



MINISTRY
OF
FINANCE

P.O.Box MB 40, Ministries, Accra
Digital Address : GA-144-2024

Kindly quote this number and date on all correspondence

My Ref. No. MoF/BD/BIU/BI/04/25

Your Ref. No.

Date. 16th APRIL, 2025

2025 BUDGET IMPLEMENTATION INSTRUCTIONS

Following the passage of the Appropriation Act, 2025, (Act 1126) by Parliament, the Ministry has issued this Budget Implementation Instructions in accordance with the Public Financial Management Act, 2016 (Act 921), to guide all Ministers (Principal Account Holders) and Chief Directors (Principal Spending Officers) in the implementation of the 2025 Approved Budget.

2. Covered Entities are to note that government continues to implement the IMF supported Post Covid-19 Programme for Economic Growth (PC-PEG) alongside the 120 Day Social Contract, with the prime focus of "Resetting the Economy for the Ghana we want" aimed at addressing economic challenges and ensuring sustainable development.

3. The Instructions provide information on the procedures for accessing funds in respect of Compensation of Employees, Goods and Services and Capital Expenditures.

4. In line with the provisions in the PFM Act, Colleagues Ministers/Heads of Institutions are kindly requested to note especially the following;

a. Expiration of 2024 Budget

Section 26, sub-section 1 of Act 921 clearly states that each appropriation approved by Parliament shall cease to be effective at the end of the financial year for which the appropriation was made. Consequently, the approved and appropriated budget for 2024 has expired.

b. Government Expenditure Control Measures

In line with the government's expenditure control measures, MDAs are required to adhere to the following guidelines:

- **Multi-Year Functionality:** All MDAs, MMDAs, and Statutory Bodies must use the multi-year functionality (Blanket Purchase Order) on the GIFMIS to capture multi-year commitments/contracts in accordance with Medium-Term Expenditure Framework ceilings.
- **Commencement Certificates and Budgetary Provisions:** These are prerequisites for all procurements to be paid by the central government.



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- Procurement Approvals: Only projects and Purchase Orders with approved budgets and allotments can obtain procurement approvals.
- Commitment Control Compliance: Contracts should only be signed when a commitment control compliance checklist has been certified by the Head of the Internal Audit Unit, indicating adherence to commitment control measures.
- Compliance Reporting: Heads of Internal Audit Units must prepare and submit quarterly compliance reports to the Internal Audit Agency, which will collate and submit a composite report to the Minister.
- Monitoring and Reporting: Heads of Internal Audit Units should work closely with the Compliance Desk at the Ministry of Finance to monitor reports on commitments and the accumulation of arrears. This collaboration will support the Ministry in publishing the PFM League Table to assess and promote compliance.

All public officers, specifically Principal Spending Officers of covered entities will be held to the strict application of administrative and criminal sanctions outlined in Sections 96 to 98 of the Public Financial Management Act for any violations of the Act and its Regulations, particularly those related to expenditure control.

c. Compensation

i. Validation of Staff for Salaries

Heads of Covered Entities must ensure that only active staff members are validated monthly for salary payments. Any Public Officer whose actions or inactions lead to the disbursement of unearned salaries will face sanctions in accordance with Section 96 of the PFM Act.

ii. Financial Clearance

Covered Entities must ensure that all requests for financial clearance to recruit or replace staff are accompanied by the full cost implications, including allowances. For the security services, this must also include the cost of uniforms, accoutrements, and any other basic items required for new recruits, and must remain within budgetary limits. Under no circumstances should a Covered Entity commence recruitment or replacement without obtaining financial clearance from the Minister for Finance.

Note that technical clearance from the Public Service Commission does not constitute financial clearance for MDAs to commence any recruitment process.

d. Goods and Services Expenditure

To facilitate the planning and execution of the approved Goods and Services budget, the Ministry of Finance will continue to issue quarterly budget allotments and warrants to the Controller and Accountant-General's Department for Goods and Services. Covered Entities can access these funds in accordance with the budget allotments on the GIFMIS.

Covered Entities are no longer required to submit written requests to the Ministry of Finance for release of funds for Goods and Services.

d. Capital Expenditures

i. Award of Contracts

Covered Entities must adhere to the relevant provisions of the Public Financial Management Regulation 2019 (L.I. 2378), Public Financial Management (Public Investment Management) Regulations, 2020 (L.I. 2411) and the Public Private Partnership Act, 2020 (Act 1039) when preparing documentation for new investment projects. This documentation should include:

- Project Concept Note (PCN)
- Pre-feasibility study and/or Feasibility studies, depending on the project size
- Obtaining a "Seal of Quality" (SOQ) from the Minister for Finance
- Updating the MDAs Portfolio of Projects
- Public Investment Plan

Additionally, when awarding new contracts: Covered Entities must ensure that:

- There is no indexation to a foreign currency
- Advance mobilisation payment clauses are not included, except with written approval from the Minister for Finance
- Projects are included in the approved Public Investment Plan (PIP) submitted in the Programme-Based Budget (PBB) document to Parliament

Covered Entities should also note that approval from the Public Procurement Authority (PPA) does not constitute permission to award new contracts that commit the government.

ii. Authorisation of Requests

All Commencement requests to MoF should be authorized by the Minister or Deputy Minister of the Covered Entity. For Commissions, the Head or Deputy may authorize the initiation of the process. No commencement should be initiated for new projects that are not included in the Public Investment Plan and the 2025 Budget. This requirement also applies to ongoing investment projects.



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f. Processing of IGF Transactions

All IGF-generating institutions must process their retained IGF portions on GIFMIS and submit GIFMIS-generated monthly returns to the Ministry of Finance (MoF). Covered Entities experiencing difficulties should contact the GIFMIS Secretariat for assistance. Additionally, Covered Entities cannot spend beyond the appropriated amount unless provisions are made during the Mid-year Budget.

g. Judgement Debt

MDAs are reminded to avoid engaging in transactions or contractual obligations that could result in judgment debts for the state. Public Officers whose actions or inactions cause a loss or deficit in public funds, or damage to public property, will be surcharged in accordance with Section 97 of the PFM Act.

No contract should be terminated without obtaining advice from the Attorney General's office.

h. Validation of Salary Arrears by Internal Audit Unit

The Internal Audit Units (IAUs) of Covered Entities are required to validate and certify all salary arrears before submitting them to the Ministry of Finance (MoF). If the Head of the Internal Audit Unit or any other individual provides a false certification, the relevant sanctions under Section 96 of the PFM Act will be applied.

i. Letter of guarantee/Undertaking

Covered Entities and SOEs should note that in accordance with the IMF Supported PC-PEG Programme, no guarantees will be issued in 2025 despite the provisions in Section 66 (2) of the PFM Law.

j. Government Borrowing

In line with Article 181 of the 1992 Constitution and Section 55 (1) of the PFM Act, the Minister of Finance is the only authority to raise a loan on behalf of the Government of Ghana. All borrowing by Covered Entities or SOEs should be in accordance with the relevant provisions of the PFM Act. As part of efforts to ensure Ghana's debt dynamics, Government has placed a zero ceiling on any collateralised debt over revenue streams or other assets for all Covered Entities and SOEs. In addition, Government will maximise concessional financing, primarily for infrastructure provision.



