



REPUBLIC OF GHANA

# Emergency Expenditure Management Guidelines for Public Institutions



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By

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The Emergency Expenditure Management Guidelines for Public Institutions is also available on the internet at: [www.mofep.gov.gh](http://www.mofep.gov.gh)

**ABBREVIATION**

<b>BOG</b>	Bank of Ghana
<b>CAGD</b>	Controller and Accountant - General's Department
<b>COVID-19</b>	Coronavirus Disease 2019
<b>CTRC</b>	Central Tender Review Committee
<b>ERP</b>	Public Emergency Response Plan
<b>ETC</b>	Entity Tender Committee
<b>GIFMIS</b>	Ghana Integrated Financial Management Information System
<b>PERC</b>	PFM Emergency Regulatory Committee
<b>PFM</b>	Public Financial Management
<b>PPA</b>	Public Procurement Authority
<b>RFQ</b>	Request for Quotation
<b>VAT</b>	Value-Added Tax

## **INTERPRETATION**

For the purposes of these Guidelines:

**"Covered Entity"** means covered entity as defined under Section 102 of the Public Financial Management Act, 2016 (Act 921).

**"Minister"** means the Minister responsible for Finance.

**"PFM Laws"** include the Public Financial Management Act, 2016 (Act 921) and its regulations, Public Procurement Act, 2003 (Act 663) as amended and its regulations.

**"Public Emergency"** means, subject to the conditions precedent specified in these Guidelines, a significant event or situation in Ghana or any part of Ghana that poses a threat to public health and safety, assets, or security. This includes natural disasters, conflicts, cybersecurity attacks on key state installations, famine, and war that hinder the ability of public institutions to comply with existing Public Financial Management (PFM) laws while providing a prompt mitigation response.

**"Public Emergency Budget"** means a budget prepared and duly approved by Parliament in response to a public emergency.

**"Public Emergency Expenditure"** means any expenditure wholly, exclusively, and necessarily incurred in response to a public emergency.

**"Public Institution"** means a covered entity, a state-owned enterprise, or a public corporation as defined under section 102 of the Public Financial Management Act, 2016 (Act 921).

**"Public Officer"** means Public Officer as defined under Section 102 of the Public Financial Management Act, 2016 (Act 921).

**"State-Owned Enterprise"** means State Owned Enterprise as defined under Section 102 of the Public Financial Management Act, 2016 (Act 921).

**"Sub-National Emergency Response Team"** means a regional or district or local level team responsible for handling public emergencies.

Table of Contents

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ABBREVIATION .....	i
INTERPRETATION.....	ii
FOREWORD .....	iv
1. INTRODUCTION.....	1
1.1 PURPOSE .....	2
1.2 SCOPE.....	2
1.3 CONDITION PRECEDENT.....	2
1.4 USERS OF THE GUIDELINES .....	2
1.5 OBJECTIVES OF THE GUIDELINES.....	3
2. FISCAL COORDINATION PROCESSES .....	3
2.1 INTER-MINISTERIAL COMMITTEE .....	3
2.2 EMERGENCY RESPONSE TEAM .....	4
2.2.1 National Emergency Response Team .....	4
2.2.2 Sub-National Emergency Response Team.....	4
2.3 PFM EMERGENCY REGULATORY COMMITTEE.....	5
2.3.1 Functions of the PERC .....	5
3. GUIDELINES ON PFM CYCLE.....	6
4. EMERGENCY PREPAREDNESS MEASURES TO BE IMPLEMENTED BY ALL PUBLIC INSTITUTIONS .....	21
5. APPENDICES .....	22
5.1 PAYMENT TRANSACTIONS CHECKLIST .....	23
5.2 PROCUREMENT PROCESS CHECKLIST.....	24
5.3 TAXATION CHECKLIST .....	27

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## **FOREWORD**

The resilience of Ghana's Public Financial Management (PFM) System has been tested by recent public emergencies including the COVID-19 global pandemic. These events have, however, afforded the country the opportunity to assess the effectiveness of the PFM system in responding to crises.

These Guidelines have been developed to provide fast-tracking and coordinated arrangements to enable public institutions to respond swiftly to mitigate the impact of public emergencies and deliver essential public services.

These Guidelines highlight the importance of striking a delicate balance between the need for expedited decision-making in deploying funds during emergencies and the requirement to comply with existing PFM laws, uphold fiscal discipline, and ensure transparency and accountability.

These Guidelines provide clear and concise instructions on budgeting and resource mobilisation, authorisation and disbursements, procurement, accounting and treasury operations, reporting and emergency preparedness measures. They also provide fiscal coordination arrangements to ensure expedited decision-making and action by the PFM regulatory institutions during public emergencies. These are to ensure proper financial controls, risk management, and reporting mechanisms are in place to prepare the nation for any public emergency.

I would like to acknowledge the professionalism and commitment of the team from the Ministry of Finance led by the Internal Audit Directorate in the development of these Guidelines; not forgetting the cooperation and support accorded by the Internal Audit Agency, Ghana Health Service, Ministry of Defence, Ministry of Health, Controller and Accountant's General Department, and GIFMIS Secretariat.

I would like to also express my appreciation to the World Bank for providing technical support in the development process.

*Emergency Expenditure Management Guidelines for Public Institutions*

I am confident that these Guidelines will equip public institutions with the needed knowledge, procedures, and processes to forge ahead with an unwavering determination to navigate through any public emergency that may come our way.

