
STATUTORY INSTRUMENTS

2010 No.

The Uganda Road Fund (Financial and Accounting) Regulations 2011

(Made under section 49(1) of the Uganda Road Fund Act, 2008)

IN EXERCISE of the powers conferred upon the Minister by section 49 (1) of the Uganda Road Fund Act, these Regulations are made this day of 2011.

PART I – PRELIMINARY

1 Title

These Regulations may be cited as the Uganda Road Fund (Financial and Accounting) Regulations 2011.

2 Commencement

These Regulations shall come into force on the day of..... 2011.

3 Application

- (1) These Regulations shall apply to all financial and accounting transactions of the Uganda Road Fund.
- (2) Nothing in these Regulations overrides any obligation conferred on a person by the Act or any other law.
- (3) Where there is a conflict between these Regulations and any other/earlier regulations, instructions or circular, these Regulations shall prevail.

4 Control

The financial transactions of the Uganda Road Fund shall be under the general control of the Accounting Officer and shall be managed by the Accounting Officer subject to the Act and these Regulations.

5 Interpretation

In these Regulations, unless the context otherwise requires-

“the Act” means the Uganda Road Fund Act, 2008 (Act 15);

“Annual Road Maintenance Programme” means an annual road maintenance programme as required by Article 23 of the Act, in such form and containing such details as may from time to time be prescribed by the Board.

“Annual Road Expenditure Programme” means the programme to be financed from the Fund in accordance with section 24(1) prepared by the Board in consultation with the Minister and the minister responsible for roads.

“Board” means the Fund Management Board established by the Act;

“Designated Agency” means an agency designated under the terms of Article 41 of the Act;

“Fund” means the Uganda Road Fund established by the Act;

“Road Maintenance Plans” mean plans required under the terms of Article 25 of the Act and comprising: a one-year Road Maintenance Plan; a three year Road Maintenance Plan; and a five-year Road Maintenance Plan.

“UNRA” means the Uganda National Road Authority.

PART II – ACCOUNTING POLICIES

6 General

- (1) Financial Statements shall be prepared under the historical cost principle;
- (2) Accounting policies of the Fund shall be in conformity with Generally Accepted Accounting Policies as applied in Uganda (GAAP).

7 Fixed Assets

- (1) Fixed assets shall be stated at historical costs less depreciation;
- (2) Depreciation of fixed assets shall be calculated on straight-line basis so as to write down the cost of assets to their residual value over their useful economic life;
- (3) Depreciation is not provided for in the month of disposal of a fixed asset;

8 Other

- (1) Stock Valuation
 - a. Physical stocks of the Fund are valued at the lower of cost or net realizable value;
 - b. Cost shall include charges incurred bringing the stocks to their present location and condition;
 - c. Net realizable value is the amount that the item would realize in the market;
 - d. Where appropriate, provisions shall be made for redundant items;
- (2) Accounts Receivable

Accounts receivable are amounts owed to the Fund less the amounts received;
- (3) The financial year of the Fund is the same as that of the Government and Year-end Cut-off procedures are applied accordingly;
- (4) Foreign Currencies
 - a. Assets and liabilities denominated in foreign currencies shall be converted at the official rate published by Bank of Uganda ruling on the date of the transaction;
 - b. Transactions during the year shall be converted at the official rate published by Bank of Uganda ruling on the date of the transaction;
 - c. Gains or losses arising on conversion shall be shown in the income and expenditure statement.

PART II – LIMITS OF FINANCIAL RESPONSIBILITY

9 General

- (1) Limits of financial authority of members of the Secretariat, including the Executive Director, shall be determined and delegated by resolution of the Board and communicated to the Executive Director in writing signed by the Chairperson;
- (2) Where a person so delegated takes leave of absence or for any reason is away for a period of time sufficiently long to inconvenience the operations of the Fund, a senior officer of the Secretariat shall be delegated in their absence by resolution of the Board and communicated to the Executive Director in writing signed by the Chairperson;
- (3) The Executive Director shall review limits of financial authority annually and recommend any changes to the Board for approval.

10 Banking

- (1) The names of those persons delegated to authorise and sign banking transactions on behalf of the Fund shall be determined by resolution of the Board including any changes to such persons;
- (2) Two groups of persons shall be permitted to authorise bank transactions and these shall be known as Group "A" and Group "B";
 - a. Group "A" signatories shall comprise:
 - (i) The Executive Director
 - (ii) A Manager as appointed by the Board
 - b. Group "B" signatories shall comprise"
 - (i) The Manager, Fund Management
 - (ii) Financial and Management Accountants of the Secretariat
- (3) All banking transactions shall be authorised and signed by two people, including a group "A" signatory;
- (4) The group A signatory shall be the Executive Director except, in the absence of the Executive Director,

11 Transaction Journals

- (1) All transaction journals shall be authorised by the Manager, Fund Management or, where required by these Regulations or otherwise, by the Executive Director;
- (2) All transaction journals forwarded either to the Manager, Fund Management or Executive Director for authorisation must include all supporting documents stating reasons for the adjustments contained in the journals;
- (3) Where transaction journals require to be authorised by the Executive Director the Manager, Fund Management shall endorse the journals before they are forwarded to the Executive Director.

