

SECTION 13:

LOSSES, DEFICIENCIES & OVER PAYMENT OF MONIES, OBSOLETE & UNSERVICEABLE STORES

13.1 Loss/Deficiency of Public Monies Through Fraud and Misappropriation

Where there has been a loss or deficiency of public monies due to misappropriation or fraud, the LLG should make every effort to recover in full the loss or deficiencies from the person responsible either by cash payment and/or withholding monies due as soon as the loss is known.

Loss or Deficiency of public monies is a physical loss by an accountable officer.

13.2 Overpayments

Where there is loss or deficiency of public monies not due to fraud or misappropriation the person responsible will make good the loss or deficiency. The Local-level Government should proceed to recovery actions immediately.

13.3 Recovery of Loss or Deficiencies

Recovery can be made from the refunds of Superannuation or Other Benefit Funds. Before action is taken to seek recovery of debts in whole or in part from the State services, LLG should ensure that proper evidence is available to support the claim.

13.4 Reporting and Writing Off

Once the loss is known, the following steps should be taken immediately:

- (a) if the loss is through fraud, theft or robbery
 - Report the matter to the Police and request for investigation to be carried out and also advise the Auditor General and the Chief Inspector.
 - Submit a report on the loss within 14 days of the occurrence to the Auditor General and Chief Inspector.
- (b) In other cases,
 - Advise Auditor General and Department responsible for financial management on Losses/Deficiencies up to K100.
 - Losses and Deficiencies exceeding K100

- Advise the Auditor General and Chief Inspector.
- Submit a loss report within 14 days of occurrence to the Auditor General and the Chief Inspector.
- After taking all necessary actions, submit a report with appropriate recommendations to Department responsible for financial management.

13.5 Register of Losses

A register must be maintained to record all losses and deficiencies of public monies, irrecoverable amounts of revenue, debts and overpayments.

13.6 Write – Off

Approval for write-offs can be obtained from

- (1) The Minister for Finance,
- (2) Secretary for Finance
- (3) Provincial Administrator
- (4) Provincial Treasurer

A submission on losses or deficiencies of public monies arising from theft, robbery, fraud or other cases ranging from K1,000 to K3,000 can be made to the Provincial Administrator or First Assistant Secretary, Public Accounts.

Approval to write off Losses from overpayment, irrecoverable revenues and debts ranging from K1,000. to K5,000. can be obtained from Provincial Treasurer to the value of K1000, FAS Public Accounts to the value of K5,000.

A written submission has to be made for each and where write-off sought exceeds delegated limits, a submission should be made to the Secretary for Finance who has been given unlimited power for the above purposes under Section 108 of the Public Finances (Management) Act.

13.7 Disposals of Stores (Including Fixed Assets)

Stores including fixed assets with values of K500 and above shall not be disposed of declared unserviceable or obsolete until such time as they have been inspected by Board of Survey.

A submission should be made to the Board listing all disposals to be made and on receipt of the submission, the Board will inspect, report and will make recommendation to appropriate Authority who has delegated powers to write-off.