic payments continues until the day of discharge whereupon the clerk/nurse totals and signs the entire Daily Summary sheet.
5. As part of the discharge process, the ward clerk/nurse brings the patient's Folder to the Accounts Staff, who verifies the accuracy of the Daily Summary and prepares the Patient Bill.
6. Bill is prepared in duplication with the original given to the patient and the duplicate retained in the book. In the case of Corporate/NHIL clients, claim forms are prepared for individual clients (including referral letters or forms where appropriate). A summarized schedule is developed from these underlining records, which results in the preparation of composite bill to the relevant corporate body.
7. Once a bill is issued, the Accounts Staff immediately records the entry into the In-Patient Billed Revenue Ledger and returns the Folder to the nurse. The patient either settles the balance due with the designated Account Officer, or obtains a refund from the Petty Cash Custodian or processed for payment as appropriate.
8. On daily basis, the Accounts Staff reconciles entries in the In-Patient Billed Revenue Ledger with the Admissions and Discharges book in order to ensure all discharges made are supported by properly prepared patient bills to be posted; and when fees are paid, the GCR number is entered in the Admissions and Discharge Book.
9. Similarly, on daily basis, the Accounts staff reconciles NHI claims forms/corporate bills received at the NHI billing office with the Admissions and Discharge book in order to ensure that all discharges made are supported by submitted claims forms.

D.3: Collection - Managing In-Patient Revenue (Paying In-Patients)

Applicability: THO, PHO, RHO, PC and DHO

D.3.1 Overview

This section refers specifically to cash and carry patients or other services for which NHI and Corporate clients do not cover. Consistent with the concept of accrual accounting, (including the billing of revenue when earned), and adequate separation of duties, the collection of revenue from in-patients is to be performed with the intent of managing hospital cash flow and patient accounts in a

judicious and efficient manner, and independent of the billing function. In this regard, the need to collect money from an in-patient requires the oversight of either Nursing or Monitoring/Internal Audit Staff to ensure adherence to these rules, as well as other relevant hospital policies.

For control purposes, collections from in-patients should be handled by designated Accounts Staff who are part of the Finance Office, and who are placed at appropriate locations throughout the institution or where convenient at the Main Revenue office. In some hospitals, Accounts Staff might be posted to each ward, whereas in others, a single Accounts Staff may be shared by multiple wards depending on the size, volume and staff availability.

At these locations, it is expected that in-patient Accounts Staff take deposits and other payments on-account (i.e., those made during an in-patient's stay), or collect the final balance due based on Patient Bills prepared and signed by the appropriate Accounts Staff.

For the purpose of this instructions, Payments by Patients could be made in cash and/or by any acceptable approved Institutional Electronic Payment Platform (e.g Momo, POS, etc). All payments by Patients should be analysed according to the various modes of payment for the purpose of Accounting and Reporting. While Accounts Staff report to the Main Cashier (or Head of Finance), the accuracy of their records is subject to daily verification by a staff of the Monitoring/Internal Audit.

D.3.2 Internal Control Objectives

The internal control objectives for this function are that,

- i. An adequate separation of duties exists between the billing and collection of in-patient revenue.
- ii. All collections from in-patients are supported by adequate documentation and are recorded in the In-Patient Revenue Collection Book.
- iii. In-Patient Revenue Collection Ledgers are verified and signed daily by designated Monitoring/Internal Audit staff.
- iv. The **gross** amount collected and verified each day is turned over to the Main Cashier.
- v. Such actions are performed only by individuals acting within the scope of their authority.
- vi. All GCR and Collection/Cash Books are kept in a secure place and are easily retrievable.

D.3.3 Statement of Rules

1. As a general rule, the head of finance shall ensure that all patients (except for Corporate/NHI and "exempt" patients) settle their bill in full on discharge. However, under certain circumstances hospital management may wish to exercise a certain level of flexibility in the application of this rule. In such cases, the policy decision taken shall be well documented, enforceable in a cost-effective manner, and forwarded to the Director General and the Chief Director for their review and approval where appropriate.
2. Collections of revenue from in-patients shall be recorded by a designated Accounts Staff in an In-Patient Revenue Collection Book. As evidence of the transaction, Accounts Staff shall issue a GCR to each paying patient with separate amounts noted on the GCR for services and medicines, as appropriate.
3. The total cash collected each day by Accounts Staff shall be turned over to the Main Cashier before the Accounts Staff leaves by end of day. Prior to this, the In -Patient Revenue Collection Book shall be verified/inspected by the Monitoring/Internal Audit Staff and signed as an indication of its

accuracy.

4. In exchange for the collections, the Main Cashier shall issue two separate Treasury Counterfoil Receipts(TCR)/Control-GCR to the Accounts Staff—one for IGF Service and the other for IGF Medicines collections.
5. The Monitoring/Internal Audit Staff shall verify and endorse both GCR issued to the Cashiering Staff.
6. Each GCR issued to an Accounts Staff shall be entered by a Cashiering Staff in either the IGF Service Summary Cash Book or the IGF Medicine Summary Cash Book, as appropriate.

D.3.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|---|-----------------------------|
| Starting Point(s) | Either: | Accounts Staff |
| | Receive Deposit; and/or | |
| | Receive Patient Bill | |
| Intermediate points | Prepare/Issue/Record GCR for Payment, | Accounts Staff |
| | For Collections (Daily): “Close” Collection Book | Accounts Staff |
| | Verify/Inspect Collection Book | Monitoring/Internal Audit |
| | Receive cash and Issue TCR/CGCR | Main Cashier |
| | Reconcile e-cash collections statements | Main Cashier |
| Ending Point | Record in IGF Summary Cash Books | Accounts Staff |

D.3.5 Procedures/Steps to Follow

1. The Accounts Staff prepares a GCR as evidence of the deposit, payment on account, or final payment. Since all collections must be segregated between service and medicine revenue, the Accounts Staff examines each Daily Summary of In-Patient Charges and Payments to ascertain the correct allocation. In the case of an initial deposit (i.e. at the time of admission), the full amount should be credited against IGF Services Accounts.
2. In the case of subsequent payments, any medicine balance due should be reduced first (to zero) and the remainder credited to any balance due for services. This means that the Service balance due shown on the Daily Summary may be negative, however, the medicine balance due may never be reduced below zero.
3. For all collections from patients, the Accounts Staff signs the Daily Summary Book. For final settlements, the Patient Bill number is clearly indicated on the GCR, and both the GCR and Patient Bill are stamped “Paid” by the Accounts Staff. Once prepared and signed, the GCR is entered in the In-Patient Revenue Collection Book, along with all other relevant details.

4. Before the end of each working day, each Accounts Staff closes the In-Patient Revenue Collection Book, totals the various columns, and presents this book to the Monitoring/Internal Audit Staff for inspection/verification. The book must be cast as a necessity, verified (i.e. arithmetic, entries to GCR, and subtotal to total cash), stamped, and signed by that staff before the Main Cashier will accept any cash from an Accounts Staff.
5. Either the Main Cashier or a Cashiering Staff counts the cash received, signs the book next to the totals, and prepares two TCR/CGCR—one for IGF Service and one for IGF Medicine collections. Prior to removing these from the GCR Value Book and affixing these to the corresponding page of the In-Patient Revenue Collection Book, the Monitoring/Internal Audit Staff initials the GCR as the final step in this verification process. The Accounts Staff keeps the books in a secure place at the Finance office until the next day.
6. Finally, as is the case with collections from other Accounts Staff, a Cashiering Staff records the GCR in either the IGF Service *Summary* Cash Book or the IGF Medicine *Summary* Cash Book depending on the type of revenue collected.

D.4. Collections - Accounting for Revenue (Managing Out-Patient Revenue)

Applicability: THO, PHO, RHO, PC and DHO

D.4.1 Overview

Individuals seeking medical attention in MOH Institutions fall into one of two categories in- patients or out-patients. Each category of patient may then be further sub-divided into one of three types “Paying”, “Exempted”, or Corporate/NHI.

All out patients who are not Corporate/Insured and “exempted” requiring medical attention (e.g. consultations, dressings, injections, medicines, etc.), **the general rule is that such patients should pay for services or medicines prior to the receipt of service.** Procedures for out- patient screening, consultation, investigation, etc., may vary from one BMC to another. However, the basic policy of paying before out-patient services are rendered should not be varied. For example, a patient is expected to first pay for an outpatient consultation then receives the consultation. Similarly, a patient would pay for a laboratory test and then the test would be performed.

The only exception to this rule is to allow for emergency care. In such a situation, the service is rendered before payment is received.

Regardless of the category of patient to whom a particular service or medicines is provided, a record must be kept both of the amount collected (or “noted” in the case of “exempted”/Corporate/NHI Account patients), and the service/medicines provided. These records must contain consistent information and, at a minimum, identify the patient’s name, patient’s number, patient type, ward/location (i.e. the Out-Patient Department, or “OPD”), amount, and GCR number (for paying out-patients). As in the case of in-patients, the significance of maintaining records in a service book (other than for clinical reasons) is so that the information recorded therein may be cross-checked to what is recorded by an Accounts Staff in the Out-Patient Revenue Collection Book or Out-Patient Notional Revenue Book.

In order to optimize efficiency in revenue collection, the first layer or level of control over collections from out-patients rests with a designated Accounts Staff at the site where a service is provided. In some BMC, more than one service may be provided to an out-patient at a particular location. In such cases, it is not uncommon for patients needing such things as dressings, injections, urgent care, or consultations to be handled at a single collection center within the OPD.

For purposes of these Rules and Instructions, such a location is referred to as a Multiple Service Collection Site. All other sites where collections are taken in return for a single hospital service are referred to as Single Service Collection Sites. Consistent with these two location types, Accounts Staffs shall maintain two different types of collection books for out-patient revenue—one for multiple services, and one for a single service. Likewise, two types of notional revenue books should also be maintained for “exempted” and Corporate/NHI Account out-patients—one for multiple services and one for a single service.

D.4.2 Internal Control Objectives

The internal control objectives for this function are that;

- i. All cash collected from paying out-patients are supported by GCR and recorded in the appropriate Out-Patient Revenue Collection Book/Approved Electronic Records.
- ii. All revenue *notionally* earned from out-patients entitled to free services is subjected to proper verification and is recorded in the Out-Patient Notional Revenue Book.
- iii. All revenue earned from Corporate/NHI Account out-patients are also recorded, but identified separately, in the Out-Patient Notional Revenue Book/Approved Electronic Records.
- iv. Out-Patient Revenue Collection Books are verified and signed daily by a Monitoring/Internal Audit Staff;
- v. The gross amount collected is verified each day and turned over to the Main Cashier.
- vi. Out-Patient Notional Revenue Books/Approved Electronic Records are periodically turned over to the Accounts Staff for the preparation of Patient Bills.
- vii. Such actions are performed only by individuals acting within the scope of their authority.
- viii. GCR and Revenue Collection Books are kept in a secure place and are easily retrievable.

D.4.3 Statement of Rules

1. As a general rule, all out-patients (except for “exempted”/Corporate/NHI patients and Emergency care) shall pay for hospital services or medicines prior to receiving the same. This rule may not

be altered in any way without the written consent of the Chief Director or the Financial Controller.

2. Collections of revenue from out-patients shall be recorded by an Out-patient Accounts Staff in the Out-Patient Revenue Collection Book--an example of which is contained in the Appendix C-32. As evidence of each transaction, Accounts Staff shall issue a GCR to each paying patient. In order to reduce the possibility of providing the same service several times for a single payment, each GCR presented by a paying out-patient shall be initialed and dated by the service provider with the duplicate retained by the service provider and the original given to the patient.
3. Refunds of revenue to out-patients are not expected to occur. However, if a patient has actually paid for a service or medicine, then subsequently changes the mind prior to receiving this, the money due the patient may be refunded by the Accounts Staff provided the Head of Finance approves the refund, and an appropriate notation is made in the Revenue Collection Book. In such cases, the GCR returned by the patient shall be initialed by the Head of the Finance, marked "void", and stapled to the inside cover of the GCR Book.
4. Prior to receiving a service or medicine, Corporate/NHI and "exempted" patients shall present evidence of entitlement to the Accounts Staff in charge of collecting money for that service consistent with the guidelines issued for the verification of service entitlement. In light of such guidelines, these rules and instructions do not attempt to identify the various types or categories of, Corporate/NHI or "exempted" patients. What is more important here is that, regardless of the category, a reference or form number supporting Corporate/NHI, "exempted", patients service entitlement must be recorded in the Out-Patient Notional Revenue Book to maintain a proper audit trail.
5. The total cash collected each day by Accounts Staff shall be turned over to the Main Cashier before the Accounts Staff leaves for the day. Prior to this, however, the Out - Patient Revenue Collection Book must be verified/inspected by the Monitoring/Internal Audit Staff and signed as an indication of its mathematical accuracy, consistency with GCR issued, and correspondence to actual cash collected.
6. For collections made after normal working hours, provision shall be made for a Cashier/Accounts Staff to be present within the BMC at the end of the normal hours of work, (presumably the one immediately succeeding the "working hours" shift), so that the Accounts Staff may turn over their cash and collection books for safekeeping (within the Finance Office) until the next day.
7. Inspection by the Monitoring Staff/Internal Audit need not take place at this time, instead, it may be performed the following day. Accounts Staff who assume responsibility for collecting and recording cash during the shift immediately preceding the "working hours" shift shall follow the same hand over procedure as stipulated in Rule 5 above. This consistent application is based on the premise that an overlap in working hours shall occur in between shifts of Account Staff.
8. In exchange for the collections, the Main Cashier shall issue a GCR to each Accounts Staff. Assuming that medicines revenue is collected independent of service revenue (i.e., at designated dispensary sites), and therefore recorded in a separate single service collection book, only one GCR book is necessary per Accounts Staff, per day. All such GCR, shall be initialed by a Monitoring/Internal Audit Staff.

9. Each GCR issued to an Accounts Staff must be entered by a Cashier Staff in either the IGF Service Summary Cash Book or the IGF Medicines Summary Cash Book, as appropriate.
10. Depending on the volume of Corporate/NHI “exempted” Account for Out-patients, Out-Patient Notional Revenue Books shall be closed at least once a month and presented for inspection (i.e. with regard to entitlement and mathematical accuracy). The closed books shall be given to the Accounts Staff in charge of preparing Patient Bills. This individual must prepare a separate bill for each Corporate/NHI Account for Out-patient and a combined bill for all “exempted” patients as a group. It must then be recorded in the Out-Patient Billed Revenue Book.

D.4.4 Highlights of the Function

| Cycle | Action/Events | Responsible Official |
|----------------------------|---|-----------------------------|
| Starting Point(s) | Either: | Accounts Staff |
| | Receive cash from patient | |
| | Or | |
| | Proof of entitlement to Corporate/NHI or "Exempted" | |
| Intermediate Points | Prepare/Issue/Record GCR for Collections (Daily): | Accounts Staff |
| | Close collection books | Accounts Staff |
| | Verify/Inspect Collection Book | Monitoring/Internal Audit |
| | Collect cash and issue GCR | Main Cashier |
| Ending Point | Record in IGF Summary Cash Books or departmental Cash Book/Debtors Ledger | Accounts Staff |

D.4.5 Procedures/Steps to Follow

1. Action on the part of Accounts Staff begins either with collection of money from a paying out-patient, or upon presentation of proof of entitlement to receive “exempted” or corporate/NHI services.
2. In the case of paying out-patients, the Accounts Staff prepares a GCR as evidence of the payment. For Corporate/NHI or “exempted” out-patients Accounts, the reference number of any documents, ID, supporting the entitlement should be recorded in the Out-Patient Notional Revenue Book.
3. GCR is prepared in triplicate with the original and duplicates given to the Out-Patient to be taken to the service provider. Before providing the service the service provider inspects either the GCR as evidence of payment or entitlement before providing the service. Service providers also checks to ensure that the right amounts are paid and the amount in words and in figures tally. The duplicate should be inspected to ensure that it reflects the information on the original receipt. When satisfied that all the issues are correct, the service provider endorses the back of the duplicate GCR and keeps in custody for collection by the Monitoring/Internal Audit Staff and gives the original to the patient.
4. Before the end of each working day and before the close of the third working shift, Accounts Staff closes the Out-Patient Revenue Collection Book, totals the various columns, and presents this book for inspection/verification to a Monitoring/Internal Audit Staff. The book is verified (i.e.

arithmetic, entries to GCR, and sub-total to total cash), stamped, and signed by that staff before the Main Cashier accepts any cash from an Accounts Staff.

5. Either the Main Cashier or a Cashiering Staff counts the cash received, casts and signs the book next to the totals, and prepares one GCR for the Accounts Staff (assuming that medicine collections are recorded and turned in separately). Prior to removing the GCR from the GCR Value Book and affixing this to the corresponding page of the Out-Patient Revenue Collection Book, the Monitoring/Internal Audit Staff initials the GCR as the final step in this verification process. Before leaving, the Accounts Staff places the books in a locked drawer or, where security is a problem, leaves these with the Main Cashier for safekeeping within the Finance Office until the next day.
6. Accounts Staff on shift schedules after the day's shift, closes the Out-Patient Revenue Collection Book. A Cashiering Staff takes custody of this book, counts and agrees to the corresponding cash, and places it within the Finance Office for safekeeping until the next day, where upon the inspection process described in steps 2 and 3 above should ensue.
7. In terms of summary postings, a Cashiering Staff must record each GCR issued in either the IGF Service Summary Cash Book or the IGF Medicines Summary Cash Book depending on the type of revenue collected.
8. With regard to notional revenue, each Accounts Staff, on the designated day(s) during the month, closes the Out-Patient Notional Revenue Book, totals the various columns, and presents the book for inspection/verification to a Monitoring/Internal Audit Staff. The book is verified (i.e. with regard to entitlement and mathematical accuracy), stamped and signed by that staff before the Accounts Staff in charge of preparing Patient Bills accepts the book. Once all books are obtained, the Accounts Staff prepares a worksheet for Corporate/NHI patients listing the services provided to patient by Corporate/NHI Account debtor. A separate bill is then prepared for each Corporate/NHI client indicating all services rendered/received by that client during the period.
9. For "exempted" patients, the Accounts Staff totals all services provided for these patients and prepares one notional Patient Bill for the entire period (month). All Corporate/NHI and "exempted" Account Bills must then be entered in the Out-Patient Billed Revenue Ledger in the appropriate columns.

* * * **Helpful Notes** * * *

Subsidiary Accounting for Out-Patient Billed Revenue

Section C.2.b describes the process for posting the subsidiary Debtors Ledger with respect to amounts billed to, and received from, in-patients. Similarly, billed Corporate/NHI and Exempted Out-Patients require postings in the Debtors Ledger. Specifically, the approach taken by these Rules and Instructions is such that "exempted" Out-Patients should be treated as Notional debtors for record keeping and audit trail purposes. In keeping with the same principle applied to in-patients, entries in the Debtors Ledger for notional "exempted" and Corporate/NHI out-patients should be made on the basis of used Patient Bill Value Books—except at month-end when "active" books would be used and an appropriate "cut-off" notation made.

D.5. Collection - Verifying Revenue (Managing Out-Patient Revenue)

Applicability: THO, PHO, RHO, PC and DHO

D.5.1 Overview

The primary focus of Monitoring/Internal Audit Staff is to determine through various oversight, sampling, and re-verification routines, whether the underlying books and records of the BMC are accurate, and may therefore be relied upon when preparing financial reports. Thus, just as the records supporting the billing and collection of in-patient revenue must be verified, so must those supporting out-patient revenue.

Accordingly, this function focuses on which procedures should be undertaken to provide a reasonable assurance that amounts collected from or billed (notionally/actually) to out-patients are accurately reflected in all corresponding books and records. In carrying out their duties, the Monitoring/Internal Audit Staff will rely on both source documentation, and on actual cross-ledger reconciliations. Such *routines* are intended to provide adequate level of confidence in the accuracy of the Out-Patient Revenue Collection Books, whereas *cross-ledger reconciliations* should result in the conclusion that Out-Patient Revenue Collection Books are in agreement with the IGF Summary Cash Books, and that the Out-Patient Notional Revenue Book, Out-Patient Billed Revenue Book, and Debtors Ledger are all in agreement.

D.5.2 Internal Control Objectives

The internal control objectives for this function are as that:

- i. The work of both the Accounts and Cashier Staff are routinely verified by an independent source
- ii. Such verification provides the reasonable assurance that recorded information is accurate and may be relied upon.
- iii. Such verification is performed only by individuals acting within the scope of their authority.

D.5.3 Statement of Rules

1. Monitoring/Internal Audit Staff shall perform series of *spot checks/tests*, at least twice per week (daily in the Tertiary Institutions and Regional Hospitals), to determine whether:
 - a) Service records are consistent with the entries shown in the Out-Patient Revenue Collection Books and Notional Revenue Books (i.e., the “*Service Record to OPD Book Verification*”).
 - b) Out-Patient Revenue Collection Books and Notional Revenue Books are consistent with records kept by the appropriate service area (i.e., the “*OPD Book to Service Record Verification*”).
 - c) The cash “on hand” with an out-patient Accounts Staff equals the total of the GCR issued and recorded in the Out-Patient Revenue Collection Book at the time of inspection.
2. Within two days after the end of each month, Monitoring/Internal Audit Staff shall perform series of *cross-ledger reconciliations* to determine whether:
 - a) The daily sub-totals recorded in each Out-Patient Revenue Collection Book equal the

corresponding amounts posted in the Out-Patient Collection columns of the IGF Summary Cash Books;

- b) The periodic sub-totals recorded in each Out-Patient Notional Revenue Book equal the corresponding amounts posted in the various columns of the Out-Patient Billed Revenue Ledger.
- c) On a test basis, entries in the Out-Patient Billed Revenue Ledger correspond to underlying Patient Bills.
- d) The total amounts notionally or actually billed to out-patients for the month as shown in the Out-Patient Billed Revenue Book equals the amounts posted in the Debtors Ledger.

3. Monitoring/Internal Audit Staff shall use red/black ink respectively when making tick marks or initialing entries.

D.5.4 Highlights of the Function

| Cycle | Action/Events | Responsible Official |
|----------------------------|---|-----------------------------|
| Starting Point(s) | Review the Out-Patient Revenue Collection Books and Match with GCRs or Verify NHI/Corp Identity | Monitoring Staff |
| Intermediate Points | Verify Collection Books with Summary Cashbook | Monitoring Staff |
| | Match the Deposit Column of the IGF summary with Pay in Slips | Monitoring Staff |
| Ending Point | Verify & Sign the Amount deposited and the amount recorded In Departmental cashbook | Head of Monitoring |

D.5.5 Procedures/Steps to Follow

- 1. With regard to the weekly spot checks/verifications, Monitoring/Internal Audit Staff are not required to announce their intent to visit the service areas and Accounts Staffs, but are authorized to conduct all required testing on a “surprise” basis.
- 2. When verifying service records, Monitoring/Internal Audit Staff should ensure that the records maintained in the various service areas contain the same information as shown in the Out-Patient Revenue Collection Books and Notional Revenue Books under review. In particular, the date, patient name, patient number, patient type (i.e., the OPD), amount, and GCR, NHI number (for paying out-patients) should match without exception.
- 3. The month end routine verification focuses on the concurrence of all daily subtotals shown in the Out-Patient Revenue Collection Books with corresponding entries in the IGF Summary Cash Books.

4. The Monitoring/Internal Audit Staff cross-checks the total amounts in each Out-Patient Notional Revenue Book to the Out-Patient Billed Revenue Ledger. This is to ensure that the total amounts of all services rendered according to the Out-Patient Notional Revenue Books are exactly the same as those totals recorded in the Out-Patient Billed Revenue Ledgers for the period under review. Likewise, at least on a test basis, Monitoring/Internal Audit Staff verifies the correspondence between actual Patient Bills and the entries in this Book.
5. Monitoring/Internal Audit Staff verifies that the posting of Control Section of the Debtors Ledger is consistent with the entries in the Out-Patient Billed Revenue Ledger.

D.6. Revenue Accounting – Managing Out-Patient Revenue (Banking/Accounting for Daily Collection)

Applicability: All BMC

D.6.1 Overview

One of the most important aspects of a strong system of internal controls is the degree to which an institution's staff adequately safeguards resources under their custody—both liquid or readily negotiable ones, as well as others. The most vulnerable resource is the cash collected each day by the designated Revenue Officer and subsequently deposited into the bank. It is important to ensure that adequate controls are in place, in addition to the various monitoring and inspection procedures described throughout these rules and instructions.

D.6.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. All cash collected from patients/clients is deposited daily into the appropriate bank account.
- ii. All such deposits are verified as to their accuracy by a designated Monitor.
- iii. All such deposits are recorded in both the IGF Summary and Departmental Cash Book.
- iv. Such recording is performed only by individuals acting within the scope of their authority.
- v. That all Pay-In Slips are kept in a secure place and are easily retrievable.

D.6.3 Statement of Rules

1. All cash collected by the Main Cashier from Revenue Officers shall be banked gross daily unless the Financial Controller has approved a less frequent depositing arrangement for that particular BMC.
2. The entries in the Cashier's IGF Summary Cash Books shall be verified, signed and stamped by a Monitoring/Internal Audit Staff as a check both on the accuracy of these books, and of the amounts recorded on each pay-in slip.
3. All stamped deposit pay in slips shall be recorded in the appropriate departmental cash book daily

D.6.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|--|----------------------------------|
| Starting Point(s) | Ascertain Cash on hand in Summary Cash Book | Cashier Staff |
| | Prepare IGF Pay-In-Slips | |
| Intermediate Points | Verify Pay-In-Slips/Books | Monitoring /Internal Audit Staff |
| | Deposit Funds and Give bank certified Pay-In-Slips to Accounts Staff | Main Cashier |
| Ending Point | Record in Departmental Cash Book/Return Pay-In-Slips | Accounts Staff |
| | Record IGF Summary Cash Books | |

D.6.5 Procedures/Steps to Follow

1. At the end of each day, the Main Cashier in BMC would have collected cash from all Revenue Officers. When all cash have been received, GCRs issued, and IGF Summary Cash Books posted, an Account Staff prepares two pay-in slips—one for each bank account (i.e. IGF Service and IGF Medicines Bank Accounts) and deposit into the operational accounts.
2. When the Main Cashier returns from the bank, the transaction is posted into the Summary Cash Book as per the bank stamped pay-in-slip.
3. The Monitoring/Internal Audit Staff on daily basis authenticates and endorses the pay in slip and its recordings in the Summary Cash Book.
4. The endorsed pay-in slip is given to the Accounts Staff in charge of the Departmental Cash Book for posting, initialing of each slip, and return same to the Main Cashier for safekeeping.

D.7. Revenue Accounting – Managing Boarding and Day Revenue from Students

Billing/Collecting/Accounting

Applicability: Health Training Institutions (HTIs)

D.7.1 Overview

This section relates specifically to Training Institutions that receive cash, Bankers Drafts or other forms of payments from students. As per MOH policy, Training Institutions are also required to recognize revenue when the MOH Approved Bills are issued to students. This arrangement requires that all such revenue be linked to students—regardless of whether fees have been paid or not.

Consistent with the concept of accrual accounting, and adequate separation of duties, the collection of revenue from students is to be performed with the intention of managing cash flow and Students Accounts in a judicious and efficient manner. In this regard, the need to collect money from a student requires the oversight of both Tutors/Administrators and Monitoring/Internal Audit Staff to ensure adherence to these rules, as well as to other relevant Training Institutional policies.

For control purposes, fees from students should be handled by designated Accounts Staffs who are part of the Finance Office staff. The postings made in the Debtors Ledger for amounts collected from

students should be the responsibility of a different Account Staff other than the officer responsible for receiving the payment. The Main Cashier (or Head of Finance), would need to check the accuracy of the records which is subject to daily verification by a Monitoring/Internal Audit Staff.

D.7.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. An adequate separation of duties exists between the front-end billing, collection of fees and subsidiary accounting for all student transactions.
- ii. All students' bills are appropriately recorded in their respective Accounts in the Debtors Ledger.
- iii. All collections from students are supported by adequate documentation and are recorded in the Revenue Collection Book, IGF Summary/Departmental Cash Book
- iv. Such actions are performed only by individuals acting within the scope of their authority.
- v. Refunds to students are authenticated and valid.
- vi. All GCR and Student Bill Books are kept in a secure place and are easily retrievable.

D.7.3 Statement of Rules

1. The Head of Finance shall receive the admission offer list from the Principal to confirm or track prospective students' deposits.
2. The Head of Finance shall obtain the list of newly admitted students at the beginning of each academic year for billing as per MOH approved rates, as part of the admission process.
3. Before the end of each semester, the Head of Finance shall obtain from the Principal the approved List of students to be billed for the ensuing semester.
4. All students Bills shall be recorded in the Student Billed Revenue Ledger and/or Funds in Trust Ledger with subsequent postings made in each Students' Debtors Account (Debtors Ledger).
5. The summarized information in the Student Billed Revenue Ledger shall be posted to the Revenue Budget Ledger on monthly basis.
6. The Head of Finance shall ensure that all students settle their bills in line with the directives from the MOH on payment of fees.
7. Fees from Students shall be recorded in a Daily Collection Book ,Departmental Cash Book and respective students ledgers.
8. The CAG approved GCR shall be the only official and legitimate document to be issued for **ALL Monies** collected from Students.
9. The total cash collected each day shall be handed over to the Main Cashier for subsequent deposit into the operational bank account.
10. The Monitoring/Internal Audit Staff shall verify cash collection and deposits into bank accounts.

11. All GCR issued by the Main Cashier for cash collections shall be recorded in the IGF Summary Cash Book.
12. At the end of every month, the total on the Student Billed Revenue Ledger shall be posted to the Revenue Budget Ledger.
13. All funds received on behalf of third parties and deposits including students pre-payment(s) shall be classified as Funds In Trust. (Third party includes to MOH, Nursing, and Midwifery Council, SRC etc.)
14. For all Non-Billed revenue, GCR must be issued to cover the receipt and accordingly recorded in the Daily Collection Books, IGF Summary Cash Book, Departmental Cash Book and the Revenue Budget Ledger.

D.7.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|--------------------------|--|-----------------------------|
| Starting Point(s) | Receive Approved Student List from Principal | Head of Finance |
| | Prepare Students Bill | Accounts Staff |
| | Receive Payment (Bankers Draft/Cash etc.) | Accounts Staff |
| Interim Points | Record Students Bills in Billed Revenue Ledger | Accounts Staff |
| | Prepare/Issue/Record GCR for payment of school fees | Accounts Staff |
| | Record GCR in IGF Summary/ Departmental Cash Book | Accounts Staff |
| Ending Point | Post to relevant Ledgers (Revenue Budget /Funds Held in Trust/Debtors Control Ledgers) | Accounts Staff |

D.7.5 Procedures/Steps to Follow

1. As part of the billing process, the Head of Finance after preparing the Student Bills gives the original copy to the student, the duplicate given to the Administration retained in the students file with the triplicate as the book copy in the Account Office.
2. Upon the issue of Student Bill, an Accounts Staff immediately records the bill into the Student Billed Revenue Ledger and Student Accounts in the Debtors Ledger.
3. When student makes payment, the Accounts Staff issues a GCR as evidence of the payment and records such payment in the Student Account in the Debtors Ledger.
4. All GCR issued should be recorded by an Account Staff in the Daily Collection Book and subsequently into the IGF Summary Cash Book, or Departmental Cash Book, with the corresponding entries made into the Students Account in the Debtors Ledger.
5. Before the end of each working day, Accounts Staff closes Daily Collection Book, totals the various columns, and presents this book for inspection/verification to a Monitoring/Internal Audit

Staff. The book is casted as a necessity, verified (i.e., arithmetic, entries to GCR and subtotal to total cash), stamped, and signed by that staff before the Main Cashier accepts any cash from an Accounts Staff.

6. The Main Cashier then counts the cash received, signs the book next to the totals, and issues GCR to cover the amount received.
7. The Main Cashier, records the GCR issued in the IGF Summary Cash Book and pays in **ALL** cash received in gross to the bank on daily basis.
8. At the end of every month, the total Revenue portion and Funds In Trust portion in the Student Billed Revenue Ledger is posted to the Revenue Budget Ledger/Funds In Trust Ledgers and Debtor Control Ledger using DJV respectively. In addition, total collections in respect of debtors in the IGF Summary Cash Book and the Departmental Cash Book is also posted to the Debtor Control Ledger.
9. In the event when Funds in Trust crystalizes into Revenue, an Account Staff prepares DJV to post into the relevant Revenue Budget Ledgers.
10. At the end of each month, a Debtors Schedule is extracted from the Debtors Ledger and the total amount should agree to the balance on the Debtor Control Ledger

This function is performed by a different Accounts Staff other than the staff responsible for maintaining the Student Billed Revenue Ledger

E. Procurement Management

The Public Procurement Act 2003 (Act 663) as Amended 2016 (Act 914) and Procurement Procedure Manual Standard Operating Procedures for Procurement in the Public Health Sector are the authoritative documents on Procurement for the Ministry of Health. The instructions contained in this Procurement Procedure Manual sets out the policies and procedures governing the procurement of goods, works and services (consulting and non- consulting) by the Ministry of Health and its agencies for the implementation of agreed programs.

The procedures in the manual guide procurement activities within the Ministry and all its agencies and provide uniform procedures for the procurement of goods, works and services

The objective is to ensure the use of public resources with due care to economy, efficiency, transparency, accountability, and consistency in procurement management for the Ministry of Health at all levels and also to ensure that the award of contracts is not done in a discretionary manner. All BMCs are expected to use this Procurement Procedure Manual to guide its procurement activities.

E.1 Requirement Specifications

The procurement specification details the requirements for a product or service. It provides details that the supplier or tenderer can use to bid or develop a proposal.

Details of requirement specifications can be found in the Ministry of Health Procurement Manual. It includes;

Specification must be clear, accurate and complete, and must be drawn up in such a manner as not to be unnecessarily restrictive, thereby unduly limiting competition.

Specifications drawn should leave no doubt in the minds of potential bidders as to the nature of the goods, works or services required.

Specifications must be drawn up by user departments in consultation with the procurement units.

Where technical considerations are involved, expert assistance shall be sought to draw up the right specifications

E.2 Bidding

The Ministry of Health Procurement Policy is based on worldwide competitive bidding standards and practices adopted by procurement practitioners and Donors. The under-listed procedures are the options provided by the MoH procurement policy for tendering.

- a. Prequalification
- b. International Competitive Bidding
- c. National Competitive Bidding;
- d. Limited International Bidding;
- e. Local or international shopping (for goods);
- f. Price quotations or Selective tendering (for Works);
- g. Single Sourcing (Orders);

E.2.1 Prequalification

Prequalification of bidders are conducted for large or complex works, or in any other circumstances in which the high costs of preparing detailed bids could discourage competition, such as custom-designed equipment, industrial plant, specialized services, and contracts to be let under turnkey, design and build or management contracting.

Prequalification is also conducted for the supply of specialised goods such as essential drugs, vaccines, sera etc as determined by the Minister. Thus invitations to bid are extended only to those who have adequate capabilities and resources.

E.2.2 International Competitive Bidding (ICB)

ICB procedures shall be used whenever open competitive tendering is used and effective competition cannot be obtained unless foreign firms by nature or by value of contract are invited. ICB procedures are also used for goods and works contracts exceeding the thresholds indicated in the Public Procurement Act, 2003 (Act 663) as Amended by 2016 (Act 914).

E.2.3 National Competitive Bidding (NCB)

National Competitive Bidding procedures may be used where a BMC decides to use only domestic suppliers or contractors who may submit tenders either by nature or by value of contract.

In this case, the local currency (Cedi) is generally used for the purposes of bidding and payment unless specified otherwise in the bidding documents.

E.2.4 Restricted Tendering for Works, Goods and Non-Consulting Services

Restricted Tendering is a limited tendering which functions by direct written invitation without open advertisement, but from a selected list of contractors. In cases where restricted tendering is used in lieu of ICB or NCB, this method would require prior approval of the Public Procurement Authority and/or Cooperating Partners.

E.2.5 Price Quotation for Works, Goods and Non- Consulting Services

For readily available off the shelf goods that have standard specifications, quotations may be solicited from as many different suppliers as possible but in any case, not less than three. Invitation for quotations shall be in writing and will indicate the description and quantity of the goods as well as desired delivery time, and place of delivery, including date, time and place of submission of quotations.

Quotations shall be in writing and shall be opened and evaluated at the same time as indicated in the Request for Quotations. The Request for Quotations should indicate that quotations submitted later than the time and date specified in the request would be rejected.

E.2.6 Single Sourcing (Direct Contracting)

Procurement through placing single sourcing (Direct Contracting) as a method is not encouraged; however, where it is necessary to be used, it shall be restricted to and reserved for: (Refer to: Section 40 (1) and (2) of the Public Procurement Act, 2003 (Act 663) as Amended by 2016 (Act 914).

- i. Procurement of items which are proprietary in nature.
- ii. Repeat orders to meet additional requirements of the same product or for essential spares from the supplier of an earlier procured equipment, provided there is no upward revision in the price of the item or a change in specification.
- iii. Extension of works contracts where this is deemed the most economic procedure; and
- iv. Exceptional cases, such as in response to natural disasters.
- v. The use of Direct Contracting in lieu of competitive tender as provided for in the procurement manual and would require prior approval of the Public Procurement Board and/ or Cooperating Partners.

Details and procedures of the above tendering processes can be found in the MoH Procurement Manual

E.3 Evaluation and Selection

E.3.1 Tender Opening Panel

Except for Single Sourcing a Tender Opening Panel shall be composed by each BMC to open the bids and representatives of bidders shall be invited to witness the bid opening.

E.3.2 Tender Evaluation Panels

A Tender Evaluation Panel with the required expertise to evaluate tenders and assist the Tender Committee in its work shall be composed. To ensure transparency members of the Tender Evaluation Panel shall not be directly involved in the approval of any award of contract.

E.3.3 Proceedings of Tender Evaluation Panels

Recommendations for award of contract shall be made solely on the basis of information and evaluation criteria provided in the tender documents or request for proposals and without recourse to any extrinsic evidence, influenced by personal or political preferences.

Where any member of the Tender Evaluation Panel has a conflict of interest in any tender evaluation, he/she shall declare his interest in the tender, leave the meeting while the matter is considered and shall not participate in the deliberations or decision-making process of the Panel in relation to that submission.

A formal evaluation report is prepared for each evaluation conducted and signed by all participating Members of the Panel.

E.3.4 Functions of specific entity tender committee

20B. (1) An entity tender committee of a central management agency, ministry, department and subvented agency shall

(a) review and approve annual procurement plans and quarterly updates of procurement plans in order to ensure that they support the objectives and operations of the entity.

(b) confirm the range of acceptable costs of items to be procured and match these with the available funds in the approved budget of the entity;

(c) review the schedules of procurement and specifications and ensure that the procurement procedures to be followed are in strict conformity with -the provisions Of this Act, the Regulations and guidelines made under this Act;

(d) ensure that the necessary concurrent approval is obtained from the appropriate tender review committee. where applicable, as specified in the Second Schedule.

(e) facilitate contract administration and ensure compliance with reporting requirements under this Act; and

C) assist the head of entity to ensure that stores, vehicles and equipment are disposed of in accordance with this Act.

(2) An entity tender committee of a Regional Coordinating Council

(G) review procurement plans in order to ensure that they support the policies and programs of the Regional Administration Metropolitan, Municipal or District Assembly.

(b) confirm the range of acceptable costs of items to be procured and match these with the available funds in the approved budget of the Regional Administration, Metropolitan Municipal Assembly or District Assembly.

(c) review the schedules of procurement and specifications and ensure that the procurement procedures to be followed are in strict conformity with the provisions Of this Act, its Regulations and guidelines.

(d) ensure that the necessary concurrent approval is obtained from the appropriate tender review committee where applicable, as specified in the Third Schedule.

(e) facilitate contract administration and ensure compliance with reporting requirements under this Act; and

(D) assist the head of entity to ensure that Stores, vehicles and equipment are disposed of in compliance with this Act.

(3) An entity tender committee of a Metropolitan, Municipal or District Assembly shall

(a) review and approve annual procurement plans and quarterly updates of procurement plans in order to ensure that they support the policies and programs of the Assembly;

(b) confirm the range of acceptable costs of items to be procured and match these with the available funds in the approved budget of the Assembly.

(c) review the schedules of procurement and specifications and ensure that the procurement procedures to be followed are in strict conformity with the provisions of this Act, the Regulations and guidelines made under this Act.

(d) ensure that the necessary concurrent approval is obtained from the appropriate tender review committee where applicable, as specified in the Third Schedule.

(e) facilitate contract administration and ensure compliance with reporting requirements under this Act; and

C) assist the head of entity to ensure that stores, vehicles and equipment are disposed of in compliance with this Act.

E.3.5 Tender Review Committee

Procurement beyond the threshold of the Tender Review Committee is referred to the appropriate level. committee established to review procurement decisions. The Board reviews activities at each step of the procurement cycle leading to the selection of the lowest evaluated tender by the Procurement Entity.

Tender Review Boards are established at the following levels:

- Central Tender Review Board.
- Ministerial/Headquarters Tender Review Boards.
- Regional Tender Review Boards.
- District Tender Review Boards.

E.4. Award of Contract

Award of contract shall be made solely on the basis of information and evaluation criteria provided in the tender documents or request for proposals and without recourse to any extrinsic evidence influenced by personal or political preferences.

The Tender Review Committee provides explanation and justification of its reasons for any rejection to assist in remedying any defects in the submission prior to resubmission to the Tender Review Committee.

When a procurement exceeds (or is estimated to exceed) the financial authority of the Tender Review Committee, it is referred immediately with the Committee's recommendations to the appropriate higher Tender Review Committee for approval.

F. Expenditure Management

F.1 Purchase Requisitioning

F.1.1 Overview:

Expenditure Management after budget approval begins with a request to incur an expense. Such request must be traced and form part of the approved budget for the period under consideration. Thus “Purchase Requisition” refers to a formal expenditure initiation request by an implementing office within a covered entity to the Principal Spending Officer for consideration with reference to approved activities / programs budget.

Purchase Requisition outlines the description (specifications), quantity, and sometimes the estimated price of the goods or services being requested. It important for requesting office/ officer to provide as much details as possible to enable the Purchasing Department procure the appropriate goods or services in terms of price, quantity, quality, delivery time among others. The relevance of a Purchase Requisition in the Expenditure Management Process cannot be over emphasized as among others: enhanced transparency and accountability, facilitate budget management, provide the basis of procurement, reduced errors and misunderstandings etc.