PART III – CHART OF ACCOUNTS

- (1) The Fund shall maintain up to date chart of accounts as a numerical listing of all identified accounts used by the Fund to record its financial transactions;
- (2) The chart of accounts shall be adopted upon the approval of the Executive Director;
- (3) Annually, by 15th May the Manager, Fund Management shall assess the need for adjustments to the chart of accounts and, where any such adjustments are warranted, the Manager, Fund Management shall:
 - a. Prepare an amended chart of accounts, together with justification for proposed amendments and submit to the Executive Director for approval;
 - b. Upon approval, cause the necessary changes to be made to the Financial Management and accounting systems of the Fund and to the Accounting Policies and Procedures Manual.

PART IV – COLLECTION AND DEPOSIT OF REVENUES

12 The Road Tariff

- (1) Within 6 months following the end of each financial year, the Board shall, on the advice of the Executive Director, forecast the revenue requirements of the Fund for the next financial year and, after consultation with the Minister responsible for Finance, determine and agree a tariff that will be required to meet the estimated funding requirements for that financial year;
- (2) On the basis of the agreed tariff, the Secretariat shall prepare the Annual Road Expenditure Programme, including a funding plan comprising road user charges and any other sources of

monies permitted by the Act and shall present the funding plan to the Board for approval for budgetary purposes and for guidance of designated agencies in the preparation of their annual road maintenance programmes;

- (3) Where necessary, the Board shall, under section 21 of the Act, recommend an increase or reduction in the level of the road tariff to ensure that it generates sufficient revenue to finance the approved Annual Road Maintenance Programme and shall provide the Minister and the Minister responsible for roads with an estimate of the income to the Fund from such increase or reduction;
- (4) Upon acceptance of the recommendation of the Board, the Minister may determine the amended tariff by statutory order.

13 Government and Foreign Funding

- (1) Section 21(1)(e) of the Act recognises as monies of the Fund: grants, monies or assets donated to the Fund by Government with the approval of the Minister or assets donated to the Fund by any foreign government, international agency or other external body of persons, corporate or unincorporated;
- (2) Upon receiving notification of the amount of any such monies to be transferred to the Fund account the following shall be done:
 - a. The Financial Accountant shall record information regarding the transfer of funds in the General Ledger of the Fund;
 - b. The Manager, Fund Management shall ensure that funds are deposited in the bank account of the Fund;
- (3) Upon receipt of a cheque, or evidence of an electronic transfer to the bank account of the Fund, the Financial Accountant shall record the details and amount in the General Ledger of the Fund;

14 Accounts Receivable

- (1) The Secretariat shall record in the accounts of the Fund all funds declared by revenue collection agents as having been collected, on a monthly basis and shall record all cash received from all such revenue collection agents in each month;
- (2) The Manager, Fund Management shall review all debtors' accounts at the end of each month to ensure that funds declared by revenue collection agents have been incorporated into the system and that funds paid remitted during the month have been received into the bank account of the Fund and incorporated into the accounts of the Fund;
- (3) At the end of each month a list of debtors of the Fund shall be produced by the Secretariat showing for each debtor the age of the debt;
- (4) The Executive Director shall regularly review reports of funds collected but not yet received into the Fund bank account together with the aged debtors list and shall report to the Board at its regular meetings.

15 Aged Debtors

- (1) Where debtors of the Fund have outstanding balances aged more than 60 days, the Secretariat shall issue a formal payment reminder;
- (2) Where the Secretariat consider that any debts may be unrecoverable a schedule of unrecoverable debts shall be prepared together with a description of measures that have been taken to recover the debt;
- (3) If all reasonably practicable measures to recover such debts have proved unsuccessful and it is the opinion of the Executive Director that the debts are unrecoverable, the Executive Director may recommend to the Board that such debts be written off;
- (4) Where the Board determines that any debt is unrecoverable appropriate entries shall be made in the General Ledger of the accounts of the Fund.

16 Miscellaneous Revenues & Receipt of Payments

- (1) Upon receipt of any notification of monies to be transferred to Fund account the following shall be done:
 - a. The Secretariat records details of the transaction in the General Ledger of the accounts of the Fund.
 - b. The Manager, Fund Management shall ensure that funds are received and deposited in the bank account of the Fund
- (2) At the end of each month:
 - a. The Secretariat shall update the General Ledger of the accounts of the Fund and reconcile all transactions with the ledger;
 - b. The Manager, Fund Management shall review the reconciliation, follow up all outstanding receipts and compile a monthly revenue report;
 - c. The Executive Director shall review the monthly revenue report, initiate actions to recover outstanding monies and report to the Board at its regular meetings.

