



FEDERAL GOVERNMENT OF NIGERIA

**DRAFT FEDERAL GOVERNMENT FINANCIAL
REGULATIONS 2023**

Prepared by:

**Inter-Ministerial Committee on
Review of Financial Regulations 2009**

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CHAPTER 1

FINANCIAL AUTHORITIES AND RESPONSIBILITIES
OF PUBLIC OFFICERSPART I
FINANCIAL AUTHORITIES

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| 101. | Financial authorities are the legal instruments that empower and guide all public officers in carrying out government financial transactions. Such financial transactions include the receipt, custody of and accounting for government revenue; the procurement, custody and utilization of government stores/inventories and assets, and the disbursement from government funds i.e. the Consolidated Revenue Fund (CRF), Development Fund, Contingencies Fund and any other established public Fund. The principal financial authorities are dealt with here-under. | Definition:
Financial
Authorities. |
| 102. | The Constitution of the Federal Republic of Nigeria 1999 (as amended) is the basis of all financial authorities. It makes ample provisions for Government's financial business. The payment of revenue into the Federation Account and the Consolidated Revenue Fund, the authorization of allocation of revenue from the Federation Account, the disbursement of funds from Consolidated Revenue Fund, the Development Fund and Contingencies Fund, the preparation of Financial Statements, the audit of public accounts and other financial matters are regulated by the relevant sections of the Constitution. | Constitution of
the Federal
Republic of
Nigeria. |
| 103. | <p>i) The President of the Federal Republic of Nigeria assigns to the Minister of Finance the responsibility for financial business of the government of the Federation.</p> <p>ii) Warrants issued by the Minister from time to time authorizing the Accountant-General to disburse fund from the Consolidated Revenue Fund, Development Fund and Contingency Fund as appropriated by the National Assembly are instruments through which he exercises control over the utilization of public fund.</p> <p>iii) The Minister of Finance may issue Authority to Incur Expenditure in lieu of Warrant authorizing the Accountant-General to disburse money from any public fund in line with the Appropriation Act or Supplementary Appropriation Act or any other Act of the National Assembly for utilization by MDA.</p> <p>iv) No payments shall be made from any public fund except on the authority of a Warrant/Authority to Incur Expenditure duly issued and signed by the Minister.</p> | Authority of the
Minister of
Finance. |
| 104. | Certain financial matters of government are regulated by other relevant laws of the Federation enacted by the National Assembly. These include the Finance (Control and Management) Act CAP F26 | Financial
Legislations. |

Laws of the Federation of Nigeria, 2004, the Annual Appropriation Act and the Supplementary Appropriation Act(s), the Revenue Mobilization, Allocation and Fiscal Commission Act, Cap R7 Laws of the Federation of Nigeria, 2004, the Fiscal Responsibility Act, 2007 and the annual Finance Acts (as amended).

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| 105. | In line with the provisions of the Financial Reporting Council Act, 2011 all MDA and other Arms of Government shall comply with Accounting Standards issued by Financial Reporting Council of Nigeria and the adopt International Public Sector Accounting Standards (IPSAS) or International Financial Reporting Standards (IFRS) in the preparation of their Financial Statements and Reports. | Compliance with Accounting Standards |
| 106. | <p>(i) The Minister of Finance shall have full authority to direct on all matters relating to the finance and accounting affairs of the Federation, and shall issue from time-to-time, Financial Regulations which shall be in accordance with existing laws and policies of government, pursuant to S.3 and 4 of Finance (Control and Management) Act Cap F26 LFN 2004. The Financial Regulations so issued shall generally apply to all MDA and other Arms of Government.</p> <p>(ii) Without limitation, the Financial Regulation shall also apply to all Public Officers.</p> | Financial Regulations. |

PART II

FINANCIAL RESPONSIBILITIES OF PUBLIC OFFICERS

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| 107. | The Accountant-General is the Head of the Federal Government Accounting Services and the Treasury. He has the responsibility for providing adequate accounting systems and controls in the MDA and other Arms of Government. | The Accountant-General of the Federation: |
| 108 | <p>(i) Pursuant to FR 107 above, the Accountant-General shall inter-alia:</p> <p>(a) be the Chief Accounting Officer of the receipts and payments of the Government of the Federation;</p> <p>(b) be the Head of the Federal Government Treasury and Accounts, who shall have the responsibility to render or perform the accounting functions of the Federation, and publish statutory Financial Statements;</p> <p>(c) be the Chief Adviser to the Minister on all accounting matters of the Federation, and shall recommend accounting rules for Minister's approval;</p> | Duties of Accountant-General of the Federation: |

- (d) receive, disburse and provide secured custody for money payable into the Consolidated Revenue Fund and other Public Funds, and for this purpose shall establish such accounts with the Central Bank of Nigeria or any other approved Bank as are considered necessary for the deposit of such monies;
- (e) be responsible for the collation, compilation, consolidation and publication of the accounts prepared in relation to the Consolidated Revenue Fund, other Public Funds and any other financial report that may be required by the Minister of Finance;
- (f) account and report on Federal Government investments;
- (g) maintain, operate and report on Federation Account;
- (h) establish and supervise Zonal and Federal Pay offices in the Federation;
- (i) ensure the establishment of internal audit department or unit in all MDA and other Arms of Government;
- (j) ensure that the internal controls in all MDA and other Arms of Government are adequate and in conformity with recognized accounting standards and best practices;
- (k) conduct routine and in-depth inspection of the books of accounts of MDA and other Arms of Government to ensure compliance with rules, regulations and policy decisions of the federal government;
- (l) take adequate measures to correct any apparent defect in the control of revenue, expenditure, cash, stores/inventories and other properties of the Government by public sector entities;
- (m) correct or sanction any breach or non-observance of regulations, directives or instructions which may come or be brought to his notice;
- (n) ensure that adequate provisions exist for the safe custody of public funds, properties and security documents;
- (o) take precautionary measures for efficient checks, including surprise inspections, against the occurrence of fraud, embezzlement or mismanagement;
- (p) investigate cases of fraud, loss of funds, assets and store items and other financial malpractices in MDA and other Arms of Government;
- (q) approve and ensure compliance with Accounting Codes or

Duties of
Accountant
-General of
the
Federation:

National Chart of Accounts, Internal Audit Guide, Accounting and Store Verification Manuals of MDA and other Arms of Government;

(r) approve the deployment of Information and Communication Technology (ICT) infrastructure for accounting operations of MDA and other Arms of Government in collaboration with relevant government agencies;

(s) issue officially approved forms bearing treasury numbers for use in all MDA and other Arms of Government to ensure uniformity;

(t) advise on the formulation of accounting policies;

(u) implement appropriate approvals on service of public debts and loans;

(v) grant, suspend or withdraw Self-Accounting Status from any MDA and other Arms of Government;

(w) deploy Treasury Officers from the pool of Accountants in the Office of Accountant-General to all MDA;

(x) provide financial guidelines through the issuance of Treasury Circulars to MDA and other Arms of Government to ensure strict compliance with existing control systems for the collection, custody and disbursement of public funds and stores/inventories; and

(y) organize training of accounts and internal audit personnel in all MDA and other Arms of Government.

Duties of
Accountant-
General of
the
Federation:

(ii) (a) Notwithstanding the duties mentioned above, the Accountant-General shall have the power to discharge all the functions assigned to him by this Financial Regulation (FR)

(b) The Accountant-General or any other person authorized by him shall:

(i) be given free access to all the books, records, returns and other documents relating to financial and accounting records, either electronic or other means, in all public sector entities; and

(ii) be given free access to all information as may be required or considered necessary for the purpose of enforcing compliance with the FR.

109. (i) The Auditor-General for the Federation shall be the officer responsible under the Constitution of the Federation for the audit and report on the public accounts of the Federation, including all

The Auditor-
General for the
Federation:

persons and bodies established by law entrusted with the collection, receipt, custody, issue or payment of Federal Public Funds or with the receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores/inventories, property, plant and equipment of the government of the Federation.

(ii) The Auditor-General shall examine and ascertain in such manner as he may deem fit, the accounts relating to public funds and properties, and shall ascertain whether in his opinion:

(a) the accounts have been properly kept;

(b) all public funds have been fully accounted for, and the rules and procedures applied are sufficient to secure an effective check on the assessment, collection and proper allocation of revenue;

(c) funds have been expended for the purposes for which they were appropriated, and the expenditure have been made as authorised; and

(d) essential records are maintained and the rules and procedures applied are sufficient to safeguard and control public properties and funds.

110. (1) The Auditor-General shall carry out the following statutory functions:

Duties of Auditor-General for the Federation:

(a) Financial Audit - to determine whether government accounts have been satisfactorily and faithfully kept in accordance with extant laws, and also to express an opinion on the truth and fairness of the Federal Government of Nigeria Consolidated Financial Statements, and Separate Financial Statements of MDA and other Arms of Government covered by section 85(2) of the Constitution of the Federal Republic of Nigeria.

(b) Compliance Audit- to ensure that funds are expended as appropriated by the National Assembly and laid down procedures, policies and regulations are being observed in the execution of government programmes and projects.

(c) Performance Audit - to ascertain the level of economy, efficiency and effectiveness with which government projects and programmes were executed.

(d) Special Audit - to carry out audit of special nature including but not limited to:

- i) Environmental Audit
- ii) Forensic Audit
- iii) Information System Audit
- iv) Audit of disaster-related aid
- v) Audit of disaster risk reduction

- vi) Agreed-upon procedures audit (on behalf of third party be it government or non-governmental organizations)
- vii) Audit of predetermined information
- viii) Procurement Audit
- ix) Human Resource Audit
- x) Revenue audit of all government institutions;
- xi) Any other audit the Auditor-General deems fit.

(2) The scope of work of the Auditor-General include:

- (a) The public accounts of the Federation and of all offices and courts of the Federation; including agencies or offices set up through administrative fiats and/or gazettes;
- (b) vetting and commenting on audited accounts of all Parastatals and government statutory Corporations in accordance with the Constitution of the Federal Republic of Nigeria;
- (c) audit of the accounts of Federal Government; Establishments located in all states of the federation including all Area Councils in the Federal Capital Territory, Abuja;
- (d) audit of the Federal Government of Nigeria Consolidated Financial Statements;
- (e) audit the Federation Accounts, Consolidated Revenue Fund and any other Fund of the Federal Government;
- (f) deliberation, verification and reporting on reported cases of loss of funds, stores/inventories, plants and equipment as stipulated in Chapter 25 of the Financial Regulations;
- (g) pre and post payments audit of pensions and gratuities of the retired military and civilian personnel;
- (h) Periodic checks of all Government Statutory Corporations, Commissions, Authorities, Agencies, including all persons and bodies established by an Act of the National Assembly;
- (i) audit of projects and programmes executed under Public Private Partnership where government has not less than 20% stake; and
- (j) Audit of Supranational Institutions to which Nigeria is a signatory.

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| 111. | By virtue of their responsibilities and functions, the Accountant-General and the Auditor-General or their representatives shall at all reasonable times, have free access to books of accounts, files, safes, security documents and other records and information, either electronic or other means, relating to the accounts of all MDA or other Arms of Government. They shall also be entitled to require and receive from members of the Public Service such information, reports and explanations as they may deem necessary for the proper performance of their functions. | Free Access to Books, Accounts and Information. |
| 112. | (i) The term "Accounting Officer" means a Permanent Secretary, Director-General, Executive Secretary, Executive Chairman or any other Administrative Head with equivalent responsibility of MDA and other Arms of Government, who is in full control of, and is | Definition and Responsibilities of Accounting Officer: |

responsible for human, material and financial resources which are critical inputs in the management of the organization under his control.

(ii) The Accounting Officer shall:

- (a) be responsible for safeguarding public funds and the regularity and propriety of expenditure under his control;
- (b) observe and comply fully with the checks and balances spelt out in these Financial Regulations and other extant rules which govern receipts, custody, disbursement, reporting on public funds and other assets entrusted to his care.
- (c) be liable for any breach thereof and his responsibility shall not cease by virtue of his leaving office as he may be called upon at any time to account for his tenure as Accounting Officer;
- (d) ensure that financial considerations are taken into account at all stages of decision-making and execution;
- (e) provide the environment for:
 - (i) effective management;
 - (ii) control of expenditure;
 - (iii) technical efficiency;
 - (iv) cost-consciousness of staff at all levels; and
 - (v) the provision of special skills and services for handling peculiar problems.
- (f) ensure prompt response to audit queries from the Auditor-General;
- (g) be answerable to the Public Accounts Committee of the National Assembly for the regularity and propriety of expenditures of Funds under the Control of his organisation.

113. (i) The functions of the Accounting Officer shall include:
- (a) ensure that proper budgetary and accounting systems are established and maintained to enhance internal control, accountability and transparency;
 - (b) ensure that the essential management control tools are put in place to minimize waste and fraud;
 - (c) render monthly trial balance and other financial accounting returns to the Accountant-General as required by the Financial Regulations;
 - (d) ensure the safety and proper maintenance of all government assets under his care;
 - (e) ensure timely response to the audit observations of the Auditor General for the Federation;
 - (f) ensure personal appearance before the Public Accounts Committee to answer audit queries to MDA and other Arms of Government under his control;
 - (g) ensure accurate collection and accounting for all public monies received and expended;
 - (h) ensure prudence in the expenditure of public funds;
 - (i) ensure proper assessments, fees, rates and charges are made

Functions of
Accounting
Officer

where necessary;

(j) ensure internal audit guides, rules, regulations, procedures are adequately provided for the security and effective check on the assessment, collection and accounting for revenue;

(k) ensure that any losses of revenue are promptly reported and investigated;

(l) ensure that all revenues collected are compared with the budgeted estimates with a view to highlighting the variances, positive or otherwise and the reasons for them; and

(m) ensure that all revenues are remitted through appropriate account of Government;

(n) ensure the preparation and rendition of separate General Purpose Financial Statement (GPFS) within three months after year end for audit and submission to the Accountant-General for consolidation.

114. In compliance with their special role under the Public Procurement Act, all Accounting Officers of MDA and other Arms of Government are hereby charged with the following responsibilities:
- (a) preside over the activities of Tenders Board for the proper planning and evaluation of tenders and execution of procurements;
 - (b) ensure that adequate appropriation is available for Procurements in their annual budget;
 - (c) integrate their entity's procurement expenditure into its yearly budget;
 - (d) ensure the establishment of a procurement planning committee over whose activities they shall preside;
 - (e) constitute a procurement evaluation committee for the efficient evaluation of tenders;
 - (f) render annual returns of procurement records to the Bureau of Public Procurement;
 - (g) liaise with the Bureau of Public Procurements to ensure the implementation of its regulations; and
 - (h) ensure compliance with the provisions of the Public Procurement Act by their organizations, failing which they shall be personally liable for any breach or contravention thereof, whether or not such breach or contravention was caused by them in person, their subordinates or any person to whom they may have delegated their responsibilities.

Responsibilities of Accounting Officer under the Public Procurement Act 2007 (as amended).

115. The Director of Finance and Accounts or Head of Accounts of MDA and other Arms of Government who shall be the Sub-Accounting Officer shall perform the following duties, amongst others:
- (a) ensure compliance with Federal Government Financial Regulations, the National Chart of Accounts/Accounting Manual and extant laws by all staff under his control and supervision;
 - (b) organize and supervise the Finance and Accounting functions in a manner that facilitates:
 - (i) adequate financial control, efficiency and smooth operations of

Duties of Director of Finance and Accounts/Head of Accounts.

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- the financial management function;
- (ii) the observance of due diligence, economy and cost effectiveness in the MDA's financial administration; and
- (iii) ensure adherence to internal controls and compliance with due process.
- (c) advise the Accounting Officer on all financial matters as well as the technical provisions of Public Financial Regulations, other Treasury and Finance Circulars;
- (d) manage funds in a manner that assures smooth operations of the MDA and other Arms of Government;
- (e) maintain adequate accounting records such as books of accounts, Main and Subsidiary Ledgers;
- (f) ensure proper control and management of the Property, Plant and Equipment (PPE) Register and reconcile the schedule thereto to the General Ledger on monthly basis;
- (g) ensure the existence of effective and adequate Internal Control System to safeguard the assets of the MDA and other Arms of Government;
- (h) ensure prompt payment to contractors/suppliers and staff using the Government approved payment mode;
- (i) ensure the timely preparation, payment of salaries and remittance of Third-Party deductions simultaneously;
- (j) ensure the timely preparation and update the information needed for Medium-Term Revenue Framework (MTRF), Medium-Term Expenditure Framework (MTEF) and Medium-Term Sector Strategy (MTSS);
- (k) compile and defend the budget proposals and ensure effective budgetary control by matching/comparing budgeted figures with actual expenditure or revenue as the case may be;
- (l) ensure monthly preparation and submission of Trial Balance and Financial Statements in line with IPSAS and IFRS to the Accountant-General on or before 14th of the following month; and
- (m) ensure that all staff under his control are exposed to regular training programmes to equip them with relevant skills for the efficient performance of their duties;
- (n) liaise with the Accountant-General from time to time when in doubt in the interpretation of the provisions of these Regulations, and other Treasury Circulars or when confronted with difficulties in

the performance of his duties;

(o) ensure the existence of an effective Audit Query unit/section to promptly deal with all queries from Internal Audit Unit, Inspectorate Department, Office of the Accountant-General, Office of the Auditor-General and Public Accounts Committee; and

(p) carry out any other responsibility or duty as may be delegated by the Accounting Officer or by the Accountant-General.

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| 116 | <p>The functions of the Director/Head of Internal Audit, shall include but not limited to the following:</p> <ul style="list-style-type: none"> (a) develop Master Audit Programme that will outline the auditing tasks to be carried out throughout the year with timelines of completion of the tasks; (b) regular risk assessment to ensure achievement of the mandate of the organization; (c) ensure that Enterprise Risk Management Policy is developed; (d) ensure compliance with Audit Guidelines, Financial Regulations, National Chart of Accounts and other extant rules by all staff under his supervision; (e) ensure adequate auditing of the disbursement of public funds and proper monitoring and accounting for revenue; (f) advise the Accounting Officer on all auditing matters, technical provisions of the audit regulations and Treasury Circulars; (g) ensure the auditing of accounting records such as books of accounts, Main and Subsidiary Ledgers; (h) ensure the auditing of financial returns (monthly reports, bank reconciliation statements, revenue and expenditure returns) other statutory returns, and that the returns are promptly rendered to the Treasury in line with the extant rules and regulations; (i) ensure that all staff under his supervision are exposed to regular training programmes to prepare them for the efficient performance of their duties; (j) ensure that monthly audit reports are compiled and rendered regularly to the Accounting Officer with copies forwarded to the Accountant-General and Auditor-General; (k) ensure periodic checks of all Government Statutory Corporations, Commissions and Agencies under their Ministry and other Arms of Government; and (l) liaise with the Accountant-General from time to time in the interpretation of the provisions of the Financial Regulations and other Treasury Circulars where necessary. | <p>Functions of Director/Head of Internal Audit.</p> |
| 117. | <p>The Director of Revenue of MDA and other arms of government shall perform the following duties, amongst others:</p> <ul style="list-style-type: none"> (a) identify all revenue sources accruable to the MDA and other Arms of Government; | <p>Duties of Director of Revenue.</p> |

- (b) maintain and update the database of MDA and other Arms of Government revenue generating properties/assets in terms of their locations, type and the nature of revenue each generates;
- (c) provide information for Revenue Budget of the MDA and other Arms of Government;
- (d) organize the revenue accounting functions in a manner that facilitates the keeping of complete and adequate financial/statistical records of Revenue;
- (e) ensure that all revenue accruable to the MDA and other Arms of Government are received and properly accounted for;
- (f) collate and advise on the review of rates and charges of the MDA and other Arms of Government;
- (g) identify revenue due but not yet paid to the MDA and other Arms of Government and accrue for them;
- (h) ensure that all staff under his control are exposed to regular training programmes to equip them with the relevant skills (on-the-job) for the efficient performance of their duties;
- (i) ensure regular monitoring of revenue collection;
- (j) ensure that revenue received/receivables are properly journalized and expenditures tracked in line with approved revenue budget;
- (k) ensure that Revenue Reports are rendered monthly through the Accounting Officer to the Accountant-General of the Federation for consolidation;
- (l) advice the Accounting Officer on the need to review revenue charges and rates of the MDA and other Arms of Government;
- (m) ensure the preparation and display of monthly Revenue Charts;
- (n) compare budgeted revenues with actual collection; analyze and report the variances and render returns to the Accountant-General on or before the 14th of the following month;
- (o) ensure regular Joint Revenue Reconciliation with the Treasury, Federation Account Allocation Committee, Revenue Mobilization Allocation and Fiscal Commission, Fiscal Responsibility Commission, Central Bank of Nigeria and any other relevant Authorities;
- (p) ensure preparation and submission of monthly, quarterly and

annual revenue reports to the Accountant-General on or before the 14th of the following month;

(q) carry out monthly reconciliation of Investment Register, Individual Subsidiary Ledgers and General Ledger, and submit a schedule of up-to-date Investments to the Accountant-General on monthly basis on or before the 14th of the following month;

(r) carry out Investments appraisal of the MDA and other Arms of Government; and

(s) perform any other duty/function assigned to him by the Accountant-General.

118. (i) The term “Sub-Accounting Officer” means an officer who is entrusted with the receipt, custody and disbursement of public funds, and who is required to keep one of the recognized Cash books together with such other books of accounts as may be prescribed by the Accountant-General (FR 801), the transactions in respect of which are subsequently embodied in the final accounts rendered by the Accountant-General. Sub-Accounting Officer.
- (ii) Sub-Accounting Officer shall include the Director of Finance and Accounts, other Heads of Accounts, the Sub-Treasurer of the Federation, the Federal Pay Officers, and any other Pay Officer.
119. The Political Head of a Ministry shall be the Minister, while that of Parastatals, Extra-Ministerial Offices or Agencies shall be the Chairman of the Board. For other Arms of Government, the Political Head shall be as defined in the extant laws that govern their establishments. Responsibilities of Political Heads.
120. (i) Any directive to the Accounting Officer by a Political Head having financial implications shall be in writing. Directives of Political Heads.
- (ii) Where the directive from a Political Head results in an unauthorized expenditure, and/or contravenes extant rules and regulations, both the Political Head and the Accounting Officer of the MDA or other Arms of Government shall be responsible for such an unauthorized expenditure.
121. (i) It shall be the responsibility of the Political Head to supervise and control the activities of his MDA and other Arms of Government. Control Over MDA and other Arms of Government.
- (ii) Pursuant to sub-section (i) above, the Political Head shall exercise the responsibilities for supervision and control of the activities of his MDA and other Arms of Government as follows:
- (a) endorse the annual budget proposals of his MDA and other Arms of Government to the Budget Office;
- (b) ensure the implementation of the political programmes of government as they relate to his MDA and other Arms of

- Government;
- (c) ensure compliance with the extant rules and regulations and policies of the Executive Arm of Government
- (d) ensure endorsement of contract approvals of Ministerial Tenders Board (MTB) and Parastatals Tenders Board (PTB).
122. A "Revenue Collector" means an officer other than a Sub-Accounting officer, who is entrusted with an official receipt, licence or ticket booklet for the regular collections of some particular forms of revenue and who is required to keep a cash book. (See specimen Revenue Collector's Cash Book rulings in Appendix 6). Revenue Collector.
123. The term "Imprest-holder" means an officer other than a Sub-Accounting officer who is entrusted with the disbursement of public money, for which vouchers cannot be presented immediately to a Sub-Accounting Officer and who is required to keep a cash book (See specimen Imprest-holder's Cash Book rulings in Appendix 10). Imprest Holder.
124. An Officer Controlling Expenditure shall be the officer to whom the control of a line item or specified amount of a line item has been delegated by the Accounting Officer. Officer Controlling Expenditure.
125. Where a Ministry or Department has been granted a 'Self-Accounting Status', the Accounting Officer as defined in FR 112 shall be responsible for the installation and maintenance of a proper system of accounts subject to the general supervision of the Accountant-General. Self-Accounting Status.
126. (i) Any Accounting Officer, Sub-Accounting Officer, Officer Controlling Expenditure, Federal Pay Officer, any other Pay Officer, Imprest-Holder, Revenue Collector or other officer having monetary or financial responsibilities directly connected with, or arising from his official duties, must, in so far as the following requirements may be applicable to his particular duties:
 (a) see that the proper system of account as prescribed by or under the authority of the Accountant-General is established and maintained;
 (b) exercise supervision over the receipt of public revenue and ensure its prompt collection;
 (c) promptly bring to account, under the relevant codes in the National Chart of Accounts, or Estimates or other approved classifications, all monies, whether revenue or other receipts accounted to him;
 (d) see that proper provision is made for safe keeping of public monies, security documents, stamps, receipts, tickets, licences and valuable documents;
 (e) exercise supervision over all officers under his authority entrusted with the receipt and expenditure of public moneys, and take precautions, by the maintenance of efficient checks against the General Duties of Public Officers.

occurrence of fraud, embezzlement or carelessness;

(f) supervise the expenditure of government so that no payment is made without proper authority, and call the attention of the appropriate officer in writing where there is any apparent abuse;

(g) promptly charge all disbursements under the proper code as in the National Chart of Accounts;

(h) check all cash and stamps in his charge, and verify the amounts with the balances shown in the cash book or stamp register;

(i) promptly bring to account as receipt any cash or stamps found in excess of the balances shown in the cash book or stamp register;

(j) promptly make good any minor deficiency in cash and stamps not caused by theft or fraud, and report in writing details of such deficiency to the appropriate officer (This provision is without prejudice to Chapter 25 of the Financial Regulations);

(k) promptly prepare such financial statements as are required by law or by the Accountant-General;

(l) see that all books are correctly posted and kept up-to-date;

(m) see that the authorised maximum cash balance that may be held at one time is not exceeded;

(n) report apparent defect in the procedure of revenue collection detected in the course of accounting duties;

(o) produce when required by the Accountant-General or his representative, all cash, stamps, securities and accounts books, and vouchers in his charge; and

(p) within twenty-one days, reply to formal queries or any other enquiries addressed to him by the Accountant-General and Auditor-General giving fully the particulars or information required.

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| 127. | All officers are personally and pecuniarily responsible for the due performance of the financial duties of their MDA and other Arms of Government, for the proper collection and custody of all public monies receivable by them, and for any inaccuracies in the accounts rendered by them or under their authority. The responsibility of the Auditor-General for checking and reporting any shortcomings, in connection with public accounts or finance shall not absolve any officer mentioned in FR 126 from his responsibility for complying or securing compliance with regulations within the scope of his own authority. | Pecuniary Responsibilities of Officers. |
| 128. | No officer shall be relieved of his responsibility should he delegate or entrust the performance of duties or any part thereof to his subordinate officer. An officer who, acting in accordance with the Federal Government Financial Regulations or other express authority, delegates functions which were assigned in the first place to him is not thereby relieved of that responsibility. | Delegation of Responsibility. |
| 129. | The Accountant-General shall from time-to-time cause surprise inspections to be carried out on the accounts of any of the officers | Surprise Inspection of |

referred to in FR 126. Accounting Officers will likewise cause surprise checks to be made on the accounts of their subordinates and report to the Accountant-General any material irregularity connected with Public Accounts which may have been brought to his notice.

Accounts.

130. Accounting Officer shall refer to the Accountant-General for advice on any matter affecting the accounts of the MDA and other Arms of Government which is not explicitly provided for in this Financial Regulations. Any departure from the Financial Regulations shall only be allowed with the written consent of the Accountant-General.

Advice on
Accounting
Matters not
in the FR.

CHAPTER 2

REVENUE COLLECTION AND ACCOUNTING

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| 201. | Revenue is any income or return accruing to or derived by the Government, or gross inflow of economic benefits or service potential during a financial year where the inflows result in an increase in net assets/equity other than increases relating to contributions from the government, and includes any: - | Definition of Revenue. |
| | <ul style="list-style-type: none"> (a) receipt, however described, arising from the operation of any law; (b) earnings, however described, arising from or in respect of any property held by the Government; (c) interest earned on loans, bonds and other investible instruments; and dividends received in respect of shares or interest held by the Government in any company or statutory body; (d) interest on operations of bank accounts; (e) waived financial commitments; and (f) other source that may be introduced from time-to-time. | |
| 202. | <p>In accordance with Section 80 of the Constitution of the Federal Republic of Nigeria 1999 (as amended) Consolidated Revenue Fund of the Federal Government shall comprise:</p> <ul style="list-style-type: none"> (1) Government Share of Federation Account; (2) Government share of Value Added Tax; (3) Independent Revenue of the Federal Government, comprising: <ul style="list-style-type: none"> (a) Personal income taxes from Military, Police, Foreign Affairs Officers; (b) operating surplus of Federal Government Owned Enterprises; (c) Independent Revenue of fully funded MDA and other Arms of Government; and (d) Any other revenue declared as CRF revenue by the government. | Consolidated Revenue Fund. |
| 203. | <p>Subject to the provisions of section 162 of the Constitution of the Federal Republic of Nigeria (as amended), Revenue payable into the Federation Account shall among others include revenue derived from: -</p> <ul style="list-style-type: none"> (a) Crude Oil and Gas whether from domestic or international operations; (b) Royalties from oil and gas; (c) Rentals on oil and gas; (d) Penalties on flared Gas; (e) Miscellaneous Oil Receipts; (f) Petroleum Profits Tax; (g) Companies Income Tax; (h) Import Duties; | Federation Account |

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- (i) Excise Duties;
(j) Revenue from solid minerals;
(k) Any other revenue declared as Federation Account Revenue by relevant authorities.
204. Revenue is classified in line with approved Accounting Standard as Revenue from Exchange Transactions and Revenue from non-Exchange transactions. Classification of Revenue.
205. All revenue due to the Government or any of her Agencies shall be paid into the appropriate government account as may be established with the Central Bank of Nigeria from time to time except as otherwise expressly approved by the Minister of Finance. FGN Revenue to be Paid into Appropriate Government Account.
206. Revenue shall be recognised, measured, and reported in the Accounts of Government in accordance with approved Accounting Standards. Recognition of Revenue.
207. The computation of operating surplus payable by Federal Government Public Enterprises shall be in line with the template provided by the Fiscal Responsibility Commission in consultation with Office of the Accountant General of the Federation. Remittance of Approved Percentage of Revenue.
- (a) All federal agencies fully funded from the Treasury shall remit hundred percent (100%) of their Internally Generated Fund (IGR) to the Consolidated Revenue Fund (CRF);
- (b) All partially and self-funded Federal Government Agencies/ Parastatals shall, not later than 14th day of the subsequent month, remit to the CRF an approved percentage (%) of their revenue from the preceding month;
- (c) All partially and self-funded Federal Government Agencies/ Parastatals shall, following preparation of financial statement for the previous year, remit to the CRF the balance of approved Operating Surplus (if any) arising from (b) above.
208. In compliance with the provisions of the Stamp Duties Act CAP. S8 LFN 2004, MDA and other Arms of Government shall ensure that Stamp Duty is accordingly deducted on contracts value (VAT exclusive amount) and remitted to the FIRS as appropriate before payment is made to the beneficiary. Collection of Stamp Duties.
209. Pursuant to Part IV, Section 21 of the Fiscal Responsibility Act 2007, all Corporations, Revenue Collection Agencies shall prepare and submit to the Minister in charge of Budget: Estimates of Revenue and Expenditure.
- i. schedule estimates of revenue and expenditure for the next three financial years, not later than the end of the second quarter of every year;
- ii. an annual budget derived from the three financial years submitted in (i) above, in line with National Development Plan; and

- iii. projected operating surplus which shall be prepared in line with the template provided by the Fiscal Responsibility Commission, in consultation with the Office of the Accountant General of the Federation.
210. For efficient collection of Withholding Tax, Value Added Tax, Stamp Duties and Pay As You Earn (PAYE), the taxes shall be computed, deducted from the source and remitted to the relevant tax authority at the same time of remitting the net payment to the beneficiary of the payment. Remittance of On-Payment deductions
211. (i) Accounting Officers shall ensure that the Chart of Accounts and the Accounting Manual for their MDA and other Arms of Government comply with the National Chart of Accounts. Use of National Chart of Accounts and Accounting Manual.
- (ii) The Accounting Manual shall be subject to the approval of the Accountant-General.
212. Except otherwise expressly provided, every Sub-Accounting Officer or Revenue Collector shall issue a physical or digital Treasury Receipt which bears the stamp of the office of issue upon the prescribed form for each sum paid. Under no circumstance shall temporary or privately printed receipts be utilized for the collection of government revenue. Issuance of Receipts.
213. Where printed receipts or license forms contain spaces for the insertion of details in manuscript, the appropriate details shall be inserted in such spaces. Details of amount paid to be inserted in the space provided shall include such information as quantities, rates, invoice number, NCOA (Economic Code), issue voucher or other documents for the classification and computation of the amount paid to be verified. The particulars of cheques shall be shown on the receipt and counterfoil. Licences shall be brought to account directly in cash books and no covering receipt is required. Details of Transaction to be Shown on Receipt.
214. There shall be displayed conspicuously in every office where public fund is received, notices to the effect that a numbered official receipt shall be obtained for every sum of money paid to Government. Notification to Public.
215. (i). General Receipts (Treasury Book 6) shall be used by all Sub-Accounting Officers except where approved receipt or licence books are printed for particular purpose(s) or where approved digital receipting devices are used. General Receipt (Treasury Book 6).
- (ii) The original receipts shall be completed in ball pen, and double-sided carbon paper shall be used to make the duplicate and triplicate copies. The original shall be handed or delivered to the payer by the officer who issued the receipt. The duplicate receipt supported with completed Treasury Forms 15 or 15A shall be used as Cash Book Voucher and the triplicate receipt shall be retained in the book.
- (iii) The above regulations for the preparation and disposal of original,

duplicate and triplicate copies of receipts shall also apply to special receipt books or license books which are printed and arranged in the same manner as General Receipt Books, except where digital receipts are used.

216. Where fixed fee licenses or tickets of the counterfoil type are used, the counterfoil of each license or ticket issued shall be initialed by the issuing officer. Counterfoils Shall be Initialed.
217. (i) Revenue Collectors' Receipt (Treasury Book 6A) shall be used by all Revenue Collectors, except where receipt or license books are specially printed for a particular purpose or where approved digital receipting devices are used. Revenue Collectors' Receipt (Treasury Book 6A).
- (ii) The original receipts shall be completed in ball pen, and double-sided carbon paper shall be used to make duplicates and, where applicable triplicates. The originals shall be handed over or delivered to the payers by the officer who issued the receipts.
- (iii) Where fees are fixed, the amount of the fee shall be printed on the receipt or licence. Under no circumstance shall a printed face-value of a fixed fee licence or ticket be altered to a lower or higher amount by a revenue collector or Sub- Accounting Officer.
218. (i) Every Revenue Collector shall keep a Cash Book in which all receipts shall be recorded in strict serial numbering order on the day of the receipt, promptly lodged in appropriate Government Account and a return thereof shall be made to the Sub-Accounting Officer or other prescribed officer on daily basis. Revenue Collectors' Duties.
- (ii) The lodgment as in (i) above shall be supported by a Revenue Collector's Paying-In Form (Treasury Form 15A) and the duplicate receipts shall be acknowledged by the Sub-Accounting Officer and included in the monthly returns.
- (iii) The Revenue Collector shall insert in the Paying-In Form the revenue classification codes to which the collections are to be credited and ensure that the Chart of Accounts classification codes are correct.
- (iv) Where receipts or licenses are of fixed value, such value being printed on the receipt or license form, the details need not be given in the Paying-In Form, nor counterfoils attached. The necessary information shall be supplied on Treasury Form 15A as follows:
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|-------------|-------------|-------|--------|
| Date | Receipt No. | NCOA. | Amount |
| 1 - 7 April | 1002 - 1016 | | ₦ : K |
| 15 at 50k | | | 7 50 |
- (v) Where a document itself constitutes a receipt (e.g. a passport booklet) or where adhesive postage stamps are used as evidence of receipt, a register showing full particulars shall be maintained by the

revenue collector and each entry therein checked and initialed by the responsible supervising officer who shall satisfy himself that all such revenue had been collected and brought to account in the cash book.

(vi) Federal Revenue Collectors resident in the States shall lodge all collections to the appropriate Federal Government Account (FR 227 and FR 228).

(vii) For the purpose of accountability, revenues received monthly as Federal Government Independent Revenue by all MDA and Federal Pay Offices and lodged into appropriate government revenue account shall be posted in the general ledger and reflected in the monthly Trial balance.

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| 219. | All receipt entries in the Revenue Collector's Cash Book shall include the dates and numbers of all receipts issued. The Revenue Collector shall obtain an official receipt for all moneys paid in. | Revenue Collectors' Cash Books. |
| 220. | <p>(i) Every Revenue Collector shall submit his cash book and receipt books for examination by the Sub-Accounting Officer.</p> <p>(ii) The Revenue Collector shall submit the revenue cash book and other source documents to the Sub-Accounting Officer for examination on weekly basis.</p> <p>(iii) The Sub-Accounting Officer shall on monthly basis prepare revenue reports to be submitted to the Accounting Officer with copy to the Accountant General.</p> <p>(iv) The Office of the Accountant-General shall carry out regular checks, inspection and monitoring of revenues of the MDA and other Arms of Government.</p> | Control over revenue collection |
| 221. | Sub-Accounting Officers, Federal Pay Officers and other Pay Officers are responsible for ensuring that Revenue Collectors lodge their collections into appropriate government account and submit their cash books for examination in accordance with FR 219, 221. | Sub-Accounting Officers' Duties. |
| 222. | <p>(i) Each MDA and other Arms of Government shall maintain a separate bank account for Revenue at the Central Bank of Nigeria or any other designated bank approved by the Accountant-General. The balance of the account at the end of the month shall be transferred to the Consolidated Revenue Fund (CRF) account as in the FR 219.</p> <p>(ii) On no account shall any withdrawal be made from the revenue account other than for the purpose of transfer to the consolidated revenue fund account.</p> <p>(iii) MDA and other Arms of Government who earn revenue in foreign currency shall ensure that such revenue is paid to the designated account in the Central Bank of Nigeria or any other approved bank for MDA and other Arms of Government outside Nigeria.</p> | Revenue Bank Account. |

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| 223. | <p>(i) When a Revenue Collector produces his cash book for examination to a Sub-Accounting Officer, the triplicates or counterfoils of his receipt books shall be checked with the receipt entries in his cash book.</p> <p>(ii) The Revenue Collectors' cash book shall be balanced daily and the cash or its equivalent shall be produced in support of any collection not paid in previously.</p> <p>(iii) Examining officers shall stamp, initial and date in ink the last receipt or counterfoil examined by them in each receipt book and shall initial and date the Revenue Collectors' cash book after they are satisfied that all monies received have been correctly accounted for.</p> <p>(iv) Measures shall be taken at each examination to ensure that no book issued to a Revenue Collector is being concealed for fraudulent purposes; and as far as possible, all books on issue to a Revenue Collector shall be produced for inspection on each occasion. Any book not produced at a particular inspection shall be called for at the next inspection, and where fraud is suspected, the Examining Officer shall immediately report to the Accounting Officer with a copy to the Accountant General.</p> <p>(v) Examining officers shall also impose additional check(s), as may be required by the circumstance.</p> | <p>Examination of Revenue Collector's Cash Book.</p> |
| 224. | <p>Whenever an incorrect entry is made on a receipt or license, the receipt or license shall be cancelled and a new one completed. The cancelled receipts or license, including the original, shall be retained in the receipt or license book.</p> | <p>Alterations on Receipts.</p> |
| 225. | <p>(i) It shall be the duty of the Accounting Officer responsible for the collection of revenue, to ensure that all collections are correctly and promptly brought to account.</p> <p>(ii) None of the checks and controls which are required by the Regulations to be carried out by Sub-Accounting Officer shall relieve the Accounting Officer of the ultimate responsibility of verifying that all collections are brought to account (FR.127 and 128).</p> <p>(ii) In addition to any other checks and controls which an Accounting Officer may consider necessary, Revenue Collectors' cash books and cash balances shall be checked periodically as may be necessary and the cash books shall be promptly reconciled with revenue registers or other records in use for the control of collections.</p> <p>(iii) Accounting Officers shall notify the Accountant-General and the Auditor-General of the establishment of any new revenue collecting office or unit.</p> | <p>Departmental Control.</p> |

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| 226. | If an Officer, who is neither a Revenue Collector nor a Sub-Accounting-Officer, receives any money other than his entitlements in the course of his official duties, he shall lodge such money into the appropriate government account without delay and obtain treasury receipt. The lodgement shall be supported by a paying-in form (Treasury Form 15). When accepting such lodgement, the Sub-Accounting Officer shall ascertain whether the officer is likely to come into possession of further monies in the course of his duties, and if so, shall arrange for the officer to be supplied with an official receipt booklet. | Money received by Officer not in Possession of Official Receipt. |
| 227. | Subject to FR 715 and 716, and unless the Accounting Officer or Sub-Accounting Officer expressly authorise otherwise, at all stations where there is a bank in which the government revenue account is kept, collections shall be paid into the credit of the government account at the bank, the relevant bank credit slip supported by completed Treasury Forms 15 or 15A in duplicate being tendered to the Sub-Accounting Officer in lieu of cash at the earliest possible time (FR 711). For further deliberation. | Revenue Collection Through the Bank. |
| 228. | <p>(i) Sub-Accounting Officers who function as Revenue Collectors shall bring their collections to account direct into their cash books, the receipt being acknowledged on General Receipt Form (Treasury Book 6) or the appropriate Receipt or License form.</p> <p>(ii) This Regulation in 230 (i) above is not intended to prevent a division of work in a particular office. Any officer other than the Sub-Accounting Officer may be supplied with a Revenue Collector's receipt book (Treasury Book 6A) and shall be responsible for the collection of any specified revenue. Such officer shall be subject to all regulations relating to the conduct of Revenue Collectors.</p> | Revenue Collection by Sub-Accounting Officer. |
| 229. | <p>(i) Any unexplained cash surplus or shortage and unknown bank receipts in any MDA or other Arms of Government shall be promptly brought to account. Unexplained cash surplus shall be treated as a receipt and paid into appropriate government account, placed in a Suspense Account, and reported to the Accounting Officer with a copy to the Accountant General.</p> <p>(ii) The Accounting Officer shall conduct investigation to determine the cause of the cash surplus, shortage or unknown bank receipts and submit report thereafter to the Accountant General who shall advise on the appropriate treatment of the surplus or deficit.</p> | Cash surplus or shortage. |
| 230. | Interest earned on bank accounts shall be properly classified to the appropriate revenue line items and paid to the appropriate revenue account. | Interest on Bank Deposit. |
| 231. | No deductions shall be made from any revenue collections or other receipts to adjust a previous over-credit. The gross amount received shall, on all occasions, be accounted for in full. The procedure for refunds or set-off is prescribed in FR 3006. | Deductions From Revenue Prohibited. |

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| 232. | <p>The following general principles shall apply in respect of all revenue due to Government:</p> <p>(i) All accounts or statements requesting payments of revenue due to government shall be sent out in advance and should show there on the date by which payment should be made.</p> <p>(ii) All services rendered by government shall be paid for in advance or immediately on completion of the service.</p> <p>(iii) Where payment is outstanding, a system of following-up by means of reminders and final demand through available communication channels shall be made. A Demand Note shall be used for this purpose, and definite instructions shall be laid down by Accounting Officers in all MDA and other Arms of Government for the reporting of revenue receivable at an early date to a designated officer for a decision as to the action necessary to enforce payment and this may include legal action.</p> | Revenue due to Federal Government. |
| 233. | Revenues receivable are revenues collectable during a given financial year but which remains uncollected by the end of the financial year. | Revenue Receivable. |
| 234. | Impaired revenue is revenue receivable which have become impossible to collect. | Impaired Revenue. |
| 235. | <p>Accounting Officers who are responsible for the collection of revenue shall furnish annually a return of revenue receivable at 31st December in each year and which remains uncollected as at that date. The return which shall be submitted by 14th of January each year, shall be prepared in triplicate, one copy each sent to the Accountant-General and the Auditor- General while the third shall be retained for record purposes. In cases where there is no outstanding revenue a NIL return shall be rendered. The Accountant-General shall list in the Annual Report these departmental returns for the information of the Public Accounts Committee.</p> <p>(ii) It shall be the responsibility of Accounting Officers to follow up all revenue receivables and to take all necessary steps to ensure collection and where collection is no longer possible, apply to the Minister of Finance for authority for a write-off with sufficient explanation.</p> | Returns of Revenue Receivable. |
| 236. | <p>All revenue collecting Agencies, MDA and other Arms of Government shall submit returns of revenues assessed as at 31st December of a given year which remain outstanding as at 31st March of the subsequent year. Such returns shall include all assessments in the following categories:</p> <p>(a) Under objection.</p> <p>(b) Under appeal.</p> <p>(c) Unpaid.</p> | Annual returns of revenue receivables. |

237.	<p>The returns to be rendered under FR 238 shall be accompanied with a schedule showing in respect of all revenues as at 31st December:</p> <p>(a) Revenue collected.</p> <p>(b) Revenue discharged on objection or appeal.</p> <p>(c) Revenue written off as irrecoverable under the prescribed authority during the previous year.</p>	Arrears of revenues.
238.	<p>(i) Revenue receivable returns shall include all arrears still outstanding from previous years if not written off.</p> <p>(ii) Officers responsible for returns of Revenue receivable shall not overlook the possibility of fraud in cases where there is a considerable increase in the arrears without adequate explanation. Steps shall be taken by the Accounting Officer to test this possibility through third party confirmation.</p>	All Arrears to be Reported.
239.	<p>(i) Where there are irrecoverable arrears of revenue, the Accounting Officer shall submit the list of all such arrears to the Accountant-General who shall subsequently review the list and if okay, seek the approval of the Minister of Finance for the write-off.</p> <p>(ii) Arising from FR.241 (i) above, the Minister of Finance shall, from time to time, furnish the Auditor-General the list of cases in which it has been decided to write-off or remit such arrears, with the reason for so doing entered against each case.</p>	Irrecoverable Arrears.
240.	If at any time, a Public Officer sustains a loss of revenue due to negligence, the officer shall be liable to be surcharged for the full amount involved.	Loss of Revenue by Negligence.
241.	<p>(i) It is mandatory for Accounting Officers to ensure full compliance with the remittance of Pay-As-You-Earn (PAYE), Stamp Duties (SD), Value Added Tax (VAT) and Withholding Tax (WHT) due on supplies, services contract.</p> <p>(ii) Any loss of government revenue due to non-deduction and remittance of Value Added Tax (VAT), Withholding Tax (WHT) and Stamp Duties to contractor or failure to deduct and remit the Pay-As-You-Earn (PAYE) to the relevant Tax Authorities by any MDA and other Arms of Government shall be recovered from the statutory allocation due to the defaulting MDA and other Arms of Government.</p> <p>(iii) Any Accounting Officer or Sub-Accounting Officer who fails to deduct or remit PAYE, Stamp Duties, VAT and WHT due on VATable supplies and services shall be sanctioned under the applicable Acts.</p>	Remittance of WHT, VAT, PAYE and Stamp Duties.
242.	Deductions or remittance of PAYE, Stamp Duties, WHT, and VAT shall be made to the relevant Tax Authorities at the same time the payee who is the subject of the deduction is paid.	Remittance of Taxes.