F.1.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. All procurements are properly initiated
- ii. All purchases are authorized and budgeted
- iii. All purchases are supported with clear specifications and other requirements from appropriate office
- iv. To facilitate efficient and effective purchasing

F.1.3 Statement of Rules

1. All purchases shall be initiated with a Purchase Requisition in a form of a memo or designated “Purchase Requisition Form”.
2. Purchase requisition shall provide appropriate description and all relevant information of the goods or services to be procured.
3. Purchase Requisition shall be approved by the PSO upon verification of the existence of the request in an approved budget.
4. All approved Purchase Requisition shall be the basis for procurement initiation

F.1.4 Highlights of Key Functions

| Cycle | Actions/Events | Responsible Official |
|-------------------------------|---|---|
| Starting Point(s) | Initiate Purchase Requisition | Head of Implementing Office / Unit Head of Finance |
| Intermediate Point (s) | Verify Request per approved budget - Vote Service Ledger | Accounts Staff / Budget Officer |
| | Indicate budget availability for the request on Purchase Requisition. | Accounts Staff / Budget Officer |
| | Record or encumber commitment in the vote service ledger as existence of the request in the budget. | Accounts Staff / Budget Officer |
| Ending Point | Approve Purchase Requisition | Head of BMC |
| | Receive approved Purchase Requisition | Head of Administration / Procurement |

F.1.5 Procedures/Steps to follow

1. The procurement process starts with a Purchase Requisition in a form of a memo or designated Purchase Requisition Form filled by the head of an implementing office / unit
2. The Purchase Requisition raised is forwarded to the PSO for approval.
3. The PSO before approving a Purchase Requisition should confirm from the Budget Officer or any person designated to perform that role the existence of the requisition in the approved budget.
4. The Budget Officers should indicate on the request referred to him from the office of the PSO the availability of budget for the activity or otherwise.
5. The PSO upon receipt of the comment from the Budget Officer, should approve the requisition or otherwise.
6. Approved requisition should be forwarded to the head of Administration or Director Procurement where applicable for the initiation of the procurement process.
7. The Head of Administration should then channel the request to the Procurement Department for the activation of the purchasing process

F.2: Purchase Ordering

Certifying/Recording Commitments (Expenditure) – All Sources of Funds

F.2.1 Overview

The reported expenditure in the statement of Financial Performance is recognized when incurred. Expenditure is a decrease in economic benefit or service potential during the reporting period in the form of outflow or consumption of Asset; or incurrence of Liabilities that result in decreases in Net Assets and are recognized on an accrual basis when Goods are delivered, Services and Works are rendered, regardless of the terms of Payment. Expenditure is measured at Cost unless otherwise stated.

The process of certifying and recording commitments of funds prior to their actual payments. For the purposes of these rules and instructions, “commitments” has been defined as;

- Orders or agreements to purchase goods or services via PO and evidence of SRA;
- Authorized requests to fund staff travel; and
- Those obligations that arise from certain vendors such as utility vendors where no prior order for the service is required.

There are three ways in which funds may be committed (with the exception of petty cash payments) where.

1. BMC orders goods, services or works from a supplier via the issuance of a PO.
2. Routine postpaid utility bills are received for such things as telephone and electricity; the PO is prepared post facto.
3. Staff have been asked to travel at the expense of the MOH, and funds set aside for that purpose.

Therefore, the only two valid commitment documents that may be used are either a PO (**which must be prepared for all vendors**), or a Travel Request Form/Memo. It is important to note that no payment of any kind should be made to a vendor or staff unless a valid commitment document has been raised, approved, and entered into the Expenditure Budget Ledger. This applies for all sources of funds.

The **Vote Service Ledger** would be used in addition to recording all commitments per the PO against the approved budgets relating to various expenditure heads to assist in the reconciliation of ‘**Unexecuted commitments**’ and ‘**Executed commitments.**’

Executed commitments are commitments for which goods, service and work have been received by the BMC and therefore creating actual liability. MOH recognizes executed commitments as expenditure whether paid or not and this is what is recorded in the Expenditure Ledger as commitment, thus representing payables per expenditure item.

F.2.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. Funds, regardless of source, are committed only when these are certified as available.
- ii. Funds are committed only after approval by the Head of the BMC.
- iii. Only authorized commitments are recorded in the accounting records.
- iv. Such recordings are made only by individuals acting within the scope of their authority.
- v. All commitment documents are kept in a secure place and are easily retrievable.

F.2.3 Statement of Rules

1. All commitments of funds shall be evidenced by either a PO, Travel Request Form/Approved Memo and Contracts.
2. The Head of Finance shall certify that funds are available (as per the Funds Enquiry/ Vote Service Ledger) prior to obtaining approval of a commitment by the Head of the BMC.
3. For all sources of Funds, the Head of Finance shall authorize the PO or Travel Request Form approved by the Head of BMC as a formal commitment of funds (vote service ledger).
4. The “executed commitments” shall be recorded in the Expenditure Budget Ledger by an Accounts staff, and shall be supported by either an original PO/Utility Bill or Travel Request Form/Approved Memo, Invoice and SRA.
5. The executed commitments not paid or otherwise standing in the Expenditure Ledger as outstanding commitment shall represent payables per expenditure item.

F.2.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|-------------------------------|--|--|
| Starting Point(s) | Approve Commitment of Funds Receive Approved Memo, Activity & Expenditure Initiation Form (A&EI), Commitment Requisition Form (CRF) and; Either of: (1) PO/Contracts from Procurement Officer, or (2) Approved Travel Request (3) Invoice (Vendors) | Head of BMC Head of Finance |
| Intermediate Point (s) | Verify Availability of Funds (Fund enquiries) - Vote Service Ledger | Accounts Staff / Budget Officer |
| | Record or encumber commitment in the vote service ledger as evidence of availability of funds. | Accounts Staff |
| | Prepare PO/Contracts | Procurement Officer |
| | Approve PO or Travel Request, | Head of BMC |
| | Receive and Verify PO, invoice, SRA/Contractors Certificates | Head of Finance (if GOG, Treasury Officer) |
| | Post to Expenditure Budget Ledger | Accounts Staff |
| EndingPoint | File Invoice, PO or Travel Request and SRA | Accounts Staff |

F.2.5 Procedures/Steps to follow

1. The process of committing funds starts with the approval of a Memo by the Head of the BMC and either;
 - a. the receipt of PO/contract prepared by an authorized person outside the Finance Office (Procurement Officer/Officer in Charge of Procurement) or
 - b. the receipt of an Invoice from a Utility vendor, or
 - c. the receipt of the approved Travel Request Form.

These documents are sent to the Head of Finance pending the commencement of the payment process.

2. The designated Accounts Staff verifies that funds are available in the particular sub-item budget before the process goes further. If funds are insufficient to pay for the goods/service, then no commitment action may be taken, and the document is returned by the staff to the Head of Finance, who will take appropriate action.
3. If funds are sufficient, the staff member receives and records commitments using one of the following:
 - a. PO/contract from an authorized person such as the Procurement Officer/Officer in charge of Procurement; in the case of utilities, PO shall be prepared post facto.
 - b. A Travel Request Form/ Approved memo
4. After the Head of the BMC has approved the PO/contract or Travel Request Form, the documents are then forwarded to Head of Finance who authorizes the recording of the commitment into the Vote Service Ledger.
5. Once authorized, a designated Accounts Staff records the commitment in the appropriate sub/sub-item account and initials the document where indicated.

PO issued to suppliers are distributed as follows:

- a. Original copy is attached to the payment voucher.
- b. Duplicate Copy is provided to the supplier for the purpose of the transaction.
- c. Triplicate Copy is detached and filed at the Stores.
- d. Quadruplicate Copy remains in the respective PO booklet.

In the case of the Travel Request, the original remains within the Finance Office and attached to the Payment Voucher.

6. For Accounting and Reporting purposes, all outstanding Commitment documents should be submitted to the Finance Office as soon as approved, pending payment.
7. The “executed commitments” are recorded on daily basis as payables and posted in the Expenditure Budget Ledger and Account Payable.

F.3 Receipting of Goods and Services

F.3.1 Overview

Receipting of goods and services is critical point in the expenditure management process. It set the tone and the basis for recording a liability in favor of a third party for the supply of goods or a service for subsequent payment. Receipting is the process of acknowledging and substantiating the delivery or provision of goods and services. Receipting with reference to goods refers to the acceptance of physical store items while services receipting are intangibles usually consulting, hospitality, maintenance among others. All receipting is done on the on the strength of a purchase order and contract where applicable.

Receipting involves inspection, verification, confirmation, documentation, recording and updating of inventory or financial records with evidence of signing and dating. Receipting enables covered entities to compare supplies to purchase order, establish the basis for payment to suppliers, enhance inventory management among others.

F.3.2 Internal Control Objectives

The internal control objective for this function include:

- i. To confirm all deliveries or provision are in accordance with purchase order
- ii. To establish basis for payment to suppliers
- iii. Ascertain the basis for updating inventory or records
- iv. Ensure transparency

F.3.3 Statement of Rules

1. All purchase orders executed by suppliers shall be duly certify through receipting by appropriate office / officers
2. The receipting procedures shall include the formation of ad hoc inspection team led by person with special expertise in the item or service to be receipted. For goods, a member of the Internal Audit Unit shall head the Inspection team except in the area of specialized items.
3. For the purpose of receiving goods, the Inspection team shall unanimously confirm that items supplied are per purchase order.
4. For services receipts, respective technical unit of the service shall serve as the main office to advice on the suitability of the service received.
5. All receipt for goods or services shall be certified as received by the issuance of Stores/Service Receipt Advice (SRA) supported by the Inspection team's report

F.3.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|---|--|
| Starting Point(s) | Receive | Stores Manager |
| | 1) Items / goods from supplier 2) Service report / Invoice | Respective specialty officer |
| Intermediate Points | Confirm items / services received to Purchase Order | Inspection Team / Specialty Officer |
| | Issue and sign Inspection report | Insection Team |
| | Submit inspection report to PSO | Leader, Inspection Team / Specialty Officer |
| | Approval of Inspection report | Head of BMC* |
| Ending Point | Write and Sign SRA | Head of stores Head of BMC Head of Inspection Team |

F.3.5 Procedures/Steps to Follow

1. Receipting of goods or services should be undertaken by properly constituted inspection depending on the items or provisions involve.
2. The ad hoc inspection team should be led by an officer with requisite expertise otherwise should be led by an internal auditor.
3. The results of the inspection team should be that of a unanimous consensus and should be based on the purchase order.
4. The inspection teams should verify the compliance of all items or services being receipted to the specification and declare them certified or otherwise.
5. All certified items are captured in the inspection report and duly signed by all team members.
6. The signed inspection report should then be transmitted to PSO or any person designated to receive.
7. The inspection report is subsequently handed over to the stores manager, who shall raise SRA for signing by the designated officers.

F.4: Payment - Processing and Recording Payments

Applicability: All BMC

F.4.1 Overview

BMCs process payments from two different sources;

- (i) payments derived from GOG funds including IGF and
- (ii) payments from all other sources of funds (e.g. DF).

In accordance with the PFM Regulations 2019, (L.I 2378) - Regulations 78 – 84, all payments made under any of the sources shall be Valid, Accurate and Legal with evidence of supporting documentations. Upon enrolling on GIFMIS all BMC shall use the GIFMIS from the commencement of Procurement process through to Payment.

Heads of Monitoring is required to verify and sign all Departmental Payment Vouchers for the purpose of pre-payment review.

F.4.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. All goods or services received by BMC are **certified** by both a designated BMC officer, a Monitoring/Internal Audit Staff and evidenced by SRA.
- ii. Departmental Payment Vouchers are prepared only after
 - a. certifications have been made.
 - b. funds have been committed
 - c. commitments are re-verified by the Accounts Staff.
- iii. All Cheques issued for payment are signed by at least two designated BMC officials as in Section B 1.
- iv. All Departmental Payment Vouchers/Cheques are recorded in both the Departmental Cash Book and Expenditure Budget Ledger/Account Payable, except as provided elsewhere for advances and petty cash replenishments.
- v. All payment documents are properly certified by the reviewers (to prevent duplicate payments for the same goods/services).
- vi. All paid Payment Vouchers are fully acquitted.
- vii. All paid documents are Stamped “Paid” (to prevent duplicate payments for the same goods/services).
- viii. All such recordings are made only by individuals acting within the scope of their authority.
- ix. All payment documents are kept in a secure place and are easily retrievable.

F.4.3 Statement of Rules

- 1. BMCs shall designate inspection teams comprising representation from; stores, administration, user department, and internal audit (where available). Where specialized items are involved, a person with the requisite expertise shall be added to the team.
- 2. BMC shall designate certifying officers (e.g., the Stores Verifier) for the purpose of attesting to

the quantity and quality of goods received, and their conformity to what was ordered. In addition, each SRA raised to support the receipt of such goods shall be certified by Monitoring/Internal Audit Staff.

3. BMC shall designate certifying officers with technical knowledge in the specific transaction to be certified (e.g., Estate, Transport, etc.) for the purpose of attesting to the quantity, quality, specification of service received, and their conformity to what was ordered. In addition, each SRA raised to support the receipt of such services shall be certified by a Monitoring/Internal Audit Staff
4. All **certified** supporting documents (PO, SRA, Invoices, etc.) shall be presented to the Head of Finance for Departmental Payment Voucher authorization.
5. All Departmental Payment Vouchers and Cheques with its Pre-list shall be prepared by a designated Accounts Staff then re-verified and signed by the Head of Finance before forwarding to the Head of the BMC for approval.
6. Departmental Payment Vouchers shall not be prepared unless a prior commitment exists and has been recorded in the Expenditure Budget Ledger--except in cases of a utility provider; the Departmental Payment Voucher shall be prepared at the same time as the PO, provided sufficient funds have been certified as available.
7. All reviewed and approved Departmental Payment Vouchers shall be recorded in both the Expenditure Budget Ledger/Account Payable and the Departmental Cash Book.
8. Cheque Pre-list shall be submitted to the Bank prior to the submission of Cheques for payment, in the case of electronic payment, the Head of BMC shall approve the list of beneficiaries to be paid on the EFT.

F.4.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|---|-----------------------------|
| Starting Point(s) | Receive 3) Approved Memo and Budget 4) Certified PO, SRA, Invoice | Head of Finance |
| Intermediate Points | Verify Commitment Record | Accounts Staff |
| | Prepare Payment Voucher (PV) | Accounts Staff |
| | Sign PV(Verified) | Head of Finance |
| | Sign PV (Approval) | Head of BMC* |
| | Pre – Payment Review | Head of Monitoring |
| | Prepare Cheque/Electronic Fund Transfer (EFT) and Cheque Pre-ListAdvice (CPA) | Accounts Staff |
| | Re-verify PV and Sign Cheque/ CPA | Head of BMC/Finance |
| | Submit CPA to the Bank | Accounts Staff |
| | Record Payment- DCB and EBL/Account Payable | Accounts Staff |

| | | |
|---------------------|--|-------------------------------------|
| Ending Point | Print/file Payment Voucher and Documents** | Accounts Staff |
| | Acquit Payment Voucher | Responsible Officer/Head of Finance |

* Any other person performing this function shall do so **only on the authority** of the Head of BMC.

** Filing can be done either electronically or manually.

F.4.5 Procedures/Steps to Follow

1. The receipt of a “Document Package” (i.e. Approved memo, PO/contract, invoice, SRA and any other supporting documents) from a certifying officer is essentially the first step in the payment process. The Head of Finance reviews the underlying certifications for legitimacy and completeness before authorizing the preparation of a Departmental Payment Voucher.
2. Once the documents are certified, the Head of Finance instructs the Accounts Staff to verify the commitment record in the Expenditure Budget Ledger.
3. An Accounts Staff proceeds with voucher preparation (provided such commitment was properly recorded) then forwards these to the Monitoring staff for pre-payment review.
4. The Head of Finance then verifies and signs the PV and Cheque.
5. The Head of the BMC receives the cheques together with the payment voucher and attached “Document Package” for signature.
6. Upon payment to beneficiary, the schedule officer ensures the complete acquittal of the PVs.
7. Where PVs are not fully acquitted, the schedule officer informs the Head of Finance appropriately for subsequent actions.
8. In respect of installment payment photocopies of the previous payments are attached to any subsequent payments.
9. The process is completed by recording the payment of the commitment in both the Expenditure Budget Ledger, Account Payable and Departmental Cash Book.
10. Finally void all supporting documents by stamping them as “**Paid**” and noting the underlying voucher number and file the payment voucher together with the document package.

*** * * Helpful Notes * * ***

F.4.6 Development Expenditure - Works

In the case of Works (Capital expenditure) MOH policies and procedures for the release of funds, the involvement of Architects or Engineers in the certification process shall be followed before payment is made. This include any special reports to be prepared and other reviews of contractual provisions and compliance that may be required. Such procedures shall be in consonance with the provisions of the Public Procurement Act, 2003 (Act 663) as amended by Public Procurement (Amendment) Act, 2016 (Act 914).

F.5 Loans and Advances

F.5.1 Salary Advances to Staff

As a general rule, salary advances are given to newly employed staff who are yet to be mechanized and should be provided from only IGF. Where it is unavoidable that already mechanized staff who are **not** management staff should be given advances, authorization should be by the Head of BMC. For management staff, approval should be by the Head of the supervising BMC.

BMCs shall make Provision for Advances in the Annual Cash Plan.

In the case of staff who have been issued financial clearance and are awaiting mechanization (newly employed staff), recovery of their advances shall be in gross in the month in which they receive their first salaries together with their arrears.

For mechanized Staff Advances, recoveries shall be in line with the terms of the agreement and shall not exceed twelve (12) calendar months. Recovery shall commence from the salary of the month following the month in which the advance was granted.

Head of BMC shall ensure that, prior to granting salary advance, the necessary arrangements for recovery are instituted. Failure to comply with these rules and regulations shall be deemed as breach of Financial discipline and result in a surcharge on the Head of BMC

F.5.2 Advance Payment (Mobilization) to Contractors/Suppliers

Advance payment to contractors or Suppliers prior to receipt of Goods, Services and Works shall be made in accordance with Regulation 113 of the PFMR 2019 L.I 2378. While guidelines for establishing the particular terms and conditions for such advances are beyond the scope of these rules (reference is made to the PFM Act (2016) (Act 921) accounting for any advances made to contractors should be consistent with the language of each contract.

As a general rule, all advances should be posted to an Advances Ledger. An advance should not be considered a payment of a commitment; however, no advance to any contractor should be made unless a commitment has already been recorded in the Vote Services Ledger for the full amount of the PO/Contract. Depending on the terms of contract, subsequent payments to the contractor may, give rise to a corresponding adjustment of the outstanding advance amount. Entries in the Expenditure Budget Ledger will only be effected upon receipt of an approved works certificate.

On submission of certificate by contractors, the gross amount will be recorded in the Expenditure Budget Ledger (EBL) with a corresponding entry in the respective Creditors Ledger as Executed commitment. In the case where payments of commitments and advance adjustments are made at the same time, the net amount should be paid and recorded in the Departmental Cash Book and the

Creditors Ledger and EBL, after considering relevant withholding taxes on the gross amount. A Memo DJV is subsequently passed to set off the amount outstanding in the Advance Ledger and same recorded in the Creditors Ledger and EBL.

Where the advance is not recouped until the end of the contract, or perhaps substitutes for a final payment, a DJV would be needed to zero out the advance account and record the appropriate reduction (i.e. payment) of the outstanding commitment.

F.5.3 Withholding Taxes

In accordance with the Income Tax Act 2015 (Act 896), Heads of BMC and Finance Office are required to withhold and remit to the Ghana Revenue Authority (GRA) within dates specified by the law, the appropriate tax on the invoiced amounts, staff salary and allowances. Such amounts must be recorded in the Taxes Withheld Ledger. As a rule, all BMC Heads of Finance shall keep and update the Taxes Withheld Ledger as appropriate.

In cases of exempted clients, Heads of BMC and Finance are required to attach a copy of the exemption letter from the Commissioner General to the payment voucher.

G. Payroll Management

G.1: Accounting for Compensation of employees

Applicability: All BMC

G.1.1 Overview

This section presents the processes and procedures to be followed by BMC in administering Payroll; the key documentation to be used; the roles and responsibilities to be performed in order to control and account for the payment of compensation of employees, for both Mechanized and Non-Mechanized staff in MOH.

Guidance from existing PFM enactments with regards to procedures and processes for payroll accounting and management has informed the provisions in this Departmental Accounting Instructions.

In addition, every Head of BMC is required to keep records of all compensations of employees in the BMC, in a form that ensures that:

- (a) Payments of salaries are made as and when due;
- (b) Overpayments of salaries are not made;
- (c) All required deductions on salaries are made and paid within the specified time;
- (d) Authorized establishments are not exceeded;
- (e) The rates authorized for payment of salaries are not exceeded; and
- (f) Payments of salaries are not made to staff that do not belong to the BMC or Unit

It is important to understand that, Payroll expenditure forms the bulk of all cost traceable to the Ministry for any financial year. PFM Regulations 2019, (L.I. 2378), Regulations 85 to 97 recognizes the determination of an 'Accounting Authority' to manage and control payroll.

Within the MOH and its Agency, the Human Resources Division is designated as responsible for general control, administration and management of human resource and related compensations.

All inputs submitted by BMC shall be verified by a designated office in the MOH and all other Agency that have the mandate for accuracy and their financial appropriateness at their respective IPPD. The Payroll Processing Section shall then input all IPPD forms into the National Database.

G.1.2 Internal Control Objectives

The Internal Control objectives for this function are as follows;

- i. Payroll is managed efficiently within the constraints of the Employees Compensation budget ceiling at both BMC and Ministry level;
- ii. Only staff belonging to the BMC at post have their names on the BMC Payroll;
- iii. Officers are paid compensation commensurate to their grades, salary levels and periods on duty;
- iv. The monthly payroll is validated by persons acting within the scope of their authority;
- v. Recordings in the books of accounts on personnel and payroll are made only by individuals acting within the scope of their authority
- vi. Documents of personnel and payroll are kept at a secured place and easily retrievable.

G.1.3 Statement of Rules

1. Salaries of staff in MOH shall be paid in accordance with pay-days published by the Controller and Accountant-General's Department (CAGD).
2. All Salary payments shall be made through Bank Accounts of the staff unless authorized by the CAGD.
3. No inputs shall be made on any payroll system without authorization and approval by head of BMC.
4. Inputs for Salary related payments by BMC shall conform to the Approved Salary Structure issued by the MOF, checked, and signed by Head of BMC and HR.
5. The primary responsibility of the correctness of an input rests with the Head of BMC where the Input Form originated.
6. On monthly bases and before salary validation, the updated nominal roll shall be made available to the Head of Management Units and Payroll Validators.
7. All Payment Vouchers for salaries shall be checked and certified by the Head of Management Unit. ESPV shall be printed monthly, after certification and kept by the Management Unit.
8. For the purpose of authenticating Payroll Inputs, Heads of BMC shall ensure that specimen signatures of designated schedule officers are lodged with the National and Regional level PPS and Treasuries.
9. Salaries for separated staff (death, resignations, retirements, vacation of post, study leave without pay etc.) shall be appropriately stopped on the ESPV. Subsequently, appropriate Input Forms with necessary documents attached shall be submitted to the respective PPS to remove the separated staff from the payroll. Evidence of appropriate action taken shall be documented and filed for easy retrieval on demand.
10. The Head of BMC shall write to the Bank and copy the respective Regional Director - CAGD, for repayment into the Consolidated Fund, salaries or other payments credited to the Bank Accounts of separated staff (unearned salary). A follow up shall be undertaken by the Head of BMC to ensure that such funds have duly been deposited into the appropriate Accounts at the Bank of Ghana and also to obtain evidence of payment or receipts from CAG
11. The Accounting Authority shall prepare:
 - a) Monthly Summary Payroll Schedule
 - b) Monthly Personnel Input Report and submit these to the Head of BMC
12. The Head of BMC shall approve the Monthly Personnel Input Report as in 11b above and make it available to the Head of Finance on a monthly basis who shall incorporate this information in the BMC Financial Statement.

G.1.4 Highlights of Functions

| Cycle | Actions/Events | Responsible Official |
|----------------------------|--|------------------------------------|
| Starting Point(s) | Receive Personnel/Payroll documentation | Head of BMC |
| | Access Electronic Salary Payment Voucher (ESPV) Platform | Head of BMC |
| Intermediate Points | Prepare Personnel/Payroll Input Forms | HR Schedule Officer |
| | Endorse Personnel/Payroll Input Forms | Head of HR |
| | Approve Authorize Personnel/Payroll Input Forms | Head of BMC |
| | Submit Approved Personnel/Payroll Input Forms to IPPD | Head of HR |
| | Review and certify ESPV | Head of BMC |
| | Prepare Monthly Summary Payroll Schedule | Head of HR |
| | Submit Monthly Summary Payroll Schedule to Head of Finance | Head of BMC |
| | Prepare and approve DJV with attached summary payroll schedule | Accounts Staff and Head of Finance |
| Ending Point | Post into Expenditure Budget Ledger and Below the Line Ledger | Accounts Staff |
| | File Copies of DJV | Head of Finance |

G.1.5 Procedures/ Steps to follow

1. The Schedule Officer signs IPPD Input forms and sends to Head of BMC for approval.
2. The schedule officer registers input forms prepared/received by/from BMC in a dispatch Register for reference purposes.
3. The Head of BMC regularly accesses the Electronic Salary Payment Voucher (ESPV) Platform to validate staff at post at the BMC and also identify relevant vacancies.
4. The receiving officer from the PPS signs the Dispatch Book as evidence and acknowledgement of receipt of the document.
5. Officers authorizing or approving the input forms check the relevant supporting documents before signing and stamping all input forms with the BMC official stamp.
6. MOH-PPS conducts a monthly reconciliation with PPD-CAGD to verify and validate all inputs made against the payroll outputs generated by CAGD.
7. The Human Resource prepares a monthly report to the Head of BMC reconciling the Inputs received, processed and submitted to the MOH PPS and files copies for easy retrieval.
8. After submission and payment of ESPV on monthly basis, the head of BMC certifies the paid ESPV to authenticate that staff who are supposed to be paid are paid the requisite amounts.

Relevant Accounting Treatment for Payroll

Upon the receipt of the monthly Summary Payroll Schedule and Personnel Input Report,

- (a) A DJV is raised using the information from the monthly reports above.

Debit: Expenditure Budget Ledger (with the GOG Gross payment – inclusive of Employer’s Contribution)

Credit: Below the Line Revenue (with the GOG Gross payment)

Payments of Salary for Non-Mechanized

Staff that are not paid directly from CAGD are classified as Non-Mechanized and are paid from other sources of funds eg IGF. Where salaries would be paid from IGF or any other Authorized Funds aside GOG;

- (a) The salaries of Non-Mechanized should not be below the minimum wage in accordance with Section 113 of the Labor Act, 2003 (Act 651).
- (b) The Schedule Officer signs IPPD Input forms and sends to Head of BMC for approval.
- (c) The Head of Finance receives IPPD form/monthly Payroll information from the HR
- (d) A Payment Voucher is prepared to effect payment for staff salary.
- (e) All IGF salaried employees shall be remunerated through the Banks.
- (f) All statutory deductions shall be effected and paid promptly when due to the appropriate Authority.
- (g) Finally, the Head of Finance shall post the transaction as follows:

Debit: Expenditure Budget Ledger (Wages & Salaries Account with Gross. Payment inclusive of Employer’s Contribution)

Credit:

- IGF Departmental Cash Book (with the Net salary payment);
- Income Tax (PAYE)
- SSF Accounts
- Second Tier Pension

Sub-vented Agency

For Agency not on IPPD, MOF will issue General Warrants covering compensation of employees to CAGD on monthly basis. CAGD will issue a Warrant to the Sector Minister together with BTA transferring money from the Treasury--Main Bank Account to the CAGD Salaries and Pensions Account.

H. Cash and Bank Management

H.1: Opening and Closing of Bank Account

Applicability: All BMC

H.1.1 Overview

The operation of Bank account shall be done in consonance with Section 51 of the Public Financial Management Act, 2016 (Act 921) and the CAGD Operational Manual for Bank Accounts Management for Covered Entities (2022).

The CAG shall authorize the opening of all bank accounts per the Public Financial Management Act, 2016 (Act 921).

The head of the Covered Entity shall initiate the opening/closing of the bank account through the administrative channels to the Chief Director and then to CAG.

As a general policy, only managing BMCs shall operate a bank account. The CAG may close an existing bank account where it becomes necessary.

All application for bank account opening shall be routed through the Financial Controller.

It is expected that Regional Health Directorate shall maintain the following bank accounts:-

- Regional Director of Health Services Account
- Donor Pooled Funds/Sector Budget Support Account
- Regional Medical Stores Non-Medicine Account
- Regional Medical Stores Medicine Account

At the District Health Directorate, two bank accounts shall be maintained:

- District Director of Health Services Account
- Donor Pooled Funds/Sector Budget Support Account

At the Sub District two bank accounts shall be maintained

- IGF Service Account
- IGF Medicine Account

Hospitals and Polyclinics are required to maintain four (4) Bank Accounts:

- IGF Services Account
- IGF Medicines Account
- Sector Budget Support Account (Donor Pooled Funds)
- Equipment Revolving Fund Account

In respect of training institutions, three (3) bank accounts shall be opened:

- IGF Services Account
- Sector Budget Support Account (Donor Pooled Funds)
- Equipment Revolving Fund Account

The number of accounts for the sub-vented organizations shall be determined in consultation with the Financial Controller. The Financial Controller has a responsibility to periodically review the management of bank accounts operated by BMC to ensure compliance with these requirements, and monitor/assess the efficiency of such accounts.

On-site banking arrangement shall be determined by MOF’s guidelines and the terms of contract signed with the Banks.

H.1.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. Only properly authorized bank accounts are opened and operated by BMC.
- ii. Requests for opening of Bank Accounts shall only be performed by authorized persons.
- iii. All Cheque books, bank statements, and related documents are kept in a secure place and are easily retrievable.

H.1.3 Statement of Rules

- 1. Authority to open a bank account for the purpose of handling the receipt and disbursement of Public Funds rests solely with the Controller and Accountant General (CAG).
- 2. MOH officials responsible for committing, certifying, or authorizing the receipt/disbursement of Public Funds shall be considered a fiduciary of the public trust and, accordingly, shall judiciously and honestly carry out their duties in the best interest of the MOH/GOG.
- 3. For this and other control reasons, two signatures, one from each category are required on all cheques drawn on MOH-controlled Bank Accounts and a third signatory where applicable. Officers from Category B are mandated to sign to create a valid order.
- 4. All MOH and its agencies including all managing BMCs, shall operate the following bank accounts with respective signatories.

a. MOH Headquarters

The banks accounts operated at this level shall be in consonance with the various sources of funds, namely GOG/DF at MOH headquarters. In addition, bank accounts shall be maintained for the operations of the medical stores, namely medicines accounts and non-medicines accounts. The following shall be the signatories to the respective bank accounts.

| Category A | Category B |
|----------------------------|-----------------------------|
| Chief Director | Financial Controller |
| Director of Administration | Deputy Financial Controller |
| Designated Director | Chief Accountant |

The Head of Pharmacy shall be a third mandatory signatory to the Central Medical Stores Medicine accounts.

b. Agency Headquarters/ Teaching Hospitals

The bank account operated at this level shall include IGF medicines accounts, GOG and Donor Funds. In addition, bank accounts shall be opened for BMCs under the Teaching Hospitals for IGF services. The following officers shall be signatories of the various bank accounts at this level.

| Category A | Category B |
|---|------------------------------|
| Director General/Chief Executive Officer/Registrar | Director of Finance |
| Deputy Director General/Medical Director/Deputy Chief Executive Officer/ Deputy Registrar | Deputy Director of Finance 1 |
| Director of Health Administration and Support Service(HASS)/ Director of Administration | Deputy Director of Finance 2 |

c. Regional Health Directorate/other Agencies Regional Offices

It is expected that Regional Health Directorate shall maintain the following bank accounts with their respective signatories as below.

- Regional Director of Health Services Account
- Regional Director of Health Services - Donor Pooled Funds
- Regional Medical Stores Non-Medicines Account
- Regional Medical Stores Medicines Account

| Category A | Category B |
|--------------------------------------|--|
| Regional Director of Health Services | Deputy Director of Finance |
| Deputy Director Public Health | Head of Financial Reporting and Monitoring |
| Deputy Director Clinical Care | Head of Treasury |
| Deputy Director of Administration | |

The Regional Chief Pharmacist shall be a third mandatory signatory to the Regional Medical Stores – Medicines Account.

d. Other Regional Agencies' Offices

In the case of other Agencies' regional offices, one bank account shall be kept with the following signatories: –

| Category A | Category B |
|-------------------|------------------------|
| Regional Director | Head of Finance |
| Deputy Director | Deputy Head of Finance |

e. Regional/Districts Hospitals and Polyclinics

Hospitals and Polyclinics are required to maintain four (4) Bank Accounts with their respective signatories as below.

- IGF Services Account
- IGF Medicines Account
- Donor Pooled Funds
- Equipment Revolving Fund Account

f. Regional Hospitals

| Category A | Category B |
|------------------------|------------------------|
| Medical Director | Head of Finance |
| Clinical Coordinator | Deputy Head of Finance |
| Head of Administration | |

The Heads of Pharmacy and Equipment shall be third mandatory Signatories to the IGF Medicine bank accounts and Equipment Revolving Fund Account respectively.

g. District Hospital/Polyclinics

| Category A | Category B |
|------------------------|------------------------|
| Medical Superintendent | Head of Finance |
| Clinical Coordinator | Deputy Head of Finance |
| Head of Administration | |

The Heads of Pharmacy and Equipment shall be third mandatory Signatories to the IGF Medicine bank accounts and Equipment Revolving Fund Account respectively.

h. District Health Directorate

At the District Health Directorate two bank accounts shall be maintained with their respective signatories as below.

- District Director of Health Services Account
- Donor Pooled Funds Account

| Category A | Category B |
|--------------------------------------|------------------------|
| District Director of Health Services | Head of Finance |
| District Public Health Nurse | Deputy Head of Finance |

i. Training Institutions

In respect of Training Institutions, two (2) bank accounts shall be opened with their respective signatories as below

- IGF Services Account
- Donor Pooled Funds

| Category A | Category B |
|-------------------|------------------------|
| Principal | Head of Finance |
| Vice Principal | Deputy Head of Finance |

5. In order to open a bank account, the Head of the BMC shall submit a request in writing to the Chief Director through the respective Agency Heads, using the administrative channels. The Chief Director shall issue a formal request to the CAG.
6. The request from the Head of the BMC shall stipulate a third, or alternative signatory for the bank account, and include a signature card with specimen signature for each of these.
7. The request shall affirmatively state the conditions under which the account is to be operated and shall include any prohibitions on disbursements, the frequency and distribution of bank statements and a general prohibition on overdrafts as in the Public Financial Management Act, 2016 (Act 921).
8. These rules and instructions do not allow for third or alternative signature to substitute for either the Head of the BMC or the Head of the Finance Office unless stipulated by both Heads in writing.
9. Copies of all requests for accounts shall be maintained in files, under lock and key, and lodged with both the Head of the BMC and the Head of Finance.
10. Copies of all canceled cheques, bank statements, and used/unused cheque books shall be kept in the Finance Office safe.
11. All payments to the bank shall be accompanied with a confirmation letter from the BMCs

H.1.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|--|--|
| Starting Points | Prepare request for new account (Including specimen signature) | Head of BMC |
| | Request for Closing of bank accounts | Head of BMC/ Supervising Authority. |
| Intermediate Points | Forward request to Chief Director through Heads of Agencies | Head of BMC |
| | Approve/forward to CAGD | Chief Director |
| | Approve/forward to BOG | CAGD |
| | Authorize Bank to open/close account | BOG |
| Ending Point | File Notification and Copy of Request | Head of BMC/Finance |

H.1.5 Procedures/Steps to Follow

1. To open a bank account, the Head of the BMC forwards a written request to the Chief Director through the supervising authority, stating, among others, the purpose for the new account, the name of the account, the name and location of the proposed Bank, the names and positions of the signatories to the account and a specimen signature of each signatory.
2. Upon approval by the Chief Director, a request is forwarded to the CAG for the opening of a new bank account. The bank, authorized by the BOG/CAGD to open the account notifies the Head of the BMC once the account becomes effective. Request must be accompanied by specimen signatures of officers as per the various categories. The banks subsequently issues cheque books to the BMC to facilitate banking transactions.
3. The notification from the bank, along with copies of the BMC request, are filed together in a permanent file.
4. Upon receipt of approval, the BMC shall collect a bank signature card and submit with specimen signatories and the mandate of the operation as per the categorization of the above.

H.2.Cash Planning and forecasting

H.2.1 Overview

After budgets have been approved, the cash planning and release process ensures that as much as practically possible, commitment of public funds are effectively controlled and payments are also streamlined to maximize use to public funds.

The cash planning and release processes collectively referred to as cash management coordinates the pooling and efficient distribution of public moneys to facilitate the operations of MoH to enable them achieve their set targets.

Cash planning at the BMC level is underpinned by the monitoring of cash requirements by the Head of BMC. The determination of the BMC's cash requirements at any point in time is based on a collation of the claims for payment that have been duly approved and have fallen due for payment. As well as a cash availability report, which pools together cash balances on all accounts from which, the BMC can issue payments.

The Head of the BMC then prioritizes the payment of invoices based on the approved work plan and the amount of cash available for payment at the time of payment processing

H.2.2 Highlights

| | | |
|----------------------------|---|---------------------|
| Starting Point(s) | <ul style="list-style-type: none">• Receives notification of the cash planning ceiling for cash releases and processes cash releases for the relevant period up to the approved ceiling | BMC Head of Finance |
| Intermediate Points | <ul style="list-style-type: none">• Prepare Monthly Cash Forecast• Investigate non-reconciling amounts• Forward copy of endorse bank reconciliation statement to Deputy Controller and Accountant General, Treasury | BMC Head of Finance |
| Ending Point | <ul style="list-style-type: none">• Receive and review cash forecast• Prioritise payment processing based on cash plan and approved cash ceiling | Head of BMC BMC |

H.2.3 Procedures/Steps to follow

1. The BMC Head of Finance prepares monthly cash forecasts based on the approved claims for payments.
2. The BMC Head of Finance submits the cash forecast to the Head of the BMC
3. The Head of the BMC receives and reviews the report.
4. The Head of Covered Entity prioritizes payment of claims based on the approved cash plan and the approved cash ceiling for the period

H.3. Managing Out-Patient Revenue (Banking/Accounting for Daily Collections)

Banking Cash Collections (Cash Deposits to Bank)

Applicability: All BMC

Introduction

Banking refers to financial business or transaction with bank including deposits, withdrawals, transfers and other related activities undertaken by a financial institution. Thus, cash withdrawal is common banking function and extends to a third party who are allowed to access funds for various reasons.

Ministry of Health institutions at all levels undertake a lot of banking activities and it important to standardize these operations in the quest to improve financial management. This section covers deposit of cash collections by covered entities other than on-site banking arrangements and cash withdrawals from BMC banks.

H.3.1 Overview

One of the most important aspects of a strong system of internal controls is the degree to which an institution's staff adequately safeguards resources under their custody-both liquid or readily negotiable ones, as well as others. The most vulnerable resource is the cash collected each day by the designated Revenue Officer and subsequently deposited into the bank. It is important to ensure that adequate controls are in place, in addition to the various monitoring and inspection procedures described throughout these rules and instructions.

H.3.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. All cash collected from patients/clients is deposited daily into the appropriate bank account.
- ii. All such deposits are verified as to their accuracy by a designated Monitor.
- iii. All such deposits are recorded in both the IGF Summary and Departmental Cash Book.
- iv. Such recording is performed only by individuals acting within the scope of their authority.
- v. That all Pay-In Slips are kept in a secure place and are easily retrievable.
- vi. That periodic bank reconciliations are prepared.

H.3.3 Statement of Rules

1. All cash collected by the Main Cashier from Revenue Officers shall be banked gross daily unless the Financial Controller has approved a less frequent depositing arrangement for that particular BMC.
2. The entries in the Cashier's IGF Summary Cash Books shall be verified, signed and stamped by a Monitoring/Internal Audit Staff as a check both on the accuracy of these books, and of the amounts recorded on each pay-in slip.
3. All stamped deposit pay in slips shall be recorded in the appropriate departmental cash book daily.

H.3.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|--|----------------------------------|
| Starting Point(s) | Ascertain Cash on hand in Summary Cash Book | Cashier Staff |
| | Prepare IGF Pay-In-Slips | |
| Intermediate Points | Verify Pay -In-Slips/Books | Monitoring /Internal Audit Staff |
| | Deposit Funds and Give bank certified Pay-In-Slips to Accounts Staff | Main Cashier |
| Ending Point | Record in Departmental Cash Book/Return Pay-In-Slips | Accounts Staff |
| | Record IGF Summary Cash Books | |

H.3.5 Procedures/Steps to Follow

1. At the end of each day, the Main Cashier in BMC would have collected cash from all Revenue Officers. When all cash have been received, GCRs issued, and IGF Summary Cash Books posted, an Account Staff prepares two pay-in slips—one for each bank account (i.e. IGF Service and IGF Medicines Bank Accounts) and deposit into the operational accounts.
2. When the Main Cashier returns from the bank, the transaction is posted into the Summary Cash Book as per the bank stamped pay-in-slip.
3. The Monitoring/Internal Audit Staff on daily basis authenticates and endorses the pay in slip and its recordings in the Summary Cash Book.
4. The endorsed pay-in slip is given to the Accounts Staff in charge of the Departmental Cash Book for posting, initialing of each slip, and return same to the Main Cashier for safekeeping.

H4: Cash Withdrawals from bank

H.4.1 Overview

Cash withdrawal refers to taking money out of a BMC bank account using various methods including the issuance of cash cheques and cash withdrawal letters. Such withdrawals are done to effect payment of processed transactions of the BMC.

Due to the vulnerability of cash resources, it is imperative to streamline the custody of cash cheques or withdrawal letters in addition to the processes of cash withdrawal and its custody till it is put to its intended use.