17 Cheques

- (1) Whenever a cheque is received by the Fund, it shall be checked by the Secretariat to verify that it is properly addressed to the Fund and that the amount is correct. The cheque shall be stamped on the reverse with the date of receipt and details of each cheque shall be entered in a register that records: date and amount of cheque, drawer / payee / client / agent, cheque number and particulars of payment
- (2) For every such payment a serially numbered receipt shall be issued bearing the same particulars as the register;
- (3) Any cheque that is not crossed and endorsed to the account of the payee shall be so crossed immediately upon receipt;
- (4) Cheques shall be banked promptly and the banking details entered into the cheque register;
- (5) Payment details shall be entered into the accounts of the Fund ensuring that each payment is allocated to the correct revenue account and time period month in accordance with the remittance advice;
- (6) For each payment, there shall be a remittance advice that states the name of the collection agent or other debtor, the account reference and the period to which the payment relates;
- (7) If no remittance advice is received, the Secretariat shall request the collection agent or other debtor to provide a remittance advice failing which, if the account details are known, the Secretariat shall generate a remittance advice and send it to the collection agent or other debtor by a means that records receipt;
- (8) Any payment received that cannot be allocated against an account shall be recorded in an unallocated cash account until a remittance advice is received or generated;
- (9) At the end of each month, the Manager, Fund Management shall review the unallocated cash account and ensure that all appropriate measures have been taken to allocate payments to accounts.

18 Direct Deposits

- (1) Where monies are deposited directly to the bank accounts of the Fund, the following procedure shall be followed:
 - a. The Manager, Fund Management shall order statements at the end of every month in respect for each bank account of the Fund and these statements shall be inspected to identify monies deposited directly to the accounts;
 - b. Where direct deposits cannot be identified the Secretariat shall demand copies of related deposit slips from the bank;

-
- c. The Manager, Fund Management shall then request a remittance advice from the depositing party;
 - d. If no such remittance advice is received within a reasonable period of time, and if the account details are known, the Financial Accountant shall generate a remittance advice and send it to the depositing party by a means that records receipt;
 - e. Any deposit that cannot be allocated against an account shall be recorded in the unallocated cash account and treated as set forth in section 18 hereof;

PART V – PREPARATION AND MANAGEMENT OF CONSOLIDATED BUDGET

19 Annual Road Expenditure Budget

- (1) The estimated costs of works and other items included in the Annual Road Expenditure Programme prepared by the Board under the provisions of section 24(1) of the Act shall be form the Annual Road Expenditure Budget and shall be entered into the accounts of the Fund by the start of each financial year in such detail that expenditure and achievement can be tracked for each programmed item;
- (2) All expenditure on items included in the Annual Road Expenditure Budget shall be made strictly within the approved budget limit for each item;
- (3) The Manager, Fund Management shall continuously monitor expenditure and performance against the Annual Road Expenditure Budget and shall ensure that variances from the budget and programme are investigated, a variance report prepared and appropriate actions taken to bring expenditure in line with the budget;
- (4) The Executive Director shall review the variance report at least once in every quarter, ensure that appropriate actions have been taken to mitigate variances and report to the Board at its regular meetings;
- (5) At the end of each financial year the Executive Director shall undertake an overall review of actual expenditure and achievement for the year ended against the budget, identify variances and the reasons for such variances and report the findings to the Board.

20 Operating and Capital Budget

- (1) At least six months before the end of each financial year the Secretariat shall prepare an operating and capital budget for the following financial year;
- (2) The Executive Director shall review and endorse the proposed operating and capital budget and shall submit it to the Board for approval;
- (3) No later than three months before the commencement of each financial year, the Board shall consolidate the operating and capital budget with the draft performance statement required under the provisions of section 26(1) of the Act and submit this to the Minister and the Minister responsible for roads;
- (4) The operating and capital budget shall be entered into the accounts of the Fund by the start of each financial year in such detail that expenditure and achievement can be tracked for each programmed item;
- (5) Each month the Secretariat shall prepare an operating and capital budget performance report showing for each division:
 - a. actual expenditure
 - b. factors that may affect realization of objectives, their effects and possible actions
 - c. explanation of significant variances
- (6) The Manager, Fund Management shall review the operating and capital budget performance report and where expenditure is anticipated to exceed the approved budget shall prepare a proposal to amend the budget;
- (7) Reallocation of funds between operating and capital budget items without changing the total allocations shall require approval of the Executive Director;

-
- (8) Reallocation between recurrent & capital allocations and increases in total allocations shall require approval by the Board;
 - (9) Additional expenditure above approved operating and capital budget limits for any line item shall not be incurred until and unless the required changes to the budget are approved;
 - (10) Where approval of expenditure above operating and capital budget limits that requires approval of the Board cannot be done for whatever reason awaiting normal Board meeting, the Chairperson may approve such budget adjustments and these shall be reported to the next Board meeting

21 Operating Costs of UNRA

- (1) No later than six months before the end of each financial year, the Executive Director of UNRA shall submit to the Fund for approval an operating budget for the following financial year together with a resolution of the UNRA Management Board approving the operating budget;
- (2) The Executive Director shall review the proposed operating budget to ensure that it complies with relevant laws, regulations and guidance relating to such budgets and, subject to the outcome of that review, shall submit the budget to the Board for approval;
- (3) No later than three month before the commencement of each financial year, the Board shall consolidate the operating and capital budget of UNRA with the draft performance statement required under the provisions of section 26(1) of the Act and submit this to the Minister and the Minister responsible for roads;
- (4) The operating and capital budget shall be entered into the accounts of the Fund by the start of each financial year in such detail that expenditure and achievement can be tracked for each programmed item;
- (5) Each month the Secretariat shall prepare a budget performance report of UNRA to show:
 - a. actual expenditure
 - b. variances from budget and explanations
 - c. factors which may affect the realization of set objectives, their effects and possible lines of actions
- (6) Where expenditure is anticipated to exceed the approved budget, the Executive Director of UNRA may request a reallocation of budget between line items that does not change the total operating budget;
- (7) Any reallocation or amendment of the budget that will require an increases in the total budget shall first be approved by a resolution of the UNRA Management Board and then by the Board;
- (8) Additional expenditure above approved UNRA operating budget limits for any line item shall not be incurred until and unless the required changes to the budget are approved.
- (9) Where expenditure above approved UNRA operating budget limits cannot await normal Board meetings for approval, the Chairperson may be requested by the Executive Director of UNRA with written approval of the Chairperson of UNRA to approve such budget adjustments, which shall be reported at the next meeting of the Board