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k. Tax Exemptions, Waivers and Variations

- Covered Entities should note that the authority to grant tax exemptions is solely vested in Parliament. For clarity, kindly note the following guidelines under Section 4 of the Act:
- Exemptions shall only be granted to individuals entitled to them under the Act.
- Exemptions shall only be granted by individuals authorised to do so under the Act.
- Domestic indirect taxes shall not be waived or varied, nor agreements made to waive or vary them, unless expressly provided for under the Act or relevant tax law.
- Exemptions granted to individuals are non-transferable.
- Taxes, levies, rates, duties, fees, or charges imposed by a Local Government Authority shall not be waived or varied unless authorized under a bye-law of the Local Government Authority.
- Covered Entities should refer to Section 32(2)(3) of the Exemption Act, 2022 (Act 1083) for offences and penalties related to violating the exemptions Act.

5. For clarifications and further explanations, kindly contact the following numbers 0501407947, 02677588227.

6. A softcopy of the Instructions is available at the Ministry's website (www.mofep.gov.gh) while hardcopies can be obtained at the Director of Budget's Secretariat.

7. Thank you.

DISTRIBUTION

ALL SECTOR MINISTRIES
ALL REGIONAL MINISTERS
HEADS OF INSTITUTIONS
ALL CHIEF EXECUTIVES (MMDAs)

DR. CASSIEL ATOR FORSON (MP)
MINISTER

Cc: The Executive Secretary to H.E
The President, Jubilee House
The Chief of Staff, Jubilee House



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The Hon. Deputy Minister, MoF
The Head of the Civil Service
The Head of Local Gov't Service
The Chief Directors, MDAs
The Ag. Director of Budget, MoF
The Controller & Acct. General
The Auditor General, GAS
All Heads of Dept./Agencies
All Regional Co-ord. Directors
All Directors of PPME
All Regional Budget Officers



2025 BUDGET IMPLEMENTATION INSTRUCTIONS

**ISSUED BY MINISTRY OF FINANCE
MARCH 2025**



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1.0 INTRODUCTION

The Ministry of Finance issues the Budget Implementation Instructions ("Instructions") in accordance with the Public Financial Management Act, 2016 (Act 921). These instructions are intended to guide all Ministers (Principal Account Holders), Chief Directors (Principal Spending Officers), and Heads of Covered Entities in the implementation of the 2025 Budget Statement and Economic Policy.

These Instructions follow Parliament's passage of the Appropriation Act, 2025 (Act 1126) on 29th March 2025 and Presidential assent on 29th March 2025. The detailed appropriated amounts for all Covered Entities in 2025 can be accessed on the Ministry of Finance website.

These Instructions are provided within the regulatory and policy framework of:

- i. The PFM Act (2016), Act 921; PFM Regulations (2019), LI 2378, and other PFM-related laws supporting the achievement of fiscal objectives in the approved annual budget;
- ii. The implementation of the IMF-backed Post Covid -19 Programme for Economic Growth (PC-PEG) programme focused on fiscal and debt sustainability; and
- iii. The Government's 120-day Social Contract.

The Instructions outline procedures for accessing various funding sources, including Government of Ghana (GoG) Funds, Annual Budget Funding Amount (ABFA), Foreign Loans and Grants (FLG), and Retained Internally Generated Funds (IGFs). These allocations cover Goods and Services, Capital Expenditure, and Compensation of Employees. To support designated officers in expenditure scrutiny, a checklist is provided in Appendix II.

In accordance with the PFM Act and PFM Regulations, Ministers and Heads of all Covered Entities are directed to note and comply with the following provisions:

1.1 Expiration of 2024 Budget

Section 26, sub-section 1 of Act 921 clearly states that each appropriation approved by Parliament shall cease to be effective at the end of the financial year for which the appropriation was made. Consequently, the approved and appropriated budget for 2024 has expired.

1.2 Undischarged Commitments at the end of 2024

The government will conduct a comprehensive audit to verify the full amount of arrears, payables, and commitments as of December 31, 2024, prior to authorizing any payments.

1.3 MDAs Annual Work and Cash Plans

In accordance with Section 31 of the PFM Act 2016 (Act 921) and Regulation 62 (2 & 3) of the PFM Regulations 2019 (LI 2378), MDAs are required to record their work and cash plans on the Computerised Budget Management System (Hyperion) and complete the cash plan template available on the Ministry of Finance website to guide quarterly budget allotments.

When addressing MDAs' cash requirements, the Ministry of Finance will consider the seasonality of programme and project implementation, as well as quarterly cash projections. Ideally, cash plans should be evenly distributed, except for highly seasonal programmes or activities. Covered Entities are reminded to update their cash plans quarterly to reflect received allotments and remaining needs.

1.4 Expenditure Measures

In line with the government's expenditure control measures, MDAs are required to adhere to the following guidelines:

- **Multi-Year Functionality:** All MDAs, MMDAs, and Statutory Bodies must use the multi-year functionality (Blanket Purchase Order) on the GIFMIS to capture multi-year commitments/contracts in accordance with Medium-Term Expenditure Framework ceilings.
- **Commencement Certificates and Budgetary Provisions:** These are prerequisites for all procurements to be paid by the central government.
- **Procurement Approvals:** Only projects and Purchase Orders with approved budgets and allotments can obtain procurement approvals.
- **Commitment Control Compliance:** Contracts should only be signed when a commitment control compliance checklist has been certified by the Head of the Internal Audit Unit, indicating adherence to commitment control measures.
- **Compliance Reporting:** Heads of Internal Audit Units must prepare and submit quarterly compliance reports to the Internal Audit Agency, which will collate and submit a composite report to the Minister.
- **Monitoring and Reporting:** Heads of Internal Audit Units should work closely with the Compliance Desk at the Ministry of Finance to monitor reports on commitments and the accumulation of arrears. This collaboration will support

the Ministry in publishing the PFM League Table to assess and promote compliance.

All public officers, especially Principal Spending Officers of covered entities, will be subject to the strict enforcement of administrative and criminal sanctions outlined in Sections 96 to 98 of the Public Financial Management Act for any violations of the Act and its Regulations, particularly those related to expenditure control.

1.5 Commitment Control

- I. MDAs must ensure that all procurement activities and commitments align with their approved 2025 budget, as stipulated in Section 25 of the PFM Act.
- II. Principal Spending Officers must ensure that the government does not incur any financial liabilities unless specifically authorized, in accordance with Section 25 (4) of the PFM Act.
- III. Covered entities must strictly adhere to Regulations 61 to 77 of the PFM Regulations, including using the Ghana Integrated Financial Management Information System (GIFMIS) for approving payment vouchers for all commitments made.

Additionally, covered entities must ensure that: Commitments for obligations for each specified year are adhered to, as far as possible, in the case of approved multi-year commitments.

Except for emergency expenditures, all other approvals for new programmes, projects, and activities must be considered within the medium-term expenditure framework approved by Cabinet for the current budget year.

1.6 Statutory Funds/Earmarked Funds

Government is committed to ensuring that statutory funds/earmarked funds receive the amounts due them promptly. All statutory or earmarked funds are required to ensure that they don't commit outside of the amounts due them. All commencement done must be within the amounts due and not the appropriated.

All Statutory/Earmarked funds are required to submit quarterly expenditure reports on amounts received in line with the requisite template. See Appendix VII for template.

1.7 Judgement Debt

MDAs are reminded to avoid engaging in transactions or contractual obligations that could result in judgment debts for the state. Public Officers whose actions or inactions cause a loss or deficit in public funds, or damage to public property, will be surcharged in accordance with Section 97 of the PFM Act.

No contract should be terminated without obtaining advice from the Attorney General's office.

2.0 REQUESTS FOR RELEASE OF FUNDS

2.1 Compensation of Employees

2.1.1 Validation of Staff for Salaries

Heads of Covered Entities must ensure that only active staff members are validated monthly for salary payments. Any Public Officer whose actions or inactions lead to the disbursement of unearned salaries will face sanctions in accordance with Section 96 of the PFM Act.