H.4.2 Internal Control Objectives

The internal control objectives for this function include:

- i. All cash cheques / withdrawal letters are kept in safe custody
- ii. Cash cheques or similar instruments are submitted to designated bank for withdrawal by authorized staff
- iii. All cash cheques or withdrawal letters are authorized by either the Head of BMC, Head of Finance or any other persons designated by any of the two before honoring by the bank
- iv. Cash withdrawn from the bank is kept in a safe in the account office until approval for release
- v. Cash releases for any transaction is approved
- vi. Cash cheques activities are properly documented

H.4.3 Statement of Rules

- i. All cash cheques or withdrawal letters shall be authorized by the Head of BMC and Head of Finance
- ii. All cash cheques or withdrawal letters shall be kept with the Head of Finance
- iii. Cash cheques or withdrawal letters shall be submitted to BMC bank by an officer authorized and introduced to the bank
- iv. No cash cheques or similar instrument shall be honored by the bank without prior approval by the head of BMC or head of finance
- v. All cash withdrawal from the bank shall be kept in a safe in the account office.
- vi. No cash shall be released for the payment of any transaction without the approval of the Head of Finance

H.4.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|---|--|
| Starting Point(s) | Receive 1. Authorize cash cheques 2. Fully signed cash cheques / withdrawal letters | Head BMC and Head Finance Head of Finance |
| Intermediate Points | Release cash cheques / withdrawal letter to Account staff | Head of Finance |
| | Submit cash cheque / withdrawal letter (s) to bank | Account staff |
| | Custody of cash from bank | Main Cashier |
| Ending Point | Authorise the release of cash for transaction (s) | Head of Finance |

H.4.5 Procedures to Follow

- i. All signed cash cheques or withdrawal letters by designated signatories should be deposited with the Head of Finance for safe custody
- ii. The Head of Finance should acknowledge receipt of cash cheques or withdrawal letters by signing close to the cheques number area of the respective payment voucher.
- iii. Subsequently, the cash cheque should be recorded in Cash Cheques Activity register and the respective cashbook updated.

- iv. Based on the cash requirement of the BMC, cash cheques should be released to the designated account staff for bank withdrawal
- v. Once returned from the bank, the cash withdrawn should be handed over to the main cashier for safe keeping and record in a Cash Tally Card
- vi. The Head of Finance should then update the Cash Cheque Activity ledger to reflect the withdrawal
- vii. All cash releases from the safe should be approved the by the Head of Finance
- viii. The Head of Finance should undertake periodic cash count of physical cash available in the office.

H.5. Bank Reconciliation

H.5.1 Overview

This module describes the procedure for the reconciliation of bank accounts maintained by Ministry of Health. With this process the BMC's accounting records are reconciled with bank statements to make sure that the balances match. It entails tallying transactions recorded in the BMC's books (deposits, withdrawals, payments, etc.) with those listed on the bank statement

H.5.2 Statement of Rules

- i Bank reconciliations must be carried out on a monthly basis. The Treasury main account must be reconciled on a weekly basis due to the large volume of transactions
- ii Bank reconciliations for the previous month must be completed within ten working days of the next month
- iii Reconciliation staff should not also be responsible for making payments
- iv Cheques, Bank Transfer Advices and Direct Transfer payments which remain outstanding after six months shall be deemed to have gone stale and the relevant payment entries must be reversed accordingly

H.5.3 Reconciliation of Central GoG Bank Accounts

The Chief Cashier is responsible for the reconciliation of the central GoG bank accounts which include the:

- GoG Treasury Main bank account
- GoG Foreign bank accounts
- Central Non-Tax Revenue bank account
- Other GoG bank accounts (e.g. Pensions and Salaries, Debt and Interest Payment accounts)

H.5.4 Highlights of the Function

| Cycle | Action/Events | Responsible Official |
|----------------------------|--|-----------------------------|
| Starting Point(s) | <ol style="list-style-type: none"> 1. Receive bank statement 2. Notify bank of errors on bank statement | Chief Cashier |
| Intermediate Points | <ol style="list-style-type: none"> 1. Review and endorse bank reconciliation statement 2. Investigate non-reconciling amounts 3. Forward copy of endorse bank reconciliation statement to Deputy Controller and Accountant General, Treasury | Chief Cashier |
| | <ol style="list-style-type: none"> 1. Receive bank statement from Chief Cashier 2. Reconcile bank statement to cash book 3. Notify Chief Cashier of errors on bank statement and non reconciling items 4. Generate bank reconciliation statement and forward to Chief Cashier for approval | Accounts Officer |
| Ending Point | Approves reconciliation statement | Chief Cashier |

H.5.5 Procedures/Steps to Follow

- 1 The Chief Cashier receives bank statements for a given month from the bank and reviews them for completeness. If the bank statements are incomplete, the Chief Cashier notifies the bank to resend the complete set of bank statements. The Chief Cashier then forwards the bank statements to an Accounts Officer for reconciliation with the cash book
- 2 The Accounts Officer receives the bank statement and reconciles it to the cashbook. If there are no non-reconciling differences, the Accounts Officer shall generate and forward a bank reconciliation statement to the Chief Cashier for approval. If there are non-reconciling differences, the Accounts Officer shall determine if there are due to errors on the bank statement or errors in the cash book and notify the Chief Cashier
- 3 If there are errors on the bank statement, the Chief Cashier shall notify the bank to correct the errors on the bank statement and resend it for reconciliation to the cashbook. If the nonreconciling items are from errors in the cash book, the Chief Cashier shall investigate them and resolve them according to administrative guidelines
- 4 The Chief Cashier receives the bank reconciliation statement from the Accounts Officer and reviews it for accuracy and completeness. If the bank reconciliation statement is accurate and complete, the Chief Cashier endorses and forwards it to the Deputy Controller and Accountant-General, Treasury for approval. Otherwise, the Chief Cashier returns the bank reconciliation statement to the Accounts Officer to make the necessary corrections to it and resubmit for review

H.5.6 Reconciliation of the BMC/BMC Bank Accounts

The BMC Head of Finance is responsible for the reconciliation of the BMC’s bank accounts, which includes:

- The BMC Operational bank accounts
- Project bank accounts
- Non-Tax Revenue bank accounts

H.5.7 Highlight of function

| | | |
|----------------------------|--|---------------------|
| Starting Point(s) | <ol style="list-style-type: none"> 1. Receive bank statement 2. Notify bank of errors on bank statement | BMC Head of Finance |
| Intermediate Points | <ol style="list-style-type: none"> 1. Review and endorse bank reconciliation statement 2. Investigate non-reconciling amounts 3. Forward copy of endorse bank reconciliation statement to Deputy Controller and Accountant General, Treasury | BMC Head of Finance |
| | <ol style="list-style-type: none"> 1. Receive bank statement from BMC Head of Finance 2. Reconcile bank statement to cash book 3. Notify BMC Head of Finance of errors on bank statement and non reconciling items 4. Generate bank reconciliation statement and forward to BMC Head of Finance for approval | Accounts Officer |
| Ending Point | Approves Reconciliation Statement | BMC Head of Finance |

H.5.8 Procedures /Steps to Follow

- 1 The BMC, Head of Finance receives bank statements for a given month from the bank and reviews them for completeness. If the bank statements are incomplete, the BMC, Head of Finance notifies the bank to resend the complete set of bank statements. The BMC, Head of Finance then forwards the bank statements to an Accounts Officer for reconciliation with the cash book
- 2 The Accounts Officer receives the bank statement and reconciles it to the cashbook. If there are no non-reconciling differences, the Accounts Officer generates and forwards a bank reconciliation statement to the BMC, Head of Finance for approval. If there are non-reconciling differences, the Accounts Officer shall determine if they are due to errors on the bank statement or errors in the cash book and notify the BMC, Head of Finance
- 3 If there are errors on the bank statement, the BMC, Head of Finance shall notify the bank to correct the errors on the bank statement and resend it for reconciliation to the cashbook. If the non-reconciling items are from errors in the cash book, the BMC, Head of Finance shall investigate them and resolve them according to administrative guidelines

- 4 The BMC, Head of Finance receives the bank reconciliation statement from the Accounts Officer and reviews it for accuracy and completeness. If the bank reconciliation statement is accurate and complete, the BMC, Head of Finance endorses and forwards it to the Deputy Controller and Accountant-General, Treasury through the Head of BMC.

Otherwise, the BMC, Head of Finance returns the bank reconciliation statement to the Accounts Officer to make the necessary corrections to it and resubmit for review.

H.6: Imprest Management - Managing Petty Cash and Special Imprest - Expenditure

Applicability: All BMC

H.6.1 Overview

The PFM Act 2016 (Act 921) and the PFM regulations 2019, (LI 2378) Regulation 98 – 105, permits Covered Entities to establish Petty Cash funds to pay for relatively minor expenses within the established threshold. The essential purpose of the Petty Cash Fund is to disburse nominal amounts of cash. Therefore, no cash should be paid out of the fund in respect of PO since this would have already been committed and usually involve relatively larger amounts of money. It will not be necessary to prepare a PO either at the time of establishment or replenishment. BMC should note that this is an exception to the commitment before payment of commitment rule, it is only with respect to Petty Cash, and only due to the nature of these expenditures. Instead, the commitment of expenditures will take place at the end of each month using a DJV. In addition, other than replenishments from the account, no money should be collected by the Petty Cash Custodian and placed in the fund. This, however, does not apply to residual cash from a transaction being returned to the Custodian by the employee responsible for effecting a particular Petty Cash purchase.

In order to maintain uniformity throughout the MOH, Petty Cash threshold shall be set for all levels of operation. In view of the fact that costs increase over time due to such factors as inflation and depreciation of the currency, the Financial Controller shall periodically review the Petty Cash (PC) float and the disbursement thresholds. The significance of these thresholds should largely be viewed from an operational efficiency point of view and shall serve as the upper limits.

Special Imprest (Accountable Imprest) shall be created as and when necessary, usually under emergency situation for particular activity for which time is of essence and going through administrative procedures may cause avoidable disruption in service delivery. It shall be treated as an advance until retired. The amount retired would be treated as expenditure and appropriately recorded in the Expenditure Budget Ledger.

At the end of each month, however, a DJV would be used to support the posting of the special Imprest expenditures simultaneously in the Expenditure Budget Ledger as commitments and payments.

To manage currency fluctuations and the pressures on the currency ATF makes Room for FC advisory notes which can make changes where need be before any other review may be necessitated

H.6.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. BMC Petty Cash Funds are only established within the limits set forth by these rules and instructions.
- ii. All Petty Cash are retired at the end of each year.
- iii. All payments from Petty Cash are made only by the petty cash Custodian and upon authorization from the Head of BMC/Head of Finance.
- iv. All payments from Petty Cash are supported by a Departmental Petty Cash Receipt, and supplier receipts or honour certificates.
- v. The Petty Cash fund and all receipts not yet “replenished” should be safeguarded by the Custodian.
- vi. All Petty Cash payment documents, once retired and replenished, are kept in a secure place and easily retrievable.

H.6.3 Statement of Rules

1. The operationalization of the Petty Cash shall be by the approval of the Head of BMC in line with the threshold set.
2. Head of BMC who requires a revision of the threshold established shall do so through a written authorization from the Financial Controller.
3. The petty cash shall be replenished periodically within a month but shall not exceed the monthly float.
4. The Petty Cash Custodian shall be an Accounts Staff, nominated by the Head of Finance.
5. The custodian shall sign a statement of personal responsibility for the proper use and custody of the fund.
6. In the case of temporary absence of a Petty Cash Custodian, the Head of Finance shall assume the role.
7. Only approved disbursement shall be made from the Petty Cash fund. Ensure that Petty Cash is used wholly and exclusively for the purpose for which it is established.
8. Honour Certificate shall be used only for payments where official receipts are not obtainable
9. The Stores Receipt Vouchers (SRV) shall support official receipt/invoices and serves as evidence of receipt of goods into Stores.
10. The back of the Petty Cash Receipt shall be endorsed by the Head of User Units.
11. All entries of petty cash payments in the Departmental Petty Cash Book must correspond to the **amount retired**. This also applies to patient refunds which, are considered retirements.
12. A Petty Cash custodian may disburse funds from Petty Cash based on verbal authorization from the Head of the BMC or the Head of Finance, but in strict accordance with the rules set forth below.
13. The Petty Cash float and disbursement threshold for various levels of operation shall be as spelt out in the table below;

PETTY CASH (IMPREST) THRESHOLD

| Level | GH¢ Monthly Imprest ceiling | GH¢ Imprest Float per Holder | GH¢ Disbursement Threshold | GH¢ Verbal Threshold |
|------------------------------|------------------------------------|-------------------------------------|-----------------------------------|-----------------------------|
| MOH HQ/Agencies/ TH | 50,000 | 25,000 | 1,999 | 500 |
| RHD/RHO | 30,000 | 10,000 | 1,500 | 500 |
| HTI/PHO/RMS/RHO/ TH /Sub BMC | 20,000 | 10,000 | 1,000 | 500 |
| DHO/ /PC/ DHD | 15,000 | 5,000 | 500 | 300 |
| HC | 3,000 | 1,000 | 200 | 100 |
| CHPS ZONE | 1,000 | 500 | 100 | 50 |

H.6.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|---|---|
| Starting Point(s) | Establish Petty Cash/ Approve Special Imprest | Head of BMC |
| | Appoint Petty Cash Custodian | Head of Finance |
| Intermediate Points | Process Departmental Payment Voucher to “Open” Petty Cash | Accounts Staff |
| | Take Custody of Cash and Record Entry | Petty Cash Custodian |
| | Either: Advance Cash and Retire (within threshold), or | Petty Cash Custodian, Recipient |
| | Advance Cash and Retire (Special Imprest) | Head of Finance and Recipient |
| | Record Entry | Accounts Staff |
| EndingPoint | Replenish cash monthly | Petty Cash Custodian/ Accounts Staff |

H.6.5 Procedures/Steps to Follow

1. In establishing a petty cash fund the Head of Finance applies for authorization from the Head of BMC, stating the source of funds, effective date, the float and “verbal” disbursement threshold.
2. The Head of Finance nominates a Petty Cash Custodian and ensures adequate security of petty cash and un-replenished PCR.
3. The Petty Cash Custodian accepts in writing to the Head of BMC copying the Head of Finance personal liability for unauthorized use of the funds
4. A Departmental Payment Voucher is prepared for the initial amount of the fund and processed accordingly.
5. When issuing petty cash, both the Petty Cash Custodian and Recipient sign a Departmental Petty Cash Receipt in the spaces provided in the "Amount Issued" line.
 - a. Original should then be given to the recipient.
 - b. Duplicate kept in the book until the staff returns with items purchased and supplier receipts where applicable.
 - c. Triplicate kept in the book.
6. While a staff is in possession of petty cash, the Duplicate Copy of the Departmental Petty Cash Receipt serves as an advance and signifies that the transaction is in process. No entries should be made in the Departmental Petty Cash Book until the staff returns with the items and/or any remaining cash. Once the officer returns, the original is placed back into the Book, the retired amount recorded, and a corresponding signature obtained. It is this net retired amount which is posted in the Departmental Petty Cash Book as an expenditure.
7. The Petty Cash custodian should obtain official receipt for all retirements and together with original copy of SRV in the case of goods. The receipt should be endorsed by respective Unit Head.
8. In an event that an official receipt cannot be practicably obtained, the Head of Finance should make a determination as to whether an Honor certificate should be used to evidence the transaction. The Petty Cash Custodian should bring the ***Honor Certification*** at the bottom of this receipt to the attention of the recipient and review the likelihood of receiving a supplier receipt for the transaction.
9. In the case of patient refunds, the “Amount Issued” line of the receipt would not apply and should therefore be crossed out. The original GCR should be retrieved, voided and attached to the PCR. In this case, however, the Petty Cash Custodian brings the statement on the bottom of this receipt to the attention of the patient to ensure that it is understood that a final settlement of account is being made once, signs on the “Amount Retired” line and receives the refund.
10. Replenishment of petty cash is supported by a Departmental Petty Cash Receipt, and supplier receipts or honor certificates.
11. The Petty Cash Custodian is required to replenish the fund at periodic intervals after consultation with the Head of Finance to establish the “replenishment amount”. The Petty Cash Custodian totals all the duplicate copies of Departmental Petty Cash Receipts (that had been kept secured), prepares a schedule to this batch of receipts, and provide these to the Head of Finance for replenishment.
12. The verification of payment documentation is an Accounts Staff function (rather than a Monitoring Staff function), the Accounts Staff in charge of preparing the Departmental Payment Voucher therefore:
 - a. cross-checks the amounts on the schedule to the underlying receipts,
 - b. cross-checks the total on the schedule to the amount shown in the “balance” column of the

Departmental Petty Cash Book to ascertain that, when these two amounts are added they equal the approved amount of the BMC Petty Cash fund.

- c. If the cross-verification ties out, the balance of the payment voucher process should proceed.
13. At the end of each month, the Petty Cash Book is turned over to a designated Accounts Staff for preparation of the DJV. The Accounts staff prepares the voucher, posts the appropriate ledger(s), and returns the book to the Petty Cash Custodian.
14. Where payments for medicine and medicine related petty expenses are made from the IGF Services Petty Cash fund, refunds shall be made from the Medicines Account to replenish the fund. Such payments shall be treated as an advance to the Medicines Account until the replenishment is done. Summarized refund amount is recouped from the relevant bank accounts into the petty cash.
15. In establishing or replenishing petty cash, what is required; is a copy of the authorization letter at the time of establishment, and all suppliers endorsed receipts and duplicates of Departmental Petty Cash Receipts at the time of replenishment.
16. The Petty Cash Custodian, as recipient, should always sign the Departmental Payment Voucher whenever establishing/replenishing petty cash. GCR are therefore not required at these times.
17. As Departmental Petty Cash Receipt Books are completed (and, at the end of the month for "active" books), each patient refund made from petty cash shall be **individually** posted to the Debtors Ledger by the Accounts Staff in charge of maintaining that ledger. For all such refunds made from petty cash during the month, the total amount shall also be posted to the Control Section of the Debtors Ledger. At the end of the month, all entries in the Departmental Petty Cash Book shall be summarized on a DJV and posted to the Expenditure Budget Ledger.

I. Fixed Asset Management

Overview

Fixed Assets are classified into different categories based on their nature, functions, useful lives and valuation methodologies. The classifications include Land, Buildings and Structures, Office Equipment, Furniture and Fittings, ICT Equipment, Other Machinery and Equipment, Library Books, Heritage and Cultural Assets.

Fixed Assets represent significant part of Government contribution to service delivery in the Health sector.

The Acquisition and management of these assets are critical in providing assurance and sustainability of service delivery. In this regard, appropriate measures should be put in place to:

1. Ensure that assets are properly identified and tracked throughout their life span
2. Confirm that fixed assets are properly accounted for in the Government's book of accounts
3. Promote the uniform application of accounting policies for fixed asset management across all MOH entities.

Fixed Assets management involve a number of functions including; acquisition, maintenance, transfer and disposal. It is envisaged that all BMCs would strictly adhere to the policies and standards prescribed by these Rules and Regulations for the purpose of safeguarding the Fixed Assets of the Ministry.

As a primary requirement in accounting for Fixed Assets, all BMCs are to maintain an updated Fixed Asset Register in the Standard Format shown in Appendix C-10 which shall serve as a source of financial and non-financial information. In this direction, the Finance Office, the Procurement Unit, the Estate and Transport Units are required to keep adequate records of assets procured.

I.1 Fixed Asset Coordinating Unit (FACU)

For the purpose of the FAI, the head of BMC shall establish a Fixed Assets Coordinating Unit (FACU) made up of officers drawn from the following Units;

1. Finance
2. Stores
3. Estate
4. Medical equipment and
5. Transport

The finance unit shall lead the activities of the FACU. The Fixed Assets Coordinating Unit will be responsible to ensure that the Register is properly kept and updated accordingly.

The FACU of every BMC shall

- a) Assist the head of BMC to take an inventory of fixed assets
- b) Keeps records on fixed assets
- c) Prepare an annual report on fixed assets
- d) Coordinate the retirement and disposal of fixed assets of a covered entity.
- e) Coordinate the transfer of fixed assets and

- f) Assist the head of BMC to update the register of lands, buildings and all and all other fixed assets after every acquisition, disposal or transfer of land and building.

I.2 Acquisition

The financial regulations and policies for the management of fixed assets can be found in the Public Procurement Act, 2003 (Act 663) as amended by Public Procurement (Amendment) Act 2016 (Act 914), PFM Act, 2016 (Act 921) and PFM Regulations 2019 (L.I. 2378).

Acquisition of fixed assets shall be properly authorized and approved in accordance with the provisions of the Procurement Act, 2003 (Act 663) as amended by Public Procurement (Amendment) Act 2016 (Act 914), and any regulations or instructions issued by the Minister of Finance and / or the Controller and Accountant-General

I.2.1 Land Acquisitions

The Lands Commission Act, 2008 (Act 767) outlines the functions of the Lands Commission to include facilitation of land for Government, management of land vested in or acquired by the state in accordance with approved land use plans and registration of title to land and other interests in land.

The process for the acquisition of land is governed by the provisions of State Lands Act, 1962 (Act 125) as amended by State Lands Amendment Act, 2000 (Act 586) and The Land Act 2020, (Act 1036).

There are two main modes of land acquisition for Covered Entities, regardless of whether the land is owned by Government or not.

Where land is already owned by Government, Covered Entities apply to the Lands Commission to be granted access to enter onto the land in line with approved land use plans.

On the other hand, where land is not owned by Government, Covered Entities apply for Government to acquire that land by compulsory acquisition.

I.3. Fixed Asset Register

Each Covered Entity shall maintain a register of the assets it owns or leases. The register should at a minimum detail the following for each asset:

| | |
|-------|---|
| i. | Asset ID |
| ii. | Asset Description |
| iii. | Registration Number |
| iv. | Units/Qty/Size(Acre) |
| v. | Location/Town |
| vi. | GPS Address |
| vii. | Date Placed In Service (Day-Month-Year) |
| viii. | Asset Number |
| ix. | Tag Number/Registration Number |

| | |
|--------|----------------------------------|
| x. | Color |
| xi. | Chassis Number |
| xii. | Engine Serial Number |
| xiii. | Manufacturer Name |
| xiv. | Model Number/Name |
| xv. | Model Year |
| xvi. | Cost Center Using Asset |
| xvii. | User Dept/Section/Unit |
| xviii. | Usage Type(Assigned/ Pool) |
| xix. | Staff ID |
| xx. | Full Name (First/Middle/Surname) |
| xxi. | Position |
| xxii. | Method of Acquisition |
| xxiii. | Title/Deed Number |
| xxiv. | Condition |
| xxv. | Investment Property Yes/No) |
| xxvi. | Cost / Value GH¢ |
| xxvii. | Useful Life |

I.4 Fixed Assets Verification

The FACU shall ensure compliance with Government of Ghana policies with regards to management by labelling, marking or embossment before allocating for use of fixed assets by particular BMC/Agency as defined in Regulations 155 and 156 of the PFM Regulations 2019, (L.I. 2378).

The objective of Fixed Asset accounting is to provide guidance on the accounting for their cost, depreciation, disposal and valuations in line with IPSAS 17.

The asset verification process has six steps:

1. BMC's Set objectives and reviews all asset documentation.
2. Physical Inspection is conducted to identify the owned assets that exist on-site.
3. An analysis is done to ensure information gathered correlates and aligns with data from the fixed asset register.
4. Draw detailed reports on assets found to have discrepancies, what information has changed, and any other findings that may impact asset ownership or financial records
5. Determine the current valuation of each asset using collected information such as current conditions, market trends, and calculated depreciation values.
6. FACU prepares reports on Lost and damaged assets and action to be taken as recommended in the Fixed Assets Management Guide 8.3.2.a

I.5 Disposal of Assets

A BMC may dispose off Fixed Assets after they have been retired from use and due authorization has been given for their disposal.

Fixed Assets shall be disposed in accordance with section 52 of the PFM Act 2016 (Act 921), Regulations 157 and 158 of the PFM Regulations, 2019 (L.I. 2378) as well Sections 83 and 84 Public Procurement Act, 2003 (Act 663) as amended by Public Procurement (Amendment) Act 2016 (Act 914). Such disposal shall be controlled and monitored to prevent abuse of the system by completing the Non-Current Assets Disposal Form (NCADF); the Standard Format as shown in Appendix C-50 and have it approved by the Head of BMC.

I.5.1 Statement of Rules

1. The head of BMC shall convene a board of survey comprising representatives of departments with vehicles, unserviceable, obsolete or surplus stores, plant and equipment which shall report on the items and subject to a technical report on them, recommend the best method of disposal after the officer in charge has completed a board of survey form.
2. The board of Survey's recommendations shall be approved by the head of the BMC and the items shall be disposed of as approved.
3. Where items become unserviceable for reasons other than fair wear and tear, such as through accident and expiry, a set procedure established by the board of survey for handling losses shall be followed before the items are boarded and disposed of.
4. The board shall issue detailed instructions and policy guidelines related to the disposal of vehicles, unserviceable stores, and obsolete equipment.

I.5.2 Disposal Procedures

Disposal of obsolete and surplus items shall be by

- a) Transfer to government departments or other public entities, with or without financial adjustments.
- b) Sale by public tender to the highest tenderer, subject to reserve price
- c) Sale by public auction, subject to a reserve price; or
- d) Deduction, dumping, or burying as appropriate.

I.5.3 Accounting for disposal of Fixed Assets

1. When a Fixed Asset is no longer functional or required, and has therefore been disposed of, entries should be effected in the respective Fixed Asset Register.
2. Upon disposal, the Head of FACU should create a disposal account to record the historical cost of the asset with the related accumulated depreciation through a DJV. Proceeds from disposal should then be recorded in the disposal account and the Departmental Cashbook. The

account staff then determines gains /loss on disposal by closing the disposal accounts and transferring the corresponding entry into the statement of performance as a gain or loss. A schedule of Fixed Asset disposal shall be prepared and disclosed as part of the notes to the accounts.

3. At year end the Head of FACU should compute the annual depreciation of respective Fixed Assets based on the related costs from the ledgers. The Head of FACU then records the annual depreciation amount in the respective accumulated depreciation ledgers and the corresponding entry in the financial performance statements. The Head of Finance subsequently reviews the calculations and recordings, then prepares the Fixed Asset schedule for inclusion in the financial report.

1.6 Accounting for Fixed Assets (Non-Current Assets – PPEs)

Applicability: All BMC

1.6.1 Overview

Property, Plant and Equipment are classified into different categories based on their nature, functions, useful lives and valuation methodologies. The classifications include Land, Buildings and Structures, Office Equipment, Furniture and Fittings, ICT Equipment, Other Machinery and Equipment, Library Books, Heritage and Cultural Assets.

PPEs represent significant part of Government contribution to service delivery in the Health sector. The management of these assets is critical in providing assurance and sustainability of service delivery. In this regard, appropriate measures should be put in place to:

- Ensure that assets are properly identified and tracked throughout their life span
- Confirm that fixed assets are properly accounted for in the Government's book of accounts
- Promote the uniform application of accounting policies for fixed asset management across all MOH entities.

PPEs management involve a number of functions including; the maintenance, transfer and disposal of PPEs. It is envisaged that all BMCs would strictly adhere to the policies and standards prescribed by these Rules and Regulations for the purpose of safeguarding the Assets of the Ministry.

As a primary requirement in accounting for PPEs, all BMCs are to maintain an updated Non-Current Asset Register in the Standard Format shown in Appendix C-10 which shall serve as a source of financial and non-financial information. In this direction, the Finance Office, the Procurement Unit, the Estate and Transport Units are required to keep adequate records of assets procured.

For the purpose of these Rules and Instructions, a Fixed Assets Coordinating Unit (FACU) made up of officers drawn from the Finance Office, the Stores Unit, Estate, Equipment and Transport Units shall be established by the Head of BMC. The finance unit shall lead the activities of the FACU. The Fixed Assets Coordinating Unit will be responsible to ensure that the Register is properly kept and updated accordingly. This unit shall ensure compliance on Government of Ghana policies with regards to management of PPEs including labelling, marking or embossment before allocating for use by particular BMC/Agency as defined in the Regulation 156 of the PFM Regulations 2019, (L.I 2378).

The objective of PPE accounting is to provide guidance on the accounting for their cost, depreciation, disposal and valuations in line with IPSAS 17.

I.6.2 Internal Control Objectives

The internal control objectives for this function are as follows

- i. Fixed Assets within MOH are safeguarded
- ii. The general systems and procedures for accounting for Fixed Assets are complied with
- iii. There is the coordination of the movement of Fixed Assets within the MOH
- iv. Fixed Assets are marked/embossed/labelled for identification
- v. The Policies regarding Fixed Assets are consistently applied
- vi. Recordings on Fixed Assets are made only by individuals acting within the scope of their authority
- vii. Documents on Fixed Assets are kept at a secured place and are easily retrievable.

I.6.3 Statement of Rules

1. Acquisitions and disposals of Fixed Assets shall be properly authorized in accordance with the provisions of the PFM Act 2016 and the Public Procurement Act as amended.
2. A Non-Current Assets Register shall be maintained to ensure that, the cost, condition and location of the assets are easily determined. The Standard Format shown in Appendix C-10 shall be used by all BMC at all times.
3. All Property, Plant and Equipment (PPE) shall **initially** be stated at historical cost, or fair value in case of non-exchange transactions (donated assets), for legacy assets they shall be stated at their deemed cost.
4. Assets acquired by Exchange of other assets shall be measured at fair value unless;
 - The exchange transaction lacks commercial substance
 - The fair value of neither the asset received, or the asset given up is reliably measured.
5. PPEs shall be measured at the carrying amount of the asset given, if not measured at fair value.
6. PPE shall be depreciated over their estimated useful lives using the straight-line method up to their residual value, except for land, and assets under construction (Work in Progress) which are not subject to depreciation.
7. Full year depreciation shall be charged in the year that the asset is acquired, the entity gains control over the asset, and put in use for its intended purpose.
8. Depreciation shall not be charged in the year of retirement or disposal.
9. The estimated useful lives of property, plant and equipment classes are as follows:

| S/N | Asset Category | Useful Life (Years) |
|-----|--------------------------------|---------------------|
| 1 | Buildings & Structure | 50 |
| 2 | Transport Equipment | 5 - 10 |
| 3 | Office Equipment | 5 - 8 |
| 4 | Furniture, Fixtures & Fittings | 7 |
| 5 | ICT Equipment | 7 |
| 6 | Other Machinery and Equipment | 3 -5 |

10. All transfers of Fixed Assets within MOH shall be triggered by the submission of a formal request to the issuing Institution and authorized by a higher-level supervisory authority with a copy to FACU.
11. Fixed Assets shall be disposed in accordance with the provision under PFM Act 2016 (Act 921) section 52, Regulation 157 and 158 of the PFM Regulation, 2019 (L.I. 2378) as well as the Public Procurement Act, 2003 (Act 663) as amended. Such disposal shall be controlled and monitored to prevent abuse of the system by completing the Non-Current Assets Disposal Form (NCADF); the Standard Format as shown in Appendix C-50 and have it approved by the Head of BMC.

I.6.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|--|-----------------------------|
| Starting Point(s) | Verify Receipt of PPE using Invoice/relevant source documents and SRA (Purchased, donated, transfers, legacy and heritage assets). | Head of Finance |
| Intermediate Points | Record initial cost in the respective PPE account. | Head of Finance |
| | Maintain/Update of Fixed Assets Register. | FACU |
| | Receive Advice on Disposal of Assets | Head of Finance |
| | Receive/Issue GCR for Disposal Proceeds. | Accounts staff |
| | Deposit proceeds into respective bank accounts. | Accounts staff |
| | Determine carrying amount of disposed assets. | Accounts staff |
| | Record proceeds into the asset disposal account. | Accounts staff |
| | Determine gains/losses on disposal and post to respectively if BMC keeps disposal profits. | Head of Finance |
| | Determine and record annual depreciation on various PPEs. | Head of Finance |
| | Update respective accumulated depreciation ledgers. | Head of Finance |
| | Prepare PPE schedule at year end for financial statements. | Head of Finance |
| Ending Point | File copies of documentation on FixedAssets | Head of Finance |

I.6.5 Procedures/Steps to follow

1. Once an asset is acquired, it is classified and given a unique identification number. The asset is then assigned to a particular BMC/Unit where the Head of that BMC/Unit would be responsible for its proper care, use and maintenance within the Ministry.
2. On acquisition or receipt of PPEs, and its subsequent issue to User Department/Unit, a copy of the CRIV is forwarded to the FACU, by stores, for the Non-Current Asset Register to be updated. It is incumbent on the Head of BMC to ensure that, the Head of Finance, in conjunction with the FACU, keeps each segment Non-Current Asset Register (transport, estate, equipment etc.) as well as the master Non-Current Asset Register.
3. Every office within BMC/Agency keeps for inspection at any time, an Inventory of all PPEs in that office, but the overall BMC Non-Current Asset Register is kept by the FACU.
4. The Register is maintained and updated daily by FACU. The Finance Office, however, should maintain a master Non-Current Asset Register for the purpose of consolidation, accounting, reporting and audit.
5. Upon acquisition of PPE, an account staff should record in the respective asset ledger the cost of the asset with a corresponding entry in the creditor's ledger. Subsequently, when payment is made, effect entries in the creditor's ledger and the Departmental Cashbook. In the case of non-exchange acquisition, the corresponding entry should be done in the deferred revenue or liability account/ledger. The deferred revenue is subsequently spread over the useful life of the asset annually by debiting deferred revenue or liability ledger and crediting other income through a DJV.
6. In case of a transfer of an asset, FACU coordinates the actual movement and transfer of the PPEs and also advises the necessary adjustments in the Non-Current Asset Register. The head of finance should accordingly update the respective asset ledger with the related historical cost and the associated accumulated depreciation amount by creating an asset transfer ledger. The transfer should be recorded at the carrying amount to close the asset transfer ledger by treating it as an expenditure (donation).
7. When a PPE is no longer functional or required, and has therefore been disposed of, entries should be effected in the respective Non-Current Asset Register.
8. Upon disposal, the Head of FACU should create a disposal account to record the historical cost of the asset with the related accumulated depreciation through a DJV. Proceeds from disposal should then be recorded in the disposal account and the Departmental Cashbook. The account staff then determines gains /loss on disposal by closing the disposal accounts and transferring the corresponding entry into the statement of performance as a gain or loss. A schedule of PPE disposal shall be prepared and disclosed as part of the notes to the accounts.
9. At year end the Head of FACU should compute the annual depreciation of respective PPEs based on the related costs from the ledgers. The Head of FACU then records the annual depreciation

amount in the respective accumulated depreciation ledgers and the corresponding entry in the financial performance statements. The Head of Finance subsequently reviews the calculations and recordings, then prepares the PPE schedule for inclusion in the financial report.

I.7: Accounting for Non-Current Assets – PPEs

Applicability: All BMC

I.7.1 Overview

Investment property is a property (land or building or part of a building or both) held to earn rentals or for capital appreciation, or both rather than;

- a. Used in the production or supply of goods or services, or for administrative purposes;
- b. Sales in the ordinary cause of business.

Owner-occupied property is property held by the owner (or by the lessee under a finance lease) for use in the production or supply of goods or services, or for administrative purposes are not Investment Properties.

Hospital bungalows and Students hostel of Training Institutions are typically classified as PPEs rather than investment Property due to their primary use in the respective institutions under IPSAS 17.

The management of these assets is critical in raising additional non-traditional revenue to support service delivery of covered entities. This enables BMCs to keep these assets in use so they do not remain idle and to minimize the extent of deterioration. In this regard, appropriate measures should be put in place to:

- a. Create avenues for investments into investment properties.
- b. Ensure that investment properties are properly identified and tracked throughout their life span.
- c. Confirm that investment properties are properly accounted for in the Government's book of accounts.
- d. Promote the uniform application of accounting policies for investment property management across all MOH entities.

Investment properties like PPEs must be properly managed with regards to the maintenance, transfer and disposal. In view of this, arrangements made with third parties for the usage of investment properties must include clauses on its maintenance and repairs to safeguard such assets.

The Non-Current Register of a BMC should include information on investment properties similar to that of PPE. However, there should be a clear differentiation between assets classified as PPE and that of investment property for the purpose of accounting and reporting. The responsibility of the FACU shall cover the management of investment properties as per the Regulations and as indicated in module H2 – Accounting for Non-Current Assets (PPE).

The objective of accounting for Investment Properties is to provide guidance on the treatment of investment properties, rental income and the disclosure requirements.

I.7.2 Internal Control Objectives

The internal control objectives for this function are as follows

- i. Investment Properties within MOH are safeguarded
- ii. The general systems and procedures for accounting for Investment Properties are complied with
- iii. There is the coordination of the movement of Investment Properties within the MOH
- iv. The policies regarding Investment Properties are consistently applied
- v. Recordings on Investment Properties are made only by individuals acting within the scope of their authority
- vi. Documents on Investment Properties are kept at a secured place and are easily retrievable.

I.7.3 Statement of Rules

1. Investment property shall be recognized as an asset only when:
 - It is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity; and
 - The cost or fair value of the investment property can be measured reliably.
2. Investment property shall be measured initially at its cost (transaction costs shall be included in this initial measurement). Where an investment property is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.
3. Investment property shall subsequently be measured after initial recognition at Fair Value in line with the CAGD manual as follows;
 - a. The amounts recognized in surplus or deficit for:
 - Rental revenue from investment property;
 - Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental revenue during the period; and
 - Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental revenue during the period.
 - b. A reconciliation between the carrying amounts of investment property at the beginning and end of the period.
4. Investment property assets shall be derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.
5. Gains or losses arising from the disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset, and shall be recognized in surplus or deficit in the period of the disposal.
6. MOH shall use the fair value for subsequent measurement of its investment property in line with GOG Accounting policy.

Other disclosures include;

- a. Where fair value model is applied, disclosures are made on whether, and in what circumstances, property interests held under operating leases are classified and accounted for as investment property;
 - b. The methods and significant assumptions applied in determining the fair value of investment property, including a statement whether the determination of fair value was supported by market evidence, or was more heavily based on other factors because of the nature of the property and lack of comparable market data;
 - c. The extent to which the fair value of investment property (as measured or disclosed in the financial statements) is based on a valuation by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued. If there has been no such valuation, that fact shall be disclosed;
 - d. The amounts recognized in surplus or deficit for:
 - Rental revenue from investment property;
 - Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental revenue during the period; and
 - Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental revenue during the period.
 - e. The existence and amounts of restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal; and
 - f. Contractual obligations to purchase, construct, or develop investment property or for repairs, maintenance, or enhancements.
 - g. A reconciliation between the carrying amounts of investment property at the beginning and end of the period.
7. Acquisitions and disposals of Investment Property shall be properly authorized in accordance with the provisions of the PFM Act 2016 and the Public Procurement Act 2003 (Act 663) as amended.
 8. A Non-Current Asset Register shall be maintained to ensure that, the cost, condition and location of the assets are easily determined. The Standard Format shown in Appendix C-10 shall be used by all BMC at all times.
 9. Investment Property shall be revalued at each reporting date to its fair value, which reflects market conditions at that time. Any changes in fair value are recognized in surplus or deficit for the period in which they occur
 10. All transfers of Investment Property within MOH shall be triggered by the submission of a formal request to the issuing Institution and authorized by a higher level supervisory authority, copy to FACU.
 11. Investment Property shall be disposed in accordance with the provision under PFM Act 2016 (Act 921) section 52, Regulation 157 and 158 of the PFM Regulation, 2019 (L.I. 2378) as well as the Public Procurement Act, 2003 (Act 663) as amended. Such disposal shall be controlled and monitored to prevent abuse of the system by completing the Non-Current Assets Disposal Form (NCADF); the Standard Format as shown in Appendix C-50 and have it approved by the Head of BMC.

I.7.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|------------------------------|--|---|
| Starting Point(s) | Verify Receipt of Investment Property using Invoice/relevant source documents and SRA (Purchased, donated, transfers, legacy and heritage assets). | Head of Finance |
| Intermediate Point(s) | Record initial cost in the respective Investment Property account. | Head of Finance |
| | Maintain/Update of Non-Current Asset Register. | FACU |
| | Receive Advice on Disposal of Assets | Head of Finance |
| | Receive/Issue GCR for Disposal Proceeds. | Accounts staff |
| | Deposit proceeds into respective bank accounts. | Accounts staff |
| | Determine carrying amount of disposed assets. | Head of FACU |
| | Record proceeds into the asset disposal account. | Accounts staff |
| | Determine gains/losses on disposal and post to respectively if BMC keeps disposal profits. | Head of Finance |
| | Determine and Record annually any changes in fair value are recognized in surplus or deficit for the period in which they occur | Head of Finance and Professional Valuer |
| | Prepare Investment Property schedule at year end for financial statements. | Head of FACU |
| | Review Investment Property schedule at year end for financial statements. | Head of Finance |
| Ending Point | File copies of documentation on Non-Current Assets | Head of Finance |

I.7.5 Procedures/Steps to follow

1. Once an asset is acquired, it is classified and given a unique identification number. The asset is then assigned to a particular BMC/Unit where the Head of that BMC/Unit would be responsible for its proper care, use and maintenance within the Ministry.
2. On acquisition or receipt of an Investment Property, and its subsequent issue to Management/ Department/Unit, a copy of the CRIV is forwarded to the FACU, by stores, for the Non-Current Asset Register to be updated. It is incumbent on the Head of BMC to ensure that, the Head of Finance in conjunction with the FACU keeps each segment Non-Current Asset Register as well as the master Non-Current Asset Register.
3. The Register is maintained and updated by FACU as and when any new investment Property is acquired.
4. Upon acquisition of Investment Property, an account staff should record in the respective asset ledger the cost of the asset with a corresponding entry in the creditor's ledger. Subsequently, when payment is made, effect entries in the creditor's ledger and the departmental cashbook. if acquired on credit. In the case of non-exchange acquisition, the corresponding entry should be done in the deferred revenue or liability.
5. In case of a transfer of an asset, FACU coordinates the actual movement and transfer of the Investment Property and also advises the necessary adjustments in the Non-Current Asset Register. The head of finance should accordingly update the respective asset ledger with the related Fair Value by creating an asset transfer ledger. The transfer should be recorded at the carrying amount to close the asset transfer ledger by treating it as an expenditure (donation).
6. When an Investment Property is no longer functional or required, and has therefore been disposed of, entries should be effected in the respective Non-Current Asset Register.
7. Investment Property should be presented separately in the Statement of Financial Position.
8. Upon disposal, the Head of Finance should remove the investment property from the Financial Statements when it is disposed of or when no future economic benefits are expected from its use or disposal.
9. Calculate and recognize any gain or loss on derecognition in the surplus or deficit, which is the difference between the net disposal proceeds and the carrying amount of the asset through a DJV.
10. At year end an Account staff in consultation with Head of Finance should determine the fair value of the investment property at each reporting date. This may involve using market evidence, valuations by independent appraisers, or other appropriate valuation techniques. Any changes in the fair value recognized in surplus or deficit for the period in which they arise.

1.8 Accounting for Fixed Assets (Non-Current Assets – Intangible Assets)

Applicability: All BMC

Applicability: All BMC

I.8.1 Overview

An intangible Asset is an identifiable non-monetary asset without physical substance such as; computer software, patents, copyrights, trademarks, designs, etc.

Intangible assets are classified into Internally Generated intangible assets and acquired or purchased intangible assets which are recognized in the Statement of Financial Position.

In MOH, IPSAS 31 is applied to account for intangible assets such as medical software, patents for pharmaceuticals, or licenses for medical equipment.

For example, a hospital's accounting for a newly developed medical record software would follow these guidelines, ensuring that the asset's value is properly reflected in Financial Statements and that stakeholders have clear information about the asset's financial impact.