CHAPTER 3

EXPENDITURE AUTHORITIES

301. The Annual Appropriation Act, in line with Section 80 of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) is an instrument used to limit and arrange the disbursement of the funds of the Federal Government.
- (ii) All expenditure shall be incurred on the authority of a warrant or Authority to Incur Expenditure (AIE) issued by the Minister of Finance.
- (iii) No expenditure shall be incurred by any officer on any service, whether or not included in the Appropriation Act, until he has received an authority to do so.
- (iv) Any officer controlling a vote or part thereof, who incurs expenditure without such authority does so on his sole responsibility and will consequently be held pecuniarily responsible for his actions.
- Annual Appropriation Act.

PART I -
RECURRENT EXPENDITURE

302. (i) Recurrent expenditure shall be paid from the Consolidated Revenue Fund on the authority of a Warrant or AIE duly signed by the Minister of Finance and without such, the Accountant-General shall not accept any charge upon the Consolidated Revenue Fund.
- (ii) The authority of the Minister of Finance shall be conveyed in any of the following forms of warrants:
- (a) Provisional General Warrant;
 - (b) Recurrent Expenditure General Warrant;
 - (c) Recurrent Expenditure (Supplementary) General Warrant;
 - (d) Contingency Warrant;
 - (e) Supplementary (Contingency) Warrant;
 - (f) Virement Warrant (in line with FR 103);
 - (g) Supplementary (Statutory Expenditure) Warrant; and
 - (h) Authority to Incur Expenditure (AIE).
- Recurrent Expenditure Warrant or AIE
303. In line with Section 82 of the Constitution of the Federal Republic of Nigeria, 1999 (as amended), a Provisional General Warrant shall be issued where the Appropriation Act has not come into operation at the commencement of the financial year. The warrant shall authorise the withdrawal of money from the fund as may be necessary for carrying on the services of government for a period not exceeding six months and at a level not exceeding the level of those services prevailing in the previous financial year. The original copy of a Provisional General Warrant shall be addressed to the Accountant-General with a signed copy forwarded to the Auditor-General. A notification that the warrant had been signed shall also be published in the Federal Official Gazette.
- Provisional General Warrant.

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304. (i) The General Warrant authorizes the Accountant-General to release funds to pay for the personnel emoluments and other services provided for in the Annual Appropriation Act, and authorize the officers controlling expenditure to incur expenditure on these purposes. General Warrant.
(ii) The Minister of Finance may exclude from the Annual General Warrant any item of expenditure over which it is necessary to exercise control (FR 311).
(iii) The original copy of the Annual General Warrant shall be addressed to the Accountant-General with a signed copy forwarded to the Auditor-General. A notification that the warrant has been signed shall also be published in the Federal Official Gazette.
305. (i) A Supplementary General Warrant authorizes the Accountant-General to release funds to pay for the additional personnel emoluments and other services approved in a Supplementary Appropriation Act. Supplementary General Warrant
(ii) The Minister of Finance may exclude from the Supplementary General Warrant any item of expenditure over which it is necessary to exercise control (FR 311).
(iii) The original copy of a Supplementary General Warrant shall be addressed to the Accountant-General with a signed copy forwarded to the Auditor-General. A notification that the warrant has been signed shall also be published in the Federal Official Gazette.
306. (i) A Supplementary (Contingency) Warrant may be issued in very exceptional cases, where virement is not possible and where an application for additional provision reveals such a degree of urgency that the issue of funds cannot, without serious injury to the public interest, be postponed until a Supplementary Appropriation Act is passed. Supplementary (Contingencies) Warrant.
(ii) The authority for such expenditure shall be conveyed by the issuance of Contingency Warrant to the Accountant General, authorizing the transfer of the required funds from the Contingency Fund to the Consolidated Revenue Fund, and also by the issuance of a Supplementary (Contingency) Warrant, authorizing expenditure thereof.
(iii) The original copies of both warrants shall be addressed to the Accountant-General, with signed copies forwarded to the Auditor-General. The Minister of Finance shall also notify the officers controlling the relevant votes of the additional expenditure authorized.
307. Under no circumstance shall expenditure incurred under this Contingency Fund procedure be charged, or the relevant vouchers classified directly to the Contingency Fund. Expenditure authorized under this procedure is subject to the approval of the National Assembly and must for this purpose be included in a Supplementary Appropriation Act. No Direct Charge to Contingency Fund.

The expenditures incurred under this procedure shall only be recognized as proper charge on the Consolidated Revenue Fund after the approval of the Supplementary Appropriation Act to which it relates.

308. A Supplementary General Warrant shall be the authority for the Accountant-General to transfer any sum appropriated from the Consolidated Revenue Fund to the Contingency Fund by way of replenishment. Contingency Fund (Replenishment of).
309. (i) A Virement Warrant shall be issued when, as a result of circumstances which could not have been foreseen when the Annual Estimates were being compiled and additional provision is required under a particular line item of an Economic code (sub-head) while, at the same time, equivalent savings can be made under another line item of Economic code (sub-head) of the same Administrative code (Head). Virement Warrant.
(ii) Virement Warrants shall only be issued after the approval of the National Assembly.
310. Virement of funds from one line item to the other may be processed under the following conditions: Conditions for Virement
(a) the amount to be vired from any line item within a financial year under overhead vote shall not exceed any limit prescribed by the National Assembly in the Appropriation Act for each line item under the overhead vote;
(b) virement shall not be used to create a new line item or re-introduce items disallowed by the Estimates Committee during the Estimates exercise or by the National Assembly; and
(c) virement shall not apply to queries raised by the Auditor-General in respect of improper expenditure already incurred by MDA and other Arms of Government.
311. Any variation in the establishment and or rates of allowances authorized for the Public Service in the Annual or Supplementary Estimates, whether or not it requires an addition by virement to the personnel emoluments vote concerned, must receive the approval of the Minister of Finance, Office of the Head of Civil Service of the Federation and National Salaries, Incomes and Wages Commission which approval shall be notified to the Auditor-General. Variations in Establishments.
312. (i) A Supplementary (Statutory) Expenditure Warrant shall be issued in respect of votes which are chargeable against the Consolidated Revenue Fund by virtue of the Constitution of the Federal Republic of Nigeria, where necessary additional expenditure is required over and above what was included in the General Warrant or in a Supplementary General Warrant. Supplementary (Statutory) Expenditure Warrant.
(ii) The original copy of a Supplementary (Statutory) Expenditure

Warrant shall be addressed to the Accountant- General with a signed copy forwarded to the Auditor- General. The Minister of Finance shall also notify the officer(s) controlling the relevant votes of the additional expenditure authorized.

313. (i) The authority conveyed to the Accountant-General, and to officers controlling votes, by Recurrent Expenditure Warrants shall be limited to the amounts provided under each line item in the General Appropriation and Supplementary Appropriation.
(ii) No expenditure on any line item of the Recurrent Appropriation in excess of the provision in the General Appropriation or Supplementary Appropriation shall be authorized by any officer controlling a vote, without the approval of the National Assembly. This approval shall be sought by means of an application for supplementary provisions or virement.
314. Where fund is required to complete payment of an item for which provision was made in the previous year's Appropriation, and for which provision was not made in the current year's Appropriation, an application for supplementary provision shall be made.
315. An unspent balance on a recurrent expenditure vote shall lapse at the end of the financial year it relates.
316. (i) Subject to any special instruction which may from time to time be issued, applications for supplementary provision shall be submitted to the Minister in-charge of Budget matters on General Form 57, with a copy to the Accountant General and the Auditor-General. Where questions of establishments, grading or personnel are involved, a copy shall also be sent to the Office of the Head of Service of the Federation.
(ii) The Minister in-charge of Budget matters may after due consultation where necessary, decide whether an application is justified and the provision of additional funds is in the public interest. He shall also decide whether the provision should be included in the Supplementary Appropriation Bill to be submitted to the National Assembly or provide the funds immediately by means of a Supplementary (Contingency) Warrant.
317. (i) MDA and other Arms of Government shall forward completed application General Form 57 relating to virement on grading and establishment to the Office of the Head of Service of the Federation. Such application shall be made and approval obtained not later than first quarter of the Financial Year.
(ii) The Office of the Head of Service shall collate all completed form General Form 57 relating to virement in respect of funds on Establishment Matters and forward to the Budget Office of the Federation with copies to the Accountant-General and Auditor-General. Such application shall be submitted and approval obtained not later than the tenth month of the budget year. Any application

Authorized
Expenditure Not
to be Exceeded.

Payment for
ongoing Projects
not included in
current year.

Lapse of
Recurrent
Votes.

Application for
Supplementary
Provision.

Application for
Virement on
Establishment
Matters

submitted after the tenth month shall not be considered.

(iii) Virement from one line item in the Recurrent Expenditure Votes to another line item in Capital Expenditure Votes is prohibited.

(iv) All applications for virement shall be submitted to the Minister in-charge of Budget matters who shall collate and forward such application(s) to the National Assembly for approval on or before the tenth month of the year budget year.

(v) A register shall be kept for all approved virements, details of which shall be forwarded within one month to the Office of the Accountant-General and the Auditor-General.

318. Officers authorized to incur expenditure shall ensure that, on receipt of the virement warrant, expenditure against the line item from which the provision was transferred shall not be allowed to exceed the reduced balance therein. Officers controlling votes shall personally be responsible for ensuring compliance with this regulation. Control over “ Virement.

PART II - CAPITAL EXPENDITURE

319. Capital Expenditure is paid from the Development Fund, and no such expenditure shall be incurred except on the authority of a warrant duly signed by the Minister of Finance, and without which the Accountant-General shall not accept in his accounts any charge upon the Development Fund. The authority of the Minister of Finance shall be conveyed in any of the following forms of Warrants: Capital Expenditure from Development Fund.
- (a) Provisional Development Fund General Warrant.
 - (b) Development Fund General Warrant.
 - (c) Development Fund Supplementary General Warrant.
 - (d) Development Fund Supplementary Warrant,
 - (e) Development Fund (Special) Warrant.
 - (f) Development Fund Virement Warrant.
 - (g) Authority to Incur Expenditure (AIE)
 - (h) Any fund received under Service-Wide Vote shall be reported separately.
320. In line with Section 82 of the Constitution of the Federal Republic of Nigeria, 1999 (as amended), where the Capital Appropriation has not come into operation at the commencement of the financial year, the President shall authorize the withdrawal of funds from the Development Fund as may be necessary through the issuance of a Provisional Development Fund General Warrant for carrying on the services of Government for a period not exceeding six months Provisional Development Fund General Warrant.

and at a level not exceeding the level of those services prevailing in the previous financial year.

The original copy of a Provisional Development Fund General Warrant shall be addressed to the Accountant-General with a signed copy forwarded to the Auditor-General. A notification that the warrant has been issued shall be published in the Federal Official Gazette.

321. (i) The Development Fund General Warrant authorizes the Accountant-General to release funds for expenditures on capital projects, as contained in the Annual Appropriation Act, and authorizes the officers controlling the expenditure votes to incur expenditure on these projects. Such authority shall be conveyed after the Capital Expenditure Estimates have received the approval of the National Assembly and assented to by Mr. President.
Development Fund General Warrant.

(ii) The Minister of Finance may exclude from the Development Fund General Warrant any item of expenditure over which the Minister decides to exercise control.

(iii) The original copy of the Development Fund General Warrant shall be addressed to the Accountant-General with a signed copy forwarded to the Auditor-General. A notification that the warrant has been issued shall be published in the Federal Official Gazette.
322. (i) Development Fund Supplementary General Warrant authorizes the Accountant-General to release funds, and the officers controlling the votes concerned to incur expenditure, on projects as approved by the National Assembly in its resolutions approving the Supplementary Capital Appropriation.
Development Fund Supplementary General Warrant.

(ii) The Minister of Finance may exclude from the Development Fund Supplementary General Warrant any item of expenditure included in Supplementary Capital Appropriation over which the Minister decides to exercise control.

(iii) The original copy of a Development Fund Supplementary General Warrant shall be addressed to the Accountant-General with a signed copy forwarded to the Auditor-General. A notification that the warrant has been issued shall be published in the Federal Official Gazette.
323. (i) A Capital Supplementation Fund Warrant or AIE authorizes the Accountant-General to release funds and the officers controlling the votes concerned to incur expenditure in certain circumstances on capital projects beyond the amounts provided for in the year concerned whether in the Annual or Supplementary Capital Appropriation. Its purpose is to accelerate the provision of funds formally appropriated but not allocated to any specific project.
Capital Supplementation Warrant or AIE

(ii) Provision of funds by such a Warrant or AIE is strictly limited insofar as the amount of the provision brought forward, when added to the total expenditure authorized for the current year, does not exceed the estimated total cost of the project as shown in the

Annual or Supplementary Appropriation.

The original copy of the Capital Supplementation Warrant or AIE shall be addressed to the Accountant-General with a signed copy forwarded to the Auditor- General. The Minister of Finance shall also notify the officers controlling the relevant votes of the additional expenditure so authorized.

(ii) Expenditure authorized under Capital Supplementation Warrant or AIE shall be reported to the National Assembly.

324. (i) The Federal Executive Council (FEC) may authorize the Minister of Finance to issue a Development Fund (Special) Warrant when an application for Supplementary provision reveals a degree of urgency which makes it essential that funds be immediately made available to meet expenditure which can not be provided for by virement, or without serious injury to the public interest, and can not be postponed until adequate provision can be made by the National Assembly.
- (ii) The issuance of such a Warrant for any amount is subject to the limit that, if expended at once, it shall not exceed the remaining balance of the Development Fund after necessary provision had been made for expenditure authorized by the Development Fund (Special) Warrant. The expenditure on the Warrant shall be reported under the appropriate Economic Codes (Sub-head) of Capital Expenditure to the National Assembly during Budget Performance Review Session.
- (iii) The original copy of a Development Fund (Special) Warrant shall be addressed to the Accountant-General with a signed copy forwarded to the Auditor-General. The Minister of Finance shall also notify the officer(s) controlling the relevant votes of the additional expenditure so authorized.
325. (i) The Development Fund Virement Warrant is issued to provide additional funds required for the completion of a capital project for which the funds earlier provided in the Annual or Supplementary Appropriation Acts was insufficient, where sufficient offsetting savings can be found within the amounts appropriated for under other capital projects in the same Economic Programme. Such virement shall be subject to the following conditions:
- (a) re-allocation shall be made only within the same line item of expenditure in the Capital Appropriation;
- (b) the re-allocation shall not give effect to a new principle or policy, or increase the provision approved by the National Assembly; and
- (c) the virement shall not be used to introduce a new project.
- (ii) A Development Fund Virement Warrant shall only be issued by

Development
Fund (Special)
Warrant.

Development
Fund Virement
Warrant.

the Minister of Finance after approval of the National Assembly. The original copy of the Warrant shall be addressed to the Accountant-General and a signed copy shall be forwarded to the Auditor-General. The Minister of Finance shall also notify the officer(s) controlling votes of the additional expenditure authorized.

326. (i) Subject to any special instructions which may be issued from time to time, applications for additional capital provision shall be made by a letter addressed to the Ministry in charge of Budget. Capital Expenditure: Application for Additional Provision.
- (ii) Where an application involves the bringing forward of expenditure, the request shall be supported by a statement showing in respect of each project concerned:
- (a) the estimated total cost as shown in the Current Appropriation, whether Annual or Supplementary;
 - (b) the total expenditure incurred up to the end of the previous financial year;
 - (c) the provision in the Current Appropriation, whether Annual or Supplementary; and
 - (d) The unspent balance in the appropriate vote at the end of the previous financial year.
327. (i) The release of fund from any Special Account shall be through a Warrant or Authority to Incur Expenditure issued by the Minister of Finance and addressed to the Accountant-General to make disbursements from specific Public Fund in the manner prescribed by law and in accordance with the special rules relating to each Fund. Release of Funds from Special Accounts
- (ii) Every MDA and other Arms of Government that are recipients of Special Funds shall prepare and submit its Annual Budget of Revenue and Expenditure to the Minister in-charge of Budget matters to ensure that such documents are transmitted to the National Assembly along with the Appropriation Bill of the Federal Government.
- (iii) No MDA and other Arms of Government shall incur any expenditure from any Special Account unless such has been approved by the National Assembly.

CHAPTER 4

EXPENDITURE - CLASSIFICATION AND CONTROL

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|------|--|---|
| 401. | Pursuant to the provisions of the Fiscal Responsibility Act 2007, Public Procurement Act 2007 and other extant rules, all Accounting Officers shall exercise due economy and ensure adherence to value-for-money in all financial transactions of their MDA and other Arms of Government. | Management of Expenditure |
| 402. | <p>(i) All Accounting Officers and Officers controlling expenditure shall ensure that all procurements of works, goods and services are made in accordance with the threshold as provided in the Public Procurement Act, 2007 and other extant rules.</p> <p>(ii) All Accounting Officers in MDA and other Arms of Government shall adhere to the expenditure limit of reimbursable imprest as shall be specified from time to time through the Annual General Imprest Warrant.</p> | Expenditure Threshold. |
| 403. | <p>(i) All releases of public funds shall be made by the Accountant-General on the authority of the appropriate Warrant or AIE issued by the Minister of Finance, while the Accounting Officers entrusted with expenditure of public funds shall be responsible for the disbursement of funds released within the votes of charge of their MDA and other Arms of Government.</p> <p>(ii) The provisions of FR 406 notwithstanding, the ultimate responsibility for the control of votes rests with the Accounting Officers at all times. However, any other officer(s) making, allowing or directing any disbursement without proper authority shall be personally responsible for the amount involved and any officer whose duties require him to render accounts shall similarly be held responsible for any inaccuracy in his accounts.</p> | Release, disbursement and control of public funds |
| 404. | <p>(i) Every officer controlling a vote shall monitor the receipt and disbursement of the MDA and other Arms of Government with reference to the amounts provided in the Appropriation Act.</p> <p>(ii) The officer shall keep a Departmental Vote Book in manual or electronic format, posted up-to-date in such form as will clearly show the following details in respect of each line item of expenditure:</p> <p>(a) The relevant National Chart of Accounts Codes</p> <p>(b) The amount approved in the Appropriation Act;</p> <p>(c) The amount of any additional provision by supplementary or other Warrants quoting the Warrant Number;</p> <p>(d) Any reduction of the provision by virement to another line item quoting the Warrant Number. Any such reduction should be shown in red ink.</p> <p>(e) Expenditure incurred and cumulative;</p> <p>(f) Any further known liabilities under the line items for the year;</p> <p>(g) The balance available.</p> <p>(iii) Under no circumstance shall the disbursements exceed receipts in the Vote Book.</p> | Departmental Vote Book. |

- (iv) The officer controlling vote or such other officer acting under his instructions shall without delay investigate fully any payment or charges appearing in the schedule of Payment Vouchers which do not appear in the Vote Book. This is necessary to ensure proper control over the Vote Book.
405. (i) The gross amount which is the actual charge to the vote shall be entered in the Vote Book, while all liabilities and commitments shall be entered as soon as they are known or incurred, such as requisitions for works, goods and services (Local Purchase Orders, Letter of Award or Job Orders).
 (ii) Liabilities or commitments shall be cleared with necessary adjustments when the actual payment is made.
 (iii) Line item(s) of the Economic Segment of the NCOA affected by Warrants or AIE shall be adjusted in the Vote Book by addition to, or deduction from the amount hitherto shown as provided, as the case may be.
406. An Accounting Officer may delegate the day-to-day control of expenditure to a subordinate officer by the direct delegation of the whole Vote by a written instruction (FR 403). An officer to whom responsibility for expenditure control has been delegated shall keep a Vote Book in the manner prescribed in FR 404. The officer (The Delegatee) to whom responsibility for expenditure control has been delegated shall not sub-delegate such responsibility wholly or partly, without the knowledge and approval of the officer controlling the vote.
407. (i) When it is necessary, an Accounting Officer may authorize other officer(s) to incur expenditure and sign vouchers through the use of Internal Authority to Incur Expenditure (A.I.E) supported by appropriate funding, addressed to the officers concerned with copies to the Sub-Accounting Officer at the paying station or office.
 (ii) The Sub-Accounting Officer shall maintain a Memorandum Register to ensure that the amount on the A.I.E is not exceeded. The officer controlling the vote shall enter the amount of the A.I.E in his Vote Book as a commitment.
 (iii) The officer to whom the A.I.E. has been issued shall also keep a Vote Book and shall submit to the officer controlling the vote at the end of every month, returns of expenditure, liabilities incurred and the balance available, together with copies of the vouchers. The expenditure so incurred shall be reconciled by the officer controlling the vote in accordance with FR 405.
408. (i) At the time of entry in the Vote Book whether as a payment or a liability, all Vouchers, Local Purchase Orders, Letter of Award, Job Orders and Agreements shall be stamped "POSTED INTO VOTE BOOK" and initialled by the officer responsible for maintaining the Vote Book. Officers empowered to incur expenditure shall ensure by adding their initials against the relevant entry that the requisite vote

Entries in Vote Books.

Delegation of Responsibility Expenditure Control.

Internal Authority to Incur Expenditure

Vouchers to be Stamped Posted into Vote Book

book entries are made before the payments are authorized by their signatures to the payment vouchers.

409. (i) Where a serious irregularity in a voucher is suspected, the officer controlling the vote shall immediately investigate and report the circumstances, inform the Director of Finance and Account or Head of Accounts, and if the irregularity is established, take such other action as is necessary to remedy the error or to prevent re-occurrence. Where a loss of public fund is revealed, action shall be taken in accordance with Chapter 25 of this Financial Regulation.
- (ii) In the event of any unauthorized payment being made in consequence of an incorrect certificate or entry on a voucher, the certifying officer or the sub-accounting officer as provided under FR 418 shall be held responsible and surcharged for the amount involved.
- Investigation of financial irregularity
410. (i) The signature of the officer controlling a vote or an officer signing for him, shall certify to the accuracy of every detail on the voucher, including that:
- a) computations and castings have been verified and are arithmetically correct;
 - b) the person(s) named in the vouchers are those entitled to receive the payment for works, goods and services.
 - c) the relevant supporting documents are duly signed by the appropriate officer(s) authorized to do so.
- (ii) The officer(s) that certifies the Job Completion Certificate, Store/Inventory Receipt Vouchers and the Stock Verification shall be held responsible for the following assurance(s):
- a) that the contract (works, goods and services) have been duly procured and/or executed or correctly issued for immediate consumption, if they are expendable;
 - b) that the services specified have been satisfactorily performed; and
 - c) that the prices charged are in line with the contract agreements.
- (iii) Any violation of section 411(i-ii) above constitutes an offence under this Financial Regulation.
- Responsibility for Signing Certificate on Vouchers.
411. Officers authorized to sign payment vouchers shall not be below the rank of Principal Accountant. The specimen signature of the officer authorized to sign Payment Voucher shall be authenticated by the Accounting Officer and forwarded to the Internal Checking Section, Internal Audit and the Paying Officer along with the list of relevant votes chargeable.
- Officers authorized to sign Payment Voucher
412. (i) Where a contract involves supplies of goods or works, there shall be attached a certification in line with the terms of the contract agreement that the goods have been supplied and the work properly carried out, while in the case of supplies, the articles have been received.
- Certification of Payments

- (ii) In the case of a payment on account, no money shall be claimed other than the cost of the work certified to have been performed. If a deduction is made from the amount payable on a contract in respect of a penalty or fine, the net sum only shall be paid, while the deduction shall be credited to the appropriate revenue line item as per the NCOA.
- (iii) Every part payment must be supported by a fresh payment approval by the Accounting Officer, GIFMIS print-out of past payment(s) and Certification by the Internal Auditor.
413. The authority for recurrent and capital expenditures conveyed by any of the warrants contained in Chapter 3 shall lapse at the end of the financial year to which it relates, except as otherwise approved by the National Assembly. Any unspent balance required for the completion of a service may be provided for in the Appropriation Act of the year in which the sum will actually be expended. Expenditure Authorities to Lapse with Financial Year.
414. (i) The unexpended portion of any line item shall not be drawn for the purpose of warehousing it to meet impending payments, or be carried to a deposit account or any other account. Unspent Balances to Lapse with Financial Year.
- (ii) For the purpose of avoiding an excess on the amount provided in the Appropriation Act, expenditure properly chargeable to the account of a given year shall be met within the financial year and shall not be deferred or placed in any other account.
- (iii) Unallocated inventories (stores) shall not be drawn for use before they are required in order to utilize provision in the Appropriation Act which would otherwise lapse at the end of the financial year.
415. Accounting Officer(s) shall ensure that there is value for money in the disbursement of funds. Funds shall not be spent merely because it has been voted for. Economy in disbursement of funds
416. (i) Without prejudice to FR 312, sums due to contractors whose project have been provided for in the Annual Appropriation and the 'Certificate of No Objection' to award contract or Financial Commitments have been made (contract(s) having been duly executed) shall be entitled to payment. Payments Due to Contractors but Not Paid.
- (ii) Pursuant to sub-section (i) above, the Accountant-General shall determine the level of such amounts due but which could not be paid owing to lack of funds at the end of the financial year and seek the approval of the Minister of Finance for a re-vote through supplementary appropriation in the subsequent year.
417. (i) The expenditure of government shall be strictly classified in line with the National Chart of Accounts into Recurrent and Capital Expenditures. Expenditure shall strictly be in accordance with the Appropriation Act, and votes shall be applied only for the purpose to which the fund is provided. Classification and Control of Expenditure

- (ii) The expenditure controls may either be in approved manual and/or electronic platform.
418. Before making any payment, a Sub-Accounting Officer shall satisfy himself that:
- (a) The expenditure has been authorized by Warrant or AIE and the voucher is correctly classified in accordance with the relevant NCOA code;
- (b) Appropriate approval of the Accounting Officer has been obtained;
- (c) The information provided on the voucher is correct, the certification on the voucher is completed and the voucher is signed by the appropriate officer;
- (d) The original or certified true copy of all relevant supporting documents are attached;
- (e) All necessary deductions from staff salaries and appropriate deductions from third parties are made (FR 609 and FR 611).
419. The classification of a voucher shall not be changed arbitrarily by a checking officer or Sub-Accounting Officer. An alteration to the classification of a voucher shall only be effected by the officer controlling expenditure who shall amend his Vote Book accordingly.
420. (i) Accounting Officers shall ensure that payment for services rendered are settled within the financial year in which they relate.
- (ii) Where funds are insufficient in the vote to cover the payment(s) in 423(i) above, the Accounting Officer shall accrue for such liabilities at the end of the financial year and make a return to the Accountant-General.
- (iii) All instruments of commitments (Local Purchase Order, Letters of Award, Job Orders and signed contracts) shall be entered into the Vote Book as liabilities. All such instruments shall be embossed with the impression "POSTED INTO VOTE BOOK" (FR 408).
421. (i) Where it is necessary for MDA and other Arms of Government to establish and operate a revolving fund, the approval of the Accountant-General shall be obtained.
- (ii) For purposes of accountability, MDA and other Arms of Government shall maintain appropriate accounting records for the revolving fund in line with guidelines issued by the Accountant-General from time-to-time.
- (iii) Where the Revolving Fund is already in operation before the commencement of this Financial Regulation, the MDA and other Arms of Government shall immediately regularize their operations in line with the Guidelines issued by the Accountant General.
- (iv) Monthly returns shall be submitted to the Accountant-General in respect of transactions relating to the revolving fund by the Accounting Officer.

Sub-Accounting
Officers:
Payment
Responsibilities.

Alteration in
classification.

Expenditure:
settlement
within financial
year.

Operation and
Accounting for
Revolving
Fund

CHAPTER 5

STANDARDIZATION OF ACCOUNTING

RULES AND PROCEDURES

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| 501. | By the provisions of Sections 3 and 4 of the Finance (Control and Management) Act Cap 144 Laws of the Federation, 1990 (as amended) the Minister of Finance shall have full authority to direct on all matters relating to the finance and accounting affairs of the Federation which are not by law assigned to any other Minister. Specifically, the Minister of Finance shall from time to time direct the issuance of the Public Financial Regulations to guide MDA, other Arms of government and public officers on the receipts and disbursements of public funds, as well as the management of public assets and liabilities. | Authority of Minister of Finance |
| 502. | The Accountant-General, pursuant to FR 501, shall issue from time to time Treasury Circulars and Accounting Manuals to guide Accounting Officers and other officers of MDA and other Arms of Government on all matters relating to public financial management. | Issuance of Treasury Circular and Accounting Manuals |
| 503. | All MDA and other Arms of Government shall comply with the provisions of the Financial Regulations, Accounting Manuals, Treasury and other related Finance Circulars, and approved Accounting Standards in the preparation of their Financial Statements. | Compliance with accounting rules and regulations |
| 504. | Any material variation of an existing accounting rules and procedures or a proposed accounting document(s) to be introduced by any MDA and other Arms of Government, shall be approved by the Accountant-General. | Approval for variations in existing accounting rules |
| 505. | The deployment of any Information and Communication Technology (ICT) infrastructure for the purpose of processing financial transactions, budgeting, accounting, reporting, and internal auditing shall be compatible with government approved applications and be approved by the Accountant-General in collaboration with relevant agencies. | Deployment of ICT infrastructure |
| 506. | All MDA and other arms of Government shall use the National Chart of Accounts (NCOA) for budget preparation, execution and reporting. | Use of National Chart of Accounts |
| 507. | (i) All MDA and other Arms of Government shall use a uniform reporting format of financial statements authorized by the Accountant-General in line with International Public Sector Accounting Standards (IPSAS) and | Uniform Reporting Format by all MDA and other |

	International Financial Reporting Standards (IFRS) for the Commercial Public Sector Entities.	arms of government.
	(ii) The Financial Statements shall include a minimum of the following:	
	(a) Statement of Financial Performance;	
	(b) Statement of Financial Position;	
	(c) Statement of Cash Flow;	
	(d) Statement of Changes in Net Assets and Equity;	
	(e) Statement of Comparison of Budget and Actual; and	
	(f) Notes to the Accounts.	
508.	Any creation or modification of codes to the National Chart of Accounts shall be approved by the Federation Accounts Allocation Committee (FAAC). Application for such creation or modification shall be routed through the Accountant-General of the Federation.	Creation and modification of National Chart of Accounts
509.	The approved National Chart of Accounts and Accounting Manual as well as all Treasury Circulars issued by the Accountant-General for MDA and other Arms of Government shall be circulated to MDA and other Arms of Government for their guidance and compliance.	Circulation of National Chart of Accounts and Accrual Accounting Manual
510.	All MDA and other Arms of Government shall adopt a financial year of 1st January to 31st December for uniformity in accounting and reporting.	Uniform Financial Year.

CHAPTER 6

PAYMENT PROCEDURES

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| 601. | <p>(i) The Accounting Officer shall approve payments for all completed projects in line with approved public procurement thresholds for goods, works and services.</p> <p>(ii) The Accounting Officer shall approve release of funds for all programmes, but where the amount is above one hundred million Naira, seek the endorsement of the Political Head. This threshold for programme activities may be subject to review by the Minister of Finance.</p> <p>(iii) Under no circumstance shall approval for payment be made for unexecuted contract or service.</p> <p>(iv) The Accounting Officer shall on regular basis inform their political heads on payments made in line with 601(i and ii) above.</p> | Approval for Payment |
| 602. | <p>(i) Every payment shall be vouched for separately on one of the prescribed treasury forms and entered into the Cash Book.</p> <p>(ii) Vouchers shall be prepared and made in favour of the person(s) persons to whom the payment is actually due.</p> <p>(iii) Under no circumstance shall payment be made for service for which a voucher has not been prepared.</p> | Vouchers on prescribed treasury forms |
| 603. | Separate vouchers shall be raised for payment of different services based on approval by the appropriate authority and classified in line with the Chart of Accounts. | Vouchers for separate service. |
| 604. | <p>(i) All vouchers which shall be serially numbered shall contain full particulars of each service, such as payees, dates, quantities, distances, rates and expenditure authority to enable them to be checked without reference to any other document(s) and be supported by relevant documents such as Accounting Officer Approval, letters of award, contract documents, job orders, delivery notes, Store Received Voucher, Job Completion Certificates invoices, letters of authority, time sheets and other document(s) as may be necessary.</p> <p>(ii) The following particulars, as may be applicable must be given on vouchers:</p> <p>(a) Reference to contracts and details of any previous payment(s) under such contracts;</p> <p>(b) Reference to the numbers, dates and stations of deposits in case of repayments;</p> | Particulars on Vouchers. |
| 605. | <p>The following rules shall be strictly observed in the preparation of payment vouchers:</p> <p>(a) Vouchers shall be made only out either in ink, ball pens or typewritten and be legible. The total amount of a voucher shall be written in figure and in words.</p> <p>(b) No erasures of any kind, whether in typescript or manuscript or the use of correction fluid shall be allowed.</p> | Preparation of Payment Vouchers. |

(c) A single thick horizontal line shall be drawn immediately before, and immediately after the Naira (₦) figure where it appears in word. Spaces shall not be allowed. Where the (₦) figure is nil, the word "NIL" shall be entered in the appropriate space.

606. (i) Officer controlling vote shall maintain a payment voucher register as shown below: Payment Voucher Register.

Date	PV No.	NCO	Payee	Description	Amount	Sign

(ii) Under no circumstances shall a voucher be signed until it has been entered in the register and the accuracy of the entries therein confirmed.

607. Only the originals of payment vouchers shall be signed in full in ink or ball pens by the certifying officer and the payee while copies shall be initialled or stamped. Facsimile or scanned signature stamps shall not be used. Any name stamp used for copy vouchers must be strictly safeguarded by the officer concerned. Signing of Payment Voucher
608. Each certificate on a payment voucher shall be signed separately. Signatures shall not be written across one or more certificates. Signing of payment voucher certificate
609. Duplicate and triplicate copies shall be clearly marked "Duplicate", "Triplicate" and copies shall not be accepted as payment vouchers. Marking of duplicate and triplicate vouchers.
610. (i) All payment vouchers shall be passed to Checking Section for checking to ensure that all the requirements of a valid voucher are on the payment voucher. Checking of Payment Voucher.
- (ii) All vouchers shall be stamped "checked and passed" for payment and duly signed by the Checking Officer in the appropriate place on the voucher.
- (iii) Payment vouchers received in the Checking Section must be promptly treated and under no circumstance shall a voucher be held in the Section for more than forty-eight (48) hours.
611. (i) Alterations to the amount on a voucher whether in words or figures shall render it invalid and a new voucher shall be prepared in replacement thereof. Any other alteration shall be supported by the full signature of the officer certifying the voucher. Alterations on Vouchers
- (ii) In all circumstances where signature is required, the use of electronic/digital signature shall suffice.

612. A Sub-Accounting Officer shall not make payment against a voucher unless it is:
- Sub-Accounting Officer's duties before payment
- (a) certified for payment by the officer authorised to do so;
- (b) stamped "checked and passed for payment" and is duly signed to that effect by the Checking Officer in the appropriate place on the voucher;
- (c) not more than ninety (90) days since the voucher was prepared, signed and dated by officer controlling expenditure;
- (d) accompanied by a schedule in the following form:

Office of issue.....				Serial No. of Schedule... ... Date.....	
P.V No.	PV date	NCOA	PAYEE	Amount ₦ : K	For Payment At
Total					
I certify that the above vouchers have been entered in the vote book and funds are available therein					
.....					
Signature of Officer Controlling Expenditure					

- (e) stamped "Entered in the Vote Book" and signed by the officer maintaining or keeping the Vote Book.
613. When a voucher is submitted to a Sub-Treasury or Central Pay Office for payment at another station, it shall, after being checked and stamped in accordance with FR 609, be sent under security schedule of Transfer of Payment Vouchers through the Sub- Treasurer (TF 193).
- Vouchers Payable at Other Stations.
614. (i) Payments shall be made only to the person(s) named on the vouchers or their properly authorised representatives.
- (ii) Paying Officers shall satisfy themselves that the person claiming the payment is the person authorised to receive the amount and it shall be the duty of the MDA and other Arms of government authorising payment to furnish proof of identity if required.
- Identification of Payees

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| 615. | Where a payee cannot read and or write, the payee's thumb print shall be witnessed by a literate official other than the paying officer. A description of the witness shall be given, such as name, rank, and title among others on the voucher. When necessary, the witness' certificate bearing the names and thumb print's mark of the payee shall be attached to the voucher. The certificate in vernacular characters shall likewise be certified and witnessed. | Where a Payee cannot read and/or write |
| 616. | When payments are to be made to legal representatives, authorities such as certified true copies and original(s) of Powers of Attorney, Letters of Administration among others, shall be presented to the Sub-Accounting Officer for inspection and a certificate showing that they have been seen shall be appended to the voucher. The certified true copy(ies) shall be attached to the voucher. | Payments to Legal Representatives
. |
| 617. | Payments to corporate bodies shall be made through electronic means in favour of the organization into their nominated bank accounts. Where the payment involve cheques collection, the organization shall forward to the MDA and other Arms of Government a letter of introduction on the organizations letter-head and duly signed by its Chief Executive Officer authorizing the release of cheque to an accredited representative whose specimen signature and passport photograph (duly endorsed) attached to the letter. | Payments to corporate bodies. |
| 618. | When it is impracticable for an officer to obtain receipts for petty disbursements, a Certificate of Honour duly signed by the officer with affixed postage stamp shall be attached to the voucher. | Honour Certificate. |
| 619. | When a payment to a corporate body is in doubt due to loss of relevant documents (such as payment voucher) and an initial investigation has revealed that no payment had been previously made to the organisation, the payee shall be made to issue a Certificate of Indemnity to indemnify the Federal Government against double payment should an earlier payment be established at a later date. | Certificate of Indemnity. |
| 620. | Any money received by a government officer in his official capacity shall be paid to the Treasury for which official receipt shall be obtained. | Money officially received.
. |
| 621. | Except as otherwise approved by the Honourable Minister of Finance on the recommendation of the Accountant-General of the Federation, all payments by MDA and other Arms of Government shall be made through electronic means. | Payment through electronic means. |

622. All original payment vouchers and other copies, attached invoices, warrant or other supporting documents shall be stamped "PAID" immediately after payment. "PAID" Stamps.
623. Advances recovered from officers or any other sums recoverable from payments due shall be inserted in the payments voucher, the gross amount being shown as debit in the cash book and necessary credit entries as receipts in respect of the deductions. The credit entries shall be supported by receipt vouchers (Treasury Form 15). Deductions on Payment Vouchers.

Advances recovered from officers or any other sums recoverable from payments due shall be inserted in the payments voucher (Treasury Form 1), as well as in the receipt voucher (Treasury Form 15). Both vouchers shall follow the process of been checked, and audited by the internal Audit. These two vouchers shall however be returned to the Advances Section from the Internal Audit section to be journalised by the Advances Section to Final Accounts, after the journal must have been approved by the Sub-Accounting Officer.

Advances granted shall be retired in three forms:

- (i) returning of unspent cash balance
- (ii) the purchases invoice; and
- (iii) a mixture of both cash and Purchases invoice.