PART VI – PAYMENTS FOR ACTIVITIES MANAGED BY DESIGNATED AGENCIES

22 Payment to Designated Agencies

- (1) Payment to designated agencies shall only be made in respect of works or other activities that are included in the Annual Road Expenditure Programme.
- (2) All payment requests claims by designed agencies shall be reviewed and, if agreed, approved for payment by the Manager, Monitoring and Evaluation;
- (3) If part of a payment claim by a designated agency is withheld for any reason, payment shall be made in respect of those items that are undisputed;
- (4) The Secretariat shall ensure that each transfer has been properly authorised, record the details in the respective general ledger accounts and retain supporting documents in the filing system of the Fund;

-
- (5) Payments shall be made into the nominated bank account of the designated agency on or before the end of the month in which the payment certificate is received by the Secretariat, provided such payment request is received on or before the 15th of the month and there is no evidence of inaccuracy or impropriety in the payment request;
 - (6) Where payment is made by cheque the Manager, Fund Management shall ensure that the signed cheque is delivered to or collected by the beneficiary.
 - (7) If a cheque is to be mailed, the cheque and remittance advice shall be mailed together by a registered mail service or sent by courier;
 - (8) If a cheque is to be collected, the collector shall prove identification and acknowledge receipt by signing the payment voucher;
 - (9) The Secretariat shall register each cheque issued by the Secretariat in a cheque payment register together with details relating to the payment;
 - (10) The Manager, Fund Management shall monitor all cheques issued and all electronic transfers of funds and ensure that they are reconciled against bank statements.

PART VII - PAYMENT FOR GOODS AND SERVICES

- (1) Manager, Fund Management exercises oversight and;
- (2) maintains schedule of VAT & Income Tax deductions and remits to URA as applicable;
- (3) ensures that payments are made into Creditors' bank accounts in accordance with terms of supply;
- (4) Management Accountant– maintains creditor details, ensures that payments are made in a timely manner and in accordance with the budget, monitors cheques
- (5) Upon receipt of a supplier invoice in for goods and services supplied to the Fund, the originator of the order shall endorse the invoice that the goods or services have been received in accordance with the terms of purchase or record any shortfalls in the supply together with a recommendation for any reduction of payment in relation of such shortfall;
- (6) The Financial Accountant shall process invoices for payment, assembling invoices into batches, where appropriate, with payment vouchers, cheque or transfer requisitions and supporting documents;
- (7) The cheque or transfer advice instructing the bank to transfer funds to the creditor's bank account shall be prepared with the amount payable based on the approved and signed payment voucher;
- (8) The payment voucher, cheque or bank transfer advice, list of creditors and remittance advice shall be authorised and signed in accordance with the Fund's payment procedures and limits of financial authority;
- (9) Once authorised, the payment voucher details shall be recorded in the respective general ledger accounts and supporting documents shall be retained in the filing system of the Fund;
- (10) Where payment is made by cheque the Manager, Fund Management shall ensure that the signed cheque is delivered to or collected by the beneficiary.
- (11) If a cheque is to be mailed, the cheque and remittance advice shall be mailed together by a registered mail service or sent by courier;
- (12) If a cheque is to be collected, the collector shall prove identification and acknowledge receipt by signing the payment voucher;
- (13) The Secretariat shall register each cheque issued by the Secretariat in a cheque payment register together with details relating to the payment.
- (14) The Manager, Fund Management shall monitor all cheques issued and all electronic transfers of funds and ensure that they are reconciled against bank statements.

PART VIII – BANKING

23 General

- (1) Bank accounts shall only be opened or closed with the approval of the Board;
- (2) The Executive Director shall report any changes to the bank account details to the Board;

-
- (3) The Fund shall maintain separate bank accounts:
 - a. for the receipt of revenue
 - b. payments to designated agencies; and
 - c. for operational costs of the Fund;
 - (4) Separate general ledger accounts corresponding to each bank account shall be maintained in the accounts of the Fund;
 - (5) Registers shall be maintained for incoming telegraphic/electronic transfers and payment cheques, showing respectively:
 - a. reference number, amount, payee and date at which collecting agent transferred payment
 - b. reference number, amount, payee and date at which it is recorded in the general ledger
 - (6) Bank reconciliation statements for all accounts shall be prepared monthly by the Secretariat and reviewed by the Manager, Fund Management not later than fifteen working days after the end of the month to which they relate, following which the Manager, Fund Management shall endorse the reconciliation statements as evidence of review and acceptance;
 - (7) Bank reconciliation shall be performed using the 'balance per general ledger to balance per bank' method and detailed analysis sheets must support each line item of the reconciliation;
 - (8) All differences or discrepancies shall immediately be brought to the attention of the Manager, Fund Management;
 - (9) A difference or discrepancy is defined as any reconciling item not meeting the above test or reconciling items that have not cleared within two months.