Intangible assets with finite useful lives are amortized on a straight-line method and full amortization charged in the year of acquisition or in the year when they become operational.

Computer software developed internally shall be capitalized at cost, where the cost includes directly associated cost such as software development cost, employee costs, costs for consultants and other applicable overheads.

Development costs are expensed. However, Development cost are capitalized when it is determined with reasonable certainty that such cost will lead to the development of an asset or future economic benefits associated to the development will flow to the entity.

The disposal of intangible assets in the Health sector is accounted for according to IPSAS 31 as follows:

- a. **Derecognition:** An intangible asset should be derecognized on disposal or when no future economic benefits or service potential are expected from its use or disposal.
- b. **Gain or Loss on Disposal:** The difference between the net disposal proceeds and the carrying amount of the asset should be recognized in surplus or deficit when the asset is derecognized.
- c. **Disclosure:** The financial statements should disclose the gain or loss on the disposal of an intangible asset, including the line item(s) of surplus or deficit in which those gains or losses are included.

For example, if a BMC sells a patent it holds, it would derecognize the patent from its statement of financial position and recognize any gain or loss in its statement of financial performance based on the difference between the sale proceeds and the carrying value of the patent.

I.8.2 Internal Control Objectives

The internal control objectives for this function are as follows

- i. Intangible Assets within MOH are safeguarded
- ii. The general systems and procedures for accounting for Intangible Assets are complied with
- iii. There is the coordination of the movement of Intangible Assets within the MOH
- iv. The Policies regarding Intangible Assets are consistently applied
- v. Recordings on Intangible Assets are made only by individuals acting within the scope of their authority
- vi. Documents on Intangible Assets are kept at a secured place and are easily retrievable.

I.8.3 Statement of Rules

1. Healthcare entities shall recognize intangible asset if it is probable that the expected future economic benefits or service potential will flow to the entity and the cost of the asset can be measured reliably
2. Internally generated goodwill shall not be recognized as an intangible asset.
3. Research cost shall be charged to expenses when incurred in the Statement of Financial Performance.
4. After initial recognition, BMCs shall carry intangible assets at cost less any accumulated amortization and impairment losses. Should there be an active market, revaluation to fair value shall be permitted.
5. The useful life of an intangible asset in BMCs shall be linked to the license period or patent protection duration. Amortization shall reflect the pattern in which the asset's future economic benefits are expected to be consumed.
6. BMCs shall disclose information about their intangible assets, including carrying amount, useful life, amortization method, and any impairment losses.
7. Intangible assets shall be carried at cost, less accumulated amortization, and accumulated impairment loss.
8. On the acquisition of an Intangible asset at nil or nominal cost, including donated assets, the fair value at the date of acquisition shall be deemed to be the cost to acquire the assets.

9. Computer software acquired shall be capitalized on cost basis. The cost of the software shall include the initial license cost and other cost incurred to bring the software into use.
10. Intangible assets with finite useful lives shall be amortized on a straight-line method and full amortisation charged in the year of acquisition or in the year when they become operational.
11. Intangible Assets shall be disposed of, in accordance with the provision under PFM Act 2016 (Act 921) section 52, Regulation 157 and 158 of the PFM Regulation, 2019 (L.I. 2378) as well as the Public Procurement Act, 2003 (Act 663) as amended. Such disposal shall be controlled and monitored to prevent abuse of the system by completing the Non-Current Assets Disposal Form (NCADF); the Standard Format as shown in Appendix C-50 and have it approved by the Head of BMC

Amortisation of Intangible Assets

| Intangible Asset Type | Intangible Useful life |
|---------------------------------------|-------------------------------|
| Patent | 10 years |
| Trade Mark | Infinite |
| Trade Name | 10 years |
| Licenses | Based on the Terms of use |
| Copywrite | Based on the Terms of use |
| Franchise Agreement | Based on the Terms of use |
| Broadcast rights | Based on the Terms of use |
| Broadcasting Spectrum | Infinite |
| Air Space | Infinite |
| Use rights | Based on the Terms of use |
| Internet Domain Name | Infinite |
| Goodwill | Infinite |
| Software | 10 years |
| Recipes | Infinite |
| Formulae | Infinite |
| Model | 10 years |
| Designs | 5 years |
| Prototype | 3 years |
| Newspaper Mastheads | 5 years |
| Performance Events | 5 years |
| Literary Works | Infinite |
| Musical Works | Infinite |
| Pictures | Infinite |
| Motion Pictures & Television Programs | Infinite |
| | |

Source; CAGD of Republic of Ghana

I.8.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|--|-----------------------------|
| Starting Point(s) | Verify Receipt of Intangible Assets using Invoice/relevant source documents and SRA (Purchased, donated, transfers, internally Generated Intangible assets). | Head of Finance |
| Intermediate Points | Record initial cost in the respective Intangible Assets account. | Head of Finance |
| | Maintain/Update of Non-Current Assets Register. | FACU |
| | Receive Advice on Disposal of Assets | Head of Finance |
| | Receive/Issue GCR for Disposal Proceeds. | Accounts staff |
| | Deposit proceeds into respective bank accounts. | Accounts staff |
| | Determine carrying amount of disposed assets. | Accounts staff |
| | Record proceeds into the asset disposal account. | Accounts Staff |
| | Determine gains/losses on disposal and post respectively, where BMC keeps disposal surplus/deficit. | Head of Finance |
| | Determine and record annual amortization or impairments on various Intangible Assets. | Head of Finance |
| | Update respective accumulated amortization ledgers. | Head of Finance |
| | Prepare Intangible Assets schedule at year end for financial statements. | Head of Finance |
| Ending Point | File copies of documentation on Non-Current Assets | Head of Finance |

I.8.5 Procedures/Steps to follow

1. Once an asset is acquired, it is classified and given a unique identification number. The asset is then assigned to a particular BMC/Unit where the Head of that BMC/Unit would be responsible for its proper care, maintenance and use within the Ministry.
2. On acquisition or receipt of an Intangible Asset, and its subsequent issue or deployment to Management/ Department/Unit, a copy of the CRIV is forwarded to the FACU, by stores, for the Non-Current Asset Register to be updated. It is incumbent on the Head of BMC to ensure that, the Head of Finance in conjunction with the FACU keeps each segment Non-Current Asset Register as well as the Master Non-Current Asset Register.
3. The Non-Current Assets Register is maintained and updated by FACU as and when any new Intangible Asset is acquired.
4. Upon acquisition of Intangible Assets, an Accounts Staff should record in the respective asset ledger the cost of the asset with a corresponding entry in the creditor's ledger. Subsequently, when payment is made, effect entries in the creditor's ledger and the Departmental Cashbook if acquired on credit. In the case of non-exchange acquisition, the corresponding entry should be done in the deferred revenue or liability.
5. In case of a transfer of an asset, FACU coordinates the actual movement and transfer of the Intangible Assets and also advises the necessary adjustments in the Non-Current Assets Register. The Head of Finance should accordingly update the respective asset ledger with the related amortized Value by creating an asset transfer ledger. The transfer should be recorded at the carrying amount to close the asset transfer ledger by treating it as an expenditure (donation).
6. When a Non-Current Asset is no longer functional or required, and has therefore been disposed of, entries should be effected in the respective Non-Current Asset register.
7. Intangible Assets should be presented separately in the Statement of Financial Position.
8. Ensure all required disclosures are made in the notes to the financial statements, including:
 - i. The useful lives or amortization rates used.
 - ii. The amortization methods used.
 - iii. The gross carrying amount and any accumulated amortization (aggregated with accumulated impairment losses) at the beginning and end of the period.
 - iv. A reconciliation of the carrying amount at the beginning and end of the period.
 - v. The line item(s) in the statement of financial performance in which any amortization of intangible assets is included.
 - vi. A description, the carrying amount, and remaining amortization period of any individual intangible asset that is material to the entity's financial statements.
 - vii. The existence and carrying amounts of intangible assets whose title is restricted and the carrying amounts of intangible assets pledged as security for liabilities.
 - viii. The amount of contractual commitments for the acquisition of intangible assets.

9. At year-end, BMCs measure intangible assets according to the following guidelines set out in IPSAS 31:

- **Carrying Amount:** Intangible assets should be carried at their cost less any accumulated amortization and any accumulated impairment losses.
- **Revaluation:** If an active market exists for the intangible asset, it may be revalued to fair value less any subsequent accumulated amortization and impairment losses.
- **Impairment Testing:** At each reporting date, an entity should assess whether there is any indication that an intangible asset may be impaired. If any such indication exists, the entity should estimate the recoverable service amount of the asset.
- **Amortization:** The depreciable amount of an intangible asset should be allocated on a systematic basis over its useful life. The amortization method used should reflect the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity.
- **Disclosure:** The financial statements should disclose the carrying amount of intangible assets, a reconciliation of the carrying amount at the beginning and end of the period, and a description of significant intangible assets.

For example, if a BMC has developed proprietary software, it would measure this asset at cost less any accumulated amortization and impairment losses at year-end. If there is an active market for similar software, it might opt to revalue it instead.

J. Inventory Management

J.1: Receiving - Accounting for Inventories

Applicability: All BMC

J.1.1 Overview

Generally, Inventory refers to assets in the form of materials or supplies to be consumed in the production process, in rendering of services, held for sales or distribution in the ordinary course of operation and in the process of production for sale or distribution. In this vein inventory comprises of Materials, Work-In-Progress and Finished goods.

BMC are required to incorporate prudent inventory management systems into their operations. The procurement of Health Commodities must be done in the most economical way by responsible officers charged with exercising that function on behalf of MoH taking cognizance of the provisions of the Public Procurement Acts.

Accounting for Inventory should be carried out in line with the Generally Accepted Accounting Principles (GAAP) and IPSAS 12-Inventories. In consonance with the CAG accounting policy on inventory, MoH shall recognize Inventory as part of its accounting and financial reporting. As part of the process, there shall be quarterly and annual inventory counts in all MoH stores.

In accounting for inventory, BMCs are required to complete a Requisition Issue and Receipt Voucher or Combined Requisition and Issue Voucher (RIRV/CRIV) and anytime receipts and issues are made to/from the Store to serve as a primary document to facilitate the keeping of the appropriate store and accounting records. The Head of Finance is required to obtain copies of the SRA, Invoice and RIRV/CRIV for accounting purposes.

J.1.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. Goods received are covered with the SRA.
- ii. Goods issued are covered with the RIRV/CRIV.
- iii. Copies of the RIRV/CRIV are sent to the Head of Finance for updates in the Inventory Accounting Ledger and other Units Consumption Ledgers.
- iv. At all times, Stores records should match Inventory Accounting records.
- v. The inventory records at any point in time reconciles with the physical items in the Store;
- vi. Stores' financial activities are effectively coordinated by the Head of Finance.
- vii. Such recordings are made by individuals acting within the scope of their authority.
- viii. All Inventories are kept in a secure place and are easily retrievable.

J.1.3 Statement of Rules

1. Officers responsible for Stores acting through their Heads of BMC shall be responsible for determining the trend of usage of Consumable Items in their respective Stores.
2. Officers responsible for Stores shall be responsible for establishing the Minimum and Maximum Re-order levels. These levels shall be displayed on the Tally cards.
3. All goods received into Stores must first be certified with regards to their quantity and quality by an Attestation Officer/Internal Audit Staff with pre requisite knowledge of those particular stores before receiving into the Stores. BMC shall constitute an inspection team on an ad-hoc basis for the purpose of stores verification or attestation.
4. Items shall be received into or issued out of the Stores only upon the presentation of a RIRV/CRIV approved by the Officer responsible for Stores and authorized by Head of User Unit. Once goods are received or issued a copy of RIRV/CRIV should be sent to the Head of Finance to update the accounting records/ledgers.
5. Reconciliation between stores records and accounting records shall be undertaken monthly by the Finance Office and the Stores.
6. An Account Staff shall be designated to liaise with the Stores and Procurement Units and shall be responsible for maintaining and updating the Stores accounting records. The designated officer shall make the relevant accounting entries to the requesting Department/Unit's accounts in accordance with the posting procedures.
7. The Head of Finance shall prepare BMC Quarterly Consumption Report (reflecting the values of items issued) and submit to Head of BMC.
8. Quarterly and Annual Inventory count to verify the physical existence, condition and the value of stocks shall be undertaken by the Head of BMC. These valuations shall be incorporated in the Financial Reports.
9. In consonance with the provisions of IPSAS, BMC inventory shall be measured by the lower of cost and current replacement cost/market value, except where inventory is for sale and shall be measured at lower of cost and net realizable value. In regards to cost allocation, BMC are required to use the weighted average valuation method as a guide.
10. The Internal Audit Unit shall be invited to attend and observe the stocktaking as part of the process to authenticate the inventory figures for that period. In the case of annual stocktaking, the Head of BMC shall invite External Auditors to attend and observe the process.

J.1.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|---|-----------------------------|
| Starting Point(s) | Receive copy of Issued SRA, Invoice and RIRV/CRIV from the Stores | Head of Finance |
| Intermediate Points | Record values of Stores Receipts and Issues | Accounts Staff |
| | Reconcile Accounts Records with Stores | Accounts Staff |
| | Review Reconciliations | Head of Finance |
| | Prepare Consumption Reports | Head of Finance |
| | Coordinate Inventory count | Head of Finance |
| | Disclose inventory Values | Head of Finance |
| Ending Point | File copies of RIRV/CRIV and Original DJV | Head of Finance |
| | Issue Inventory count Reports | Head of Finance |

J.1.5 Procedures/ Steps to follow

1. Upon receipt of goods by the officer responsible for stores, an inspection exercise shall be carried out with the internal auditor and the user department/technical person to ensure the goods received meet the specifications, quality and quantity per the purchase order, invoice and waybill.
2. Where goods do not meet the specification, quality and quantity, the goods must be rejected.
3. Upon satisfactory inspection, the officer responsible for stores accepts the inventory supplied.
4. the receipt of Invoice and SRA, an Account Staff debits the Relevant Stores Ledger (e.g. Stationery Accounts) and credits Purchases Accounts.
5. The Finance office receives RIRV/CRIV from the Stores periodically, with associated cost of items issued clearly indicated based on the Weighted Average Cost method.
6. An Account Staff responsible for the Stores updates the Stores Accounting Records from the RIRV/CRIV as when necessary. On issue of goods, an Account Staff **debits** the Receiving Department Account with the value of the goods received by that department and then **credits** Relevant Stores Ledger (e.g. Stationery Accounts). Note that, all issues are recorded in a Departmental Store Issue Register.

7. When Defective/Expired/Disposal/Write-off are noticed, as a result of Inventory count report, an Account Staff **debits** Defective/Expired/Disposal/Write-off Ledger with the appropriate value ascertained and **credits** the Relevant Stores Ledger. A Board of Survey should be formed to advise on the appropriate method of disposal.
8. An Inventory Control Ledger is maintained for the purpose of stores control. The Head of Finance ensures that the Inventory Control Ledger is appropriately debited with the summary of total receipts for the month and then credits the Purchases Control Account as appropriate. Consequently, the receiving Departments Control Account and the Inventory Control Ledger are debited and credited accordingly with the summary of total issues for the month.
9. The Head of Finance then prepares the Monthly Departmental Consumption Report. Note; the source of information is the various Departmental Stores Ledgers.
10. The Head of BMC in consultation with Head of Finance puts in place a Stocktaking Team to quarterly and annually take stock. All BMC are required to use the standard Stocktaking Form shown in the Appendix C-41 for purposes of quarterly and annual stocktaking.
11. The Head of BMC ensures that Internal Audit Unit is invited to attend and observe the stocktaking as part of the process to authenticate the inventory figures for that period. In the case of annual stocktaking, the Head of BMC ensures that External Auditors attend and observe the process.
12. At the end of Stock taking, after all reconciliations the agreed closing inventories should be valued depending upon the inventory category, that is;
 - a. Held for resale - valued at lower of cost or net realizable value
 - b. Distribution/consumption in the production (service delivery) process at no charge or nominal charge - valued at lower of cost or Current Replacement cost

J.2: Issuing

Applicability: All BMC

J.2.1 Highlights of function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|--|----------------------|
| Starting Point(s) | 1. Submit approved requisition for goods to Storekeeper 2. Receive requested goods | User Department |
| Intermediate Points | 1. Receive approved requisition for goods 2. Issue goods if they are in inventory 3. Update stores records | Store Keeper |
| Ending Point | Update Ledgers with inventory Value | Accounts Staff |

J.2.2 Procedure/Steps to Follow:

- 1 Upon receiving an approved requisition, the storekeeper issues the requested goods to the requesting department if the items requested are in inventory.
- 2 If items are not in stock, the Storekeeper batches all approved requisitions and initiates procurement.
- 3 The Storekeeper then completes a copy of the stores issue voucher to the recipient of the requested goods and advises the Finance Unit of issued items
- 4 Accounts staff computes and updates the ledgers with the value of the stock issued

| On issue of inventory | Debit | Credit |
|------------------------------|--------------|---------------|
| Use of goods | xxx | |
| Inventory | | xxx |

J.3: Inventory Count

J.3.1 Overview

Inventory count is the process where BMCs assess, and record amounts of stock or inventory held by the covered entity. It involves physically counting and verifying all inventory to make sure records are accurate and correct.

Inventories are subject to physical verification based on the values and risk as assessed by the Head of BMC. Valuation of inventories are the net of write-downs from the cost to current replacement cost of net realizable value, which are recognized in the financial statements.

Government of Ghana uses periodic inventory count approach where covered entities undertake inventory count on quarterly and annual basis. Ultimately the process works out the value of available stock at the end of the financial year.

Inventory count is a crucial step in inventory management, often used to reconcile physical inventory with accounting records and identify potential discrepancies. The procedure typically involves a coordinator, a closed warehouse, finalized records, systematic counting, data entry, and reconciliation.

J.3.2 Procedures/Steps to follow

1. In preparation for Inventory count, the designated accounts officer in collaboration with the stores unit ensure that the stores (or designated area) are closed to minimize disruptions, and all records are finalized before counting.
2. Inventories are systematically counted and recorded on Inventory count sheets using either barcodes, scanners, or manual methods.
3. The recorded counts are entered into a system, either manually or electronically into the GIFMIS, and reconciled with existing Inventory records.
4. Any discrepancies between the physical count and the available records are identified and investigated. This helps determine the root cause of any differences from possible errors in counting, theft, damage etc.
5. The entire process should be properly documented on Inventory count sheets, reconciliation reports, and any identified variances or adjustments.

J.4: Updating Inventory records

Inventory update refers to the process of updating the records of the quantity of goods a BMC has in its inventory. This part of inventory management allows BMC to track and maintain accurate records of the inventory levels often after issues or acquisition.

1. Once goods are received or issued a copy of RIRV/CRIV should be sent to the Head of Finance to update the accounting records/ledgers.
2. Reconciliation between stores records and accounting records shall be undertaken monthly by the Finance Office and the Stores.
3. An Account Staff shall be designated to liaise with the Stores and Procurement Units and shall be responsible for maintaining and updating the Stores accounting records. The designated officer shall make the relevant accounting entries to the requesting Department/Unit's accounts in accordance with the posting procedures.
4. The Head of Finance shall prepare BMC Quarterly Consumption Report (reflecting the values of items issued) and submit to Head of BMC.
5. Quarterly and Annual Inventory count to verify the physical existence, condition and the value of inventories shall be undertaken by the Head of BMC. These valuations shall be incorporated in the Financial Reports.
6. At the end of Inventory counts and reconciliations, the agreed closing inventories should be valued depending upon the inventory category, that is;
 - a. Held for resale - valued at lower of cost or net realizable value
 - b. Distribution/consumption in the production (service delivery) process at no charge or nominal charge - valued at lower of cost or Current Replacement cost

K. Value Books

K1: Obtaining and Assigning Value Books

Applicability: All BMC

K.1.1 Overview

The term Value Book refers to any official document or form used to support or document public financial business, which inappropriate use may result in loss of public funds. This includes both manual and electronically generated versions. Value Books include, but not necessarily limited to the following:

- a) Requisitions Books
- b) Combined Requisition and Issue Voucher(CRIV)
- c) General Counterfoil Receipts (GCR)
- d) Patient Bills
- e) Purchase Orders (PO)
- f) Fuel Coupons, Fuel chit and E-card
- g) Stores/Services Received Advices (SRA)
- h) Departmental Journal Vouchers (DJV)
- i) Departmental Payment Vouchers
- j) Departmental Petty Cash Receipts (PCR)
- k) Travel Request Forms
- l) Cheque Books
- m) Activity and Expenditure Initiation Form
- n) Approved Electronic Device

In consonance with section 8 (4) (k) of the PFM Act, 2016 (Act 921) and Regulation 146 to 153 of PFM Regulations, 2019 (L.I. 2378), the CAG is responsible for:

- (1) ordering all Value Books from printers for each “client”, Ministry and its Agencies, and
- (2) overseeing the subsequent distribution of (and billing for) these books to authorized officials, except for cheque books.

Head of Finance within BMCs have the primary responsibility therefore, to both estimate their Value Book usage (and inform the CAG/RHD accordingly), and to determine the appropriate minimum level of supplies to be kept readily available in the Finance Office safe/Value Book store. It is also their responsibility to request Value Books from their source of supply to avoid stock out.

K.1.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. The ordering, distributing, and safekeeping of Value Books is handled only by, or through, the designated authorized stockholder
- ii. All movements of Value Books into and out of the safe are recorded in the accounting records
- iii. Such recording is made only by individuals acting within the scope of their authority

- iv. All used and unused Value Books are kept in a secure place with access strictly limited to only the designated authorized stockholder.

K.1.3 Statement of Rules

1. Generally, the supply of Value Books “on-hand” shall equal at least one-month’s requirements. In the interest of minimizing the workload associated with ordering and receiving Value Books, however, a two-month’s supply of all Value Books shall be used as a more suitable guideline. In the absence of any impelling reason to the contrary, no more than three-month’s supply should be “on-hand” at any given time.
2. The custody and safekeeping responsibility for all used and unused Value Books shall remain with the Head of Finance (as designated stockholder), while the custody and safekeeping responsibility for each Value Book “in-process” shall remain with the officer in possession of that book. All persons with safekeeping responsibilities for Value Books shall be held personally accountable for their proper and safe custody.
3. Orders for Value Books shall be placed with the CAG/RHD using the Requisition for Value Books Form, and shall be signed by both the Head of the BMC and the Head of Finance.
4. In the case of GCR, only bona-fide members of the Account Staff that form part of the Finance Office may be assigned such Value Books. The only exception to this rule is where it is not possible for account officer to be at post. In this case, GCR may be issued to a designated officer who shall be made aware of the personal responsibility associated with revenue collection in writing and signed by the head of BMC.
5. Unless specifically approved by the Head of Finance, extra or spare Value Books shall not be provided to any Account Officer.
6. A detailed record of all Value Book receipts, issuances, and returns shall be maintained by the Finance Office in a Value Book Stock Register. In addition, the name and signature of the person receiving or returning a Value Book must appear next to the corresponding entry in that Register.
7. All used Value Books shall be retained for a period of seven (7) years.
8. As part of the annual budget formulation process, each BMC shall prepare an estimate of the ensuing year’s Value Book requirements and incorporate it into the Budget. The RHD will then compile the Annual Value Book requirement and forward this to the Financial Controller.
9. After the close of each year, the Head of Finance within each BMC shall prepare a comparison of actual Value Books used, to what was estimated, and forward this to the Head of BMC along with the other required end-of-year reports.

K.1.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|---|-----------------------------------|
| Starting Point | Prepare Requisition/ PO/SRA for Value Books | Head of Finance |
| Intermediate Points | Approve requisition | Head of BMC/Designated Officer |
| | Prepare payment voucher and cheque | Head of Finance |
| | Collect/Receive Value Books | Head of Stores |
| | Prepare SRA | Head of Stores |
| | Post Value Book Stock Register | Head of Finance |
| | Verify Postings in Register/Ledger | Monitoring Staff / Internal Audit |
| Ending Point | File Copy of Requisition/Issue Voucher | Head of Finance |

K.1.5 Procedures/Steps to Follow

1. Upon determining the quantity of Value Books required, the Head of Finance instructs an Accounts Staff to prepare a Requisition for Value Books for approval and signature by both the Head of Finance and the Head of BMC. At the same time, a PO is also prepared and certified.
2. Based on approved requisition and PO, payment voucher is prepared with accompanying cheque for the purchase of the value books.
3. Once approved, the Head of Finance authorizes and/or arranges for the collection of these Value Books from the CAGD/RHD and SRA prepared on receipt of the Value Books.
4. An Accounts Staff records all receipts of Value Books in the Value Book Stock Register, which is verified and initialed by the Head of Finance before placing these in the safe.
5. Copies of all Requisitions and Issue Vouchers are filed in the Value Book Requisition file.
6. Value books provided to authorized individuals are done in sequential order with previously issued books “retired” before new ones are given out, and with each “movement” recorded in the Value Book Stock Register by an Accounts Staff, and initialed by the Head of Finance.
7. All used value books are to be kept safe for a minimum retention period of 7 years for audit, legal and administrative purposes and sent out for archiving at the national archives.

L. Receivables Management

Introduction

Generally, receivables management within the Health Sector refers to managing the process of keeping track of services rendered to patients or clients on credit for which payment is yet to be received. It also includes debt management, staff loans and advances, credit limit as well as recovery of bad debts within every BMC.

Receivables management monitors the credit extended by the BMC to its patients or customers, and the patients or customers are expected to settle these outstanding payments within a specified period.

Receivables management plays a crucial role in maintaining a healthy cash flow for the Health Sector. Proper management of receivables ensures that the sector can meet its financial obligations, such as paying suppliers, and other expenses, even if there is a delay in customer payments. Additionally, it provides valuable insights into the overall financial health.

All BMCs are required to prudently manage their receivables

L.1 Managing In-Patient Revenue (Subsidiary Accounting for Billed Revenue)

Applicability: THO, PH, PHO, RHO, PC and DHO

L.1.1 Overview

The system of in-patient accounting requires revenue to be recorded/recognized when billed, and further requires that all such revenue be linked with patient/debtor—regardless of whether services are paid for, or provided free of charge. As described in the previous section, the Accounts Staff in charge of preparing Patient's Bills is responsible for maintaining the In-Patient Billed Revenue Ledger. For control purposes, however, a different Accounts Staff shall be responsible for the maintenance of the Receivables ledger.

L.1.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. An adequate separation of duties exists between the front-end billing and subsidiary accounting for all in-patient services/transactions.
- ii. All bills are recorded in the Receivables Ledger.
- iii. Such recording is made only by individuals acting within the scope of their authority,
- iv. All used Patient Bill Books are returned, safeguarded, and are easily retrievable.

L.1.3 Statement of Rules

1. All bills in a used Patient Bill Book shall be recorded in the Receivables Ledger by a different Accounts Staff other than the staff responsible for maintaining the In-Patient Billed Revenue Ledger.
2. Entries in the Receivables Ledger shall be made each time a used book is returned and thereafter made available to the Head of Finance.
3. In order to accurately close the books at the end of the month, entries shall include all outstanding bills used in an “active” book at the close of business on the last day of the month.
4. The Accounts Staff assigned to maintain the Receivables Ledger shall ensure that the relevant used patient bill books and GCR (Value Books) are promptly returned to the Head of Finance after posting to the Receivables Ledger.
5. Heads of Finance shall compile financial information on inventory (Medicines and Non-Medicines) used of un-discharged (unbilled) patients (Work-in-Progress Patient) on admission as at the last day of the year. This shall be incorporated into the Financial Statements as a revenue and a receivable.

L.1.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|---|-----------------------------|
| Starting Point(s) | Submit Used Patient Bill/Value Book, (Corporate or individuals) | Accounts Staff |
| Intermediate Points | Authorize Entries in Receivables Ledger | Head of Finance |
| | Record Bills in Receivables Ledger | Accounts Staff |
| Ending Point | Return Used Patient Bill Ledger /GCR | Accounts Staff |

L.1.5 Procedures/Steps to Follow

1. Periodically, the accounts staff responsible for recording bills obtains the bills book and records respective Receivable’s ledger. The Accounts Staff enters each outstanding bill on the page which corresponds to the debtor. In the case of Corporate/NHI or “exempted” patients, bills are either entered under the designated Corporate/NHI debtor, or under the debtor reference “exempted patients”, as appropriate.
2. When entering outstanding bills in the Receivables Ledger for the month-end closing, a clear “cut-off” marking is made in each “active” Patient Bill Book to ensure that all bills prepared after that date will be entered in the following month if outstanding. When finished with a used Value Book, the Accounts Staff stamps, signs and dates the face of the book as “entered”, and returns it to the Billing Office.
3. Head of Finance compiles financial information on inventory used (Medicines and Non-Medicines) of un-discharged (unbilled) patients on admission as at the last day of the year—31st December, indicating cost incurred on them as per the Daily Summary Sheet. This is incorporated into the Financial Statements at the end of the period.

L.2. Managing In-Patient Revenue (Subsidiary Accounting for Revenue Collected)

Applicability: THO, PHO, RHO, PC, DHO

L.2.1 Overview

The purpose of this subsection is to record payments received from In-Patients into the Receivables ledger against recorded/expected bills in order to establish outstanding indebtedness, if any or otherwise. This follows the same logic as in C.2.b.

L.2.2 Internal Control Objectives

The internal control objectives for this function are as follows;

- i. An adequate separation of duties exists between collecting cash from in-patients and the subsidiary accounting process related thereto.
- ii. All collections are recorded in the Receivables Ledger.
- iii. Such recording is made only by individuals acting within the scope of their authority.
- iv. All used GCR Books are submitted and safeguarded, as required.

L.2.3 Statement of Rules

1. All used leaflets in GCR Book shall be recorded in the Receivables Ledger by an Account staff other than the in-patient Account Officer responsible for their issuance.
2. For third party payments, GCR shall be recorded in the Receivables Ledger by a Non-Cashiering Staff.
3. Except at month-end, when the accounting records are closed and all un-entered collections recorded in the Receivables Ledger, entries shall be made each time a used book is returned and thereafter made available to the Head of Finance.
4. The Accounts Staff assigned to maintain the Receivables Ledger shall be responsible for ensuring that used Value Books are promptly returned to the Head of Finance after posting into the Receivables Ledger.

L.2.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|---|-----------------------------|
| Starting Point(s) | Submit used GCR | Accounts Staff |
| Intermediate points | Authorize entries in Receivables ledger | Head of Finance |
| | Record GCR in Receivables Ledger | Accounts Staff |
| Ending Point | Return used GCR Book | Accounts Staff |

L.2.5 Procedures/Steps to Follow

1. Each time a GCR booklet is exhausted, an Accounts Staff returns the booklet and makes a request for the issuance of a new booklet by the Head of Finance.
2. The Accounts Staff assigned to record payment information in the Receivables Ledger periodically obtains GCR (for Paying In-Patient/Corporate clients) for recording.
3. The Account Staff records GCR into the Receivables Ledger under the payments column. Used GCR Books are certified by the Monitoring/Internal Audit Staff before submitting to the Head of Finance.
4. When entering GCR in the Receivables Ledger for the month-end closing, a clear “cut-off” marking is made in each “active” GCR Value Book to ensure that all GCRs issued after that date are entered in the following month. When finished with a used book, the Accounts Staff stamps, signs, and dates the face of the book as “entered”, and returns the GCR to the Head of Finance.

L.3. Bad and Doubtful Debts – Managing In-Patient Revenue (Accounting for Adjusted Claims and Uncollectible Receivables)

Applicability: THO, PHO, RHO, DHO, PC and Health Centers/CHPS Zones

L.3.1 Overview

The MoH recognizes revenue at the billing stage that is, when a service has been rendered and a bill is drawn on a patient. All persons admitted to MoH hospitals are billed for services received. Revenue is deemed to have been earned once the Service is provided irrespective of whether payment is immediate (Cash and Carry) or deferred (NHI/Corporate).

Over the period, there has been a challenge in the collection of all billed revenue. This has resulted in huge receivable balances both for the individual and corporate clients in the books of Account. This is due mainly to NHI claims adjustments. These huge balances have the potential to distort BMC/MoH financial position.

This section of rules and instructions provides necessary guidelines for the accounting of Adjusted Claims and Uncollectible Receivable, to forestall future challenges regarding mounting debtor situations at the BMCs and the National Level.

L.3.2 Internal Control Objectives

The internal control objectives for this function are follows:

- i. All adjustments on claims by the NHI are valid.
- ii. Steps have been taken to minimize omissions and errors in the billing process.
- iii. All individual and Corporate Debts to be written off are approved.
- iv. All valid/undisputed NHI adjustments on claims and other debt write offs are properly recorded.
- v. All such recordings are done by individuals acting within the scope of their authority

L.3.3 Statement of Rules

1. All applicable BMC shall obtain NHI Vetting Report on all claims submitted
2. All Received NHI Vetting Reports shall be validated to confirm any Adjustments in the claims submitted. All disputed claims shall officially be communicated immediately to the NHIA for consideration.
3. All investigated individual and Corporate Uncollectible Receivables shall be approved in writing for write off by the appropriate authority.
4. All claims adjustments and approved write-offs for individual and Corporate Receivables shall be recorded by Accounts Staff in the appropriate Books of Accounts

L.3.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|--------------------------|--|--------------------------------|
| Starting Point(s) | Receive NHI Vetting Report Receive approval for Write off of uncollectible receivable | Head of BMC/Finance |
| Interim Points | Prepare DJV on: 1) NHI Vetting Report Adjustments 2) Approved Uncollectible Receivables Write offs | Accounts Staff/Head of Finance |
| Ending Point | Record Revenue Budget Ledger/Other Charges (in EBL) and Receivables Ledger | Head of Finance |

L.3.5 Procedures/Steps to Follow

1. Applicable BMC obtains NHI Vetting Report on all claims submitted. Upon receipt of the report, Head of BMC sets an investigation to be conducted by the BMC NHI Claims Vetting Committee/unit on all claims adjustments for the particular period. All disputed adjustments claims are officially appealed immediately to NHIA for consideration.
2. The Head of Finance on a quarterly basis forwards to Head of BMC a schedule of all individual and other Corporate Uncollectible Receivables for management consideration. Upon receipt of such schedules, management then sets an investigation to be conducted for the period to which it relates and a report submitted to management.
3. The Head of Finance upon receipt of the validated NHI Vetting Reports/Approved adjustments for individual and Corporate Uncollectible Receivables, records any adjustment in the books of Accounts.

4. The Head of Finance prepares a DJV to record Adjusted Claims as follows:

a. Current Year NHI Receivables Adjustments

This refers to current year submitted NHI Claims for which reimbursements and adjustments (unearned) done within the year.

Accounting Treatments:

Debit YTD Revenue as appropriate

Credit Receivables Ledger/ Receivables Control Ledger

Note: that the same accounting treatment is used for transaction for individuals and other corporate debtors" adjustments occurring as per the definition above.

b.1 Prior Year Adjustments (Most recent)

This refers to the preceding year submitted NHI Claims for which reimbursements and adjustments (unearned) done within the year.

Accounting Treatments:

Debit YTD Revenue as appropriate

Credit Receivables Ledger/ Receivables Control Ledger

b.2 Prior Year Adjustments (Before most recent)

This refers to preceding year(s) before the most recent comparative period submitted NHI Claims for which reimbursements adjustments are done in the current year. In addition, individual and other corporates outstanding prior year claims approved to be written off are also treated in this manner.

i. Undisputed Claims Adjustment

Debit: Income Surplus (**for most recent**)

Credit: Receivables Ledger/ Receivables Control Ledger (**for most recent**)

ii. Uncollectible Receivables write off

Debit: Expenditure Budget Ledger (Bad debt)

Credit: Receivables Ledger/ Receivables Control Ledger

Note:

With this arrangement, BMC must make provision in their annual IGF budgets for bad debts (Provision for Uncollectible Receivables) under expenditure to take care of such write offs to be recognized as an expense.

All documentation pertaining to Accounting for Adjusted Claims and Uncollectible Receivables should be kept in a **dedicated** file for audit purposes.

L.4. Capitation – Managing Out-Patient Service Revenue – Collecting/Accounting for Service Revenue (Population Based Payment System)

Applicability: THO, PHO, RHO, PC,DHO, DHD and SDHD.

L.4.1 Overview

Capitation is one of the methods in financing health care delivery. Consequently, these rules and instructions are adopted to ensure that necessary accounting requirements for capitation are met and made part of MoH Financial Management arrangements.

Capitation is a provider payment mechanism in which providers in the payment system are paid, in advance (monthly), a pre-determined fixed rate to provide a defined set of services for each individual enrolled with the provider for a fixed period of time. The amount paid to the provider is irrespective of whether that insured client would seek care or not during the designated period. Under the capitation system, the amount paid to providers will cater for selected OPD primary care services.

As already intimated at appropriate sections of these rules and instructions, BMC will continue with the payment systems using G-DRG for inpatient services (Fee-for-service [FFS]) and itemized billing for medicines (out-patients and in-patients). Notwithstanding, the NHIA Capitation arrangements, BMC are required to continue to keep all relevant records on capitated clients registered at the BMC. This will eventually serve as the basis for negotiating any upsurge in the capitation fee.

L.4.2 Internal Control Objectives

The internal control objectives for this function are ;

- i. All collections/receipts of revenue from NHI for capitated out-patients are supported by GCR.
- ii. All revenue earned from capitated out-patients, which is subject to proper verification is recorded in the Out-Patient Notional Revenue Book.
- iii. Such actions are performed only by individuals acting within the scope of their authority.
- iv. Out-Patient Notional Revenue Books are verified and signed periodically by a Monitoring/Internal Audit Staff
- v. Out-Patient Notional Revenue Books/Approved Electronic Records are periodically turned over to the Accounts Staff to record the number of attendances during the month.
- vi. GCRs are kept in a secure place and are easily retrievable.

L.4.3 Statement of Rules

1. As a general rule, all capitated out-patients are validated for hospital services or medicines prior to receiving same.
2. Recording of revenue for capitated out-patients shall be done by an Accounts Staff in an Out-Patient Notional Revenue Book.
3. All capitation receipt shall be covered by the issue of GCR
4. Depending on the volume of Capitated Out-patients, Out-Patient Notional Revenue Books shall be closed at least once a month and presented for inspection (i.e., with regard to entitlement and arithmetic accuracy). The closed books shall be given to the Accounts Staff in charge of Out-Patient Notional Revenue Books/Approve Electronic Version to record the number of attendance and corresponding notional revenue during the month.
5. Capitation received before the end month shall be recorded in the IGF Service Departmental Cash Book and the Revenue Budget Ledger, while capitation not received by the end of the month shall be recorded in the Receivables Ledger (Corporate/NHI) and the Revenue Budget Ledger accordingly.
6. For management accounting purpose, there shall be a monthly statement comparing Capitated Revenue and Notional Revenue showing variances.

L.4.4 Highlights of the Function

| Cycle | Action/Events | Responsible Official |
|----------------------------|--|-----------------------------|
| Starting Point(s) | Receive Capitation amount from NHIA | Head of Finance |
| Intermediate Points | Prepare and Issue GCR | Accounts Staff |
| | Prepare DJV to record un-receipted Capitation month end | Accounts Staff |
| Ending Point | Record Departmental Cash Book or Receivables ledger/ Revenue budget ledger | Accounts Staff |

L.4.5 Procedures/Steps to Follow

1. Action on the part of Accounts Staffs begins with the capitated out-patient, presentation of proof of entitlement to receive NHI services under the Capitation arrangements.
2. For capitated out-patient, the reference number of NHI ID, supporting the entitlement is recorded in the Out-Patient Notional Revenue Book. The service provider, before providing the service, inspects the valid NHI ID and verifies the capitation status of the client as evidence of entitlement.
3. At the end of each working day, Accounts Staff closes the Out-Patient Notional Revenue Book, totals the various columns, and presents this book for inspection/verification to a Monitoring/Internal Audit Staff.
4. Upon receipt of current month Capitation, a GCR is issued to cover the amount received. Thereafter, Account Staff records the receipt in the IGF Service Departmental Cash Book and the Revenue Budget Ledger. Where current month capitation is not received by the end of the month, the Account Staff prepares a DJV to record the Revenue for the month by debiting Receivables Ledger (NHIA) and Crediting the Revenue Budget Ledger.
5. Upon receipt of outstanding Capitation, a GCR is issued to cover the amount received. Subsequently, the Account Staff records the receipt in the IGF Service Departmental Cash Book and the Receivables Ledger (NHI).

6. At the end of each month, the Account staff prepares a comparative statement of Capitated Revenue and Notional Revenue showing variances if any. The statement includes both expected and actual attendance for the month.

L.5. Debt Recovery

L.5.1 Overview

Debt recovery refers to the process of recovering money owed, typically from individuals or other entities, when a debt has not been paid as agreed. It involves actions taken by a BMC to get back the unpaid amount. Debt recovery is initiated by creditors who have provided goods/services and are owed a sum of money. It often involves recovering unpaid invoices from customers or clients.

Recovery Methods include sending reminder letters, negotiating payment plans, or in more extreme cases, taking legal action to recover the debt.

As part of receivable management, the likelihood of individuals and corporate debtors defaulting or failing to honor their obligation to MOH institutions after the provision of services or supply of goods is always probably. It is therefore imperative to define the modalities covered entities under the MOH should follow in the quest to recover funds owe them. Debt recovery in this context refers to the process of collecting unpaid indebtedness of individuals or corporate institutions after receiving services or sold commodities. Health institutions under the MOH including the Central Medical Stores, Regional Medical Stores, hospitals, health centers, and training colleges are typical BMC that relate to this section of the Financial Accounting Instructions. Debt recovery is pivotal aspect of receivable management, it ensures a systematic and effective approach to managing debtors and mitigating risk of bad debt.

L.5.2 Internal Control Objectives

The internal control objective for this function include:

- i. Provide management with schedule of debtors aged analyses schedule for prompt decision making
- ii. Timely follow-up on overdue receivables to estimate doubtful debt and minimize bad debt
- iii. Identified overdue indebtedness of clients are supported with sufficient evidence
- iv. Request for payment to all defaulting debtors are done through approved channels
- v. Any payment or settlement plan with debtors are properly negotiated and documented
- vi. Only authorized officers are allowed to engage debtors or follow-up on any debt collections exercise
- vii. All debt recovery processes comply with relevant laws and regulations.