(i) In the event of returning only cash, the JOURNAL entry shall be as follows:

S/NO	DESCRIPTION	NCOA	DR	CR
			N	N
1	TSA –Sub - Overhead	31020103	XXX	
3	Administrative Advance	31060201		XXX

(ii) In the event of returning only Purchases Invoice, the JOURNAL entry shall be as follows:

S/NO	DESCRIPTION	NCOA	DR	CR
			N	N
1	Stationaries & Office Materials	22020301	XXX	
2	Administrative Advance	31060201		XXX

(iii) In the event of returning both cash and Purchases Invoice, the JOURNAL entry shall be as follows:

S/NO	DESCRIPTION	NCOA	DR	CR
			N	N
1	Stationaries & Office Materials	22020301	XX	
2	TSA _ Sub - Overhead	31020103	X	
3	Administrative Advance	31060201		XXX

-
624. Payment may be made outside Nigeria under the following circumstances: Payments Outside Nigeria.
- (a) The regular expenditure of Overseas Missions shall be controlled by A.I.Es issued by the Ministry of Foreign Affairs. In addition, the Nigerian Missions abroad may be authorized to make payments to Nigerian students on government scholarship.
- (b) Nigerian Missions Overseas shall make payments to Ministers and Government Officials on official overseas tours only on the authority of a specific letter of authority or A.I.E.
- (c) Any other payment shall be effected as may be directed by the Minister of Finance.
- (d) Settlement of inter-territorial accounts with other Administrations shall be directed by the Minister of Finance.
625. If a voucher is outstanding the following steps shall be taken to secure its return: Outstanding Vouchers: Return to Paying Officers
- (a) Not later than seven days after payment, the paying Sub-Accounting Officer shall apply in writing to the Departmental Officer responsible, requesting the immediate return of the receipted voucher, or the unreceipted voucher and equivalent cash as the case may be.
- (b) Not later than seven days after issue of the first written application, the paying Sub-Accounting Officer shall again apply in writing to the Departmental Officer for the return of the outstanding voucher, with a copy to the Accounting Officer concerned.
- (c) If the voucher is still outstanding seven days after issue of the second written application, the paying Sub-Accounting Officer shall notify the Accounting Officer who shall immediately inform the Accountant-General. The Departmental Officer who withdrew the voucher shall be held responsible for the amount on the outstanding Voucher.
626. Where security documents, vouchers and other financial source documents are to be taken away by auditors, inspectors and investigators among others, the following steps shall be taken to secure their return: Vouchers taken for audit, inspection or investigation
- a) All documents to be taken away shall be requested for, officially in writing, by auditors, inspectors and investigators among others to the Accounting Officer, who shall approve the request.
- b) The handing over of such approved document(s) shall be properly documented, signed and dated by the team leader of the team requesting for the documents and the officer handing over the documents; stating the names, ranks of the officer(s), reasons for the request and the date of return of the documents. See document format below:

Name of MDA: _____ NCOA (Admin Code): _____

Schedule of Payment Voucher(s) and other financial source documents
to be taken away for examination and/or investigation.

S/N	PV/Document Ref. No	Date on Voucher/Document	Name on the PV/Document	Voucher Amount	PV/Document Description
1					
2					
3					
4					
5]

Certification:

This is to certify that the above Payment Voucher(s) and/or financial source document(s) approved by the Accounting Officer are hereby taken away by me for examination and/or investigation.

Name of the Agency requesting for the document(s): _____

Name of the Officer taking away the document(s): _____

Designation of the Officer: _____

Signature of the Officer: _____ Date: _____

Name of the Officer releasing the document(s): _____

Designation of the Officer releasing document: _____ - _____

Signature of the Officer releasing the document: _____ Date: _____

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| 627. | If a payment voucher is reported lost, prompt investigation shall be made. It must be established immediately whether payment has been made or whether the cash drawn is still on hand. If a loss or fraud has occurred, action shall be taken in accordance with FR Chapter 25. | Lost Payment Voucher:
Action to be Taken. |
| 628. | Irrespective of provisions in this Regulation on cash and cheque operations, no cash or cheque operation shall be conducted unless approval has been granted by the Minister of Finance on the recommendation of the Accountant-General. | Exemption from e-payment |
| 629. | The use of duplicate voucher(s) to make payment is prohibited. Only audited original payment voucher(s) shall be the basis of all payments. | Prohibition of duplicate vouchers for payments. |

CHAPTER 7

BANK ACCOUNTS AND MODES OF PAYMENT

701. (i) All MDA and other Arms of Government shall operate approved government accounts with the Central Bank of Nigeria (CBN) and/or other approved Financial Institutions. Authority for Opening Bank Account.
- (ii) No official bank account shall be opened and operated unless authorised by the Accountant-General.
- (iii) Each approved account shall be maintained in the name of the MDA and other Arms of Government.
- (iv) Accounting officers shall approve signatories for the operation of the bank account of the MDA and other Arms of Government, which shall be endorsed by the Accountant General.
- (v) All MDA and other Arms of Government that are not on GIFMIS shall operate the following bank accounts:
- (a) Salary Account;
 - (b) Overhead Cost Account;
 - (c) Capital Account;
 - (d) Revenue Account; and
 - (e) Or any other approved Account(s)
- (vi) All MDA allowed to operate a bank account shall submit a return of their bank accounts yearly to the Accountant-General giving details of all bank accounts maintained, the name of the bank, account number, designation and branch, name and rank of the signatories to the account.
702. (i) Prior approval of the Minister of Finance shall be required before any MDA and other Arms of Government can use cheque or cash for effecting payments. Use of Cheque or Cash.
- (ii) Every cheque leaf shall be crossed, and the name of the MDA and other arms of government as well as appropriate account details indicated.
- (iii) The name of the payee shall be written in full and the use of abbreviation shall not be allowed.
703. (i) All Federal Government bank accounts in Nigeria shall be maintained at the Central Bank of Nigeria; or such other banks as may be authorised by the Accountant General. Federal Government Bank Accounts.
- (ii) All Nigerian Foreign Missions shall obtain the approval of the Accountant-General before opening and operating any bank account.
704. (i) All Accounting Officers shall furnish the Accountant-General the details of certified specimen signatures of signatories to all approved official bank accounts. Authorized Signatories and Specimen

- (ii) The Accounting Officer shall advise on any subsequent changes in the signatories. Notification in respect of any change of signatories in an account shall be signed by existing signatories to the account and counter-signed by the Accounting Officer. Delegation of this authority shall not be allowed.
- (iii) Prompt notification shall be given by the Accounting Officer to the Accountant-General when an officer's authority to sign is cancelled.
- All notifications shall be forwarded under confidential cover and shall be accompanied by certified specimen signatures of the new signatory or signatories.
- (iv) Accounting Officers shall be approving authority for financial transactions processing of MDA and other arms of government.
- (v) Internal Auditors shall have access to view or review the transactions in the electronic payment platforms of MDA and other arms of government.
705. (i) The Accountant-General shall countersign the Special Form provided for specimen signature of any government account maintained with the Central Bank of Nigeria or any other approved bank.
- (ii) Where government account is maintained at the Central Bank the Special Form provided for the change of signatory shall be used.
706. (i) Signatories to any official bank account shall be categorized into A and B, with the officers in the Central Pay Office being in category A, while, the officers in category B who shall be counter-signatories shall be other account officers not in the Central Pay Office.
- (ii) Each category of signatories shall not be less than two and not more than three officers.
- (iii) No signatory shall be below the Rank of a Principal Accountant or designated officer of equivalent rank. On no account shall any payment instrument be signed by signatories belonging to one category.
707. The Accountant-General and the Auditor-General or their representatives shall have the right of access to records of all bank accounts of all MDA and other arms of government and shall be entitled to obtain any information they may require in connection with such accounts.
708. No government bank account shall be overdrawn, or any advance obtained from a bank without the authority of the Minister of Finance. Where an account is overdrawn without such approval, the officer(s) responsible shall be made to refund the principal amount overdrawn together with the bank charges incurred thereon.

Signatures to be forwarded to Accountant General

Accountant General to countersign specimen signature of mandate forms

Categories of Signatories.

Rights of Access to Bank Accounts.

Overdrafts.

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| 709. | <p>(i) Idle funds in the accounts of mission abroad may be invested in short-term deposits but with the prior approval of the Accountant General</p> <p>(ii) Where such idle funds are invested, the accrued interests received thereof, shall be classified to the appropriate revenue line items and remitted to the appropriate FGN Accounts.</p> <p>(iii) Where the provisions of (i) and (ii) above apply, appropriate investment records shall be maintained by the Mission concerned. The Accountant-General and Auditor-General shall be informed when the bank deposit or the investment is made.</p> | Idle Funds of Mission Abroad. |
| 710. | <p>The capital and recurrent accounts of all MDA and other arms of government shall be funded as follows:</p> <p>(a) On release of warrants and AIE by the Minister of Finance, the Accountant-General shall fund the budget line.</p> <p>(b) Any AIE issued by the Minister of Finance to any MDA and other arms of government shall be funded by the Accountant General, subject to the availability of funds.</p> <p>(c) The dispatch of the AIEs by Minister of Finance to the Accountant-General, the MDA and other arms of government shall be done simultaneously. The Accountant-General on receipt of the AIE shall issue payment advice to Central Bank of Nigeria with a copy endorsed to the receiving MDA and other arms of government.</p> | Funding of MDA and other arms of government Accounts. |
| 711. | <p>Personal money shall in no circumstance be paid into a government bank account, nor shall any public money be paid into a private bank account other than official bank account. An officer who pays public money into a private account shall be deemed to have done so with fraudulent intention.</p> | Public and personal money to be kept separate. |
| 712. | <p>Sub-Accounting Officers shall ensure that all sums paid direct into the MDA and other arms of government bank accounts are promptly brought to account in the Cash Book.</p> | Prompt posting of Cash Book |
| 713. | <p>(i) All MDA and other arms of government authorised to operate bank accounts shall compare on weekly basis, and at the close of each month, the entries appearing in the bank statements with those in their cash books and effect early clearance of outstanding items (FR 807).</p> <p>(ii) MDA and other arms of government that operate official bank Accounts shall carry out their monthly bank reconciliations and submit returns to the Accountant-General of the Federation as provided in FR 806.</p> | Reconciliation of Bank Account with Cash Book. |
| 714. | <p>Sub-Accounting Officers shall maintain a Payment Summary Register in addition to a cash book. All daily entries in the bank account such as payments made, debit and credit advices among others shall be recorded in the Payment Summary Register by an officer other than the Cashier. The balances as shown in the Payment Summary Register shall be reconciled with the bank balance as shown in the Cash Book on a daily basis. The Director of Finance and Accounts shall ensure</p> | Payment Summary Register. |

full compliance with this provision.

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| <p>715. (i) Any cheques(s) in favour of government shall be made payable to the 'Federal Government of Nigeria'. A cheque may be accepted, however, if made payable in the official designation of a government account. If not already done, all cheques should be crossed "Not Negotiable" and "Account Payee Only" immediately on receipt. Sub-Accounting Officers and Revenue Collectors shall first satisfy themselves as to the identity and standing of the drawer of the cheque and ensure before acceptance that:</p> <p>(a) The cheque is correctly dated (i.e., not stale or post-dated)</p> <p>(b) The amounts in words and figures agree.</p> <p>(c) The drawer's signature is appended.</p> <p>(d) The cheque is not torn or mutilated</p> <p>(e) Alterations of any kind are covered by the full signature of the drawer.</p> <p>(ii) Cheques not complying with any of the above conditions shall not be accepted.</p> | <p>Cheques
Acceptance of.</p> |
| <p>716. Cheques received shall be paid to the approved government bank account not later than the next business day after receipt.</p> | <p>Lodgement of
Cheques
Received.</p> |
| <p>717. (i) The following guidelines shall apply in the remittance of Funds to field officers in respect of overhead costs:</p> <p>(a) Relevant original AIE shall be forwarded to the receiving branch office while copies of the AIE shall be forwarded to the Federal Pay Office (FPO) in respect of the affected State and Sub-Treasurer of the Federation for record purpose.</p> <p>(b) The remitting MDA and other arms of government shall, through its government approved bank transfer the equivalent amount on the AIE to the receiving FPO. The Remittance Advice shall be forwarded to the receiving MDA and other arms of government, receiving FPO and the Sub-Treasurer of the Federation.</p> <p>(c) In view of the present electronic banking system, the processing period of cash transfers in respect of AIEs issued by MDA and other arms of government in favour of state offices shall not exceed three (3) working days. All Accounting Officers, Directors of Finance and Accounts and Federal Pay Officers shall ensure strict compliance <i>with</i> this Regulation.</p> <p>(d) In the event of any delay of cash remittance being traced to any officer(s), such officer(s) shall be sanctioned in accordance with Chapter 31 of these Regulations.</p> <p>(e) Where a delay in remittance involves any of the Banks, such defaulting Bank shall be made to pay interest at 3 <i>per cent</i> above the Minimum Rediscount Rate (MRR) in addition to being blacklisted.</p> <p>(ii) The remitting MDA and other arms of government shall prepare</p> | <p>Remittances
of Funds to the
Field Officers</p> |

Monthly Remittance Reconciliation Statement with the Original copy sent to the Accountant-General while a copy is forwarded to the Auditor- General.

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| 718. | <p>(i) In order to ensure the prompt payment of salaries of all federal officers nationwide, MDA and other arms of government are expected to process and pay the salaries of their staff not later than 25th day of every month.</p> <p>(ii) To facilitate the deadline prescribed above, all officers charged with the responsibility of salary payment shall prepare the salary vouchers not later than 15th of every month.</p> | Salary Payment of MDA and other arms of government |
| 719. | <p>(i) Cheques drawn on banks outside Nigeria shall only be accepted with the approval of the Accountant-General.</p> <p>(ii) Self-Accounting MDA and other arms of government shall lodge all foreign cheques to the designated Central Bank account not later than the next working day.</p> <p>(iii) All foreign cheques shall be made payable to the ‘Sub-Treasurer of the Federation’, Abuja and presented not later than the next two working days, except as tendered or remitted to the Sub-Treasurer.</p> <p>(iv) The Sub-Treasurer of the Federation shall lodge all foreign cheques received to the Central Bank not later than two working days.</p> <p>(v) The same treatment as in (i) to (iv) above, shall be given to any foreign currency(ies) received.</p> <p>(vi) Under no circumstance shall a Nigerian Mission abroad receive foreign currencies which are not acceptable in the host country.</p> | Cheques Drawn on Banks Outside Nigeria: Off-shore Cheques. |
| 720. | The opening and operation of bank accounts by Nigerian Missions Overseas shall be approved by the Accountant-General on the recommendation of the Accounting Officer, Ministry of Foreign Affairs. | Opening and operation of bank accounts by Foreign Missions |
| 721. | Bills of Exchange and Promissory Notes shall not be accepted without the specific approval of the Accountant-General. | Bills of Exchange and others |
| 722. | Where applicable, cheques shall not be accepted if there is any doubt as to the standing of the drawer, or suspicion that the cheques might not be honoured. | Doubtful financial instruments |
| 723. | <p>Where applicable, when a cheque which has been credited to revenue (or a Below-the-Line account) is returned dishonoured by the bank, the amount shall be debited to the revenue line item (or Below-the-Line account) originally credited. The Sub-Accounting Officer shall immediately request the officer who accepted the cheque to obtain reimbursement from the drawer (FR 724). It shall be the ultimate responsibility of the Accounting Officer concerned to ensure that these amounts are recovered, instituting legal action if necessary. Dishonoured revenue cheques shall be reported as arrears of revenue, as applicable, in accordance with FR 235.</p> <p>(i) Any revenue paid into the government account which does</p> | Dishonoured cheques |

not appear in the bank statement after three working-days period shall be promptly investigated.

(ii) No Treasury receipt shall be issued until all revenues paid or receivable are confirmed by the MDA and other arms of government.

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| 724. | An officer accepting a cheque which is subsequently dishonoured shall be surcharged for the full amount, if the provisions of FR 716 were negligently disregarded. | Responsibility in a case of negligence. |
| 725. | <p>(i) Bank debits in respect of dishonoured cheques shall be cleared in accordance with FR 725 or refunded by the drawer not later than the next business day after receipt of the dishonoured cheque from the bank.</p> <p>(ii) Under no circumstance shall a dishonoured cheque be held as cash.</p> | Dishonoured cheques bank advise. |
| 726. | <p>(i) A departmental Dishonoured Cheques Register shall be maintained and particulars of all dishonoured cheques returned by the bank shall be entered therein on receipt of the dishonoured cheques (Appendix 11).</p> <p>(ii) The Register shall be checked monthly by the Director of Finance and Accounts or Head of Accounts to ensure that clearances are tracked and recoveries effected.</p> | Dishonoured Cheques Register. |
| 727. | <p>(i) No government organisation or agency shall place government funds in any commercial bank that will charge any commission on transactions.</p> <p>(ii) All Sub-Accounting Officers shall ensure that monthly statements of bank accounts are obtained regularly to confirm that no Commission on Turnover (COT) is charged.</p> | Bank Charges. |
| 728. | <p>(i) Where the use of bank account is approved, all unused cheque books must be kept in the strong room or safe under the control of the officer who keeps the bank account. Cheque books in use must be kept under lock and key when not in use and at the close of business each day.</p> <p>(ii) Officers authorised to operate bank accounts are responsible for ensuring that no cheque leaf is extracted from a cheque book for fraudulent purposes.</p> | Security of cheque books |
| 729. | <p>(i) Where the use of bank account is approved and when a cheque is defaced or mutilated, it shall be cancelled and affixed to the stub and retained in the cheque book. The designated banks shall be informed promptly in writing about the particulars of the cancelled cheques.</p> <p>(ii) A cancelled cheque register shall be maintained to record the particulars of all cancelled cheques.</p> | Cancelled cheques. |

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730. (i) All payments in favour of any MDA or other arms of government shall be through any of the approved e-payment channels e-Payment channels.
- (ii) Cash or cheque shall not be received for services rendered by any MDA and other arms of government unless otherwise approved by the Honourable Minister, on the recommendation of the Accountant-General.
- (iii) The e-receipts generated by the banks shall form the basis of payments in place of bank tellers.
- (iv) The e-receipts tendered must be confirmed by the MDA and other arms of government before appropriate Treasury Receipts are issued.
731. (i) Idle funds in the approved bank account of any MDA and other arms of government shall only be invested in Treasury Bills in accordance with extant circulars. Investment of idle funds.
- (ii) The approval of the Accountant General shall be obtained before investing any fund by any MDA and other arms of government.
- (iii) All interest earned on such investment shall be remitted in full to the Consolidated Revenue Fund.
- (iv) Quarterly Returns of such investments and the interests received therefrom shall be submitted to the Accountant-General not later than the 15th day after the end of the quarter in question.

CHAPTER 8

CASH BOOK AND FINANCIAL RETURNS

801. The Sub-Accounting Officer as defined by FR 118 shall keep a Treasury Cash Book No. 153A (Appendix 9) as may be approved by the Accountant-General. He shall keep such other books of accounts as may be prescribed. Keeping of Cash Book and other books.
802. The Sub-Accounting Officer shall enter promptly into the cash book all sums of money received by him or paid by him as a public officer, supporting such entries by a receipt or payment voucher on the prescribed form. Receipt and payment vouchers shall be numbered serially, from No. 1 each month in the order in which the amounts are received or paid and shall be entered into the cash book accordingly. Posting of vouchers into Cash Book.
803. Revenue, Expenditure and Below-the-Line Vouchers shall be submitted to Sub-Accounting Officers in duplicate, except as may be otherwise directed from time to time by the Accountant-General. The term "Revenue" and "Expenditure" refer to receipts and payments respectively under the line items appearing in the Recurrent and Capital Appropriation while "Below-the-Line" refers to receipts and payments for services that are not specified in the approved Annual Appropriation. Submission of Vouchers.
804. The Cash Book shall be ruled off and balanced daily by the Cashier, who shall enter the cash specifications of the balance in hand in the Cash Book. The Sub-Accounting Officer shall check the cash against the specification and shall initial the Cash Book. Cheques or Mandates held at the close of business shall be presented to the bank or otherwise cleared on the next business day. In no circumstance shall a cheque or mandate which has been presented to the bank and returned unpaid be held as cash. The procedure for dealing with dishonoured or unpaid cheques or mandates is laid down in Chapter 7 of this Regulation. Balancing of Cash Book
805. The Cash Book shall be signed at the end of each month by the Sub-Accounting Officer whose signature shall be taken as certifying the correctness of the entries and cash balance. The Cash Book shall be supported by a balance statement as shown below: Balance Statement

₦ : K

Opening balance (i.e. the closing balance of the previous month)

Add: Total receipts for the month

Deduct: Total payments for the month

Closing Balance

.....

Signature of Sub-Accounting Officer

806. Where a bank account is maintained, a bank reconciliation statement and certified bank statement as at the last business day of the month shall be attached to the Cash Book. Bank reconciliation statements shall be prepared showing individual items being specified and explaining any variation from the balance shown in the Cash Book.

Bank Reconciliation as at

		N	N
Cash book balance as at	(a)		xxx
Add: Unpaid mandates (list Attached)		xx	
Credits in bank not in cash book (list Attached)		<u>xx</u>	
Sub Total	(b)		xxx
Less: Debits in Cashbook not in Bank (list Attached)			
		xx	
Debits in Bank not in Cashbook (list Attached)		<u>xx</u>	
Sub Total	(c)		<u>xxx</u>
Balances as per Bank Statement (a + b + c)	(d)		<u>xxxx</u>

Prepared by.....	Date.....	Signature.....
Checked by.....	Date.....	Signature.....
Approved by.....	Date.....	Signature.....

807. Sub-Accounting Officers shall ensure that all outstanding items in the Bank Reconciliation Statement are cleared expeditiously. In this regard:
- (a) Un-presented cheques or mandates which become stale after six (6) months shall be written back in the Cash Book after written confirmation of non-payment from the bank.

(b) Payments (debits) in Bank not in cashbook shall be thoroughly investigated and brought into Cash Book at the earliest possible time.

(c) Prompt action shall always be taken to obtain bank advice to confirm the various entries in the bank statement as the importance of the Bank Reconciliation Statement lies in the prompt clearance of outstanding items.

(d) Schedules which usually support Bank Reconciliation Statement shall be sufficiently informative to facilitate effective clearance.

808. (i) Sub-Accounting Officers shall submit their financial returns by the 14th day of the following month or within such other period as may be prescribed by the Accountant General. Sub-Accounting Officers at the Nigerian Overseas Missions shall also ensure the dispatch of their financial returns by the 14th day of the following month either by electronic means, diplomatic bag or by courier service.

(ii) Accounting Officers shall ensure strict compliance with the provision of sub-section (i) above.

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| 809 | (i) Monthly Bank Reconciliation Statement duly supported with Certified Bank Statement shall be prepared. | Monthly Bank Reconciliation |
| 810 | Trial Balance, Statement of Revenue and Expenditure or Statement of Financial Performance, Statement of Financial Position, Cash Flow Statement, Statement of Changes in Net Assets/Equity, Statement of Comparison of Budget and Actual and Notes to the Accounts shall be prepared and submitted monthly by MDA and other arms of government to the Accountant-General. | Preparation and Submission of Monthly Returns |
| 811. | (i) Sub-Accounting Officer shall maintain a register of outstanding vouchers (Treasury Form 73) which shall be marked off as they are received.

(ii) It is the personal responsibility of the Sub-Accounting Officer to obtain acquittal for the payments out of public funds and this responsibility exists until he has obtained the relevant payment vouchers. Should he be unable to obtain the return of an outstanding voucher, he shall take action as laid down in FR 629. | Register of Outstanding Vouchers. |
| 812. | The Director of Finance and Accounts or Head of Accounts of a self-accounting unit shall bring to account in his main and subsidiary ledgers all transactions conducted by officers under his supervision and shall submit the General-Purpose Financial Statement (GPFS) of the unit to the Accountant-General not later than 30 th March of every financial year. | Accounts of Self-Accounting Unit. |

CHAPTER 9

ADJUSTMENTS OF: MISCLASSIFICATION, ERRORS, ETC.

901. Adjustments are effected by means of Journal entries which enable transfers to be made from one account to another without actual movement of funds. Examples of these are adjustments between expenditure or revenue items, correction of accounting errors arising from recognition, measurement, presentation, or disclosure of elements of financial statements and the ultimate allocation of unallocated stores. Journal Adjustments
902. (i) Accounting errors shall be corrected as follows: Correction of accounting errors
- (a) Current period errors discovered in that period shall be corrected before the financial statements are authorized for issue;
- (b) Prior period errors discovered shall be corrected in the comparative information presented in the financial statements of the subsequent period.
- (ii) MDA and other arms of government shall disclose prior year errors in their financial statements. The following information shall be clearly stated:
- (a) the nature of the prior year error;
- (b) the amount involved in the correction for each financial year and the line item(s) affected;
- (c) The amount of the correction at the beginning of the earliest prior period presented; and
- (d) If retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.
903. (i) The Treasury Journal Voucher (TF. 23) shall be used to effect adjustments by the MDA and other arms of government. Treasury Journal Voucher (TF 23)
- (ii) Adjustments shall be submitted on Treasury Journal Voucher (TF. 23) in duplicate, or as otherwise directed; and all copies shall be signed in full.
904. (i) Treasury Journal Voucher (TF. 23) shall be used by the Office of the Accountant-General of the Federation (OAGF) for the following: Uses of Treasury Journal Voucher by OAGF
- (a) preparation of Consolidated Financial Statements;
- (b) for all adjustments and transfers that are made before the "Below the-Line Statement" is extracted; and
- (c) all subsequent transfers and adjustments.
- (ii) Treasury Journal Voucher (TF. 23) shall be prepared for the

following reasons:

(a) to correct errors detected in the Consolidated Financial Statements;

(b) to adjust the accounts such as when funds rightfully belonging to one state have been wrongly credited to another;

(c) effect month-end transfer of accounts from Above-the-Line Accounts to Below-the-Line Accounts; and

(d) effect annual transfers.

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| 905. | Adjustment vouchers shall clearly indicate the reason for the adjustment and shall make full reference to the original debit or credit being adjusted such as name of Sub-Treasury or Central Pay Office, voucher number, month of account and particulars of Treasury or Audit Query, if applicable. A cross reference to the adjustment voucher shall be endorsed on the voucher on which the debit or credit first originated. | Information on Vouchers |
| 906. | Adjustment voucher shall be supported by sufficient explanations, authorization and documentation to facilitate understanding of the accounting adjustments. | Vouchers supporting documents |
| 907. | Vouchers in respect of adjustments arising from reconciliations shall accompany the Reconciliation Statements. | Adjustments arising from reconciliation |

CHAPTER 10

IMPREST

1001. The term "Imprest" is applicable to all sums advanced to any public officer to meet expenditure under current Appropriation Act for which vouchers cannot immediately be presented to a Sub-Accounting Officer for payment. Definition.
1002. (i) The General Imprest Warrant shall be issued by the Minister of Finance immediately after the enactment of the Annual Appropriation Act. Warrant: Authority for Issuance.
(ii) The Accountant-General shall notify Accounting Officers of the issuance of the General Imprest Warrant by the Minister of Finance through an Annual Imprest Warrant Circular. In accordance with the provision of FR 1003, no Imprest shall be issued until that authority has been conveyed and received.
1003. Imprests are issued by Accounting Officers of self- accounting MDA and other arms of government. The authority for issuing Imprest shall be conveyed in the Annual General Imprest Warrant issued by the Minister of Finance to the Accountant-General (Appendix 5). Imprest Warrant.
1004. (i) Imprest are of two types, namely: Types of Imprest.
(a) Standing Imprest which may be replenished from time to time during a financial year by the submission of paid vouchers to Sub-Accounting Officers for reimbursement.
(b) Special Imprest which is granted for a particular purpose and shall be retired in full when the purpose has been achieved.
(ii) On no account shall personal advance be used in disguise of Special Imprest in the procurement of inventories which is governed by the provision of Chapter 23 of this Financial Regulations.
1005. Applications for Imprest shall be made to the Accounting Officers in all MDA and other arms of government and shall state the amount and purpose for which it is required. Application for Imprest.
1006. The authority for issuance and payments of Imprest shall be effected on a Departmental Imprest Warrant (TF 9) with a copy sent to the Auditor-General. All Imprest issued and their retirement shall be recorded in a Special Imprest Ledger which shall be classified to "Imprests" in the General Ledger Account in the name and designation of the Imprest Holder. The number of the Imprest Warrant shall be recorded on all relevant vouchers. Issuance and Recording of Imprest

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| 1007. | <p>The procedure for the operation of Imprest shall be as follows:</p> <p>(a) Every Imprest holder shall keep a cash book and shall record therein all Imprest receipts and payments. (specimen at Appendix 10). This applies also to imprest for petty expenses and postage.</p> <p>(b) All Imprest payments shall be supported by Sub-Receipts (Treasury Form 10).</p> <p>(c) Vouchers shall be classified to the line items of the Appropriation Act and the Imprest holder shall retain a copy of each voucher.</p> <p>(d) Entries shall be made in the Cash Book on the day they occur and shall show particulars of each receipt or payment.</p> <p>(e) The Cash Book shall be balanced regularly, ruled off and the cash on hand regularly checked by a Senior Officer who shall certify the Cash Book accordingly. Accounting Officers shall issue instructions concerning the frequency of the checks having due regard to the size of the Imprest and the number of payments made.</p> <p>(f) The cash in bank as shown by the Cash Book shall be regularly reconciled with the bank statement and the Reconciliation Statements duly certified by a Senior Officer.</p> <p>(g) A record shall be kept of vouchers which have been submitted for reimbursement and reimbursed monies brought to account immediately they are received.</p> <p>(h) Imprest shall be kept from other monies at all times.</p> <p>(i) The provisions of FR 1003 as appropriate shall apply with regard to the custody of Imprest.</p> <p>(j) The duty of maintaining the Imprest cash and Cash Book shall be delegated to an officer on a Salary Grade Level not lower than Assistant Executive Officer (Accounts). The officer shall also be conversant with the book keeping procedure for posting and balancing of the Cash Book (Appendix 10 for specimen Cash Book rulings).</p> | <p>Procedure for Operation of Imprest.</p> |
| 1008. | <p>Imprest Holders shall duly observe all regulations regarding the control of expenditure and the disbursement of public funds and shall be responsible for the correctness of vouchers signed by them (FR 411). They shall also be responsible for ensuring the early submission of paid vouchers for reimbursement. The Imprest shall be used only for the purpose for which it was issued and Imprest holders shall not use other public funds for Imprest purposes.</p> | <p>Imprest Holders' responsibility.</p> |
| 1009. | <p>Where a special Imprest is granted, the Imprest Holder shall open a designated bank account in his name purposely for the Imprest (Chapter 7 of FR), unless authority is given to the contrary by the Accountant-General.</p> | <p>Imprest Holder bank accounts.</p> |

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| 1010. | <p>(i) To obtain reimbursement of amounts paid from an Imprest, the holder shall submit properly completed and receipted payment vouchers for the amount expended to the Sub-Accounting Officer who issued the Imprest. The vouchers shall be classified direct to the expenditure - Chart of Accounts concerned and not to "Imprest". The reimbursement shall not exceed the amount of the expenditure vouchers submitted. Replenishment of amount paid from Imprest shall be effected in accordance with Annual Imprest Warrant.</p> <p>(ii) Pursuant to sub-section (i) above, it shall be the direct responsibility of the Sub-Accounting Officers to ensure that reimbursed payment vouchers are classified to the MDA or other arms of government Chart of Accounts and not to the Imprest Control Account of the Accountant- General.</p> | Reimbursement of Imprest. |
| 1011. | <p>(i) All Standing Imprest shall be retired on or before 31st December of the financial year in which they were issued while Special Imprest shall be retired immediately the reasons for which they were granted cease to exist. Retirement shall be effected by the production of vouchers and or refund of cash for the full amount of the Imprest.</p> <p>(ii) If an Imprest is retired at a station other than that in which the warrant was drawn, the officer to whom the Imprest was issued shall immediately notify his MDA or other arms of government and the Sub-Accounting Officer who issued the Imprest, stating the Warrant number, date, number and amount of relevant receipt voucher(s). It shall be the responsibility of the Sub-Accounting Officer who issued the Imprest to verify the receipt voucher particulars.</p> <p>(iii) All Self-accounting MDA and other arms of government shall submit to the Accountant-General within twenty-one days of the end of the financial year, a return showing details of Imprest issued and particulars of the vouchers (receipts or adjustments) by which the Imprest were retired.</p> | Retirement of Imprest. |
| 1012. | Sub-Accounting Officers and Imprest Holders shall ensure that all Imprests are retired in accordance with the provisions of the Financial Regulation in 1011 above. | Imprest accounted for at the end of the financial year |
| 1013. | The financial records in respect of the Imprest shall be subjected to inspection by the Accountant-General and the Auditor- General. | Inspection of Imprest Accounts |

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| 1014. | (i) The limit of reimbursable Standing Imprest shall be determined by the limit indicated in the Annual Imprest Warrant issued by the Minister of Finance from year to year based on the advice of the Accountant-General. | Limit of
Reimbursable
Imprest |
| | (ii) The frequency of obtaining reimbursement of any Standing Imprest shall be limited to once in a quarter, but where the need arises, shall not be more than twice in a quarter. | |

CHAPTER 11

**CUSTODY OF PUBLIC FUNDS, STAMPS, SECURITY BOOKS
AND DOCUMENTS.**

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| 1101. | MDA and other arms of government shall make the fullest use of approved banking facilities. | Use of banks |
| 1102. | In all offices where stocks of stamps or receipts and license books are maintained, there shall be a strong-room or safe(s) for the custody of stocks and all other security books and documents. | Double locks required for strong-rooms and reserve safes |
| 1103. | <p>(i) In all offices having cash transactions, a safe shall be provided for the safe custody of the daily working balance of cash, stocks of stamps and receipts and license books during office hours.</p> <p>(ii) In all offices where stocks of stamps, receipts, licenses, security books and documents are to be kept, a fireproof safe shall be provided for their safe custody at all times.</p> | Safe custody of working balance |
| 1104. | Strong-rooms shall be examined periodically to ensure that no vents or openings exist through which any of the contents could be extracted either by hand or by other means. Currency notes shall be kept in boxes with lids and not be let loose on the shelves. | Periodic inspection of strong rooms. |
| 1105. | It shall be the duty of Accounting Officers to ensure that their officers who are required to hold public funds, stamps and other financial security documents are provided with adequate facilities for proper safe custody. | Responsibility for custody of public monies. |
| 1106. | <p>(i) The Accounting Officers shall issue instructions governing the security of keys to strong rooms or safes. All duplicate keys shall be kept by the Accounting Officers. A Register shall be maintained for all keys deposited and shall be checked periodically to ensure accuracy of entries.</p> <p>(ii) By arrangement with the Accountant-General, duplicate keys of strong-room or safes situated outside the headquarters shall be deposited with the Federal Pay Officers in their respective States for custody. A receipt shall be obtained and kept by the key holder.</p> <p>(iii) Regulations governing the safe custody of keys of strong-rooms and safes held at overseas missions shall be issued by the Ministry of Foreign Affairs.</p> | Custody of keys to strong rooms, safes, cash tanks |
| 1107. | Where a safe is contained in a strong-room, one officer shall not hold the keys of both the strong-room and the safe. | Separate key holders for safe and strong rooms |

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| 1108. | The holders of original keys of safes shall verify the availability of the duplicate keys and if not available or untraceable shall immediately report to the Accounting Officers of their MDA and other arms of government and request that the locks be changed and new keys provided. | Lack of duplicate keys |
| 1109. | Officers holding the keys of strong-rooms or safes are personally responsible for their safe custody and collectively responsible for the contents. Keys shall not leave the personal possession of the approved key holder (FR 1125), except when officially handed over to another officer. This precaution is not only to prevent their being stolen but also to safeguard them from being copied or duplicated. | Responsibility for custody of original keys. |
| 1110. | <p>(i) The loss of the keys of any strong-room or safe, shall be reported immediately in writing to the Accounting Officers, giving a full explanation of the loss, with a copy of the report given to the officer holding the duplicate key and a copy to the head of the key holder's department.</p> <p>(ii) The other key holders, if any, shall be informed immediately and a tape shall at once be sealed across the door of the safe, the time of doing so being carefully noted. If the safe contains cash, stamps, securities, receipt or licence books, a Police Officer shall be invited to guard over the safe or strong-room until it has been opened and the contents removed or CCTV footage (where available) to monitor the place.</p> <p>(iii) The duplicate keys shall be obtained only to open the safe for the verification and removal of the contents. The safe shall not thereafter be used until new locks are provided.</p> | Action required on loss of keys |
| 1111. | The officer responsible for the loss of a key to a government safe, shall be liable to incur the cost of altering the lock and the new keys, if found negligent. | Responsibility for loss of keys. |
| 1112. | In the event of a key holder having any suspicion that the keys or locks of a strong-room or safe in his charge have been interfered with; he shall remove the contents to another safe; report the circumstances as directed in FR 1109 and request that immediate steps be taken to have the locks altered and new keys provided. Other key holders, if any, shall be notified immediately. | Keys or locks suspected to be tampered with |
| 1113. | Alterations to locks of safes and the provision of new keys shall be made by the Accounting Officers under security conditions. | Alteration to locks |
| 1114. | All MDA and other arms of government shall submit to the Accountant-General, annual returns of all government strong rooms and safes in duplicate by 31st March of each year. The returns shall give full | Annual returns of safes. |

particulars of the safes and the disposition of duplicate keys if not held by the Accountant-General.

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| 1115. | Accountant-General shall immediately be notified of any transfer of safes between stations, or from one department to another. The duplicate key holders shall likewise be informed to enable them forward their keys under confidential cover to another officer for safe custody, if necessary. | Transfer of safes |
| 1116. | Whenever locks to strong room or safe are changed or where a safe has been condemned and destroyed, the duplicate key holders shall be informed accordingly so that the old keys shall be destroyed and written off from record. | Duplicate key holders to be informed of changes in locks |
| 1117. | No strong room or safe shall be opened by a person other than the authorised key holders who shall remain present while the strong-room or safe is opened. Where there are two or more key holders, all must remain present. | Opening of strong room only when key holders are present. |
| 1118. | Officers are prohibited from keeping private money or personal effects in an official safe, etc. Any private money found in an official safe shall be credited to government revenue. | Private money and personal effects not to be kept in official safe |
| 1119. | Where applicable, Sub-Accounting Officers are personally responsible for ensuring that the balance of cash with the cashier shall be locked in a strong-room or safe at the close of business daily. Where a strong room or reserve-cash safe is provided, on no account shall cash be kept overnight in the cashier's safe. | Security of cash overnight |
| 1120. | Registers shall be kept in each strong-room of all cash, stamps, receipt or licence books and other articles deposited. The Cash and Stamps Register shall show separately the various denominations. All entries shall be signed by the authorised key holders and in the case of documents or other articles deposited for safe custody, a receipt shall be given to the depositor (FR 1124). | Safe-contents Register |
| 1121. | Sub-Accounting Officers shall check the contents of the strong-room at least once a month against the Cash and Stamps Register and report discrepancies if any. The register shall be signed by the key holders on each occasion. | Verification of contents of safes |
| 1122. | Bonds and Agreements particularly those which safeguard the financial interest of government shall be kept in a strong-room or safe. Accounting Officers shall be held responsible if government suffers financial loss due to lack of adequate precautions to safeguard such documents (FR 1128 and 1129). | Custody of Bonds and Agreements |

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| 1123. | When an officer holding a key of a strong-room is temporarily absent, the key in his charge shall be handed over to the officer next in rank. Under no circumstance shall all the keys be held by one officer (FR 1124). | Temporary transfer of key |
| 1124. | Where one key holder hands over to another temporarily or permanently, the contents of the strong-room or safe shall be checked and certificates inserted in the register. Any discrepancies shall be reported to the Accounting Officer by the Sub-Accounting Officer. | Checking and certifying contents of safe during handing and taking over |
| 1125. | Documents or other articles deposited for safe custody shall only be delivered on the demand of the depositing officer and on the production of the receipt issued when the deposit was made. The documents or other articles shall be acknowledged by the receiver on the safe-content register and on the face of the receipt which shall be pasted on the Safe-content register. | Release of articles held in safe custody. |
| 1126. | The main stocks of postage stamps, postal orders, money orders, embossed envelopes, aerogramme, among others shall be held in the joint custody of officers appointed by the Accounting Officers and Minister in charge of Communications. | Main stock of postage stamps |
| 1127. | Every office at which money or articles or documents of value are received through the post shall be provided with a Padlocked Post Office Mail Bag in which all letters from the Post Office shall be delivered. The key of the padlock shall be kept by the officer in charge of the office and the Mail Bag opened in his presence. | Money or articles received by post |
| 1128. | The officer to whom the responsibility for the opening of mails has been delegated shall keep a register of all inwards and outwards registered letters giving details of the contents of the letters. Unregistered letters containing articles of value shall also be entered in the register. All entries shall be signed by the officer-in-charge. In the case of outward registered letters, the Post Office receipts shall be filed and numbered serially and a reference inserted in the register. | Registered and unregistered letters |
| 1129. | Greatest care shall be exercised at all times for the care and safe custody of security documents. An officer in charge of any of the under mentioned documents shall ensure that they are locked in a safe or strong-room or fireproof security cabinet and that adequate measures are taken to safeguard them at all times. Unused or partly used forms in the following categories:

(a) Receipts and Licence Books and Fixed Fee Tickets, Entertainment Tax Tickets, Cheque Books, Inventory Requisition Books. | Safe custody of security documents. |

(b) Legal documents such as Contracts, Agreement, Bonds, Insurance Policies, Share Retention of Security Documents and Books after use. Certificates, Debentures and similar Securities, Documents submitted for assessment and/or payment of Stamp Duty.

1130. (i) Adequate precautions shall be taken to protect the following security books against access by un-authorised persons, and damage by fire: Safe custody of security books.

- Cash Books (including Revenue Collectors' Cash Books),
- Principal and other journals
- Principal and Subsidiary Ledgers
- Abstracts of Revenue and Expenditure
- Loans Registers
- Investment Registers
- Records of Advances and Deposits
- Paper Money Registers and Registered Letter Register
- Registers of Safe and Keys
- Inventory Ledger and Stock Books
- Non- Current Assets Register
- Personal Emoluments Index and Record Sheets
- Pension Registers
- Used Receipt and Licence Books.

(ii) The best protection facility for these documents shall be a strong-room or safe. Where it is quite impossible to put them in one or the other overnight, the best possible alternative measures shall be used.

(iii) Where the security documents and books are maintained electronically, they shall be adequately secured through approved user name, password, encryption, firewalls, and other cybersecurity measures.

1131. (i) Security books and documents and other accounting records including the soft or electronic copies shall be retained for the following periods after use (in the case of books or registers the period counts from the date of the last entry made therein): Retention of security documents and books after use

(a) Permanently:

- Warrants issued by the Minister of Finance
- Cash Books (other than Revenue Collectors')
- Treasury Journals
- Principal and Subsidiary Ledgers

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- Personal Emoluments Records (index) Sheets
 - Pensions Registers
 - Loans Registers
 - Investment Registers
 - Register of Safe and Keys
 - Non-current Assets Register.

(b) For ten years:

Electronic and file records of all procurement proceedings made within each financial year from the date of award of each contract.