God bless!!!

A handwritten signature in blue ink, appearing to read 'Ken Ofori-Atta', with a stylized flourish at the end.

**Ken Ofori-Atta**

Minister for Finance

## **1. INTRODUCTION**

Ghana like many other countries is prone to public emergencies. Public emergencies are usually unforeseen and may require an immediate response requiring financial outlay by the Government.

Public emergencies have over the years disrupted Government business including the smooth implementation of Government fiscal policies, programmes, and projects. These situations have the potential to limit compliance with Public Financial Management (PFM) laws and Regulations, thus increasing the risk of internal control overrides, corruption, and misuse of public resources.

In emergency situations, funds need to be mobilised and disbursed in a timely manner, and service delivery units need to be empowered to access, manage, and account for the funding received. The litmus test for a PFM system's response to emergencies is whether funds can be deployed quickly and effectively to frontline institutions in response to a public emergency while ensuring compliance with the existing PFM legal framework.

Lessons learnt from the COVID-19 pandemic have shown that Ghana needs to find creative ways of dealing with its rigid PFM system to enable it to respond effectively to public emergencies, while ensuring transparency and accountability for resources deployed for public emergency response.

This often requires substantial adjustments to existing expenditure laws, internal controls, and processes. This includes:

- i. additional resource mobilisation, virement of existing budget lines or reprioritisation of ongoing programmes and projects;
- ii. fast-tracking spending authorisation and disbursement modalities;
- iii. streamlining procurement rules; and
- iv. allowing necessary flexibility in the use of financial resources.

The Ministry, as the Central Management Agency mandated to oversee effective fiscal policy, has developed these Emergency Expenditure Management Guidelines for Public Institutions (the "Guidelines"), based on the lessons learnt from the recent gaps identified in the management of resources during the COVID-19 pandemic. These Guidelines generally seek to provide measures and internal controls to guide the mobilisation and



utilisation of public resources in a way that allows compliance with the PFM laws while being responsive to the public emergency.

### **1.1 PURPOSE**

These Guidelines seek to:

- i. Assist public institutions to apply public resources allocated to them in times of public emergency in ways that comply with the requirements of the PFM laws.
- ii. Provide public institutions with PFM procedures in dealing with emergencies.
- iii. Improve transparency and accountability in the use of public resources during a public emergency.

### **1.2 SCOPE**

These Guidelines cover procedures relating to:

- Budgeting and Resource Mobilisation;
- Authorisation and Disbursement;
- Procurement;
- Accounting and Treasury; and
- Reporting

### **1.3 CONDITION PRECEDENT**

These Guidelines shall apply where:

- a. any event qualifying as public emergency occurs; and
- b. the event hinders the ability of public institutions to comply with existing Public Financial Management (PFM) laws while providing a prompt mitigation response.

### **1.4 USERS OF THE GUIDELINES**

These Guidelines are issued for use by all public institutions in respect of the mobilisation, disbursement and/or use of public resources allocated for a public emergency.

These Guidelines shall be used in conjunction with all applicable PFM laws during a public emergency.

## **1.5 OBJECTIVES OF THE GUIDELINES**

The aim of these Guidelines is to serve as a reference manual for initiating financial transactions during a public emergency.

Specifically, these Guidelines:

- Provide a strategic guide for budgeting and resource mobilisation during a public emergency.
- Provide processes for fast-tracking spending authorisation and disbursement modalities.
- Provide processes for fast-tracking procurement authorisation and post-emergency measures to address procurement activities.
- Establish clear communication and reporting lines to be used during public emergencies in respect of financial transactions.
- Provide a framework within which public institutions can work in a concerted manner to respond to public emergencies.
- Document processes that could be used to comply with relevant PFM laws in responding to a public emergency.
- Provide a basic accounting and reporting framework for ensuring accountability in the use of public emergency resources; and
- Ensure flexibility in identifying and reallocating financial resources within the fiscal year towards a public emergency.

## **2. FISCAL COORDINATION PROCESSES**

The following measures shall be implemented as fiscal response measures in times of public emergencies:

### **2.1 INTER-MINISTERIAL COMMITTEE**

Subsequent to the declaration of a public emergency, the President, may on the advice of the Minister, establish an Inter-Ministerial Committee to oversee, coordinate and/or advise on matters relating to the management of the public emergency.

The composition of the Inter-Ministerial Committee shall include the Ministries responsible for:

- i. Finance
- ii. Health
- iii. National Security

- iv. Local Government
- v. Such other Ministries determined by the President.

## **2.2 EMERGENCY RESPONSE TEAM**

Depending on the nature and the extent of the public emergency at hand, there shall be established an Emergency Response Team at the national level and/or sub-national level.

### **2.2.1 National Emergency Response Team**

The Emergency Response Team (ERT) shall be responsible for coordinating and providing oversight in respect of the key financial activities to be carried out at the national level during the period of the public emergency. The Minister shall constitute the ERT upon the emergence or declaration of a public emergency.

The composition of the ERT shall include at least senior public officers with proven competence in the following areas:

- i. Finance
- ii. Health
- iii. National Security
- iv. Disaster Management; and
- v. Any other person(s) the Minister may deem necessary.

### **2.2.2 Sub-National Emergency Response Team**

The Sub-National Emergency Response Team shall be responsible for coordinating and providing oversight in respect of the key financial activities to be carried out at the sub-national level during the period of the public emergency.