L.5.3 Statement of Rules

- i. List of debtors including identified defaulters shall be provided to management on monthly basis, latest by the 5th working day of the ensuing month
- ii. Each BMC shall have in place a debt recovery team
- iii. The debt recovery team shall be made up nominated officers from the following units - Customer Care, Finance, Social Welfare, General Administration, Pharmacy where applicable and any other unit as applicable.
- iv. Members of the DRT shall be independent from those involve in the creation and recording of receivables.
- v. The DRT shall verify defaulting debtors’ information to ensure they accurate and up to date for effective communication and debt recovery
- vi. All official communication in form of letters to defaulting debtors shall only be signed by the Head of BMC. However, the chairperson of the DRT has the mandate to communicate to defaulting debtors through phone calls, personal visits without recourse to the Head of BMC.
- vii. The Debt Recovery Team shall have powers to negotiate payment plan with defaulting debtors with concurrent approval of management.
- viii. All debt recovery efforts shall be documented through the maintenance of accurate records and production of quarterly report to management.
- ix. The DRT quarterly report to be submitted by the 15th working day of the ensuing month shall be in a format as determined by management.
- x. Where legal actions are to be initiated, it shall be done in consultation through the legal Department / Unit of the BMC or the agency.

L.5.4 Highlights of Functions

| Cycle | Actions/Events | Responsible Official |
|----------------------------|---|------------------------------------|
| Starting Point(s) | Submit Debtors Age Analyses Schedule | Head of Finance |
| Intermediate Points | Receive Debtors Age Analyses Schedule Review Debtors Age Analyses Schedule | Head of BMC BMC Core Management |
| | Receive reviewed Debtors Age Analyses Schedule to Debt recovery Team | Debt Recovery Team |
| | Investigate Overaged debtors identified from Debtors Age Analyses Schedule | DRT |

| | | |
|---------------------|---|-------------|
| | Engage affected defaulters and develop settlement plan | DRT |
| Ending Point | Receive DRT Quartely report Initiate legal actions if required | Head of BMC |

L.5.5 Procedures/Steps to follow

Procedures / Steps to follow

1. The Head of BMC should constitute a Debt Recovery Team with clear responsibility per this guideline. The team should be a standing committee with membership not exceeding five and not below three.
2. At the end of each month the Head of Finance, should provide management with debtors age Analyses Report by the 10th working day of the end ensuing month.
3. The Debtors Age Analyses report should be discussed by the core management team with a clear recommendation to the BMC Debt Recovery Team for further action.
4. The DRT upon receipt of the Debtors Age Analyses Report together with management recommendation should initiate process to facilitate recoveries.
5. As part of its activities, the DRT should make use of all avenues to facilitate recoveries of indebtedness of defaulting clients.
6. The following avenues could be used to aid debt recovery:
 - i. Curtailment of credit facilities to affected client
 - ii. Use of portion or all non-earmarked funds meant for affected institution to set-off indebtedness in the case of related government entity.
 - iii. Activation of guarantor’s security supporting any default payment plan,
7. The DRT should provide report on its activities to the facility management on quarterly basis indicating actions taken on management recommendation, recoveries made and probably doubtful debt.
8. The report of the DRT should be submitted to the Head of BMC not later that the 15-working day after the end of the quarter.
9. Management should act on the DRT report promptly to facilitate swift recoveries in case legal suits are involve.

M. Payables Management

M.1: Certifying/Recording Executed Commitments

All Sources of Fund (Maintaining payables records)

M.1.1 Overview

Payables management by MoH is the handling of unpaid debts to suppliers and third-party vendors for purchases made on credit. Payables management involves tasks such as seeking trade credit lines, acquiring favorable terms of purchase, and managing the timing and flow of purchases.

Payables management includes updating aging reports that reflects the total of unpaid invoice balances due to each supplier or creditor and current amounts or the number of days past due in 30-day ranges. The aging report shows amounts for customer invoices billed with credit terms but not yet collected. The process of certifying and recording commitments of funds prior to their actual payments is for its recognition in its accounting period.

The **Vote Service Ledger** would be used in addition to recording all commitments per the PO against the approved budgets relating to various expenditure heads to assist in the reconciliation of **‘Unexecuted commitments’** and **‘Executed commitments.’**

Executed commitments are commitments for which goods, service and works have been received by the BMC and therefore creating actual liability. MoH recognizes executed commitments as expenditure whether paid or not and this is what is recorded in the Expenditure Ledger as commitment, thus representing payables per expenditure item.

M.1.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. Funds, regardless of source, are committed only when these are certified as available.
- ii. Funds are committed only after approval by the Head of the BMC.
- iii. Only authorized commitments are recorded in the accounting records.
- iv. Such recording is made only by individuals acting within the scope of their authority.
- v. All commitment documents are kept in a secure place and are easily retrievable.

M.1.3 Statement of Rules

1. All commitments of funds shall be evidenced by either a PO, Travel Request Form/Approved Memo and Contracts.
2. The Head of Finance shall certify that funds are available (as per the Funds Enquiry/ Vote Service Ledger) prior to obtaining approval of a commitment by the Head of the BMC.
3. For all sources of Funds, the Head of Finance shall authorize the PO or Travel Request Form approved by the Head of BMC as a formal commitment of funds (vote service ledger).
4. The executed commitments shall be recorded in the Expenditure Budget Ledger by an Accounts staff, and shall be supported by either an original PO/Utility Bill or Travel Request Form/Approved Memo, Invoice and SRA.
5. The executed commitments not paid or otherwise standing in the Expenditure Ledger as

outstanding commitment shall represent payables per expenditure item.

M.1.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|-------------------------------|--|---|
| Starting Point(s) | Approve Commitment of Funds Receive Approved Memo, Activity & Expenditure Initiation Form (A&EI), Commitment Requisition Form (CRF) and; Either of: 1. Contracts from Procurement Officer, or 2. Approved Travel Request 3. Invoice (Vendors) | Head of BMC (Principal Spending Officer) Head of Finance |
| Intermediate Point (s) | Verify Availability of Funds (Fund enquiries) - Vote Service Ledger | Accounts Staff / Budget Officer |
| | Record or encumber commitment in the vote service ledger as evidence of availability of funds. | Accounts Staff |
| | Receive and Verify invoice, SRA/Contract Certificates | Head of Finance (if GoG, Treasury Officer) |
| | Post to Accounts Payable | Accounts Staff |
| EndingPoint | File Invoice or Travel Request and SRA | Accounts Staff |

M.1.5 Procedures/Steps to follow

1. The process of committing funds starts with the approval of a Memo by the Head of the BMC and either.
 - a. the receipt of PO/contract prepared by an authorized person outside the Finance Office (Procurement Officer/Officer in Charge of Procurement) or
 - b. the receipt of an Invoice from a Utility vendor, or
 - c. the receipt of approved Travel Request Form.

These documents are sent to the Head of Finance pending the commencement of the payment process.

2. The designated Accounts Staff verifies that funds are available in the particular sub-item budget before the process goes further. If funds are insufficient to pay for the goods/service, then no commitment action may be taken, and the document is returned by the staff to the Head of Finance, who will take appropriate action.

3. If funds are sufficient, the staff member receives and records commitments using one of the following:
 - a. PO/contract from an authorized person such as; the Procurement Officer/Officer in charge of Procurement; in the case of utilities, PO shall be prepared post facto.
 - b. A Travel Request Form/ Approved memo.
4. After the Head of the BMC has approved the PO/contract or Travel Request Form, the documents are then forwarded to Head of Finance who authorizes the recording of the commitment into the Vote Service Ledger.
5. Once authorized, a designated Accounts Staff records the commitment in the appropriate sub/sub-item account and initials the document where indicated.
6. For Accounting and Reporting purposes, all outstanding Commitment documents should be submitted to the Finance Office as soon as approved, pending payment.
7. The ‘executed commitments’ are recorded on daily basis as payables and posted in the Expenditure Budget Ledger and Account Payable Ledger.

M.2: Maintaining Payables Record

Applicability: All BMC

M.2.1 Overview

Accounts payable is a contractual obligation to deliver cash or another financial asset to another entity. Trade payables and accrued liabilities arise from the purchase of goods and services that have been received but not paid for at the reporting date

Payables are recognized and subsequently measured at their nominal values and are recognized under Current liabilities when they are less than twelve(12) months duration but Non-current Liabilities when its duration is over twelve (12) months

M.2.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. All goods or services received by BMC are **certified** by both a designated BMC officer, a Monitoring/Internal Audit Staff and evidenced by SRA;
- ii. Departmental Payment Vouchers are prepared only after
 - a. certifications have been made.
 - b. funds have been committed
 - c. commitments are re-verified by the Accounts Staff.

- iii. All Cheques issued for payment are signed by at least two designated BMC officials as in Section B 1;
- iv. All Departmental Payment Vouchers/Cheques are recorded in both the Departmental Cash Book and Account Payable Ledger.
- v. All payment documents are properly certified by the reviewers (to prevent duplicate payments for the same goods/services).
- vi. All paid Payment Vouchers are fully acquitted.
- vii. All paid documents are Stamped “Paid” (to prevent duplicate payments for the same goods/services).
- viii. All such recordings are made only by individuals acting within the scope of their authority;
- ix. All payment documents are kept in a secure place and are easily retrievable.

M.2.3 Statement of Rules

1. BMCs shall designate an Accounts officer in charge of keeping Aging Reports and all pending payments to monitor when they are due.
2. The designated officer shall collect all supporting documents needed for the purpose of attesting to the quantity and quality of goods received, and their conformity to what was ordered.
3. All *certified* supporting documents (PO, SRA, Invoices, etc.) shall be presented to the Head of Finance for Departmental Payment Voucher authorization.
4. All Departmental Payment Vouchers and Cheques with its Pre-list shall be prepared by a designated Accounts Staff then re-verified and signed by the Head of Finance before forwarding to the Head of the BMC for approval.
5. All reviewed and approved Departmental Payment Vouchers shall be recorded in both the Account Payable Ledger and the Departmental Cash Book.
6. Cheque Pre-list shall be submitted to the Bank prior to the submission of Cheques for payment, in the case of electronic payment, the Head of BMC shall approve the list of beneficiaries to be paid on the EFT.

M.2.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|---|-----------------------------|
| Starting Point(s) | Receive 1. Approved Memo and Budget 2. Certified PO, SRA, Invoice | Head of Finance |
| Intermediate Points | Verify Commitment Record | Accounts Staff |
| | Prepare Payment Voucher (PV) | Accounts Staff |
| | Sign PV(Verified) | Head of Finance |
| | Sign PV (Approval) | Head of BMC* |
| | Pre – Payment Review | Head of Monitoring |

| | | |
|---------------------|---|-------------------------------------|
| | Prepare Cheque/Electronic Fund Transfer (EFT) and Cheque Pre-ListAdvice (CPA) | Accounts Staff |
| | Re-verify PV and Sign Cheque/ CPA | Head of BMC/Finance |
| | Submit CPA to the Bank | Accounts Staff |
| | Record Payment- DCB and Account Payable | Accounts Staff |
| Ending Point | Print/file Payment Voucher and Documents** | Accounts Staff |
| | Acquit Payment Voucher | Responsible Officer/Head of Finance |

* Any other person performing this function shall do so **only on the authority** of the Head of BMC.

** Filing can be done either electronically or manually.

M.2.5 Procedures/Steps to Follow

1. The receipt of a “Document Package” (i.e. Approved memo, PO/contract, invoice, SRA and any other supporting documents) from a certifying officer is essentially the first step in the payment process. The Head of Finance reviews the underlying certifications for legitimacy and completeness before authorizing the preparation of a Departmental Payment Voucher.
2. An Accounts Staff proceeds with voucher preparation then forwards these to the Monitoring staff for pre-payment review.
3. The Head of Finance then verifies and signs the PV and Cheque.
4. The Head of the BMC receives the cheques together with the payment voucher and attached “Document Package” for signature.
5. Upon payment to beneficiary, the schedule officer ensures the complete acquittal of the PVs.
6. Where PVs are not fully acquitted, the schedule officer informs the Head of Finance appropriately for subsequent actions.
7. In respect of installment payment, photocopies of the previous payments are attached to any subsequent payments.
8. The process is completed by recording the payment of the commitment in both the Account Payable Ledger and Departmental Cash Book.
9. Finally void all supporting documents by stamping them as “**Paid**” and noting the underlying voucher number and file the payment voucher together with the document package.

N. Accounting and Reporting

N.1: Chart of Accounts

MoH process large volumes of financial transactions each year. These transactions are recorded according to a structured framework from which they are measured and summarised for management. The classification or chart of accounts provides that framework.

The Chart of accounts provides a basis for financial data collection and processing. It facilitates coordination of different types of work carried out by different staff as well as providing a framework for compilation of Financial Statements

As part of ongoing public financial management reform initiatives the MoH has adopted the Government of Ghana Financial Statistics, 2001 version 2 (GFS), published by the International Monetary Fund, as the framework for its chart of accounts. All BMCs are expected to adopt same to introduce consistency in the classification of financial transactions across the country.

The new chart of accounts that has been developed taking into consideration the GFS and Government's reporting requirements has the following features:

- a. It reflects financial responsibility and accountability
- b. It enables analyses of the budget by sector, geography and activity
- c. It follows a logical pattern and so after some initial training and experience is relatively simple to understand and operate
- d. It allows scope for future refinement and development and the introduction of more sophisticated forms of accounting; elements of accrual accounting are already provided for
- e. It facilitates the integration of recurrent and development activities and provides for the separation of recurrent and development expenditure
- f. It enables direct comparison of budget, commitment and actual transactions on modified accrual accounting and also facilitates measurement of resources.
- g. It introduces cost centre budgeting and accounting, which provides management of a budget at a decentralized level. These cost centres are equivalent to Head and sub Head Controllers as well as projects
- h. It facilitates the production of consistent financial information at different levels of aggregation, resulting in a consolidated level of accountability to all interested parties.
- i. It is based on International Monetary Fund-Government Finance Statistics Manual (GFS).

All transactions have been classified using a 74 character code, which is broken down into distinct segments and components enabling analysis of data in various different combinations and levels. The table below shows the segments and the components within those segments.

The chart of accounts comprises 74 characters divided into ten segments as shown in the table (1b) below:

| Segment | Classification | Segment Components | Description | Number of Characters |
|--------------|------------------------|---------------------------|--------------------------------|----------------------|
| Segment 1 | Institution | Reporting entity | Government of Ghana | 2 |
| Segment 2 | Funding | Fund Type and Fund Source | Consolidated Fund, Funds Other | 5 |
| Segment 3 | Function of Government | Head | | 3 |
| | | Sub Head | | 1 |
| | | Sub Sub Head | | 1 |
| Segment 4 | Organisation | Covered Entity | | 3 |
| | | Department or Agency | | 2 |
| | | Division | | 2 |
| | | Unit | | 3 |
| Segment 5 | Program | | | 6 |
| Segment 6 | Sub Program | | | 7 |
| Segment 7 | Project | | | 7 |
| Segment 8 | Activity | | | 6 |
| Segment 9 | Location | Region | | 2 |
| | | District | | 2 |
| | | District type | | 1 |
| | | Sub Metro | | 2 |
| Segment 10 | Policy Objective | | | 6 |
| Segment 11 | | | | 6 |
| Segment 12 | Natural Account | Account Class | Revenue, Expenditure, | 1 |
| | | | Asset and Liabilities | |
| | | Head | Assets and Liabilities | 1 |
| | | Item | | 1 |
| | | Sub item | | 1 |
| | | Sub sub item | | 3 |
| Total | | | | 74 |

N.2: Cashbook and ledgers

Applicability: All BMC

N.2.1 Overview

MOH is responsible for coordinating the accounts prepared by its Agencies, consolidate same and report to the CAG, Auditor-General, Ministry of Finance as required by the PFM Act, 2016 (Act 921). All Covered Entities are also to submit specific IPSAS compliant Entity Financial Statements to the CAG.

All books and ledgers except Revenue Collection Books must be formally closed at the end of each month. Revenue Collection Books are to be closed each day by Revenue Officers, with daily subtotals posted to the IGF Summary Cash Books.

Notional Revenue Books (e.g., documentations to receive reimbursement from the NHIA, corporate bodies, other exempted bodies, etc.) must be closed, verified, and posted at the end of each month.

The following Books of Accounts should have running balances:

- a. Asset ledgers such as Advance Ledger, Receivables Ledger, Cash and bank ledger etc
- b. Liability ledgers such as Payables Ledger (including Funds held in Trust), Withholding Taxes Ledger

N.2.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. All BMC books and ledgers are closed accurately and in a timely manner
- ii. Closing amounts are internally verified across ledgers to provide reasonable assurance
- iii. All closing tasks are performed only by individuals acting within the scope of their authority
- iv. Books and ledgers are kept in a secure place and easily retrievable.

N.2.3 Statement of Rules

1. Books and ledgers maintained by a BMC shall be **closed before third business day of the ensuing month.**
2. The Head of Finance shall ensure that all books of accounts are closed at the end of the period and perform cross ledger verifications.
3. All information in the Financial Statements shall be supported by underlining records

N.2.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|--|--------------------------------------|
| Starting Point(s) | Close Billed Revenue Ledgers Close Day Books and Register | Accounts Staff |
| Intermediate Points | Close IGF <i>Summary</i> Cash Books | Cashier Staff |
| | Post and Close IGF Service Revenue Budget Ledger | Accounts Staff |
| | Close Departmental Petty Cash Books | Accounts Staff |
| | Close and Post Inventory Control Ledger | Accounts Staff |
| | Post and Close Expenditure Budget Ledgers | Accounts Staff |
| | Close Departmental Cash Books | Accounts Staff |
| | Post Detail Portion of Debtors Ledger | Accounts Staff |
| | Post Control Section of Debtors Ledger | Accounts Staff |
| | Close Analyzed Program Activity Ledger (APAL) | Accounts Staff |
| | Close Partner Specific Activity Ledger (PSAL) | Accounts Staff |
| | Post Non-Current Assets Control Account | Accounts Staff |
| Ending Point | Perform Internal Cross Ledger Verifications | Head of Finance/ Monitoring Staff |

N.2.5 Procedures/Steps to Follow

Head of Finance should ensure the completeness and accuracy of the financial reports.

1. Closing the Revenue Books/Ledgers

- a. For BMC with IGF, the first ledgers to close are the In-and-Out-Patient Billed Revenue Ledgers. Each column in these ledgers should simply be totaled by the appropriate Accounts Staff.
- b. The next revenue-related ledgers to close are the IGF Service and Medicines *Summary* Cash Books. These ledgers are closed by the Cashier Staff ensuring that balance column amounts are simply brought forward and not totaled in any way.
- c. Accounts Staff posts and closes the IGF Service/Medicines Revenue Budget Ledger. This ledger, unlike the Expenditure Budget Ledger, is not posted on the basis of individual Patient Bills or GCR. Instead, it is posted at the end of each month with up to three separate entries, on the basis of the closing figures contained in the In-Patient Billed Revenue Ledger, Out-Patient Billed Revenue Ledger, and IGF Service *Summary* Cash Book, respectively. Each of these books/ledgers will contain a total for the month by Revenue Type, and it is these individual totals which are posted to the Revenue Budget Ledger. Similar closing is required

for HTI Revenue (Module C.5) Books and Medical Stores (Module L)

2. Closing the Departmental Petty Cash Book

- a. The Departmental Petty Cash Book is the next book to be closed due to its impact on the Expenditure Budget Ledger. Specifically, since petty cash disbursements are not individually recorded in the Expenditure Budget Ledger, but rather in a lump sum at the end of each month, the totals for these amounts must be derived and posted before the Accounts Staff may close the Expenditure Budget Ledger. With this in mind, the Petty Cash Custodian or other Accounts Staff member, should total the appropriate columns of the Departmental Petty Cash Book. To facilitate the posting of the Control Section of the Receivables Ledger, schedule showing the total of any refunds made should be attached to the page.
- b. The Departmental Petty Cash Book should be given to an Accounts Staff to prepare a DJV that summarizes the simultaneous commitments/payments made during the month by item/sub-item. Other transactions such as patient refunds and replenishments from the current account should not appear on the DJV. The last step in this process is to post each amount shown on the DJV to the Expenditure Budget Ledger on the appropriate item/sub-item page.

3. Closing the Expenditure Budget Ledgers/Commitment Register

- a. With the Departmental Petty Cash Book closed, and any remaining postings made to the Expenditure Budget Ledger, the Accounts Staff proceeds with the closing of each Expenditure Budget Ledger for each source of funds (i.e. a separate ledger closing for IGF, SBS and GoG funds, respectively).
- b. Commitment Register should also be closed at the end of each month and DJV prepared to post to payables(Control) Ledger. Once closed, the Accounts Staff prepares a schedule of outstanding commitments for each source of funds that lists by sub-item and vendor; showing each individual amount outstanding as of the close of the period.

4. Extracting the Advances Schedules

Head of Finance ensures that the GCR used to support entries of receipts in the Summary Cash Book are posted, where appropriate, to the individual advance accounts contained in this ledger. In most cases, such entries are made to support refunds from the advance account holder. Once posted, no special line drawing is necessary to close the Advances Ledger, because the outstanding balance in each advance account remains valid until changed. It is significant to ensure that outstanding amounts are reviewed, as appropriate. A schedule of advances outstanding are made and submitted as part of the monthly report. The total of this schedule should agree with the balance on the Advances Control Ledger.

5. Closing the Departmental Cash Books

- a. Postings of payments in the Departmental Cash Book gives rise to another posting in a different ledger. For example, payments of commitments is also recorded in the Expenditure Budget Ledger and Payables Ledger with the Payment Voucher and Cheque number used to reference the transaction. The Expenditure Budget Ledger however performs multiple functions (Expenditure Ledger and Budget performance). In addition, a posting is also needed in the Withholding tax Ledger to accurately reflect the liability to GRA. The same concept applies in the case of establishing advance accounts, and the required posting to the Advances

Ledger.

- b. For receipts, such as refunds of advances (Bank Standing Orders) and settlements by Cheque from debtors, the GCR is the source document referenced for these postings which are made in the manner prescribed earlier (i.e., through used and active “cut-off” Value Books). The significance of these posting methods is that at the end of each month, there is no need to post any subsidiary ledgers as a result of closing the Departmental Cash Book except the Control Section of the Receivables Ledger. This Book may simply be closed and serve as the basis for preparing the Bank Reconciliation.

6. Closing the Detail Portion of Receivables Ledgers

- a. The next step is to review the Trade Receivables Ledger to determine the status of receivable balances including a test check of the arithmetic accuracy, as in the case with advance accounts. Before this review, a final posting must be made based on source documents (Patient Bill, GCR and PCR Value Books). The Accounts Staff in charge of posting the Receivables Ledgers collects all source documents, and records the amounts shown on each respective bill or receipt in the appropriate Receivables account.
- b. When this is done, a cut-off mark or notation should be made to indicate the last posting made from each Value Book. At this time, the Accounts Staff prepares a Receivables Aging Schedule as at the end of the month that lists each patient/debtor with an outstanding balance, along with a total for all receivables combined.

7. Closing the Control Section of Receivables Ledger

- a. The last posting and/or closing routine is performed as an overall integrity check and control of the detailed amounts contained in the Receivables Ledger. Specifically, each of the following closed books and ledgers should contain either direct column totals or a schedule of totals for the month reflecting patient charges, payments, or exemptions, as appropriate.

| |
|--------------------------------------|
| In-Patient Billed Revenue Ledger |
| Out-Patient Billed Revenue Ledger |
| IGF Service <i>Summary</i> Cash Book |
| IGF <i>Summary</i> Cash Book |
| Departmental Cash Book |
| Departmental Petty Cash Book |

- b. Each corresponding total from the above books and ledgers is posted in the applicable column of the Control Section of the Receivables Ledger. When all are posted, totals calculated, and Y-T-D Balance Amounts brought forward. The total outstanding receivable balance shown on this page is then cross-checked to the Receivables Aging Schedule and any difference investigated and resolved.

8. Closing Payables Ledgers

- a. The Payables Ledger determines the status of payable balances including a test check of the arithmetic accuracy. Before this review is done, final posting is made on the basis of all Invoices supported by SRA, paid Payment Voucher etc. The Accounts Staff in charge of

posting the Payables Ledgers collects all “active” books (Commitment Register), and records the amounts shown on each respective Invoice or paid Payment Vouchers in the appropriate payables account.

- b. When finished, a cut-off mark or notation is made to indicate the last posting made from each Book/document. At this time, the Accounts Staff prepares a Payables Aging Schedule at the end of the month that lists each vendor/payable with an outstanding balance, along with a total for all payables combined.

9. Closing the Control Section of Payables Ledger

- a. The last posting and/or closing routine is performed as an overall integrity check and control of the detailed amounts contained in the Payables Ledger. Specifically, each of the following closed books and ledgers should contain either direct column totals or a schedule of totals for the month reflecting vendor invoices, payments, or return outwards as appropriate:

Purchases Day Book (Commitment Register)
Return Outwards Books
Departmental Cash Book

- b. Each corresponding total from the above books and ledgers are posted in the applicable column of the Control Section of the Payables Ledger. When all are posted, totals calculated, Y-T-D Balance Amounts brought forward, the total outstanding payables balance shown on this page should then be cross-checked to the Payables Aging Schedule and any difference investigated and resolved.

10. Closing Other Accounts Payable Ledger

- a. At the end of the period, as part of the closing, all outstanding payable Memos for received services should be accrued. A schedule of all such Memos are prepared and posted to EBL as a liability in the Accounts Payable, through a DJV. The payments of such Memos in the ensuing period should be recorded in the Payables Ledger.

11. Performing Internal Ledger Verifications

- a. With the accounts now closed, the Head of Finance proceeds with internal verifications that provide a degree of assurance over the integrity of the underlying books and ledgers. In terms of cross-ledger verifications, the Head of Finance verifies that the total amount shown in the column “Transfers to Current Account” of the IGF Medicines *Summary* Cash Book equals the total shown in the column “Transfers to/from Cash” of the Departmental Cash Book maintained for the Medicines Current Account.

The same concept holds true for the IGF Service *Summary* Cash Book, except in cases where a Departmental Petty Cash Book is maintained for an IGF petty cash fund. In this case, the amount shown in the column “Transfers from Current Account” of the Departmental Petty Cash Book would need to be added to the amount in that column of the IGF Service *Summary* Book to arrive at the amount in the column “Transfers to/from Cash” of the Departmental Cash Book.

The Electronic platform has been designed with embedded facilities to undertake these cross-ledger verifications rules.

N.3: Budget Execution Reports

Budget Execution Reports

A Budget Execution Report is a detailed financial report that shows how an entity has implemented its approved budget over a specific period. It provides information on actual revenues collected, expenditures made, and debt incurred compared to the original budgeted or forecasted amounts. This comparison helps assess whether the budget was executed as planned or if there were deviations, and it often includes explanations for significant variances.

1. Reference to Regulation 215 of the PFM Regulations 2019 (L.I. 2378); for the purpose of section 30 (1) and (3) and section 34 (1) and (2) of the PFM Act 2016 (Act 921) and in the format of the budget performance report as determined by the Minister, each Principal Account Holder shall, not later than 31st of March of the ensuing year, submit
 - a. An annual budget performance report to Parliament; and
 - b. A copy of the annual performance report to the Ministry
2. The annual budget performance report shall include;
 - a. The achievements
 - b. The annual workplan
 - c. The staff establishment
 - d. Actions taken to implement the recommendations of parliament in respect of the most recent report of the Auditor-General and
 - e. Any major investment to be implemented for more than one year including
 - i. A multi-year investment, and
 - ii. The total cost within the medium term of each covered entity
3. The quarterly budget performance report shall include
 - a. The status of implementation of the programs of the covered entity for the preceding quarter
 - b. The forecast commitments for the ensuing quarter; and
 - c. Cash positions.
4. For the purposes of sub regulation (4) the Minister shall, not later than the end of the third week of the ensuing quarter, submit to Parliament a consolidated report for the covered entities
5. The minister shall submit to Parliament, not later than the 30th day of the months of January and July of each financial year, a half-yearly report implementation.
6. The half year report shall include;
 - a. Program and economic classification; and
 - b. A brief statement of program performance of each covered entity

For BMC;

- a. In reference to points 2 and 3, the head of BMC shall prepare a budget execution report and forward to the Principal Account Holder by the timelines determined by the Principal Account Holder.

N.4: Statutory Reports

Applicability: All BMC

The preparation of the Statutory Financial reports of the Government of Ghana are guided by the PFM Act, 2016 (Act 921) and the PFM Regulations, 2019 (L.I. 2378) and IPSAS.

Period End Accounting entails all activities that enable the Covered Entity to prepare and publish financial and management reports on its financial performance, financial position and cash flows for use by stakeholders. Period end activities include the following tasks:

- Statutory Reporting
- Management Reporting
- Preparation of Bank Reconciliation Statements
- Computation of depreciation and amortization
- Reconciliation of Accounts Payable and Accounts Receivable
- Relevant Schedules
- Closing of all ledgers
- Post all accounts adjustments

The period end activities aim to achieve the following:

1. To facilitate the preparation of the monthly and quarterly financial statements.
2. To ensure that accurate and reliable financial statements are prepared at the end of each accounting period, whether monthly, quarterly or annual.
3. To minimize the occurrence of misstatements and errors in financial statements preparation.
4. To facilitate strict adherence to internal controls in line with the accounting/ financial management systems.
5. To ensure that financial statements are prepared on a timely basis to meet agreed deadlines.
6. To ensure that due processes for the preparation of financial statements are followed.
7. To facilitate the timely preparation of end of year financial statements.

Statutory Reporting is included in Period End Accounting which entails all activities that enable the Covered Entity to prepare and publish financial and management reports on its financial performance, financial position and cash flows for use by stakeholders.

The financial year of MoH extends from 1st January to 31 December of each year. All BMCs are expected to submit the following mandatory reporting requirements that are designed to foster accountability in the use of public funds.

1. Monthly Management Accounts that provides information on the following:
 - i. Budget performance for the month (revenue and expenditure)
 - ii. Year to date budget performance
 - iii. Status of Public Financial management (PFM) Reforms
 - iv. Systems improvement
 - v. PFM challenges and recommendations
2. Quarterly revenue and expenditure financial statements to be prepared for subsequent submission to the CAG within fifteen days of the end of the quarter.

3. Annual financial statements of each BMC for a given financial year must be completed and submitted to the CAG, Minister responsible for Finance and the Auditor-General on or before 28 February of the next financial year.

N.5: Financial Statements

Applicability: All BMC

N.5.1 Overview

In preparing the Financial Statements, MoH takes cognizance of the 1992 Constitution of the Republic of Ghana, the PFM Act, 2016 (Act 921), the PFM Regulations 2019 (L.I 2378), and any other applicable Laws.

The Financial Statements are prepared in accordance with the Accounting Policies and in compliance with IPSAS. The Financial Statements shall consist of the following:

- a. Statement of Financial Position
- b. Statement of Financial Performance
- c. Statement of Cash Flows
- d. Statements of Changes in Net Assets/Equity
- e. Statements of Receipts and Payments
- f. Statements of Comparison of Budgets and Actual Amounts
- g. Notes to the Financial Statements comprising a summary of Significant Accounting Policies and other Explanatory Notes.

A BMC managing the accounts on behalf of another BMC (BMC of Record) should prepare a complete set of Financial Statements for the BMC of Record.

N.5.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. BMC Financial Reports are prepared accurately and in a timely manner.
- ii. Financial Reports are internally verified to ensure that amounts are a true reflection of underlying books and ledgers.
- iii. Financial Report preparation tasks are performed only by individuals acting within the scope of their authority.
- iv. Electronic accounting records and financial reports are properly backed up, stored and easily retrievable.
- v. Financial Reports are kept in a secure place and easily retrievable.

N.5.3 Statement of Rules

1. The responsibility for preparing and submitting the Financial Reports rests with the Head of BMC. The Head of Finance is in charge of preparing the Financial Report.
2. Head of Internal Audit shall be responsible for reviewing the financial report for accuracy and completeness.
3. Financial Reports prepared by a BMC shall be based on closing figures contained in the underlying records maintained by that BMC.
4. The Head of Finance shall ensure that Monitoring Staff performs review procedures, indicating their confirmation of the integrity checks.
5. All Regional and Districts level BMC, Training Institution, Tertiary Institutions and Sub-vented Organizations shall submit Financial Reports as per schedule indicated below or as revised per any enactment in force at a particular time.
In circumstances where Electronic Platforms are used in a BMC, all the Rules and Instructions enumerated above shall apply as per their equivalent steps or structure.
6. Information collected at any level shall be validated to make sure it truly reflects the underlying records.
7. The scheduled dates for submitting reports are as follows;

| LEVEL | Monthly Reports | Quarterly Reports |
|--|----------------------|----------------------|
| Districts to Regions | 5 th day | 5 th day |
| Regions to GHS Headquarters | 9 th day | 9 th day |
| Tertiary/Sub-vented Organizations to MoH Headquarter | 10 th day | 10 th day |
| GHS Headquarters to MoH Headquarters | 12 th day | 12 th day |
| MoH Headquarters to CAGD/Partners | 15 th day | 15 th day |

Note: Reporting days herein refers to Calendar days after the end of the reporting period.

N.4.4 Highlights of Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|--|--|
| Starting Point(s) | Prepare and Review Bank Reconciliation(s) | Accounts Staff/ Head of Finance |
| Intermediate Points | Prepare the Trial Balance (Worksheet) | Head of Finance |
| | Prepare Statement of Financial Performance (monthly, quarterly and annually) | Head of Finance |
| | Prepare Statement of Financial Position (quarterly and annually) | Head of Finance |
| | Prepare Statement of Cash Flow (quarterly and annually) | Head of Finance |
| | Prepare Statement of Changes in Net Assets/Equity (quarterly and annually) | Head of Finance |
| | Prepare Statement of Receipts and Payments (quarterly and annually) | Head of Finance |
| | Prepare Statement of Comparison of Budget and Actual Amounts (<i>Budget Status Reports</i>) - quarterly and annually | Head of Finance |
| | Prepare Notes to the Financial Statements comprising a Summary of Significant Accounting Policies and other Explanatory Notes (quarterly and annually) | Head of Finance |
| | Review Integrity of Financial Reports | Head of Internal Audit/ Monitoring Staff |
| Ending Point | Sign and Submit Report to RHD/HQ/Agency | Heads of BMC and Finance |

N.5.5 Procedures/Steps to Follow

1. Accounts Staff prepares a Bank Reconciliation Statement for each Bank account maintained by the BMC. In the case where a BMC is managing a Consolidated Account, a composite Bank Reconciliation Statement is prepared.
2. Prepare and generate a Trial Balance (Worksheet) for all sources of fund and consolidate.
3. The following Financial Statements shall be prepared for all sources of fund and consolidate where applicable:
 - a. Statement of Financial Position
 - b. Statement of Financial Performance
 - c. Statement of Cash Flows
 - d. Statements of Changes in Net Assets/Equity
 - e. Statements of Receipts and Payments
 - f. Statements of Comparison of Budgets and Actual Amounts (Budget Status Reports)
 - g. Notes to the Financial Statements comprising a summary of Significant Accounting Policies and other Explanatory Notes.
4. The Head of Finance signs all financial reports and submits to the Head of BMC for approval. A copy of all signed reports is then retained on file in the Finance Office and the Head of BMCs office for future reference.

Revenue and Expenditure Returns

Each Covered Entity under MoH is required to complete and submit to the MoF and CAGD; Monthly Revenue and Expenditure Performance Variance Analysis Statement. This is prepared on a monthly basis and submitted to MoF by the fifteenth (15th) day of the ensuing month.

The information on the statement shall include the following:

Sources of Revenue:

- i. GoG Funds,
- ii. IGF
- iii. Donor/ Program Fund etc.,

Expenditure Classification is according to the existing GoG Chart of Accounts as per the required broad headings under the various funding sources.

- iv. Variance analysis on all the revenue and expenditure Heads are performed and reported.

O. Audit and Review

O.1: Monitoring and Evaluation

Applicability; All BMC

O.1.1 Overview

The head of each BMC has the sole responsibility to institute internal control mechanisms for the facilitation of compliance to the provisions enshrined in the FAI. In order for management to assure itself that such controls are sufficient and being adhered to, it is important to establish a unit that will provide continuous monitoring of these controls and advice accordingly.

The Financial Reporting and Monitoring Unit (FRMU) is primarily to assist in financial statements generation, risk assessment and evaluation, financial monitoring and compliance with accounting policies and standards. This is to promote reasonable assurance that financial control mechanisms instituted by management are adhered to. It is designed to ensure that, proper accounting procedures are followed, so that reliable financial information is generated by the BMC. The Unit's responsibility is to ensure that capacity is built with respect to PFM at the various levels of operation. The FRMU takes its authority to exercise its mandate from PFM Act, 2016 (Act 921) and the rules in this FAI .

The National, Regional, District and Institutional quality assurance shall remain an integral part of the process of finalizing the periodic MOH Financial Report. This is to ensure that the standards and expectations demanded by the Common Management Arrangements for which Partners had consented to the use of country systems are duly met.

Subsequently, prior to preparing the quarterly and annual Financial Report for BMC, financial data would be duly validated for financial integrity and reliability by National and Sub-National quality assurance teams. Managers are encouraged to institute measures to validate data from the Sub District levels as well.

O.1.2 Internal Control Objectives

The internal control objectives for this function are to ensure the following;

- i. Economic, efficient and effective use of resources allocated to the BMC;
- ii. Policies, rules and regulations enshrined in or issued in accordance with the relevant Laws and this FAI are complied with;
- iii. Management is provided with assurance that financial control systems established are adequate to safeguard the assets of the Ministry;
- iv. Disbursements are within the approved plans and budgets;
- v. Financial Reports are accurate, complete and provide reliable financial information of the BMC with relevant supporting documents;
- vi. All financial management functions are performed only by individuals acting within the scope of their authority;
- vii. All Financial Reports are prepared in line with the FAI and are kept in a secure place and easily retrievable

O.1.3 Statement of Rules

1. Public Financial Management Act, 2016, (Act 921), PFM Regulations 2019 (L.I. 2378), and any other enactment in the meantime in force, requires the Head of BMC to manage and operate the Department Accounting Systems so as to ensure the accountability of all officers transacting and facilitating the efficient discharge of such business.
2. Management of BMC/Agencies shall put in place appropriate financial control systems to ensure the efficient and effective financial management of the BMC.
3. The Head of Finance in conjunction with the Head of BMC/Agencies shall setup an FRMU as appropriate within the BMC.
4. Heads of BMC/Agencies are required to ensure that the FRMU reviews financial transactions in accordance with the provisions of this FAI. In addition to Assignment Reports that shall be promptly issued, the FRMU shall provide routine Financial Monitoring Report and Quarterly Quality Assurance /Consolidated Financial Report to Management and lower level BMC.
5. Financial data quality assurance exercises shall be organized on quarterly basis by the RHD to ensure that financial information submitted by each BMC has integrity, is reliable and in compliance with IPSAS.
6. The FRMU shall ensure that reports are submitted in accordance with the provisions of the FAI as well as guidelines and instructions issued by the FC periodically.
7. FRMU shall submit reports and make recommendations to Management for improvement to financial management processes in the BMC.

O.1.4 Highlight of the functions

| Cycle | Actions/Events | Responsible official |
|--------------------------|--|--|
| Starting point(s) | Identify and institute Internal Control Mechanisms | BMC Management |
| Interim points | Setup Financial Reporting and Monitoring Unit within Finance Office | Head of BMC and Head of Finance |
| | Assess and advice on the adequacy and effectiveness of the control systems in general | Head of Finance/Head of Internal Audit |
| | Use Financial Monitoring Check Lists for routine/periodic reviews | Financial Monitor (FM) |
| | Verify compliance to the FAI | Head of Finance/FM |
| | Carry out financial monitoring exercise at BMC | Head of Finance/FM |
| | Carry out Financial data quality assurance of all Records and Books of Accounts and Reports of BMC | Head of Finance/FM |
| | Consolidate Financial Reports of BMC | Head of Finance/FM |
| | Submit Financial Reports of BMC | Head of Finance/FM |
| | Troubleshoot to identify and assist non compliant BMC/Units | Head of Finance/FM |
| | Submit written reports on BMC/Units Financials | Head of Finance/FM |
| Ending point | File copy of reports & follow-ups | Head of Finance/FM |

O.1.5 MOH Monitoring Structure

A three-tier monitoring structure—National, Regional and District levels—is coordinated at the MOH/Agency. MOH shall have primary responsibilities for inter agency monitoring. In addition, the Ministry shall periodically conduct monitoring exercises within agencies that fall under the Ministry with recourse to their respective Head Office. Similarly, Agencies shall also conduct monitoring activities within BMCs under their jurisdictions.

At the regional level, the monitoring unit shall undertake monitoring to regional and sub regional BMCs for the purpose of assessing compliance to financial management guidelines and advise management accordingly. The last tier of the structure is the district monitoring unit which shall be responsible for periodic monitoring at the district and sub district facilities.

Financial monitoring will be conducted using a standard checklist for the various levels. The checklist should be informed by the following Acts of Parliament and any other relevant enactments.

- a. Public Financial Management Act, 2016, (Act 921)
- b. Public Financial Management Regulations 2019, (L.I. 2378).
- c. Ghana Audit Service Act, 2000 (Act 584),
- d. Income Tax Act, 2015, (Act 896), as Amended
- e. Internal Audit Agency Act, 2003, (Act 658)
- f. MDA (Retention) of Funds Act, Act 735, (Non-Tax Revenue Act)
- g. Public Procurement Act, 2003, (Act 663)
- h. Public Procurement Amendment Act, 2016, (Act 914)
- i. Emergency Expenditure Management Guidelines for Public Institutions 2023
- j. Public Investment Regulations, (L.I. 2411)
- k. Public, Private Partnership 2020, (Act 1039)
- l. Earmarked Funds Capping and Realignment (Amendment Act) 2019 (Act 994)
- m. Etc

O.1.6 Procedures/Steps to follow:

1. Notification is required to be given to BMC prior to the commencement of routine financial monitoring, except in the case of investigations and spot checks.
2. Financial Reporting and Monitoring Teams debriefs Management prior to and on completion of the financial monitoring exercises.
3. The FRMU uses the Financial Monitoring Checklist based on the FAI for financial monitoring exercises together with any other tool that may be relevant for specific situations.
4. Prior to preparing the quarterly Financial Report of BMC, financial data from BMC is duly validated for financial integrity and reliability.
5. The FRMU ensures that BMC Financial Records, Books of Accounts and Financial Reports are submitted and validated accordingly.
6. FRMU from time to time, pays monitoring visits to all BMC, especially non-compliant BMC to assist in augmenting its financial management functions and systems.

O.2: Internal Audit

Verifying Billed Revenue/Revenue Collected

Applicability: THO, PHO, RHO, PC and DHO

O.2.1 Overview

The primary focus of Internal Audit is to determine through various oversight, sampling, and re-verification routines, whether the underlying books and records of the BMC are accurate, and may therefore be relied upon when preparing financial reports. Thus, just as the records supporting the billing and collection of in-patient revenue must be verified, so must those supporting out-patient revenue.

Details on governance, risks, and internal controls, the type and frequency of reports to be generated from the work done, as well as the work to be done around risk registers are captured in the MOH Internal Audit manual.