2.1.2 Validation of Salary Arrears by Internal Audit Unit

The Internal Audit Units (IAUs) of Covered Entities are required to validate and certify all salary arrears before submitting them to the Ministry of Finance (MoF). If the Head of the Internal Audit Unit or any other individual provides a false certification, the relevant sanctions under Section 96 of the PFM Act will be applied.

2.1.3 Non-Salary Related Allowance

Covered Entities must initiate quarterly Non-Salary Related Allowances on GIFMIS using the designated codes and submit them to the Ministry of Finance for processing.

The Principal Spending Officer of each Covered Entity must ensure that the Internal Audit Unit (IAU) validates all claims for Non-Salary Related Allowances before they are processed on GIFMIS. Additionally, MDAs are required to submit the validated list of beneficiaries to MOF for review.

2.1.4 Payment of Categories 2 and 3 Allowances

The payment of Categories 2 and 3 allowances in the Public Service will be made in adherence to the revised Administrative Rules and Procedures for implementing

allowances (2019 Revised Administrative Rules and Procedures for Implementing Categories 2 and 3 allowances in the Public Service).

Principal Spending Officers of Covered Entities must ensure that only eligible individuals are paid, subject to budget availability. It is important to note that Category 1 allowances have been consolidated into the base pay and therefore no longer exist. Consequently, no Covered Entity will be permitted to allocate funds for Category 1 allowances.

2.1.5 Financial Clearance

Covered Entities must ensure that all requests for financial clearance to recruit or replace staff are accompanied by the full cost implications, including allowances. For the security services, this must also include the cost of uniforms, accoutrements, and any other basic items required for new recruits, and must remain within budgetary limits. Under no circumstances should a Covered Entity commence recruitment or replacement without obtaining financial clearance from the Minister for Finance.

Note that technical clearance from the Public Service Commission does not constitute financial clearance for MDAs to commence any recruitment process.

2.2 Goods and Services

To facilitate the planning and execution of the approved Goods and Services budget, the Ministry of Finance will continue to issue quarterly budget allotments and warrants to the Controller and Accountant-General's Department for Goods and Services. Covered Entities can access these funds in accordance with the budget allotments on the GIFMIS.

Covered Entities are no longer required to submit written requests to the Ministry of Finance for release of funds for Goods and Services.

Requests for payment for new initiatives listed in Appendix III must be initiated on the GIFMIS.

2.3 Capital Expenditure (CAPEX)

2.3.1 Award of Contracts

Covered Entities must adhere to the relevant provisions of the Public Financial Management Regulation 2019 (L.I 2378), Public Financial Management (Public Investment Management) Regulations, 2020 (L.I. 2411) and the Public Private Partnership Act, 2020 (Act 1039) when preparing documentation for new investment projects. This documentation should include:

- Project Concept Note (PCN)

- Pre-feasibility study and/or Feasibility studies, depending on the project size
- Obtaining a “Seal of Quality” (SOQ) from the Minister for Finance
- Updating the MDAs Portfolio of Projects
- Public Investment Plan

Additionally, when awarding new contracts:

- There is no indexation to a foreign currency
- Advance mobilisation payment clauses are not included, except with written approval from the Minister for Finance
- Projects are included in the approved Public Investment Plan (PIP) submitted in the Programme-Based Budget (PBB) document to Parliament
- Covered Entities should also note that approval from the Public Procurement Authority (PPA) does not constitute permission to award new contracts that commit the government.

2.3.2 Authorisation of Requests

All Commencement requests to MoF should be authorized by the Minister or Deputy Minister of the Covered Entity. In the event of an emergency where the two are absent, the acting officer can authorize. For Commissions, the Head or Deputy may authorize the initiation of the process. No commencement should be initiated for new projects that are not included in the Public Investment Plan and the 2025 Budget. This requirement also applies to ongoing investment projects.

2.3.3 Application and Approval of Requisitions

The application and approval of requisitions must be based on projects that are included in the approved Public Investment Plan (PIP) and the Programme Based Budget (PBB) and supported by budget allotments.

2.3.4 Payments for Capital Projects

Covered Entities must initiate all payment requests for capital projects on GIFMIS. These requests must be made against the appropriate Chart of Accounts, ensuring there is sufficient budget allotment, and that all necessary procurement processes have been duly followed. To this end, Covered Entities must take note of the Blanket Purchase Agreement Form in GIFMIS, and complete it as part of the request for capital project.

Additionally, Covered Entities must ensure that the requests represent the most prioritised projects in the approved Budget and comply with Regulations 78 to 83 of L.I 2378. Principal Spending Officers should verify that a duly completed Checklist is

in place before approving any request.

All Interim Payment Certificates must be endorsed by:

- Project Consultant
- The Head of the Department or Agency implementing the project
- The Regional Minister of the region where the project is located
- The Sector Minister

While it is desirable to have all four endorsements, every certificate must, at a minimum, be signed by both the Project Consultant and the Head of the beneficiary Department or Agency.

2.3.5 Project Contract Extensions and Variations

Principal Spending Officers must notify the Ministry of Finance before approving any extensions or variations to project contracts that have cost implications. The Ministry of Finance will not honor any payment claims for contract extensions or variations that do not comply with Regulation 73 of the Public Financial Management Regulation 2019 (L.I. 2378).

Covered Entities are also reminded to adhere to Section 87 of the Public Procurement Act 2003 (Act 663).

2.3.6 Payment of Contracts in Foreign Currency

In line with Bank of Ghana Notice No. BG/GOV/SEC/2019/07, Covered Entities are reminded that the sole legal tender in Ghana is the Ghana Cedi and Ghana pesewa. The Foreign Exchange Act, 2006 (Act 723) prohibits the pricing, advertising and receipt or payment for goods and services in foreign currency in Ghana.

2.3.7 Payment of Compensation in respect of Land and Property

Covered Entities requesting payment for compensation due to land acquisition by the State or property destruction resulting from road construction or other infrastructure projects must ensure that the valuation and certification are conducted by the Land Valuation Division of the Lands Commission. This includes identifying the beneficiaries of such compensation payments and the amount due to each person.

If a contractor pre-finances the payment of compensation in respect project affected persons to acquire the right of way, the contractor should be reimbursed with the amount certified by the Land Valuation Division. However, Covered Entities must seek pre-approval from the Ministry of Finance before entering into any pre-financing agreements with contractors.

3.0 PUBLIC PROCUREMENT

Covered Entities must strictly comply with the provisions of the Public Procurement Act, 2003 (Act 663). Covered Entities must seek approval from PPA to use the single sourcing method of procurement only when the requirements of section 40 of the Public Procurement Act 2003 (Act 663) are met. Single sourcing must be strictly limited to the exceptional cases specified under section 40 of Act 663, where it is impractical to conduct competitive bidding. All single source procurements must be subjected to a value for money assessment pursuant to Regulation 30 of the Public Financial Management Regulations 2020 (L.I 2411). Evidential documents for single source approval from the Public Procurement Authority pursuant to section 40 of Act 663 shall include the Value-for Money Assessment Report. The Covered Entity shall work with the office responsible for value for money in the Ministry of Finance in the Value-for-Money Assessment.

3.1 The use of Ghana Electronic Procurement System

All procurement activities in Covered Entities except otherwise determined by the Government of Ghana and financing authority shall be conducted through the Ghana Electronic Procurement System (GHANEPS).