The Minister responsible for Local Government, Decentralisation, and Rural Development shall constitute a sub-national ERT upon the emergence or declaration of a public emergency.

The composition of the sub-national ERT shall include at least senior public officers with proven competence in the following areas:

- i. Finance
- ii. Health
- iii. National Security

- iv. Disaster Management; and
- v. Any other person(s) that the Minister responsible for Local Government, Decentralisation, and Rural Development may deem necessary.

### **2.3 PFM EMERGENCY REGULATORY COMMITTEE**

The Minister shall constitute a PFM Emergency Regulatory Committee (PERC) with a representative each from the following institutions not below the rank of a Director:

- i. Ministry of Finance
- ii. The National Security
- iii. Public Procurement Authority
- iv. Ghana Revenue Authority
- v. Central Tender Review Committee
- vi. Controller and Accountant General's Department
- vii. Internal Audit Agency
- viii. GIFMIS Secretariat
- ix. Bank of Ghana
- x. Any other MDA directly responsible for the subject matter of the emergency.

#### **2.3.1 Functions of the PERC**

The PERC shall agree and prepare administrative procedures to ensure quick responses in respect of:

- i. Regular and quick turnaround for PPA approvals and other procurement activities related to the public emergency.
- ii. Communication between public institutions and key PFM regulatory bodies such as PPA, CTRC, ETCs, GRA, CAGD, BoG etc, to ensure timely decision-making for effective compliance with PFM laws.
- iii. Technical support from the CAGD and GIFMIS Secretariat to address any challenges associated with the processing of transactions on the GIFMIS to ensure smooth and timely payment.

- iv. Regular and quick turnaround in respect of budget authorization and releases.
- v. Efficient internal auditing and accounting for transactions.

### **3. GUIDELINES ON PFM CYCLE**

These Guidelines are aimed at enhancing Government's fiscal response to a public emergency in a transparent and accountable manner. These Guidelines are primarily developed based on two broad scenarios:

- a) Where, notwithstanding the occurrence of public emergency, compliance with existing PFM laws and processes is practicable; and
- b) Where full compliance with existing PFM laws is not feasible during the period of the public emergency. This may be the case where the public emergency renders some sections of the PFM laws impracticable and there is the need to fast-track some PFM processes to ensure compliance with the PFM laws.

The table below is a summary of some guidelines in respect of the two broad scenarios identified above.

PFM Cycle Stage	Current PFM Requirements	Public Emergency Guidelines	
		Measures to Facilitate Compliance with Existing PFM Laws	Measures to Fast-track Compliance with Existing PFM Laws
<b>1. Budgeting and Resource Mobilisation</b>	<p>a. MoF determines the resource envelope and allocates same in line with the existing fiscal position.</p> <p>b. Budget ceiling is issued to MDAs.</p> <p>c. MDAs prepare their budget based on approved ceilings.</p> <p>d. Budget Hearing</p> <p>e. Preparation of National Budget and Economic Policy</p> <p>f. Cabinet Approval</p> <p>g. Parliament Approval</p> <p>h. Loading of Budget onto GIFMIS</p>	<p><b>Preparation of an Emergency Response Plan (ERP)</b></p> <p>a. Establishment of the ERT</p> <p>b. The ERT in respect of the public emergency shall provide a framework for the preparation of ERP including the determination of resources, costing and the execution of the plan.</p> <p>c. The ERP shall be prepared with its accompanying budget.</p> <p>d. The Minister shall submit the ERP and its accompanying budget to Parliament for approval. Funding for the ERP budget shall be drawn from the Contingency Fund or any other funds approved by Parliament.</p>	<p>a. Develop bespoke procedures within the budget preparation process for quick turnaround time, this may include, among other things, suspension of budget hearings, communication of budget ceilings etc.</p>

PFM Cycle Stage	Current PFM Requirements	Public Emergency Guidelines	
		Measures to Facilitate Compliance with Existing PFM Laws	Measures to Fast-track Compliance with Existing PFM Laws
		<p>e. The source of funding for the Contingency Fund shall be indicated as part of the request to Parliament.</p> <p>f. Funding for ERP established for a sub-national public emergency shall be determined by the Minister.</p> <p>g. The Budget Office shall upload the public emergency budget approved by Parliament unto the GIFMIS.</p> <p><b>Budget Review in Response to a Public Emergency</b></p> <p>h. Upon the occurrence of a public emergency, public institutions shall review their budgets to align their expenditure to the public emergency response.</p> <p>i. The Minister may, subject to Parliamentary approval, prepare a supplementary budget to finance the public emergency.</p>	