(c) For seven years:

- Abstracts of Revenue and Expenditure
- Revenue Collectors' Cash Books
- Original Payment Vouchers
- Original Receipt Vouchers
- Original Journal Vouchers
- Paper Money Registers
- Inventory Ledgers and Stock/Inventory Books.

(d) For two years:

- Local Purchase Order Books/Job Orders
- Treasury Receipt or licence Booklets
- Cheque book stubs where applicable until after the audit by Auditor-General

(ii) Officers having in their custody any of the documents specified in (b), (c) and (d) above may destroy them at the end of the prescribed periods provided they have been audited by the Auditor-General.

CHAPTER 12

RECEIPTS AND LICENCE BOOKS

1201. (i) The Accountant-General shall be responsible for the general control of Treasury Receipt Books (TF. 6) and Treasury Receipt Books (TF. 6A) which can be in hard copy or electronically generated. General control
- (ii) Accounting Officers shall be responsible for the control of Receipt and Licence Books and Fixed Fee Tickets in all MDA and other arms of government.
- (iii) Accounting Officers shall ensure that Stock and Distribution Registers are maintained for all receipt books controlled by them.
- (iv) Accounting Officers shall also be responsible for the safe custody of all revenue receipt books and licences or tickets that may be issued to them.
1202. Receipt and licence books shall be printed in the form prescribed by Law or by this Financial Regulations. All leaflets which are contained in the receipt and licence books shall bear serial and consecutive numbers. Each set of forms (original, duplicate, triplicate and quadruplicate, as the case may be) shall bear the same printed serial and consecutive numbers. Printing of receipts and licences
1203. (i) The Accountant-General shall be the only officer authorized to place indents with the Nigerian Security Printing and Minting Company (NSPMC) or its subsidiary or any other printer for the supply of Treasury Books 6 and 6A. Every issue made by the NSPMC or its subsidiary or any other printer to the Accountant-General shall be accompanied by a Receipt Book Issue Note (RBIN). The NSPMC or its subsidiary or any other printer shall furnish the Auditor-General with a copy of each issue note (FR 1206). Indents for receipts books.
- (ii) On no account shall revenue Receipts and Licence Books or fixed fee ticket booklets be obtained from any printer other than the Nigerian Security Printing and Minting Company (NSPMC).
1204. All revenue Receipt and Licence Books or fixed fee ticket books received shall be taken on charge in a stock and distribution register in the prescribed form (TF 157). Receipts shall be recorded in serial order of books, and each book shall be entered individually. In large offices it may be convenient to use a subsidiary distribution register in addition to the main stock distribution register. Use of stock and distribution register
1205. Request for Treasury Receipt Books shall be submitted as and when necessary to the Accountant-General. Accounting Officers shall include in their requisition, the requirements of revenue collectors under their Issuance of Treasury receipt books

supervision. All such issuance shall be recorded in the Stock and Distribution Register and shall be accompanied by a Receipt Book Issue Note.

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| 1206. | (i) Every issue of a receipt book or books shall be accompanied by a Receipt Book Issue Note which shall be serially numbered and printed in quadruplicate (Appendix 13 for specimen RBIN). Distribution of the four copies of each issue note shall be as follows: | Receipt Book Issue Notes. |
| | (a) Original and duplicate copy to the officer to whom the issue was made. The duplicate shall be receipted by him and returned to the issuing officer who shall paste same to the quadruplicate copy. | |
| | (b) Triplicate copy to the Auditor-General. | |
| | (c) Quadruplicate copy shall be retained in the booklet at the office of issue. | |
| | (ii) Issuing Officers shall ensure that the duplicate copy of each Receipt Book Issue Note is receipted and returned without delay and that all triplicate copies are sent to the Auditor-General immediately. | |
| 1207. | Federal Pay Officers shall issue Treasury Receipt Book (TF. 6A) to all Revenue Collectors in their respective States, in line with the laid down procedure in FR 1206. For security purposes, they shall draw the attention of the revenue collectors to the serial numbers of the treasury receipts books collected with the number of the Security Book Issued Note. | Issuance by Sub-Accounting Officers |
| 1208. | Receipt and licence books shall be issued for use in strict serial order. | Order of use. |
| 1209. | Federal Revenue Collectors stationed in a State shall not, under any circumstance request, stock, or issue State receipt to account for Federal Government earnings or revenue. | Federal Revenue Collectors not to use State Receipts. |
| 1210. | Issuance of receipt and licence forms to Revenue Collectors shall not exceed the number required for their daily use. Individual Revenue Collectors shall not hold a stock of receipt and licence forms. | Revenue Collectors not to hold stocks |
| 1211. | Every issuance of receipt and licence books shall be checked with the supporting Receipt Books Issue Note as soon as it is received by the receiving officer. Each book shall be examined for defects in numbering, printing among others and any discrepancy in the quantity or the numbering of the books supplied shall be reported immediately to the supplying officer with a copy to the Accountant-General and the Auditor-General. | Responsibility for checking all issuance |

The receiving officer shall be held responsible for any error discovered after the duplicate copy of the Receipt Book Issue Note has been receipted and returned to the supplying officer.

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| 1212. | <p>(i) All Treasury receipt books issued from main stocks for use shall be recorded by the receiving officer in the Receipt Book Register. He shall be responsible for ensuring that the books are locked in a safe or strong-room at the close of business and that adequate measures are taken to safeguard them at all times.</p> <p>(ii) Cashiers or Officers to whom issues are made for daily use shall be responsible for them during the day while the officers shall ensure that these receipts are kept in the Safe at the close of business daily.</p> <p>(iii) Cashiers or Officers who leave the receipts so issued to them with another officer on temporary basis shall be held responsible for any misuse. Such cashiers or officers shall examine the books on its return to ensure that there has been no loss of receipt leaflet and carry out check of the receipt with the cash book entries.</p> | <p>Taking on charge and safe custody by users</p> |
| 1213. | <p>Receipt and licence books shall not be transferred between Sub-Accounting Officers without the consent of the Accounting Officers, except in special cases of emergency when the circumstances must be reported to the issuing officer and the procedure laid down in FR 1206 shall be followed.</p> | <p>Transfer of receipts and licence books</p> |
| 1214. | <p>Receipt or licence books (whether used or unused) shall not be transferred between one Revenue Collector and another, except where one Revenue Collector is officially relieved by another. (FR 1226).</p> | <p>Treasury Receipt and Licensed books not transferable</p> |
| 1215. | <p>All revenue receipts shall be issued to payers in strict serial order and shall not be altered in any way.</p> | <p>Receipts not to be altered</p> |
| 1216. | <p>A defaced or mutilated receipt or licence leaflet shall be cancelled with the word "Cancelled" endorsed on all copies of such receipt and retained in the booklet for audit purposes.</p> | <p>Defaced or mutilated receipts</p> |
| 1217. | <p>The original receipt or licences leaflet shall be handed over or delivered to the payer.</p> | <p>Delivery of original receipt and licence form.</p> |
| 1218. | <p>The duplicate of all receipts and licences (excluding fixed fees, licences and tickets of the counterfoil type) issued by Sub- Accounting Officers shall</p> | <p>Disposal of duplicate copies.</p> |

- be sent with the monthly account to the Accountant-General or Accounting Officer. [FR 219 (i)]
1219. (i) Book copies of used receipt or licence books printed in triplicate may be destroyed two years after the date of the audit inspection except where a request that a particular book should be retained has been received from the Accountant-General, Accounting Officers, Auditor-General or Inspector-General of Police. [FR 1132 (ii)]
(ii) The approval of the Accountant-General shall be obtained before the destruction of such receipts. Disposal of triplicate copies of receipts and licence forms.
1220. In the case of receipt and licence leaflet with fixed value [FR 219 (ii)] the receipt voucher-on which the revenue is brought to account in the Sub-Accounting Officer's cash book shall give reference to the opening and closing serial numbers of receipts and licences issued. Fixed fee receipts and licences.
1221. (i) Every officer using revenue receipt or licence books shall render monthly accounts with a certified return giving the following details in respect of each type of receipt or licence in stock and in use: Monthly returns of receipts and licence books.
(a) Serial numbers of unused receipts on hand at commencement of the month.
(b) Serial numbers of receipts used during the month.
(c) Serial numbers of receipts issued during the month.
(d) Serial numbers of unused receipts on hand at the end of the month.
(e) The numbers and values of electronic receipts generated during the month (where applicable).

(ii) Revenue Collectors, including holders of special departmental receipts or licences, shall render returns monthly to the Sub-Treasurer of the Federation, Federal Pay Officer and other Pay Officers, as the case may be, who shall incorporate them in their own returns to the Accountant-General.
1222. Where a Sub-Accounting Officer or Revenue Collector does not issue any receipt or licence during a month, he shall nevertheless submit a **NIL** monthly return as prescribed by FR 1221, so long as he holds a receipt or licence book. Nil monthly returns.
1223. Where an MDA and other arms of government is scrapped or where it becomes necessary that receipts are no longer required by the MDA and other arms of government, the unused Receipt Booklets and Licence Books shall be returned to the Accountant-General through the Accounting Officer and the Auditor-General shall be informed accordingly. Unused Receipts Books.
1224. Where an issued original receipt leaflet is lost and application is made for the issue of a Certified True Copy, the Accountant-General or Accounting Officer concerned shall issue a certified true copy. The application for the Certified True Copy

issuance of a Certified True Copy shall be supported with a sworn affidavit.

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| 1225. | Every officer responsible for the safe custody of receipt and licence books or leaflets shall investigate any loss immediately and report the particulars to the Sub-Accounting Officer. The officer to whom the loss is reported shall ensure that the investigation is brought to conclusion and shall render a written report through the Accounting Officer to the Accountant-General with a copy to the Auditor-General. Particulars of the missing books or leaflet shall be published in the official gazette; no lost book or leaflet shall be published in an official gazette without the approval of the Accountant-General. | Missing receipts and licence books |
| 1226. | When one officer hands over to another, certificates signed by both officers shall be required in respect of all receipt or licence books or forms on charge. The certificates shall be supported by detailed list showing the quantity and serial numbers of each type of book and the officer taking over shall sign below the last entries in the stock Register. | Handing over certificate |
| 1227. | Audited fixed fees, licences and tickets counterfoil may be destroyed with the approval of the Accountant General, at the expiration of two years from the date of issue of the last receipt therein. [FR 1131 (ii)]. | Destruction of exhausted counterfoil receipts. |
| 1228. | <p>(i) Subject to the provisions of sub-section (ii) below, the Accounting Officers shall only authorise the destruction of obsolete and unused receipts leaflets and licences in the presence of three senior officers not below Grade Levels 12, two of whom shall be from other departments other than the Finance and Accounts Department. [FR 1131 (ii)]</p> <p>(ii) Before the destruction of obsolete, unused receipts leaflets and licences, the following conditions must be fulfilled:</p> <p>(a) These documents shall first be carefully examined to ensure that they are complete as to originals and all copies and that they are in fact unused.</p> <p>(b) These documents to be destroyed shall be carefully listed on a destruction certificate to be signed after destruction by all three officers and a copy forwarded to the Auditor- General.</p> <p>(c) The main stock registers shall also show details of all books to be destroyed.</p> <p>(d) Clearance with the Accountant-General for the destruction of the unused receipts.</p> <p>(e) Prior notice of intention to destroy unused receipts shall be given to the Auditor-General so as to enable an Audit officer attend and witness the destruction, if the Auditor-General so desires.</p> | Destruction of obsolete, unused receipt. |

CHAPTER 13

DEPOSITS

1301. (i) "Deposit" shall mean:
- a) Any monetary and non-monetary item held in custody on behalf of third parties to be disposed of in a manner specified in an enactment or agreement.
 - b) Any payment received in advance for goods or services to be offered later.
- (ii) Deposit referred to in subsection (i) above, shall include but not limited to prisoners' property.
- (iii) Deposits for which the services are to be offered within 12 months from the end of the reporting period shall be classified as Current Liabilities. Where the services are expected to span beyond the next 12 months after the end of reporting period, it shall be accounted for as Non-Current Deposits and classified as Non-Current Liabilities.
- (iv) Deposits shall be accounted for under the Below-the-Line classification list issued by the Accountant-General.
1302. Unclaimed salaries, wages, unspent balances of allocation, sum due to Merchants or Contractors or any form of revenue shall not be placed on deposit but shall be classified as payables.
1303. Accounting Officers shall include in their accounting procedure, special instructions for the operation of deposit accounts peculiar to their MDA and other arms of government. These instructions shall be subject to approval of the Accountant-General.
1304. (i) The Accounting Officers shall ensure that all monetary deposits are fully paid into an approved Government Account.
- (ii) All non-monetary deposits or otherwise:
- a) shall be kept in a safe or moved to a safe location, where moveable;
 - b) shall be locked up/sealed, where immovable; and
 - c) a subsidiary ledger shall be maintained for receipts and issuance of deposits.
1305. Receipt vouchers relating to deposits shall clearly indicate the person(s) on whose behalf the deposit is made, the nature of the transaction and the necessity for placing the sum on deposit.
1306. (i) Withdrawals from deposit shall be supported by the original receipt issued when the item was placed on deposit. When the withdrawal is made the receipt shall be marked "repaid" and attached to the withdrawal voucher.

Definition and accounting for deposits.

Funds Not to be kept under deposit.

Special instructions on operating deposits.

Custody of deposits.

Information required on deposit receipt voucher

Treasury receipt to be produced for withdrawals

(ii) In cases where only part of a sum deposited is required, the payment voucher for the withdrawal shall be for the whole of the sum deposited, and the amount not required shall be re-deposited using the Paying-in-Form. A separate receipt shall be issued in respect of this new deposit.

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| 1307. | Except duly authorized, deposit shall not be repaid at an office other than that at which it was received. | Withdrawals to be made at receiving Sub-Treasury |
| 1308. | Deposit of over two years, except prisoners' property shall not be repaid without prior approval of the Accounting Officers of the MDA and other arms of government. | Withdrawals of deposits over two years |
| 1309. | Deposits other than prisoners' property which have remained unclaimed for five years or more shall be reported to the Accountant-General by the officer responsible for the deposit account. Sufficient details should be furnished to enable a decision to be taken as to whether the deposits may be transferred to revenue. On receipt of authority to transfer, the officer responsible for the deposit shall effect the transaction by means of a Treasury Journal Voucher and record such transfer, quoting the Treasury Journal Voucher particulars. | Treatment of unclaimed deposits |
| 1310. | Refund of deposits made under the Immigration Restriction Act shall be made on the authority of the Accounting Officer. This authority shall be attached to the receipt voucher of the deposit and the reference quoted thereon. | Deposit under Immigration Act. |
| 1311. | Deposit ledgers shall be balanced and ruled off at the end of each financial year and all outstanding balances brought down. All entries shall be adequately cross referenced. | Annual balance. |

CHAPTER 14

ADVANCES AND ALLOWANCES

- 1401 Personal advances, which are loans to individual officers in the employment of the Federal Government of Nigeria, shall only be granted on the authority of this Financial Regulation, extant Circulars and the Public Service Rules. Authority for personal advances
- 1402 (i) Non-Personal Advances are those advances granted to an Officer in his official capacity such as Imprest (Standing and Special) and Advances granted as a result of loss of funds. Authority for Non-Personal Advances
(ii) Non-Personal Advances shall be approved by the Accounting Officers. An application for Non-Personal Advance shall state the reason(s) for the advance, the method of clearance and the person to be held responsible for clearing the advance.
- 1403 In the disbursement of funds for Non-Personal Advance for projects or special programmes, the Coordinator of the projects or special programmes shall approve all payments from the Project Account, while an Accountant not below the rank of Principal Accountant, shall be attached to the projects or special programmes and have responsibility for the disbursements as well as retirements of the Non-Personal Advances. Non-Personal Advance for projects and programmes.
- 1404 Vouchers relating to advances shall indicate: Particulars to be given on payment vouchers.
(a) name and designation of officer;
(b) the Below-the-Line classification of the Chart of Accounts;
(c) the nature of the advance;
(d) the terms of recovery; and
(e) the authority for the advance.
- 1405 (i) Accounting Officers shall ensure that records of advances, fully indexed are maintained to record advances granted and all the recoveries made. Records of advances.
(ii) Transactions of advances shall be posted promptly and correctly, and at the end of each month, shall be reconciled with the Accountant-General's Control Account.
- 1406 Accounting Officers shall be responsible for ensuring the prompt repayment of all personal advances in line with FR.1410 or otherwise. Repayment of personal advance

A - SALARY ADVANCES

- 1407 An officer proceeding on transfer, who has to bear wholly or partly the cost of his own or his family's transport shall on application, be granted an advance not exceeding one month's salary. Salary Advance for Officer proceeding on Transfer.

- 1408 Officers on posting to an overseas office of the Ministry of Foreign Affairs or other duty posting in an overseas country shall on application receive an advance of not more than three months' salary. Advances to Officers posted overseas.
- 1409 An officer on first appointment may on application to the Accounting Officer of the relevant MDA or other arms of government, receive an advance not exceeding one month's salary. An officer on temporary appointment may also be given salary advance not exceeding one month's salary on production of acceptable guarantee. Salary Advances for Officers on first appointment.
- 1410 (i) An advance not exceeding one month's salary shall be repaid in not more than three equal and consecutive monthly installments, commencing with the salary of the month following that in which the advance was drawn. Advances of up to two and three months' salary shall be repaid in not more than six and nine monthly installments respectively. Repayment installments of advances.
- (ii) Notwithstanding any advance granted under the above provisions, no advance shall be granted which shall result in a total deduction of more than a half of an officer's monthly salary.
- 1411 Salary advances and recoveries thereof shall be classified to Below-the-Line advance account in the officer's name. Under no circumstance shall they be classified to a Personal Emoluments vote. Classification of salary advances.

B- ADVANCES: MISCELLANEOUS

- 1412 Advances for correspondence courses and evening classes may be authorized by an Accounting Officer subject to the following conditions: Advances for correspondence courses
- (a) the ability and efficiency of the officer warrant his undertaking the course;
- (b) the course is related to his work;
- (c) the study is likely to increase his efficiency;
- (d) the course is with a reputable Institution or Establishment;
- (e) the officer shall produce receipts to show that the whole advance has been fully used for the purpose intended;
- (f) the officer understands that successful completion of the course shall not of itself constitute grounds for advancement;
- (g) the officer shall enter into an agreement by completing Treasury Form 51 for repayment and if the officer has less than two years in service, the Officer shall in addition produce an acceptable surety who shall enter into a bond for the amount advanced;
- (h) the advance shall be granted interest free;
- (i) the advance shall not include an element for postage, stationery, examination or other fees; and
- (j) the amount so granted under these rules shall be recovered in not more than 24 consecutive monthly installments.

C - GENERAL

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| 1413 | The outstanding balance of any advance shall be recovered in full from the last payment of salary and/or retirement entitlements of an officer who left the service on retirement, resignation, termination of appointment or dismissal. | Recoverable of outstanding balance of advance |
| 1414 | The outstanding balance of a salary advance in respect of a deceased officer who is not entitled to payment of pension shall not be recoverable from his estate. Government shall accept liability for the irrecoverable balance in this circumstance. | Balance of salary advance of deceased officers |
| 1415 | When an officer is transferred from one Pay Station to another before an advance granted him is recovered, details of the advances granted him and recoveries made up to the date of transfer shall be stated in his Last Pay Certificate forwarded to the new Pay Station along with a Certified True Copy of his Personal Emolument Record (FR 1514). The Sub-Accounting Officer of his new station shall record the outstanding balance of the advance in his Advances Ledger or Personal Emolument Record and effect recoveries accordingly. | Transmission of outstanding advances of officers on transfer |
| 1416 | The absence of any advice regarding repayment of any instalments of an advance shall not absolve an officer from repaying an advance granted in accordance with the provisions of this Financial Regulations. Instalments not recovered shall be deducted embloc on receipt of appropriate advice. | Officers to ensure repayment of advances granted |
| 1417 | It shall be the responsibility of all Accounting Officer to ensure that all advances granted to officers are fully recovered. | Responsibility of Accounting Officer for recovery of advance |

D - DUTY TOUR ALLOWANCES

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| 1418 | (i) Duty Tour Allowance shall be granted to enable officers pay lodging and feeding expenses during approved official tour. The rates applicable shall be as specified from time to time in an extant circular. | Duty tour allowances |
| | (ii) Transport allowance shall be paid to all officers when travelling to towns and cities where air transport services do not exist at the rate prescribed by the provisions of the Public Service Rules or any other extant regulations from time to time. | Transport allowance |
| | (iii) Air tickets shall be determined on prevailing air fare at the time of purchase. | |
| | (iv) For local running, officers shall be entitled to approved percentage of DTA in addition to airport and taxi fare at the prevailing rates. The payment of the allowances shall be made only in respect of official tours duly approved by an appropriate authority in each case. | |

- (iii) The payment of the allowances and other related expenses shall be charged directly to the relevant vote of the MDA and other arms of government concerned without any need for retirement.
- 1419 (i) The Accounting Officer shall authorize and grant estacode to an officer travelling either alone or as a member of a delegation on overseas tour at the prevailing rates at the time of the tour. Authority for estacode
- (ii) Estacode for overseas tour shall be paid at the rate prescribed, from time to time, by extant rules.
- 1420 (i) Payment of estacode authorized under FR 1419 shall be drawn in Nigeria in the approved currency based on the prevailing exchange rate. Traveler' s Cheques.
- (ii) In special circumstances where an Officer is forced to stay longer than necessary while on official duty abroad, an overseas Mission may pay additional estacode to such an officer after obtaining approval from relevant Accounting Officer. The MDA and other arms of government shall however refund such additional payment to the Mission. Additional estacode allowance
- 1421 Officers on duty tour, locally or overseas shall not over stay the number of days approved without obtaining prior approval from their Accounting Officers. Officers not to overstay duty tour.
- 1422 Any other allowance for officers shall be in accordance with the provisions of the Public Service Rules or any other extant circulars. Other allowances.

CHAPTER 15

SALARIES

PART I - GENERAL

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| 1501. | Salary is the personal emolument paid to an employee of an organization, usually monthly for services rendered at a predetermined rate of pay. | Definition of salary |
| 1502. | All officers in the employment of the public service shall be eligible for the payment of salaries. | Eligibility for salaries |
| 1503. | <p>(i) Salaries and allowances of officers of MDA and other arms of government funded from the Consolidated Revenue Fund (CRF) shall be paid through the Integrated Personnel and Payroll Information System (IPPIS) or any other approved medium by the Government.</p> <p>(ii) The salaries and allowances of an officer whose duty station is within Nigeria shall be paid locally in Nigeria and in Naira.</p> <p>(iii) Salaries shall not be paid in advance.</p> | Mode of payment. |
| 1504. | Salaries and allowances, which are based on an annual rate, shall be paid by monthly installments of one-twelfth of the annual rate. On retirement or termination of appointment, payment for part of a month shall be calculated on pro-rata basis. | Salaries to be paid monthly |
| 1505. | The Accountant-General shall prescribe dates in the month on which salaries and allowances shall be paid. | Date for payment. |
| 1506. | The Accounting Officer shall ensure that all the prescribed forms are completed by all employees as in FR 1522 and that payments are correctly processed as and when due and forwarded to the IPPIS office in the Office of Accountant-General. | Responsibility of Accounting Officer |
| 1507. | <p>(i) The Director or Head of Human Resource Department shall promptly instruct the officer-in-charge of IPPIS to immediately effect any variation or contingency likely to affect any officers' salary such as death, resignation, interdiction, suspension or dismissal.</p> <p>(ii) The Head of a Department or Division who receives information or notice about the resignation, termination, dismissal, death, withdrawal or retirement of an officer in any department or division shall formally notify the Director of Human Resource who shall advice the Director Finance and Accounts or Head of Accounts on the appropriate action to be taken. The original letter or notice of such information shall be endorsed to the</p> | Stoppage or variation of salary |

effect that a copy has been sent to the IPPIS Section of the Human Resources Department and the IPPIS Section in Finance and Accounts Department.

iii) The Director or Head of Human Resources shall on monthly basis notify the Director of Finance and Accounts or Head of Accounts about the details of officers whose salaries and allowances have been stopped or suspended.

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| 1508. | The Head of Department or Division who failed to promptly notify the Director or Head of Human Resources or Director of Finance and Accounts or Head of Accounts and any other officer who default in any form, in not communicating a decision to stop payment of salary as contained in FR 1507 shall be liable to surcharge and discipline for negligence and dereliction of duty. | Penalty for failure to convey information for stoppage or suspension of salary |
| 1509. | <p>(i) The officer in charge of IPPIS Section shall only effect any variation by way of increments on an officers' salary upon the receipt of a duly audited Variation Advice from the Director or Head of Human Resources.</p> <p>(ii) The Auditor-General shall be advised when an increment is withheld or deferred and subsequently restored.</p> | Notice of increment in salary |
| 1510. | On cessation of appointment arising from termination, or resignation, the salary of the officer shall be payable up to and including the day of cessation. This shall be without prejudice to the provisions of Public Service Rules or any extant law. | Cessation of appointment. |
| 1511. | Any balance of salary or other monies due to an officer who has been convicted for misappropriation of government funds or theft of government property, or who has been dismissed without liquidating any indebtedness to government, shall not be paid without the authority of the Accounting Officer. | Balance of salaries |
| 1512. | Any undue delay in the payment of salary or any other regular recurrent payments shall be investigated by the Director of Finance and Accounts or Head of Accounts and where necessary, report the matter to the Accounting Officer. | Delay in payment of salary |
| 1513. | Unclaimed salaries and allowances shall be paid into IPPIS Transaction Account pending investigation for a period not exceeding one year after which it shall be paid back into the Consolidated Revenue Fund. | Unclaimed salaries and allowances |
| 1514. | (i) A Last Pay Certificate together with a Certified True Copy of the Personal Emolument Records (where applicable) shall be issued when an Officer is transferred from one Ministry to another under confidential | Last Pay Certificate. |

cover.

(ii) The Last Pay Certificate, Personal Emolument Record and the Last Pay-slip shall show the last pay date of payment of salaries, full details of deductions, which have been made and any balance recoverable.

(iii) The Letter of Posting, Last Pay Certificate and a letter of request from the Director of Human Resources of the MDA and other arms of government where an officer is transferred to shall form the basis for the migration of the officer's salary from one MDA and other arms of government to another.

(iv) A copy of the Letter of Posting and the Last Pay Certificate shall be forwarded to the IPPIS Section for information and necessary action.

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| 1515. | The gross amount of the emoluments shall be charged against the relative personal emoluments line item of the current year's appropriation. The paying officer (Sub- Accounting Officer, Sub-Treasurer and other Pay Officer), shall enter the total of each type of deduction from emoluments as a receipt in the Cash Book and enter the gross amount of the emoluments as payment. | Accounting rule for deductions from emoluments |
| 1516. | The receipt entries for deductions from salary (FR 1515) shall be assigned receipt voucher numbers sequentially in the Cash Book. Treasury Receipts (TF. 6) shall be issued for certain categories of deductions as may be approved by the Accountant-General. | Receipts for deductions. |

PART II - PAYROLL PREPARATION AND CONTROL

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| 1517. | The procedure and method to be employed by MDA and other arms of government for the recording and the calculation of personnel emoluments shall be approved by the Accountant- General. | Approval by Accountant-General |
| 1518. | <p>(i) The standard payroll system to be applied in all offices, unless otherwise provided under FR 1519, shall be such as to ensure that maintenance of the following records is made in a single operation:</p> <p>(a) Personal Emoluments Record [TF.174(a) or TF.174(b)]</p> <p>(b) Payroll, in duplicate (TF. 2 PRA or TF. 2 PRB) together with a bank paying-in advice slip, and a National Health Insurance Fund, National Pension Fund and National Housing Fund advice slips.</p> <p>(c) Pay Slip shall be issued to the individual officer (TF. 2 PSA or TF.2 PSB).</p> <p>(ii) The above provision shall apply irrespective of whether the system is computerized or not.</p> | Standard payroll system |

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| 1519. | The officer controlling expenditure shall ensure that the standard personal emoluments records [TF. 174 (a) or TF. 17 4 (b)] shall show the following: | Personal Emoluments Records Form |
| | <ul style="list-style-type: none"> a. Name of Officer and IPPIS number. b. Standard rate of pay of the officer. c. Incremental date. d. Standard allowances. e. Salary and other advances issued. f. P.A.Y.E. and Free Pay Allowances. g. Aggregate gross emoluments, including, separately taxable allowances, h. P.A.Y.E. assessments. i. Standard deductions from emoluments. j. Net emoluments payable. | |
| 1520. | Where the accounting system is manual, the Director of Finance and Accounts or Head of Accounts shall ensure that the Personal Emolument Record Cards are kept under strict security arrangements and that when they are not in use, they are locked up in a fire-resistant cabinet, safe or strong-room (FR 1130). | Safe custody of Personal Emoluments Records |
| 1521. | <p>(i) The Accounting Officer shall ensure that every officer completes the Personal Emolument Record Form annually which shall be certified by Head of Department or any other designated officer;</p> <p>(ii) The completed Personal Emolument Record Form shall be the basis for opening the Group Registers which shall be audited before the inclusion of any officer in the payroll;</p> <p>(iii) Failure by any MDA and other arms of government to ensure the completion of the form annually by its staff, shall lead to the suspension of the personnel allocation to the MDA and other arms of government; and</p> <p>(iv) The salary of any staff that fails to complete the form latest by December of every year shall be stopped by January of the year following.</p> | Personal Emoluments Record Form and Group Registers |
| 1522. | <p>(i) The IPPIS Section in the MDA and other arms of government shall be informed in writing of any variation that may affect the salary of any officer (increment, promotion, or demotion) at the earliest possible time.</p> <p>(ii) Salary Variation Advice raised by Human Resources Department shall indicate all changes affecting salary as indicated in sub-section (i) above. Five copies of the variation advice shall be prepared and distributed as follows:</p> <ul style="list-style-type: none"> (a) One copy to IPPIS Section; (b) One copy to Variation Control Section; (c) One copy to Internal Audit Unit; (d) One copy in Variation Advice file; (e) One copy in the Officer's Personal File | Variation advice. |

1523. (i) The Director of Finance and Accounts or Head of Accounts shall ensure that a Variation Control Record on Treasury Form (TF.208) is maintained to indicate each variation in the month under review of emoluments, taxable allowances and the standard deductions from emoluments for each officer. Variation control.
- (ii) The sum total of these variations shall be added to or subtracted from the relative total of the previous month and from this shall be calculated; the totals of emoluments, taxable allowances, gross taxable emoluments and each type of standard deduction for the current month.
- (iii) The officer directly in charge of variation control shall be an officer not below the rank of Senior Accountant or Principal Executive Officer II (Accounts) and must not be the officer directly in charge of preparation of payroll. He shall work independently of the payroll section.
1524. The Payroll Section shall ensure that the following actions are taken: Action on salary by Payroll Section
- (a) Effect necessary entries in Personnel Emolument Records of each employee in the payroll. Such entries, shall include basic salary. for the month, all categories of deductions (for example union dues, pension contributions, housing fund contribution, NHIS, Tax and others), all categories of allowances and net amount payable. Prepare pay schedule (TF.2) detailing net amount due to each officers along with payroll.
- (b) Aggregate all entries made as par (a) above on Pay-Point basis and raise necessary TF. 209 to cater for deductions and TF.1 for the on-payment vouchers in favour of the relevant beneficiaries.
- (c) The TF. 209 and TF. 1 raised shall be classified to the appropriate Below-the-Line classification code and not to the Personnel Emolument vote of charge.
- (d) A Summary Payment Voucher shall be raised on Pay-Point basis to capture the total basic salaries and allowances due, to arrive at the gross amount due to all officers in a Pay-Point, the total deductions and the net amount payable.
- (e) Effect necessary entries in the Personnel Emolument voucher register and vote book.
- (f) Carry out internal check of payroll entries and vouchers to ensure accuracy of postings, taking into consideration variation in officers' monthly salaries.
- (g) Compare and reconcile the figures computed by the Salaries and Wages Section with the figures in the Variation Control Sheet for a given month.

(h) The officer controlling expenditure shall sign all summary vouchers, TF. 209 and TF.1 - on-payment vouchers after agreeing the figures with those on the Variation Control Sheet.

(j) On completion of action in (h) above, the payrolls supported with all the necessary documentation such as summary vouchers, TF 209 and on-payment vouchers, shall be forwarded to the Internal Audit unit on pay-point basis.

1525. On receipt of payrolls from the Salary and Wages Section, the Internal Audit shall carry out the following actions amongst others: Action by
Internal Audit.
- (a) Examine in detail, the accuracy of entries in the Personnel Emolument records of officers and payroll to ensure that any variations in the emolument of staff in a given month are correctly recorded.
 - (b) Examine all summary vouchers and other relevant supporting documents to ensure correctness of all deductions and amounts payable to individual officers and other agencies such as tax authorities and labour unions.
 - (c) Ensure that the gross amounts payable as reflected in the summary vouchers agree with the figures computed independently in the Variation Control Sheets.
 - (d) Extract copies of summary vouchers and other supporting documents for record purposes.
 - (e) Schedule the audited vouchers to the Central Pay Office (CPO), Federal Pay Office (FPO) or any other Pay Office and return the Personnel Emolument records to the Salaries and Wages Section.
1526. The Accounting Officer shall ensure that manpower audit is carried out in MDA and other arms of government at least once in any financial year. In all cases, representatives of the Accountant-General and the Auditor-General shall be in attendance to monitor the exercise. Periodic
manpower audit

CHAPTER 16

SELF-ACCOUNTING STATUS

- 1601 A Self-Accounting MDA or other arms of government is one in which the responsibility for the maintenance of the detailed records of expenditures, revenue and the Below-the-line payments and receipts of the MDA or other arms of government are delegated to the Accounting Officer. The Accounting Officer shall render the financial returns in a manner prescribed by the Accountant-General in line with the National Chart of Accounts (NCOA) at specified intervals and also at the close of each financial year. Definition of Self-Accounting Status
- 1602 (i) The approval of the Accountant-General shall be required before any MDA or other arms of government become Self-Accounting. Conditions for granting Self-Accounting Status
(ii) On application by an MDA or other arms of government, a Provisional Self-Accounting Status may be granted by the Accountant-General for a period of six months beginning from the date of the grant within which all conditions precedent to the grant of full Self-Accounting Status are fulfilled.
(iii) The approval of full Self-Accounting Status shall be granted on the fulfilment of the following conditions:
- (a) the Act establishing the organisation;
 - (b) an organogram showing the chain of command in the MDA or other arms of government;
 - (c) a fully constituted Internal Audit (FR Chapter 17);
 - (d) adoption of the National Chart of Accounts (NCOA);
 - (e) an Accounting Manual and Internal Audit Guide for the MDA or other arms of government approved by the Accountant-General;
 - (f) a well-equipped Central Pay Office;
 - (g) adequate manpower for the Finance and Accounts Department;
 - (h) a conducive office accommodation and other infrastructure;
 - (i) a secured Voucher Room;
 - (j) the staff nominal roll; and
 - (k) evidence of budgetary provision.
- (iv) In furtherance to iii above and FR 108, the Accountant-General shall deploy professional treasury officers to the MDA or other arms of government as follows:
- (a) professional treasury officers to all Agencies fully or partially funded from the Consolidated Revenue Fund; and
 - (b) reasonable numbers of professional treasury officers to all self-funding agencies on request.

- 1603 It shall be the responsibility of the Director of Finance and Accounts or Head of Accounts, to maintain appropriate records which can be relied upon for the preparation of IPSAS or IFRS compliant financial statements. Such records shall among others include: Accounting records
- (a) Cash Book
 - (b) Revenue Receivable Register
 - (c) Journal Voucher and Register
 - (d) Individual Subsidiary Ledger-Accounts Receivable
 - (e) Investment Register
 - (f) Salaries and Wages Register
 - (g) Accounts Payable Register
 - (h) Individual Subsidiary Ledger-Accounts Payable
 - (i) Monthly Financial Monitoring Report-Recurrent Expenditure
 - (j) Monthly Financial Monitoring Report-Capital Expenditure
 - (k) Detailed Budget-Programme Based Budget by Funds
 - (l) Detailed Budget-Functional Based Budget by Funds
 - (m) Detailed Budget-Sectors Based Budget by Funds
 - (n) Fiscal Operations Report 1- Recurrent Revenue and Expenditure
 - (o) Fiscal Operations Report 2- Capital Receipts and Expenditure
 - (p) Budget Performance Report
 - (q) Property, Plant and Equipment Register
 - (r) Property, Plant and Equipment Schedule
 - (s) Inventory (Stores) Issue Note Register
 - (t) Monthly Bank (Sub-Account) Reconciliation Statement
 - (u) Monthly Advances and/or Imprest Report
 - (v) Monthly IPSAS Accrual Basis Compliant Trial Balance
 - (w) Annual Statutory Financial Reports
 - (x) Other supporting accounts and registers which may be required to meet the specific requirements of the MDA and other arms of government.
- 1604 The duties of the Director of Finance and Accounts or Head of Accounts of such Self-Accounting MDA or other arms of government shall be as specified in FR 115. Duties of Director of Finance and Accounts or Head of Accounts.
- 1605 The Director of Finance and Accounts or Head of Accounts shall ensure that the following documents are properly maintained and updated in accordance with the provisions of this Financial Regulations: Retention of documents.
- (a) Cash Books of all Sub-Accounting Officers in the MDA or other arms government (FR 806 and 1131).
 - (b) Receipts and Payments vouchers for which the Accounting Officer is

responsible.

(c) Other Security Documents as specify in Chapter 11 of this FR.

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| 1606 | <p>A Self-Accounting MDA and other arms of government shall make all payments through the appropriate and approved government account. With regards to payments to be made outside the headquarters through the Federal Pay Offices or other Pay Offices, a Departmental Warrant or AIE together with the funding through appropriate government account shall be issued to the relevant agency(ies) (FR 407).</p> | <p>Payments in general</p> |
| 1607 | <p>(i) The revalidation of Self-Accounting Status shall be necessary;</p> <p>(a) Where an MDA or other arms of government earlier granted Self-Accounting Status has been merged or demerged from another leading to one or all the entities losing their corporate names.</p> <p>(b) Where an entity is foreclosed, proscribed and/or re-created by law as a new entity and under a new and operational mandate(s) (whether the entity is fully or partially funded by government, or not).</p> <p>(c) Where an entity earlier granted Self-Accounting status changed or reclassified its mode of operation to a Commercial Public Sector Entity (CPSE) (whether the entity is established as profit-making body or not).</p> <p>(ii) Self-Accounting Status granted to MDA or other arms of government shall be reviewed every four years by the Accountant-General.</p> | <p>Revalidation of Self-Accounting Status.</p> |
| 1608 | <p>The Accountant-General shall reserve the right to withdraw the Self-Accounting Status of any MDA or other arms of government that fails to comply with FR 1602 and any other provision of these Regulations such as:</p> <p>(a) non-rendition of IPSAS or IFRS compliant Trial Balance or Accounts of the entity for a cumulative period of six (6) months;</p> <p>(b) non-rendition of Separate Financial Statements by 31st March of the following year or any other time specified in a circular; and</p> <p>(c) numerous and repeated cases of Audit and/or Public Accounts Committee queries on the accounts of the MDA or other arms of government for which satisfactorily answers or otherwise could not be provided.</p> | <p>Withdrawal of Self-Accounting Status.</p> |

CHAPTER 17

INTERNAL AUDIT

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| 1701 | <p>(i) Internal auditing is an in-depth independent, objective assurance designed to add value and improve an organization's systems and operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.</p> <p>(ii) The Accounting Officer of an MDA or other arms of government in consultation with the Accountant-General, shall ensure that an internal audit is established to provide a complete and continuous audit of the accounts and records of revenue and expenditure, assets, allocated and unallocated stores or inventories, where applicable.</p> <p>(iii) Internal audit is also a managerial control tool which functions by measuring and evaluating the effectiveness of internal control system in an organisation.</p> <p>(iv) The existence of an internal audit shall not divest any member of the MDA and other arms of government of the individual responsibilities placed upon them, neither shall it obviate the necessity for normal departmental checks.</p> | Definition and policy of internal audit |
| 1702 | The Accountant-General shall ensure that a professional Accountant is placed as Director or Head of Internal Audit of each MDA and other arms of government | Deployment of Internal Auditor |
| 1703 | <p>(i) The Director or Head of Internal Audit shall be directly responsible to the Accounting Officer for carrying out detailed and comprehensive audit of the accounts, records, systems and procedures in existence.</p> <p>(ii) Report monthly to the Accounting Officer on the progress of the audit of the MDA or other arms of government with a copy to Accountant-General.</p> <p>(iii) Issue special reports, if necessary to draw the attention of the Accounting Officer and the Director of Finance and Accounts or Head of Accounts on the following among others:</p> <p>(a) an irregularity in the accounting records;</p> <p>(b) an apparent weakness in the accounting system;</p> <p>(c) weakness in the internal control system;</p> <p>(d) any apparent in-attention to the reports of the Auditor- General and internal audit report(s) earlier issued.</p> | Duties of Internal Auditor |
| 1704 | The detailed functions of the Director or Head of Internal Audit are as contained in FR 116 | Functions of Director or Head of Internal Audit |
| 1705 | (i) At the beginning of the year, the Internal Auditor shall prepare and submit to the Accounting Officer detailed Internal Audit Programme with a copy to Accountant-General. | Annual Audit Programme |

- (ii) The comprehensive audit programme shall cover all the records of the departments, divisions, sections and units of the MDA and other arms of government, to ensure that:
- (a) The safeguards or system of internal controls introduced for the prevention, or the prompt detection of fraud and loss of fund are adequate. In this regard, safeguards mean compliance with extant rules and regulations and the existence of internal checks;
 - (b) The system for the control of the assessment, collection, remittance and reconciliation of revenue is adequate and that all funds received are promptly and accurately brought to account under the appropriate classification in line with the NCOA.
 - (c) The system for the control of expenditure is adequate and that all payments made are properly authorized for the correct amounts and that they are paid to the right person(s), classified to the appropriate NCOA, and made for the purpose for which they were authorized;
 - (d) A system for the control of the receipts, issuance and consumption of stores or inventories is adequate, properly authorized, made to the right person(s) for the purpose for which they must have been approved and that adequate stores or inventories records are maintained;
 - (e) There are adequate means for the verification of all funds, stores or inventories and assets held; and
 - (f) The accounting records are complete and accurate.
- 1706 (i) The Director or Head of Internal Audit in all MDA and other arms of government shall ensure that 100% pre-payment audit of all vouchers is carried out and forwarded under security schedule direct to the appropriate Central Pay Office for payment. Prepayment audit of Payment Voucher
- (ii) Vouchers received in the Internal Audit shall be treated promptly and under no circumstance shall a voucher be held in the Internal Audit for more than two (2) working days.
- 1707 (i) The Director or Head of Internal Audit shall produce monthly, quarterly and half-yearly reports on the progress of the audit of the MDA or other arms of government to the Accounting Officer with copies to the Accountant-General and the Auditor- General. Monthly, quarterly and half-yearly reports
- (ii) The content of the report shall disclose the followings:
- (a) the adequacy of safeguards against fraud;
 - (b) the controls of the receipts and payments;
 - (c) receipts, issuance and consumption of stores or inventories;
 - (d) verification of funds and stamps held;
 - (e) the accuracy of the accounting records; and
 - (f) observations on the economy of operation, efficiency, and effectiveness of other areas of activities and functions of the MDA and other arms of government.
- 1708 The Director or Head of Internal Audit shall maintain under his personal control a register to record the progress of the audit. Progress Register
- 1709 (i) The Director or Head of Internal Audit shall draw up detailed internal audit instructions for the use of the staff, setting out concisely the nature Audit instructions

- and extent of the checks to be applied to each account or record. The instructions shall be comprehensive and shall be an amplification of the Internal Audit Manual of the MDA and other arms of government.
- (ii) In addition, they shall explain the general nature of the accounts, in relationship to the function of the MDA and other arms of government and contain references to the basis of financial report in line with IPSAS or IFRS, any relevant accounting instruction issued by the Accountant-General and other extant rules.
- 1710 The staff of the Internal Audit shall not be employed within the MDA and other arms of government on accounting duties. No officer shall be engaged in the duties of internal audit if the officer has previously been engaged on accounting duties in the MDA and other arms of government in the past three (3) years. Restrictions in the duties of Internal Audit staff
- 1711 Internal Audit certification on payment vouchers and other accounting books and records examined shall be through the use of Internal Audit stamps. All Internal Audit stamps shall be issued by the Accountant-General and shall be regarded strictly as financial security instrument. Issuance of Internal Audit Stamp
- 1712 (i) The Director or Head of Internal Audit shall submit the names and particulars of their Internal Audit staff who are empowered to make use of audit stamps to the Accountant-General. The ranks of such officers shall not be below GL.12 in Headquarters of the MDA and other arms of government and GL.10 outside the Headquarters. The particulars to be submitted in respect of each officer shall be as follows:
- (a) the name, rank and IPPIS number;
 - (b) two recent passport photographs stamped and endorsed by the Director or Head of Internal Audit;
 - (c) specimen signatures; and
 - (d) evidence of posting to the Internal Audit of the MDA or other arms of government.
- (ii) The application for internal audit stamps shall be signed by the Director or Head of Internal Audit and countersigned by the Accounting Officer and be forwarded to the Accountant-General.
- (iii) It shall be the responsibility of the Director or Head of Internal Audit to collect assigned audit stamps from the Accountant-General for issuance to designated staff. Issuance of Internal Audit Stamps
- 1713 (i) Director or Head of Internal Audit shall maintain an Internal Audit Stamps Register. Collection of Audit Stamps
- (ii) The Director or Head of Internal Audit shall arrange to collect all audit stamps at the end of each day and have them locked up in a Treasury Safe with two Senior Officers holding the keys, one of whom shall be the Director or Head of Internal Audit. The stamps shall be released to their respective users the next issuance day.
- (iii) The daily issue and return shall be recorded in the "Daily Release of Audit Stamps Register".