3.2 The use of Purchase Orders (PO)

All contract awards for Goods, Services, and Works must be preceded by a GIFMIS-generated Purchase Order (PO). Covered Entities should note that no contract is valid without a GIFMIS-generated Purchase Order. Issuing any other Purchase Order outside of GIFMIS is an offense under Sub-section 1(b) of Section 98 of the PFM Act 2016, (Act 921) and Regulation 72 of the PFM Regulation, 2019 (L.I. 2378).

3.3 Commitment Control Requirements

As a commitment control requirement, Heads of Internal Audit are to certify a Commitment Control Compliance Checklist (CCCC) indicating that:

- All procurement of Goods, Services, Works and technical services were undertaken through the GHANEPS.
- A GIFMIS generated Purchase Order was generated before the award of contract and contract signing.
- In line with section 33 of the Public Financial Management Act 2016 (Act 921), multi-year expenditures are preceded by a commencement certificate authorised by the Minister for Finance and approved by Parliament as part of the National Budget.

Principal Spending Officers are to ensure that contracts are signed only when the Head of Internal Audit certifies a Commitment Control Compliance Checklist.

Hheads of Internal Audit shall at the end of each quarter perform a commitment control review, prepare reports showing levels of compliance with the commitment control requirements and submit the report to the Internal Audit Agency.

The Internal Audit Agency shall not later than 30 days after the end of the quarter consolidate the commitment control review reports received from the Heads of Internal Audit and submit to the Minister for Finance.

On receipt of the consolidated report by the Minister for Finance from the Internal Audit Agency, the PFM Compliance Desk shall rank the report to enable the Minister issue a PFM League Table.

Public officers are to note that there shall be enforcement of sanctions under section 96 to 98 of the Public Financial Management Act 2016 (Act 921) for non-compliance with the commitment control requirements. Public Officers are to note that re-orientation of staff will be conducted on evidence gathering and offenders will be referred to the Attorney General's Office for prosecution.

4.0 INTERNALLY GENERATED FUND (IGF)

4.1 Gross Lodgment of IGF

All Covered Entities that generate NTR/IGF must lodge their revenue collections in gross into the NTR Holding Accounts, where available, before disbursing funds into their operational accounts for use in accordance with the 2025 annual appropriation.

Covered Entities that do not yet have Holding Accounts should lodge their revenue collections in gross into their respective operational accounts and ensure that expenditure remains within the approved annual appropriation for the 2025 financial year.

4.2 Retention of Internally Generated Funds (IGF)

Covered Entities authorized to retain and utilize their Internally Generated Funds (IGFs) under the Public Financial Management Act, 2016 (Act 921) must ensure that all due processes are adhered to in the utilization of these funds, in accordance with the PFM Act, the Appropriation Act for the 2025 Budget, and the MDAs Retention of Funds Act, 2007 (Act 735).

4.3 Processing of IGF Transactions

All IGF-generating institutions must process their retained IGF portions on GIFMIS and submit GIFMIS-generated monthly returns to the Ministry of Finance (MoF). Covered Entities experiencing difficulties should contact the GIFMIS Secretariat for assistance. Additionally, Covered Entities cannot spend beyond the appropriated amount unless provisions are made during the Mid-year Budget.

4.4 Submission of NTR/IGF Monthly Returns (Reports) on the NTRMIS

All IGF generating Covered Entities are required to submit NTR/IGF monthly returns (reports) electronically via the NTRMIS in accordance with Regulation (47) of the PFM Regulations 2019 (L.I 2378).

5.0 OTHER GENERAL INSTRUCTIONS

5.1 Verification and Certification of MDAs Claims by Internal Audit Units

Internal Audit Units (IAUs) of Covered Entities must rigorously scrutinise and certify all claims before submission to the Ministry of Finance (MoF). IAUs are also required to complete and endorse the appropriate checklists, attaching them to all requests submitted to the MoF. Any false certification by the Head of the Internal Audit Unit or any other individual will trigger the invocation of the relevant sanctions under Section 96 of the PFM Act.

5.2 Letters of Guarantee / Undertaking

Despite the provisions in Section 66 (2) of the PFM Law, all Covered Entities and SOEs must note that, in accordance with the IMF Supported PC-PEG Programme, no guarantees will be issued in 2025.

5.3 Government Borrowing

All borrowing by Covered Entities or SOEs must comply with the relevant provisions of the PFM Act. To ensure the sustainability of Ghana's debt, the Government has imposed a zero ceiling on any collateralised debt over revenue streams or other assets for all Covered Entities and SOEs. Additionally, the Government will prioritise concessional financing, primarily for infrastructure provision.

5.3.1 Borrowing by Local Government, Public Corporations, and State-Owned Enterprises

Local government authorities, public corporations, and SOEs are reminded that, in accordance with Section 73 of the PFM Act, they are liable for their debts and other

obligations without recourse to the Government. Additionally, in accordance with Sections 74 and 76 of the PFM Act, they may borrow funds up to the limit determined by the Minister for Finance.

5.3.2 Ceiling on Contracting of Non-Concessional and Concessional Borrowing

Given our current debt levels, strict adherence to non-concessional borrowing is required. There is an annual limit for contracting or guaranteeing non-concessional external debt, applicable to all Covered Entities and SOEs. Consequently, no new projects through non-concessional sources shall be initiated in 2025.

5.3.3 Credit Risk Assessment

Covered Entities seeking government support in the form of guarantees or on-lending facilities will be evaluated through the Credit Risk Assessment Framework (CRAF) before any requests are granted. As part of implementing the Fees and Charges Act, 2022 (Act 1080), Covered Entities must pay an upfront fee and a non-refundable charge when requesting government support for guarantees, on-lending facilities, and "No-Objection" to borrow on their own books.

5.3.4 Reporting Requirements by State-Owned Enterprises

SOEs must report any new borrowings, including overdrafts and securities/investments, to the Minister for Finance within 21 working days after the end of each quarter. The Ministry of Finance reminds all SOEs of this requirement as outlined in Section 77 of the PFM Act.

5.4 Foreign Loans and Grants (FLG)

All FLG have been capped in line with the limit set by the 2025 Budget Appropriation. All Covered Entities must use the GIFMIS platform to process FLGs, ensuring proper accounting and reporting of approved budgetary inflows from this funding source and adherence to the specified appropriation.

MDAs must abide by the allocated budget for FLG. Failure to do so will attract sanctions as per Section 96 of the PFM Act.

5.5 Duties and Taxes

All Covered Entities are reminded that they are responsible for all duties, taxes, levies, and related fees and charges on imports, local purchases, and contracts. Therefore, all quotations should include these relevant costs. Covered Entities should also note that VAT, NHIL, and GETFund Levy must be paid on all imported services. These taxes

should be accounted for when signing contracts for services with non-resident persons. Additionally, entities must withhold the appropriate taxes on income and VAT as required by the Income Tax Act and Value-Added Tax Act.

5.6 Monitoring and Performance Reporting

In accordance with Sections 27, 30, and 34 of the PFM Act, 2016 (Act 921), all Covered Entities must submit quarterly reports detailing their expenditures.

5.7 Social Intervention Programmes

All Covered Entities responsible for implementing social intervention programmes must submit detailed quarterly reports and expenditure returns to the Ministry of Finance (MoF). They must also develop and implement strategies to ensure the effective and efficient execution of these programmes.

6.0 Tax Exemptions, Waivers, and Variations

The authority to grant tax exemptions is vested solely in Parliament. For clarity, please note the following guidelines under Section 4 of the Act:

- a) Exemptions shall only be granted to individuals entitled to them under the Act.
- b) Exemptions shall only be granted by individuals authorised to do so under the Act.
- c) Domestic indirect taxes shall not be waived or varied, nor agreements made to waive or vary them, unless expressly provided for under the Act or relevant tax law.
- d) Exemptions granted to individuals are non-transferable.
- e) Taxes, levies, rates, duties, fees, or charges imposed by a Local Government Authority shall not be waived or varied unless authorized under a byelaw of the Local Government Authority.