PFM Cycle Stage	Current PFM Requirements	Public Emergency Guidelines	
		Measures to Facilitate Compliance with Existing PFM Laws	Measures to Fast-track Compliance with Existing PFM Laws
2. Authorisation and Disbursements	<p><b>Centralised Process at MoF:</b></p> <p>a. Covered entities send request for release of funds on the GIFMIS.</p> <p>b. Processing of requests for approval of release of funds on the GIFMIS (Approval and authorisation on the GIFMIS).</p> <p>c. Warrants approved on the GIFMIS and Covered Entities begin the Procure to Pay (P2P) process i.e. preparation of PO, SRA, invoice etc.</p> <p>d. Approval of P2P transactions by Principal Spending Officer to CAGD.</p>	<p><b>Centralised Process at MoF:</b></p> <p>a. The Chief Director shall establish a rapid emergency fiscal response team to coordinate and fast-track the processing of financial requests and disbursements to public institutions.</p> <p>b. The rapid emergency fiscal response team shall develop administrative procedures to ensure efficient and smooth initiation, authorization, approval, and transfer/release of funds based on requests submitted by public institutions.</p> <p><b>Implementation of ERP</b></p> <p>c. Public institutions shall prioritise all public emergency-related authorisation/approvals within a 24-hour turnaround time. Public</p>	<p><b>Centralised Process at MoF:</b></p> <p>a. The Chief Director shall establish a rapid emergency fiscal response team. The team shall be responsible for the coordination and fast-tracking the processing of financial request and disbursements to public institutions.</p> <p>b. The rapid emergency fiscal response team shall develop administrative procedures to ensure efficient and smooth initiation, authorization, approval, and transfer/payment of financial request submitted by public institutions in response to the public emergency.</p> <p><b>Implementation of ERP</b></p> <p>For the purposes of fast-tracking disbursements:</p>



PFM Cycle Stage	Current PFM Requirements	Public Emergency Guidelines	
		Measures to Facilitate Compliance with Existing PFM Laws	Measures to Fast-track Compliance with Existing PFM Laws
	<p>e. CAGD runs cash requirement report and instructs BoG through Swift Advice to transfer the amount requested into the Covered Entity's Sub-CF for payment to be effected.</p>	<p>institutions shall establish institutional emergency response team solely dedicated to the processing of transactions in respect of the public emergency.</p> <p>d. The implementation process for the ERP shall be through GIFMIS. In this case, public institutions shall be responsible for accounting for the funds.</p> <p>e. The following specific procedures shall be used to make transfers to public institutions through the GIFMIS within a 24-hour turnaround time:</p> <ul style="list-style-type: none"> <li>i. Covered entities send request for release of funds on the GIFMIS.</li> <li>ii. Processing of requests for approval of release of funds on</li> </ul>	<p>c. The Minister may instruct the GIFMIS Secretariat to review the approval controls and limit it to two levels for the period of the public emergency.</p> <p>d. Public institutions shall appoint two persons responsible for processing all emergency expenditure transactions on the GIFMIS. The approval hierarchy for disbursements shall thus be reduced to a maximum of two levels to facilitate quick authorisation.</p>

PFM Cycle Stage	Current PFM Requirements	Public Emergency Guidelines	
		Measures to Facilitate Compliance with Existing PFM Laws	Measures to Fast-track Compliance with Existing PFM Laws
		<p>the GIFMIS (Approval and authorisation on the GIFMIS).</p> <p>iii. Warrants approved on the GIFMIS and Covered Entities begin the Procure to Pay (P2P) process i.e. preparation of PO, SRA, invoice etc.</p> <p>iv. Approval of P2P transactions by Principal Spending Officer to CAGD</p> <p>v. CAGD runs cash requirement report and instructs BoG through Swift Advice to transfer the amount requested into the Covered Entity's Sub-CF for payment to be effected.</p> <p>vi. All public institutions shall be responsible for ensuring that funds disbursed to them to undertake various</p>	

PFM Cycle Stage	Current PFM Requirements	Public Emergency Guidelines	
		Measures to Facilitate Compliance with Existing PFM Laws	Measures to Fast-track Compliance with Existing PFM Laws
		interventions are utilised in accordance with the existing PFM laws, and to maintain evidence of such expenditure for accountability and auditing purposes.	
<b>3. Procurement</b>	<p><b>Single Source</b></p> <p>a. Request to PPA for the use of the single-source procurement method.</p> <p>b. PPA approval for the use of a single-source procurement method.</p> <p>c. Letter of acceptance/ notification of award.</p> <p>d. Purchase order (PO) generated from the GIFMIS.</p> <p>e. Signed Contract.</p>	<p>The following procurement procedures shall be adopted in a public emergency:</p> <p>a. All public institutions shall use the designated electronic means of communication determined by the PERC such as dedicated e-mail addresses, telephone numbers, and contact persons etc for the purposes of correspondence with the PPA, CTRC or ETC as applicable.</p> <p>b. Public institutions shall maintain close communications with key regulatory entities such as the PPA,</p>	<p><b>Procurement Methods</b></p> <p>a. To achieve efficiency and rapid procurement activities during an emergency the following procedures shall be adopted:</p> <p>i. Single Source in accordance with section 40 of the Public Procurement Act, 2003 (Act 663) as amended.</p> <p>ii. Request for Quotation in accordance with section 42 and the 5th schedule of the Public Procurement Act, 2003 (Act 663) as amended.</p>

