FINAL BUDGET ALLOCATION AND IMPLEMENTATION INSTRUCTIONS FOR THE 2011 BUDGET

To ensure an effective implementation of the 2011 budget aimed at supporting key priority programmes of Government, implementation instructions are hereby forwarded to all MDAs for compliance and necessary action. The objective of this directive is to ensure prudent fiscal management.

Budget Appropriation for 2011

2.   MDAs are informed that in accordance with Article 179 of the 1992 constitution, the Parliament of Ghana has enacted the Appropriation Act 2011 (Act 808) for the implementation of the 2011 Budget. A summary of the appropriation specifying the total resource allocation for each MDA is attached for your information. The details will however be contained in each MDA's Budget Volume for 2011.

Budget Implementation Procedure

Submission of Work and Cash Plans

3.   MDAs are to determine their work and cash plans within the provisions of the budget. (Template attached). The results are to be presented to the Office of the Director of Budget (Rm. 417) on or before 15th January 2011.

Procedure for cash ceilings for Personnel Emoluments and Administration

4. Based on the work and cash plans of MDAs and the expected revenue inflows, the Ministry of Finance and Economic Planning will determine the monthly cash ceiling and issue a General Warrant by item to all MDAs and the Controller and Accountant General.

Procedure for cash ceilings for Service and Investment

5. Based on the work and cash plans of MDAs and the expected revenue inflows, the Ministry of Finance and Economic Planning will determine the monthly cash ceiling and issue a cash ceilings circular to inform MDAs of their cash ceilings for the month. Heads of MDAs are to breakdown the cash ceilings to the cost centers to enable them apply for their respective specific warrants. A copy of the breakdown of this cash ceiling at cost centre level is to be submitted to the Controller and Accountant General as well as the office of the Director of Budget not later than five (5) working days on receipt of the cash ceiling circular.

Procedure for implementation of the Social Intervention Programmes

6. MDAs are informed that the social programmes of Government which used to be budgeted for under HIPC and MDRI have now been considered under the Social Intervention Programmes. The mode of release will be the same as the procedures used for accessing HIPC and MDRI Funds from MoFEP by MDAs.

Commencement certificates/Warrants for investment activities

7. MDAs are advised to observe the directives on **Commitment Control** in Letter No. SCR.A.14/121 dated 1st October, 2010, from the Office of the President. MDAs are consequently reminded to seek authorization, through Commencement Certificates, from MoFEP before undertaking any Activity for both new and on-going investment activities. (letter attached)

Payment of Utilities

8. All MDAs are informed that the payment for utilities will be implemented as per their budgetary allocations for the year.

2011 get Implementation / Monitoring Committee

9.   Each MDA is advised to form a 2011 Budget Implementation/ Monitoring Committee to ensure an efficient implementation of the 2011 budget. The committee will provide both financial and non-financial information to the Ministry of Finance and Economic Planning as part of the monitoring process. Quarterly financial and non-financial reports should reach the office of the Director of Budget not later than the fifteenth day after the end of each quarter. The necessary templates and format would be communicated to all MDAs by end of January 2011.

Balance of Appropriation 2010

10.   MDAs are referred to and reminded of Article 20 (1-2) of the Financial Administration Act, 2003 (Act 654) which states:

'(1) The balance of an appropriation made for a financial year that remains unexpended at the end of the financial year shall lapse and subordinate authorities made under the appropriation shall lapse with it.
(2) Every head of department shall prepare and submit to the Minister a statement of the commitments entered into but undischarged before the end of the financial year in which they were incurred.'

Unbudgeted Requests

11.   MDAs are being advised to note that, unbudgeted requests contravenes Article 178 Sections 1 and 2 of the 1992 Constitution which states:

'178   (1) No moneys shall be withdrawn from the Consolidated Fund except -

(a) to meet expenditure that is charged on that Fund by this Constitution or by an Act of Parliament; or

(b) where the issue of those moneys has been authorized -

(i) by an Appropriation Act; or
(ii) by a supplementary estimate approved by resolution of Parliament passed for the purpose; or
(iii) by an Act of Parliament enacted under article 179 of this Constituted;   or
(iv) by rules or regulations made under an Act of Parliament in

respect of trust moneys paid into the Consolidated Fund.

(2) No moneys shall be withdrawn from any public fund, other than the Consolidated Fund and the Contingency Fund, unless the issue of those moneys has been authorized by or under the authority of an Act of Parliament. '

12.   Consequently, all unbudgeted requests will not be tolerated.

**HON. DR. KWABENA DUFFUOR
MINISTER**

**ALL SECTOR MINISTERS AND
HEAD OF INSTITUTIONS**

cc: THE CHIEF OF STAFF, CASTLE
HON DEPUTY MINISTERS, MoFEP
ALL CHIEF DIRECTORS
DIRECTOR OF BUDGET
THE CONTROLLER, CAGD
ALL DIRECTORS (F & A)

ATTACHMENTS

1. 2011 Appropriation Detailed – Summary of Expenditure by Function, Economic Item and Funding

2. Work and Cash Plans:

   a. Personnel Emoluments Activities
   b. Administration Activities
   c. Service Activities
   d. Investment Activities

3. Commitment Control Letter: Issuance of Commencement Certificates / Warrants for Investment Activities