Covered Entities should refer to Section 32(2)(3) of the Exemption Act, 2022 (Act 1083) for offences and penalties related to violating the exemptions Act.

7.0 Offences and Penalties under PFM Act 2016, Act 921

The Ministry of Finance reminds all Covered Entities of the offences and penalties outlined in Section 96 of the PFM Act. Covered Entities are encouraged to familiarise themselves with the PFM Act, as ignorance of the law is not an excuse.

8.0 CONCLUSION

In alignment with the economic outlook presented in the 2025 Budget Statement and Economic Policy, the Ministry reiterates its commitment to ensuring Covered Entities have access to allocated funds promptly, enabling the effective and efficient execution of the 2025 Budget Statement and Economic Policy

Pursuant to the constraints outlined in the 2025 Budget, Covered Entities must note that all current projects are to be reviewed, reprioritized, continued where critical or relevant, suspended or discontinued in line with the Attorney General's advice.

Projects and Programmes that are not very critical should be postponed till further notice. The Ministry intends to improve the scrutiny of the level allotment issued and reduce any post allotment restrictions in the execution of the Appropriated Budget. The Ministry will require implementation reports from beneficial MDAs.

All Covered Entities are therefore urged to demonstrate full cooperation and strict adherence to these directives. Such compliance is essential for the seamless implementation of the National Budget and will directly contribute to the achievement of the government's policy objectives as outlined in the 2025 Budget Statement and Economic Policy.



HON. DR CASSIEL ATO FORSON, (MP)
MINISTER FOR FINANCE

9.1 APPENDICES

Appendix I: Attachments Required when processing requests

It is required that the following documents are scanned and attached for all invoices. All Covered Entities must ensure that all attached scanned copies are of the original document and must be eligible. Any request with attached documents that are difficult to read will be rejected outright.

Works

The attachment for works are;

- Certified IPC
- Contract document
 - cover page
 - signed page
 - the pages on payment clauses
- Checklist
- The full contract document must be submitted to the Schedule Officer
- The PPA approval letter

Supplies

- VAT Invoice / GRA approval for company to issue own Invoice
- GRA letter if exempted from Tax
- GIFMIS generated SRA - duly signed and certified by relevant officers or
- Scanned copy of manual SRA
- Award letter
- Checklist
- PPA Approval letter

Consultancy

- VAT invoice
- Contract agreement
 - Cover page
 - Signed page
 - The pages on payment clauses
- Consultant's report
- User acceptance report from MDA
- Checklist
- PPA approval letter

Appendix II: - Checklists**Checklist for Release of Compensation of Employees (Allowances/Salary Arrears)**

Nature of Request:					
Amount:					
Sn.	Description	Yes	No	N/A	Ref Page
1	Is copy of Ministry of Finance approved letter attached?				
2	Are the beneficiaries entitled to the allowances?				
3	Is it category one (1) allowance?				
4	Is it category two (2), three (3), or four (4) allowances?				
5	Is the rate in line with the current MoF approved levels?				
6	Are the Names, Grades, and Staff IDs of beneficiaries provided?				
7	Is the request in the approved budget of the MDA?				
8	Is the request for the current year?				
9	If request is for previous year, has it been validated by the Internal Audit Unit?				
10	After analysis and projecting the monthly actual to cover the end year, can the balance accommodate the current request?				
I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Internal Audit Officer:		Signature:			
Rank:		Date:			
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Officer's certification and hereby recommend for payment, bearing in mind the applicable sanctions under section 96 of the PFM Act 2016, (Act 921).					
Name of Head of Internal Audit Unit:		Signature:			
		Date:			

Checklist for Supplies e.g. motor vehicle, computers, stationery

Nature of Request:					
Amount:					
Sn.	Description	Yes	No	N/A	Ref Page
1	Is the contract document attached?				
2	Is there any advance mobilization clause in the contract document?				
3	Is there any bank/insurance guarantee attached to the request?				
4	Is the award of contract letter attached?				
5	Has the Goods been fully supplied or services rendered?				
6	Is the VAT/NHIL Invoice (s), Waybill and Stores Receipt Advice attached?				
7	Is the request in the approved budget of the MDA?				
8	Is the request denominated in the local currency?				
9	If not denominated in the local currency, was it approved by Ministry of Finance?				
10	Has payment been requested for by the executing company?				
11	Has the accuracy of the amount being paid been ascertained?				
12	Is there any evidence that the transaction is exempted from tax?				
I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Internal Audit Officer:			Signature:		
Rank:			Date:		
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Officer's certification and hereby recommend for payment, bearing in mind the applicable sanctions under section 96 of the PFM Act 2016, (Act 921).					
Name of Head of Internal Audit Unit:			Signature:		
			Date:		

Checklist for Services e.g. Fumigation etc

Nature of Request:					
Amount:					
Sn.	Description	Yes	No	N/A	Ref Page
1	Is the contract document attached?				
2	Is there any advance mobilization clause in the contract document?				
3	Is there any bank/insurance guarantee attached to the request?				
4	Is the award of contract letter attached?				
5	Has the work been fully done?				
6	Is the VAT/NHIL Invoice (s), Way Bill and Stores Receipt Advice attached?				
7	Is the request in the approved budget of the MDA?				
8	Is the request denominated in the local currency?				
9	If not denominated in the local currency, was it approved by Ministry of Finance?				
10	Has payment been requested for by the executing company?				
11	Has the accuracy of the amount being paid been ascertained?				
12	Is there any evidence that the transaction is exempted from tax?				
I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Internal Audit Officer:			Signature:		
Rank:			Date:		
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Officer's certification and hereby recommend for payment, bearing in mind the applicable sanctions under section 96 of the PFM Act 2016, (Act 921).					
Name of Head of Internal Audit Unit:			Signature:		
			Date:		

Checklist for Release of Funds Capital Expenditure (CAPEX) e.g. road construction, sea defense, office building, school building etc.

Nature Of Request:					
Amount:					
Sn.	Description	Yes	No	N/A	Ref. Page
1	Is the contract agreement attached?				
2	Is the award of contract letter attached?				
3	Is there any advance mobilization clause in the contract document?				
4	Is there any bank/insurance guarantee attached to the request?				
5	Has the Interim Payment Certificate (IPC) been properly endorsed?				
6	Is the request in the approved budget of the MDA?				
7	Has the Contract/Contract sum been extended/varied?				
8	If extended/varied, has it been approved by appropriate Tender Review Board?				
9	If the contract is denominated in foreign currency, was it approved by MoF?				
10	Has payment been requested for by the executing company?				
11	Has the accuracy of the amount being paid been ascertained?				
12	Is the transaction exempted from tax?				
13	If yes, is there any evidence that this transaction is exempted from tax?				
I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Internal Audit Officer:			Signature:		
Rank:			Date:		
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Officer's certification and hereby recommend for payment, bearing in mind the applicable sanctions under section 96 of the PFM Act 2016, (Act 921).					
Name of Head of Internal Audit Unit:			Signature:		
			Date:		

Checklist for Release of Funds: Land Compensation

Nature of Request:					
Amount:					
Sn.	Description	Yes	No	Na	Ref Page
1	Has the Instrument of Acquisition been attached?				
2	Is the Instrument of Acquisition Number indicated?				
3	Does the request indicate the dimensions/hectare of the land?				
4	Is the rightful owner(s) identified and indicated?				
5	Has the value of the land been assessed by the Valuation Division of Land Commission?				
6	Is the assessed value indicated?				
7	Is the holder of the Power of Attorney attached?				
I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.					
Name of Internal Audit Officer:		Signature:			
Rank:		Date:			
I certify that I have cross-checked the responses to the questions on this checklist and endorse the Officer's certification and hereby recommend for payment, bearing in mind the applicable sanctions under section 96 of the PFM Act 2016, (Act 921).					
Name of Head of Internal Audit Unit:		Signature:			
		Date:			

Checklist for Release of Funds. Judgement Debt

Nature Of Request:					
Sn.	Description	Yes	No	Na	Ref Page
1	Is the Suit No. indicated?				
2	Is the Judgment attached?				
3	Is there any covering letter from the Attorney General's Department?				
4	Has the Legal Division expressed its opinion?				
5	Is there any evidence of stay of execution?				
6	Is the beneficiary (ies) indicated?				
7	Has the amount involved been indicated?				
8	Has the request been approved by Management for processing?				