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- (iv) In the case of out-stations, the Director or Head of Internal Audit shall likewise collect the audit stamps from the office of the Accountant-General and issue them to the auditors as in FR 1713 (i).
- (v) The Director or Head of Internal Audit shall sign-off the Audit Stamps Register on daily basis.
- 1714 (i) Internal Audit stamps shall not be transferable from one officer to another. Audit Stamps not transferable
- (ii) Internal Auditors re-assigned to other MDA and other arms of government or leaving the Service are to ensure that audit stamps in their possession are returned to the Director or Head of Internal Audit who shall immediately inform the Accounting Officer and forward the stamp to the Accountant-General accordingly.
- (iii) On no account shall such audit stamps be re-issued to another Officer.
- 1715 Any Internal Auditor who loses an Internal Audit stamp duly issued to him through his negligence shall be disciplined in accordance with provisions of Public Service Rule and also bear the penalty of surcharge or replacement cost as confirmed by the Accountant-General. Loss of Internal Audit Stamps
- 1716 As part of the internal control functions, the Internal Auditor shall have free access at all reasonable times to stores or inventories and store or inventory records to carry out independent audit. Free access to stores and store records by the Internal Auditor
- 1717 The Director or Head of Internal Audit shall ensure that all necessary pre-payment checks and audit are conducted on electronic-based transactions. Internal Audit of electronic-based transactions

CHAPTER 18

**BOARD OF SURVEY: CASH BOOKS AND BANK ACCOUNTS
BALANCES, STORES OR INVENTORIES AND OTHER ASSETS**

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| 1801 | <p>(i) Boards of Survey, to be held after the close of business on the last business day of each financial year or before the commencement of business on the first working day of the new financial year shall be appointed to examine the Cash Books and Bank Accounts Balances, Imprest, Treasury Receipts, stamps and stores or inventories held by the Sub-Treasury, Federal Pay Offices and other Pay Offices in all MDA and other arms of government.</p> <p>(ii) It shall be the responsibility of the Director, Treasury Inspectorate Department, Office of the Accountant-General to convene the Annual Board(s) of Survey.</p> <p>(iii) The Director, Treasury Inspectorate Department, Office of the Accountant-General, shall by the first week in August every year, call for particulars of all Pay Offices to be surveyed at the end of the year from Accounting Officers in all MDA and other arms of government who shall forward the information not later than first week of October. The Director, Treasury Inspectorate shall appoint members of the Boards and advise all Accounting Officers accordingly.</p> | Annual Board of Survey on Cash Book and Bank balances, stores, inventories and other assets |
| 1802 | <p>Annual Boards of Surveys as described in FR 1801 above shall be held on the Cash Books or Bank accounts balances, Imprest, Treasury Receipts, stamps and stores or inventories held at Nigerian Missions overseas. It shall be the responsibility of the Head of the Mission to convene such Boards. In this regard, the Director, Treasury Inspectorate shall by first week in August each year, address a special letter to the Ministry of Foreign Affairs intimating the Ministry of the need for Heads of Missions to comply with this Financial Regulation.</p> | Annual Board of Survey: Missions Overseas |
| 1803 | <p>(i) The Director, Treasury Inspectorate shall also be responsible for the convening of surprise Boards of Survey at least three times during each year, on the Cash Books or Bank Accounts Balances, Imprest, Treasury Receipts, stamps and stores or inventories held by the Sub-Treasury, Federal Pay Offices and other Pay Offices, all MDA and other arms of government.</p> <p>(ii) The surprise Boards shall be appointed once in each of the first three quarters of the financial year and shall not necessarily be held at the end of a month or quarter.</p> <p>(iii) The Director, Treasury Inspectorate and officers authorized by him shall at any time make surprise inspection of the cash books or bank accounts balances, Imprest, Treasury Receipts, stamps and stores or inventories of any</p> | Surprise Boards of Survey (Local) |

MDA and other arms of government. The appointment of Surprise Boards of Survey shall be kept confidential.

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| 1804 | Surprise Boards of Survey shall be appointed three times during each year to examine the Cash Books or bank accounts balances, Imprest, Treasury Receipts, stamps and stores or inventories held at Nigerian Missions Overseas. It shall be the responsibility of the Head of Mission to convene such Boards and which shall be held at intervals as described in FR 1803. | Surprise Boards of Survey:
(Foreign Missions) |
| 1805 | <p>(i) A Board shall consist of three officers including the Chairman. The Chairman shall be an officer on Grade Level 12 and above while other members shall not be lower than Grade Level 08. The officers in charge of the Cash books or Bank Accounts, Imprest, Treasury Receipts, stamps and stores or inventories shall be present when the Board is conducting its survey.</p> <p>(ii) Officers appointed to serve on a Board of Survey shall report immediately to the convening authority if they are unable to serve.</p> | Composition of Boards of Survey |
| 1806 | No financial transactions shall take place between the close of business at the end of the financial year and the time of the survey. Where the survey could not be completed in one day, the unverified portion of the Cash Books or bank accounts, Imprest, Treasury Receipts, stamps and stores or inventories shall be kept separately under safeguard. | Suspension of transactions during board of survey |
| 1807 | <p>(i) The Board of Survey shall check the Cash Books or bank accounts balances, Imprest Registers, Treasury Receipts Registers and Stamps Certification Registers. This shall be done by verifying the Cash Books balances with the bank accounts balances and stamps certification register balance with actual stamps balance. The Cash Book balance shall be certified by the Board of Survey on both original and duplicate copy of the Cash Book. Stamps balance shall be certified on the Stamps Certification Register.</p> <p>(ii) Any surplus discovered as a result of a Board of Survey shall be brought to account in the Cash Book as a credit to Revenue line item. Unspecified Revenue Surplus or loss of Imprest and stamps shall also be brought to account accordingly.</p> <p>(iii) Any shortage shall be made good by the officer responsible or charged to an advance account for investigation. A serious shortage shall be reported immediately to the Accountant-General with a copy to the Auditor-General in accordance with Chapter 25 of this Financial Regulations.</p> | Certification of Accounting books and actual balances |

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| 1808 | <p>On completion of a survey, a report shall be rendered in triplicate on Revised Treasury Form 42. The certificate shall be signed by all members of the Board. The three copies shall be forwarded by the Chairman of the Board of Survey through the Director, Treasury Inspectorate not later than seven (7) working days after the date of the survey, to the Accountant-General who shall transmit a copy each to the Accounting Officer of the MDA or other arms of government other arms of government and the Auditor-General.</p> | Return of Proceedings. |
| 1809 | <p>Accounting Officers in all MDA and other arms of government shall, at irregular intervals, issue instructions for systematic inspection of the Cash Books or Bank balances, Imprest, Treasury Receipts, stamps and stores or inventories held by their subordinate officers. A record of such inspections shall be kept by the Accounting Officer.</p> | Surprise Inspection by Accounting Officers |
| 1810 | <p>For the purpose of validating the balances recorded during the closure exercise and to confirm that transfer of funds to hidden, surrogate or other accounts in a bid to reduce or minimize the returns of unspent balances to the CRF and other approved government accounts is detected, the Director Treasury Inspectorate shall ensure that a comprehensive verification of all payment vouchers raised including relevant mandates issued covering the last quarter of each financial year is carried out not later than February of the following year.</p> | Validation of year end balances |

CHAPTER 19

PENSION SCHEME IN THE FEDERAL PUBLIC SERVICE

PART I - GENERAL ADMINISTRATION

- 1901 (i) The Contributions by the employer and the employees shall be included in the monthly Personnel Warrants issued by the Minister of Finance and deducted from the individual salaries at source through the Integrated Personnel and Payroll Information System (IPPIS) or any other mode for salaries payment approved by the Government. Mode of pension contribution
- (ii) Contributions by both the employer and the employees shall be based on the consolidated salary of each staff.
- (iii) Contributions shall be deducted at source by the employer and remitted to the individual Retirement Savings Account (RSA) through the registered Pension Fund Administrator at the same time salary is being paid. The remittance shall include an amount comprising the employee's and employer's contributions to the Pension Scheme.
- 1902 (1) The amount to be contributed as government's share and to be deducted from the consolidated salary of each officer are as follows: Rate of monthly pension deductions
- (a) Military staff - Exempted from the Scheme
- (b) Civilian staff:
- (i) a minimum of 10% by the government; and
- (ii) a minimum of 8% by the employee.
- (2) The contribution of the Federal Government into the retirement benefits of the employees of the Public Service of the Federation shall be a charge on the Consolidated Fund of the Federation.
- 1903 (i) In addition to the rate specified in 1902 (b) above, every employer shall maintain a Group Life Insurance Policy in favour of each employee. The insurance shall cover not less than three times the annual total emolument of the employee and premium shall be paid not later than the date of commencement of the insurance cover. Staff Group Life Insurance
- (ii) Where the employer failed, refused or omitted to make premium payment as and when due, the employer shall make arrangement to effect the payment of claims arising from the death of any staff in its employment during such period.
- 1904 The following categories of employees shall be exempted from the Scheme: Exempted Officers
- (a) All employees who are entitled to retirement benefits before 1st July 2004 and those who have three (3) or less years to retire from the service.

(b) Judicial Officers appointed to the Supreme Court or Court of Appeal and other Judicial Officers appointed to any other Court, as per Section 291 of the Constitution of the Federal Republic of Nigeria 1999 (as amended) including members of the Armed Forces, the Intelligence and Secret Services of the Federation.

- 1905 The contributions from both the employers and the employees shall be accounted for in the following manner: Accounting for the contribution
- (a) National Pension Commission (PenCom) shall through the Pension Fund Administrators (PFAs) open Retirement Savings Accounts (RSA) for each employee and credit both the employer's and employee's contributions into such accounts together with the interest earned therefrom.
- (b) The PFA shall maintain accounting record for the contributions and ensure proper periodic reconciliation of the accounts.
- (c) On quarterly basis, the PFA shall generate and distribute Retirement Savings Account (RSA) statements to each employee-
- (d) Each MDA and other arms of government shall designate a liaison officer not below the rank of a Directorate Cadre for all matters relating to the Scheme.

PART II - ACCOUNTING RULES

- 1906 All Accounting Officers shall ensure that a Subsidiary Account Pension Unit is created in all MDA or other arms of government. The section shall function independently of the main subsidiary accounts section of the MDA or other arms of government. Subsidiary Account Pension Unit
- 1907 The Accountant-General shall allocate a Below-the-Line NCOA Classification code to all MDA or other arms of government for the recording of monthly pension contributions. Below-the-Line Classification Code for pension contributions
- 1908 On receipt of monthly Personnel Cost Warrants from the Ministry of Finance, the Director of Finance and Accounts or Head of Accounts shall ensure the issuance of Treasury Receipt Book 6 in respect of the gross amount on the Warrant, while a nominal payment voucher is raised to account for the deduction at source. Both the Treasury Receipt Voucher and Payment Voucher should be classified to relevant line item of the NCOA. Issuance of Treasury Book 6 by Director of Finance and Accounts or Head of Accounts
- 1909 (i) A minimum deduction of 8% shall be effected from the consolidated salary of every staff emolument during the pay rolling process. Actual deductions and records to be effected
- (ii) The Director of Finance and Accounts or Head of Accounts shall ensure the raising of nominal TF. 15 and TF. 1 on Pay-Point basis which shall be

	classified to each MDA and other arms of government, Below-the-line NCOA classification code. The TF.15 shall be supported with a schedule of contributors and amounts contributed.	
1910	A separate subsidiary Cash Book shall be maintained in respect of all TF.15. The monthly totals, which should agree, shall then be transferred to the Main Salary Cash Book. Any variance should immediately be reconciled before transfer to the Main Cash Book.	Maintenance of Subsidiary Cash Book
1911	The Director of Finance and Accounts or Head of Accounts shall ensure that actual monthly deductions, as reflected in the cashbook agree with the sum deducted at source. Any variance should be reconciled and communicated to the Budget Office of the Federation for necessary adjustment.	Deductions recorded in the Cash Book
1912	(i) Original copies of all TF.15 supported with schedules of contributors on a given pay point shall be forwarded to pension sub-accounts section for posting and updating the individual ledger accounts of all employees. (ii) All ledger accounts shall be kept in strong room or fire-proof cabinets when not in use.	Forwarding of original copies of TF 15 with schedules of contributors
1913	The Subsidiary Pension Accounts Section shall prepare quarterly reports stating the cumulative contribution of all employees. Copies of this report shall be distributed as follows: (i) The Accounting Officer; (ii) Accountant-General; (iii) Auditor-General; (iv) Ministry of Finance (v) The National Pension Commission; and (vi) The Pension Fund Administrator.	Quarterly report of Pension Accounts
1914	(i) On the transfer of an officer, from one MDA and other arms of government to another, a Last Pay Certificate (LPC) stating the total contribution by the Officer shall be prepared by the former MDA or other arms of government and forwarded along with a Certified True Copy of the ledger card to the new MDA or other arms of government. (ii) On the receipt of the LPC and the Certified True Copy of ledger card, the pension sub-accounts section of the new MDA or other arms of government shall open a new ledger card using the closing balance on the Certified True Copy as the opening balance for the transferred employee. (iii) The Accountant-General and the Pension Fund Administrator shall be duly informed of the transfer by the Accounting Officer of the MDA or other arms of government where the officer was transferred from.	Pension contribution Last Pay Certificates

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| 1915 | On the death, retirement or termination of appointment of an officer, a Last Pay Certificate shall be prepared and forwarded to the Pension Fund Administrator, with copies to the Ministry of Finance, Accountant-General, Auditor-General and National Pension Commission. | Last Pay
Certificates on
death,
retirement or
termination of
an officer |
| 1916 | <p>(i) Where payments are made through the Federal Pay Officers (other than those paid through IPPIS), it shall be the responsibility of the officer in-charge of Field Offices to collect copies of TF.15 supported with a schedule of affected contributors for onward transmission to the Accounting Officers of their respective MDA and other arms of government. All deductions made from the salaries of field officers shall be treated as outlined in this sub section.</p> <p>(ii) All transmission of deductions as per sub-section (i) above shall be effected in all MDA and other arms of government within 7 working days of the deductions.</p> <p>(iii) The transmitted deductions from the field officers shall be referred to the pension accounts section for action as stipulated in FR 1911.</p> | Treatment of
deductions
from the
salaries of field
officers |

CHAPTER 20

**GOVERNMENT PROPERTY, PLANT AND EQUIPMENT:
ACCOUNTING AND CUSTODY**

PART I - GENERAL

2001	(i) Property, Plant and Equipment (PPE) are government tangible assets that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes and are expected to be used during more than one reporting period. (ii) Investment properties are government land or buildings or part of a building or both, held to earn rentals or for capital appreciation or both.	Definition
2002	Government PPE shall be procured and disposed in line with the Public Procurement Act 2007 (as amended) (FR Chapter 29).	Procurement and disposal of PPE
2003	Government PPE shall be accounted for in line with the provisions of National and International Accounting Standards as approved by the Financial Reporting Council of Nigeria and in accordance with guidelines issued by the Accountant-General (FR 105).	Application of Accounting Standards for PPE
2004	Every public officer shall be personally and pecuniarily responsible for the government PPE under his control or in his custody.	Responsibility for PPE
2005	Accounting Officers shall be responsible for the general supervision and control of PPE of the MDA and other arms of government.	Supervision and control of PPE
2006	(i) The Sub-Accounting Officer shall ensure adequate control and management of Property, Plant and Equipment (PPE) Register and reconcile the schedule thereto to the General Ledger on monthly basis. (ii) The Sub-Accounting officer shall create and maintain an Asset Schedule which shall be updated at the end of every year, to indicate: original costs of the assets, additions and disposals during the year, accumulated depreciation and impairment, revaluation and net balances at the end of the year.	Maintenance of PPE Register and Assets Schedule
2007	PPE of similar nature shall be classified as a single item in line with the NCOA for the purpose of budgeting and accounting.	Classification of PPE
2008	The recognition, measurement, reporting and disclosures of PPE shall be in accordance with relevant and approved National and International Standards.	Recognition, measurement, reporting and disclosure of PPE

PART II - LAND AND BUILDINGS

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| 2009 | These are land and buildings purchased with government funds or otherwise acquired by government through other means. | Definition of Land and Building |
| 2010 | Accounting Officers of MDA and other arms of government shall ensure that government land and buildings are utilized in the most efficient, effective and economic manner to enhance productivity. | Utilization |
| 2011 | Land and building shall be classified as either PPE or Investment Property depending on the nature of the property. | Classification as PPE or Investment Properties |
| 2012 | The provisions in Chapter 26 of this Financial Regulations shall be applicable to the management and control of loss or damage of land and buildings. | Loss or damage to government land and buildings |

PART III - PLANT AND EQUIPMENT

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| 2013 | <p>Plant and Equipment are tangible assets purchased with public funds or otherwise acquired and shall include among others, the under-listed:</p> <ul style="list-style-type: none"> a. Infrastructure Assets b. Plant and Machinery c. Transportation Equipment d. Office Equipment e. Furniture and Fittings f. Other tangible assets as may be included from time to time. | Definition |
| 2014 | In the classification and accounting for PPE, the provisions in Chapter 21 of this Financial Regulations shall also apply. | Application of provisions of Chapter 21 of FR |

PART IV -
VEHICLES: USES AND CONTROL

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| 2015 | <p>The Accounting Officer shall be responsible for ensuring that there are effective controls in the use of government vehicles. For this purpose, shall ensure that the following records are maintained:</p> <ul style="list-style-type: none"> (a) Vehicle Memorandum Register (b) Vehicles' Control Register. (c) Requisition/Approval for journey. (d) Vehicle Log-Book (Gen. 59). (e) Vehicle Maintenance Register. | Responsibility for control of vehicles |
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2016	Official vehicles shall be used to facilitate official government business and shall not be used for private journeys except where written approval has been obtained from the Accounting Officer.	Use of official vehicles
2017	When a government officer is eligible for transport at government expense and no vehicle is provided, the scales for such transport allowance shall be as prescribed in the Public Service Rules. MDA and other arms of government shall provide transportation allowance for all authorized journeys.	Scale of transport, freights and passages
2018	As much as possible, a particular vehicle should be attached to a particular driver over a period to facilitate accountability for the movement and general condition of the vehicle.	Assignment of vehicle to a driver
2019	MDA and other arms of government shall enter into reasonable agreements with petrol dealers for supply of fuel, on a monthly credit basis. As much as possible, direct purchases should be limited to travels outside the station and emergency cases where supply is not immediately available from the regular supplier.	Fueling of vehicles
2020	The Director, Administration or General Services on the recommendation of the Transport Officer shall ensure that reasonable inventory of spare parts are maintained to support the Service Bay.	Servicing spare parts
2021	(i) Vehicle service charts shall be prepared by transport officers showing the details of vehicles owned by MDA or other arms of government, the type of repair undertaken at the previous service, current problems, date of next service among others, (specimen as Appendix 22). (ii) A similar chart showing the service history of a vehicle from the date of purchase till its present age shall be maintained to enable the Board and Losses Division of Inspectorate Department Office of the Accountant-General to evaluate prior to the authorization for the disposal.	Vehicle service chart
2022	To facilitate the proper control of transport operation and for effective monitoring of the movement of government vehicles, transport units shall adopt the use of Station Diary (specimen as Appendix 23) for a graphic illustration of the deployment of all vehicles in MDA and other arms of government at any point in time. The transport officer shall ensure that drivers endorse their log-books before, during and after any assignment.	Use of station diary and log-book
2023	Government drivers shall be properly inducted into their roles when they are newly employed. Training and retraining shall also be a regular feature in a driver's development.	Training of drivers
2024	The yearly Non-Accident Bonus Policy shall be implemented and	Non-Accident

disciplinary measures taken against any driver who negligently causes damage to government vehicles. Bonus

PART V - ACCIDENTS TO GOVERNMENT VEHICLES

- 2025 In addition to any action which shall be required to be taken in accordance with the provisions of section 23, of the Road Traffic Act, Cap.184 1963 and section 25 of the Federal Road Safety Commission (Establishment) Act 2007, the rules prescribed in this Chapter shall be observed when an accident occurs involving a federal government vehicle, (see end note to this Chapter on the provisions of Section 23 and 25 of Road Traffic Act and Federal Road Safety Commission (Establishment) Act) respectively. General rules involving accidents of government vehicles
- 2026 (i) The driver or the person in charge of the vehicle shall immediately report the accident to the Head of Department or Division. At the scene of the accident, the driver or any other person in charge of the vehicle shall furnish, only to a Police Officer or any other authorized law enforcement agents, or to the owner of the property to which injury has been caused, the details of:
 (a) the name and address of the driver;
 (b) the name and address of the MDA or other arms of government; and
 (c) the identification mark or registration number of the vehicle.
 (ii) Pursuant to sub-section (i) above, the driver shall in no way admit liability to any member of the public, or make any statement other than those above, to the Police, other authorized law enforcement agents or to the owner of the damaged property. Action by driver when accident occurs
- 2027 The Head of Department or Division shall report to the Director, Administration or General Services who shall take early steps to obtain statements of what took place from the driver, the passengers and witnesses whose names and addresses are known. Action by the Head of Department or Division
- 2028 The Director of Administration or General Services shall request the Accounting Officer of the Federal Ministry of Works to send a Mechanical Engineer to inspect the damage to the government vehicle or property. The inspection of non-government property shall not be carried out except in circumstances as described in FR 2032, since an unsolicited inspection might be held to amount to an admission of liability. Inspection by engineer from the Federal Ministry of Works
- 2029 The representative of the Federal Ministry of Works who shall be knowledgeable in automobile engineering shall be a person whose evidence shall be relied upon in any law court in the event of a dispute. Evidence of the representative of the Federal Ministry of Works
- 2030 If a claim for compensation for damage or injury arising out of an Claim against

	accident is received, the Director of Administration or General Services shall promptly acknowledge receipt of the claim and promptly bring it to the notice of the Accounting Officer.	government
2031	On receipt of a claim under FR 2030, and provided the consent of the owner of the vehicle or property or his representative has been obtained, the Director of Administration or General Services shall request the Federal Ministry of Works to send a competent person to inspect the damaged vehicle or property in respect of which the claim is made.	Inspection following receipt of a claim against government
2032	In situations where cases of accidents are brought to the notice of the Police, Federal Road Safety Commission or other relevant enforcement agencies, in accordance with Section 23 of the Road Traffic Act, Cap. 184 and Section 25 of the Federal Road Safety Commission (Establishment) Act, the Director of Administration or General Services shall obtain Police or Road Safety report together with a statement as to whether any person is being prosecuted as a result of the accident. The Police authority shall also be requested to give the result of such prosecution, where available.	Action of Director of Administration or General services when accidents are reported
2033	<p>The Director of Administration or General Services shall forward in duplicate to the Accounting Officer, a report on the circumstances of the accident containing full details of how the accident occurred together with the following:</p> <p>(a) Details of any claim which has been received for damages or injuries arising from the accident.</p> <p>(b) The original copy of any such claim.</p> <p>(c) For the purposes of assessing the legal position, an opinion whether or not the government driver was acting in the course of official duty and if it is considered that the driver was not, then full particulars shall be given. As a general rule, a driver on an authorized journey shall be presumed to be acting in the course of official duty, even if the driver makes an unauthorized tour, or drives at a speed or in a manner which a superior officer has forbidden.</p> <p>(d) Details of the damage to government vehicles and property, including the cost of repairs and details of any evidence tending to show how the accident occurred.</p> <p>(e) Details of the damage or injury in respect of which any claim has been made.</p> <p>(f) Copies of any reports provided by the Police.</p> <p>(g) Copies of the statement of the driver.</p> <p>(h) A sketch plan of the scene of the accident and any relevant pictures or videos, if this is likely to assist in the assessment of the case.</p> <p>(i) An assessment on the degree of negligence of each of the parties involved as contained in the Police report.</p>	Report of accident to Accounting Officer

2034	The Accounting Officer shall decide whether the circumstances of the accident disclosed by the report of the Head of Unit or Division warrant the convening of a Board of Enquiry, and if so, shall apply for such a Board under the provisions of Chapter 25, Part III of this Financial Regulations.	Appointment of Board of Enquiry
2035	<p>The Accounting Officer shall dispose of an accident report, and order the repair of the government vehicle when:</p> <p>(a) A civil claim against Government has not been received, or is not likely to be received.</p> <p>(b) The Accounting Officer is of the opinion that government should not institute a civil claim against any person.</p> <p>(c) The disciplinary action against any officer involved is within the discretion of the Accounting Officer.</p> <p>(d) Sufficient funds are available to meet the cost of repair to the government property.</p>	Disposal of accident report by the Accounting Officer
2036	<p>The Accounting Officer shall submit a report to the Ministry of Finance on the circumstances of accidents if:</p> <p>(a) a civil claim against government has been received, or is likely to be received;</p> <p>(b) in the opinion of the Accounting Officer, government should institute a claim against any person; and</p> <p>(c) there are allegations of negligence causing the accident which may involve disciplinary action against the officer over whom powers of discipline have not been delegated.</p>	Report of Accounting Officer on accidents to Ministry of Finance
2037	<p>(i) The report to be submitted under FR 2036 above shall contain the following details:</p> <p>(a) The opinion of the Accounting Officer as to the degree of negligence of each of the parties involved in the accident.</p> <p>(b) The recommended disciplinary action which may include suspension, surcharge and/or loss of Non-Accident Bonus taken against any officer found guilty of negligence.</p> <p>(c) Instances of any unauthorised use of government vehicles which might have been disclosed as a result of the accident, together with recommendation to prevent a re-occurrence.</p> <p>(ii) The report of the Accounting Officer shall be supported with the following documents:</p> <p>(a) A copy of the report with the attachments from the Director of Administration or General Services, Head of Unit or Division as required by FR 2033.</p> <p>(b) The report of the Board of Enquiry, where applicable.</p>	Form of report of Accounting Officer to the Ministry of Finance

2038	If a criminal prosecution is pending against a government employee arising from an accident involving a government vehicle, the departmental disciplinary action shall not be taken until the result of the criminal prosecution is known.	Departmental disciplinary action on officers
2039	On receipt of the report from the Accounting Officer, the Federal Ministry of Finance shall be responsible for all subsequent action on civil claims, and shall refer the papers to the Legal Adviser of the Ministry for advice as to whether government should institute a claim against any person or admit liability in respect of any claim which may be made against government for damage or injury caused by the accident.	Action by Federal Ministry of Finance
2040	For purposes of disciplinary action, all relevant papers in respect of a charge of negligence against an officer shall be forwarded to the appropriate Staff Committees of the MDA or other arms of government for consideration or to the Federal Civil Service Commission as appropriate.	Action by relevant Staff Committee
2041	If, as a result of the accident, the government vehicle is considered to be beyond economic repair, the Accounting Officer shall apply for a Board of Survey on the vehicle under the provisions of Chapter 25 of this Financial Regulations. Copies of the Report of the accident shall be made available to the Board.	Appointment of Board of Survey
2042	Accounting Officers shall forward at quarterly intervals to the Federal Ministry of Finance with a copy to the Auditor-General and Accountant-General, a return of all accidents to government vehicles showing the following details: (a) Date of accident of each vehicle. (b) Details of the vehicles involved. (c) Estimate of the cost of repairs to government vehicles or property. (d) Brief details of accidents dealt with under FR 2034 and details of disciplinary action taken. (e) Brief details of accidents dealt with under FR 2035 and cross-references to the reports submitted under FR 2036.	Quarterly returns of accidents

PART VI - ASSET TRACKING AND MANAGEMENT

2043	The Asset Tracking Management Project Department (ATMPD) of the OAGF shall support and guide the planning, acquisition, registration, operation, maintenance, renewal, lease, donation, transfer and boarding of Federal Government's PPE domestically and internationally.	Mandate of ATMPD
2044	All MDA and other arms of government shall create, maintain and sustain	Creation of ATMPD

an ATMP Division, Section or Unit as appropriate for conducting Asset Tracking and Management functions on routine basis. Division

- 2045 The Asset Tracking Management Project Department (ATMPD) of the OAGF shall among others perform the following functions: Functions of ATMPD
- i. Develop policy and framework for Asset Tracking and Management.
 - ii. Develop a comprehensive database of PPE of the Federal Government for ease of identification and valuation.
 - iii. Promote effective and sustainable asset maintenance culture.
 - iv. Provide strategies to prevent incidences of theft, pilferage, misappropriation or misuse of PPE in all MDA and other arms of government.
 - v. Liaison with MDA and other arms of government to identify and register all PPE of the Federal Government using Bar-Coding and other techniques.
 - vi. Monitor and evaluate level of compliance of MDA and other arms of government with ATMPD requirements at domestic and international offices of the FGN.
 - vii. Regularly monitor the disposal of PPE to ensure that appropriate recognition is given to depreciation and impairment.
 - viii. Establish a data-base indicating the geo-location, historical value and condition of all government assets.
 - ix. Ascertain the legal status of each of the government assets.
 - x. Produce a computerized PPE Register.
 - xi. Training and retraining of staff of MDA and other arms of government on Asset Tracking and Management techniques.
 - xii. Serve as Custodian of FGN's PPE Digital Register.

PART VII - INSURANCE OF GOVERNMENT ASSETS

- 2046 All Accounting Officers of MDA and other arms of government shall not later than 30th June of every year, prepare and submit schedules of all government assets under their control to the Minister of Finance for provision of insurance cover. Preparation of asset schedules for Insurance
- 2047 The Minister of Finance shall ensure that adequate provisions are made in the annual appropriation bill for enactment by National Assembly to cover insurance premium of all government assets. Provision for insurance premium in annual budgets

END NOTE

The provisions of Section 23, Road Traffic Act, Cap. 184, are reproduced as follows:

Report of
Accident

"Where in any accident due to the use of any motor vehicle or trailer on a highway, any injury is caused to any person, property or livestock in the charge of any person, the driver of the motor vehicle shall:

(a) immediately stop the vehicle;

(b) furnish his name and address, the name and address of the owner of the vehicle, the identification mark of the vehicle and other particulars relating thereto if requested to do so by any person to whom, or by the owner or person in charge of the property or of the livestock to which the injury has been caused, or by any Police Officer or any authorized law enforcement agent;

(c) in the case where the person to whom injury has been caused so requests, or if he is unconscious, or if the injury caused to that person appears to endanger life, take all reasonable practicable steps to attend to the injured person, to procure him medical attention and to procure, where necessary, his removal to hospital and thereafter report the accident forthwith to the nearest Police Station;

(d) in every case not referred to in paragraph (c) report the accident as soon as possible and in any case within 24 hours of the occurrence of the accident to the nearest Police Station. "

The provisions of Section 25 (i) of Federal Road Safety Commission (Establishment) Act:

Failure to Report
Accident on
Highways, etc.

In the case of accident on the highway, the driver or person involved shall immediately or as soon as practicable, report to the nearest Federal Road Safety Commission office or police station for appropriate action.

A person who fails to comply with subsection (i) of this section shall be guilty of an offence and be liable on conviction to a fine of ₦20,000.

CHAPTER 21

STORES OR INVENTORIES: ACCOUNTING AND CUSTODY

PART I

CLASSIFICATION AND GENERAL

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| 2101 | Stores or inventories shall include all movable assets (Non-current and current) that are purchased with public funds or otherwise acquired by government and shall include the following:
(a) materials or supplies to be consumed in the production process;
(b) materials or supplies to be consumed or distributed in rendering of services;
(c) items held for sale or distribution in the ordinary course of operations; and
(d) materials held in the process of production for sale or distribution. | Definition |
| 2102 | For accounting purposes, stores or inventories are of two classes, namely Allocated and Unallocated Stores or Inventories. They are further divided into three categories which, after issue, are dealt with according to the nature of the article, defined as follows:
(a) Non-Expendable Stores such as plants and machineries, transportation equipment, office equipment, furniture and fittings and specialized assets;
(b) Expendable Stores such as shovels, machetes, brushes; and
(c) Consumable Stores such as stationaries, paint, toiletries and foodstuffs. | Classification |
| 2103 | (i) Allocated Stores or Inventories are stores or inventories that the costs are chargeable directly to, and remain a charge to the expenditure line in which funds for their purchase were provided for in the Appropriation Act.
(ii) These stores or inventories shall be taken on numerical charge and shall be placed in an Allocated Stores or put into immediate use. They may be either purchased directly or obtained from the Unallocated Stores or Inventories. | Allocated Stores or Inventories |
| 2104 | (i) Unallocated Stores or Inventories are those purchased for general use rather than for a particular work or service for which the final vote of charge cannot be stated at the time of purchase.
(ii) Their cost shall be debited to an Unallocated Stores or Inventories in the expenditure lines. They shall be taken on charge in value and units and when issued for use, they shall be charged to the appropriate expenditure line as an Allocated Store or Inventory and the corresponding credit is posted to the Unallocated Stores or Inventories. | Unallocated Stores or Inventories |
| 2105 | Allocated and Unallocated Stores or Inventories shall preferably be stored in separate premises. Where this is not possible, separate areas shall be maintained within the same premises. | Storage according to classification |

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| 2106 | <p>For the harmonization of GPFS, MDA and other arms of government shall apply the following accounting policies for the treatment of stores or inventories in the preparation and presentation of financial statements:</p> <p>(a) Stores or Inventories to be valued initially at cost and subsequently at the lower of cost and net realizable value.</p> <p>(b) Cost to be determined using the First In First Out (FIFO) method. Where FIFO is not applicable, MDA and other arms of government shall apply other methods approved by IPSAS or IFRS with written approval of the Accountant-General.</p> <p>(c) Stores or Inventories held for distribution for public benefit purposes to be recorded at cost and adjusted where applicable for any loss of service potentials.</p> <p>(d) Stores or Inventories to be reported in the Statement of Financial Position under Current Assets or Non-current asset depending on the nature of the stores or inventories.</p> | Accounting for Stores or Inventories |
| 2107 | <p>For the MDA and other arms of government on approved electronic platform, the management of stores or inventories shall be through the use of the Store or Inventory Module of the platform to perform the following activities:</p> <p>(i) Management of Store items</p> <p>(ii) Store or Inventory Receipts</p> <p>(iii) Store or Inventory Requests</p> <p>(iv) Store or Inventory Issues</p> <p>(v) Store or Inventory Transfers</p> <p>(vi) Store or Inventory Adjustments</p> | Use of approved electronic platform |

Part II

TREASURY FORMS AND BOOKS OF ACCOUNTS

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| 2108 | <p>(a) MDA and other arms of government shall maintain the following Treasury Forms and Books in accounting for stores or inventories:</p> <p>(i) Store or Inventory Issue Register</p> <p>(ii) Store or Inventory Receipt Register</p> <p>(iii) Store or Inventory Ledger</p> <p>(iv) Store or Inventory Receipt Voucher</p> <p>(v) Store or Inventory Issue Voucher</p> <p>(vi) Bin Card</p> <p>(vii) Office Store or Inventory Board</p> <p>(viii) Unserviceable Store or Inventory (Impaired Assets)</p> <p>(ix) Transfer Issue Voucher (Inter MDA)</p> <p>(x) Transfer Issue Voucher (Intra MDA)</p> <p>(xi) Inventory or Stock Verification Query</p> <p>(xii) Report on Loss of Funds or Store or Inventory</p> <p>(xiii) Board of Survey Report on Unserviceable Stores or Inventories (Impaired Assets)</p> <p>(xiv) Handing Over Certificate</p> <p>(xv) Unallocated Stores or Inventories Annual Balance Statements</p> <p>(xvi) Stores or Inventories Analysis Sheet</p> <p>(xvii) Stores or Inventories Requisition</p> <p>(xviii) Stores or Inventories Discrepancy Form</p> | Treasury forms and books to be used |
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- (xix) Guarantor Form
- (xx) Local Purchase Order
- (xxi) Inventory Verification Analysis Register
- (xxii) Stock Verification Certificate Of Completion For Supply/Works/Services

(b) Any other form to be used by the MDA and other arms of government shall contain numbers, quantity, amount and description of the item. All such forms shall be duly approved by the Accountant-General.

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| 2109 | Every officer charged with the responsibility as defined in FR 2402 and 2403 shall ensure that appropriate stores or inventories ledgers are maintained to record all stores or inventories receipts and issuance from the Store. | Maintenance of Stores or Inventories Ledger |
| 2110 | <ul style="list-style-type: none"> (i) A separate ledger shall be maintained for each store or inventory. (ii) Records of articles of the same group shall be kept in one ledger and the items shall be arranged in alphabetical order. The unit of quantity shall be shown and articles shall be taken on charge in that unit. (iii) Separate folios shall be assigned to the various articles of stores or inventories and the description shall, in every case, agree with that of the Bin Cards kept in the Store. (iv) All store or inventory ledgers shall be clearly indexed. | Use of separate Store or Inventory Ledger |
| 2111 | <ul style="list-style-type: none"> (i) All bound ledger folios shall be numbered consecutively. Sheets for loose-leaf binders shall be controlled by the use of Control Register and issued against signature. The Control Register shall be maintained by a senior officer other than the Storekeeper, who shall be responsible either for ensuring that the loose-leaf sheets are properly and serially numbered on receipt from the Printer. The Officer shall also be responsible for issuing new sheets as required and recording in the Control Register, the Stores or Inventories ledger folio number given to each on coming into use. Keys to loose-leaf ledgers and locking devices for card cabinets shall be kept personally by the senior officer. (ii) Each sheet in use shall be given same folio number on both sides and when a replacement sheet of anyone item is inserted for one that is exhausted, in brackets, such as 5 (2). Completed sheets when withdrawn from a loose-leaf ledger in current use shall be filed in numerical order in a separate Binder. | Control of pages of Stores or Inventories Ledgers |
| 2112 | <ul style="list-style-type: none"> (i) In place of a bound or loose-leaf ledger, a system of controlled cards shall be used. Control of cards shall follow the procedure for loose-leaf binder sheets as shown in FR 2111. (ii) A new inventory ledger shall not be opened until the old one is exhausted. | Replacement of Store or Inventory Ledger Cards |
| 2113 | (i) The Store or Inventory ledgers and cards maintained in accordance with FR 2110 and 2112 shall contain complete record of the receipts and issuance of all articles of government assets and stores or inventories, including livestock and bulk supply of petrol, but excluding consumable stores or inventories purchased for immediate use in accordance with FR | Entries in Stores or Inventories Ledgers |

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(ii) The stores or inventories ledgers shall be posted daily and every entry shall have a store or inventory voucher, the number of which shall be recorded against the entry FR 2401.

(iii) In the case of Unallocated Stores or Inventories, the store or inventory ledgers and vouchers shall record both quantity and values.

2114	Unserviceable and obsolete stores or inventories shall be posted in a separate Store or Inventory ledger supported by a consignment note.	Posting of unserviceable and obsolete Stores or Inventory
2115	<p>(i) Store or Inventory ledger shall be balanced at the end of each month or when a Board of Survey is held, or a stock verification takes place.</p> <p>(ii) Allocated stores or inventories shall be balanced when one officer hands over to another.</p> <p>(iii) Where a separate column for the purpose is provided in the store or inventory ledger, the running balances shall be inserted after each transaction.</p>	Balancing of Stores or Inventories Ledgers
2116	When the last line but one on any folio of a ledger has been entered, the stores or inventories receipts and issues shall be totaled and carried forward to a new folio. The completed folio and the new one shall be cross-referenced (FR 2111). When ledger cards are in use and balances are carried forward, both cards shall be similarly cross-referenced.	Carrying forward of balances of Stores or Inventories Ledgers
2117	At the end of the financial year, a red line shall be ruled immediately below the last entry on each page of the store or inventory ledger and totals obtained.	End of financial year Stores or Inventories Ledgers
2118	Stores or Inventories Receipt and Issue Vouchers shall be numbered consecutively for each financial year and filed in numerical order.	Numbering of Receipts and Issue Vouchers
2119	Whenever a Store or Inventory Receipt or Issue Voucher is cancelled, all copies except the last which shall remain in the booklet shall be filed serially. Cancelled Store or Inventory Voucher shall be clearly marked as such and initialed by a responsible Officer.	Cancellation of Receipts and Issue Vouchers
2120	Conversion and adjustment vouchers of any description shall be in separate series, consecutively numbered for each financial year, and filed in numerical order.	Conversion and Adjustments Vouchers
2121	The number of the store or inventory ledger folio to which each item has been posted shall be recorded on all receipt, issue, or other vouchers. To prevent unauthorized additions on vouchers, a diagonal line shall be ruled immediately below the last entry and initialed by the officer raising the voucher.	Prevention of unauthorised addition to Store or Inventory Vouchers
2122	A separate Bin Card shall be kept for each item in the Store to correspond with items recorded in the stores or inventory ledgers. The relevant ledger folio shall be quoted on the Bin Card. Bin Cards shall be	Postings of Bin Cards

kept in the Bin with the article, of which they refer, except that where this is impracticable, they shall be kept in suitable cabinets or drawers, provided they are immediately available for entering and checking. All receipts and issuance shall be recorded on the Bin Cards which shall be posted from the vouchers immediately the stores or inventories are physically received or issued.