PFM Cycle Stage	Current PFM Requirements	Public Emergency Guidelines	
		Measures to Facilitate Compliance with Existing PFM Laws	Measures to Fast-track Compliance with Existing PFM Laws
	<p>f. Evidence of Publication of Contract Award on the PPA website.</p> <p>g. Contract Implementation Report/ Evidence of work done/ SRA for supply of goods.</p> <p><b>Request for Quotation</b> (Section 42 (1) of the Public Procurement Act) A public institution may engage in procurement by requesting quotations in accordance with Section 43,</p> <p>(a) For readily available goods, works or technical services that are not specifically produced or provided to the particular</p>	<p>CTRC, ETC, CAGD, GIFMIS secretariat, MoF etc.</p> <p>c. All communications shall be conducted in accordance with the communication directory and protocols that will be developed as part of the Emergency Response Plan.</p> <p>d. Public institutions shall review and revise their procurement plan to reflect the entity's emergency procurement needs.</p> <p>e. Public institutions shall ensure that the revised procurement plans and contract awards are uploaded on the PPA website within four weeks after the signing of the contract, in compliance with section 21 of the Public Procurement Act 2003 (Act 663) as amended.</p>	<p><b>Centralised Procurement</b></p> <p>b. For the purposes of ensuring rapid and coordinated response, and to ensure cost minimisation and efficiency, the ERT shall determine the procurement items required for emergency response.</p> <p>The procurement of such essential emergency response items shall be centralised.</p> <p>c. The ERT shall also determine the Covered Entity responsible for coordinating the centralised procurement activities. In making this determination, the ERT shall consider the Covered Entity to</p>

PFM Cycle Stage	Current PFM Requirements	Public Emergency Guidelines	
		Measures to Facilitate Compliance with Existing PFM Laws	Measures to Fast-track Compliance with Existing PFM Laws
	<p>specifications of the procurement entity; and</p> <p>(b) For goods where there is established market if the estimated value of the procurement contract is less than the amount in the fifth schedule.</p> <p>The successful quotations shall be the lowest evaluated responsive quotation that meets the needs of the procurement entity in the request of quotations.</p>	<p>f. The PPA Board shall hold regular meetings to fast-track the consideration for approval of all procurement requests submitted to the Board.</p>	<p>which the emergency directly relates. In this regard, the Covered Entity selected by the ERT shall coordinate all arrangements in respect of procurement of the essential goods and services.</p> <p>d. The ERT in consultation with the selected Covered Entity, shall prepare a public emergency procurement plan which shall outline the requirements to mitigate the public emergency or reduce its effect on the population. This plan shall be shared with the PERC.</p> <p>e. All implementing agencies shall thus submit their requests (for the essential goods or services needed to respond to the public emergency) to the Covered Entity in</p>

PFM Cycle Stage	Current PFM Requirements	Public Emergency Guidelines	
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			<p>charge of the centralised procurement.</p> <p>f. PPA approval shall be fast-tracked in line with recommendations of the PERC.</p> <p>g. Where a public institution is procuring goods or services that have not been determined by the ERT to be procured through the centralised process, the public institution shall follow the procedures established by the PERC to facilitate and fast-track the procurement.</p>
<b>4. Accounting and Treasury</b>	<p>a. All transactions are processed and paid on the GIFMIS in accordance with account classifications.</p> <p>b. Generation of various reports from GIFMIS i.e.,</p>	<p>The following procedures shall guide accounting and treasury activities during emergencies:</p> <p>a. All resources allocated to public institutions for public emergency intervention shall be separated from the</p>	<p><b>Auditing of emergency transactions:</b></p> <p>a. The Internal Audit Unit of a public institution shall be resourced to prioritise and fast-track the pre-</p>

PFM Cycle Stage	Current PFM Requirements	Public Emergency Guidelines	
		Measures to Facilitate Compliance with Existing PFM Laws	Measures to Fast-track Compliance with Existing PFM Laws
	<p>expenditure performance reports, reports of all invoices processed over a period, report of payments, performance reports etc.</p> <p>c. Preparation of monthly reconciliation reports (reconciliation of bank statement with cash book).</p> <p>d. Preparation of quarterly financial statements.</p>	<p>normal transactions. This separation shall be in respect of:</p> <p>i. Cash book recording.</p> <p>ii. Documentation relating to public emergency payment transactions; and</p> <p>iii. Preparation of accounts &amp; reporting</p> <p>b. Heads of Covered Entities shall ensure that all transactions are processed through the GIFMIS in compliance with section 98 of the PFM Act. In case of any difficulties, Covered Entities shall liaise with the GIFMIS Secretariat for technical support.</p> <p>c. The appropriate rate of withholding tax shall be applied on all payments irrespective of the mode of payment used. <i>Kindly refer to the</i></p>	<p>auditing of emergency payment within a turnaround time of 24 hours.</p> <p>b. The Internal Audit Unit shall undertake a post-audit of all public emergency financial transactions before the end of the financial year.</p> <p><b>Processing of emergency transactions:</b></p> <p>c. All transactions shall be processed and paid through the GIFMIS.</p> <p>d. Where it is impracticable to immediately process a transaction through the GIFMIS as a result of:</p> <p>i. the emergency limiting the preparation and upload of the Budget on the GIFMIS;</p>

PFM Cycle Stage	Current PFM Requirements	Public Emergency Guidelines	
		Measures to Facilitate Compliance with Existing PFM Laws	Measures to Fast-track Compliance with Existing PFM Laws
		<p><i>relevant tax compliance checklist for the appropriate tax rates.</i></p> <p>d. All public institutions shall ensure the timely filing and payment of taxes withheld to GRA. The GRA's taxpayer portal shall be utilised.</p> <p>e. Where a public emergency transaction requires the setting up of new service providers on the GIFMIS, the GIFMIS Secretariat shall be readily available to ensure prompt response to the needs of Covered Entities.</p> <p>f. The Internal Audit Unit of public institutions shall be involved throughout the payment process to provide assurance.</p> <p>g. All payments shall consider the applicable levies and VAT.</p>	<p>ii. GIFMIS downtime;</p> <p>payment may be effected outside the GIFMIS using the manual payment processes. Such transactions shall subsequently be processed through the GIFMIS, and dummy payments made to regularise the transaction as soon as practicable but before the end of the financial year. The processing of all dummy payments shall be through the Procure to Pay (P2P) process on the GIFMIS.</p> <p>e. Covered Entities shall avoid the use of journal entries to regularise payments made outside the GIFMIS.</p> <p><b>Cash transactions:</b></p> <p>f. Where cash payment is the only feasible option, mobile money service shall be used.</p>