24 Payments recorded in the General Ledger but not included on the bank statement

- (1) On a monthly basis the Secretariat shall compare payments recorded in the general ledger with those recorded at the bank and list all payments that have not been presented to, or have not been cleared by, the bank, recording the following details:
 - a. date transfer instruction/cheque issued
 - b. transfer instruction/cheque number
 - c. payee
 - d. amount
- (2) The Manager, Fund Management shall on a monthly basis compile a list of all stale payments, where cheques have not been presented for payment within six months from date of issue, and shall void all stale payments and instruct the bank to stop payment against such stale cheques;
- (3) The Manager, Fund Management shall then approve a reversal of stale cheques from the general ledger of the accounts of the Fund.

25 Deposits included in the bank statement but not recorded in the General Ledger

- (1) On a monthly basis, the Manager, Fund Management shall match direct deposits recorded in bank statements with the receipts recorded in the general ledger of the accounts of the Fund and record all receipts that have cleared at the bank by the month end but which have not been entered in the general ledger of the accounts of the Fund, providing following details:
 - a. date transfer instruction/cheque issued;
 - b. transfer instruction/cheque number;
 - c. amount;
- (2) Such transactions shall be followed up and reconciled as required by these regulations.

26 Payments included in the bank statement but not recorded in the General Ledger

- (1) The Secretariat shall regularly monitor bank transactions and record instances where debit orders or telegraphic transfer payments have not been processed by the bank;
- (2) On a monthly basis, the Manager, Fund Management shall prepare a list of all direct payments not processed including the following details:
 - a. date of payment;
 - b. payee;
 - c. reference / cheque number;
 - d. amount;
- (3) Such transactions shall be followed up and reconciled as required by these regulations.

27 Sundry charges or credits

- (1) The Secretariat shall identify sundry charges or credits, such as bank service charges and interest paid or received, that are not processed to the general ledger of the accounts of the Fund from bank statements;
- (2) On a monthly basis such transactions shall be followed up and reconciled as required by these regulations.

PART IX - PETTY CASH

- (1) The Executive Director shall authorise members of the Fund Management Division, including the Manager, Fund Management, to administer petty cash and shall assign approval limits to each such person;
- (2) The names and approval limits of persons authorised to administer petty cash shall be maintained in the files of the Fund and appended to the Accounting Policies and Procedures Manual;
- (3) serially pre-numbered petty cash vouchers shall be completed with the following information prior to payment of cash
 - a. signature of authorizing officer
 - b. reason for claim and the ledger code
 - c. original supporting documentation
- (4) Upon payment, Vouchers and all supporting documents shall be stamped as "PAID" and filed to avoid double payment;
- (5) Prior to replenishment of petty cash, vouchers shall be checked for completeness of the numerical sequence accompanying the request for replenishment;
- (6) A petty cash analysis book shall be maintained by the accountant responsible for petty cash administration to show:
 - a. running balance
 - b. floats received debited and payments out of petty cash credited to the petty cash book
- (7) On a weekly basis the petty cash book shall be balanced to physical cash at hand;
- (8) The Manager, Fund Management shall carry out random cash counts periodically at which time petty cash at hand and the amount of the paid petty cash vouchers should equal the float; differences discovered shall be investigated and resolved promptly;
- (9) At month end and when requesting replenishment the accountant responsible for petty cash administration shall reconcile petty cash and the reconciliation shall be endorsed by the Manager, Fund Management.

PART X - INVESTMENT OF BALANCES

28 General

- (1) Pursuant to section 34 of the Act, the Fund may invest surplus funds money subject to consultation with the Minister and the Minister responsible for roads;
- (2) The Board shall establish investment policies but notwithstanding any such policies shall restrict such investments to:
 - a. Interest bearing savings accounts with Government or private commercial banks
 - b. Term deposits with Government or private commercial banks
 - c. Treasury Bills issued by the Bank of Uganda.
- (3) Investment in stocks, shares, bonds, derivatives or similar instruments shall not be made;
- (4) The Manager, Fund Management shall at least on a monthly basis prepare a cash flow forecast for revenue and expenditure of the Fund and shall identify Fund balances not immediately required to meet forecast expenditure;
- (5) Where surplus funds are identified, the Executive Director, acting upon the advice of the Manager, Fund Management shall prepare an investment proposal showing for each proposed investment:
 - a. amount to be invested
 - b. type of investment
 - c. duration of investment
- (6) The Board shall establish an Investment Committee comprising members of the Board and any ex-officio members that the Board may deem appropriate which shall consider investment proposals and where necessary instruct the Executive Director to consult with the Minister and the Minister responsible for roads and to initiate the investments;

29 Investments with commercial banks

- (1) For investments proposed with commercial banks, the Manager, Fund Management shall obtain at least three quotes from banks and proposes the most advantageous duration and interest rate compatible with Fund policies;
- (2) Any such proposal shall be accompanied by an analysis of all Fund investments, including the proposed investments, showing compliance with the policies of the Fund;
- (3) Authorisation of the investment shall be sought in the manner described in section 29 hereof and, after authorisation, the Manager, Fund Management shall process the investment or investments;
- (4) Details of each investment shall be recorded in the respective general ledger accounts and all original investment documents shall be retained in secure storage in accordance with these regulations.