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| 2123 | Entries on Bin Cards shall be made in ink or ball pointed pen and shall be initialed by the Storekeeper. Bin Cards shall not be ruled off while the balances of stores or inventories on hand shall be shown in the proper column. The Bin Cards shall be entered by an officer other than the officer responsible for posting of Stores or Inventories Ledgers. | Entries on Bin Cards |
| 2124 | Registers shall be kept to record the following:
(a) All short-landed, missing, and damaged articles (Claims Register: FR 2407)
(b) All stores or inventories issue vouchers, showing the number, nature, requisitioning officer, date of acceptance and return of the issue voucher signed by the consignee. | Damaged Article Registers |
| 2125 | In addition to Stores or Inventories ledgers, lists of non-expendable stores or inventories in use such as office furniture, camp equipment, tools, machinery among others, shall be maintained by each officer to whom such property has been issued. A duplicate copy of the list shall be kept in safe custody elsewhere. | Non-Expendable Stores or Inventories |
| 2126 | (i) Erasures shall not be made in any store or inventory ledger, store or inventory receipt or issue voucher, or other store or inventory accounting documents.

(ii) Corrections shall be made by striking out the erroneous entry in red ink and inserting the correct entry. Corrections in store or inventory ledgers shall be initialed by the responsible officer. Corrections on store or inventory issue vouchers shall be signed in full by the officer who authorized the issue as well as the recipient of the stores or inventories. The recipient of stores or inventories shall not make any corrections on the Store or Inventory Issue Voucher. | Erasures not allowed in Store documents |
| 2127 | All Store or Inventory ledgers shall be kept in safe custody as provided for in FR Chapter 11. | Security of Store or Inventory documents |
| 2128 | MDA and other arms of government whose stores or inventories require specialized documents other than those specified in FR 2108 and on Appendix 15 of this Financial Regulations, shall design such forms which shall be approved by the Accountant-General and notify the Auditor-General accordingly. | Approval of specialised forms |
| 2129 | Accounting Officers are responsible for formulating a Store or Inventory Code for the guidance of their officers dealing with stores or inventories. Such codes or other accounting instructions shall conform with the main principles laid down in this Financial Regulations and shall have the | Store or Inventory Code |

prior approval of the Accountant-General. In the event that there is a conflict of details, then the provisions in the Financial Regulations shall prevail.

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| 2130 | Store or Inventory Forms in general use shall bear stores numbers and shall be issued under the authority of the Accountant-General. Store or Inventory Forms for special use shall not be used without the authority of the Accountant - General (FR 2108 & Appendix 15 for list of Store or Inventory Treasury Forms in use). | Numbering of Stores or Inventory Forms |
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Part III -

SUPERVISION AND CUSTODY OF STORES OR INVENTORIES

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| 2131 | Every public officer shall be personally and pecuniarily responsible for government assets under the control or custody of the officer. | General responsibility |
| 2132 | The Accounting Officer shall be responsible for the general supervision and control of Stores and store or inventory accounts of the MDA or other arms of government. | Responsibility of Accounting Officer in store matters |
| 2133 | Every officer in charge of a branch, section or station shall be responsible for the general supervision and control of the Store and stores or inventories accounts of the branch, section or station. | Responsibility of Branch Officer |
| 2134 | <p>The Store officer in charge of a Store or section of a Store who shall in each case be specifically deployed shall be personally responsible for:</p> <ul style="list-style-type: none"> (a) checking, handling and storage of stores or inventories received; (b) care of stores or inventories, including proper stacking and storage according to the nature of the stores or inventories with due observation of safety precautions; (c) issuance of stores or inventories supported by authorizing Store or Inventory Vouchers and ensuring such issuance are checked and properly packed; (d) progression of stores inventories issuance so that items of old stock are issued before new stock; (e) maintenance of stores or inventories within the prescribed maximum and minimum limits and avoidance of waste of stores and irregular issuance; and (f) periodic verification of stores or inventories balances with the Bin Cards and store or inventory ledger balances and reporting any discrepancies revealed, including stores or inventories that are damaged, deteriorated obsolete or in excess. | Handling of Stores by the Stores Officer |
| 2135 | <p>(i) The Store Officer shall be personally responsible for:</p> <ul style="list-style-type: none"> (a) existence and observance of security regulations which shall include prevention of unauthorized access; (b) frequent inspection of the storeroom giving special attention to the prevention of illegal entry; (c) ensuring that the storeroom is clean and properly ventilated; and (d) reporting when the storeroom is not in good condition or a state of | Maintenance and security of Store |

disrepair:

(ii) The Store Officer shall be present whenever the storerooms are to be opened and shall visit the storerooms every working day. The Officer shall be solely responsible for the keys and delegation of this duty is prohibited.

(iii) Where special circumstances require that more than one officer is specifically authorized, all such officers shall be equally liable. In such circumstances, special instructions approved by the Accountant-General after consultation with the Auditor-General shall be required.

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| 2136 | <p>(a) Stores Officers and/or Stock or Inventory verifiers shall not participate in the procurement of stores or inventories and neither shall they participate in the selection of a contractor or sit on the Tenders Board.</p> <p>(b) The duties of Store Officers and Stock Verifier shall mainly be to ensure that the goods ordered are received according to specifications and recorded in the Stores or Inventories ledgers as appropriate.</p> | <p>Prohibition of Stores Officers or Stock Verifiers in procurement process</p> |
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| 2137 | <p>All stores whether allocated or unallocated are subject to the following inspections:</p> <p>(a) The inspection of all stores with the MDA and other arms of government, whether at the headquarters or outstation shall be carried out yearly or at regular intervals by the officers stated in (b) or (c) or (d) below:</p> <p>(b) Stock Verifiers</p> <p>(c) Internal Auditors as part of their regular routine functions.</p> <p>(d) Boards of Survey held annually and at such other times as may be necessary</p> | <p>Inspection of stores</p> |
| 2138 | <p>Reports of inspections arranged in conformity with FR 2137 will provide the result of the following checks:</p> <p>(a) A test verification of the additions and subtractions in the store ledger and test comparisons of the ledger entries with receipt and issue vouchers.</p> | <p>Information on inspection reports</p> |

	(b) A test comparisons of the ledger balances with the actual stock and tally cards.	
	(c) An examination of the condition of the stock and manner of storage	
	(d) A scrutiny of the books and registers in use, which should be up-to-date and relevant vouchers properly filed.	
	(e) An examination of security measures put in place as well as comments on obsolete or excess store if any, together with any necessary recommendation.	
2139	The reports of all inspections, except Board of Survey, shall be submitted to the Accounting Officer with copies to the Accountant-General and Auditor-General. In the case of Board of Survey, it should be submitted in accordance with the provisions of Chapter 27 of this Financial Regulations.	Submission of inspection reports
2140	Officers to whom plant and tools have been issued for current use will make periodic checks to ensure that no shortages exist. Any discrepancy should be reported to the Head of the supervising department or division (FR3134)	Plant and tools
2141	All stores premises must have adequate fire-fighting appliances provided and maintained in a serviceable condition	Fire precautions
2142	(i) No article shall be issued on loan from an Unallocated Store (ii) Articles may be issued on loan from an Allocated Store, but prior written approval must be obtained from the responsible officer where a loan register shall be kept for that purpose.	Issue of loan
2143	Security Guards should be employed to look after all government stores.	Employment of security guards

CHAPTER 22

ALLOCATED AND UNALLOCATED STORES OR INVENTORIES**PART I -****ALLOCATED STORES OR INVENTORIES: TOOLS, PLANT AND FURNITURE**

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| 2201 | The provisions of Part I of this Chapter shall apply to the control of expendable and non-expendable stores or inventories as defined in FR 2102 (a) and (b) after their issuance. | Expendable and Non-expendable tools |
| 2202 | The receipt of non-expendable tools from main store or from direct purchase or from transfer and their return to main store shall be recorded in separate Non-Expendable Tools Ledger to be maintained by the officer in charge of the workshop or unit. The officer in charge shall also maintain subsidiary or store or inventory records to show the issuance and return of tools to and from individuals. The supervising officers shall make periodical checks to ensure that the correct numbers of tools are on hand and that they are in good serviceable condition. | Ledger for Non-expendable Stores |
| 2203 | Non-expendable tools which have become unserviceable shall remain on charge in the Tools Ledger pending examination by a Board of Survey and the authority for disposal and write-off, to be given under the provisions of Chapter 27. | Disposal of unserviceable Non-expendable stores |
| 2204 | Non-expendable tools which have been lost shall remain on ledger charge, in the Tools Ledger and shall be a liability of the officer in charge, pending the investigation of the loss under the provisions of Chapter 27. | Loss of Non-expendable tools |
| 2205 | The receipt of expendable tools such as those which are not considered to have a specific life assigned to them shall be recorded in a separate Expendable Tools Ledger to be maintained by the officer in charge of the workshop or unit. | Maintenance of Expendable tools Ledger |
| 2206 | (i) Expendable tools which have become unserviceable through fair wear and tear shall be written-off charge in the Expendable Tools Ledger without an examination by a Board of Survey (FR 2611 and 2612).
(ii) The write-off of any unserviceable expendable tools shall be authorised by Director of Administration or General Service. | Write-off of Expendable tools |
| 2207 | When replacement of expendable tools destroyed is required, the original of | Replacement of expendable |

the destruction certificate in the following form shall be forwarded to the tools issuing store in support of the demand: “Certified that I have personally inspected the under-mentioned expendable tools issued to me which have become unserviceable through fair wear and tear and have been destroyed by (quote method of destruction)”

Signed

Rank

Date

Countersigned.....

Officer-in-charge of workshop

Date

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| 2208 | The term "Plant" includes movable non-current assets such as machines, engines, boilers among others. | Definition of Plant |
| 2209 | Every item of plant shall be numbered in a series to be recorded in a register at the headquarters of every MDA and other arms of government concerned with the acquisition and issuance of the plant. The appropriate series and number shall be inscribed on the equipment. | Numbering and registration of Plant |
| 2210 | The receipt of the plant shall be recorded in a Plant ledger to be maintained by the officer in charge of the workshop or unit, and for non-current plant, the record shall show the location of the plant in use. | Maintenance of Plant Ledger |
| 2211 | Records on Office Inventory Board (SF.15) shall be maintained by the officer in charge of plant to record the accessories, spares and tools carried with the plant or equipment. | Maintenance of Inventory of Accessories |
| 2212 | Officers in-charge of plant shall maintain Plant Logbook for each item of equipment to record the plant's history of repairs, overhauls, spare parts consumed, details of periodic maintenance, servicing and details of fuel and oil consumption. | Keeping of Logbook for every Plant |
| 2213 | Plant which has become unserviceable or lost shall remain on charge in the plant ledger pending examination or investigation by a Board of Survey or Board of Enquiry and the authority for disposal and write-off to be given under the provisions of Chapter 27. | Write off of Plants |
| 2214 | MDA and other arms of government where applicable may furnish and equip their offices as well as official residential quarters of eligible officers. | Furnishing of offices and residential quarters |

2215	The receipt from store, direct purchase of furniture and equipment for an office or other government building as well as returns to store shall be recorded in a Furniture Ledger to be maintained by the office manager, or officer in charge of the building.	Maintenance of Furniture Ledger
2216	The distribution of furniture and equipment within a building shall be recorded in a Master Inventory Record, to be maintained by the Office Manager or the Officer in charge to show the location of the furniture or equipment and the officer shall ensure that the total of each type so distributed agrees with the balance on the relevant Furniture Ledger.	Maintenance of Master Inventory Record
2217	The Office Manager or the Officer in charge of the building shall ensure that an Office Inventory Board (SF.15) is displayed in each room or office to record the distribution of furniture and equipment to each room or group of rooms. The Officer shall make periodic checks at least once quarterly to ensure that the correct numbers of furniture and equipment are in their proper place and that they are in good serviceable condition. The Officer shall ensure that all items found in excess are immediately taken on inventory and master inventory charge.	Display of Office Inventory Board
2218	The Officer in charge of federal houses in an area shall maintain a Master Inventory Record to show the location of all federal government furniture on issuance to houses, quarters among others, and shall maintain an Office Inventory Board (SF.15) to record the furniture and equipment on issuance to each quarter. Inventories shall be checked in full detail on change of occupant.	Maintenance of Master Inventory Record and Inventory Board
2219	Every electrical or gas cooker, refrigerator, water heater, fan and such other equipment shall be numbered in a series to be recorded in a Register by the Officer in charge of the Store of issue. The appropriate series and number shall be inscribed on the equipment.	Registration and numbering of equipment and appliances

PART II -

UNALLOCATED STORES OR INVENTORIES

2220	The provision of Part II of this chapter shall apply to the control of unallocated stores or inventories.	Unallocated-Stores or Inventories
2221	The purpose of an unallocated store is to acquire stores of a standard design which is in constant demand, to hold minimum stocks thereof and to facilitate their immediate availability when required for a project or service. It is also to allow the vote of the relevant project or service to be charged with the value of the stores when issued.	Purpose of Unallocated Stores

2222	The maximum limit of the value of the stores or inventories which may be held at any particular time shall not be exceeded without the authority of the Accounting Officer.	Maximum stock holding
2223	The provisions of Chapters 21 to 26 concerning regulations, security, issuance, return, handing over, acquisition and losses shall apply mutatis mutandis to unallocated stores or inventories.	Application of FR to Un-Allocated Stores
2224	The cost of stores or inventories purchased to replenish standard stocks and stores or inventories imported and handled by an unallocated stores or inventories organization for a specific work or service, shall be charged initially to the unallocated stores or inventories classification of the current Appropriation Act, under the item of "Purchases-of Stores or Inventories".	Vote to be charged for unallocated stores or inventories
2225	The cost of stores or inventories purchased locally for specific projects or service shall be charged directly to the relevant vote of the project or service.	Vote to be charged for allocated stores or inventories
2226	For accounting purposes, the "cost" of unallocated stores or inventories shall be: (a) For imported stores or inventories; the invoice price (F.O.B), ocean freight, inspection fees, marine insurance, customs duty, local transport cost among others. (b) For stores or inventories purchased locally; the full purchase price, less discount, if any.	Cost of Stores.
2227	When stores or inventories are received, each category shall be separately taken on charge in quantity and value. The value at which stores or inventories are to be issued out shall be on the basis of First in First Out or in accordance with extant policy.	Issuance of stores
2228	The Director of Finance and Accounts or Head of Accounts of the MDA and other arms of government shall ensure that the following minimum records are maintained: (a) Purchases Journal (or Stores or Inventories Cost Book). (b) Issues Journal (or Stores or Inventories Issues Summary). (c) Inventory ledger, which shall include an account for each category of store or inventory, and a separate account for: (i) Short-falls and Excesses (or Price Adjustments). (ii) Claims.	Accounting records to be maintained

2229	The Treasury Journal or Stores or Inventories Cost Book shall be the prime entry record for taking on charge of the stores or inventories received.	Purchase Journal.
2230	<p>(i) The Issues Journal or Stores or Inventories Issues Summary shall provide a summary and a monthly total of the values of issues of stores or inventories computed at the First In First Out (FIFO) or other approved price.</p> <p>(ii) Copies of the Stores or Inventories Issue Summary, in triplicate, together with supporting copy of the stores or inventories issues vouchers, shall be forwarded monthly in the form of Materials Expense-Statement to the Director of Finance and Accounts or Head of the Ministry controlling the stores or inventories at a date to be prescribed by the Accounting Officer.</p> <p>(iii) The Director of Finance and Account or Head of Accounts shall incorporate into the accounting records the total of the issuance to the credit of the unallocated stores or inventories expenditure line item and charge the values of the issuance to the relevant votes of the project or service for which the stores or inventories were drawn.</p>	Issues Journal or Stores Summary.
2231	<p>The Shortfalls and Excesses Account or the Price Adjustment Account shall be utilized only for the following purposes:</p> <p>(a) to accommodate the value of stores or inventories found in excess;</p> <p>(b) to accommodate the value of minor discrepancies of stores or inventories and of goods short-landed or damaged and written-off stores or inventories ledger charge by the Accounting Officer under the authority of FR 2601</p> <p>(c) To accommodate the value of unserviceable stores written-off store ledger charge by the authority of the Accounting Officer under the provisions of FR 2610.</p>	Use of Shortfalls and Excesses Account.
2232	A credit balance remaining at the end of financial year on the Short-falls and Excesses Account shall be abandoned under the authority of the Accounting Officer and appropriate journal entries shall be made in the accounts to reflect the abandonment. If the account runs into a debit balance towards the end of the financial year or earlier, if the debit is excessive, the officer in charge of the store shall fully investigate the cause and, if appropriate shall apply for additional funds (FR 309) under the classification of "Unallocated Stores or Inventories Deficiencies", sufficient to accommodate a transfer by adjustment Treasury Journal voucher to put the Shortfalls and Excesses Account or Price Adjustment Account into a credit balance by the end of the financial year.	Clearance of excess balances on the Shortfalls and Excess Account.

2233	<p>(i) The value of imported stores or inventories received in a damaged condition or short-landed by the carrier shall be recorded in the Purchases Ledger or Stores or Inventories Cost Book and taken on charge in the appropriate claims section.</p> <p>(ii) Details of the loss shall be entered in a Claims-Register and the claim against the carrier or supplier shall be passed to the shippers by the officer in charge of the stores or inventories. The claim shall be made immediately and within the prescribed time limit.</p> <p>(iii) The receipt of a settlement of a claim shall be recorded in the Purchases Ledger and the appropriate record shall be made in the claim register. The Stores or Inventories Charges Account shall reflect the value of the claims made, settled or written-off and the balance of the values of claim outstanding.</p>	Claims for short-landing or goods damaged.
2234	A claim shall not be made when the value of the short-landed or damaged stores or inventories does not exceed ₦150,000.00	When claims are not to be made
2235	Unsettled claims shall be abandoned and written-off in accordance with the provisions of FR chapter 27. In line with FR 2606 (a), a claim abandoned under the authority of the Accounting Officer, shall be charged against the appropriate classification of the National Chart of Accounts (NCOA).	Treatment of unsettled claims
2236	The Accounting Officer shall not later than 31 st January of each year, prepare and submit the Annual Balance Statement and Reconciliation Account in respect of stores to the Accountant-General and the Auditor-General. (Appendix 18)	Preparation and submission of Annual Balance Statement
2237	The provisions of Chapter 27 concerning Board of Survey and Inspections of Stores and FR 1705 and 2802 concerning the responsibilities of Internal Auditors and Stock Verifiers, shall apply respectively.	Verification of stores by Internal Auditors and Stock Verifiers
2238	The provisions of Chapter 26, concerning losses of stores shall apply.	Application of provisions of Chapter 26

CHAPTER 23

ACQUISITION OF MINOR STORES: LOCAL PURCHASE

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| 2301 | <p>(i) Stores or Inventories may be obtained by local purchase. All MDA and other arms of government are required to purchase Stores or Inventories locally produced in preference to placing orders for imported goods.</p> <p>(ii) Minor stores that may be purchased using the Local Purchase Order (LPO) shall be in line with the threshold of direct purchases as may be set by the Bureau of Public Procurement from time to time.</p> | Local purchase of stores or inventories |
| 2302 | <p>(i) All Local Purchase of Stores or Inventories shall be authorized by the Accounting Officer based on availability of funds.</p> <p>(ii) On no account shall Special Imprest or Cash Advance be used in place of Local Purchase Order, Job Order or Letter of Award for the purchase of Stores or Inventories locally.</p> | Authority for local purchase of Stores or Inventories |
| 2303 | <p>The Accounting Officer shall determine which contract instrument is appropriate having regard to the nature of the transaction and the need to protect public funds. The following guidelines shall apply:</p> <p>(a) For off-the-shelf or standardized products, e.g. Refrigerators, Air-Conditioners, within the thresholds approved by the Bureau of Public Procurement from time to time, Local Purchase Order (LPO) or Letter of Award shall be issued. The validity period of Local Purchase Order shall not exceed 3 months and in any case, shall not be valid after the end of the financial year in which it was issued as stipulated in FR 414.</p> <p>(b) With regard to other contracts that are not covered by Local Purchase Order or Job Order, a formal contract agreement shall be entered into through tendering process.</p> | Instruments for local purchase |
| 2304 | <p>On the approval of the Accounting Officer, request for the issuance of Local Purchase Order, Job Order or Letter of Award shall be forwarded to the Director of Procurement. The Director of Procurement shall issue the Local Purchase Order or Job Order and forward same to the Director of Finance and Accounts or Head of Accounts, who shall ensure that liability, is taken against the appropriate vote of charge in the vote book. The Director of Procurement shall thereafter release the original LPO or Letter of Award to the supplier.</p> | Issuance of Local Purchase and Job Orders. |

2305	As much as it is practicable, goods shall be purchased from Original Equipment Manufacturers (OEM) or their accredited agents. When goods are obtained through an agent, the user department or store verifier shall satisfy that the goods are authentic.	Purchase of stores or inventories from original manufacturers
2306	<p>(i) Local Purchase Order (Treasury Book 118R) shall be prepared in quadruplicate. The quantities and estimated cost shall be entered in words and figures, and the Order shall be ruled off after the last item. The original and duplicate of the Order shall be submitted to the supplier, who will return the original with the invoice or bill. When payment is made, the original of the Order together with the invoice or bill shall be attached to the Payment Voucher.</p> <p>(ii) The triplicate copy shall be sent to the Store Officer if the goods are to be taken on charge while the quadruplicate shall remain in the book.</p> <p>(iii) Any alteration to the wording on a Local Purchase Order shall be signed by the officer authorizing the Order (FR 2404)</p> <p>(iv) In the case of Letter of Award, it shall be in duplicate. The original copy to be given to the supplier while the duplicate shall be retained in the file. However, the original copy shall be returned by the supplier and attached to the Payment Voucher along with the invoice.</p>	Preparation and payment for Local Purchase Order or Letter of Award
2307	<p>(i) If the original of a Local Purchase Order is lost before delivery of the goods and this fact is brought to the knowledge of the issuing officer by the supplier, the issuing officer shall cancel the LPO and inform the supplier of the cancellation immediately. The triplicate copy of the order shall be recovered from the store officer, replaced, and stapled with the quadruplicate copy in the order book and endorsed accordingly. A fresh Local Purchase Order may then be issued.</p> <p>(ii) Where a Letter of Award is lost, the supplier shall provide necessary evidence for such loss before the Accounting Officer can authorize the issuance of another Letter of Award. The supplier shall provide an indemnity letter for any loss that may be suffered by the entity as a result of the loss of the original Letter of Award.</p>	Loss of Local Purchase Order or Letter of Award
2308	All unused and partly used Local Purchase Order books shall be kept under lock and key and suitable precautions taken at all times to prevent them getting into unauthorized hands.	Security of unused Local Purchase Order booklets

2309	Tenderers invited in accordance with FR 2303 (b) shall be considered in line with the provisions of the Public Procurement Act.	Tenders for acquisition of stores or Inventories
2310	In special circumstances where stores or inventories are urgently needed, and it is known that local manufacturers are unable to supply in reasonable time, the Head of Department of an MDA or other arms of government may seek the specific authority of the Accounting Officer to place an Order through importers without recourse to tender. The Accounting Officer shall be satisfied that to wait for local supply would seriously prejudice the work of the Department concerned or entail extra cost to public funds.	Purchase of stores or inventories through indent
2311	The foregoing provisions shall apply in so far as they do not breach any of the provisions in the Public Procurement Act or any guidelines that the Bureau of Public Procurement may issue from time to time.	Compliance with PPA

CHAPTER 24

HANDLING OF STORES OR INVENTORIES

PART I -

RECEIPTS OF STORES OR INVENTORIES

- 2401 (i) The recording of entries in respect of receipts in the Allocated Stores or Inventories Ledger shall be supported with the prescribed vouchers (TF.) according to the sources of receipt as follows: Supporting vouchers for receipt of Stores
- | Source of receipt of Stores or Inventories | Ledger entry supported by: |
|--|---|
| (a) Importation | Stores or Inventory Receipt Voucher and duplicate copy of invoice. |
| (b) Local Procurement | Copy of Stores or Inventory Receipt Voucher and triplicate copy of Letter of Award or Local Purchase Order. |
| (c) Transfer from other stores | Copy of Transfer Issue Voucher (Inter or intra MDA) where applicable from the transferring stores. |
| (d) Conversion and Manufacture | Copy of Conversion Voucher (SF. 5). |
| (e) Returned Stores or Inventories | Stores or Inventory Receipt Voucher |
| (f) Excesses taken on charge | Stores or Inventory Receipt Voucher |
| (g) Any Other Source | Stores or Inventory Receipt Voucher |
- (ii) Recording of entries in the unallocated Stores or Inventories ledger shall be supported with the prescribed vouchers according to receipt of stores or inventories as follows:

Sources of receipt of stores or inventories

Ledger entry supported by

(a) Importation

Stores or Inventories Receipt Vouchers with relevant invoice.

(b) Local Procurement

Stores or Inventory Receipt Voucher and triplicate copy of Letter of Award or Local Purchase Order.

(c) Transfer from other stores

(d) Conversion and Manufacture

(e) Returned Stores or Inventories

(f) Excesses taken on charge

(g) Any other source

As required for Allocated Stores detailed in Sub - Section (i) above

(iii) Receipt entries in the unallocated Stores or inventory Ledger shall be supported by the appropriate voucher or vouchers as detailed in sub-section (ii) above, except where special forms are designed for Departmental or Divisional use. The use of special forms shall be approved by the Accountant-General and in accordance with FR 2422.

2402 (i) For all Payment Vouchers for the purchase of stores or inventories, except as provided in sub-section (ii) of this Regulation, the Store officer shall certify by the issuance of a Store Receipt Voucher that the stores or inventories have been received and taken on charge in the stores or inventories ledger quoting the Stores or Inventory Receipt Voucher number and attaching the original copy of the Stores or Inventory Receipt Voucher to the original L.P.O or Letter of Award (FR 2415).

Stores Certificates to accompany Payment Vouchers

(ii) Expendable and consumable stores or inventories obtained in small quantities for immediate use such as uniforms, soap, brooms, dusters, among others, shall not be taken on charge in ledgers, but a certificate shall be inserted in the payment voucher thus:

“Required for immediate use and not taken on ledger charge”

2403 (i) The Supplies Division of every MDA and other arms of government shall maintain a Store or Inventory Receipt Register and Invoice Control Register to ensure that all imported Allocated Stores or Inventories paid for, are duly taken on charge. The registers shall provide columns for entries to show:

Invoice Control Register.

- (a) Indent Number and Date (To be entered when indent is prepared).
- (b) Invoice number and date.
- (c) Value of Stores or Inventories on invoice.
- (d) Import Payment Voucher, date and number.
- (e) Date on which invoiced Stores or Inventories was taken on charge.
- (f) Stores or Inventory Receipt Voucher Number.

(ii) The register shall be examined periodically by a Stock Verifier to verify that the stores or inventories paid for have in fact been received.

(iii) Where applicable, Store or Inventory Receipt Register and Bills or Invoices Control Register shall be maintained by every MDA and other arms of government for all stores or inventories purchased through indent as imported items.

- 2404 Where stores are partly supplied on an L.P.O or Letter of Award, the original L.P.O or Letter of Award and invoice for the quantity supplied shall be used to support the voucher for payment of only the items actually supplied. Where the balances of items are subsequently supplied, a certified true copy of the L.P.O or Letter of Award shall be used together with original invoice of the balance to raise payment voucher. Part Execution of L.P.O or Letter of Award
- 2405 Stores or Inventories Receipt Vouchers shall be issued in triplicate and will be distributed as follows: Distribution of SRV.
- (a) original to be attached to the payment voucher for the stores or inventories purchased;
 - (b) duplicate copy to be forwarded to the Stock or Inventory Verifier for verification of stores or inventories purchased; and
 - (c) triplicate copy shall be retained in the booklet for record purpose.
- 2406 When it is necessary to transfer stores or inventories from one store to another, a Stores or Inventories Transfer Requisition (SF.12) shall be raised by the requisitioning Stores in duplicate, the original of which shall be forwarded to the issuing store. The stores or inventories transferred shall be accompanied by a Transfer Issue Voucher (S.13) in duplicate, one copy of which will be receipted and returned. The second copy shall serve as a receipt voucher duly numbered and filed. Transfer of stores.
- 2407 (i) Before acceptance of delivery of stores or inventories from abroad, packages shall be carefully checked against the shipping documents and examined for external signs of rough handling or tampering in transit. Whenever practicable, packages shall be weighed and the weight compared with that on the invoice. Checking of imported stores or inventories

Packages showing evidence of damage or loss shall be reported to the Shipping Agent before delivery is taken.

(ii) After delivery has been accepted, the packages shall be opened and checked against the shipping documents by the store officer and an independent officer. Where the item to be inspected is technical in nature, an independent officer with requisite technical knowledge shall be in attendance. If the contents of the packages are not found to be correct or in good order when opened, a Discrepancy and Breakage Report shall be prepared immediately and the Shipping Agent informed forthwith. The Discrepancy and Breakage report however, shall be recorded in the claims register by the Stores Officer.

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| 2408 | All claims for damaged or short-delivered stores or inventories shall be made against shipping company or Nigeria Ports Authority. Where the MDA and other arms of government are unable to obtain satisfaction of claim, it shall pursue the claim through the shipping agents for settlement against the Marine Insurance Fund. Where necessary, application for refund of Custom Duty, or arrangement for replacement of stores or inventories, free of duty, shall be made. | Claims for damaged or short-delivered imported stores or inventories |
| 2409 | Duty payable on imported stores or inventories through the post shall be made by the consignee at the time of collection. The duty shall be chargeable to the line item as per the NCOA provided for the purchase of the stores or inventories. Where applicable, indents in respect of stores or inventories to be delivered by post shall indicate the full postal address of the Indentor and any reference to the shipping agent. | Duty payable on imported stores or inventories |
| 2410 | Stores or Inventories received by air, rail, road, sea, and other means, as local procurement shall be checked against the Consignment Note and/or relative invoice and their correctness established as in FR 2407 and 2411. Discrepancy or Breakage Reports shall be prepared for goods damaged or short-delivered and claims for settlement made against the relevant transporting agency. | Receipt of stores or inventory through air, rail, sea or other means |
| 2411 | <p>(i) All receipts into a store will be checked against the relative document by the store officer and another officer as prescribed in FR 2407.</p> <p>(ii) Certain fragile stores or inventories which are specially packed to avoid damage in transit need not be opened for checking provided they are easily identifiable and are likely to be transferred elsewhere. Where, however, the external packing shows signs of damage or pilferage, the contents shall be checked.</p> | Checking of documents on receipt of stores |

PART II - ISSUANCE OF STORES OR INVENTORIES

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| 2412 | <p>(i) Issuance from store shall be made only on the authority of numbered Stores or Inventories Requisition document, a numbered combined Requisition Issue Voucher, or Stores Inventory Transfer Requisition. In cases of issuance of store or inventory from unallocated stores or inventories, the requisition shall be signed by the officer authorized to incur expenditure, who shall ensure that funds are available.</p> <p>(ii) Requisitions for stores or inventories shall be prepared in duplicate. The original shall be sent to the stores or inventories issuing department. Quantities shall be written in both words and figures and each type of article required shall be given an item number. To prevent unauthorized additions, a line shall be ruled immediately below the last entry and the Requisition Forms shall be clearly marked 'Original' and 'Duplicate'.</p> <p>(iii) When a combined Requisition Issue Voucher is used, three copies shall be sent to the stores or inventories issuing department and the original shall become the Issue Voucher. After the issue of the stores or inventories, the original and one copy of the voucher shall be sent to the requisitioning officer, who will sign and return the original to the issuing officer as acknowledgment.</p> | <p>Preparation of stores or inventories requisition</p> |
| 2413 | <p>(i) An inventory requisition shall not be accepted and passed to the Store Officer until it has been examined by the responsible officer, to ensure that it is signed by the authorized requisitioning officer, the correct rate of charge is quoted, the quantity required is not excessive, and the voucher is otherwise correct. The Director of Administration or General Services shall furnish specimen signatures of authorized requisitioning officers to the stores or inventories issuing units.</p> <p>(ii) Separate stores or inventories requisitions shall be prepared for items of stores or inventories in different vocabulary groups. Stores or Inventories issuing units shall furnish requisitioning officers with a stores/inventories vocabulary whenever necessary.</p> | <p>Acceptance for issuance of requisitions for stores or inventories</p> |
| 2414 | <p>All issues of stores or inventories shall be supported by Store or Inventory Issue Voucher in the prescribed form (S4), which shall be prepared in ink, or ball pointed pen. Each line on the voucher shall be utilized until the requisition is completely entered and there shall not be any blank spaces between items. All amounts shall appear in words as well as figures except where alternative safeguards against fraudulent additions have been specifically approved in accordance with FR 2422. The voucher shall then be ruled-off and initialed. The issuing officer shall sign each voucher.</p> | <p>Preparation of Store Issue Voucher</p> |

2415	Allocated Stores or Inventory Issue Vouchers shall be prepared in triplicate, the original and duplicate of which shall be forwarded to the Requisitioning Officer who shall acknowledge receipt of stores or inventories by signing and returning the original to the issuing officer for filing in serial order. The duplicate shall be retained by the requisitioning officer as the Stores or Inventory Receipt Voucher. Stores or Inventories required for immediate use shall be so endorsed on the original and duplicate copies by the requisitioning officer.	Distribution of Allocated Stores Issue Vouchers
2416	Unallocated Stores or Inventory Issue Vouchers shall be raised and distributed in accordance with the approved accounting instruction as stipulated in FR 2422. The number of copies required shall include, in addition to those enumerated in FR 2415, accounts copy and a copy to support the monthly summary of receipts and issues.	Distribution of unallocated Stores or Inventories Issue Vouchers
2417	All copies of Stores or Inventory Issue Vouchers shall be clearly marked such as 'Original' or 'Duplicate'.	Classification of Stores Issue Vouchers
2418	<p>(i) After a Store or Inventory Requisition has been accepted in accordance with FR 2412 (i) and (ii), and the availability of the stores or inventories ascertained, the Stores or Inventory Issue Voucher shall be prepared and sent to the Store Officer. The issuing Store Officer shall post the Bin Cards at the actual time of issue of the stores or inventories. Pre or late posting shall not be permitted.</p> <p>(ii) Stores or inventories shall only be issued by or in the presence of an authorized Issuing Officer.</p> <p>(iii) The Issuing Store Officer shall not have access to the main Stores or Inventory Ledger, or be aware of the ledger balances, except on handing-over (FR 2428).</p>	Posting of Bin Cards
2419	Stores or inventories and materials issued within the same store for conversion or manufacture shall be supported by a Conversion Voucher in duplicate. The original copy shall serve as an Issue Voucher when the materials are issued from store and as a Receipt Voucher for the article after manufacture when it is returned to store and brought on charge. Both the receipt and issue sides of the voucher shall show the quantities and values where applicable.	Conversion of Store or Inventories Issue Voucher
2420	<p>(i) The entry for the issuance of stores or inventories condemned by a Board of Survey after approval has been given to write them off shall be supported by a Store or Inventory Issue Voucher, quoting the authority for the write-off.</p> <p>(ii) Proceeds of sale of condemned stores or inventories shall be credited to the relevant revenue line item of the NCOA.</p>	Write-off of condemned stores or inventories

- 2421 (i) Stores or inventories shall be issued on payment only when the Accounting Officer is satisfied that such sales are in the public interest. Stores or inventories which are marked or stamped “government property” shall not be sold except when specifically authorized by the Minister of Finance. Authority for sale or disposal of stores or inventories
- (ii) The purchaser shall be required to pay, in addition to the gross cost (allocated store), a ten percent (10%) store or inventory charge. Any alteration in these charges shall be approved by the Accountant-General who shall inform the Auditor-General. Proceeds realized from these charges shall be credited to the appropriate revenue line item.
- (iii) The purchaser shall provide transport from the store of issue, but where this is not possible; the cost of transport from store to destination shall be borne by the purchaser.
- (iv) Upon payment, stores or inventories issued shall be made by Stores or Inventory Issue Voucher, but such stores or inventories shall not be released until the purchaser presents to the Issuing Officer a Treasury Receipt for payments for the stores or inventories and all additional costs, including storage and transport charges. The Treasury Receipt number shall be entered on the Stores or Inventory Issue Voucher.
- (v) In exceptional cases, where credit facilities have been authorized by the Head of Department for purchases, the Stores or Inventory Issue Voucher shall bear reference to the authority. Under no circumstances shall credit facilities be made available to individuals or non-governmental bodies.
- 2422 Where permission is granted to use books for issue, instead of Stores or Inventory Issue Vouchers, such as issue of petrol from dumps, the quantity or number of each item issued shall be entered in words and figures and the recipient shall sign in full opposite the entry at the time he receives the stores. General issue of stores or inventories

PART III -

RETURNED STORES OR INVENTORIES

- 2423 Expendable or consumable stores or inventories, which have been issued but not used, shall be returned to store and taken on charge in the stores or inventories cost book at the issued price. The vote for the project shall be credited by adjustment and the unallocated stores or inventories vote correspondingly debited. Return of unused unallocated stores or inventories
- 2424 (i) Non-expendable stores or inventories which have been issued for, and charged to a project vote, but not used, and if not required immediately on other Return of unused allocated

projects shall be returned to the nearest allocated store and taken on numerical charge. The issue value shall be credited by adjustment to the projects vote with a corresponding debit to the appropriate vote for tools, plants or other non-expendable allocated stores. stores or inventories

(ii) It shall not be necessary to return non-expendable stores or inventories to stock, if they are required immediately for other projects. Financial adjustment shall only be made between the votes concerned.

2425 (i) Immediately after completion of projects, officers in charge shall ensure that all tools in use are returned to the nearest allocated store. The receiving officer shall take the stores or inventories on numerical charge in a special ledger and store separately. The entries in the ledger shall be supported by a Stores or Inventory Receipt Voucher signed by the officer in charge of works, who will also record the returned stores or inventories in the Completion Report. Return of stores or inventories on completion of projects

(ii) An exception to sub-section (i) above shall be permitted in the case of large plant, which need not necessarily be returned to store on completion of the work if they are required immediately for other projects, provided the location of such plant is shown in the asset or plant Register.

(iii) Recovered stores or inventories shall be treated in a similar manner as in Sub-Section (i) above.

2426 Unserviceable used parts removed from plant and vehicles for replacement in the normal course of repair and overhaul shall be returned to a separate section of the store and a record made for submission to a Board of Survey, which shall be held at frequent intervals. Removal of unserviceable used parts

2427 Serviceable parts becoming available on the dismantling of plant or vehicles shall only be removed after Board of Survey recommendations have been approved and shall be taken on charge in a special ledger. Removal of serviceable used parts

PART IV

HANDING OVER STORES/INVENTORIES

2428 When an officer hands over custody of stores or inventories to another officer, the outgoing and the incoming officer shall verify that the physical stocks or inventories and balances in the ledger and bin cards agree. If no discrepancies are found, both officers will sign a certificate in duplicate to that effect on a Handing Over Certificate, one copy of which shall be forwarded to the Accounting Officer and the other copy filed by the officer-in-charge. When, due to the number of items, it is impracticable to check all stores or inventories, test checks of a reasonable percentage of items in each group or class of stores or inventories shall be made. Where test checks have been made out of necessity, General procedure for handing over of stores or inventories

the certificate of handing over shall be suitably endorsed to that effect.

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| 2429 | Any excesses and deficiencies and the values thereof shall be listed and signed by the outgoing officer as an acknowledgement. The incoming officer shall report the discrepancies to his senior officer, who shall obtain an explanation from the outgoing officer. Receipt vouchers will be prepared for excesses, which shall be taken on charge in the usual manner. The officer-in-charge shall forward a report to Accounting Officer who shall take necessary action as prescribed in Chapter 25 of this FR. | Discrepancies in stores or inventories balances |
| 2430 | <p>(i) If circumstances are such that the outgoing officer is unable to be present at the time of hand-over, a Stock Verifier or Board of Survey shall be appointed to check and hand over stores.</p> <p>(ii) The incoming officer shall be present throughout the check by the Stock or Inventory Verifier or Board of Survey and shall take over when completed. Stores Forms 11 shall be prepared in duplicate, with a list of any discrepancies, and signed as the handing-over certificate. The Stock or Inventory Verifier or Board of Survey shall distribute the certificate as stated in FR 2428.</p> | Absence of Outgoing Officer during Handing Over |
| 2431 | The out-going officer shall be responsible for all deficiencies reported at the time of hand-over and the incoming officer shall be responsible for deficiencies not so reported but subsequently discovered. Where only a percentage check has been made and deficiencies in the items not checked are discovered subsequent to the completion of the handing-over, all officers concerned shall be called upon for an explanation. | Responsibility for deficiencies in stores or inventory balances |
| 2432 | Accounting Officers shall ensure that relevant store registers are maintained. | Responsibility for maintenance of Stores Registers |
| 2433 | The handing-over of furniture in government quarters shall be in accordance with the provisions of the Public Service Rules. | Furniture in Government Quarters. |

CHAPTER 25

LOSS OR SHORTAGE OF GOVERNMENT FUNDS

PART I - LOSS OF FUNDS

- 2501 Loss or shortage of fund is a depletion of government fund at a given time. This can arise from any but not limited to the following: Definition of loss of funds
- (a) Misappropriation of funds;
 - (b) Falsification of records;
 - (c) Conversion of funds to personal use;
 - (d) False claims;
 - (e) Fraudulent payments;
 - (f) Theft; and
 - (g) Negligence.
- 2502 (i) Where a cash loss to the value of ₦100,000.00 or below has occurred without fraud or theft being involved in any MDA or other arms of government, the Accounting Officers are empowered to surcharge the officers responsible up to the full amount of the loss, provided the officer is not above Grade Level 10. Accounting Officer shall ensure that all authorized surcharges are duly recovered. The Accounting Officer shall report any loss involving officers on GL. 10 and above to the Accountant-General (FR 2503-2509). Power of Accounting Officer on loss of funds
- (ii) Where a loss is treated under FR 2502 (i) above, the Accounting Officer shall immediately send a brief report of the circumstances including the value of the loss and the names of the officer(s) surcharged, together with the amounts of the surcharge in each case to:
- (a) The Chairman, Federal Civil Service Commission or the Board of the agency or parastatal;
 - (b) The Auditor-General;
 - (c) The Accountant-General; and
 - (d) The Minister of Finance.
- (iii) On receipt of this Report and after consideration by the Losses Committee, the Accountant-General shall convey the decision of the Committee to the Honourable Minister of Finance for approval for a write-off.
- (iv) A loss or shortage treated under this Regulation shall be charged as a personal advance against the officer responsible for the loss, pending a decision by the Losses Committee.