PFM Cycle Stage	Current PFM Requirements	Public Emergency Guidelines	
		Measures to Facilitate Compliance with Existing PFM Laws	Measures to Fast-track Compliance with Existing PFM Laws
		<p>h. Public institutions shall ensure that suppliers issue VAT invoices for the supply of goods and services where applicable.</p> <p>i. Public institutions shall pay suppliers or beneficiaries the net amount for their goods or services after deducting the withholding tax and VAT withholding (where applicable).</p> <p>j. Public institutions shall ensure that taxes withheld are paid and filed with GRA within the stipulated time.</p> <p>k. Where there is the need to pay third parties advance mobilization, the 15% threshold and bank guarantee requirements shall be strictly adhered to in accordance with regulation 113 of the PFM regulations.</p> <p>l. The CAGD shall prioritise the generation of cash requirements for</p>	<p>g. The use of mobile money service payments shall be centralised and operationalised by CAGD.</p> <p>h. Covered Entities that require mobile money services for payments shall submit to CAGD a request for mobile money payment, indicating the basis for the payment. At a minimum, details of beneficiaries shall include the names of beneficiaries, their mobile money numbers, and National IDs (Ghana Card).</p> <p>i. CAGD shall establish the modalities for operationalising the mobile money service.</p> <p><b>Tax requirements for emergency transactions:</b></p> <p>j. Where it is not practicable to obtain a VAT invoice from a</p>

PFM Cycle Stage	Current PFM Requirements	Public Emergency Guidelines	
		Measures to Facilitate Compliance with Existing PFM Laws	Measures to Fast-track Compliance with Existing PFM Laws
		<p>expenditure related to the public emergency to ensure prompt payment.</p>	<p>supplier, public institutions shall pay the applicable VAT directly to GRA and obtain VAT receipts. Public institutions shall thus ensure the payment to the supplier does not include VAT and levies.</p> <p>k. The appropriate rate of withholding tax shall be applied on all payments irrespective of the mode of payment used. <i>Kindly refer to the relevant tax compliance checklist for the appropriate tax rates.</i></p> <p>l. Covered Entities shall liaise with the GIFMIS Secretariat for technical support using the communication channels provided by the PERC.</p>

PFM Cycle Stage	Current PFM Requirements	Public Emergency Guidelines	
		Measures to Facilitate Compliance with Existing PFM Laws	Measures to Fast-track Compliance with Existing PFM Laws
5. Reporting		<p>a. The Minister shall provide periodic update to Parliament during the budget presentation on the public emergency fiscal response and/or as may be determined by Parliament.</p> <p>b. Public institutions shall prepare the following reports in a form as prescribed by the ERT;</p> <ul style="list-style-type: none"> <li>i. Narrative reports (to be prepared by Covered Entities);</li> <li>ii. Financial reports (to be prepared by Covered Entities);</li> <li>iii. consolidated National Public Emergency Response report (to be prepared by ERT); and</li> <li>iv. Audit report on the emergency expenditure.</li> </ul>	<p>a. The Minister shall provide periodic updates to Parliament during the budget presentation on the public emergency fiscal response.</p> <p>b. Public institutions shall prepare the following reports in a form as prescribed by the ERT;</p> <ul style="list-style-type: none"> <li>i. Narrative reports (to be prepared by Covered Entities);</li> <li>ii. Financial reports (to be prepared by Covered Entities);</li> <li>iii. consolidated National Public Emergency Response report (to be prepared by ERT); and</li> <li>iv. Audit report on the emergency expenditure.</li> </ul>

#### **4. EMERGENCY PREPAREDNESS MEASURES TO BE IMPLEMENTED BY ALL PUBLIC INSTITUTIONS**

The following emergency preparedness measures shall be implemented by all public institutions within three years after the issuance of these Guidelines:

- a. Development of a Business Continuity and Disaster Recovery Plan.
- b. Establishment of an Enterprise Risk Management System.



**Ken Ofori-Atta**

Minister for Finance

**30<sup>th</sup> June 2023**

## **5. APPENDICES**

For guidance on minimum procurement and payment requirements, refer to the attached PFM Checklist prepared based on existing PFM-related laws.

**PFM CHECKLIST**  
**MINIMUM REQUIREMENTS FOR PAYMENT TRANSACTIONS**  
**IN THE PUBLIC SECTOR BASED ON THE PFM &**  
**PROCUREMENT ACT.**

**5.1 PAYMENT TRANSACTIONS CHECKLIST**

Payment transactions for the purposes of these Guidelines are placed under three broad categories:

- a. Releases or Transfers to MDAs.
- b. Payment of Third-Party Suppliers.
- c. Internal Payments.