Accordingly, this function focuses on which procedures should be undertaken to provide a reasonable assurance that amounts collected from or billed (notionally/actually) to out-patients are accurately reflected in all corresponding books and records. In carrying out their duties, the Internal Audit Staff will rely on both source documentation, and on actual cross-ledger reconciliations. Such routines are intended to provide adequate level of confidence in the accuracy of the Out-Patient Revenue Collection Books, whereas cross-ledger reconciliations should result in the conclusion that Out-Patient Revenue Collection Books are in agreement with the IGF Summary Cash Books, and that the Out-Patient Notional Revenue Book, Out-Patient Billed Revenue Book, and Receivables Ledger are all in agreement.

O.2.2 Internal Control Objectives

The internal control objectives for this function are as that:

- i. The work of both the Accounts and Cashier Staff are routinely verified by an independent source
- ii. Such verification provides the reasonable assurance that recorded information is accurate and may be relied upon.
- iii. Such verification is performed only by individuals acting within the scope of their authority.

O.2.3 Statement of Rules

1. Monitoring/Internal Audit Staff shall perform series of *spot checks/tests*, at least twice per week (daily in the Tertiary Institutions and Regional Hospitals), to determine whether:
 - a. Service records are consistent with the entries shown in the Out-Patient Revenue Collection Books and Notional Revenue Books (i.e., the “*Service Record to OPD Book Verification*”).
 - b. Out-Patient Revenue Collection Books and Notional Revenue Books are consistent with records kept by the appropriate service area (i.e., the “*OPD Book to Service*”).

- Record Verification*”).
- c. The cash “on hand” with an out-patient Accounts Staff equals the total of the GCR issued and recorded in the Out-Patient Revenue Collection Book at the time of inspection.
2. Within two days after the end of each month, Monitoring/Internal Audit Staff shall perform series of *cross-ledger reconciliations* to determine whether:
 - a. The daily sub-totals recorded in each Out-Patient Revenue Collection Book equal the corresponding amounts posted in the Out-Patient Collection columns of the IGF Summary Cash Books;
 - b. The periodic sub-totals recorded in each Out-Patient Notional Revenue Book equal the corresponding amounts posted in the various columns of the Out-Patient Billed Revenue Ledger.
 - c. On a test basis, entries in the Out-Patient Billed Revenue Ledger correspond to underlying Patient Bills.
 - d. The total amounts notionally or actually billed to out-patients for the month as shown in the Out-Patient Billed Revenue Book equals the amounts posted in the Debtors Ledger.
 3. Monitoring/Internal Audit Staff shall use red/black ink respectively when making tick marks or initialing entries.

O.2.4 Highlights of the Function

| Cycle | Action/Events | Responsible Official |
|----------------------------|---|-----------------------------|
| Starting Point(s) | Review Revenue Collection Books and Match with GCRs or Verify NHI/Corp Identity | Internal Audit staff |
| Intermediate Points | Verify Collection Books with Summary Cashbook | Internal Audit staff |
| | Match the Deposit Column of the IGF summary with Pay in Slips | Internal Audit staff |
| Ending Point | Verify & Sign the Amount deposited and the amount recorded in Departmental Cashbook | Head of Audit |

O.2.5 Procedures/Steps to Follow

1. With regard to the weekly spot checks/verifications, Monitoring/Internal Audit Staff are not required to announce their intent to visit the service areas and Accounts Staffs, but are authorized to conduct all required testing on a “surprise” basis.
2. When verifying service records, Monitoring/Internal Audit Staff should ensure that the records maintained in the various service areas contain the same information as shown in the Out-Patient Revenue Collection Books and Notional Revenue Books under review. In particular, the date, patient name, patient number, patient type (i.e., the OPD), amount, and GCR, NHI number (for

paying out-patients) should match without exception.

3. The month end routine verification focuses on the concurrence of all daily subtotals shown in the Out-Patient Revenue Collection Books with corresponding entries in the IGF Summary Cash Books.
4. The Monitoring/Internal Audit Staff cross-checks the total amounts in each Out-Patient Notional Revenue Book to the Out-Patient Billed Revenue Ledger. This is to ensure that the total amounts of all services rendered according to the Out-Patient Notional Revenue Books are exactly the same as those totals recorded in the Out-Patient Billed Revenue Ledgers for the period under review. Likewise, at least on a test basis, Monitoring/Internal Audit Staff verifies the correspondence between actual Patient Bills and the entries in this Book.
5. Monitoring/Internal Audit Staff verifies that the posting of Control Section of the Debtors Ledger is consistent with the entries in the Out-Patient Billed Revenue Ledger.

O.3 External audit

O.3.1 Overview

For the purposes of this FAI, external audit refers to a financial review, where the auditor General examines and analyzes a covered entity's financial records and statements. This process allows the Auditor General to express an opinion the financial statements and highlights misstatements in reporting due to errors and frauds, providing stakeholders a true and fair picture of the BMC's financial position.

Here, a designated team from the Ghana Audit Service examines the books of accounts, including general ledgers, statement of financial position, statements of financial performance, and other financial reports to validate their accuracy and assess their operational efficiency

Reference to PFM Act, 2016, Section 84 and 85 - the Auditor-General is mandated to examine and audit public accounts submitted to them under this Act within six months after the end of each financial year in accordance with article 187 of the Constitution and the Audit Service Act, 2000 (Act 584).

Section 80 (1) of the PFM Act, 2016 (Act 921) require a Principal Spending Officer of a covered entity to, within two months after the end of each financial year, prepare and submit to the Auditor-General and Controller and Accountant-General, the approved accounts and information and The Auditor-General shall in accordance with the Audit Service Act, 2000 (Act 584) examine and audit the accounts submitted.

Section 33 (1) of the Audit Service Act, 2000 (Act 584) provides that; Any person who

(a) fails to produce for inspection by the Auditor-General or otherwise fails to give the Auditor-General access to any book, record, return or other document relating or relevant to any account to be audited by the Auditor-General, when so requested by the Auditor-General; or

(b) fails to keep proper books of account or proper records in relation thereto when so required by the provisions of any enactment; or

(c) gives to the Auditor-General any information which he knows to be false or which he has no reason to believe to be true; or

(d) willfully suppresses any information required by the Auditor-General in the performance of his functions under this Act or any other enactment; or

(e) obstructs the Auditor-General in the performance of his functions under this Act or any other enactment,
commits an offence and is liable on summary conviction to a fine not less than 500 penalty units or to imprisonment for a term not exceeding 2 years or to both.

Regulation 34 of the Audit Service Regulation (CI 70) require the audit team of the Audit Service to take steps to fully discuss with audited organisation findings and recommendation arising from the audit undertaken with respect to the audited organisation and obtain written response from the audited organisation for the observation made before leaving the audit location

Also Section 29 of Act 584 requires The Auditor-General or any authorised person acting on his behalf to, as a result of an audit conducted by him, issue observations (Management letter) to the CAG or the management of the audited organisation and the comments made by the management shall be returned to the Auditor-General within 30 days after the receipt of the observation. A person who fails or refuses to reply to the audit observations within the period specified shall, if the Auditor-General so directs, have his emoluments and allowances withheld for so long as the person fails to comply.

O.3.2 Internal Control

The Head of Finance shall ensure that all relevant accounts, records and supporting documents are made available upon receipt of notification of audit letter from the Audit Service

The Head of Finance shall ensure that all audit requests are timely responded to.

The Head of Finance shall coordinate with Head of BMC to ensure that all audit queries, findings and Management letter are timely responded to.

O.3.3 Procedures / Steps

1. Ensure that the accounts and related records are properly kept and maintained.
2. Confirm the availability and accuracy of accounting records upon receipt of notification of audit from Audit Service.
3. Entrance conference is held between the audit team and the BMC.
4. Make available to the audit team information and documents requested.
5. Coordinate the audit to ensure that audit queries and findings are appropriately and timely responded to.
6. Liaise with the head of BMC to ensure that the audit Management letter is timely responded to.

An Audit Committee shall be established for BMCs where applicable

For the purpose of subsection(1), the Minister shall, by Regulations, specify the procedure for meetings of an Audit Committee can be referenced to Regulation 227 of the PFM Regulations 2019 (L.I. 2378)

Composition of Audit Committee

Reference to the section 87 of the PFM Act, 2016 (Act 921)

Functions of Audit Committee

Reference to the section 88 of the PFM Act, 2016 (Act 921)

P. Accounting for Donor Funds

P.1: Managing Donor Funds

Applicability: All BMC

P.1.1 Definition And Concept

Donor/Program funds relates to funds received from development partners for specific interventions at national and sub-national level. Development Partners (DP) and other stakeholders have been supporting the sector by providing funds for program implementation based on Approved Program Proposals. Such support gets to the BMC through the following channels:

- a. MOH to the Agencies to the BMC
- b. Agencies to the BMC
- c. RHD to the BMC
- d. Direct from DP to the BMC

It is encouraged that Partners do not transfer funds directly to Sub District for ease of accounting and reporting. Such support shall be done through the respective District Health Directorates.

In this manual, Donor/Program Funds is used interchangeably. There has been a shift in accounting for Donor/Program Fund in this edition of the ATF in line with IPSAS 18, Segment Reporting. Despite this shift, the need for the maintenance of Analyzed Program Activity Ledger (APAL) and the introduction of Partner Specific Advance Ledger (PSAL) to track the movement of funds for the implementation of various Program activities are still relevant.

Budgeting Preparation

BMC budget for program activities in the normal course is part of the annual planning and budgeting process using MOF budget guidelines. Program budgeting is underpinned by need-based assumptions. GOG currently uses Program Based Budgeting.

Budget Execution

Programs implementation is determined largely by Approved Program Activity Budgets in proposals sent to the partner, which the partner accepts to support.

i. Traceability and Visibility

At MOH/Agencies (Headquarters') and sub-national levels, funds are visible and traceable on Program basis. Funds from different DPs are grouped under the Programs/Activities that they are supported and monitored/tracked as such. Hence below Headquarters, 'traceability' and 'visibility' of individual partners' fund that used to be extremely blurred has improved with the use of the Partner Specific Activity Ledger (PSAL). These gains need to be sustained in the management of program funds.

ii. Program Revenues

Donor/Program Funds may be received at the Headquarters and transferred to lower-level BMC. Such funds are classified as “*National Program Funds*” indicating that, the funds have been received primarily at the Headquarters level. Other funds may be received directly at the BMC; these would be termed as “*Non-National Program Funds*”.

National Program Funds received shall initially be treated as Funds held in Trust at the National Level. In this regard, components of the Revenue for all implementing levels (Segment/BMCs) shall be recognized as Segment Revenue in line with IPSAS 18, Segment Reporting.

Segments that receive Funds from higher level on behalf of lower levels shall treat such revenues as Trust Funds until transferred. The Implementing Transferee shall subsequently receive such funds as Revenue at its level.

Non-National Program Funds received by an implementing level would be treated as revenue at the level of receipt. Where portions of such funds are meant for a lower level, it shall be treated as Trust Funds until transferred.

It is important to note that final Revenue recognition ends at the District level hence the use of the Advances ledger.

iii. Program Expenditure

For National Program Funds, expenditures are recognized at all implementing levels/segment in line with the Matching Concept as in Program Revenue Recognition. Similarly, for Non-National Program Fund, expenditures would be recognized at the various levels of implementation of Program activities.

Conclusion

With this arrangement, the necessary accounting procedures have been stipulated in Program Funds Accounting. Non-National Program Funds may not be disclosed on the face of the Consolidated Financial statements at the national level. The FC would from time-to-time designate funding thresholds for which visibility and disclosure would be applicable.

FC would develop and disseminate guidelines to facilitate disbursements, burnout rates, retirement, reporting, and program implementation. Such guidelines are reviewed from time to time.

BMC are to take note that, Buy-ins (Cost Sharing) transactions where Funds are paid by BMC to support other BMC for which the Paying BMC may benefit directly or indirectly, the paying BMC shall treat this payment as expense, while the receiving BMC will receive such Receipts as Funds in Trust. Such funds are not recognized as Program Revenue or Expenditure by the receiving BMCs.

P.2: Accounting for Receipts and Transfers – Donor/Program Funds

Applicability: All BMC

P.2.1 Overview

Funding for Programs may be received from various stakeholders, for example GOG, DP, Non-Governmental Organization (NGO) and Philanthropists. Over the years, these Funds had either been received as earmarked or in general support of MOH POW. Program Funds may be received at various levels along the chain and recognized as such at that level. However, any component of the receipted program amount sent to the next lower level for Program implementation shall be treated as Revenue at that level.

P.2.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. Program Funds received are duly receipted by the BMC
- ii. Program Funds due are duly recorded by the BMC
- iii. The relevant SOP are adhered to by the BMC
- iv. All situations that could result in double counting of receipts are avoided
- v. All such recordings are made only by individuals acting within the scope of their authority;
- vi. All receipt documents are kept in a secure place and are easily retrievable.

P.2.3 Statement of Rules

1. Program Funds shall be broadly classified into National Program Funds (Receipts through MOH/Agencies) and Non-National Program Funds (Receipted directly below the MOH/Agencies).
2. All supporting documents transferring Program Funds to the BMC (i.e., Bank Advice, Transmittal Letters/Emails, copies of Payment Vouchers, etc.) shall be delivered to the Head of the BMC and copied to the Head of Finance.
3. Funds received and transferred to lower level BMC shall be treated as Deferred Revenue by the Transferor and, Revenue by the Transferee.
4. Funds sent directly to the BMC by DP or Sponsor for implementation at that level shall be treated as revenue by the BMC
5. Funds received shall be recorded appropriately in the relevant ledgers by the BMC
6. Retirement of Transfers shall appropriately be done as provided by the approved Statement of Expenditure (SOE) format, verified and signed by the Heads of BMC and Finance.

P.2.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|--|-----------------------------|
| Starting Point(s) | Receive Transfer Notification for Program | Head of BMC |
| Intermediate Points | Verify Source of Transfer (Bank Transfer) | Head of Finance |
| | Acknowledge Receipt/Issue GCR | Accounts Staff |
| | Prepare DJV/GCR/Pay-In-Slip (as applicable) | Accounts Staff |
| | Record Receipt in Departmental Cash Book and APAL/PSAL | Accounts Staff |
| Ending Point | File the Transfer Notification and Receipt Documents | Head of Finance |

P.2.5 Procedures/Steps to Follow

1. Funds sent directly to the BMC by DP or sponsor for implementation at that level are treated as revenue by the BMC.
2. Funds received are recorded appropriately in the relevant ledgers by the BMC.
3. For emphasis; Funds received at the Headquarters and transferred to lower-level BMC are classified as National Program Funds, indicating that Funds have been received at the Headquarters level. On the other hand, Funds received directly at the BMC are Non-National Program Funds.

(3.1) National Program Funds:

In the book of MOH Headquarters:

- (a) On receipt from Sponsor at Headquarters

Debit: Departmental Cash Book (with the amount received)
Credit: Revenue Ledger/APAL (MOH component)
Credit: Revenue Ledger/APAL (Agency Specific)

- (b) Pass a DJV to post revenue received into PSAL

- (c) On transfer to Agencies

Debit: Revenue Ledger/APAL (Agency specific)
Credit: Departmental Cash Book

(3.1) National Program Funds:

I. In the book of Agencies Headquarters:

(a) On receipt from MOH Headquarters

Debit: Departmental Cash Book (with the amount received)
Credit: Revenue Ledger/APAL (Agency HQ component)
Credit: Revenue Ledger/APAL (Agency Regional Specific)

(b) Pass a DJV to post revenue received into PSAL

(c) On transfer to Agency Regional Specific

Debit: Revenue Ledger/APAL (Agency Regional specific)
Credit: Departmental Cash Book

II. In the book of Agencies - Regional Level:

(a) On receipt from Agency Headquarters

Debit: Departmental Cash Book (with the amount received)
Credit: Revenue Ledger/APAL (Agency Regional component)
Credit: Revenue Ledger/APAL (District/BMC Specific)

(b) Pass a DJV to post revenue received into PSAL

(c) On transfer to Agency Regional Specific

Debit: Revenue Ledger/APAL (District/BMC Specific)
Credit: Departmental Cash Book

III. In the books of the District Level e.g (DHD):

(a) On receipt from Region:

Debit Departmental Cash Book (with the amount received)
Credit Program Revenue

Pass a DJV to post District Level Component of the Funds received into APAL

(b) On transfer to Sub-District Bank Account/Imprest:

Debit Partner Specific Advance Ledger (PSAL)
Credit Departmental Cash Book

Fund transferred/sent to the Sub District shall be treated as Imprest at the District level. With this expenditure shall be recognized at the District level and await retirement from the Sub BMC.

(3.2) Non-National Program Funds (NNPF)

(Direct receipts from Partner at the implementing level)

On receipt of Funds: at the Headquarters/Agencies/RHD/District/Any other BMC

| | |
|---------------|---|
| Debit | Departmental Cash Book |
| Credit | Program Revenue (Other Receipt - Revenue) |

Pass a DJV to post Funds received into APAL.

Note: A receiving BMC, apart from National HQ who receives funds for which portion belongs to another BMC shall follow the procedures for National Program Fund.

P.3: Processing Payments – Donor/Program Funds

Applicability: All BMC

P.3.1 Overview

The Headquarters shall maintain various National Program Accounts for the purpose of transferring Funds, and in some cases incurring program expenditures. At the Agency level, Program Funds shall be operated through special dedicated Accounts supported by Deferred Revenue/Program Revenue account and APAL. Program Funds at GHS level shall be operated through the RDHS Accounts and the DDHS Accounts at the Regional/District Health Directorates respectively.

Increasingly, premium is being placed on Donor specific visibility and traceability along the chain in addition to a strict Financial Reporting regime. Accounting for Program Funds should therefore, be given the required impetus. The ultimate responsibility for managing Program Funds therefore, lies with the Head of BMC. In effect Heads of BMC should note that Program Officers and Heads of Finance shall be responsible for the Technical and Financial aspects of Program respectively.

The PFM Regulation 2019, (L.I 2378) Regulation 82, cedes the authority to control disbursement of Program Funds to the Heads of BMC and Finance. Program Officers **may** be given ‘Program Advances’ to prosecute activities in areas where the presence of the Accounts Staff member is not practicable. All such advances should be fully retired, before further releases could be made to such officers.

Headquarters/Agencies and RHD would process disbursements for Program Funds in two different ways—“Transfer of Funds” and “Direct Expenditure.”

Funds meant for programs at the lower levels are transferred to the implementing levels (e.g., RHD, DHD, and Sub-district) through the disbursement structures within MoH financial system.

P.3.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. All Program activities are duly authorized by the Head of BMC
- ii. All goods and services received by BMC for Program activities are **certified** by both a designated BMC officer and a Monitoring/Internal Audit staff and evidenced by SRA
- iii. Departmental Payment Vouchers are prepared only after such certifications have been made
- iv. Departmental Payment Vouchers are prepared only after availability of funds have been verified

- and established by the Accounts Staff
- v. All Cheques issued for payment are signed by the Head of BMC and Head of Finance
 - vi. All Departmental Payment Vouchers/Cheques are recorded in both the Departmental Cash Book and Deferred Revenue Ledger, APAL/PSAL, except as provided elsewhere for advances and other special payments.
 - vii. All payment documents are properly canceled or stamped 'Paid' to prevent duplicate payments for the same goods/services.
 - viii. All such recordings are made only by individuals acting within the scope of their authority
 - ix. All payment documents are kept in a secure place and are easily retrievable.

P.3.3 Statement of Rules

1. BMC shall designate certifying officers for the purpose of attesting to the quantity and quality of goods/services received, and their conformity to what was ordered. In addition, each SRA raised to support the receipt of such goods/services shall be certified by a secondary certifying officer and, in particular, a member of the Monitoring/Internal Audit Staff or an officer instructed in the use of the good or service.
2. All *certified* supporting documents (i.e. Approved Proposal, SRA, Invoices,) shall be presented to the Head of Finance for Departmental Payment Voucher preparation and approval.
3. All Departmental Payment Vouchers and Cheques shall be prepared by an Accounts Staff, re-verified and signed by the Head of Finance and forwarded to the Head of BMC for signature. Departmental Payment Vouchers **may not** be prepared unless funds are available on the particular Program activity.
4. All reviewed and approved Departmental Payment Vouchers must be recorded in both the Departmental Cash Book, Deferred Revenue Ledger and APAL/PSAL by an Accounts Staff.
5. In cases where "Program Advances" are made to officers to undertake specific activities, such transactions shall be recorded in both the Departmental Cash Book and the Revenue Ledger. These 'Program Advances' shall be treated as Expenditure only when retired.
6. Where Program Funds are to be used for the procurement of goods and services, the provisions of the Public Procurement Act shall be fully complied with.
7. As much as possible, bulk release of Program Funds for program activities that spans over a number of days shall be discouraged. However, where it becomes necessary for bulk funds to be withdrawn and paid for program activities, such funds shall be entrusted in the care of the Head of Finance and released on piece meal basis as and when needed.
8. Until retired, such amounts as in (7) above shall be recorded in an Advance Ledger, either in the name of the Head of Finance or the program officer to whom funds have been advanced to.
9. For the purpose of ensuring adequate segregation of duty, Program officers are restricted to the Technical Aspect of Programs, while Finance Staffs shall in consonance with financial enactments for the meantime in force, manage the financial aspect of all Program transactions.

P.3.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|--------------------------|--|---------------------------------------|
| Starting Point(s) | Receive Approved Proposal for Program Activity, PO, SRA, Invoice and Memos | Head of BMC/Finance |
| Interim Points | Verify Program Fund Balance | Accounts Staff |
| | Prepare Payment Voucher | Accounts Staff |
| | Sign Payment Voucher | Head of BMC *** /Finance |
| | Pre-Audit PV | Head of Monitoring/ Internal Audit |
| | Prepare Cheque and Cheque Pre-list Advice (CPA) | Accounts Staff |
| | Re-Verify PV and Sign Cheque/CPA | Head of BMC/Finance |
| | Submit CPA to Bank | Accounts Staff |
| | Record Payment in relevant Ledgers | Accounts Staff |
| Ending Point | File Payment Voucher and Documents | Head of Finance |

*** Any other person performing this function shall do so **only on the authority** of the Head of BMC.

P.3.5 Procedures/Steps to Follow

1. The receipt of an approved Proposal for Program Activity, certified SRA and Invoice from a certifying officer is essentially the first step in the payment process. Similarly, in the case of program transfers, the receipt of an approved Proposal is in essence the key requirement for transfer of funds to BMC. It is therefore, the responsibility of the Head of Finance to review such underlying certifications for legitimacy, accuracy and completeness before authorizing the preparation of a Departmental Payment Voucher.
2. Once satisfied that certified documents are in order, and that the approved Program Proposal is also part of the document package, the Head of Finance instructs an Accounts Staff to verify the availability of funds in the APAL/PSAL. The Accounts Staff proceeds with Payment Voucher preparation and forwards these to the Monitoring/Internal Audit Staff for verification and signature.
3. The Head of Finance then reviews and signs the PV and Cheque/transfer advice. Once the Cheque is prepared, the Cheques Pre-List is also prepared and signed. In the case of electronic payment, the Head of BMC approves the list of beneficiaries to be paid on the EFT.
4. The Head of BMC receives this "document package" (i.e. a Payment Voucher, Cheque, and related paperwork for each requested payment) for signature. The Accounts Staff and Head of Finance then signs where required.
5. Program Funds withdrawn in bulk for Program activities that spans over a number of days should be recorded in the Advance Ledger. Such funds are entrusted in the care of the Head of Finance and released on piecemeal basis as and when needed.
6. In such situation, a similar Advance Ledger is maintained in the name of recipient until retired.

At this point, two separate Advance Ledgers stand in Books of Account; one in the name of Head of Finance and the other in the name of Program officer or Recipient, representing the bulk withdrawal until retired.

7. The process concludes with the passing of documents back to the Accounts Staff . The Accounts Staff, in turn, records the payment of the approved Proposal in both the Departmental Cash Book and APAL/PSAL, date the “Entered” portion of the Departmental Payment Voucher, cancels all supporting documents by stamping these “**Paid**” and noting the underlying Payment Voucher number, and finally files all underlying documents in the appropriate payment file.

P.4: Accounting for Payments and Retirement – Donor/Program Funds

Applicability: All BMC

P.4.1 Overview

Program Expenditure Accounting and Reporting remains integral within the MOH as it entails the combination of country systems and partner requirements. The continued partners’ trust and loyalty is critical to sustainability of Ghana’s healthcare delivery. Development Partners (DP) support to the health sector remains largely in the form of Earmarked or Program Funding. As a result, DP demand for real time visibility and traceability of funds committed to specific programs at all levels is paramount.

This module therefore, seeks to reinforce the accounting treatment that recognizes funds released by DP as Deferred Revenue. Revenue is therefore recognized along the various levels of implementation upon receipt of allocations of DP’s support. These funds require full retirement and Expenditure recognitions at the various implementing levels. This accounting treatment will enable various implementing BMCs to prepare their independent (Segment) financial reports for subsequent consolidation along the levels of reporting.

P.4.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. All Program Funds disbursed are duly accounted for by the BMC.
- ii. All Program Funds are duly recorded into the Books of Account by the BMC.
- iii. All the relevant SOP relating to payments are adhered to by the BMC.
- iv. All situations that could result in double counting payments/transfers is avoided.
- v. All such recordings are made only by individuals acting within the scope of their authority.
- vi. All payment documents are kept in a secure place and are easily retrievable.

P.4.3 Statement of Rules

1. Funds transferred to BMC shall be treated as Revenue by the Implementing BMC (Transferee) and as a reduction of the Deferred Revenue by the Transferor in the case of NPF.
2. All payments made by the Implementing BMCs shall be treated as expenditure at that level.
3. Transfer to Sub-Districts shall be appropriately retired using a standardized Statement of Expenditure (SOE) template. Expenditure shall subsequently be recognized by the district.

Q. Accounting for Gifts and Donations

Q.1 Gifts and Donations in Kind or Cash

Applicability: All BMC

Q.1.1 Overview

The MOH and its Agencies may receive Gifts and Donations. Gifts and Donations are voluntary transfers of assets, including cash or other monetary assets, goods in kind, and services in-kind that one entity makes to another, normally free from stipulations. While some donations are marked for specific activities/projects, others are meant to augment health financing generally. It is important and prudent to recognize and document the receipt of these Donations.

MOH receives annually from its Partners or Stakeholders and the general public, large volumes of donated items especially in the area of program support in the form of vaccines, consumables, equipment, assets, etc.

This section is designed to improve documentation, recording and classification, in line with IPSAS 23 (Revenue from non-exchange transactions). Reporting and disclosures of donations after their analysis shall be done in accordance with their respective applicable modules.

BMCs accordingly adhere to the provisions of this section. Monthly Donation Schedules are submitted as part of reports to the next higher level, while the Donation Register would be included in the Quarterly Financial Data Validation exercise.

The objective is to ensure that donation is appropriately incorporated in MOH Financial Reports.

Q.1.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. Laid down procedures are duly followed in receiving Donations.
- ii. Gifts and Donations are properly received, recognized, and accounted for.
- iii. Gifts and Donations are issued and used for the intended purpose.
- iv. Gifts and Donations are received and utilized by individuals acting within the scope of their authority
- v. Recording of Gifts and Donation is made by individuals acting within the scope of their authority
- vi. All documents on donations are kept in a secure place and easily retrievable.

Q.1.3. Statement of Rules

1. All Cash Donations shall be received by the Finance Office and a GCR shall be issued to acknowledge receipt and deposited in the approved banks
2. Donations in the form of inventories shall be routed through stores and received through stores documentation.
3. All donations in the form of PPEs, in addition to stores documentations shall be recorded in the Non-Current Assets Register.
4. For the purpose of valuation of non-cash donations, reference shall be made to the inventory and non-current assets modules.
5. BMC shall keep a Donations Register to record the Donations received (both cash and in kind including services).

Q.1.4 Highlights of the Functions

| Cycle | Action/Events | Responsible official |
|---------------------------|--|--------------------------------|
| Starting Point(s) | Authorize receipt of Gifts and Donations Kind/Cash | Head of BMC |
| Intermediate Point | Receipt of Gifts or Donated Items into the Store and prepare SRA/SRV | Head of Stores |
| | Issue GCR for cash donation | Head of Finance |
| | Issue acknowledgement letter for all donations | Head of BMC |
| | Receive SRA/SRV/Documentation from Stores | Head of Finance |
| | Assign Values to donations in kind(where necessary) | Head of Finance/Head of Stores |
| | Make entries in relevant Books (including Donation Register) | Head of Finance/Head of Stores |
| Ending Point | Submit Monthly Donation Schedule | Head of Finance/Head of Stores |
| | File donation documents securely | Head of Finance/Head of Stores |

Q.1.5 Procedures/Steps to Follow

1. Donated Non-Current Assets

- a. When Non-Current Assets are donated to a BMC, the stipulations of these Rules and Instructions should apply as in Module H above.
- b. The Donation is documented and the necessary particulars recorded in the Assets Register.
- c. Heads of BMC acting through the FACU should ensure that all donated Non-Current Assets are marked/labelled/embossed for easy identification where applicable. The markings should be done before the assets are assigned to the User Departments/Units.

Treatment of donated Non - Current assets

Upon receipt of SRA and related documentations, prepare a DJV to

Debit: Non-Current assets

Credit: Deferred Revenue/Liability

2. Donated Inventory

BMC, receives donated inventories through the Stores with an SRA and SRV. It should be documented, measured at fair value (Market value) at the time of receipt and follow inventory procedures as per Module G above.

3. Cash Donation

Head of Finance receives cash donation and issues GCR to acknowledge receipt of the money, deposits at the Bank and makes entries as follows:

Debit: Departmental Cash Book

Credit: Other Income

Note: Reference should be made on the module for accounting for program funds where donation is to support specific service delivery programs.

R. Accounting for Investment

R.1: Accounting for Investment

Applicability: All BMC

R.1.1 Overview

Investment in this section refers to short-term Investment in Low-Risk Non-Governmental securities, such as Call Accounts, Fixed Deposits and Savings.

BMC/Agencies shall **NOT** invest in Government Securities (Treasury Bills, Government Bonds, etc.) and other such instruments for which interest shall be paid from the Consolidated Fund.

BMC/Agencies may only invest Funds not immediately required for service delivery to earn Interests. These investments must be flexible to liquidate as and when it is required to execute any MOH Program of Work. In respect of Tertiary/Training Institutions or Sub-vented Organizations, management shall seek the express authority of the Boards/Councils/Committee to invest Funds. At all levels below the RDHS, authorizations shall be required at all times from the Regional Director of Health Services to invest Funds.

R.1.2 Internal Control Objectives

The internal control objectives for this function will be as follows:

- i. Due diligence has been undertaken prior to investing BMC Funds
- ii. Investments are protected from a fall in value of the original amounts
- iii. Positive returns are earned from the Investments and the rate of returns are known and documented
- iv. Investments are negotiated and concluded by individuals acting within the scope of their authority
- v. Documents on Investments are kept in a secure place and easily retrievable.

R.1.3 Statement of Rules

1. As part of efforts to ensure efficiency in the Financial Management processes, Heads of BMC/Agencies intending to carry out Investments shall undertake appraisal of Investment opportunities before selection.
2. There shall exist at the time of investment, evidence of authorization.
3. BMC/Agencies shall keep and update Register of Investments at all times.
4. The Head of Finance shall ensure that the relevant Books of Accounts are maintained to record Investments made and the performance thereof.
5. Upon receipt of the Contract and Proof of Investment, the Head of Finance shall instruct an Accounts Staff to make the appropriate entries in the Departmental Cashbook and Investment Account using the DJV, after it has been signed by him.
6. Investment Certificates or Proof of Interest shall be kept by the Head of Finance.
7. No Investment of Funds shall be made if it stands in competition with funding a POW activity in MOH.
8. Cash Plans shall be prepared and reviewed by Management prior to acquiring any Investment of Funds. Investment should be included in the cash plan.
9. Schedule of investment shall be disclosed in the form of a note comprising the investment

amount, period of investment, rate, terms of investment and investment statements from the financial institution.

10. Liquidation of investment shall be authorized by the Head of BMC/Agencies and notice provided to the Board in case of Tertiary/Training Institutions. The Head of Finance shall be notified accordingly, so that details of the liquidation of investment shall be recorded in the Investment records.
11. In the case of liquidating a Call Account, the negotiated agreement will be upheld, and shall be applied notwithstanding Rule 7 above.

R.1.4 Highlights of the Functions

| Cycle | Action/Events | Responsible official |
|--------------------------|---|-----------------------------|
| Starting Point(s) | Authorization by Management | Supervisory Authority |
| | Receive Contract Agreement/ Proof of Investment | Head of Finance |
| Interim Points | Record Investment Transactions | Accounts Staff |
| | Monitor performance of Investment | Head of Finance |
| | Periodic reconciliation of Investment with bank or holder | Head of Finance |
| Ending Point | File Investment Documents | Head of Finance |

R.1.5 Procedures/Steps to Follow

1. The Head of BMC in consultation with the head of finance undertakes investment appraisals to select the yielding investment portfolios.
2. The Head of Finance prepares cash plans with the approval of the Head of BMC indicating evidence of the availability of Funds for the Investment.
3. Head of BMC/Agencies seeks approval to invest idle funds from the Board/Council/RDHS where appropriate.
4. The Head of Finance updates records on investments and interest thereof.
5. Head of Finance files proof of investments. Accounts Staff makes entries in the Departmental Cash Book and Investment Account using the DJV.
6. Departmental Cash Book is updated with the investment interest earned
7. Head of BMC/Agencies authorizes the liquidation of investments and notifies the Board/Council/RDHS where appropriate.

In the specific case below, the following additional procedures are required:

A. Equipment Revolving Fund (ERF)

An Equipment Revolving Fund shall be maintained by Hospitals/Health Training Institutions from their IGF operations. A dedicated account shall be established by all Hospitals, Polyclinics and Health Training Institutions to effectively and efficiently manage the Equipment Revolving Fund. Funds held in this account shall strictly be used for the purpose of equipment replacements, repairs and maintenance.

The general objectives of the ERF are as follows:

- i. To meet periodic payment obligations to maintenance service providers as they fall due.
- ii. To prevent interrupted Hospital services caused by unavailability and breakdowns of equipment.
- iii. A potential source of funding (in the long term) for the replacement of obsolete and malfunctioning equipment.

B. Operationalization of Fund

- i. The Fund shall be operationalized at BMC and Headquarters levels.
- ii. BMC level funding shall be by monthly transfers of appropriate amount from the IGF Services Accounts controlled with a separate ledger through a Standing Order into the ERF.
- iii. At the National Level, funding shall be by monthly transfers of appropriate amount from budgetary appropriations, partner support and donations.

C. Funds Utilization

As a general rule, maintenance and repair services received from the regional or by national maintenance team or other companies shall be paid from the ERF.

Payments shall be made directly from the ERF in order to control the usage of the funds. The Fund shall only be applied for the maintenance, replacements and servicing of equipment, as well as the procurement of parts, port clearing, relevant training and emergency maintenance cost.

At the MOH and Agency level, signatories shall be as provided for by Module B.1 Statement of Rule 4 of this manual.

Accounting Treatment for Equipment Revolving Fund Account (BMC Level)

- i. Upon transfer of Fund to the ERF: (as per the Advice from the Bank)

Debit: ERF Account
Credit: IGF Departmental Service Cash Book

- ii. Interest accruing to ERF (as per the Advice from the Bank)

Debit: ERF Account
Credit: Interest Income Account (Analyze same in the other income)

- iii. Payments (Cost incurred) on replacements, repairs and maintenance

Debit: Expense Account
Credit: ERF Account

Accounting Treatment where there is no dedicated bank account (Health Center Level)

This is where the Health Center runs the funds in the same operational account (IGF services accounts)

- i. on monthly basis approved amount is transferred from the IGF service account into the ERF ledger with a DJV

Debit: ERF Control Ledger

Credit: IGF Departmental Service Cash Book

- ii. Payments (Cost incurred) on replacements, repairs and maintenance

Debit: Expense account

Credit: ERF Control Ledger

All these entries would be made using the DJV.

Note: The ERF Accounts is an Investment Account.

S. Medical Stores Accounting

S.1. Managing Revenue and Expenditure – Medicines and Non-Medicines

Applicability: Medical Stores

S.1.1 Overview

These Rules and Instructions seek to provide guidance in the form and nature of accounting with regards to the Books of Account and Formats for reporting required within the medical stores.

A complete Financial Report should be produced by Medical Stores comprising; Statement of Financial Position, Statement of Financial Performance, Statement in Changes in Equity/net assets, Cash Flow Statement and Notes to the Accounts. These reports should be prepared quarterly and in accordance with IPSAS.

S.1.2 Internal Control Objectives

The internal control objectives for this function are as follows:

- i. Purchases and sales are approved and supported by relevant documents
- ii. Purchases and sales returns are properly issued and receipted
- iii. Purchases/sales and returns are properly recorded
- iv. Defective/Damaged/Expired Goods are appropriately written-off
- v. Such recordings are performed only by individuals acting within the scope of their authority
- vi. Documents relating to purchases and sales are kept in a secure place and are easily retrievable.

S.1.3 Statement of Rules

1. Purchases and sales shall be made within the Approved Budgets of the BMC
2. Purchases and sales shall be approved by the Head of BMC
3. Purchases and sales shall be supported by Purchases and Sales Invoices. Similarly, all goods returns shall be supported by Debit and Credit Notes.
4. Purchase Invoices and Debits Notes (Stores Issue Voucher) receipted/issued must be lodged immediately with the Account Office.
5. Purchases/sales and returns shall be recorded in the respective Day Books and posted to the relevant Ledgers.
6. Payments by BMC/clients in respect of sales shall be made by EFT or crossed Cheques drawn on each Medical Stores and covered by the issue of GCR.
7. Payment for Purchases shall be made in line with the provision in these Rules and Instructions as enshrined under Section D – Expenditure Accounting and Control.
8. Receipts from Debtors (BMC) shall be recorded in the Departmental Cashbook and Trade Receivables Ledger. Similarly, payments made to Vendors (Suppliers) shall be recorded in the Departmental Cashbook and the Creditors Ledger.
9. All Defective/Damaged/Expired Goods shall be certified by the Board of Survey before the appropriate write-off.
10. Electronic platforms shall be approved by the Controller and Accountant General through the FC.
11. Where an electronic platform is used for accounting purposes, it must conform with all the requirements with respect to books, ledgers and information required by these Rules and Instructions.

S.1.4 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|----------------------------|--|--------------------------------|
| Starting Point(s) | Issue Invoices/Credit Notes(Store Receipt Voucher (SRV) | Accounts Staff/Head of Finance |
| Intermediate Points | Record Invoices/SRV in Sales Day Book/Sales Returns Book | Accounts Staff |
| | Issue GCR | Accounts Staff |
| | Record GCR in Departmental CashBook | Accounts Staff |
| Ending Point | Post into Relevant Ledgers | Accounts Staff |

S.2. Accounting for Purchases – Medicines and Non-Medicines

Applicability: Medical Stores

S.2.1 Highlights of the Function

| Cycle | Actions/Events | Responsible Official |
|--------------------------|--|-----------------------------|
| Starting Point(s) | Receive Invoices/Debit Notes (Store Issue Voucher (SIV)) | Head of Finance |
| Interim Points | Record Invoices/SIV in Purchases Day Book /Purchase Returns Book | Accounts Staff |
| | Process Payment | Accounts Staff |
| | Record payment in Departmental Cash Book | Accounts Staff |
| Ending Point | Post into Relevant Ledgers | Accounts Staff |

S.2.2 Procedures/Steps to Follow

Regional Medical Stores makes provision for tradable stocks in their Annual Estimates for each Financial Year.

Purchases

1. Accounts Staff receives purchase invoice from stores together with SRA, purchase order and records in the purchase day book on daily basis.
2. At month end Account Staff sums and posts total purchases on the Purchase Day Book to purchases accounts and respective Trade Payables Ledgers/Trade Payables Control Account.
3. Accounts Staff receives debit note from stores for purchases returns and records in the Return Outward Day Book.
4. At month end Account Staff sums and posts total purchase returns in the Return Outward Books and posts to the Return Outward Account and respective Purchases Ledger.

Sales

1. On daily basis, Accounts Staff receives copy of sales invoice from sales unit (stores) and records in the Sales Day Book.
2. At month end Account Staff sums and posts total sales in the Sales Day Book to sales accounts and respective Trade Receivables Ledger/Trade Receivables Control Account.
3. Accounts Staff receives credit note from stores for sales returns and record in the Return Inwards Day Book.
4. At month end Account Staff sums and posts total sales returns in the Return Inwards Books and posts to the Return Inward Account and respective Trade Payables Ledger/Trade Payables Control Account.
5. Upon the receipt of payments (Cheque/deposit slip, electronic) from BMC/clients, the Accounts Staff issues GCR to cover the payment.
6. Account Staff subsequently records payments into the Departmental Cash Book
7. Where tradable stocks are sold on "spot-payment" basis (cash and carry) the duplicate copy of the GCR should be given to the respective Stores Section for the purpose of periodic reconciliation.
8. Since the respective revenue and expenditure have been recognized already at the point of sale and purchase, payments by Debtors (BMC) at this point are recorded in the Departmental Cash Book and Debtors Ledger. Likewise, payments made to Vendors (Suppliers) are recorded in the Departmental Cash Book and the Creditors Ledger.
9. On or before one month after the end of year, the Head of Medical Stores informs the Head of BMC of all Defective/Damaged/Expired Goods to enable the constitution of a Board of Survey who then makes recommendations for any write-offs/disposals.
10. When Defective/Damaged/Expired Goods are disposed of, an Account Staff then debits Defective/Damaged/Expired Goods Expense Ledger with the carrying amount for the purpose and then credits the Inventory Accounts (Cost of Goods available for sale).

*** Additional Notes ***

1. Expenditure Accounting

The expenditure accounting procedures are not different from any MDA and must be adhered to as pertains to Module D - Expenditure Accounting and Control of these Rules and Instructions.

2. Program Inventory

Program Stocks held at various Medical Stores are not tradable stocks, so the procedures enumerated above should not be applicable. Rather, they should be accounted for as in the Inventory Management Section, (Module G) of these Rules and Instructions. Where there is income accruing from the sale of Donated Stores, such income shall be treated as other income.

3. Medical Store with Manufacturing/Production Units

Medical Stores engaged in manufacturing of Medical and Non-Medical Consumables shall be required to maintain separate Books of Accounts and prepare Manufacturing Accounts on their transactions as per IPSAS. In this case, such manufacturing units shall prepare in addition, Statement of Financial Position and the Statement of Financial Performance on quarterly and annual basis. Such units Financial Statement shall then form part of the Regional Medical Stores Accounts for the purpose of consolidation.