EXPLANATORY NOTE

A surcharge is not a disciplinary measure, and it can be made at any time whether or not disciplinary proceedings are being taken in respect of the circumstance leading to the surcharge. A surcharge can be justified whenever there is a degree of culpability, even though the same degree of culpability would not support the disciplinary charge for negligence or inefficiency. A degree of negligence which though proved does not in fact contribute to a loss or to its non-detection cannot support a surcharge in respect of that loss. For a surcharge to be made there should be some degree of negligence or culpability on the part of the officer concerned which contributes to the loss positively or negatively.

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| 2503 | In the event of any loss occurring which is not covered by FR 2502, the provisions in FR 2504 – 2509 shall apply. | Loss of over
₦100,000.00 |
| 2504 | <p>(i) The Officer-in-charge of the office in which the loss occurs shall take the following actions:</p> <p>(a) report immediately to Head of Unit or Division by the fastest means if the loss occurs away from the Headquarters;</p> <p>(b) report to the Police if fraud or theft is suspected;</p> <p>(c) initiate immediate action by completing Treasury Form 146, Part I and forward same in quintuplicate to head of supervising department or unit;</p> <p>(d) ensure that if a weakness in the system of internal control is established, measures have been taken to prevent a reoccurrence of the loss; and</p> <p>(e) ensure that the accounting entries as prescribed in FR 2524 and 2525 are duly posted.</p> <p>(ii) If the loss is in respect of fund which must be replaced immediately in order to meet urgent commitments such as the payment of salaries, leave or transport expenses, as an interim measure, payment voucher may be prepared for the sum required and classified to the relevant line item in line with the NCOA. A copy of the paid voucher shall be carefully preserved and produced when required.</p> | Actions by the
Officer-in-
Charge |
| 2505 | <p>(i) The Head of Department or Unit shall take the following actions:</p> <p>(a) Forward brief particulars to the Accounting Officer.</p> <p>(b) Investigate the whole incident at the earliest possible moment, but not later than 7 days and complete Parts II and III of Treasury Form 146 and forward one copy each to:</p> <p>(i) The Accounting Officer;</p> <p>(ii) Accountant-General;</p> | Action by Head
of Department
or Unit |

- (iii) Auditor-General; and
- (iv) Chairman, Federal Civil Service Commission or the Board of the agency or parastatal.
- (c) Consider whether a Board of Enquiry is necessary and if so, advise the Accounting Officer accordingly.
- (d) A Board of Enquiry may not be necessary if the loss is immaterial, if it is an isolated incident, and if the identity of the officer responsible is indisputable.
- (ii) A Board of Enquiry shall be held under the following condition:
 - (a) if fraud is probable;
 - (b) if the loss is substantial;
 - (c) if several officers are involved;
 - (d) if the responsibility of officers is not clearly defined;
 - (e) if the loss took place over a period of time; and
 - (f) if collusion is suspected.

- 2506 The Accounting Officer shall take the following actions: Actions by the Accounting Officer
- (i) On receipt of Treasury Form 146, review the action of the Head of Department or Division and where necessary, request the Accountant-General to convene a Board of Enquiry.
 - (ii) Recommend terms of reference to the Accountant-General
 - (iii) Within 14 days of receipt of Treasury Form 146, submit recommendations for any necessary immediate disciplinary action to the Accountant-General, Chairman Federal Civil Service Commission or the Board of the agency or parastatal and the Auditor-General. Similarly, recommendations on immediate accounting safeguards shall be submitted.
- 2507 The Accountant-General shall take the following actions: Actions by the Accountant-General
- (a) Ensure that the correct procedure has been followed by the MDA and other arms of government concerned such as submission of completed Treasury Form 146 and or Police report as required, so that the full information about the loss can be available.
 - (b) Approve Terms of Reference and convene a Board of Enquiry even if the Accounting Officer has not so recommended.
 - (c) If considered expedient that an Accounts Officer be included in the Board of Enquiry, he shall notify the convening officer accordingly.
 - (d) Submit his final recommendation to the Chairman, Federal Civil Service Commission or the Board of the agency or parastatal and the Accounting Officer concerned within 45 days.
 - (e) Convey any approval for write-off within 60 days to the Accounting Officer, the Auditor-General and the Chairman, Federal Civil Service Commission or the Board of the agency or parastatal.

2508	The Chairman, Federal Civil Service Commission or the Board of the agency or parastatal and the Auditor-General shall convey their opinions on the Report to the Accountant-General within 14 days.	Action by Federal Civil Service Commission or the Board of Agency
2509	The Accountant-General shall take necessary action, on receipt of the opinions of the Chairman, Federal Civil Service Commission or the Board of the agency or parastatal and the Auditor-General. The matter shall be closed within 90 days from the commencement by conveying the decision on the matter to the appropriate Accounting Officer for implementation.	Action by Accountant-General on receipt of opinions
2510	The regulation in FR 2503 shall be varied as prescribed in FR 2511 - 2513 in the event of State Officer(s) being involved in loss of federal funds.	State Officers involvement in loss of federal funds
2511	<p>The following action(s) shall be taken where state officers are involved in loss of Federal Fund:</p> <p>(a) The final recommendation of the Accountant-General of the Federation shall be made through the Federal Civil Service Commission to the FCT or relevant State Civil Service Commission of the officer(s) concerned.</p> <p>(b) The FCT or relevant State Civil Service Commission shall convey its decision to the Accounting Officer or Head of Department of the officer(s) concerned with copies to the State Accountant-General and Accountant-General of the Federation.</p>	Loss of federal funds in FCT involving FCT and state officer(s)
2512	<p>The following action shall be taken in the event of loss of federal funds in the headquarters involving both federal and state officers.</p> <p>(a) In the case of state officer(s), recommendations by the Accountant-General on disciplinary action shall be made through the Federal Civil Service Commission to the State Civil Service Commission of the officer(s) concerned.</p> <p>(b) For federal officer(s), the provisions of FR 2503 and for state officer(s) FR 2510 shall apply.</p>	Loss of federal funds in headquarters involving federal and state officer(s)
2513	The circumstances of the loss shall be examined in the State in accordance with the general regulations for the investigation of losses laid down by the State Government concerned, and a report forwarded to the Accounting Officer of the ministry in the state. In cases involving fraud or negligence, the Permanent Secretary, Ministry of Finance of the State shall assemble all relevant documents and forward a report with recommendation to the State Civil Service Commission for	Loss of federal funds controlled by a state officer in a state

consideration of any disciplinary action. Thereafter, the report shall be forwarded to the Accountant-General of the Federation who shall obtain the approval of Minister of Finance for further necessary action or write-off.

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| 2514 | <p>(i) The authority for write-off of federal funds shall be the prerogative of the Minister of Finance.</p> <p>(ii) Where the loss in any MDA or other arms of government is above ₦100,000.00 but not more than ₦300,000.00, the power to write-off shall be delegated to the Accountant-General except the losses that occur within the Office of the Accountant-General of the Federation itself.</p> | Power of write-off |
| 2515 | The Losses Committee shall be a standing committee responsible for considering all cases involving loss of funds, stores or inventories and vehicles including accidented vehicles. | Responsibility of Losses Committee |
| 2516 | <p>(i) The Committee shall comprise the following members:</p> <p>(a) The Auditor-General for the Federation or a representative of the Office not below the rank of a Director as Chairman;</p> <p>(b) The Accountant-General of the Federation or a representative not below the rank of a Director;</p> <p>(c) Representative of Solicitor-General of the Federation, not below the rank of a Director;</p> <p>(d) The Director of Human Resource Management or General Services of the MDA and other arms of government concerned;</p> <p>(e) Representative of the Inspector-General of Police not below the rank of Deputy Inspector-General;</p> <p>(f) Representative of the Independent Corrupt Practices and other related Offences Commission (ICPC) not below the rank of a Director;</p> <p>(g) Representative of the Economic and Financial Crimes Commission (EFCC) not below the rank of a Director; and</p> <p>(h) The Director of Inspectorate Department in the Office of the Accountant-General shall be Member and Secretary.</p> <p>(ii) The Inspectorate Department of the Office of the Accountant-General of the Federation shall provide the Secretariat.</p> | Composition of Losses Committee |
| 2517 | In general, and subject to the detailed arrangements above, losses of state funds shall be met by the State Government concerned while losses of federal funds shall be borne by the Federal Government. | Every government to be responsible for own loss |
| 2518 | (i) Losses of funds arising from forgery of a Local Purchase Order or Letter of Award shall be regarded as a loss against the MDA and other arms of government where the loss occurred. | Treatment of loss of fund involving |

forgery

(ii) Losses arising from forged payment vouchers which bear the signature(s) of officer(s) duly authorized to sign such vouchers shall be considered as losses against the MDA and other arms of government, unless it can be proved or established beyond reasonable doubt that fraud was actually perpetrated by a person or persons other than the officer(s) of the MDA or other arms of government.

(iii) Losses occurring in both cases specified in (i) and (ii) above shall be charged initially against the affected MDA or other arms of government pending a decision of the Losses Committee as to whom shall eventually be held responsible for the loss.

- 2519 Recoveries made or surcharges imposed as a result of loss of fund shall be credited to a Special Recovery Account domiciled in the Office of the Accountant-General of the Federation pending final decision on the matter. Domiciliation of recoveries and surcharges
- 2520 Any loss of fund that does not clearly fall into the cases described in FR 2502-2519 shall be decided on its merit by the Accountant-General of the Federation. Doubtful cases of loss of funds
- 2521 Where criminal proceedings have been instituted in a loss case resulting in the conviction of a public officer, the Accounting Officer shall immediately liaise with the Attorney- General with a view to exploring the prospect of recovering the loss of funds through civil action against the assets or estate of the convicted person or persons. The result of such action shall be communicated to both the Accountant-General and the Auditor- General. Civil action after conviction
- 2522 (i) When an officer is interdicted from duty, the proportion of the officers' allowed emoluments in line with the provisions of the Public Service Rules shall not be impounded or subjected to any other reduction or abatement in respect of any claim which government may have against the officer in connection with the reason for the interdiction. Treatment of emoluments of officers on Interdiction
- (ii) The proportion of emoluments allowed to be received during a period of interdiction shall cease as from the date of criminal conviction, pending consideration of the case by the Federal Civil Service Commission or the Board of the agency or parastatal.

PART II -

ACCOUNTING ENTRIES FOR LOSS OF FUNDS

- 2523 On the discovery of a loss of fund, a Payment Voucher shall be prepared and the loss classified to Below-the-line: Personal Advances of the Treatment of loss of fund

MDA or other arms of government concerned, pending further investigation. pending investigation

- 2524 (i) The type of the accounting entries to be passed as a result of loss shall depend upon the nature of the loss, and the date of the original transaction when payments were actually made: Accounting Entries
(ii) The following accounting entries shall be made:

Types of Loss***Accounting Entry Required***

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| a. Loss of funds | Charge the loss to the personal advance account of the officer involved under the authority of a payment voucher. |
| b. Fraudulent or over-payments made and discovered within the same financial year | Transfer the amount by raising a Treasury Journal Voucher debiting personal advance account of the officer involved and crediting the expenditure account originally debited. |
| c. Fraudulent payments made in a previous financial year charged against the Consolidated Revenue Fund, or the Development Fund | Transfer the amount by a Treasury Journal voucher, debiting personal advance account of the officer involved and crediting Revenue line-item Revenue Miscellaneous "Unspecified Revenue" of the NCOA in the current year's Appropriation Act. |
| d. Fraudulent payments and over payments made in a previous financial year charged against public fund other than at (c) above. | Transfer the amount by a Treasury Journal voucher by debiting personal advance account of the officer involved and crediting the public fund account originally debited. |

- 2525 (i) The Sub-Accounting Officer or the Officer Controlling Expenditure where loss has occurred, shall initiate the accounting entries required under FR 2524, and shall ensure that an additional copy of the accounting document is forwarded to the Accountant-General attaching the report on the loss on Treasury Form 146. Officer to initiate accounting entry
(ii) If the adjustment for a loss originates within a self-accounting MDA or other arms of government, the adjustment shall be passed through the accounts of the MDA or other arms of government concerned.
(iii) In case of a non-self-accounting unit, the full set of the Treasury Journal voucher shall be forwarded to the Sub-Treasurer of the

Federation or Federal Pay Officer for incorporation into the accounts.

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| 2526 | (i) Any recovered amount from a declared loss whether in-part or in full shall be credited to the personal advances account initially charged.
(ii) Recovery of a loss received after write-off shall be credited directly to the appropriate revenue account in line with NCOA code of the current year's Appropriation Act. | Recognition of recovered fund |
| 2527 | The receipt of a surcharge, either by installment or full payment shall be credited to the appropriate revenue line item in the current year's Appropriation Act. | Treatment of surcharge receipts |
| 2528 | Losses, when written-off, shall be charged to the loss of funds line item of expenditure in the current year's Appropriation Act. | Charging of losses written off |

PART III -

PERMANENT BOARD OF SURVEY AND ENQUIRY

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| 2529 | The Accountant-General shall convene a Board of Enquiry at the request of the Accounting Officer, the Chairman, Federal Civil Service Commission or Board of an agency or Parastatal or when deem necessary. The Board of Enquiry shall investigate the circumstances of loss of funds (excluding losses dealt with in FR 2502 and 2520). The Accountant-General in convening the Board may incorporate any special terms of reference for the Board, as may be deemed necessary. | Convening Board of Enquiry within Nigeria |
| 2530 | When a Board of Enquiry is required in any Nigerian Oversea Mission, the Head of the Mission shall be responsible for the convening of the Board of Enquiry after approval from the Accounting Officer. Where the Head of the Mission is involved, the Board shall be convened by the Accounting Officer, Ministry of Foreign Affairs. In either case, the Accounting Officer shall incorporate into the Convening Order any specific terms of reference required by the Accountant-General or the Chairman, Federal Civil Service Commission. | Convening Board of Enquiry in a Mission Oversea |
| 2531 | The officer convening a Board of Enquiry shall forward copies of the Convening Order indicating full Terms of Reference to:
(a) Accounting Officer;
(b) Accountant-General;
(c) Auditor-General; and
(d) Chairman, Federal Civil Service Commission or Board of the agency or parastatal. | Distribution of Convening Order |

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| 2532 | <p>The establishment and constitution of Permanent Board of Survey and Enquiry shall be guided by the following:</p> <p>(a) There shall not be more than 24 members including a Secretary. The Board shall constitute itself into Panels, which shall consist of not less than a Chairman and at least two other members.</p> <p>(b) Appointment to the Board shall be made by the Accountant-General.</p> <p>(c) The Chairman shall not be below salary grade level 17 and others not below level 14.</p> <p>(d) Further to (a) above, the membership of the Board shall include:</p> <ul style="list-style-type: none"> i. a representative of the Federal Ministry of Justice, not below the rank of a Deputy Director; ii. a representative of the Human Rights Commission, not below the rank of Deputy Director; iii. a retired security personnel, not below the rank of Assistant Commissioner of Police or equivalent; iv. a retired director in the public service who is knowledgeable in public financial management. <p>e) The Board shall have power to investigate cases of loss of funds, fraud, ascertain adequacy of existing security and control systems and recommend improvements therefrom.</p> <p>(f) When the Board is in session to determine an issue before it, it shall be guided by the rules of natural justice.</p> <p>(g) when sitting as a Board of Survey, the Board shall:</p> <p>(h) survey the end-of-year cashbook or bank account balances, stamps and imprest of all MDA and other arms of government;</p> <p>(ii) conduct surprise quarterly survey of imprest, stamps, stores or inventories and government property (moveable and immovable); and</p> <p>(iii) investigate loss of stores or inventories and unserviceable stores or inventories among others.</p> | <p>Establishment and constitution of Permanent Board of Surveys and Enquiry</p> |
| 2533 | <p>The sitting of the Board shall not be deferred owing to the fact that criminal proceedings are pending in connection with the loss. The Board shall direct its enquiries towards discovering any weaknesses in the system and submit an interim report even though they are not able to include a recommendation as to fixing of responsibility for the loss.</p> | <p>Sitting of the Board and Interim Reports.</p> |
| 2534 | <p>(i) Where practicable the evidence taken by the Board shall be recorded verbatim and/or on tape, but where this is impracticable the evidence shall be summarized by the Board in such a manner as to facilitate examination and deduction.</p> <p>(ii) In order to ensure fair hearing, where evidence of witnesses are to be obtained, the following shall be observed:</p> <p>(a) The Officer(s) being investigated shall be entitled to be present and to put questions to witnesses;</p> <p>(b) No documentary evidence shall be used against an officer unless the</p> | <p>Taking of evidence from indicted officer</p> |

office has been previously given a copy of such document or given access thereto;

(c) The officer shall be entitled to know the full detail of the allegation and be given adequate opportunity to prepare for defence.

2535 The Board's report shall include:

- (a) a statement on the exact amount of loss incurred;
- (b) an opinion on the weaknesses in the internal control systems with recommendations to overcome such weaknesses;
- (c) an assessment of the degree of negligence of the officer(s) considered responsible for the loss;
- (d) recommendations for improving the physical security measures if those in existence have been inadequate;
- (e) a recommendation as to the fixing of responsibility for the loss in whole or in part;
- (g) recommendations as to surcharge of the officer(s) responsible for the loss; and
- (h) details of any mitigating circumstances which should be taken into consideration in the assessment of the degree of negligence to prevent future occurrence.

Report and
recommendation
of the Board of
Enquiry

2536 The Board shall forward copies of its proceedings and report together with copies of supporting documents, and, when appropriate, copies of Police Reports and Court Proceedings to the Accounting Officer of the MDA and other arms of government concerned, the Accountant-General, Federal Ministry of Finance, the Chairman of the Federal Civil Service Commission or Board of Agency or Parastatal and the Auditor-General for the Federation.

Distribution of
the report of the
Board

- 2537 (i) The Accounting Officer, on receiving the copy of the report of a Board of Enquiry, shall collate all relevant facts on the matter and submit comments within 30 days to the Accountant-General who shall make recommendations to the Minister of Finance with copies to the Chairman, Federal Civil Service Commission or Board of agency or parastatals and the Auditor-General. Special reference shall be made in the comments to the issue of the fixing of responsibilities for the loss and apportionment of surcharge, where applicable.
- (ii) For Boards of survey appointed at state level, this regulation shall be applicable as may be required, depending on the circumstance.

Action of
Accounting
Officer on the
report of the
Board

CHAPTER 26

**LOSS OF STORES OR INVENTORIES AND UNSERVICEABLE
STORES OR INVENTORIES**

PART I -

**LOSS OF STORES OR INVENTORIES: PROPERTY, PLANT AND
EQUIPMENT**

- 2601 The authority for the write-off of losses of stores or inventories shall be the prerogative of the Minister of Finance. However, a limited degree of power of write-off is delegated to Accounting Officer and the Accountant-General under the appropriate provisions of this Financial Regulations. Power of write-off of stores
- 2602 A loss of stores or inventories, properties, plant, equipment among others shall be written-off under the authority of the Accounting Officer, under the following conditions: Write-off of minor losses
- (a) The original cost or the estimated value of each unit of item, whichever is applicable, does not exceed ₦50,000 and the sum total of the value of the items does not exceed ₦250,000;
 - (b) There is no apparent weakness in the internal control system;
 - (c) There is no evidence of fraud or theft; and
 - (d) Where negligence is involved, the disciplinary action shall be taken against the officer(s) found negligent, in line with Public Service Rules.
- 2603 In the event of any loss of stores, the officer in charge of the store or inventories in which the loss occurs shall: Action of officer-in-charge of Stores
- (a) report immediately to the head of department, division or unit but not later than two (2) working days by the fastest means possible if the loss occurs outside the headquarters;
 - (b) report to the nearest Police Station if there is any suspicion of fraud or theft;
 - (c) initiate action on Treasury Form 146 (Appendix No.17) by completing Part I thereof and forward it in quintuplicate to the head of department, division or unit without delay; and
 - (d) ensure to take immediate and appropriate measure to prevent a re-occurrence of the loss, if a weakness in the internal control system or inadequate security is revealed.

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| 2604 | <p>On being informed of the loss, the Head of Department or Unit shall:</p> <ul style="list-style-type: none"> (a) forward immediately in writing, brief details of the loss to the Accounting Officer; (b) investigate the whole incident at the earliest possible time but not later than seven (7) days, complete Parts II and III of Treasury Form 146 (Revised), and forward the forms in quadruplicate to the Accounting Officer. If the investigation is liable to be protracted, submit the reports on Treasury Form 146 as soon as possible, and follow-up with interim and final reports in a letter form; (c) recommend the convening of a Board of Enquiry to the Accounting Officer where it is considered that the circumstances warrant such an investigation (FR 2605); (d) ensure to take immediate and appropriate measure to prevent a re-occurrence of the loss, if there is weakness in the internal control system or inadequate security is revealed; and (e) obtain copies of the Police report and/or court proceedings, where appropriate, and forward four copies of the report to the Accounting Officer. | <p>Action to be taken by head of department or unit</p> |
| 2605 | <p>A Board of Enquiry shall be held under the following conditions:</p> <ul style="list-style-type: none"> (a) if fraud is involved; (b) if the loss exceeds the amounts specified in FR 2602; (c) if several officers are involved; (d) if there is any doubt as to the degree of responsibility for the loss; (e) if the loss occurred over a period of time; and (f) if collusion is suspected. | <p>When to convene Board of Enquiry</p> |
| 2606 | <p>On receipt of the reports of the loss, the Accounting Officer shall:</p> <ul style="list-style-type: none"> (i) if the loss is a minor one, and is covered by FR 2602, examine the reports, take the appropriate disciplinary action, complete Part IV of Treasury Form 146 (Revised) and direct the Director, Finance and Accounts or Head of Accounts to take appropriate accounting action and send one copy each to the Accountant-General and the Auditor-General within fourteen (14) days; (ii) if the loss does not fall under FR 2602, the Accounting Officer shall: <ul style="list-style-type: none"> (a) send immediately brief details of the loss in writing to the Accountant-General and the Auditor-General within fourteen (14) days; (b) request for the convening of a Board of Enquiry where the circumstances of the loss warrant such an investigation as contained in Chapter 25 on the rules relating to the convening of a Board of Enquiry and FR 2605 for examples when a Board must be convened; | <p>Action to be taken by Accounting Officer</p> |

- (c) direct relevant staff committee to consider appropriate disciplinary action against the officer(s) involved in line with the provisions of the Public Service Rules;
- (d) based on (c) above, examine the full circumstances of the loss and forward the report and comments attaching all relevant documents (such as TF 146, Police report and court proceedings) to the Accountant-General, Auditor-General and Chairman, Federal Civil Service Commission or Board of the agency or parastatal;
- (e) submit interim report to the Officers mentioned in (d) above if the investigations is protracted and the findings of the Board of Enquiry not immediately made available;
- (f) if a weakness in the internal control system or inadequacy in security is revealed, ensure that immediate and appropriate precautions are taken to prevent a re-occurrence of the loss;
- (g) examine the findings of the Board of Enquiry when available and make a final report on the loss together with comments and recommendations for surcharge, where appropriate, and then distribute copies of the report as in (d) above; and
- (h) take all necessary measures to recover the loss including handing over of the case to the relevant law enforcement agency. Where there is a recommendation for legal action, liaise with the Ministry of Justice for appropriate action.

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| 2607 | <p>On receipt of the report of the loss, the Accountant-General shall:</p> <ul style="list-style-type: none"> (a) ensure that the full procedure as outlined in the FR has been followed by the MDA and other arms of government; (b) ensure that a nominee of the Office of the Accountant-General is a member of the Board of Enquiry; (c) direct the Secretary, Permanent Board of Survey and Enquiry to convene a Board, if necessary; (d) direct the Secretary, Permanent Board of Survey and Enquiry to include any specific item in the Terms of Reference of the Board; (e) if a weakness in the internal control system or inadequacy in security is revealed, ensure that immediate and appropriate precautions are taken to prevent a re-occurrence of the loss; (f) ensure that every necessary and appropriate measures have been taken for the recovery of the loss; and (g) recommend to the Accounting Officer or Chairman, Federal Civil Service Commission or Board of agency or Parastatal within twenty-one (21) working days, a surcharge and disciplinary action against officer(s) involved in the loss, as the case may be. | <p>Action by
Accountant-
General on the
report</p> |
| 2608 | <p>The provisions of FR 2501-2511 relating, to rules for losses affecting federal officers and losses involving state officers, and the division of losses between the various governments shall apply to the loss of stores or inventories.</p> | <p>Additional
procedures on
loss of stores</p> |

PART II -
UNSERVICEABLE STORES OR INVENTORIES, PLANTS,
EQUIPMENT, MOTOR VEHICLES AND BUILDINGS

- 2609 (i) The authority for the write-off of any unserviceable stores, inventories, plants, equipment, motor vehicle and buildings shall be the prerogative of the Minister of Finance. However, a limited degree of power of write-off of unserviceable stores, inventories, plants, equipment and motor vehicle is delegated to Accounting Officer and the Accountant-General under the appropriate provisions of this Financial Regulations. Write-off of unserviceable stores, inventories, plants, equipment and motor vehicles by Accounting Officer
- (ii) Unserviceable stores or inventories, plants, motor vehicles and equipment shall be written-off and disposed of under the authority of:
- a) The Accounting Officer of a parastatal or agency, provided that the original cost or estimated value of the unserviceable item, whichever is applicable does not exceed: Write-off of unserviceable stores or inventories by Accounting Officer
- (i) ₦1,000,000.00 in case of general stores or inventories;
- (ii) ₦2,000,000.00 in case of plants and equipment;
- (iii) ₦7,500,000.00 in the case of motor vehicles; and
- b) The Accounting Officer of a Ministry, provided that the original cost or estimated value, whichever is applicable, does not exceed:
- (i) ₦1,500,000 in case of general stores, or
- (ii) ₦3,000,000 in case of plants, and equipment, or
- (iii) ₦10,000,000 in the case of Motor Vehicle
- Where exigencies of the service demand, special dispensation shall be granted to each MDA and other arms of government by the Minister of Finance.
- c) Before any item is considered obsolete or unserviceable the Accounting Officer shall ensure that the stores or inventories, plants, motor vehicles or equipment have been surveyed and found to be obsolete or unserviceable by an independent Board of Survey. (FR 2702 and 2703 for the rules for the convening of a Board of Survey).
- (d) Where item of stores, inventories, plant, equipment and motor vehicle becomes unserviceable as a result of negligence of an officer, the Accounting Officer shall take appropriate disciplinary action in line with this Financial Regulations and Public Service Rules.
- (e) Before an item of store or inventory, plant, motor vehicle or equipment

is declared unserviceable; the Accounting Officer shall obtain appropriate technical advice from relevant officer(s) and ensure that such item is beyond economic repair. In the case of motor vehicles, plants and equipment, MDA and other arms of government which have their own engineering or technical facilities shall undertake the inspection and valuation. Those without such facilities shall request the assistance of the Ministry of Works, or other MDA and other arms of government having such facilities, or employ the services of a registered engineering or technical workshop.

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| 2610 | Under similar circumstances stated in FR 2609, unserviceable stores or inventories, plants and equipment shall be written-off and disposed of under the authority of the Accountant-General provided that:
(a) the original cost or estimated value, whichever is applicable, does not exceed:
(i) ₦2,000,000 in case of general stores, or
(ii) ₦4,000,000 in case of plants, and equipment, or
(iii) ₦12,000,000 in the case of Motor Vehicle
(iv) ₦8,000,000.00 in case of building, in any financial year.

(b) similar conditions stated in sub-paragraphs (c), (d) and (e) of FR 2609 shall apply. | Write-off of unserviceable stores by Accountant-General. |
| 2611 | Expendable tools (FR 2206) which become unserviceable through fair wear and tear shall be written off and charge to the Expendable Tools Ledger on the authority of the officer in charge of the Workshop or Unit, provided that he is on salary level 12 and above and such certificate for write-off shall be countersigned by an officer not below level 14. (FR 2207 for the Form of Destruction Certificate). | Write off of expendable tools |
| 2612 | Used parts of plants and vehicles which have become unserviceable by fair wear and tear shall be written off on the authority of the Accounting Officer, who shall authorize disposal by destruction, sale, public auction or public tender. The vouchers covering the issue of replacement parts shall be countersigned by a Mechanical Engineer. | Write-off of used and unserviceable parts of plants or vehicles |
| 2613 | It shall be the duty of the officer directly in charge of a Store to segregate unserviceable articles and to report to the Head of Department or Unit on the circumstances leading to the stores or inventories being rendered unserviceable. | Action of officer in charge of Store |
| 2614 | (i) It shall be the responsibility of the Head of Department or Unit to determine whether the quantity of the unserviceable stores or inventories is sufficient to justify the convening of a Special Board of Survey | Action by head of department or unit |

(Chapter 27) or whether the articles should be held for inspection by the next periodic survey to be held under the provisions of FR 2701. There shall be no delay in the application for a Board of Survey for articles which have a residual value and which are liable to deteriorate rapidly, such as motor vehicles or furnishing items.

(ii) The Board of Survey shall be convened at least once in every quarter or as soon as unserviceable stores accumulate.

(iii) Obsolete or unserviceable stores or inventories shall be disposed-off through public auction in line with the Public Procurement Act.

(iv) The Head of Department or Unit shall submit to the Chairman of the Board of Survey, Treasury Form 147 (Appendix 16) in quintuplicate, together with Stores or Inventories Form 9 in quintuplicate, duly completed with the details of the stores or inventories to be inspected.

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| 2615 | The Chairman of the Board of Survey shall complete Part II of Treasury Form 147 and the Certificate on the Stores or Inventories (SF.9), and then forward the reports in quadruplicate through the secretary, Permanent Board of Survey and Enquiry, to the Accounting Officer. | Report by the Board of Survey on TF 147 |
| 2616 | On receipt of the reports on Treasury Form 147, the Accounting Officer shall; | Action of Accounting Officer on TF 147 |
| | (a) If the unserviceable articles fall within the provisions of FR 2606, examine the reports, take the appropriate disciplinary action, complete Part III of the Treasury Form 147, and forward one set to the Head of Division with the instructions for disposal of the unserviceable articles as well as one set each to the Accountant-General and the Auditor-General respectively. | |
| | (b) If the unserviceable articles fall within the provisions of FR 2606, examine the reports, complete Parts IV and V of Treasury Form 147 and make recommendations and distribute two sets of the forms to the Accountant-General. | |
| 2617 | On receipt of the report on Treasury Form 147, the Accountant-General shall, where negligence is involved, forward recommendation for disciplinary action to the Accounting Officer of the Ministry concerned. The authority for the write-off and disposal of the stores or inventories shall be conveyed to the Accounting Officer by completing Store or Inventories Form 9 under cover of letter, a copy of which shall be forwarded to the Auditor-General. | Action of Accountant-General on TF 147 |
| 2618 | Unserviceable stores or inventories authorized for destruction shall be | Destruction of |

destroyed in such a manner as to render the articles unusable for their original purpose. The Certificate of Destruction, signed by at least two officers who witnessed the destruction shall be completed to include details of the quantities destroyed and the method of destruction adopted. The witnessing officers shall not be below Grade Level 14. The Certificate shall be attached to the copy of the relevant Treasury Form 147 in the possession of the Accounting Officer.

unserviceable
stores or
inventories

2619 Accounting Officer shall make arrangements for the sale of the unserviceable and obsolete stores by a Licensed Public Auctioneer, or where appropriate, by public tender in accordance with the provisions of the Public Procurement Act, 2007.

Disposal by sale

2620 (i) The Officer in charge of the public auction or public tender shall instruct the winner of the auction to remit the gross proceeds of the auction, to the appropriate government account. Auction proceeds shall be classified to the appropriate lines of revenue of the NCOA. The Officer shall inform the Accounting Officer concerned of the details of the proceeds of sale and quote the reference and date of the Treasury Receipt. The Accounting Officer shall inform the Accountant-General and the Auditor-General of the reference number, date and amount of the Treasury Receipt for the proceeds of the sales of articles disposed of.

Proceeds of
sale by public
auction or
public tender

(ii) The officer in-charge of the auction or tender shall ensure that the proceeds referred to in sub-section (i) above is paid to the designated government account through the approved e-Payment channel within 48 hours of collection.

(iii) Where the winner defaults in paying within 48 hours the runner-up of the bid shall be invited to pay the bid price provided the price is not lower than the in-house estimated price of the item.

2621 (i) Each MDA and other arms of government shall set up a Board of Survey for the boarding and disposal of its unserviceable stores or inventories, vehicles, plants and equipment.

Establishment of
Boards of Survey
by MDA and
other arms of
government

(ii) An MDA and other arms of government Board of Survey shall consist of at least three members:

(a) The Chairman shall be an officer on GL. 15 or above except in an overseas mission where an officer on GL. 14 and above may be the Chairman;

(b) The Director, Finance Accounts or Head of Accounts or representative;

(c) A professional or technical officer in Federal Civil Service whose expertise relates to the items being boarded; and

(d) A representative of the Procurement Department where applicable.

(iii) The Transport Officer, Storekeeper(s) or other stores officials of the MDA or other arms of government or Overseas Mission shall not serve on the Board.

(iv) A copy of the report of the Boards of Survey (FR 2615) of MDA and other arms of government (as indicated below) shall be forwarded to the Accountant-General and the Auditor-General.

2622 For the purpose of arriving at the estimated value(s) of stores or inventories, motor vehicles, plants and equipment, the following rules shall be applicable: Depreciation rate or estimated value

(a) For motor vehicles with engine capacity of 2000 cc and below as well as construction vehicles over 7 tonnes:

- i. Under 1 year old 20% reduction on original cost.
- ii. Between 1 and 2 years old 40% reduction on original cost
- iii. Between 2 and 3 years old 60% reduction on original cost.
- iv. Between 3 and 4 years old 80% reduction on original cost
- v. Between 4 and 5 years old 99.9% reduction on original cost
- vi. Between 5 and 6 years old 99.9% reduction on original cost
- vii. Between 6 years and above 99.9% reduction on original cost

(b) For motor vehicles with engine capacity of over 2000 cc

- i. Under 1 year old 20% reduction on original cost
- ii. Between 1 and 2 years old 40% reduction on original cost
- iii. Between. 2 and 3 years old 60% reduction on original cost
- iv. Between 3 and 4 years old 80% reduction on original cost
- v. Between 4 and 5 years old 99.9% reduction on original cost
- vi. Between 5 and 6 years old 99.9% reduction on original cost
- vii. Between 6 years and above 99.9% reduction on original cost.

(c) In the case of a vehicle rendered unserviceable as a result of accident or whose working life has come to premature end for other reasons, arrangement shall be made within two months of such accident or where Police investigation is involved, immediately after such investigation to have the vehicle inspected and certified as such by an engineer or technical expert such as mentioned in FR 2609 (d) above who shall also produce a valuation report for the guidance of the Board of Survey.

(d) For plants and equipment, an engineer's estimated value of the asset at the time of the write-off or disposal shall be obtained.

(e) For general stores, the estimated value shall be furnished by a Stock Verifier.

(f) In Overseas Missions, motor vehicles can be written-off at depreciation rates prevailing in the host country.

(g) Irrespective of the provisions in (a), (b) and (d) above the values derived based on the prevailing government depreciation policy shall be the values for disposal if higher than the estimated values derived in (a), (b) and (d) above.

PART III -

DESTRUCTION, WRITE-OFF AND LOSS OF OPERATIONAL ANIMALS

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| 2623 | An Operational Animal shall be disposed of on any of the following grounds:

(a) failure to respond to training;
(b) unsatisfactory performance for any reason after having been deployed for operational duties; or
(c) incapacitation by age, injury or illness. | Grounds for disposal of Operational Animals |
| 2624 | If an Operational Animal dies as a result of an accident or from natural causes, a report from the Veterinary Officer shall be obtained certifying the cause of death. | Certification by Veterinary Officer on death of Operational Animal |
| 2625 | In every case of serious injury to an Operational Animal or where an Operational Animal dies from any cause other than natural causes, a senior officer under whose command the animal is serving, shall cause a full inquiry to be made into the circumstances surrounding the injury or death. | Injuries or death of Operational Animals |
| 2626 | The following rule shall be adopted in the boarding and disposal of operational animal:
(a) One Veterinary Officer and two senior officers, one of whom shall be an accounts officer, shall constitute the Board.

(b) All reports of Board of Survey shall be accompanied by Medical History Card and Certificate of Health.

(c) The Board of Survey shall make specific recommendations on sale or destruction. | Procedures for boarding of Operational Animal |

(d) The Board of Survey report shall be submitted to the Accounting Officer of the MDA or other arms of government concerned.

(e) A copy of the Board of Survey report including particulars of proceeds of sale and disposal certificate shall be furnished to the Accountant-General and the Auditor-General for record purposes.

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| 2627 | <p>(i) The disposal of animals shall be carried out by a Veterinary Officer as provided in FR 2626.</p> <p>(ii) Where the services of a Veterinary Officer are not available, animals shall be destroyed by a senior officer not lower than Grade Level 12 and who has been trained in the safe and humane method of destroying such animals.</p> | <p>Destruction of Operational Animal by an officer</p> |
| 2628 | <p>The Veterinary Officer or a senior officer destroying an Operational Animal shall be required to complete (in quintuplicate) a Destruction Certificate. Where the destruction is by a senior officer other than a Veterinary Officer, the Certificate shall be witnessed by another senior officer not below Grade Level 12.</p> | <p>Certificate of Destruction of Operational Animal</p> |
| 2629 | <p>(i) In every case of the disposal of an Operational Animal the officer in charge of the operational unit shall render a full disposal report on the circumstances leading to such destruction.</p> <p>(ii) Copies of the report, together with copies of the Destruction Certificate shall be forwarded to the Accountant-General and the Auditor-General through the Accounting Officer of the MDA or other arms of government concerned.</p> | <p>Distribution of Report on disposal of Operational Animal</p> |
| 2630 | <p>The final authority to delete an Operational Animal from the Inventory Register shall be given by the Accountant-General or any officer to whom such power is delegated.</p> | <p>Deletion of Operational Animal from Inventory Register</p> |
| 2631 | <p>Loss of live animals shall be reported to the Accountant-General and the Auditor-General on T.F. 146 stating full details of the loss and to be supported with relevant documents such as Police Report.</p> | <p>Loss of live animals</p> |
| 2632 | <p>Write-off of Operational Animals shall be restricted to theft of live horses, dogs, or other Operational Animal(s).</p> | <p>Write-off of Operational Animals</p> |
| 2633 | <p>The Accountant-General shall record as losses all cases of theft of animals against the MDA and other arms of government submitting such reports.</p> | <p>Action by Accountant-General</p> |

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| 2634 | MDA and other arms of government using Operational Animals shall render quarterly returns to the Accountant-General in respect of the location and condition of the Operational Animal. | Submission of quarterly reports on Operational Animals |
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PART IV -

ACCOUNTING RULES FOR WRITE-OFF OF STORES, INVENTORIES OR UNSERVICEABLE ITEMS

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| 2635 | On the discovery of a loss of stores or inventories, a memorandum note in red ink shall be made of the details of the deficiency in the relative stores or inventories' ledger account and bin card. [FR 2704 (ii)]. | Maintenance of memorandum record |
| 2636 | The provisions of FR 2523 to 2527 shall apply to the write-off of stores or inventories and unserviceable stores or inventories. | Write-off of Stores |
| 2637 | On receipt of the authority for the write-off of allocated stores or inventories, an Inventory Issue Voucher shall be raised to support the write-off entry to be made in the relevant stores or inventories ledger account and bin card, and the voucher entry in the ledger shall be duly initialed by the officer in charge of the store. A reference to the write-off authority shall be written against the entry and included in the detail of the Inventory Issue Voucher. | Use of Inventory Issue Voucher for write-off of Stores |
| 2638 | The rules for the write-off of unallocated stores or inventories shall be in accordance with FR Chapter 22 Part II. | Write-off of unallocated stores |
| 2639 | (i) The clearance of the Accountant-General shall be obtained by the disposing entity (MDA and other arms of government before any boarding exercise takes place for records and documentation.
(ii) The Accounting Officer of the disposing entity shall seek the advice of relevant MDA and other arms of government that possesses technical knowledge related to the items to be disposed-off.
(iii) The Accounting Officer shall on disposal of the items render full report of the transaction to the Accountant-General for proper accounting records. | Clearance and accounting for disposal of unserviceable items |

CHAPTER 27

**STORES INSPECTION BY BOARD OF SURVEY
AND STOCK OR INVENTORY VERIFIER**

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| 2701 | Government Stores shall be regularly inspected and reported upon by a Board of Survey or Stock or Inventory Verifier, at least twice a year. The Accounting Officer shall also ensure that surprise inspections are made at irregular intervals and not at fixed or predetermined dates. If the services of Stock or Inventory Verifiers are not available, the Accounting Officer shall apply for the appointment of a Board of Survey as stipulated in FR 2614. | Frequency of inspection of stock or inventory |
| 2702 | The Stores shall be closed while the Board of Survey is being conducted and no issues shall be made without the approval of the Chairman of the Board of Survey. For any issue to be made out of Store, the Chairman of the Board of Survey shall countersign the Stores or Inventories Issue Vouchers. | Closure of Stores during survey |
| 2703 | <p>(i) A Board of Survey shall be required to inspect a minimum of 40 per cent of the stock or inventory categories, but if a serious discrepancy is found or suspected, then a 100 per cent inspection shall be carried out. Items selected for inspection shall include all categories of stock or inventory, but especially those in general demand, of high value or stores or inventories of attractive nature.</p> <p>(ii) A Stock or Inventory Verifier shall be required to arrange a programme of inspection to cover the whole Stores at least twice a year.</p> | Scope of inspection |
| 2704 | <p>(i) At the end of every Store inspection, the Stores Officer shall sign the Survey Sheets with or without comments.</p> <p>(ii) In addition to any special check that may be required, a Board of Survey or the Stock or Inventory Verifier shall:</p> <p>(a) instruct the Store Officer to make accounting entries in the Stores or Inventories Register for all receipts and issues of stores or inventories up to the point of the closure of the Store;</p> <p>(b) make a physical count of the stock or inventory of each category of stores or inventories, examine each item for serviceability and compare the physical stock or inventory count against the Bin Card balance and the stock balance as shown on the relevant Stores or Inventories Ledger;</p> <p>(c) seek explanation of the officer in charge of the Store for any deficiency and ensure that details of the deficiency are entered on Stores or Inventories (SF.8);</p> <p>(d) seek the explanation of the officer in charge of the Store for items found unserviceable;</p> <p>(e) assess the rate of issue of items of stores or inventories and compare with</p> | Method of inspecting the Store |

the quantity in stock or inventory and the date of the last issue;

(f) examine the Receipt and Issue Vouchers prepared since the date of the last inspection and test check that they are properly recorded in the Stores or Inventories Ledger;

(g) examine the records of payments made for stores or inventories acquired since the last inspection and test-check that purchases of stores or inventories have been properly taken on charge in the relevant Stores or Inventories Ledger;

(h) instruct the Store Officer to prepare Receipt Vouchers to bring on charge on the Bin Card and in the Stores or Inventories Ledger any excess of stock or inventory found on inspection;

(i) initial the entries in the Stores or Inventories Ledger, and the relevant Bin Card for the taking of the excesses on charge;

(j) initial the Memorandum Notes to be made, in red ink, in the Stores or Inventories Ledger and the relevant Bin Card of the details of any deficiencies; and

(k) complete Stores or Inventories (SF.8 and SF.9) with recommendations as to the disposal of dormant and unserviceable stores or inventories (FR 2705 for distribution of the Forms).