**A. Transfer to MDAs**

This category of payment comprises the disbursement of funds, made on behalf of the Government of Ghana (GoG), for the implementation of special Government operations, Programmes, Projects, and Initiatives to MDAs. Final accountability for the utilization of such funds rests with the MDA that receives the funds. The following shall be the minimum evidence for such payments:

- a. Request Letter to the Minister or Public Institution.
- b. Memo Approving the Transfer.
- c. Warrants/Release Letters.
- d. CAGD Transfer Letter/ Swift Advice/ Bank Transfer Advice.
- e. Letter acknowledging receipt of payment (for accounting purposes after the transfer has been made).

**B. Third-Party Payments**

This category of payment comprises payments made by a Public Institution to suppliers, contractors, consultants etc. for services or goods provided to the Public Institution. The final accountability rests with the Public Institution making the payment. The following shall be the minimum evidence for such payments:

- a. Initiation Memo approved by the appropriate authority.
- b. Signed Contract/Award Letter.
- c. Purchase order (PO) generated from the GIFMIS.

- d. Stores Receipt Advice (SRA).
- e. Supplier's Bill of Lading.
- f. Certification of /Evidence of Work Done.
- g. Supplier's VAT Invoice.
- h. Receipt acknowledging payment (for accounting purposes after the payment has been made).

### **C. Internal Payments**

This category of payment comprises payments to the staff of the Public Institution in the form of honorarium or allowance for an activity or service. The final accountability rests with the Institution making the payment. The following shall be the minimum evidence for such payments:

- a. Memo approving activity.
- b. Evidence of work done/Report.
- c. Attendance sheet/minutes (where work done was through meeting).
- d. Memo approving payment.
- e. Claim sheet/distribution sheet.

In each of these classes of payments, Officers are to ensure that the documents which serve as audit evidence are:

- a. Properly authorized by the appropriate Officer in the Public Institution.
- b. Content is **accurate**, and **complete** and indicates the **responsibility** of the Public Institution to pay.
- c. Sufficient and appropriate in terms of quality and quantity of information it contains.
- d. The content of the document is relevant and can be relied upon.

## **5.2 PROCUREMENT PROCESS CHECKLIST**

### **a. Single Sourcing**

The following shall be the minimum documentary evidence for the use of single source:

- i. Request to PPA for the use of the single-source procurement method.
- ii. PPA approval for use of a single-source procurement method.
- iii. Letter of acceptance/ notification of award.

- iv. Purchase order (PO) generated from the GIFMIS.
- v. Signed Contract.
- vi. Evidence of Publication of Contract Award on the PPA website.
- vii. Contract Implementation Report/ Evidence of work done/ SRA for the supply of goods.

**NB:** The above procedures shall be used for restricted tendering in addition to tender evaluation to select the most responsive tenderer.

**b. Request for Quotation**

The following shall be the minimum documentary evidence for the use of request for quotation:

- i. Preparation of Specification (Goods) or Schedule of Activity (Bill of Quantities) or Statement of Work (Works).
- ii. Request for Quotations/ Invitation to Tender.
- iii. Minutes of Tender opening.
- iv. Tender Evaluation Report.
- v. Review of Evaluation Report.
- vi. Letter of Acceptance /Notification of Award.
- vii. Purchase order (PO) generated from the GIFMIS.
- viii. Signed Contract.
- ix. Evidence of work done/SRA for supply of goods.

**c. National Competitive Tendering (NCT)**

The following shall be the minimum documentary evidence for the use of national competitive tendering:

- i. Preparation of Specification (Goods) or Schedule of Activity (Bill of Quantities) or Statement of Work (Works).
- ii. Evidence of Advertisement or Invitation to Tender or Restricted Tendering Procedure.
- iii. Minutes of Tender opening.
- iv. Tender Evaluation Report.
- v. Review of Evaluation Report.
- vi. Letter of Acceptance /Notification of Award.
- vii. Purchase order (PO) generated from the GIFMIS.
- viii. Signed Contract.
- ix. Contract Implementation Report.



**d. Consultancy Services**

The following shall be the minimum documentary evidence for procuring consultancy services:

- i. Initiation Memo approved by the appropriate authority.
- ii. Terms of Reference (TOR).
- iii. Request for the Expression of Interest (EOI).
- iv. Evidence of Publication of Request for EOI (National Dailies) or Restricted Tendering Procedure.
- v. EOI Evaluation and Shortlisting Report.
- vi. Review of EOI Report.
- vii. Request for Proposals (RFP).
- viii. Minutes of Technical Proposal opening.
- ix. Technical Proposals Evaluation Report.
- x. Review of Technical Proposals Report.
- xi. Minutes of Opening of Financial Proposal.
- xii. Final evaluation report.
- xiii. Contract Negotiations Report.
- xiv. Review of Contract Negotiations Report and Draft Contract.
- xv. Review of Draft Contract.
- xvi. Purchase order (PO) generated from the GIFMIS.
- xvii. Signed Contract.
- xviii. Evidence of Publication of Award of Contract.
- xix. Contract Implementation Report.