I certify that the relevant request(s) has/have been assessed using the above checklists and the answers to the questions reflect the substance of the supporting documentation.

Name of Internal Audit Officer:	Signature:
Rank:	Date:

I certify that I have cross-checked the responses to the questions on this checklist and endorse the Officer's certification and hereby recommend for payment, bearing in mind the applicable sanctions under section 96 of the PFM Act 2016, (Act 921).

Name of Head of Internal Audit Unit:	Signature:
	Date:

Appendix III: New Initiatives

1. Big Push (Infrastructure)
2. Healthcare (NHIS, Free Primary healthcare, MahamaCares)
3. District Assembly Common Fund (DACF)
4. Education (Free SHS, Tertiary, Sanitary Pads)
5. Social Protection (LEAP, School Feeding, Capitation Grant)
6. Road Fund (Maintenance and Infrastructure)
7. Agriculture for Economic Transformation
8. Support for Disaster Victim (Akosombo, Tidal Waves)
9. National Apprenticeship
10. Ghana Gold Board (GOLDBOD)
11. National Coders
12. Adwumawura
13. Assembly Members Allowance
14. Women's Development Bank

Appendix IV: GIFMIS Business Process

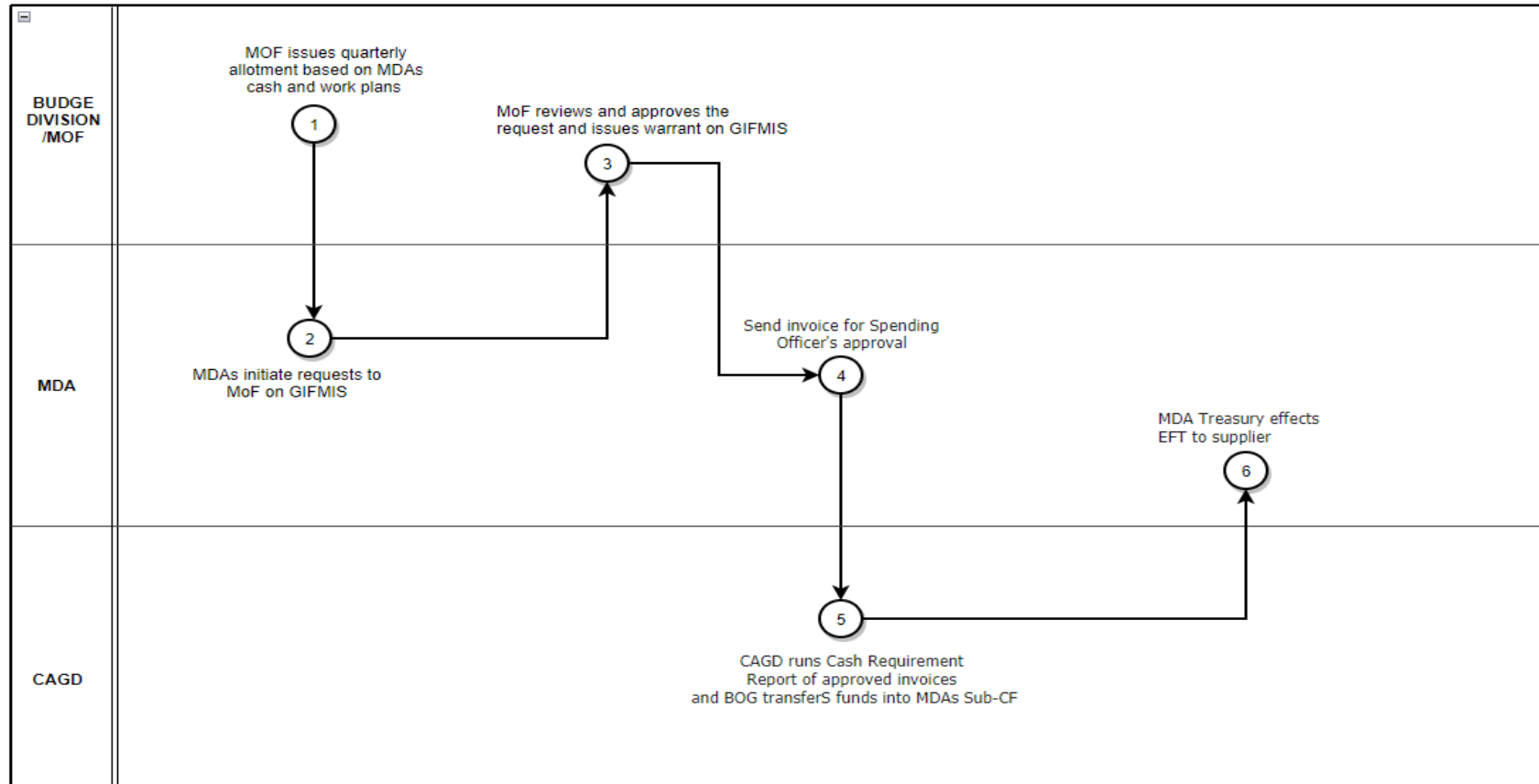
Business Process for Non-Salary Related Allowances

1. MoF issues quarterly Budget Allotment based on MDAs cash and work plans
2. MDAs initiate requests to MoF on GIFMIS.
3. MoF reviews and approves the request.
4. MDAs receive approved warrants from MoF and initiates the necessary processes.

These steps have been designed diagrammatically as shown below



Business Process for Non Salary-Related Allowance



Business Process for Goods and Services

MoF Responsibilities

1. MoF issues quarterly allotment based on MDAs cash and work plans
2. MDAs initiate their request based on quarterly budget allotment issued by MoF (using WebADI)
3. MoF reviews and approves the request

MDA Responsibilities

Follow the steps below when Warrants are approved on the system.