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| 2705 | <p>The Chairman of the Board of Survey or Stock or Inventory Verifier shall submit a report in quadruplicate, together with Stores or Inventories (SF.8 and SF.9), also in quadruplicate, to the Accounting Officer, Accountant-General and Auditor-General. The report shall contain the following among others:</p> <p>(a) a reference to the list of items found surplus, deficient, obsolete or unserviceable;</p> <p>(b) an opinion as to the responsibility of the Store Officer for the general state of the Store, particularly in respect of deficiencies as well as obsolete and unserviceable items; and</p> <p>(c) an opinion as to the adequacy and condition of the Store accommodation, security arrangements, and fire-fighting appliances.</p> | <p>Report of the Board or Stock Verifier</p> |
| 2706 | <p>The reports of the Board of Survey or Stock or Inventory Verifier involving a loss of stores or inventories or the un-serviceability of stores or inventories shall be dealt with in accordance with the FR Chapter 26.</p> | <p>Action on the Report involving loss or unserviceable items</p> |

CHAPTER 28

STOCK OR INVENTORY VERIFICATION UNIT

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| 2801 | The Accounting Officer of an MDA and other arms of government shall ensure that a Stock or Inventory Verification Unit is established to provide a complete and continuous verification of stock or inventory, plant and equipment, allocated and unallocated stores where applicable. | Establishment of Stock or Inventory Verification Unit |
| 2802 | The Head of the Stock or Inventory Verification Unit shall be directly responsible to the Accounting Officer for a comprehensive verification of all the stocks or inventories and purchases of the MDA and other arms of government. | Stock or Inventory Verifier to report to Accounting Officer |
| 2803 | <p>The Stock or Inventory verifier shall:</p> <p>(a) maintain a system of continuous verification of all stores or inventories, allocated or unallocated;</p> <p>(b) be responsible for price analysis and taking charge of stores survey of vehicles and equipment;</p> <p>(c) assist the Internal Audit, Board of Survey and Enquiry on stores or inventory matters;</p> <p>(d) verify store or inventory records, such as Store or Inventory Ledgers, Bin Cards and Inventory Board in various offices;</p> <p>(e) compile and submit periodic reports as prescribed in FR 2805.</p> | Responsibilities of Stock or Inventory Verifier |
| 2804 | <p>(i) The Accounting Officer of all MDA and other arms of government shall ensure compliance with approved Stock or Inventory Verification Manual.</p> <p>(ii) To ensure compliance with the provisions of International Accrual Accounting Standards (IPSAS) in respect of recognition, measurement, disclosure and reporting of Stocks or Inventory, the Accountant General shall produce Stocks or Inventory Verification Manual for the general guidance of MDA or other arms of government.</p> <p>(iii) The approval of Accountant-General shall be obtained by any parastatal or agency that produces any other Stock or Inventory Verification Manual different from 2804(ii) above.</p> | Stock or Inventory Verification Manual |
| 2805 | <p>(i) The Head of Stock or Inventory Verification Unit shall issue monthly, half-yearly and annual progress reports of the activities to the Accounting Officer, Accountant-General and Auditor-General.</p> <p>(ii) Copies of the monthly, half-yearly and annual progress reports shall be forwarded to the Head of Internal Audit.</p> | Reports Generated by Stock or Inventory Verifiers. |

(iii) Where occasion demands, issue special reports for the attention of the Accounting Officer with copies forwarded to the Accountant-General and Auditor-General.

2806 (i) Each Stock or Inventory Verifier in an MDA and other arms of government shall be allocated with a Stamp issued and controlled by the Accountant-General. Such Stamp shall be regarded as security instrument and the Stock Verifier shall be held responsible for its safe custody. Stock or Inventory Verifier's Stamp

(ii) The Head of Stock or Inventory Verification Unit shall collect all the stamps on behalf of designated officer(s) of an MDA or other arms of government from the Accountant-General.

(iii) Where officers are transferred, retired or leave the service by any other means, the stamps issued to such officers shall be returned immediately to the Accountant-General by the Head of Stock or Inventory Verification Unit through the Accounting Officer.

(iv) Stock or Inventory Verification Stamp holders shall not be below Grade Level 09 in the headquarters and Grade Level 08 outside the headquarters.

(v) An application for new or replacement of stamps shall be endorsed by the Accounting Officer.

2807 (i) The Head of Stock or Inventory Verification Unit shall submit the particulars of officers who are empowered to make use of Stamps to the Accountant-General as follows: Procedure for issuance of Stock or Inventory Verifier's Stamp

- (a) name and rank;
- (b) two recent passport photographs, stamped and endorsed by the Head of Stock or Inventory Verification Unit;
- (c) specimen signature of the officer concerned;
- (d) copy of Staff Identification Card; and
- (e) National Identification Number (NIN).

(ii) The application for Stock or Inventory Verifier Stamps signed by the Head of Stock or Inventory Verification Unit and countersigned by the Accounting Officer shall be forwarded to the Accountant-General.

(iii) It shall be the responsibility of the Head of Stock or Inventory Verification Unit to collect assigned stamps from the Accountant-General for issuance to designated staff.

(iv) The Head of Stock or Inventory Verification Unit shall arrange to collect all stamps at the end of each day and have them locked up in a safe,

with two senior officers holding the keys, one of whom shall be the Head of Stock or Inventory Verification Unit. The stamps shall be released to their respective users the next working day. The daily issue and return shall be recorded in a 'Daily Release of Stock or Inventory Verification Stamps Register'.

(v) The Stock or Inventory Verification Stamps are not transferrable from one officer to another. On no account shall such stamps be re-issued to another officer.

(vi) Any Stock or Inventory Verifier that loses a stamp duly issued, due to negligence, shall bear the maximum penalty of surcharge or replacement cost as confirmed by the Accountant-General.

- 2808 The forms and books as contained in Appendix 15 shall be used where applicable in respect of the following:
- a. Contract Agreement or Letter of Award Returns
 - b. Asset Register
 - c. Stock or Inventory Verification or Pre-payment Register
 - d. Stock or Inventory Verification Query
 - e. Stock or Inventory Verification Unit or Plant, Motor vehicle and motorcycle form.
- Stock forms and books in general use

CHAPTER 29

PUBLIC PROCUREMENT OF GOODS, WORKS AND SERVICES

PART I -

GENERAL PRINCIPLES

- 2901 Government contracts are made in accordance with the ordinary law of contract through offer by one party and acceptance by the other. The only distinction between a government contract and that of a private entity is that, while private entity can freely choose the suppliers whom it wishes to deal with, MDA and other arms of government are obliged to comply with the provisions of the Public Procurement Act (PPA), 2007 and are accountable for the disbursement of public funds. General consideration
- 2902 The Public Procurement Act (PPA), 2007 provides detailed requirements and guidelines for procurement contracts in respect of works, goods and services in MDA and other arms of government. All procurements contracts shall therefore be guided by the provisions of the PPA 2007 and other extant rules and guidelines. PPA as a Guide

CHAPTER 30

MISCELLANEOUS MATTERS

PART I - GENERAL

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| 3001 | Treasury Forms bearing treasury numbers and issued under the authority of the Accountant-General are forms for general use by MDA and other arms of government. Any other form required for Accounting purpose shall not be used without the authority of the Accountant-General (Appendix No.8). | Use of Treasury Forms |
| 3002 | The use of green ink or pencils in the recording or checking of accounting or store transactions by officers other than those of the Office of the Auditor-General shall be strictly forbidden, except in the case of drawing offices, where they may be required for the preparation of maps and plans. | Restriction on the use of green ink |
| 3003 | <p>(i) Accounting Officers shall be responsible for paying all sums, such as salaries and allowances due to a deceased officer from government to the Legal Representative of the estate of the deceased officer.</p> <p>The legal representative of the deceased officer in this regard shall include:</p> <p>(a) next-of-kin as indicated in the deceased officer's Record of Service.</p> <p>(b) the executor of the WILL of the deceased officer.</p> <p>(c) in the absence of (a) and (b) above any person with a valid Letter of Administration.</p> <p>(d) in the absence of (a) to (c) above the money shall be paid to the appropriate State's Administrator-General of the deceased officer.</p> <p>(ii) The Accountant-General and the appropriate State's Administrator General as in (d) above shall be informed of any amount due from the estate of the deceased to government or of any liability of government from any guarantee arrangement.</p> <p>(iii) Personal emoluments and pensions shall be payable up to and inclusive of, the date of death. Those aspects of funeral expenses not provided for in government regulations shall be borne by the deceased officer's estate.</p> <p>(iv) In making payments to the legal representatives as required in subsection (i) above, Accounting Officers shall attach a copy of the relevant document to the payment voucher.</p> <p>(v) The terminal benefits of a deceased pensionable officer shall be calculated in accordance with the relevant provisions of the Public Service Rules and other extant regulations. Any amount due from the estate of the deceased officer to the government shall be deducted before making such payments.</p> | Payment of sums due to the estate of a deceased officer |
| 3004 | The Comptroller-General of Nigerian Correctional Service shall ensure that instructions are issued to officers in charge of Correctional Centers for the detailed recording of money received from each inmate for safe custody. When cash has accumulated which is more than approved withdrawal for the month, the excess amount shall be deposited in the appropriate government | Deposit of monies received from inmates |

account in separate units of ₦10,000.00 each. A separate set of paying-in form (TF.15) shall be prepared for each unit and the officer paying in the deposits shall ask for a separate receipt (TF.6), to be issued for each unit and classified to Deposits: Inmates property.

Withdrawals shall be in units of ₦10,000.00 and the original receipts (TF. 6) shall be attached to the payment voucher for cancellation by the Sub-Accounting Officer.

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| 3005 | <p>(i) When an overpayment of expenditure charged to a classification in the Recurrent or Capital Expenditure is recovered in the same financial year as that in which it was incurred, it shall be credited to the expenditure classification concerned.</p> <p>(ii) Where recovery is in respect of recurrent or capital expenditure incurred in a previous financial year, it shall be credited to appropriate revenue recovery account.</p> | Accounting for overpayments recovered |
| 3006 | <p>All refunds of revenue except refunds of customs duty, income tax and Auctioneers' Commission shall be charged to the appropriate "Refunds General" Classification of the Ministry of Finance. The vouchers covering a refund of such revenue shall be issued only, in accordance with the provisions of FR 404 to 407.</p> | Refunds of revenue |
| 3007 | <p>Officers in charge of salary payrolls shall ensure that the appropriate rent is deducted from the salary of any officer who occupies a government quarter. On a change of occupancy, rent shall be chargeable to the outgoing officer up to and including the day prior to the hand-over; and against the incoming officer from and including the day of the take-over.</p> | Deduction of rent on government quarters |
| 3008 | <p>In order to prevent forgery and falsification of accounting records and documents, the use of correction fluid such as TIPPEX or LIQUID PAPER is prohibited.</p> | Prohibition of use of correction fluid |
| 3009 | <p>Worn-out clothing and beddings which have become unserviceable through fair wear and tear shall be written-off on the authority of a certificate signed by the officer-in-charge of the Correctional Centre, Hospital, among others: "I hereby certify that I have personally inspected the under mentioned article(s) in..... Correctional Centre or Hospital, which have become unserviceable through fair wear and tear and have been destroyed by (method of destruction)".</p> <p>Signature: Designation: Date:</p> | Write-off of worn-out clothing and beddings |
| 3010 | <p>(i) The regulations governing the acquisition of stores or inventories in Chapter 23 shall apply equally to the purchase of stationery. MDA and other other arms of government may procure stationery through the Federal Government Printer.</p> <p>(ii) Accounting Officers shall delegate to responsible officers the duties of the safe custody of receipts and issuance of stationery.</p> | Purchase and safe custody of stationery |

- (iii) The accounting records at each store shall include:
- (a) Where main stocks are held for supply to branch offices, a Stores or Inventories Ledger (Store Form I) which shall show for each category, the receipt into the Store, issuance to branch offices and the balance remaining in the Store;
 - (b) For all branch offices where stocks are held, a Stationery Store or Inventory Ledger (Store Form 20) which shall show, for each category, the receipts from the main stores, the issuance to the various offices and the balance remaining in Store.
 - (c) Stores or Inventories Receipt Vouchers or Receipted Issue Vouchers.
 - (d) Daily Issue Book to record the detailed issuance to offices.
- (iii) All stocks of stationery shall be kept under lock and key and in charge of a responsible officer who shall ensure that the ledger balances are checked periodically against physical stocks.

- 3011 (i) In compliance with the provisions of the Employees Compensation Act 2010, all MDA and other arms of government shall contribute 1% (one percent) of their total payroll to Nigeria Social Insurance Trust Fund to cover against occupational hazards arising in the work place or in the course of work.
- (ii) All Accounting Officers shall ensure that provisions are made in the annual budget to cover the payment of the contribution as prescribed in the Act.
- (iii) Any Accounting Officer that defaults in ensuring the payment of the contribution shall in addition to the sanctions under the Act is taken to have committed misconduct under the provisions of the Public Service Rules.
- Contribution to Employees' Compensation Scheme.

PART II - FEDERAL PROJECT FINANCIAL MANAGEMENT

- 3012 The Federal Projects Financial Management Department (FPFMD) in the Office of the Accountant General of the Federation is the department responsible for the supervision of financial management of projects funded by the World Bank, Development Partners and other donors in the MDA and other arms of government.
- Supervision of donor funds
- The FPFMD shall perform the following roles:
- (a) Deploy Treasury Officers for the financial operations of the Projects after approval by the Accountant-General;
 - (b) Train Project Financial Management staff on development partners' financial management procedures and disbursement guidelines as well as this Financial Regulation;
 - (c) Evaluate Project Accountants and Internal Auditors to determine their competence and suitability for Development partners accounting financial procedures;
 - (d) Participate in the payment process as either reviewers or approvers;
 - (e) Be a signatory on Category "B" to all Project Accounts maintained in
- Function of Federal Projects Financial Management Department

CBN or other banks for all Donor Funds;
 (f) Interface with Project Coordinators, Project Accountants, Project Internal Auditors and other stakeholders as the need arises;
 (g) Relate with World Bank and other Development Partners;
 (h) Supervise the financial management functions of all Federal Projects financed via international donor loans, donations, aids and grants being implemented at the MDA and other arms of government;
 (i) Prepare and submit quarterly and annual reports on the implementation of each Fund to the Accountant General of the Federation; and
 (i) Perform any other responsibility as may be assigned by the Accountant-General to ensure successful financial management of all Federal projects.

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| 3013 | Project Accountants and Project Internal Auditors shall be deployed from the pool of the Office of the Accountant-General of the Federation to provide accounting services for the management of the Project Fund in each MDA or other arms of government. | Deployment of Project Accountants or Internal Auditors |
| 3014 | <p>The Project Accountant shall:</p> <p>(a) Prepare Annual Work Plans in consultation with the Project Manager for the approval of the Accounting Officer and the Development Partner or Donor. The Work Plan shall be prepared in consultation or liaison with the Procurement Department of the MDA or other arms of government in line with each Project Development Objectives (PDO);</p> <p>(b) Prepare detailed Disbursement Plan from the Work Plan mentioned in (a) above in consultation with the Project Manager for the approval of the Accounting Officer. Copies of the Work Plan and Disbursement Plan shall be forwarded to the Accountant-General;</p> <p>(c) Develop annual budget based on the Work Plan in consultation with the Project Manager for the approval of the Accounting Officer and Development Partner or Donor, emphasizing funds requirement and timing to ensure efficient and effective use of resources;</p> <p>(d) Prepare related financial plan taking into cognizance the timing and milestones needed to achieve project objectives;</p> <p>(e) Using the approved project components or categories and aligning it with the National Chart of Accounts (NCOA) and recommending appropriate accounting software that will enhance real time reporting.</p> <p>(f) Ensure that all project Non-Current Assets are captured in the Project Assets Register;</p> <p>(g) Prepare and submit monthly Financial Reports to the Project Manager with a copy to the Accounting Officer Accounting Officer through the DFA of the supervising MDA, or other arms of government and the Accountant-General;</p> <p>(h) Ensure strict adherence to all internal control measures put in place by the Financial Procedure Manual and Financial Regulations;</p> <p>(i) Liaise with the Internal and External Auditors to follow up on all audit queries and management letters by providing required answers;</p> <p>(j) Ensure that change of signatories to Projects Accounts in the MDA and other arms of government is effected immediately there is a change in the structure of signatories whether as a result of redeployment, retirement or otherwise;</p> <p>(k) Perform any other financial duties or functions assigned by the Project</p> | Role of Project Accountant |

3015	<p>Manager and the Accountant-General to ensure effective financial management of the projects.</p> <p>(i) The Project Coordinator as the Project's Accounting Officer shall not be signatory to the accounts of the projects;</p> <p>(ii) Project Internal Auditors as PFMS shall not be signatories to Project Accounts but shall have only access to Project Accounts.</p> <p>(iii) Project Officials who are public servant and non-Accountants will serve as category A signatory;</p>	Rules for signatories to bank accounts
3016	<p>The Director of Finance and Accounts or Head of Accounts in the MDA and other arms of government shall:</p> <p>(a) Ensure that budget of the Projects relating to Counterpart Funds is included in the budget of the MDA or other arms of government ;</p> <p>(b) Ensure prompt release of Counterpart Funds for effective project implementation; and</p> <p>(c) Ensure that Budget Performance of the Projects financed with Counterpart Funds is included in the Budget Performance Report of the MDA and other arms of government .</p>	Role of Director of Finance and Accounts or Head of Accounts

CHAPTER 31

**FINANCIAL GUIDELINES FOR THE
OPERATIONS OF PARASTATALS**

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| 3101 | A ministry supervising a parastatal shall have responsibility to:- | Relationship with supervising ministry. |
| | <p>(a) draw up a clear strategic control framework for their operations;</p> <p>(b) ensure that each parastatal has sufficient and appropriate management and financial controls to safeguard public funds.</p> <p>(c) ensure that, where a parastatal is incorporated as a company, financial statements shall be prepared in accordance with the International Financial Reporting Standards (IFRS).</p> <p>(d) ensure that each parastatal has an Internal Audit Department or Unit as provided in FR 1701 - 1705.</p> <p>(e) ensure that the Tenders Board as stipulated by the Public Procurement Act 2007 (as amended) exists for award of all contracts within the thresholds approved by Bureau of Public Procurement from time to time. (Tenders Board as in FR 2905).</p> <p>(f) ensure that Agencies and Parastatals align their respective accounting policies and financial year end with that of the Federal Government.</p> | |
| 3102 | The Chief Executive Officer of parastatals, being the Accounting Officer, shall have responsibilities for the control and management of the human, material and financial resources. His duties shall be as defined in FR 113 and 114. | Responsibilities of Chief Executive Officer |
| 3103 | Each parastatal shall maintain appropriate approved bank accounts. No bank account shall be opened by any parastatal unless authorised by the Accountant-General. | Maintenance of bank accounts |
| 3104 | The Chief Executive Officer of the parastatal shall ensure that certified specimen signatures of officers authorised to sign mandates drawn on official bank accounts as approved by the Accountant-General are forwarded to the relevant bank and shall advise on subsequent changes. | Authorised specimen signature |
| 3105 | No loan, advance or overdraft of any form shall be obtained from any financial institution without prior approval from the Minister of Finance. | Approval of loans or overdraft |
| 3106 | No fund shall be placed on deposit account without prior approval of the Accountant-General. Idle fund shall only be placed on Nigeria Treasury Bills at prevailing market rates. | Investment of funds |
| 3107 | (i) Where a parastatal is incorporated as in FR 3101 (c), all interests earned from monies placed on Nigeria Treasury Bills or Deposit Account on the | Interest received on investment of |

	approval of the Accountant-General shall be paid into Consolidated Revenue Fund of the Federal Government and classified under the appropriate revenue line item of the NCOA.	funds
	(ii) Monthly returns on investment made in FR 3106 and 3107(i) above containing details of the investment, rate of interest, interest earned, duration and maturity date shall be submitted to the Accountant-General.	
3108	Except the enabling Act relating to a particular parastatal provides otherwise, the provisions of the Financial Regulations shall apply.	Compliance with Financial Regulations
3109	(i) The Chief Executive Officer of a parastatal shall submit monthly financial reports to the supervising Ministry, showing the receipts of funds from government for personnel, overheads, capital and Internally Generated Revenue (IGR). The reports shall also show the actual expenditure classified into personnel, overheads and capital.	Submission of monthly statements to supervising ministry
	(ii) The Statement of Accounts for each financial year shall be submitted to the External Auditor within two months after the end of the financial year for Audit.	
3110	(i) The Board of each parastatal shall appoint an External Auditor from the list of External Auditors provided by the Auditor-General to audit and report on the affairs of the organisation to the Board.	Engagement of external auditors
	(ii) The Board shall apply to the Auditor-General to provide:	
	(a) a list of External Auditors qualified to be appointed by parastatals; and	
	(b) guidelines on the level of fees to be paid to External Auditors.	
	(iii) The Auditor-General shall incorporate comments on the Annual Accounts and Management Reports of parastatals to the Public Accounts Committee (PAC) of the National Assembly.	
	(iv) The External Auditors shall submit the Audited Accounts and Management Reports to the Board of the parastatal within the stipulated time indicated in the signed contract agreement.	
	(v) The Chief Executive Officer shall submit the Audited Accounts and Management Report to the Auditor-General, the Accountant-General and the supervising Ministry not later than 31 st March of the following year.	
3111	Except as stated in FR 3108(i), the Non-executive and part-time Chairmen, Members and Directors of Governing Boards of all parastatals shall only be paid Duty Tour Allowance (DTA) for local tours and Estacode Allowance for overseas tours as applicable and approved in extant circulars.	Payment of official travelling allowance to Board members

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- 3112 The Accountant-General being the Chief Accounting Officer for the Receipts and Payments of Government fund shall post Professional Accountants as appropriate to every Agency or Parastatal that is fully or partially funded from the Consolidated Revenue Fund (CRF) or other Public funds of the Federal Government. Posting of professional accountants.
- 3113 (i) All Agencies, whether or not listed in the Fiscal Responsibility Act, shall, on or before the end of May every year, cause to be prepared and submitted to the Minister of Finance, Budget and National Planning their schedule of revenue and expenditure estimates for the next three financial years. Submission of annual budgetary estimates
- (ii) All Agencies shall, on or before the end of July every year, cause to be prepared and submitted to the Minister of Finance, Budget and National Planning their annual budget estimates, which shall be derived from the estimates of revenue and expenditure as projected in their three-year schedule.
- (iii) The Ministry of Finance, Budget and National Planning shall review such estimates and ensure their conformity with the national plan and the financial and budgetary regulations before processing them for approval and early transmission to the National Assembly.
- (iv) Supervising Ministers and Heads of Agencies as well as the Chief Executive Officers of Government owned companies shall verify that the process of preparation, harmonisation and collation of budget estimates are as stipulated in relevant laws and guidelines and also ensure strict compliance.
- (v) Revenue and expenditure of agencies and parastatals shall be in compliance with the approved budget.
- (vi) Heads of Agencies and Chief Executive Officers of Government owned companies shall take personal responsibility and be subjected to appropriate sanctions for any failure to comply with FR 3113(i-v) above.
- (vii) Any revenue or other funds of an agency in excess of the amounts budgeted and duly expended shall accrue to the Consolidated Revenue Fund of the Federal Government.

CHAPTER 32

CODIFICATION OF OFFENCES AND SANCTIONS

PART I –

IRREGULARITIES RESULTING IN LOSSES DUE TO EITHER
FRAUDULENT ACTIVITIES OF FUNCTIONARIES, NEGLIGENCE
OR INCOMPETENCE

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| 3201 | Any Accounting Officer or public officer who fails to give satisfactory explanations to audit queries within stipulated time as indicated in the provisions of this Financial Regulations shall be sanctioned accordingly as provided for in this chapter. | Failure to answer audit query |
| 3202 | <p>(i) Any public officer who is alleged to be involved in the inflation of contract shall be allowed 21 days within which to respond to audit query addressed to the officer(s).</p> <p>(ii) Where the query involves the Accounting Officer and the explanation is not satisfactory, the Accounting Officer shall be reported to the Head of Service for disciplinary action. When it involves other officers, such officers shall face appropriate disciplinary action such as surcharge to the full amount of loss to government, removal from the schedule of duty or dismissal in line with the provisions of the Public Service Rules and other extant rules. In addition, the matter shall be referred to either the Police or Independent Corrupt Practices and other Related Offences Commission (ICPC) or Economic and Financial Crimes Commission (EFCC) for investigation and further action.</p> <p>(iii) Where the inflation of the contract involves the Tenders Board, all the members that approved the inflated contract shall face disciplinary action as indicated in FR 3202(ii) above.</p> | Inflation of contracts |
| 3203 | Any query on unauthorised variation of procurement contract(s) shall be answered within 21 days of issue. Where it remains unanswered after the time limit and it affects the Accounting Officer, such failure shall be reported to the Head of Service for disciplinary action. If it affects any other officer, appropriate sanction shall be imposed on the officer such as surcharge to the full amount of loss to government, removal from the schedule of duty or dismissal in line with the provisions of the Public Service Rules and other extant rules. In addition, the matter shall be referred to either the Police or Independent Corrupt Practices and other Related Offences Commission (ICPC) or Economic and Financial Crimes Commission (EFCC) for investigation and further action. | Unauthorised variation of procurement contract(s) |

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| 3204 | <p>(i) Where a contractor or a supplier who receives mobilisation fee for a contract and fails to perform after collecting the fee, the Accounting Officer of the MDA or other arms of government shall give 30 days' notice to the contractor to refund the money, failing which the mobilisation fee shall be recovered in full from the contractor plus interest at the prevailing market rate and such contractor shall be blacklisted and referred to the Economic and Financial Crimes Commission (EFCC) for investigation and further action.</p> <p>(ii) Where a contractor presents a false certificate of completion and is paid, the Accounting Officer shall give 21 days within which the contractor is to complete the job or refund in full the contract sum paid plus interest at the prevailing market rate. In addition such contractor shall be blacklisted and referred to the Economic and Financial Crimes Commission (EFCC) for investigation and further action.</p> <p>(iii) Where a prima-facie case of fraudulent payment of money to a contractor has been established against a public officer for a job not executed, such officer shall be surcharged to the full amount of loss to government, removed from the schedule of duty or dismissed in line with the provisions of the Public Service Rules and other extant rules. In addition, the matter shall be referred to either the Police or Independent Corrupt Practices and other Related Offences Commission (ICPC) or Economic and Financial Crimes Commission (EFCC) for investigation and further action.</p> | Payment for jobs not executed |
| 3205 | <p>(i) Any public officer, on receipt of a query from the Auditor-General for a poor-quality work carried out by a contractor, shall within 42 days get the contractor to rectify the abnormalities or to refund the full amount paid as a result of the poor job.</p> <p>(ii) Where the query remains unanswered or unsatisfactorily answered within the time allowed, the officer(s) that certified the job for payment shall be considered to have committed a serious misconduct, removed from the schedule and disciplined in line with the Public Service Rules while the contractor shall be blacklisted and reported to the Economic and Financial Crimes Commission (EFCC) for investigation and further action.</p> | Poor quality of work |
| 3206 | Any public officer who makes an irregular or wrong payment from public funds, shall be given 21 days' notice to offer explanation. Where no satisfactory explanation is given, the amount involved shall be recovered from the officer and such officer shall be removed from the schedule and disciplined accordingly. | Irregular or wrong payment from public funds |
| 3207 | Where a Store Officer fails to answer an audit query on a shortage or loss of stores or inventories within 14 days of issue, such officer shall not only be surcharged the total cost of the loss or shortage, but shall | Shortages or losses of stores or inventories by |

	also be removed or transferred to another schedule and disciplined accordingly.	Store Officer
3208	Where a cashier or officer in charge of public funds suffers a shortage or a loss, such an officer shall answer the query within 7 days, failing which the officer shall be surcharged with the full amount of the shortage or loss and transferred to another schedule.	Shortages or losses of cash by Cashier
3209	<p>(i) Any Accounting Officer or a Sub-Accounting Officer, who pays for the acquisition of non – current asset with public funds but fails to collect the asset from the contractor or supplier, shall be given 21 days to recover the asset(s) from the contractor or supplier, failing which the officer(s) shall be transferred or removed from the schedule.</p> <p>(ii) The contractor or supplier shall be blacklisted and reported to the Economic and Financial Crimes Commission (EFCC) for prosecution.</p> <p>(iii) If collusion is however established, the officer(s) involved shall be removed from that schedule, made to pay back the money involved and face disciplinary action in line with Public Service Rules.</p>	Non-current assets paid for but not collected
3210	Any public officer who authorises the payment of public fund to ghost-workers and/or knowingly processes such payment, shall be charged for serious misconduct, removed from the schedule and reported to either the Independent Corrupt Practices and other Related Offences Commission (ICPC) or the Economic and Financial Crimes Commission (EFCC) for investigation and further action.	Payment to non-existent employees (ghost workers)
3211	Any public officer who receives a query involving an overpayment of public funds in respect of salaries and allowances to staff, shall be given 21 days within which to reply to the query and refund the amount overpaid. The officer shall also be disciplined in accordance with Public Service Rules and if need be, the matter shall be referred to either the Independent Corrupt Practices and other Related Offences Commission (ICPC) for investigation and further action.	Overpayment of salaries and allowances to staff
3212	<p>(i) Any public officer who fails to respond to the Auditor-General's query satisfactorily within 21 days for failure to collect Government Revenue due shall be removed and transferred to another schedule.</p> <p>(ii) Where an officer fails to give satisfactory reply to an audit query within 7 days for his failure to account for government revenue, such officer shall be surcharged for the full amount involved and handed over to either the Police or the Independent Corrupt Practices and Other Related Offences Commission (ICPC) or the Economic and Financial Crimes Commission (EFCC) for investigation and further action.</p>	Failure to collect and account for government revenue

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| 3213 | Any public officer who fails to pay for the use of government property shall be given 30 days to offer explanation for the query issued for this failure. If explanation is unsatisfactory, the amount involved shall be recovered from the officer and shall face disciplinary action in accordance with the provisions of the Public Service Rules. | Non-payment for use of government property |
| 3214 | Any public officer, who has been queried for premature scrapping of and/or sale of government non-current asset at a ridiculously low price and has failed to answer the query satisfactorily, shall be disciplined in accordance with Public Service Rules. Where fraud is suspected, the officer shall be handed over to either the Police or the Independent Corrupt Practices and other Related Offences Commission (ICPC) for investigation and further action. | Premature scrapping of non-current assets and sale at low prices |
| 3215 | Any Accounting Officer who is queried for failure to manage or expend public funds prudently or who spends public money without due regard to economy contrary to FR 416 and fails to reply to the query or the answer to the query is not satisfactory, shall be disciplined for serious misconduct in line with the provisions of the Public Service Rules. | Poor cash management |

PART II –

IRREGULARITIES NOT DIRECTLY OR IMMEDIATELY
RESULTING IN LOSSES TO THE GOVERNMENT, BUT WHICH
INFRINGE UPON BUDGETARY CONTROL AND PROPER
FINANCIAL MANAGEMENT

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| 3216 | Failure by any MDA or other arms of government to sustain any of the self-accounting conditions in FR 1602 shall lead to the withdrawal of the self-accounting status. | Withdrawal of Self-Accounting status |
| 3217 | Failure of any MDA or other arms of government to comply with posting instructions of Accountant-General shall lead to revocation of the right of access to Federal Government Payment Platforms and/or withdrawal of self-accounting status. | Refusal by MDA to comply with posting instructions |
| 3218 | Any public officer who refused to comply with posting instruction of Accountant-General shall be deemed to have committed an act of misconduct and shall be dealt with in line with the provisions of Public Service Rules. | Refusal of posting instructions by an officer |

PART III -
IRREGULARITIES ARISING FROM POOR OR INEFFICIENT
MANAGEMENT OF ACCOUNTS WHICH MAY RESULT IN
LOSSES

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| 3219 | <p>(i) Failure to account or retire any advance by a public officer after it is due for retirement shall be an offence of misconduct under the provisions of the Public Service Rules.</p> <p>(ii) The provisions of FR 1011 and 1410 shall be applicable to the retirement of personal and non-personal advances.</p> <p>(iii) Any public officer who fails to respond to a query issued within 7 days for non-retirement of advance or imprest shall be surcharged and the total amount recovered from the defaulting officer.</p> <p>(iv) Directors of Finance and Accounts or Heads of Accounts shall ensure that all advances are fully recovered from the defaulting officer.</p> <p>(v) Any Director of Finance and Accounts or Head of Accounts who fails to recover personal advances from staff may be requested by the Accounting Officer to offer written explanations within 7 days to a query on this irregularity. If the explanation is unsatisfactory, the Director of Finance and Accounts or Head of Accounts may be given a warning letter for this irregularity.</p> | Non-retirement of advances |
| 3220 | <p>Any schedule officer who fails to post the ledger accounts up to date shall be requested to respond to a formal query addressed to the officer by the Director of Finance and Accounts or Head of Accounts within 7 days. Any unsatisfactory response or any losses incurred as a result of this negligence of duty shall be recovered from or surcharged against the officer. Where no loss is involved, the officer shall be warned.</p> | Non-posting of ledger accounts |
| 3221 | <p>Any public officer who is involved in the remittance of cash and who fails to acknowledge the receipts of such remittance(s) within seventy-two (72) hours shall be requested to offer explanation within 7 days to a query issued for this irregularity. Failure to give satisfactory explanation and any loss suffered by government as a result of such a delay in the non-reciprocation of the cash shall be recovered from or surcharged against the defaulting officer.</p> | Non-acknowledgement of remittance |
| 3222 | <p>(i) The Accounting Officer and the Director of Finance and Accounts or Head of Accounts of any MDA or other arms of government given approval to maintain any government bank account shall ensure that bank reconciliation statements are prepared in respect of such accounts.</p> <p>(ii) Failure to render such a statement as at when due shall attract a query to which an explanation shall be offered within 7 days.</p> <p>(iii) Any unsatisfactory explanation shall attract disciplinary</p> | Failure to prepare bank reconciliation statements |

proceedings and any loss suffered by government as a result of negligence to render or prepare such statement shall be recovered or surcharged against the defaulting officer(s). Where no losses are involved, the defaulting officer(s) shall be warned.

- 3223 (i) The Director of Finance and Accounts or Head of Accounts of any MDA or other arms of government who fails to render detailed statement of accounts in respect of warrants and Authority to Incur Expenditure (AIE) of the MDA or other arms of government to the Office of the Accountant-General, shall be requested within 30 days to respond to a formal query. Unsatisfactory explanations shall attract warning
- (ii) All losses incurred as a result of non-compliance with the procedure shall be recovered from or surcharged against the defaulting officer. Where no losses are involved, the defaulting officer shall be warned.
- (iii) Any MDA and other arms of government who denied the Auditor-General or the Accountant-General or their representatives access to documents/information shall have its allocation withheld.
- (iii) Any public officer who fails to produce documents for audit examination/scrutiny within 21 days of request and after a reminder for additional period of 7 days shall be deemed to have committed an offence of serious misconduct and be disciplined accordingly.
- 3224 The Director of Finance and Accounts or Head of Accounts of any MDA or other arms of government who fails to render monthly Trial Balance and the annual General-Purpose Financial Statements as at when due shall be requested to respond to a formal query issued within 7 days, failing which allocation of fund to the MDA or other arms of government shall be suspended indefinitely until compliance with the rendition.

Non-rendition of returns or denial of access to records

Non-Rendition of Monthly Trial Balance and Annual General Purpose Financial statements

PART IV -

OFFENCES AND SANCTIONS UNDER THE PUBLIC PROCUREMENT ACT (PPA)

- 3225 (i) The Public Procurement Act makes provisions for offences that shall attract various forms of sanctions. These offences are:
- a) Entering or attempting to enter into a collusive agreement, whether enforceable or not, with a supplier, contractor, consultant or buyer where the prices quoted in their respective tenders, proposals or quotations are or would be higher than what would have been the case has there not been collusion between the persons concerned;
- b) Directly, indirectly or attempting to influence in any manner, the procurement process to obtain an unfair advantage in the award of a

Offences under PPA

procurement or disposal of public property contract;

- c) Conducting or attempting to conduct procurement fraud by means of fraudulent and corrupt acts, unlawful influence, undue interest, favour, agreement, bribery or corruption;
- d) Splitting of tenders to enable the evasion of monetary thresholds set;
- e) Bid-rigging;
- f) Altering any procurement documents with intent to influence the outcome of a tender proceeding;
- g) Altering or using fake documents or encouraging their use; and
- h) Willful refusal to allow the Bureau of Public Procurement or its officers to have access to any procurement records.

(ii) Any offence in contravention of the Act shall be tried by the Federal High Court.

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| 3226 | <p>(i) Any officer of the Bureau of Public Procurement or the procuring entity who, while performing his procurement duties contravenes any of the offences under the Public Procurement Act shall be liable on conviction to a cumulative punishment of:</p> <ul style="list-style-type: none"> (a) a term of imprisonment of not less than 5 (five) calendar years without any option of fine; and (b) summary dismissal from Government services. <p>(ii) Any legal person who contravenes any provision of the Act is deemed to have committed an offence and shall be liable on conviction to a cumulative penalty of:</p> <ul style="list-style-type: none"> (a) debarment from all public procurements for a period not less than 5 calendar years; and (b) a fine equivalent to 25% of the value of the procurement in issue. | Sanctions under the PPA |
| 3227 | <p>Any public officer who is involved in splitting of contracts to circumvent tender's procedures shall be given 21 days' notice within which to offer explanations to a formal query issued. Failure to give satisfactory explanation, the matter shall be reported to either the Police or Independent Corrupt Practices and Other Related Offences Commission (ICPC) or Economic and Financial Crimes Commission (EFCC) for investigation and further action. On conviction, the officer shall be liable to 5 years imprisonment without an option of fine in accordance with the provision of the Public Procurement Act 2007 (as amended).</p> | Splitting of contracts |
| 3228 | <p>(i) Any Accounting Officer or public officer who is involved in the irregular award of contracts such as contracts award not in compliance with the normal tenders procedures as laid down by the Bureau of Public Procurement in these regulations or any other law shall be</p> | Irregular award of contracts |

requested to offer an explanation in writing within 21 days to a query issued on the irregularity. Failure to give satisfactory explanation, the matter shall be reported to either the Police or Independent Corrupt Practices and Other Related Offences Commission (ICPC) or Economic and Financial Crimes Commission (EFCC) for investigation and further action. On conviction, the officer shall be liable to 5 years imprisonment without an option of fine in accordance with the provision of the Public Procurement Act 2007 (as amended).

(ii) Where the award is by a Tenders Board, all members of the Board shall be sanctioned individually or collectively as in sub-section (i) above.

PART V

SANCTIONS FOR MAKING PAYMENTS BY USING CHEQUES OR CASH WITHOUT EXEMPTION AND OTHER VIOLATIONS OF THE FINANCIAL REGULATIONS

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| 3229 | Any MDA or other arms of government that makes payment by cheque or cash without having been exempted from the e-payment policy shall have its budgetary and other allocations suspended. | Payment by cheque or cash |
| 3230 | Any officer who makes payment by cash or cheque without exemption from e-payment for the MDA and other arms of government shall be deemed to have committed an act of serious misconduct and shall be disciplined in accordance with the provisions of the Public Service Rules. | Payment of cheque or cash without approval for exemption |
| 3231 | Any officer who utilises privately printed receipt for the collection of government revenue shall be removed from the schedule, surcharged for the amount involved and referred to either the Independent Corrupt Practices and other Related Offences Commission (ICPC) or the Economic and Financial Crimes Commission (EFCC) for investigation and further action. | Use of privately printed receipt |

CHAPTER 33

**PERIODIC REVIEW OF FINANCIAL REGULATIONS,
ACCOUNTING RECORDS AND STORE OR INVENTORY FORMS**

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| 3301 | The Financial Regulations shall be reviewed every 5 years from the date of issuance of the current document to reflect changes in the public financial management, treasury circulars and other finance related circulars issued within the period under the review. | Review of financial regulation |
| 3302 | Treasury accounting source documents and store or inventory forms shall be reviewed every 5 years to accommodate changes and reforms in the public financial management life circle. | Review of accounting source documents and store or inventory forms |

CHAPTER 34**APPENDIX****LIST OF TREASURY FORMS AND OTHER ACCOUNTING SOURCE DOCUMENTS**

S/no	Description	TF. No
1	Payment Voucher (Recurrent)	TF.193
2	Payment Voucher (Capital)	TF.193A
3	Paying-In-Form	TF.15
4	Treasury Receipt Book 6	TF.6
5	Treasury Receipt Book 6a	
6	Vote Book	
7	Treasury Cash Book	
8	Imprest Cash Book	
9	Treasury Journal Voucher	TF.23
10	Revenue Receivable Register	
11	Debit Note	
12	Schedule Of Movement Of Payment Voucher	
13	Individual Subsidiary Ledger (Account Receivable)	
14	Investment Register	
15	Investment Subsidiary Ledger (Account Receivable)	
16	Salaries And Wages Register	
17	Accounts Payable Register	
18	Subsidiary Ledger (Account Payable)	
19	Property, Plant And Equipment Register	
20	Property, Plant And Equipment Schedule	
21	Inventory Issue Register	SF.4
22	Inventory Receipt Register	
23	Inventory Ledger	
24	Transfer Issue Voucher (Inter Mda)	SF.2
25	Transfer Issue Voucher (Intra Mda)	SF.3
26	Bank Reconciliation Statement	
27	Imprest Report	
28	Cash Advance Report	
29	Salary Deduction Advice (Others)	
30	Salary Deduction Advice (Individual Class)	
31	Salary Deduction Advice (Individual Class)	
32	Variation Advice	
33	Monthly Returns Form (Vat, Wht, Stamp Duty, Others)	
34	Monthly Schedule Of Payee Remittance	
35	Bin Card	
36	Inventory Receipt Voucher	SF.5
37	Inventory Issue Voucher	
38	Unserviceable Inventory (Impaired Assets)	
39	Office Inventory Board	
40	Personal Emolument Record Form	
41	Imprest Warrant	TF.9
42	Sub-Receipt	TF.10
43	Inspectorate	
44	Certificate Of Cash Balance	
45	Guarantor Form	
46	Internal Audit Query	
47	Inventory/Stock Verification Query	
48	Local Purchase Order	
49	Bank Schedule	
50	Report On Loss Of Funds Or Inventory	TF.146
51	Board Of Survey Report On Unserviceable Inventory (Impaired Assets)	TF.147
52	Handing Over Certificate	
53	Revenue Returns	
54	Variation Control	TF.208
55	Unallocated Stores Annual Balance Sheet	
56	Inventory Verification Analysis Register	

57	Maintenance Schedule For Motor Vehicle	
58	Stock Verification Certificate Of Completion For Supply/Works/Services	
59	Inventory Requisition	SF.12
60	Discrepancy Form	SF.8
61	Vehicle Allocation Schedule	
62	Monthly Financial Monitoring Report (Personnel Cost)	
63	Monthly Financial Monitoring Report (Overhead Cost)	
64	Monthly Financial Monitoring Report (Capital Expenditure)	
65	Consolidated Budget	