PART XI - MONTH-END PROCEDURES

30 Cut-off and deadlines

- (1) Last calendar day of each month shall be the month end for management accounting purposes;
- (2) If the last day falls on Saturday, Sunday or a public holiday, then the month end cut-off shall be the last weekday preceding this;
- (3) All accounts shall be closed on the last day, according to the predetermined cut off dates;
- (4) No further transactions occurring after this date shall be processed in the reporting month.

31 Month-end finance file

- (1) The Manager, Fund Management shall create a month-end reports file for financial documents;
- (2) All balances in the month-end reports file shall be supported by schedules or reconciliations detailing how each balance is made up and shall include a comparison with the previous month;
- (3) Month-end report files shall be kept in a secure but easily accessible location for ease of reference, while the current files and also those for the two preceding months shall be kept immediately accessible.

32 Payroll accruals

- (1) A reconciliation between payroll summary details and the balance shown in the general ledger of the accounts of the Fund shall be prepared at the cut-off date;
- (2) The payroll summary shall show the following information, with supporting documentation:
Income Tax deductions; Other statutory deductions; Leave pay; Allowances; Bonuses; Pension contributions (if any); Other non-statutory deductions.
- (3) The reconciliation shall be reviewed by the Manager, Fund Management who shall endorse it as evidence of the review;

33 Other accruals

- (1) Other accruals include:
 - a. goods receiving vouchers awaiting invoice
 - b. other monthly services (e.g. water, telephone, electricity bills)
 - c. yearly payments (e.g. audit fees, insurance, rents, capital expenditure commitments)
- (2) If invoices or statements have been received for monthly expenses and these have not yet been paid the accrual shall be raised based on the invoice or statement amount;
- (3) If invoices / statements have not been received for the monthly expenses, the accrual shall be estimated or based on the previous month's expense, if reasonable or, if not reasonable shall be based on the average expense of previous amounts.

34 Review and follow-up of accruals

- (1) Each month, a detailed listing of all accruals raised and the previous month's comparatives shall be prepared, to ensure completeness, ease of analysis and reporting;
- (2) The Manager, Fund Management shall review and endorse the accruals listing as evidence of review.

35 Provisions

- (1) The Manager, Fund Management shall identify and raise required provisions, including the following as appropriate:
 - a. provision for medical expenses
 - b. provision for leave pay and bonuses
 - c. provision for doubtful debts
 - d. provision for tax and depreciation charges
- (2) A detailed listing of all provisions raised shall be prepared together with the previous months comparatives, to ensure completeness, ease of analysis and reporting;
- (3) The Manager, Fund Management shall ensure that all provisions raised during the previous period were reversed at the beginning of the current period

-
- (4) Supporting documentation detailing why any provision was created and how the provision was calculated shall be prepared and retained on file.

36 Other debtors

- (1) A schedule of debtors showing the age of the debts shall be prepared as at the cut-off date in respect of staff, rent and the like and submitted to the Manager, Fund Management for review;
- (2) Explanations of the steps being taken to recover debts and reasons for non-payment shall accompany schedule of debtors;
- (3) The Manager, Fund Management shall review the report and endorse it as evidence of the review.

37 Bank and petty cash

- (1) All cheques issued and funds received by the cut-off day shall be processed through the cashbook and all stale cheques shall be written back and a detailed record of such stale cheques reversed shall be maintained and filed in the current month;
- (2) All expense items, which appear on the bank statement including service fees, interest and the like shall be recorded in the general ledger of the accounts of the Fund;
- (3) A bank reconciliation as at the cut-off date shall be prepared by the 15th day of the following month and reconciling items shall be followed up to ensure they are cleared within 30 days of the close of the month;
- (4) The Manager, Fund Management shall review and endorse the reconciliation as evidence of the review;
- (5) A petty cash count shall be performed as at the cut-off date and reconciled to the balance reported in the general ledger of the accounts of the Fund.

38 Creditors

- (1) All invoices and payments made by cut-off date shall be entered into the creditors ledger;
- (2) Invoices in hand at the end of month shall be matched against goods received notes (GRNs) awaiting invoice and invoices with no corresponding GRNs shall be followed up to ensure that the relevant service or goods have been received and the invoice represents a valid expense;
- (3) A creditors reconciliation shall then be performed for each creditor's account

39 Fixed assets

- (1) The summary of fixed assets shall be updated at the month-end for all transactions occurring during month to include details of all additions, disposals, profit and loss on disposal and cash received on disposal, as well an update of changes to the physical locations of any fixed assets.

40 Trial balance

- (1) Once all the accounts have been closed, reconciled and reviewed, a trial balance shall be drawn up, and placed on the month-end report file;
- (2) The Manager, Fund Management shall reviews the trial balance, ensure that all the necessary reconciliations have been performed and reviewed by the responsible persons, and that any underlying schedules required have been completed, submitted and reviewed.

41 Monthly Management Accounts

- (1) Monthly management accounts shall be prepared in the prescribed reporting format, signed by the Manager, Fund Management and sent to the Executive Director on or before the 15th working day of the following month
- (2) The Executive Director shall reviews and sign the report.