- i. Send Request Memo for approval (Manual)
- ii. Create Requisition on GIFMIS (A.E.&I)
- iii. Send requisition for Approval
- iv. Spending officer/Head of Section, etc. approves the request
- v. Select supplier (manual)
- vi. Create PO and Send PO for Approval
- vii. Print PO on GIFMIS.
- viii. Give a copy of printed PO to the supplier (manual)
- ix. Supplier delivery (manual)
- x. Goods inspected and taken on charge (manual)
- xi. Enter results/details on the system (i.e. create SRA)
- xii. Collect and book invoice on the system
- xiii. Match invoice to SRA/PO (the exact amount to be paid is now determined)
- xiv. Validate invoice (i.e. check to make sure rules are adhered to)
- xv. Create Accounting on the invoice (i.e. the account to be debited and credited).
This represents PVs that can be printed from the system.
- xvi. Send invoice for Approval

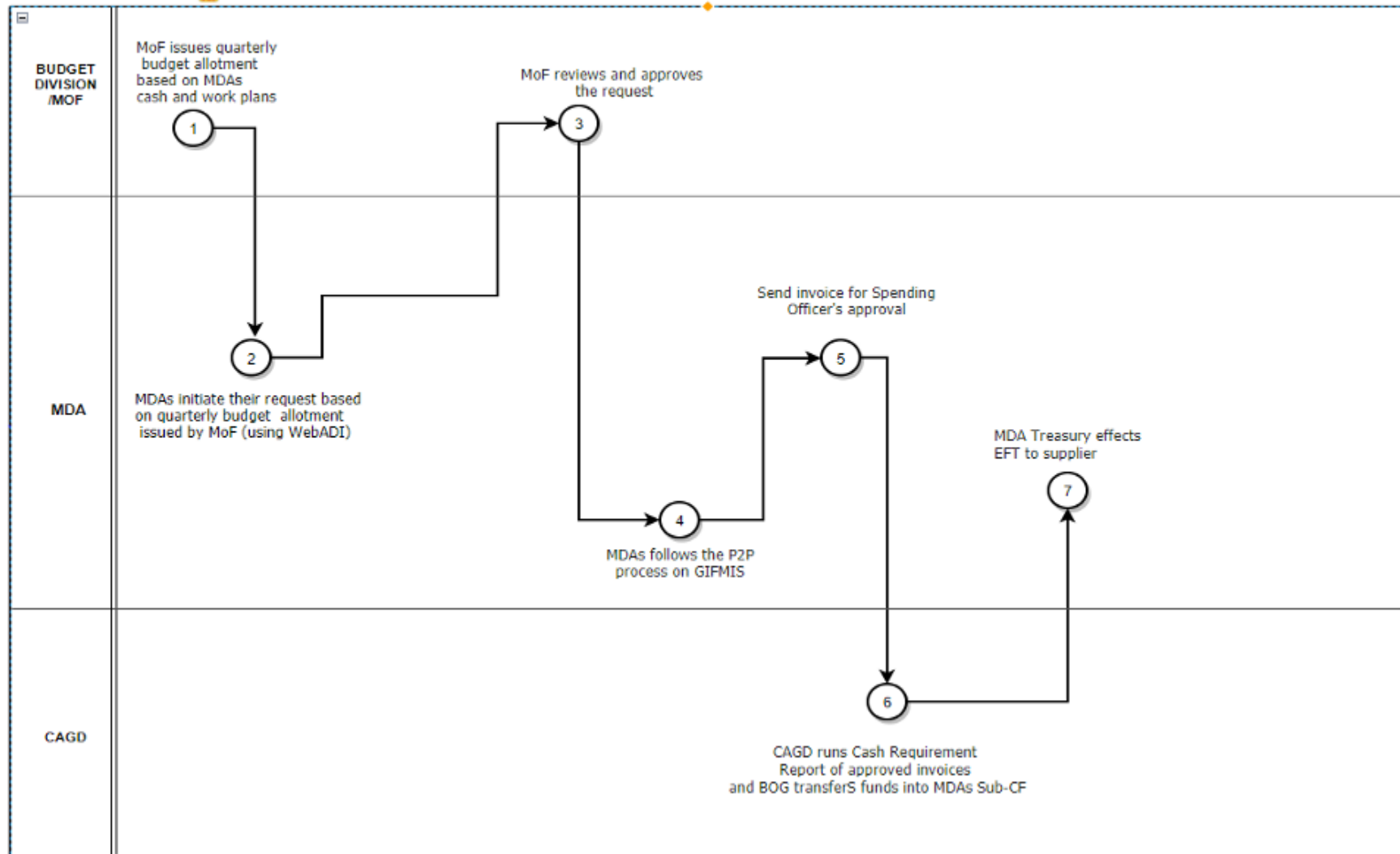
CAGD Responsibilities

1. CAGD Treasury Headquarters (Chief Cashier) runs Cash Requirement Report which is a summary of approved PVs/Invoices from MDAs upon which funds are transferred into MDAs Sub-CF Accounts to make payment for the invoices.

MDAs effect payments on the system via Electronic Funds Transfer for 3rd parties



Business Process for Goods and Services

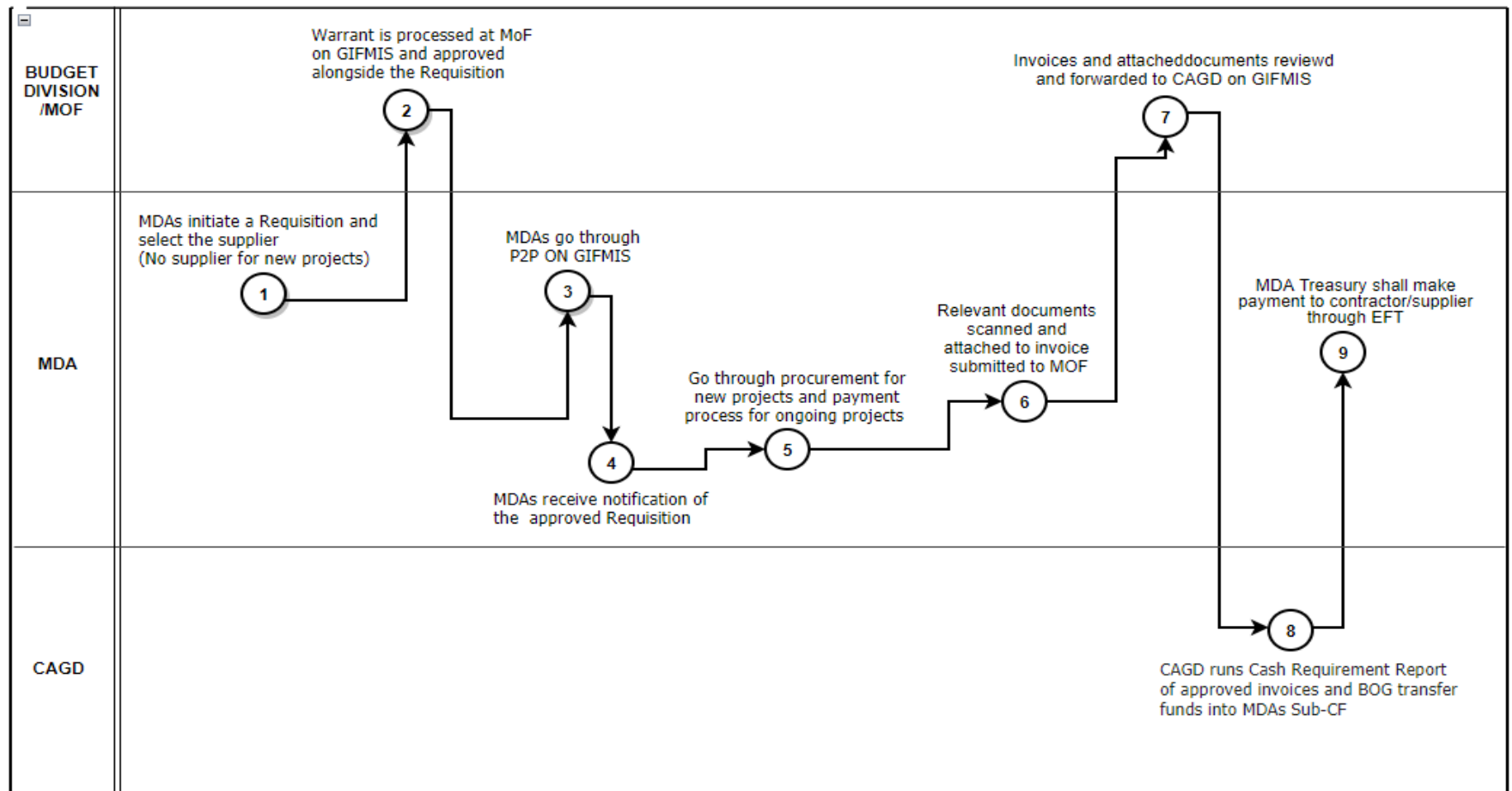


Business Process for Capital Expenditure (CAPEX)