T. Accounting for Health Centres/Clinics/CHPS Zones

T.1 Accounting Rules and Procedures

Applicability: Sub District BMC

T.1.1 Overview

The most important point to remember in this section of the ATF Rules and Instructions regarding the Health Centers/Clinics/Community based Health Planning and Services (CHPS) Compounds is that, all guidance provided to **Certified and Managing BMC** equally applies to this level. This relates to revenue generation, expenditure and financial reporting procedures with little modification. The use of standard Financial Management documents such as; PO, SRA, Departmental Payment Vouchers are mandatory.

For the purpose of these Rules and Instructions, Health Centers/Clinics/CHPS Compounds shall be referred to as 'Health Center'. Health Centers are classified into two (2), **Large Health Center and Small Health Centers**. A Large Health Center is a HC with high OPD attendance, physician I/C (Medical Officer or PA) and an Accountant to manage their operations, finances and reporting with some degree of supervision from the District Health Directorate All other HCs are classified as Small.

The certification process with respect to MOH revenue must be carried out with an equal amount of **integrity and control** as in the case for payments above the HC level. The modified rules and instructions for HC Financial Management have been developed to simplify the process of both maintaining Books/Ledgers and preparing Financial Reports, and to adapt these to an environment where the number of staff and the volume of patient activity are smaller.

Until improvement in Account staff numbers is achieved, HC staff must often "wear more than one hat", and assume the responsibility for carrying out activities that may otherwise be vested in several individuals. It is important that each HC staff (Nurses, Technicians, Physician Assistants, etc.), be able to relate professional title to a particular ATF role. However, to eliminate confusion, all references to ATF functional responsibility at the HC level will be by professional title. To facilitate this arrangement, Physician Assistants or the In-Charge of a small HC will maintain tasks otherwise vested in the Account staff.

Where an Account staff is posted to a large HC, then that HC should report using this ATF Rules and Instructions as pertains to Polyclinics/Hospitals.

The following relationships between FAI functional roles and responsibilities, and HC professional titles should now apply.

| ATF Roles/Responsibilities | Professional Titles | |
|--|---|--|
| | Small Health Centers | Large Health Centers |
| Head of BMC | In charge | Physician In charge |
| Head of Finance | DHD Head of Finance | Accountant |
| Main Cashier | In charge/Accounts officer | Accounting Officer |
| Accounts Staff | Accounts Officer, Nurses + Dispensary Technician, Revenue Collector | Revenue Collectors/Accounting officers |
| Accounting Officer(s) | In charge/Accounts officer | Accounting Officer |
| Certifying Officers: Primary/Secondary | Accounts Officer, Nurses + Dispensary Technician | Accounting Officer/Internal Auditor |
| Stockholder | Accounts Officer/In charge | Accountant |
| Petty Cash Custodian | Accounts Officer/In charge | Accounting Officer |

GENERAL RULES AND INSTRUCTIONS FOR HC

1. Banking Arrangements

- 1.1 All HC are expected to maintain two (2) Bank Accounts for the receipt and expenditure of HC IGF; one for Services and one for Medicines.
- 1.2 In Small HCs, all three signatories (Head of HC, District Director of Health Services (DDHS) and Head of Finance at the DHD) shall be mandatory for both HC IGF Accounts.
- 1.3 The DHD Finance Office shall be responsible for the preparation of payment documents and reports for the Small HCs.
- 1.4 In Large HC, the In-Charge (a Medical Doctor or Physician Assistant) and Head of Finance of the HC shall be the signatories to the Bank Accounts. The resident Pharmacist shall be a mandatory signatory to the Medicines bank account.

2. Revenue

2.1. Cash Revenue

- 2.1.1 At the HC, patients are registered, screened, charged a fee and attended to by Prescribers (Medical Doctor, Physician Assistant, Nurse, Midwife etc.). These Rules and Instructions set forth in Module C.3 *Managing Out-Patient Revenue* shall generally apply to HC, including the use of Revenue Collection Book and Out Patients Notional Revenue books formats as in Appendices C-29, C-30, C-31, C-32 and C-33

- 2.1.2 HC staff should, in particular comply with the following in respect of Revenue Collections:
- a. HC should establish controls (segregation of duty) to ensure that individual collecting revenue from patients and maintaining a revenue collection book is not the same person with custody of the HC cash at the end of each day. In this case, Accounting Officer/Physician Assistant/In charge should have sole access to HC Safe and be the custodian of all cash pending deposit of collected revenue into the Bank (or expenditure of cash from the HC petty cash).
 - b. All cash collections shall be deposited **Gross Daily**, unless a less frequent arrangement has been made by the DDHS and approved by the RDHS in consultation with the Regional DDF.
 - c. Accounts Officers, Nurses, Dispensary Technicians and Medical Records Assistants where applicable are responsible for collecting revenue, issuing GCR, recording relevant details in either an IGF Service or IGF Medicine Revenue Collection Book, or the Notional Revenue Book, and turning over cash collected at the end of each day to the Accounts Officer/Physician Assistant/In -charge.
 - d. At the end of each day, the Accounts Officer, Physician Assistant/In -charge is required to initial each IGF Service Revenue Collection Book next to the amount received/earned, issue a Control GCR and record the daily **Services** total by revenue type in the HC IGF Service Summary Cash Book without *regard to the preparation of pay-in-slip*. Once pay-in slips are prepared and funds deposited into the Bank, the amount deposited should be recorded in the “Deposits” and “Collections” columns of the IGF Services Analysis Cash Book.
 - e. Likewise, the Accounts Officer/In Charge is required to initial each IGF Medicine Revenue Collection Book next to the amount received, issue a Control GCR and record the daily **Medicines** total revenue in the IGF Medicines Summary Cash Book *without regard to the preparation of a paying-in-slip*. Once pay-in-slips are prepared and funds deposited into the Bank, the amount deposited should be recorded in the deposit column of the IGF Medicines Summary Cash Book and posted to the Health Centre Medicines Cash Book

2.2 Notional Revenue

- 2.2.1. Consistent with the procedures for Hospital OPD, the HCs are required to maintain a complete audit trail for treatment provided to patients, “exempted” or deferred, (NHI/Corporate). This means that, service records must indicate that a patient’s treatment is “exempted” or deferred, and financial records must reflect a notional amount earned as opposed to actual cash collected.
- 2.2.2 In the absence of Accounting Officers, Nurses and Dispensary Technicians or Health Assistants are responsible for recording the details of all “exempted”, Insured or Corporate Patients” transactions in a Notional Revenue Book, and further total these books at the end of each month.
- 2.2.3 The Notional Revenue Book Template should be the same as that used by MOH Hospitals for OPD Services.

Note:

There should be periodic reconciliations between the services providers’ records of each service provided such as, consultation, investigation, etc., in the service book with financial records to ensure good Financial Management practices.

3. Expenditure Authorization/Certification Process

3.1 In the Large HC, the authorization, certification and approval shall take place at the HC. In this case, such large HC shall follow the Rules and Instruction applicable to Expenditure Accounting and Control for Polyclinics and Hospitals.

3.2 In the case of small HC, all proposals to incur expenditure shall be approved by the Head of the DHD. In addition, the following procedures for certification shall apply:

- a. PO shall be raised to support payments of expenditures of good/services where applicable.
- b. SRA shall be raised to support payments of expenditures of good/services received and attested to by the In-charge at the HC.

4. Payments by Cheque (Receiving and Paying)

4.1 The entire certification process as applied to all other BMC also applies to HC with the modifications and clarifications made herein. The focus of attention at this point therefore, is on the maintenance of IGF Services Analysis/Medicines CashBooks wherein all IGF Services/Medicines deposits and payments are recorded.

4.2 The basic concept for HC is one of simplified accounting. In this regard, all funds received from RHD/DHD/NHI/Corporate in respect to Program Funds, refunds of Services/Medicines provided, and Interest earned on a HC IGF Services/Medicines Accounts should be posted to both the “Deposits” column, as well as to the last column (i.e., the “Refunds, Interest,” columns) of IGF Services Analysis/Medicines Cash Books.

4.3 Payments on the other hand, should be recorded at the **sub-item level** in columns labeled with the appropriate sub-item names. In the interest of simplicity and consistency, MOH has **pre-labeled** the columns in the IGF Services Analysis/Medicines Cash Books, so HC should utilize these **unless authorized to do otherwise.**

4.4 In small HC, totals of the IGF Services Analysis/Medicines Cash Books should be calculated by the In-Charge at the end of each month and possible report preparation.

4.5 With respect to payments from a HC Medicines Account, only the “Payments” and “Purchases” columns in the IGF Medicines Analysis Cash Book should be used, since all payments from this account should be purchase of medicines and medicines related expenditure. Sample layouts of both the IGF Services Analysis Cash Book and IGF Medicine Analysis Cash Book are included as in Appendices C-12 and C-13.

4.6 The Head of Finance at the DHD shall visit HC at the end of each month for verification of all relevant Books of Account and extract Financial Report.

5. Payments by Cash (Petty Cash)

These Rules and Instructions provide a mechanism for all BMC to effect minor payments from Petty Cash. It extends the Rules and Instructions contained in FAI Module H.6 *Managing Petty Cash And Special Imprest-Expenditure* to HC with the following modifications:

- 5.1 The operation of a Petty Cash within a HC shall follow basic Imprest Rules with the designated Imprest Holder held personally responsible for these funds.
- 5.2 HC Petty Cash may be subject to ceilings established by these Rules and Instructions.
- 5.3 Petty Cash disbursement that will attract statutory Withholding Tax shall not be made to a Vendor. Such “large” amounts should follow normal ‘Cheque and Payment Voucher’ processing procedures.
- 5.4 HCs are not required to maintain a Departmental Petty Cash Book. Instead, when Petty Cash are nearing exhaustion, receipts should be summarized and attached to a payment voucher with an allocation to each sub-item made directly on the Payment Voucher. The total of these allocations must clearly match the amount of the replenishment which should be recorded in the IGF Services Analysis Cash Book by sub-item in the same manner as any other disbursement by Cheque.
- 5.5 Any adjustment made to the amount of a HC Petty Cash (e.g. to increase the Petty Cash amount to a newly authorized level) should follow the usual payment process. The amount of the Cheque, however, should be posted to the last column of the IGF Services Analysis Cash Book (i.e. the “Refunds, Interest,” column) rather than to an item sub-item column, since at the time of adjustment, no expenditure would have yet been incurred.

6. Monthly Financial Reporting

- 6.1 Each HC is required to report on its revenue and expenditure activities on a **monthly** basis. Accordingly, two financial reports should be submitted to each DHD; one for Revenue, and one for Expenditure.
- 6.2 In Small HC with no Accounts Officer, the DHD are authorized to assist HC in the preparation of these financial reports.
- 6.3 In either case, each DDHS should ensure that responsibility for financial report preparation is appropriately placed, so that monthly financial reports from a HC are prepared in a timely manner for inclusion in the DHD Consolidated Sub-District Financial Reports.
- 6.4 In the case of Large HC, monthly financial reports shall be prepared and submitted to the RHD as pertains to Polyclinics and Hospitals with copies transmitted officially to DHD. Except that, such copies received by the DHD shall not be consolidated at the DHD level as part of this arrangement. Please note that the RHD shall consolidate same as it does for Polyclinics and Hospitals.

7. IGF Revenue Report

With regards to the information contained on a HC monthly IGF Revenue Report, DHD and HC staff should note the following:

- 7.1 IGF Service Revenue amounts shown in the “Collected Revenue” column should be the same as the monthly total for each revenue type as indicated in the HC IGF Service Summary Cash Book. In addition, the amount shown in the “Collected Revenue” column for Medicines should equal the total indicated in the “Collections” column of the HC IGF Medicines Analysis CashBook.
- 7.2 Amounts shown in the “Notional Revenue” column should be the same as the monthly total for each revenue type in each Notional Revenue Book. A sample layout of the IGF Revenue Report is included as part of Appendix 7

8. IGF Expenditure Report

- 8.1 With regards to the information contained on the monthly IGF Expenditure Report, DHD and HC staff should note the following.
- a. Amounts shown in the “Payments for Month” column should be the same as the monthly totals for each sub-item column as indicated in the HC IGF Services Analysis Cash Book.
 - b. The total for the “Refunds, Interest,” column should **not** be shown on this report.
 - c. Any amount shown for purchase of Medicines should be equal the “Purchases” for the month as indicated in the HC IGF Medicines Analysis Cash Book.
 - d. HC should include any financial charges imposed on the HC IGF Medicines Account under “other payments” for the month.

Note: A sample layout of the IGF Expenditure Report is included as part of Appendix 2

9. Other DHD Responsibilities

- 9.1 This ATF Rules and Instructions require DHD to issue Consolidated IGF Revenue and Expenditure Reports for their Sub-Districts on a monthly basis. In order to ensure accuracy and completeness of Sub-District Consolidated Financial Reports, DHD are expected to prepare these Reports on the basis of Consolidated IGF Revenue and Expenditure Budget Ledgers maintained in the following manner:
- a. For Revenue, each IGF Revenue Report submitted by a HC should be recorded by revenue type on a monthly and cumulative basis in a Consolidated IGF Revenue Budget Ledger for both collected and notional revenue. A sample layout of the Consolidated Statement of Comprehensive Revenue and Expenditure Reports is included as Appendix A-1
 - b. For Expenditure, each IGF Expenditure Report submitted by a HC should be recorded by sub-item on a monthly and cumulative basis in a Consolidated IGF Expenditure Budget Ledger using the standard ATF prescribed layout. A sample layout of the Consolidated Statement of Comprehensive Revenue and Expenditure Reports is included as Appendix A-1
- 9.2 It is the responsibility of Head of Finance at the DHD to work with HC In Charge to determine the appropriate level of collaboration/assistance required. With respect to reporting, DHD should include the Consolidated Cash Book balance for all HC in the space provided on the Consolidated IGF Revenue Report, as well as the YTD amount of Bank Interest earned on both IGF accounts, and the YTD amount of Refunds received in respect of “deferred/exempted” Services/Medicines provided.
- 9.3 This ATF Rules and Instructions hold Heads of Finance at the DHD responsible for ensuring that HC Bank Reconciliation Statements are prepared in a timely manner. Heads of Finance are therefore, required to prepare the individual HC Bank Reconciliation Statements, as well as consolidate these for the purpose of monthly Financial Reporting.

APPENDIX A: SPECIMEN FINANCIAL REPORTS

APPENDIX A1:
SPECIMEN FINANCIAL REPORTS

BMC: _____

Statement of Financial Position as at 31 December 20XX

| | Notes | Current 20X2 GH¢ | Previous 20X1 GH¢ |
|---|-------|------------------------|-------------------------|
| ASSETS | | | |
| Current-assets | | | |
| Cash and cash equivalent: | | | |
| 1. Cash in Bank: GOG | | Xx | xx |
| 2. Cash in Bank: IGF | | Xx | xx |
| 3. Cash In Bank: SBS (Donor Funds) | | Xx | xx |
| 4. Cash in Bank: (MOH Program) | | Xx | xx |
| 5. Cash in Bank: (Other Fund) | | Xx | xx |
| 6. Un-deposited Cash: (IGF Medicines and Services) | | xx | xx |
| 7. Petty Cash | | xx | xx |
| Short-Term Receivables (Debtors) | | xx | xx |
| Inventories (Medicines and Non Medicines Consumables) | | xx | xx |
| Pre-payments (e.g. Rent in Advance) | | xx | xx |
| Non-Financial Assets Held for Sale | | xx | xx |
| Unsettled/Un-cleared Advances | | <u>xx</u> | <u>xx</u> |
| Total Current Assets | | <u>xx</u> | <u>xx</u> |
| Non-current assets | | | |
| Long-Term Receivables | | xx | xx |
| Investments (Car Revolving Fund) | | xx | xx |
| Investment Property | | xx | xx |
| Service Concession Arrangements | | xx | xx |
| Work-In-Progress | | xx | xx |
| Property, Plants and Equipment | | xx | xx |
| Intangible Asset | | <u>xx</u> | <u>xx</u> |
| Total Non-Current Assets | | <u>xx</u> | <u>xx</u> |
| | | | |
| Total assets | | <u>xxx</u> | <u>xxx</u> |
| LIABILITIES: | | | |
| Current liabilities | | | |
| Trade Payables | | xx | xx |
| Other Payables | | xx | xx |

| | | | |
|---------------------------------------|--|-------------------|-------------------|
| Trust Monies | | xx | xx |
| Post-Employment Benefits Obligation | | xx | xx |
| Short-Term Loans and Financing | | xx | xx |
| Provisions | | xx | xx |
| Social Benefits | | xx | xx |
| Unbilled Patients Deposits | | xx | xx |
| Withholding Tax | | <u>xx</u> | <u>xx</u> |
| Total Current Liabilities | | <u>xx</u> | <u>xx</u> |
| Non- Current Liabilities | | | |
| Trust Monies | | xx | xx |
| Derivatives | | xx | xx |
| Post-Employment Benefits Obligation | | xx | xx |
| Long-Term Loans and Financing | | xx | xx |
| Provisions | | xx | xx |
| Social Benefits | | <u>xx</u> | <u>xx</u> |
| Total Non-Current Liabilities | | <u>xx</u> | <u>xx</u> |
| Total Liabilities | | <u>xxx</u> | <u>xxx</u> |
| | | | |
| Net Assets /(Liabilities) | | | |
| <u>NET ASSET/ EQUITY</u> | | xx | xx |
| Capital Reserves | | xx | xx |
| Revaluation Reserves | | xx | xx |
| Foreign Currency Translation Reserves | | xx | xx |
| Other Reserves | | xx | xx |
| Accumulated Surplus | | <u>xx</u> | <u>xx</u> |
| TOTAL NET ASSETS / EQUITY | | <u>xxx</u> | <u>xxx</u> |

APPENDIX A2:

BMC: _____

Statement of Comprehensive Revenue and Expenditure for the year ending 31stDecember 20x2

| | Notes | Current | Previous |
|--|-------|------------|------------|
| | | 20X2 | 20X1 |
| | | GH¢ | GH¢ |
| REVENUE | | | |
| IGF Service IGF Medicines | | XX | XX |
| Less Exempted Services/Medicines | | <u>XX</u> | <u>XX</u> |
| Total Operating Revenue | | <u>XX</u> | <u>XX</u> |
| | | | |
| Non-Operating Revenue | | | |
| GOG Subsidy | | XX | XX |
| SBS (Donor Funds) MOH Program | | XX | XX |
| Financial Credits Other Receipts | | <u>XX</u> | <u>XX</u> |
| Total Non - Operating Revenue | | <u>XX</u> | <u>XX</u> |
| | | | |
| Total Revenue | | <u>XXX</u> | <u>XXX</u> |
| | | | |
| EXPENDITURE | | | |
| Compensation of employees | | XX | XX |
| Use of Goods and Services | | XX | XX |
| Finance Cost | | XX | XX |
| Government Subsidies | | XX | XX |
| Social Benefits | | XX | XX |
| Specialized Expenses | | XX | XX |
| Exchange Difference | | XX | XX |
| Grants | | XX | XX |
| Consumption of non-current assets | | XX | XX |
| Program Expenses | - | <u>XX</u> | <u>XX</u> |
| Total Expenditure | | <u>XX</u> | <u>XX</u> |
| | | | |
| Surplus/ (deficit) Before Exceptional Items | | XXX | XXX |
| | | | |
| Exceptional Items | | | |
| Gain/(loss) On Financial Asset Through Fair Value | | XX | XX |
| Gain/(loss) On Financial Asset Through Fair Value | | <u>XX</u> | <u>XX</u> |
| Surplus/(Deficit) After Exceptional items | | <u>XXX</u> | <u>XXX</u> |

APPENDIX A3:**BMC**

Cash Flow Statement for the period ending, 20x2

| | Notes | Current | Previous |
|---|-------|------------|------------|
| | | 20x2 | 20x1 |
| <u>Cash Flow from Operating Activities</u> | | GH¢ | GH¢ |
| Surplus/(Deficit) for the year | | xx | Xx |
| Add Non-Cash Items: | | xx | Xx |
| Gain/(Loss) on Revaluation | | xx | Xx |
| Impairment Loss | | xx | Xx |
| Depreciation and Amortization | | xx | Xx |
| Profit/(Loss) on disposals | | xx | Xx |
| Increase/(Decrease) in provisions | | xx | Xx |
| Non-cash fair value adjustments | | xx | Xx |
| Other non-cash transactions | | <u>xx</u> | <u>Xx</u> |
| Adjusted Surplus / (Deficit) | | <u>xx</u> | <u>Xx</u> |
| | | | |
| Movement in Working Capital | | xx | Xx |
| (Increase)/Decrease in Inventory | | xx | Xx |
| (Increase)/Decrease in Receivables | | xx | Xx |
| Increase/(Decrease) in Payables | | xx | Xx |
| Increase/(Decrease) in Other Payables | | xx | Xx |
| (Increase)/Decrease in Prepayment | | xx | Xx |
| (Increase)/Decrease in Non-Financial Assets Held for Sale | | xx | Xx |
| (Increase)/Decrease in Current Biological Assets | | xx | Xx |
| Transfer of Unretained IGF | | xx | Xx |
| Increase in Social Benefit Liabilities | | xx | Xx |
| Interest Paid | | <u>xx</u> | <u>Xx</u> |
| Net Cash Flow from Operating Activities | | <u>xx</u> | <u>Xx</u> |
| | | | |
| <u>Cash Flow from Investing Activities</u> | | | |
| | | | |
| Disposal of Non-Financial Asset | | xx | Xx |
| (Increase)/Decrease in Loans Receivables | | xx | Xx |
| (Increase)/Decrease in Investment | | xx | Xx |
| (Increase)/Decrease in Advances | | xx | Xx |
| Acquisition of Non-Financial Asset | | xx | Xx |
| Increase/(Decrease) in Derivatives | | xx | Xx |
| Dividend Received | | <u>xx</u> | <u>Xx</u> |
| Net Cash Flow from Investing Activities | | <u>xx</u> | <u>Xx</u> |

| | | | |
|---|--|------------------|------------------|
| | | | |
| <u>Cash Flow from Financing Activities</u> | | | |
| | | | |
| Increase/(Decrease) in Domestic Borrowing | | xx | Xx |
| Increase/(Decrease) in External Borrowing | | xx | Xx |
| Increase/(Decrease) in Stated Capital | | xx | Xx |
| Dividend Paid | | <u>xx</u> | <u>Xx</u> |
| Net Cash Flow from Financing Activities | | <u>xx</u> | <u>Xx</u> |
| | | | |
| Net Changes in Cash Flow | | xx | Xx |
| Cash and Cash Equivalent at Beginning | | xx | Xx |
| Cash and Cash Equivalent at Close | | xx | Xx |

APPENDIX A4:

BMC _____

Statement of Changes In Net Assets For The Period Ended 31 Dec 20x2.....

| | Notes | CURRENT | PREVIOUS |
|---------------------------------------|--------------|------------------|------------------|
| | | 20X2 | 20X1 |
| NET WORTH | | GH¢ | GH¢ |
| Opening Bal | | | |
| Revaluation Reserves | | XX | XX |
| Foreign Currency Translation Reserves | | XX | XX |
| Other Reserves | | XX | XX |
| Accumulated Surplus | | XX | XX |
| Add: Adjustments | | | |
| Change in Acct Policy | | XX | XX |
| Error | | <u>XX</u> | <u>XX</u> |
| Total | | <u>XX</u> | <u>XX</u> |
| Restated Account Surplus | | XX | XX |
| Changes (Movement) | | | |
| Revaluation Reserves | | XX | XX |
| Foreign Currency Translation Reserves | | XX | XX |
| Other Reserves | | XX | XX |
| Surplus for the year | | <u>XX</u> | <u>XX</u> |
| Total | | <u>XX</u> | <u>XX</u> |
| Closing Bal | | | |
| Revaluation Reserves | | XX | XX |
| Foreign Currency Translation Reserves | | XX | XX |
| Other Reserves | | XX | XX |
| Accumulated Surplus | | <u>XX</u> | <u>XX</u> |
| Total | | <u>XX</u> | <u>XX</u> |

APPENDIX A5:

Statement of Receipts and Payments for the Year ended 31 Dec 20X2

| | NOTES | 20X2 | 20X2 | 20X2 | 20X2 | 20X1 |
|----------------------------------|-------|------------------|------------------|------------------|---------------------|----------------------|
| | | ORIGINAL | SUPPLEMENTARY | FINAL | CURRENT (ACTUAL) | PREVIOUS (ACTUAL) |
| | | BUDGET | BUDGET | BUDGET | | |
| | | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ |
| <u>RECEIPTS</u> | | xx | xx | Xx | xx | xx |
| NON-TAX RECEIPTS | | xx | xx | Xx | xx | xx |
| GRANTS | | xx | xx | Xx | xx | xx |
| FINANCE INCOME | | xx | xx | Xx | xx | xx |
| LOANS RECEIVED | | xx | xx | Xx | xx | xx |
| DISPOSAL OF NON-FINANCIAL ASSET | | xx | xx | Xx | xx | xx |
| SALE/RECOVERY OF FINANCIAL ASSET | | xx | xx | Xx | xx | xx |
| TRUST MONIES | | xx | xx | Xx | xx | xx |
| PRIOR-PERIOD RECEIVABLE RECEIPTS | | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> | <u>xx</u> |
| TOTAL RECEIPTS | | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> | <u>xx</u> |
| | | | | | | |
| <u>PAYMENTS</u> | | | | | | |
| COMPENSATION OF EMPLOYEES | | xx | xx | xx | xx | xx |
| USE OF GOODS AND SERVICES | | xx | xx | xx | xx | xx |
| NON-FINANCIAL ASSETS | | xx | xx | xx | xx | xx |
| FINANCE COST | | xx | xx | xx | xx | xx |
| GOVERNMENT SUBSIDIES | | xx | xx | xx | xx | xx |
| SOCIAL BENEFITS | | xx | xx | xx | xx | xx |
| SPECIALISED EXPENSES | | xx | xx | xx | xx | xx |

| | | | | | | |
|--|--|------------------|------------------|------------------|------------------|------------------|
| TRUST MONIES | | xx | xx | xx | xx | xx |
| LOAN REPAYMENTS | | xx | xx | xx | xx | xx |
| FINANCIAL ASSETS | | xx | xx | xx | xx | xx |
| PREPAYMENT FOR CURRENT PERIOD | | xx | xx | xx | xx | xx |
| PRIOR-PERIOD LIABILITY PAYMENTS | | xx | xx | xx | xx | xx |
| TRANSFER OF UNRETAINED IGF | | xx | xx | xx | xx | xx |
| GRANTS | | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| TOTAL PAYMENTS | | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| | | | | | | |
| NET CHANGE IN STOCK OF CASH | | xx | xx | xx | xx | xx |
| | | | | | | |
| CASH AND CASH EQUIVALENT AT BEGINNING | | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| | | | | | | |
| CASH AND CASH EQUIVALENT AT END | | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |

APPENDIX A6:

Cumulative Statement of Receipts and Payments for the Year ended 31 Dec 20X2

| | NOTES | PREVIOUS QTR | CURRENT QTR | YTD | PREVIOUS |
|----------------------------------|-------|------------------|------------------|------------------|------------------|
| | | ACTUAL | ACTUAL | ACTUAL | ACTUAL |
| | | BUDGET | BUDGET | 20X2 | 20X1 |
| | | GH¢ | GH¢ | GH¢ | GH¢ |
| <u>RECEIPTS</u> | | XX | XX | XX | XX |
| NON-TAX RECEIPTS | | XX | XX | XX | XX |
| GRANTS | | XX | XX | XX | XX |
| FINANCE INCOME | | XX | XX | XX | XX |
| LOANS RECEIVED | | XX | XX | XX | XX |
| DISPOSAL OF NON-FINANCIAL ASSET | | XX | XX | XX | XX |
| SALE/RECOVERY OF FINANCIAL ASSET | | XX | XX | XX | XX |
| TRUST MONIES | | XX | XX | XX | XX |
| PRIOR-PERIOD RECEIVABLE RECEIPTS | | <u>XX</u> | <u>XX</u> | <u>XX</u> | <u>XX</u> |
| TOTAL RECEIPTS | | <u>XX</u> | <u>XX</u> | <u>XX</u> | <u>XX</u> |
| <u>PAYMENTS</u> | | | | | |
| COMPENSATION OF EMPLOYEES | | XX | XX | XX | XX |
| USE OF GOODS AND SERVICES | | XX | XX | XX | XX |
| NON-FINANCIAL ASSETS | | XX | XX | XX | XX |
| FINANCE COST | | XX | XX | XX | XX |

| | | | | | |
|--|--|-----------|-----------|-----------|-----------|
| GOVERNMENT SUBSIDIES | | XX | XX | XX | XX |
| SOCIAL BENEFITS | | XX | XX | XX | XX |
| SPECIALISED EXPENSES | | XX | XX | XX | XX |
| TRUST MONIES | | XX | XX | XX | XX |
| LOAN REPAYMENTS | | XX | XX | XX | XX |
| FINANCIAL ASSETS | | XX | XX | XX | XX |
| PREPAYMENT FOR CURRENT PERIOD | | XX | XX | XX | XX |
| PRIOR-PERIOD LIABILITY PAYMENTS | | XX | XX | XX | XX |
| TRANSFER OF UNRETAINED IGF | | XX | XX | XX | XX |
| GRANTS | | <u>XX</u> | <u>XX</u> | <u>XX</u> | <u>XX</u> |
| TOTAL PAYMENTS | | <u>XX</u> | <u>XX</u> | <u>XX</u> | <u>XX</u> |
| | | | | | |
| NET CHANGE IN STOCK OF CASH | | XX | XX | XX | XX |
| | | | | | |
| CASH AND CASH EQUIVALENT AT BEGINNING | | <u>XX</u> | <u>XX</u> | <u>XX</u> | <u>XX</u> |
| | | | | | |
| CASH AND CASH EQUIVALENT AT END | | <u>XX</u> | <u>XX</u> | <u>XX</u> | <u>XX</u> |

APPENDIX A7:

Consolidated Statement of Financial Position by SOF Group as at

| Assets | | | | | | | |
|---|--------------|------------|------------------|----------------|--------------------|--------------------------------|--------------|
| Current Assets | Notes | GOG | IGF - MOH | Program | Other funds | Unallocated/Elimination | Total |
| Cash and Cash Equivalent: | | | | | | | |
| 1. Cash in Bank: GOG | | xx | - | - | - | - | xx |
| 2. Cash in Bank: IGF | | - | xx | - | - | - | xx |
| 3. Cash In Bank: SBS (Donor Funds) | | - | - | xx | - | - | xx |
| 4. Cash in Bank: (MOH Program) | | - | - | xx | - | - | xx |
| 5. Cash in Bank: (Other Fund) | | - | - | xx | - | - | xx |
| 6. Un-deposited Cash | | - | - | - | - | - | xx |
| 7. Petty Cash | | - | - | - | - | - | xx |
| Total Cash and Cash Equivalent | | xx | xx | xx | xx | xx | xx |
| Short-Term Receivables (Debtors) | | xx | xx | xx | xx | xx | xx |
| Inventories (Medicines and Non-Medicines Consumables) | | xx | xx | xx | xx | xx | xx |
| Pre-payments (e.g. Rent in Advance) | | xx | xx | xx | xx | xx | xx |
| Non-Financial Assets Held for Sale | | xx | xx | xx | xx | xx | xx |
| Unsettled/Un-cleared Advances | | xx | xx | xx | xx | xx | xx |
| Total Current Assets | | xx | xx | xx | xx | xx | xx |
| Non-Current Assets | | | | | | | |
| Long-Term Receivables | | xx | xx | xx | xx | xx | xx |
| Investments (Car Revolving Fund) | | xx | xx | xx | xx | xx | xx |
| Investment Property | | xx | xx | xx | xx | xx | xx |
| Service Concession Arrangements | | xx | xx | xx | xx | xx | xx |

| | | | | | | | |
|---|--|-----------|-----------|-----------|-----------|-----------|-----------|
| Work-In-Progress | | xx | xx | xx | xx | xx | xx |
| Property, Plants and Equipment | | xx | xx | xx | xx | xx | xx |
| Intangible Asset | | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| Total Non-Current Assets | | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| Total Assets | | | | | | | |
| <u>LIABILITIES</u> | | | | | | | |
| Current Liabilities | | | | | | | |
| Trade Payables | | xx | xx | xx | xx | xx | xx |
| Other Payables | | xx | xx | xx | xx | xx | xx |
| Trust Monies | | xx | xx | xx | xx | xx | xx |
| Post-Employment Benefits Obligation | | xx | xx | xx | xx | xx | xx |
| Short-Term Loans and Financing | | xx | xx | xx | xx | xx | xx |
| Provisions | | xx | xx | xx | xx | xx | xx |
| Social Benefits | | xx | xx | xx | xx | xx | xx |
| Unbilled Patients Deposits | | xx | xx | xx | xx | xx | xx |
| Withholding Tax | | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| Total Current Liabilities | | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| | | | | | | | |
| <u>Analysis of Fund Balance</u> | | | | | | | |
| Fund Balance: Beginning of Period | | xx | xx | xx | xx | xx | xx |
| Plus (Minus): Adjustments & Current Period Item | | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| Fund Balance: End Period | | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |

See accompanying Notes to Financial Statements and Supporting Schedules

APPENDIX A8:

Consolidated Statement of Financial Position by BMC Group as at.....

| ASSETS | Unallocated/ Elimination | MOH -HQ | THO/PHO | RHA | TI | DHA | DHO | Total |
|---|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Cash in Bank: GOG | xx | xx | xx | xx | xx | xx | xx | xx |
| Cash in Bank: IGF | xx | xx | xx | xx | xx | xx | xx | xx |
| Cash in Bank: SBS (Multi Donor) | xx | xx | xx | xx | xx | xx | xx | xx |
| Cash in Bank (MOH Programs) | xx | xx | xx | xx | xx | xx | xx | xx |
| Cash in Bank (Other Fund) | xx | xx | xx | xx | xx | xx | xx | xx |
| Un-deposited Cash (IGF Medicine and Services) | xx | xx | xx | xx | xx | xx | xx | xx |
| Petty Cash | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| Total Cash | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| Other Assets | | | | | | | | |
| Unsettled/Un-cleared Advances | xx | xx | xx | xx | xx | xx | xx | xx |
| Account Receivables (Debtors) | xx | xx | xx | xx | xx | xx | xx | xx |
| Inventories - (Medicines and Non-Medicines Consumables) | xx | xx | xx | xx | xx | xx | xx | xx |
| Prepayments (e.g. Rent in Advance) | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| Total Other Assets | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| Non-Current Assets | | | | | | | | |
| Investments (Car Revolving Fund) | xx | xx | xx | xx | xx | xx | xx | xx |
| Others financial assets | xx | xx | xx | xx | xx | xx | xx | xx |
| Vehicle | xx | xx | xx | xx | xx | xx | xx | xx |
| Plants and equipment | xx | xx | xx | xx | xx | xx | xx | xx |
| Buildings | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| Total Assets | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |

| | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | | | | | | | |
| <u>LIABILITIES</u> | | | | | | | | |
| Current Liabilities | xx | xx | xx | xx | xx | xx | xx | xx |
| Unbilled Patient Deposits | xx | xx | xx | xx | xx | xx | xx | xx |
| Income Taxes Withheld | xx | xx | xx | xx | xx | xx | xx | xx |
| Accounts Payable (Creditors) | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| Total Liabilities | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| Fund Balance | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| <u>Analysis of Fund Balance</u> | | | | | | | | |
| Fund Balance: Beginning of Period | xx | xx | xx | xx | xx | xx | xx | xx |
| Plus (Minus): Adjustments & Current Period Item | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| Fund Balance: End Period | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |

Accompanying Notes to Financial Statements and Supporting Schedules

APPENDIX A9:

Consolidated Statement of Comprehensive Revenue and Expenditure by BMC Group For the Year ending 31 December, 20X2

| Category | Eliminations | MOH-HQ | THOs/PHOs | RHAs | RHOs | TIs | DHAs | DHOs | PCs/HCs Suby | Orgs | Total |
|---------------------------------------|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|-----------|-----------|
| IGF Service IGF Medicine | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx |
| Less: Exempted services/Medicines | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx |
| Total Operating Revenue | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx |
| Non-Operating Revenue | | | | | | | | | | | |
| GOG Subsidy | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx |
| SBS (Multi Donor Support) MOH Program | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx |
| Financial Credits Other Receipts | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx |
| Other Fund Receipts | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| Total Non-Operating Revenue | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> |
| Total Revenue | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx |
| EXPENDITURE | | | | | | | | | | | |
| Compensation of Employees | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx |
| Use of Goods and Services | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx |
| Financial Cost | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx |
| Government Subsidies | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx |
| Social Benefits | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx |
| Specialized Expenses | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx |
| Exchange Difference | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx |
| Grants | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx |

| | | | | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Consumption of Fixed Assets | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx | xx |
| Program Expenses | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx | xx |
| Total Expenditure | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx | xx |
| | — | — | — | — | — | — | — | — | — | — | — | — |
| Surplus(Deficit) Before Exceptional Items | xx | xx | Xx | xx | xx | xx | xx | xx | xx | xx | xx | xx |
| | == | == | == | == | == | == | == | == | == | == | == | == |

APPENDIX A10:

Consolidated Statement of Comprehensive of Revenue and Expenditure by SOF Group For the Year ending 31 December, 20X2

| | GOG | IGF | SBS | Programs | Fin'l Credits | Other Fund | Unalloc/Elim | XXX | Total |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| REVENUES | | | | | | | | | |
| Gross Revenue | xx | xx | xx | xx | xx | xx | Xx | xx | xx |
| Plus: Recovery of Previously Deferred Revenue | xx | xx | xx | xx | xx | xx | Xx | xx | xx |
| Less: Amounts Deferred to Future Periods | xx | xx | xx | xx | xx | xx | Xx | xx | xx |
| Less: Exempted Services/Medicines Provided | xx | xx | xx | xx | xx | xx | Xx | xx | xx |
| Plus: Refunds for Exempted Services/Medicines | xx | xx | xx | xx | xx | xx | Xx | xx | xx |
| Inter-Group Transfers/Eliminations | xx | xx | xx | xx | xx | xx | Xx | xx | xx |
| Interest | xx | xx | xx | xx | xx | xx | Xx | xx | xx |
| Gain on Foreign Currency Exchange | xx | xx | xx | xx | xx | xx | Xx | xx | xx |
| Other Income/Adjustments | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> | <u>xx</u> |
| Net Revenue | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> | <u>xx</u> |
| EXPENDITURE | | | | | | | | | |
| Employees Compensation | xx | xx | xx | xx | xx | xx | Xx | xx | xx |
| Goods and Services | xx | xx | xx | xx | xx | xx | Xx | xx | xx |
| Capital Expenditure | xx | xx | xx | xx | xx | xx | Xx | xx | xx |
| Program Expense | xx | xx | xx | xx | xx | xx | Xx | xx | xx |
| Total Expenditure | xx | xx | xx | xx | xx | xx | Xx | xx | xx |
| | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Net Revenue (Surplus/Deficit) | xx | xx | xx | xx | xx | xx | Xx | xx | xx |
| | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |

APPENDIX A11:

Statement of Comparison of Budget and Actual Amounts for the year ended 20xx.....

| | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | ORIGINAL | SUPPLEMENTARY | REALLOCATION | FINAL | ACTUAL | VARIANCE |
| | BUDGET | BUDGET | | BUDGET | | |
| | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ |
| NON-TAX REVENUE | | | | | | |
| Property income | xx | xx | xx | xx | Xx | xx |
| Dividend | xx | xx | xx | xx | Xx | xx |
| Sale of goods and services | xx | xx | xx | xx | Xx | xx |
| Fines, penalties, and forfeiture | xx | xx | xx | xx | Xx | xx |
| Miscellaneous | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |
| Total | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |
| | | | | | | |
| GRANT | | | | | | |
| Grant in Cash | | | | | | |
| GoG Subvention | xx | xx | xx | xx | Xx | xx |
| Other Grants | xx | xx | xx | xx | Xx | xx |
| Grant in Kind | | | | | | |
| GoG Subvention | xx | xx | xx | xx | Xx | xx |
| Other Grants | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |
| Total Receipts | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |
| | | | | | | |

| COMPENSATION OF EMPLOYEES | | | | | | |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Established Position | xx | xx | xx | xx | Xx | xx |
| Non-Established Post | xx | xx | xx | xx | Xx | xx |
| Allowances | xx | xx | xx | xx | Xx | xx |
| 13% Employer SSF Contribution | xx | xx | xx | xx | Xx | xx |
| Gratuity | xx | xx | xx | xx | Xx | xx |
| Pension | xx | xx | xx | xx | Xx | xx |
| End of Service Benefit (ESB) | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |
| Total Payments | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |
| GOODS AND SERVICES | | | | | | |
| Materials and Office Consumables | xx | xx | xx | xx | Xx | xx |
| Utilities | xx | xx | xx | xx | Xx | xx |
| General Cleaning | xx | xx | xx | xx | Xx | xx |
| Rentals and leases | xx | xx | xx | xx | Xx | xx |
| Travel and Transport | xx | xx | xx | xx | Xx | xx |
| Repairs and Maintenance | xx | xx | xx | xx | Xx | xx |
| Training, Seminar and Conference | xx | xx | xx | xx | Xx | xx |
| Consultancy Expenses | xx | xx | xx | xx | Xx | xx |
| Special Services | xx | xx | xx | xx | Xx | xx |
| Charges and Fees | xx | xx | xx | xx | Xx | xx |
| Emergency Services | xx | xx | xx | xx | Xx | xx |
| Insurance Premium | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |
| Total Payment | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |
| FINANCE COST | | | | | | |

| | | | | | | |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Non Residents | xx | xx | xx | xx | Xx | xx |
| Residents | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |
| Total Payments | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |
| | | | | | | |
| GOVERNMENT SUBSIDIES | | | | | | |
| Petroleum | xx | xx | xx | xx | Xx | xx |
| Utility | xx | xx | xx | xx | Xx | xx |
| School Subsidy | xx | xx | xx | xx | Xx | xx |
| Fertilizer Subsidy | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |
| Total Payments | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |
| | | | | | | |
| SOCIAL BENEFITS | | | | | | |
| Social assistance benefits | xx | xx | xx | xx | Xx | xx |
| Employer social benefits | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |
| Total Payments | xx | xx | xx | xx | Xx | xx |
| | | | | | | |
| SPECIALISED EXPENSES | | | | | | |
| Insurance and compensation | xx | xx | xx | xx | Xx | xx |
| Professional fees | xx | xx | xx | xx | Xx | xx |
| Court Expenses | xx | xx | xx | xx | Xx | xx |
| Awards & Rewards | xx | xx | xx | xx | Xx | xx |
| Donations | xx | xx | xx | xx | Xx | xx |
| Contributions | xx | xx | xx | xx | Xx | xx |
| Scholarship & Bursaries | xx | xx | xx | xx | Xx | xx |
| Special Operations | xx | xx | xx | xx | Xx | xx |
| Civic Numbering/Street Naming | xx | xx | xx | xx | Xx | xx |

| | | | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Grants to Employees/Households | xx | xx | xx | xx | Xx | xx |
| Council Tax/Tax Refund | xx | xx | xx | xx | Xx | xx |
| Accreditation | xx | xx | xx | xx | Xx | xx |
| Rent | xx | xx | xx | xx | Xx | xx |
| Dividend | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |
| Total Payments | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |
| | | | | | | |
| CAPITAL EXPENDITURE | | | | | | |
| Fixed asset | xx | xx | xx | xx | Xx | xx |
| Work In Progress | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |
| Total Payments | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>xx</u> | <u>Xx</u> | <u>xx</u> |