**e. Thresholds for Procurement Methods**

Procurement Method	Contract Value Threshold
<b>International Competitive Tender</b>	
Goods	Above GHC 10,000,000.00
Works	Above GHC 15,000,000.00
Technical Services	Above GHC 5,000,000.00
<b>2. National Competitive Tender</b>	
Goods	More than GHC 100,000.00 up to GHC10,000,000.00
Works	More than GHC 200,000.00 up to GHC15,000,000.00
Technical Services	More than GHC 50,000.00 up to GHC5,000,000.00

Procurement Method	Contract Value Threshold
<b>3. Price Quotation</b>	
Goods	Up to GHC 100,000.00
Works	Up to GHC 200,000.00
Technical Services	Up to GHC 50,000.00
<b>4. Restricted Tender</b>	Subject to approval by the Board
<b>5. Single Source Procurement and Selection</b>	Subject to approval by the Board
<b>6. CONSULTANCY SERVICES – NO THRESHOLD LIMITS</b>	

### 5.3 TAXATION CHECKLIST

#### a. Regulatory Changes

Value Added Tax (Amendment) Act, 2021 (Act 1072) revises the application of VFRS to cover only retailers of goods whose taxable supply is not less than GHS 200,000 but not more GHS500,000 at the end of any period of 12 months.

Retailers who meet the above threshold will continue to account for VAT at the flat rate of 3% on the value of the taxable supply, charged together with the COVID-19 Health Recovery Levy (COVID-19 Levy) of 1%.

Wholesalers and retailers whose taxable supplies exceed GHS 500,000 for any period of 12 months will be required to account for VAT under the standard VAT rate regime. Such retailers and wholesalers will be required to charge VAT at the standard rate of 15% charged on the value of taxable base plus National Health Insurance Levy (NHIL) at 2.5%, Ghana Education Trust Fund Levy (GETFL) at 2.5% and COVID-19 Levy at 1% of the value of the taxable supply.

These suppliers will also qualify to claim the VAT incurred on their purchases as input VAT deduction against output VAT. The 6% levies (NHIL, GETFL and COVID-19 Levy) paid on purchases will be treated as part of business expense.

## **b. Application of the Standard VAT**

A. COVID-19 Health Recovery Levy (COVID-19 HRL) =  $1\% * \text{Taxable Supply (Cost exclusive of tax)}$

B. National Health Insurance Levy (NHIL) =  $2.5\% * \text{Taxable Supply (Cost exclusive of tax)}$

C. Ghana Education Trust Fund (GET Fund) =  $2.5\% * \text{Taxable Supply (Cost exclusive of tax)}$

D. Tourism levy (applicable to the hospitality industry only) =  $1\% * \text{Taxable Supply (Cost exclusive of tax)}$

Value Added Tax (VAT) – Standard Rate =  $15\% * [\text{taxable supply (cost) + levies (A,B,C)}]$

## **c. Application of the VAT Flat Rate**

A. COVID-19 Health Recovery Levy (CHRL) =  $1\% * \text{Taxable Supply (Cost)}$

B. Value Added Tax (VAT) – Flat rate =  $3\% * \text{taxable supply (cost)}$

Application: VAT Flat Rate (VAT + CHRL) =  $4\% * \text{Taxable Supply}$

**d. The use of clauses in contract to exempt Foreign Consultants from the payment of withholding tax contrary to Section 116 (10)**

Section 116 (10) of Act (896) states that *“a resident person shall withhold tax at the rate specified in the First Schedule from a payment made under a contract with a non-resident person for; (a) the supply of goods or works, or (b) the supply of any services where the contract gives rise to income from the country”*.

Section 117 (6) also states that *“subject to this Act and except where an agreement is ratified by Parliament a provision in an agreement which prohibits the deduction or withholding of a tax required to be deducted or withheld under this Act or any other enactment administered by the Commissioner-General is void.”*

From the above, clauses in contracts which purport to exempt or shift tax liability from foreign consultants to Public Institutions are prohibited. Officers who draft such contracts and/or undertake processing of such contracts must look out for this high-risk area going forward since it can lead to a surcharge as indicated by Section 117 (3) which states that *“a withholding agent who fails to withhold tax in accordance with this Division shall pay the tax that should have been withheld in the same manner and at the same time as tax that is withheld.”*

**e. Withholding Tax Rates - Resident Person**

<b>INCOME</b>	<b>TAX RATE</b>
Allowance to a director, manager, trustee, or board member of a company or trust	20%
Allowance for examining, invigilating, supervising an examination or part-time teaching or lecturing	10%
Endorsement fee	10%
Commission to a lotto receiver or agent	10%
Commission to a sales agent	10%
Commission to insurance sale or canvassing agent	10%
Any other supply of services or any matter prescribed by Regulations or insurance premium with a sourced in the country to a non-resident person	5%
Payment for supply of goods in excess of GHC2,000.00	3%
Payment for supply of works in excess of GHC2,000.00	5%
Payment for supply of services in excess of GHC2,000.00	7.5%
Payment for rent in relation to a dwelling place	8%
Dividends	8%
Payment for rent in relation to commercial accommodation	15%
Interest (excluding individuals and resident financial institutions)	8%
Lottery winning in excess of GHC2,592.00	5%
Royalty, Natural resource payment	15%

**f. Withholding Tax Rates - Non-Resident Person**

<b>INCOME</b>	<b>TAX RATE</b>
Branch Profit tax (in relation to repatriated profit)	8%
Dividends	8%
Payments to petroleum subcontractors	15%
Supply of goods, works and services	20%
Interest	8%
Income from telecommunication and transportation business	15%
Management and technical service	20%
General insurance premiums	5%
Royalty, Natural resource payment	15%
Employment	25%





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