1. MDAs check from the Funds inquiry at the appropriation level whether that particular asset has been budgeted for and supported by adequate budget allotment.
2. MDAs initiate a Requisition and select the supplier for the existing project on GIFMIS and forward to MOF (***NB. Do not select a supplier for new project***).
3. Warrant is processed at MoF on GIFMIS and approved alongside the Requisition.
4. MDAs receive notification of the approved Requisition
5. MDAs go through procurement or tendering process (**for new project**)
6. Upon completion of works, supply of goods and provision of services, the consultants submit relevant documents which is booked on the GIFMIS as invoices and matched to the purchase order.
7. Scan and attach all the necessary documentation for onward submission to Ministry of Finance on GIFMIS. The invoices are submitted to MoF for final approval.



Business Process for CAPEX



Appendix V: PFM Commitment Control Compliance Checklist (CCCC)

NAME OF COVERED ENTITY:					
DETAILS OF PROCUREMENT (describe briefly)				DATE	
S/N	COMMITMENT CONTROL COMPLIANCE ITEMS				Remarks (if any)
1.	Purchase Order (PO) generated from GIFMIS (Ghana Integrated Financial Management Information System)				
	Has a purchase order generated from the GIFMIS been issued prior to the award of contract?	Yes	No	Not applicable	
	Indicate the GIFMIS-generated Purchase Order number and date.	P/O No.		P/O Date	
	For works, indicate the approved certificate date				
2.	Procurement Requirements				
	Was a commitment authorization obtained from the Minister before commencing procurement?	Yes	No		
	Indicate the commitment authorization number and date				
	Was the procurement conducted through GHANEPS?	Yes	No		
	State the system-generated GHANEPS Number and Date.	Date	Ref. No.		
	Has the contract been reviewed by a Legal officer?				
	Is there an advance mobilization clause in the contract:	Yes	No	Not Applicable	
	If yes, is the advance mobilization limited to not more than 15% of the contract sum?	Yes	No	Not Applicable	
	If yes, has the contract provided for the submission of a bank guarantee prior to payment of advance mobilization?	Yes	No	Not Applicable	
	Has the contract provided for interest on delayed payment?	Yes	No	Not Applicable	
	If yes, is the interest computed on a simple interest basis?	Yes	No	Not Applicable	
3.	Evidence of Tax Compliance				
	Have all applicable taxes been appropriately computed and applied?	Yes	No	Not applicable	
4.	Multi-Year Project/Procurement				
	Will the related agreement commit the government for more than one financial year or result in a contingent liability?	Yes	No	Not applicable	
	Has written approval been obtained from the Minister for Finance?	Yes	No	Not applicable	
	Has authorization been obtained from Parliament for the multi-year expenditure commitment as part of the annual budget?	Yes	No	Not applicable	
Other Comments:					
I certify that the documents have been assessed using the above checklists and that the answers to the questions reflect the substance of the supporting evidence obtained to the best of my knowledge.					
Name of Internal Audit Officer:		Signature:			
Rank:		Date:			

I certify that I have cross-checked the responses to the questions on this checklist and endorse the certification for the signing of the contract. I am aware that I shall be held liable under Section 96 (1) (f) of the PFM Act 2016 (Act 921) for a false certification of this checklist.

CERTIFIED BY:

NAME OF HEAD OF INTERNAL AUDIT UNIT	SIGNATURE & STAMP	DATE

Appendix VI The Role of Principal Spending Officers and Internal Audit Agency for Effective and Efficient Operationalization of the Compliance Desk

Internal Audit Agency

1. Instruct Internal Audit Units (IAUs) to conduct quarterly PFM Commitment Control Compliance reviews and submit the report to the IAA as part of the quarterly performance report of IAUs.
2. Collate the PFM Commitment Control Compliance Review reports of IAUs, review, prepare and submit composite report including recommendations for sanctions to the Minister within one month upon receipt of the quarterly reports. The consolidated report should indicate.
 - i. The level of compliance of the ministries by highlighting (ranking) institutions that complied and the institutions that did not comply.
 - ii. The key areas of compliance and non-compliance identified.
 - iii. Liaise with the PFM-CD of the Ministry of Finance to conduct occasional sampled based validation of reports submitted to the Agency by the IAUs.
3. Instruct Internal Auditors not to certify any payment voucher without confirmation of a properly certified Commitment Control Compliance Checklist of the procurement.

Principal Spending Officers

The Principal Spending Officers of a Covered Entities are required to strictly adhere to the following;

i. Commitment control measures.

1. All approved procurement shall be processed through the Ghana Electronic Procurement System (GHANEPS) in accordance with the Public Procurement Act.
2. All contract awards for goods, services, and works must be preceded by a GIFMIS generated Purchase Order (PO). No contract shall be deemed valid without a GIFMIS generated Purchase Order and it is an offense under Sub-section 1(b) of Section 98 of the PFM Act and Regulation 72 (2) (a) and (b) of the PFM Regulations, 2019, (L.I. 2378) to issue any other purchase order outside of the GIFMIS.

3. Purchase Order shall be issued before the award of contract and contract signing date in line with regulation 65 (2) (b) of the Public Procurement Regulations, 2022 (L.I 2466).
 - i. In the case of Capital Expenditure (CAPEX), a commencement certificate shall be issued by the Ministry of Finance before the preparation of the Purchase Order.
 - ii. Purchase Order shall be issued before the supplier/service provider's invoice or request for payment document.
 - iii. An advance mobilisation for any contract shall not exceed 15% of the contract sum, in line with Regulation 113 (1) (b) of the PFM Regulations, 2019 (L.I 2378), and shall not be given prior to the signing of a formal contract.
- a. A Commitment Control Compliance Checklist shall be **certified** by the Internal Auditor of the Ministry to confirm compliance with the above measures prior to the signing of a contract.

ii. **Compliance oversight measures.**

- a. Responsibility of Principal Spending Officer for Contract Signing:
 - ❖ All Principal Spending Officers of the Ministries are to verify and ensure that the relevant Commitment Control Compliance Checklist has been prepared and certified by the Head of Internal Audit Unit in accordance with regulations 65 (2) (b) of the Public Procurement Regulations 2022 (L.I 2466) before signing off on the relevant contract.
 - ❖ No contract should be signed by a Principal Spending Officer unless the Checklist is properly certified by the Head of Internal Audit Unit.
 - ❖ Only the Principal Spending Officer is mandated to authorize commitment for a Ministry based on allotment provided by the Minister for Finance in line with section 7(b) of the PFM Act.

Appendix VII: Statutory/Earmarked Funds Expenditure Report Template I

[illegible]

Statutory/Earmarked Funds Expenditure Report Template II

LIST OF COMMITMENTS (NEW AND ONGOING)						
Contract Date	Contract/Supplier Name	Description	Contract Sum	IPCs or Invoices Raised	Amount Paid	Amount Outstanding
Total						