PART XII – FIXED ASSETS

42 Policies

- (1) Purchase and disposal of fixed assets shall be in accordance with Public Procurement and Disposal of Public Assets Act, 2003.
- (2) The Fund shall have and maintain a fixed asset register which shall as a minimum record for each asset: asset number, date of acquisition, asset description, original cost, accumulated depreciation, depreciation rate, current year depreciation charge, date of sale, proceeds on sale and location of the asset.
- (3) Fixed assets shall be depreciated in compliance with standard depreciation rates determined by the Board for the various asset categories in accordance with Generally Accepted Accounting Principles (GAAP) as applied in Uganda;
- (4) Major additions and improvements that enhance assets' future economic benefits beyond the original assessment shall be capitalised.

43 Fixed Asset Register

- (1) The Fixed Assets Register (FAR) shall be reconciled with the general ledger of the accounts of the Fund for recording depreciation and profit on disposal;
- (2) Upon receipt of the invoice for purchase of a fixed asset the details shall be entered into the fixed asset register and once all details have been reconciled to source documentation the Manager, Fund Management shall review and authorise the entry in the fixed asset register;
- (3) At the end of each month the fixed asset register shall be reconciled with the general ledger of the accounts of the Fund.

44 Cost of fixed assets

- (1) The cost of fixed assets is as follows:
 - a. The invoiced value from the supplier;
 - b. Carriage costs to location of intended use including clearing and forwarding charges;
 - c. Assembling and / or installation costs.

45 Valuation of fixed assets

- (1) Valuation of fixed assets shall be performed by the Government Valuer or an Authorized Valuer;
- (2) If revaluation of fixed assets is undertaken the valuer shall restate the policy on accounting and depreciation;

46 Disposal of fixed assets

- (1) The Manager requesting the disposal shall complete a disposal request form with:
 - a. asset to be disposed
 - b. requestor's name
 - c. reason for disposal
 - d. current status of the asset detailing its initial cost, accumulated depreciation and net book value
- (2) The Manager, Fund Management shall review disposal calculations for completeness, verify details of the asset to be disposed of, ensure all necessary policies and procedures have been complied with and review the merits of the transaction and shall prepare a paper for Board approval giving reasons for disposal;
- (3) Disposal of fixed assets shall be undertaken in accordance with the Public Procurement and Disposal of Public Assets Regulations, 2003

-
- (4) Upon disposal, the Secretariat shall prepare the necessary journal entries for the purpose of processing the disposal in the accounts of the Fund;
 - (5) The Manager, Fund Management shall review and authorise the voucher and the Secretariat, using the journal voucher, as well as a copy of the approved tender shall raise a sundry invoice and processes the journals;
 - (6) The sundry invoice number shall be entered on the journal voucher a copy of which shall be retained with the respective disposal form.

47 Review of fixed asset disposals

- (1) Disposal records shall be reconciled with the general ledger at the time of disposal of any fixed asset, any discrepancies shall be resolved and the reconciliation shall be reviewed and approved by the Manager, Fund Management.
- (2) The fixed assets register shall then be updated and the fixed assets register month end procedure undertaken;
- (3) If any adjustment is required, a journal voucher shall be completed and authorised by the Manager, Fund Management.
- (4) Once all transactions have been checked against source documentation, the reconciliation, shall be reviewed and authorised by the Manager, Fund Management.

48 Fixed assets register updates / controls

Any change to the fixed asset register shall be checked and authorised by the Manager, Fund Management;

49 Processing of depreciation

- (1) Depreciation of fixed assets shall be charged to the income statement of the Fund on a monthly basis;
- (2) Depreciation charges shall be reviewed when performing the monthly reconciliation between the fixed assets register and the general ledger of the accounts of the Fund.

50 Monthly reconciliation of fixed asset register and GL

- (1) At the end of each month, a summary report of the fixed asset register showing the opening cost of each asset, additions, disposals, monthly depreciation charge, accumulated depreciation charge, net book value of the assets shall be reconciled with a report of the general ledger of the accounts of the Fund showing totals for the cost and accumulated depreciation accounts as well as the depreciation expense account and shall reconcile the two reports;
- (2) Reconciling items shall be followed up and corrected to ensure they do not appear on following month's reconciliation;
- (3) The Manager, Fund Management shall review and certify reconciliation for reasonableness and accuracy and the reconciliation shall be retained in the files of the Secretariat.

PART XIII - STAFF PAYMENTS

51 General

- (1) Employee wages and salaries shall be paid by transfer to the employees' bank accounts unless otherwise authorised in writing by the Executive Director;
- (2) The payroll shall be maintained in the financial management systems of the Fund and shall not be amended unless specifically instructed by the Manager, Fund Management;
- (3) At each pay date, Manager, Fund Management shall print the payroll and send it to the Executive Director who shall review it and authorise payment;

-
- (4) The Secretariat shall then prepare payment vouchers and deposit schedules showing the employee's name, cheque number, bank account and net pay;
 - (5) The Manager, Fund Management shall approve the payment vouchers and initiate transfers to employees' bank accounts, ensuring that staff payments are transferred to their accounts by the last working day of the month;
 - (6) On the last working day of the month payslips shall be issued to all employees;
 - (7) After all payments are made the payroll shall be reconciled to the general ledger of the accounts of the Fund and the Manager, Fund Management shall review and endorse the reconciliation.