APPENDIX B: MEDICAL STORE REPORT FORMAT

APPENDIX B1:

Ministry of Health Regional Medical Stores

Combined Statement of Financial Position as at

| | Notes | Current | Previous |
|---|--------------|-------------------|-------------------|
| | | 20X2 | 20X1 |
| | | GH¢ | GH¢ |
| ASSETS | | | |
| Current-assets | | | |
| Cash and cash equivalent: | | | |
| Short-Term Receivables (Debtors) | | xx | xx |
| Inventories (Medicines and Non Medicines Consumables) | | xx | xx |
| Pre-payments (e.g. Rent in Advance) | | xx | xx |
| Non-Financial Assets Held for Sale | | xx | xx |
| Unsettled/Un-cleared Advances | | <u>xx</u> | <u>xx</u> |
| Total Current Assets | | <u>xx</u> | <u>xx</u> |
| Non-current assets | | | |
| Long-Term Receivables | | xx | xx |
| Investments (Car Revolving Fund) | | xx | xx |
| Investment Property | | xx | xx |
| Service Concession Arrangements | | xx | xx |
| Work-In-Progress | | xx | xx |
| Property, Plants and Equipment | | xx | xx |
| Intangible Asset | | <u>xx</u> | <u>xx</u> |
| Total Non-Current Assets | | <u>xx</u> | <u>xx</u> |
| | | | |
| Total assets | | <u>xxx</u> | <u>xxx</u> |
| LIABILITIES: | | | |
| Current liabilities | | | |
| Trade Payables | | xx | xx |
| Other Payables | | xx | xx |
| Trust Monies | | xx | xx |
| Post-Employment Benefits Obligation | | xx | xx |
| Short-Term Loans and Financing | | xx | xx |
| Provisions | | xx | xx |
| Social Benefits | | xx | xx |
| Unbilled Patients Deposits | | xx | xx |
| Withholding Tax | | <u>xx</u> | <u>xx</u> |

| | | | |
|---------------------------------------|--|-------------------|-------------------|
| Total Current Liabilities | | <u>XX</u> | <u>XX</u> |
| Non- Current Liabilities | | | |
| Trust Monies | | XX | XX |
| Derivatives | | XX | XX |
| Post-Employment Benefits Obligation | | XX | XX |
| Long-Term Loans and Financing | | XX | XX |
| Provisions | | XX | XX |
| Social Benefits | | <u>XX</u> | <u>XX</u> |
| Total Non-Current Liabilities | | <u>XX</u> | <u>XX</u> |
| Total Liabilities | | <u>XXX</u> | <u>XXX</u> |
| | | | |
| Net Assets /(Liabilities) | | | |
| <u>NET ASSET/ EQUITY</u> | | XX | XX |
| Capital Reserves | | XX | XX |
| Revaluation Reserves | | XX | XX |
| Foreign Currency Translation Reserves | | XX | XX |
| Other Reserves | | XX | XX |
| Accumulated Surplus | | <u>XX</u> | <u>XX</u> |
| TOTAL NET ASSETS / EQUITY | | <u>XXX</u> | <u>XXX</u> |

APPENDIX B2:

Ministry of Health Regional Medical Stores

Combined Income Statement for the period ended

| | Notes | Current | Previous |
|--|-------|------------|------------|
| | | 20X2 | 20X1 |
| | | GH¢ | GH¢ |
| REVENUE | | | |
| IGF Service IGF Medicines | | XX | XX |
| Less Exempted Services/Medicines | | <u>XX</u> | <u>XX</u> |
| Total Operating Revenue | | <u>XX</u> | <u>XX</u> |
| Non-Operating Revenue | | | |
| GOG Subsidy | | XX | XX |
| SBS (Multi Donor Support) MOH Program | | XX | XX |
| Financial Credits Other Receipts | | <u>XX</u> | <u>XX</u> |
| Total Non- Operating Revenue | | <u>XX</u> | <u>XX</u> |
| Total Revenue | | <u>XXX</u> | <u>XXX</u> |
| EXPENDITURE | | | |
| Compensation of employees | | XX | XX |
| Use of Goods and Services | | XX | XX |
| Finance Cost | | XX | XX |
| Government Subsidies | | XX | XX |
| Social Benefits | | XX | XX |
| Specialized Expenses | | XX | XX |
| Exchange Difference | | XX | XX |
| Grants | | XX | XX |
| Consumption of non-current assets | | XX | XX |
| Program Expenses | - | <u>XX</u> | <u>XX</u> |
| Total Expenditure | | <u>XX</u> | <u>XX</u> |
| Surplus/ (deficit) Before Exceptional Items | | XXX | XXX |
| Exceptional Items | | | |
| Gain/(loss) On Financial Asset Through Fair Value | | XX | XX |
| Gain/(loss) On Financial Asset Through Fair Value | | <u>XX</u> | <u>XX</u> |
| Surplus/(Deficit) After Exceptional items | | <u>XXX</u> | <u>XXX</u> |

Ministry of Health - Regional Medical Stores

Accumulated Fund Account for the period ended

| | <u>Current Period</u> | <u>Previous Period</u> |
|--------------------------------|------------------------------|-----------------------------------|
| Balance at Beginning of Period | ----- | ----- |
| Net Income for the period | ----- | ----- |
| Balance at End of Period | ----- | ----- |

APPENDIX B3:

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER xxxx

| BALANCE SHEET | Notes | Medicines | Non Medicines | Value books | Combined |
|---------------------------|-------------------------|------------------|----------------------|--------------------|-----------------|
| NON CURRENT ASSETS | | - | | - | - |
| CURRENT ASSETS | | | | | |
| Inventory | | | | | |
| Accounts receivable | Investments | | | | |
| Staff advance | Bank | | | | |
| Cash | | | | | |
| Other advances | | | | | |
| | | <hr/> | | | |
| | | <hr/> | | | |
| TOTAL ASSETS | | | | | |
| LIABILITIES | | | | | |
| Trade creditors | Institutional creditors | | | | |
| Accounts payable (W/tax) | | | | | |
| | | <hr/> | | | |
| | | <hr/> | | | |
| NET ASSETS | | <hr/> <hr/> | | | |
| FINANCED BY: | | | | | |
| Accumulated fund | | <hr/> <hr/> | | | |

APPENDIX B4:

INCOME STATEMENT FOR THE YEAR ENDING 31ST DECEMBER xxxx

| | Medicines | Non Medicines Combined | Value books |
|--------------------------|------------------|-----------------------------------|--------------------|
| Notes | | | |
| TURNOVER | | | |
| COST OF SALES | | | |
| Opening inventory | | | |
| Purchases | | | |
| Carriage inwards | | | |
| Transfers | | | |
| Goods available for sale | | | |
| Closing Inventory | | | |
| Damaged | | | |
| Gross profit | | | |
| Other income | | | |
| Interest on investment | | | |
| EXPENSES | | | |
| Operating expenses | | | |
| Others | | | |
| Net profit | | | |
| ACCUMULATED FUND | | | |
| Balance at 01/01/20xx | | | |
| Prior year adjustment | | | |
| Net income for the year | | | |
| Balance at 31/12/20xx | | | |

APPENDIX C: FORMS, CASHBOOKS AND LEDGERS

APPENDIX C13:

HC IGF SERVICES ANALYSIS CASH BOOK

| DATE | Current Account Details | | | | | | | | | | | | | | | | | | | |
|------|--|-------------|-----------------|----------------|-------------------------------|----------------------------------|------------------------------|---------------------------|------------------------------|-----------------------------|--------------------------|-------------------------------|-----------------------------|---------------------------|---------------|--|------------------------|--|-----------------------------|-----------------------------|
| | PAY- IN SLIP NOR CHEQUE NO | DESCRIPTION | DEBITS<CREDITS> | | CHEQUE BOOK BALA NCE | Compens ation of Employees | Goods and Services | | | | | | | | | | Capital Expenditure | | Refun ds/Int erestetc | Tran sfer from SCB |
| | | | DEPOS ITS | (PAYME NTS) | | | Utilities & teleph one | Office consuma bles | Printing & Station ery | Building Mainten ance | Financial Charg es | Training & Confere nces | Non Drug Consum ables | Travel & Trans port | Compu ters | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
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APPENDIX C18:

| Expenditure Budget Ledger | | | | | | | | | | | | |
|---------------------------|-----------------|-------------------------|-------------------------|-----------|--------|-----------|-------------|-----------|------------------------|-------------------------|-----------|-------------------------------|
| Item: _____ | Sub Item: _____ | | | | | | | | | Source of Funds _____ | | |
| Date | Description | PO N° - or - Oth Ref N° | PV N° - or - Oth Ref N° | Cheque N° | Budget | | Commitments | | Available Budget [a-b] | Payments of Commitments | | Outstanding Commitments [b-c] |
| | | | | | Amount | Y-T-D [a] | Amount | Y-T-D [b] | | Amount | Y-T-D [c] | |
| | | | | | | | | | | | | |
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APPENDIX C19:

| In-Patient Billed Revenue Ledger | | | | | | | | | | | | | | | | |
|----------------------------------|------------------------|-----------------------------|---------|----------------|-------------|-----|-----------|----------|--|--|------------------------|-------------------|--------------------------|--------|--------------------|----------|
| Date | Debtor/In-Patient Name | Debtor N°/ In-Patient N° | Bill N° | Amounts Billed | | | | | | | Totals by Patient Type | | | | | |
| | | | | GEN OPD | Medi cal | Lab | X- Ray | OB GY | | | Total Services | Total Medicine | DRGs Revenue (NHI) | Paying | Other Corporate | Exempted |
| | | | | | | | | | | | | | | | | |
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¹Columns should be expanded to accommodate up to 20 different service Revenue Types and headings should conform to those reflected in the chart of accounts.

APPENDIX C23:

NATIONAL HEALTH INSURANCE CLAIMS STATUS REPORT

REPORTING PERIOD:

| | | | | | | | | | | | | | |
|---------------------|-----------------------|------------------|-------------------------------|-----------------|------------------------------------|-----------------|------------------------|-----------------|--------------------|-----------------|----------------------------|-----------------|----------------|
| REGION : | | | | | | | | | | | | | |
| DISTRICT: | | | | | | | | | | | | | |
| NAME OF BMC: | | | | | | | | | | | | | |
| PERIODS | | | TOTAL CLAIMS SUBMITTED | | CLAIMS DEDUCTION (REJECTED) | | ACCEPTED CLAIMS | | CLAIMS PAID | | OUTSTANDING BALANCE | | REMARKS |
| | DATE SUBMITTED | DATE PAID | MEDICINES | SERVICES | MEDICINES | SERVICES | MEDICINES | SERVICES | MEDICINES | SERVICES | MEDICINES | SERVICES | |
| BALANCE B/F | | | | | | | | | | | | | |
| PRIOR YEAR | NA | | NA | NA | | | | | | | | | |
| JANUARY | | | | | | | | | | | | | |
| FEBRUARY | | | | | | | | | | | | | |
| MARCH | | | | | | | | | | | | | |
| APRIL | | | | | | | | | | | | | |
| MAY | | | | | | | | | | | | | |
| JUNE | | | | | | | | | | | | | |
| JULY | | | | | | | | | | | | | |
| AUGUST | | | | | | | | | | | | | |
| SEPTEMBER | | | | | | | | | | | | | |
| OCTOBER | | | | | | | | | | | | | |
| NOVEMBER | | | | | | | | | | | | | |
| DECEMBER | | | | | | | | | | | | | |

| | | | | | | | | | | | | | |
|---|--|--|--|--------------------|--|------------------------|--|--|--|--|--|--|--|
| TOTAL | | | | | | | | | | | | | |
| | | | | HEAD OF BMC | | HEAD OF FINANCE | | | | | | | |
| NAME OF OFFICER: | | | | | | | | | | | | | |
| SIGNATURE: | | | | | | | | | | | | | |
| DATE: | | | | | | | | | | | | | |
| Note: | | | | | | | | | | | | | |
| 1. Bills submitted should be entered on monthly basis | | | | | | | | | | | | | |
| 2. Claim Deductions should be on monthly basis. | | | | | | | | | | | | | |
| 3. Indicate the dates for both submission and payment of bills | | | | | | | | | | | | | |

APPENDIX C24:

(Page 1 of 2)

Bank Reconciliation Statement For: _____

Bank Account N°:

Banking Period:

| | | | | | |
|---|----------------|--------------------|--------------------|------------|-----|
| BANK ACCOUNT BALANCE AS PER BANK STATEMENT @ END OF PERIOD ----- | | | | | |
| - | | | | | |
| > | | | | | |
| Outstanding Cheques/Withdrawals (Continue on Back) | | | | | |
| Date | Cheque/Ref N° | Payee/Description | | Amount | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | () |
| Outstanding Deposits/Other Credits | | | | | |
| Date | Voucher/Ref N° | Source/Description | | Amount | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | + |
| Other Reconciling Items (Errors, Service Charges, etc.) | | | | | |
| Date | Reference N° | Bank Entry | Cash Journal Entry | Difference | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | ± |
| BALANCE AS ADJUSTED PER CASH JOURNAL @ END OF PERIOD ----- | | | | | = |
| -- | | | | | |
| > | | | | | |

| | | | |
|-----------|-------------|-------------|-------------|
| | Prepared by | Verified by | Approved by |
| Title | | | |
| Date | | | |
| Signature | | | |

APPENDIX C25:

Quarterly Cash Flow Forecast

Managing BMC: _____ BMC of Record: _____

_____ Budget Year: _____

1st Quarter 2nd Quarter 3rd Quarter 4th Quarter Total

Receipts

Cash and
CarryNHI
Other
Corporate
Others

Payments

Compensation of Employees
Goods and Services
Payables
Cash Transactions
Capital Expenditure
Taxes

Net Cash Flow Opening Cash Balance Closing Cash Balance

| | | | | |
|--------|-------|-------|-------|-------|
| | _____ | _____ | _____ | _____ |
| | | _____ | | |
| Total: | ===== | ===== | ===== | ===== |
| | | ===== | | |

Head of Finance Office's Signature: _____ Head of BMC's Signature: _____

Date Submitted: _____

APPENDIX C26:

| BMC: | N _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|------------------------|---------------------------------|------------------------|-------------------|--------------------|----------------|-------|--|--|-------------------------|-------|--|--|---------------|-------|--|--|----------|-------|--|--|---------------|-------|--|--|------------------|-------|--|--|---------------------|-------|--|--|---------------|-------|--|--|------------|-------|--|--|----------------|-------|--|--|--------------------|-------|--|--|-------------------|-------|--|--|----------------|-------|--|--|------------|-------|--|--|------------|-------|--|--|--------------|-------|--|--|----------|-------|--|--|----------|-------|--|--|----------|-------|--|--|----------|-------|--|--|--|--|--|--|-------------------|-----------|-----------|--|-----------------|--|-------------|--|--------------|--|-------|-----------|--|--|--|--|---------------------------|--|--|--|---------------------|-----------|-----------|--|-----------------|--|-------------|--|--------------|--|-------|-----------|--|--|--|--|---------------------------|-----------|---------------------------------|--|-------------------------------|-----------------|--|--|
| Republic of Ghana - Ministry of Health Patient Bill | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Patient Name: Admitted: Discharged: Patient Number: Type of Patient: __Paying, __Exempt, __NHI/Corporate_ Hospital Ward: [Corp Name: Debtor N°:.....] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 40%;"><u>Service Summary:</u></th> <th style="text-align: left; width: 20%;"><u>Charges To Date</u></th> <th style="text-align: left; width: 20%;"><u>Sub Totals</u></th> <th style="text-align: left; width: 20%;"><u>Balance Due</u></th> </tr> </thead> <tbody> <tr><td>1. General OPD</td><td>.....</td><td></td><td></td></tr> <tr><td>2. Dressings/Injections</td><td>.....</td><td></td><td></td></tr> <tr><td>3. Laboratory</td><td>.....</td><td></td><td></td></tr> <tr><td>4. X-Ray</td><td>.....</td><td></td><td></td></tr> <tr><td>5. Blood Bank</td><td>.....</td><td></td><td></td></tr> <tr><td>6. OBGY/Delivery</td><td>.....</td><td></td><td></td></tr> <tr><td>7. Surgical/Theatre</td><td>.....</td><td></td><td></td></tr> <tr><td>8. Anesthetic</td><td>.....</td><td></td><td></td></tr> <tr><td>9. Medical</td><td>.....</td><td></td><td></td></tr> <tr><td>10. Sanitation</td><td>.....</td><td></td><td></td></tr> <tr><td>11. Accommodations</td><td>.....</td><td></td><td></td></tr> <tr><td>12. Physiotherapy</td><td>.....</td><td></td><td></td></tr> <tr><td>13. Eye Clinic</td><td>.....</td><td></td><td></td></tr> <tr><td>14. E.N.T.</td><td>.....</td><td></td><td></td></tr> <tr><td>15. Dental</td><td>.....</td><td></td><td></td></tr> <tr><td>16. Mortuary</td><td>.....</td><td></td><td></td></tr> <tr><td>17.</td><td>.....</td><td></td><td></td></tr> <tr><td>18.</td><td>.....</td><td></td><td></td></tr> <tr><td>19.</td><td>.....</td><td></td><td></td></tr> <tr><td>20.</td><td>.....</td><td></td><td></td></tr> <tr><td colspan="4"> </td></tr> <tr> <td style="padding-left: 20px;">Service Subtotal:</td> <td style="padding-left: 20px;">GH¢</td> <td style="padding-left: 20px;">GH¢</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Less: Payments:</td> <td></td> <td style="padding-left: 20px;">(GH¢.....)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Balance Due:</td> <td></td> <td style="padding-left: 20px;">_____</td> <td style="padding-left: 20px;">GH¢</td> </tr> <tr><td colspan="4"> </td></tr> <tr> <td colspan="4"><u>Medicines Summary:</u></td> </tr> <tr> <td style="padding-left: 20px;">Medicines Subtotal:</td> <td style="padding-left: 20px;">GH¢</td> <td style="padding-left: 20px;">GH¢</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Less: Payments:</td> <td></td> <td style="padding-left: 20px;">(GH¢.....)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Balance Due:</td> <td></td> <td style="padding-left: 20px;">_____</td> <td style="padding-left: 20px;">GH¢</td> </tr> <tr><td colspan="4"> </td></tr> <tr> <td style="padding-left: 20px;">Total In-Patient Charges:</td> <td style="padding-left: 20px;">GH¢</td> <td style="padding-left: 20px;">Combined Balance Due: GH¢</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">DRGs Revenue Expected:</td> <td style="padding-left: 20px;">GH¢.....</td> <td></td> <td></td> </tr> </tbody> </table> | | <u>Service Summary:</u> | <u>Charges To Date</u> | <u>Sub Totals</u> | <u>Balance Due</u> | 1. General OPD | | | | 2. Dressings/Injections | | | | 3. Laboratory | | | | 4. X-Ray | | | | 5. Blood Bank | | | | 6. OBGY/Delivery | | | | 7. Surgical/Theatre | | | | 8. Anesthetic | | | | 9. Medical | | | | 10. Sanitation | | | | 11. Accommodations | | | | 12. Physiotherapy | | | | 13. Eye Clinic | | | | 14. E.N.T. | | | | 15. Dental | | | | 16. Mortuary | | | | 17. | | | | 18. | | | | 19. | | | | 20. | | | | | | | | Service Subtotal: | GH¢ | GH¢ | | Less: Payments: | | (GH¢.....) | | Balance Due: | | _____ | GH¢ | | | | | <u>Medicines Summary:</u> | | | | Medicines Subtotal: | GH¢ | GH¢ | | Less: Payments: | | (GH¢.....) | | Balance Due: | | _____ | GH¢ | | | | | Total In-Patient Charges: | GH¢ | Combined Balance Due: GH¢ | | DRGs Revenue Expected: | GH¢..... | | |
| <u>Service Summary:</u> | <u>Charges To Date</u> | <u>Sub Totals</u> | <u>Balance Due</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. General OPD | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Dressings/Injections | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Laboratory | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. X-Ray | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. Blood Bank | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. OBGY/Delivery | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. Surgical/Theatre | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. Anesthetic | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9. Medical | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10. Sanitation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11. Accommodations | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12. Physiotherapy | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13. Eye Clinic | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14. E.N.T. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15. Dental | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16. Mortuary | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 19. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Service Subtotal: | GH¢ | GH¢ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Less: Payments: | | (GH¢.....) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Balance Due: | | _____ | GH¢ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| <u>Medicines Summary:</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Medicines Subtotal: | GH¢ | GH¢ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Less: Payments: | | (GH¢.....) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Balance Due: | | _____ | GH¢ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Total In-Patient Charges: | GH¢ | Combined Balance Due: GH¢ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DRGs Revenue Expected: | GH¢..... | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Balance Due in Words: Due On: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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APPENDIX C33:

| Out-Patient Revenue Collection Book[Multiple Services] | | | | | | | | |
|---|------|--------------|------------|--------|--|------------|------|-------|
| No. | Date | Patient Name | Patient N° | GCR N° | Amounts Collected by Revenue Type ¹ | | | Total |
| | | | | | Gen. OPD | Laboratory | etc. | |
| | | | | | | | | |
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Columns should be expanded to accommodate each of the service Revenue Types collected and headings should conform to those reflected in the chart of accounts.

APPENDIX C36:

Budget Status Report: Expenditures

Managing BMC: _____

BMC of Record: _____

SOF: _____ Period: _____

| <u>Item/Sub Item</u> | [a] Approved YTD Budget | [b] YTD Commitments | [a]-[b] Available Budget | [c] YTD Payments | [b]-[c] Outstanding Commitments |
|--------------------------|-------------------------------|---------------------------|--------------------------------|------------------------|---------------------------------------|
|--------------------------|-------------------------------|---------------------------|--------------------------------|------------------------|---------------------------------------|

To
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l:

| | | | | |
|--|-------|-------|-------|--|
| | _____ | _____ | _____ | |
| | ===== | ===== | ===== | |

Certification: *We hereby certify that the above amounts are the same as the "closing figures" recorded in the Expenditure Budget Ledger and that these represent legitimate commitments and disbursements of government funds.*

Head of Finance Office's Signature: _____ Head of BMC's Signature: _____

Date Submitted: _____

APPENDIX C37:

Budget Status Report: IGF Service Revenue

BMC: _____

Period: _____

| Type | Monthly Amounts | | | TD Y Amounts | | |
|--------|----------------------|----------------------|------------------------------|----------------------|----------------------|------------------------------|
| | [a] <u>Budget</u> | [b] <u>Actual</u> | [a] - [b] <u>Variance</u> | [c] <u>Budget</u> | [d] <u>Actual</u> | [c] - [d] <u>Variance</u> |
| Total: | _____ ===== | _____ ===== | _____ ===== | _____ ===== | _____ ===== | _____ ===== |

Certification: We hereby certify that the above amounts are the same as the "closing figures" recorded in the IGF Service Revenue Budget Ledger and that these represent the full amount of revenue that this BMC is entitled to for the period.

Head of Finance Office's Signature: _____

Head of BMC's Signature: _____

Date Submitted: _____

APPENDIX C38:

MOH Consolidated Budget Status Report: Expenditures

SOF: _____ Period: _____

| <u>Item/Sub Item</u> | [a] Approved <u>YTD</u> <u>Budget</u> | [b] YTD <u>Commitment</u> <u>s</u> | [a]-[b] Available <u>Budget</u> | [c] YTD <u>Payment</u> <u>s</u> | [b]-[c] Outstandi ng <u>Commitmen</u> <u>ts</u> |
|--------------------------|--|---|--|--|---|
| | _____ | _____ | _____ | _____ | _____ |
| Total: | ===== | ===== | ===== | ===== | ===== |

Financial Controller's Signature: _____
Date Submitted: _____

APPENDIX C42:



Republic of Ghana - Ministry of Health

Departmental Journal Voucher

| Explanation: | | | | |
|---|---------------------|--------|---------|--------------|
| Account Code | Account Description | Debits | Credits | Memo Amounts |
| | | | | |

| | | |
|-----------|----------------------|-----------------|
| | Prepared/Entered By: | Approved By: |
| Title | Accounts Staff | Head of Finance |
| Name | | |
| Signature | | |
| Date | | |

Certifications

Accounts Officer: Hereby certifies that;

- 1) the amounts shown above correspond to official source documentation attached to this JV, and
- 2) these amount(s) have been duly entered in the appropriate Ledger on the date shown above.

7. *Head of F/Office: Hereby certifies that entries to BMC records based on this JV are made in accordance with proper authority and in compliance with the MOH Rules and Instructions.*

APPENDIX C43

| | | |
|--|---------------------|------------------------------|
| BMC: _____ | (Original) | N°: _____ |
| Republic of Ghana - Ministry of Health Departmental Petty Cash Receipt | | |
| Issuer: | | Recipient: Date: |
| Purpose and/or Reference: | | |
| | | |
| Transaction | Issuer's Signature: | Recipient Signature |
| Amount Issued:¢..... | | |
| Amount Retired:¢..... | | w/Receipts |
| | | No Receipts |

| | | |
|--|---------------------|------------------------------|
| BMC: _____ | (Original) | N°: _____ |
| Republic of Ghana - Ministry of Health Departmental Petty Cash Receipt | | |
| Issuer: | | Recipient: Date: |
| Purpose and/or Reference: | | |
| | | |
| Transaction | Issuer's Signature: | Recipient Signature |
| Amount Issued:¢..... | | |
| Amount Retired:¢..... | | w/Receipts |
| | | No Receipts |

APPENDIX C44:

Managing BMC: _____

Nº: _____



BMC of Record: _____

Republic of Ghana - Ministry of Health

Source of Funds: _____

**Departmental Payment
Voucher**

| | | |
|--|---|---|
| <p style="text-align: center;">Recipient as indicated below:</p> <p>Payee Name:</p> <p>Payee Address:</p> | <p style="text-align: center;">Received as indicated below:</p> <p>Payee Signature:</p> <p>Name :</p> <p>Date Received:</p> | |
| <p>Purchase Order ("PO") Nº: Date:</p> <p>Stores Receipt Advice ("SRA") Nº: Date:</p> <p>Supplier's Bill/Invoice Nº: Date:</p> | | |
| Payment Detail | Account Code Breakdown | |
| | Accounts Codes/Description | Amount |
| | Total: | |
| <p>Total Amount in Words:</p> <p>.....</p> | | <p>Cheque Nº:</p> <p>Date Issued:</p> |

| | | | | |
|-----------|----------------------|-----------------|-------------------------|-----------------------------|
| | Prepared/Entered By: | Verified By: | Approved By: | Reviewed By: |
| Title | Accounts Staff | Head of Finance | Head of Managing BMC | Monitor/Internal Auditor |
| Name | | | | |
| Signature | | | | |
| Date | | | | |

Certifications

Accounts Staff: Hereby certifies that 1) an accurate record of the commitment of the above payment has been previously recorded in the Expenditure Budget Ledger, where required, and 2) the above amount(s) have been duly entered as a liquidation in the Expenditure Budget Ledger on the date shown above.

Head of Finance: Hereby certifies that 1) authorized officials have signed the attached SRA, invoice and/or other supporting documentation certifying that goods or services were, in fact, received or, that payment in advance of receipt is allowed under the MOH Rules and Instructions, and 2) evidence of a previous commitment of funds in the form of a PO is attached where required.

Head of Managing BMC: Hereby certifies that 1) the above payment is made in accordance with proper authority, and 2) is a proper disbursement of public funds.

APPENDIX C49:

MINISTRY OF HEALTH - Investment Register

Name of BMC.....

No:.....

| Date | Ref. | Description of Investment | Type | Principal | Rate (%) | Expected Interest GH¢ | Maturity Date | Amount on Maturity GH¢ | Remarks |
|------|------|---------------------------|------|-----------|----------|-----------------------|---------------|------------------------|---------|
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| | Recorded By | Authorization By | Approval By |
|-----------|-------------|------------------|-------------|
| Name | | | |
| Signature | | | |
| Rank | | | |

APPENDIX C51:

MINISTRY OF HEALTH - IGF Worksheet for IGF BMC

Name of BMC.....

| <u>Reconciling Item</u> | <u>End</u> |
|---|------------|
| Plus: Cash In Bank - IGF Service | |
| Plus: Cash In Bank - IGF Drugs | |
| Plus: Investment - IGF | |
| Plus: Inventory - IGF | |
| Plus: YTD Expenditure - IGF | |
| Plus: YTD Exempted Services - IGF | |
| Plus: Un-deposited Cash - IGF Services | |
| Plus: Un-deposited Cash - IGF Drugs | |
| Plus: Corp Debtors - IGF | |
| Plus: Petty Cash - IGF | |
| Plus: Advances - IGF | |
| Plus: Unbilled Patient Deposits - Beg | |
| Plus: Income Taxes Withheld - Beg | |
| Plus: Funds Held In Trust - Beg | |
| Plus: Creditors - Beg | |
| SUB TOTAL | |
| Less: YTD Revenue - IGF Services | |
| Less: YTD Revenue - IGF Drugs | |
| Less: YTD Exempted Service/Drug Refunds - MOH | |
| Less: YTD Exempted Service/Drug Refunds - GOG | |
| Less: YTD Interest - IGF Services | |
| Less: YTD Interest - IGF Drugs | |
| Less: Un-deposited Cash - IGF Services - Beg | |
| Less: Un-deposited Cash - IGF Drugs - Beg | |
| Less: Corp Debtors - Beg | |
| Less: Petty Cash Balance - Beg | |
| Less: Outstanding Advances - Beg | |
| Less: Unbilled Patient Deposits - IGF | |
| Less: Income Taxes Withheld - IGF | |
| Less: Funds Held In Trust - IGF | |
| Less: Creditors - IGF | |
| Less: Investment - Beg | |
| Less: Inventory - Beg | |
| Less: Cash In Bank - IGF Services - Beg | |
| Less: Cash In Bank - IGF Drugs - Beg | |
| Less : Prior Year Adjustment - IGF | |
| SUB TOTAL | |
| GF Reconciled Balance ----->(= 0) | |

APPENDIX C53:

STATEMENT OF EXPENDITURE (SOE)

BMC:.....
 ...

_____ *To* _____

Payments made during the period from

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 17 |
|----------|--------------|---|--|---|---|-------------------------|---|-------------------------|---|-----------------|---------------------------|-----------|-----------|-----------|------------|
| Item No. | Category No. | Name of Supplier, Contractor, or Consultant | Contract or Purchase Order No. & Date (or other ref) | Brief Description of Works, Goods or Services | Total Amount of Contract (Including all Currencies) | Currency of Expenditure | Total Invoice amount covered by this application (net of retention) | Eligible % of financing | Currency and eligible amount paid (8)x(9) | Date of Payment | Implementing BMC/Sub- BMC | ACTIVITY1 | ACTIVITY2 | ACTIVITY3 | |
| | | | | | | | | 100% | | | | | | | GRANDTOTAL |
| 1 | | | | | | | | 100% | | | | | | | |
| 2 | | | | | | | | 100% | | | | | | | |
| 3 | | | | | | | | 100% | | | | | | | |
| 4 | | | | | | | | 100% | | | | | | | |
| 5 | | | | | | | | 100% | | | | | | | |
| 6 | | | | | | | | 100% | | | | | | | |
| 7 | | | | | | | | 100% | | | | | | | |
| 8 | | | | | | | | 100% | | | | | | | |
| 9 | | | | | | | | 100% | | | | | | | |
| 10 | | | | | | | | 100% | | | | | | | |
| 11 | | | | | | | | 100% | | | | | | | |

| | | | | | | | | | | | | | | | | |
|---------------|--|--|--|--|--|--|--|------|---|------|------|--|--|--|--|--|
| 12 | | | | | | | | 100% | - | | | | | | | |
| 13 | | | | | | | | | | | | | | | | |
| 14 | | | | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | | | | | | |
| 17 | | | | | | | | | | | | | | | | |
| TOTALS | | | | | | | | | | | | | | | | |
| | | | | | | | | | | 100% | 0.00 | | | | | |

Supporting documents for this SOE retained at: MOH/GHS/RHD/DHD/SD

GLOSSARY

GLOSSARY

„Payment/Document package“; is a set of documents presented for the purpose of making disbursement/payment of funds from any sources of funds within the MOH (e.g. Memos, Invoices, PO, SRA, works order, etc.)

„wear more than one hat“; means that Health Centre officer may have to undertake more than one task. Apart from what his/her professional role he/she might perform other financial management roles at the Health Centre

Accounting Authority; this is the departmental pay and records section (Human Resource Division) responsible for general control of personal emoluments within the BMC

Accounting Officer; is an Account Staff member employed at MOH including Health Center or any officer authorized to do so by any enactment for the mean time in force

Accounts Staff/Accounts Staff member; is one belonging the Accounting class that has duly been employed by MOH or any officer authorized to do so by any enactment for the mean time in force

Annual Budget; is the government financial plan and estimates for a particular financial year duly approved by Parliament

BMC of Record; is a BMC which is not a certified and is Not Certified to manage its own funds. In that case the funds of such BMC of Record are managed by another BMC which is certified as a managing BMC

Cheques Pre-List Advice; this is a list of Cheque numbers, names of payees and the amounts, signed by the authorized signatories to the Account, presented to the Bank to advise the Bank to honour the amounts stated to the payees only

Collectible Receivables; these are debtors created as a result of claims submitted to corporate clients by the BMC, for which clients have not raised disputes for adjustments

Delegated Financial Responsibilities; is the assignment of financial management functions, as well as custodial duties of both public and trust funds to a subordinate officer

Departmental Journal Voucher; is used in the ordinary sense of a Journal Voucher, except in some other cases where in the memorandum section is used instead of the debit and credit. Such cases include the posting of budgets into Budget Ledgers

Direct Expenditure; is where Headquarters, RHD and DHD use Program Funds in their Bank Account to undertake particular program activities directly at the BMC

Earmarked Funds/Program Fund/Project Funds; are funds released by MOH Development partners meant for the funding of vertical/earmarked projects/programs within the MOH set-up

Executed Commitments; are the commitments for which the goods, service and works have been received by the BMC, creating actual liability, and thus recorded as expenditure – (Payables)

General Counterfoil Receipt (GCR); refers to approved Controller and Accountant General receipt often issued for the receipt of cash/Cheques from clients, including electronically generated counterfoil receipts.

Generally Accepted Accounting Principles; are a set of basic principles designed specifically for governments, that guide how financial information should be created, reported, audited and generally understood

GOG Account; refers to funds provided by the Government of Ghana from the Consolidated Fund to support the health sector other than other fund received from Development Partners and IGF

Good Faith Deposit; is a deposit made by an in-patient prior to admission. This is also referred to as the „initial“ or „up-front“ deposit at the time of admission

Head of BMC; is the general administrator who is entrusted with the responsibilities for executing policy and executive direction of any organization within the MOH set-up

Head of Finance; is the financial administrator charged with the responsibility of assisting the Head of BMC in executing all financial management functions within the MOH set-up

Health Centre/Clinic/CHPS Compounds; is a sub district BMC of Record

Health Commodities; are all the items that can conveniently be recognized as inventory within the MOH

Health Insurance Scheme; refers to National, Mutual or District Health Insurance organizations in the country that are duly recognized and registered by the National Health Insurance Authority

IGF Medicines; is the funds that are generated from the activities of a BMC from the sale of medicines and pharmaceuticals

IGF Services; is the funds that are generated from the activities of a BMC for all services rendered by those BMC apart from activities regarding medicines and pharmaceuticals

Internal Audit Staff; is a staff of the Internal Audit Unit established at a BMC in consonance with the Internal Audit Agency Act, 2003, Act 658

Inventory; refers to stock and may be used synonymously in this document

Investment; refers to investment by BMC in low-risk securities (non-governmental), such as call accounts, fixed deposits, and savings.

Medicine(s); refers to the purchases and sale (dispensing) of medicines and pharmaceuticals

within the MOH.

MOH; is defined as the Ministry of Health and all its agencies except where it has been categorically stated as other

Monitoring Staff; refers to the staff or the whole group entrusted with the responsibility of doing surveillance on the financial operations of the BMC. They may be referred to as Financial Monitors

Multiple Service Collection Site; is a service point within the BMC where a number of hospital services (such as consultation, dressings, and laboratory services) are rendered and their fees collected by only one Account officer

National Program Fund; are the program funds that have been received at the Headquarters level – MOH/GHS. These are received either for direct expenditure at the level of receipt and for transfers to BMC

Non Finance Managers; are all other officers in the Ministry other than the members of the Accounting class

Non-Executed Commitments; are the commitments for which the goods, service and works have not been received by the BMC. These are not to be recognized as expenditure by the BMC, because the order has not been executed

Non-National Program Funds; are all other program funds received directly at the BMC, some of which may be transferred to other levels

Notional Revenue; is the revenue that should have been earned by the BMC and paid for, but deferred because it is either exempted, HIS or Corporate. Notional Revenue is refunded either by the government, NHIA or other corporate bodies

Petty Cash Funds; refers to an amount set aside from the Departmental Cash Book to meet minor expenses which are immaterial to which the issuance of Cheques may cause inconvenience on the cash management

Principal Spending Officer; is a head of a BMC at the headquarters and the regional level

Program Advances; is an amount required by a program officer out of the total amount of the program activity for a specific sub program payment which the presence of an Account Staff member may not be feasible to effect the payment

Sector Budget Support; is used in this ATF to mean receipts from Development Partners that are channeled through MOF to support the Ministry's Program of Work

Single Service Collection Sites; is a service point within the BMC where a single service (such as; dressings) is rendered

Spending Officer; is a Head of BMC authorized to draw public funds for the purpose administering the BMC

The Chief Director; is herein referred to as the Chief Director of the MOH The Minister of

Health; is herein referred to as the Principal Account Holder

The Minister; is herein referred to as the Minister of Health unless explicitly stated otherwise.

Transfer of funds; is where Headquarters, RHD and DHD transfer Program Funds and other funds to a lower level BMC for various program activities

Treasury Officers; are the representatives of the Controller and Accountant General responsible for the Treasury Offices/District Finance Offices that effect payments of GOG funds to the Heads of BMC.

Uncollectible Receivables; these are debtors created as a result of claims submitted to corporate clients by the BMC, for which clients have raised disputes for adjustments

Virement; is the re-allocation of appropriations within a head or items or sub items of expenditure under a head or sub head of expenditure

Vote Controllers; is a Head of a BMC with the powers of controlling the funds of that BMC

Glossary on Health Center Portion of the Rules and Instructions

The following therefore is a brief description of Books, Forms and Returns required of Health Centers:

| | | |
|-----------------|----------------------|----------------------|
| ATF Book/Report | Responsibility | |
| | Small Health Centers | Large Health Centers |

| | | | |
|--|------------------------------|-----------------------------|------------------------------|
| Revenue Collection Book | Designated Revenue Collector | Designated Collector | Revenue Designated Collector |
| Notional Revenue Book | Designated Revenue Collector | Revenue Collector | Designated Collector |
| HC IGF Service Summary | Physician | Accounting Officer | Accounting Officer |
| Cash Book | Assistant/Accounting Officer | Accounting Officer | Accounting Officer |
| IGF Services Analysis | Physician | Accounting Officer | Accounting Officer |
| Cash Book | Assistant/Accounting Officer | Accounting Officer | Accounting Officer |
| IGF Medicine Analysis | Physician | Accounting Officer | Accounting Officer |
| Cash Book | Assistant/Accounting Officer | Accounting Officer | Accounting Officer |
| IGF Revenue Report | Physician Assistant/DHD | Accounting Officer/District | Head of Finance |
| IGF Expenditure Report | Physician Assistant/DHD | Accounting Officer/District | Head of Finance |
| IGF Bank Reconciliation (Services/Medicines) | Physician Assistant/DHD | Head of Finance | Head of Finance |

The major books of accounts kept by the HC include:

- a. Patient register
- b. Revenue Collection Book (Single/Multiple)
- c. Notional Revenue Book (Single/Multiple)
- d. IGF Services Summary Cash book
- e. IGF Services Analysis Cash book
- f. IGF Medicine Analysis Cash book
- g. Petty Cash book

The **Patient Register** is used to record the names of patients and the amount collected/due from them in chronological order. The following information is required on the Patient Register:

- a. Name of patient
- b. Age of Patient
- c. Sex
- d. Identity
- e. GCR
- f. Amount collected / or notional amount earned.

The **Revenue Collection Book** is used to record cash received from patients by the HC. The following information is found in the Revenue Collection book:

- a. The serial number
- b. The date of treatment
- c. Patient name
- d. Patient number
- e. General Counterfoil Receipt (GCR No.)
- f. Amount Collected, analyzed into revenue types

The **Notional Revenue Book** is used to record payments that should have been made by Exempted patients and/or Corporate/Insure patients. The following information is found in the Notion Revenuebook:

- a. The serial number
- b. The date of treatment

- c. Patient name
- d. Patient number/ID No.
- e. Type of patient (Exempted/NHI/Corporate)

HC IGF Service Summary Cash Book is used to record cash received and deposited into the bank account of the HC on daily basis. The data for writing up the HC IGF Service Summary Cash Book is obtained from the Revenue Collection Book (multiple). The total amount from the Revenue Collection Book (multiple) is transferred on daily basis to the HC IGF Service Summary Cash Book; the amount is also analyzed into revenue type.

HC IGF Medicine Cash Book is used to record cash received and deposited into the bank account of the HC on daily basis. The data for writing up the HC IGF Medicine Summary Cash Book is obtained from the revenue from the Revenue Collection book (single). The total amount from the Revenue Collection book (single) is transferred on daily basis to the HC IGF Medicine Cash book.

HC IGF Service Analysis Cash book is used to record cash deposits at the bank and payments of the bank by the HC. Deposits are debited and payments are credited. The payments analyzed into expenditure types, which are categorized into MOH recommended items. The Cheque book balance shows the balance of cash at the bank after every transaction.

HC IGF Medicine Cash book is used to record collections from sale of medicines and deposited at the bank as well as purchase of medicines.

- a. Revenue collection from sale of medicines is debited to the cash book and purchase of medicines credited to the cash book.
- b. The Cheque book balance shows the balance of cash at the bank for medicines after every transaction by the HC.
- c. In addition to the deposits and (payments) columns the HC IGF Medicine Cash Book contain analyzed columns for purchase and collections, as well as refunds and interests.