52 Employees without bank accounts

- (1) Where employees do not possess a bank account and the Executive Director has authorised payment by cheque the Secretariat shall prepare cheques in accordance with procedures set out in these regulations.

53 Staff Advances

- (1) Employees who are required to travel or make field visits on behalf of the Fund may be granted advance monies in respect of anticipated expenses in connection with such travel or field visit;
- (2) Staff who intend to have field visits during a particular period shall submit to their division manager for approval at the beginning of the period a copy of their approved work plan for the period providing the following information:
 - a. the number of field visits to be made during the period and their scheduled dates of commencement and duration
 - b. the expected number of personnel by grade and their rates
 - c. other expected expenditure like accommodation, transport and fuel
- (3) Once approved, the work plan shall be submitted to Manager, Fund Management together with the appropriate application for travel advance, which shall include the following information:
 - a. The reason for the advance and details of the division, the person requesting the advance and amount
 - b. For subsistence allowances, the number of people concerned, the approved rate per person, date of commencement and duration of the field visit
 - c. The rate of subsistence allowance payable to employees travelling on duty shall strictly adhere to the rate approved by the Board
- (4) Before any such advance is approved the Manager, Fund Management shall:
 - a. Review the advances ledger to ensure that the person drawing the advance has no outstanding advances
 - b. ensure that the advance requested is provided for in the approved work plan
- (5) Within seven days after returning from the travel or field visit, claimants shall submit a statement of account, including:
 - a. report showing recipients of subsistence allowance by name and amount and duly signed by them as evidence of receipt
 - b. original invoices and receipts in case of payments to hotels, fuel, car hire, etc
 - c. copy of completion report for the assignment signed by the appropriate divisional manager
- (6) Unused portions of advances shall be returned and a receipt shall be issued and form part of the statement of account submitted for settlement of the advance;
- (7) Advances shall be recorded in the general ledger of the accounts of the Fund and at the end of every week an aged advances listing shall be generated from the general ledger of the

accounts of the Fund showing for each person the advances still outstanding and for how long they have been outstanding;

- (8) For advances outstanding for more than one week from the date of return from field visit, reminders shall be issued to the concerned employees warning that outstanding advances will be recovered from their subsequent salaries and benefits unless they are accounted for within three weeks from the date of return from field visit ;
- (9) Manager, Fund Management shall review overdue outstanding advances and unless there are extenuating circumstances shall authorise recovery from the person's salary and benefits for the subsequent month ;
- (10) On resignation or termination of an employee, any outstanding advances become immediately recoverable from any amounts due to the employee from the Fund;
- (11) Any long outstanding advances whose recoverability has become doubtful after all reasonable steps to recover them have failed shall be written off in accordance with procedures set out in these regulations.

PART XIV - CONTROL OF KEY FINANCIAL DOCUMENTS

54 Custody and security of documents

- (1) The Manager, Fund Management shall be the custodian of documents of the Fund and shall ensure that all valuable documents are listed and kept in safe custody;
- (2) Keys for safes, lockers and cabinets in which documents, securities and cash are kept shall be maintained in duplicate and the Manager, Fund Management shall maintain a register showing the names of those persons who are in custody of keys;
- (3) Cheque books, treasury bonds, stocks or fixed deposit receipts and other accountable documents shall be kept locked in a safe place when not in use and under the custody of the Manager, Fund Management when in use during business hours;
- (4) The Manager, Fund Management shall ensure that:
 - a. All cash, cheques, money orders etc received after banking hours are kept in a safe ready for banking on the following banking day;
 - b. All cancelled cheques are retained and filed properly beneath the payment voucher with the preceding cheque number;
- (5) Only one cheque book and one ledger book for each bank account shall be used at one time and all cheque books must be serially numbered;

55 Security Measures for Cash

- (1) No unauthorized person shall be allowed access to any books of account, financial management system, accounting records or cash;
- (2) Visitors shall not permitted to enter the office where accounts of the Fund and the secure store of cash and securities is located and members of the Secretariat other than staff of the Fund Management Division shall only enter this office in the presence of a senior officer of the Fund Management Division

56 Internal Audit and periodic audit reports

1. In addition to other functions assigned to him by the Board or the Executive Director, the Manager Internal Audit shall be responsible for internal auditing of the Fund and shall submit to the Executive Director a report in respect of every three months period of a financial year.
2. The Executive Director shall submit every report referred to in the subsection (1) to the Board for its consideration at the next meeting of the Board after the Executive Director receives the report.

57 Other laws and regulations

In addition to the Uganda Road Fund Act and regulations made under that Act, other laws of and regulations may have an impact on financial management and funding. The secretariat shall keep these matters under review and advise the Board accordingly from time to time. The laws include among others;

- a) The public finance and accountability act, 2003
- b) Public Procurement and Disposal of Assets Act, 2003
- c) The local governments (amendments) Act, 2006
- d) The traffic and Road Safety Act, 1998
- e) The Budget Act
- f) The National Audit Act, 2009
- g) The Uganda National Roads Authority Act
- h) The Uganda Revenue Authority Act