PROCLAMATION NO 16/2009

A PROCLAMATION TO PROVIDE FOR THE FINACIAL ADMINISTRATION OF THE ADDIS ABABA CITY GOVERNMENT

WHEREAS, it is believed to be necessary to revise the Addis Ababa City Government Financial Administration Proclamation, Proclamation No 16/2003, to make effective and efficient the budget preparation, collection and payment of public money, maintenance of accounts, internal audit and the management of public resource and debt by alleviating the problems encountered in the implementation of the proclamation during the period in which it was in force;

WHEREAS, it is found to be necessary to implement the new procedures of work that are the outcome of studies of the business process reengineering carried out under the Civil Service Reform Program with the view to make the system of public finance administration more effective;

Addis Negari Gazette P.o.Box 2445
NOW THEREFORE, in accordance with the Federal Government of Ethiopia Financial Administration Proclamation No 648/2009 and Article 14(1) (f) of the Revised Charter of Addis Ababa City Government Proclamation No 361/2003, the Addis Ababa City Council hereby proclaimed as follows;

PART ONE
General

1. Short Title

This proclamation may be cited as the "Addis Ababa City Government Financial Administration Proclamation No. 16/2009."

2. Definitions

In this proclamation, unless the context requires otherwise:

2. "City" means the Addis Ababa City;
3. "City Government " means the Addis Ababa City Government;
4. " Mayor" means Mayor of the Addis Ababa City mayor ;
5. "Cabinet " means the Addis Ababa City Cabinet;
6. " Council" means the Addis Ababa City Council;
7. "Sub-City" means the second level of administration of the City stated under Articles 10, 30 and the following of the Charter.
8. 'Chief Executive of Sub-City' means an executive official who leads the administration of the sub-City
9. "Aid in Kind" means any assistance received by the City Government under a bilateral or multilateral agreement, or form other sources that is received in the form of goods or services or any other form other than money;
11. "Appropriation" means the endorsement of the budget allocation by the City Cabinet based on the budget approved by the City Council;
12. "Capital Expenditure" means an outlay for the acquisition of or improvements to fixed assets, and includes expenditures made for training, consultancy services and research;
13. "Consolidated Fund" means all public moneys that are on deposit at the credit of any public body where the bank account has been opened by the Head of Bureau under this Proclamation, all public moneys held in cash by any public body pending disbursement and all aid in kind;

14. "Commitment" means an obligation that becomes a liability if and when the terms of existing contracts, agreements or laws are met;

15. "Disbursement" means the release of any public money from the consolidated fund to the public body or any other organ to which the budget is approved;

16. "Expenditure" means payment made to a person or organization who has right to receive such payments in accordance with the contract entered into by the public body or any other obligation to pay;

17. "Fiscal Year" means the period beginning Hamle 1st and ending Sene 30th of the Ethiopian calendar;

18. "Grace Period" means the thirty (30) days commencing Hamle 1st of the Ethiopian calendar during which invoices received for activities of a capital project carried out in the previous fiscal year shall be paid from the previous fiscal year's capital budget appropriation;

19. "Supplementary Budget" means a budget approved in situations where the revenue budget appropriated for activities of the Government to be carried out in a fiscal year is not sufficient or where a budget is required for an activity of the Government to which budget is not appropriated or where the expenditure budget appropriated for an activity is not sufficient;

20. "Other Receivables" means any amount owing to the City Government other than a tax or penalty on tax;

21. "Head of Bureau or Bureau" mans the Head of Finance and Economic Development Bureau and Finance and Economic Development Bureau respectively;
22. "Public Body" means any organ of the Government Body which is partly or wholly financed by the City Government allocated budget;

23. "Public Money" means all money belonging to the City Government received or collected (or receivable) by the Head of Bureau or by any official of the City Government or by any person authorized to receive and collect such money on behalf of the City Government and includes;

a) special funds of the City Government and the income and revenue from them;

b) revenues of the City Government;

c) money raised by the City Government by the issuance and sale of securities;

d) money received by the City Government or any public body as loans or as assistance under bilateral or multilateral agreements or from other sources;

e) financial support from the Federal Government, and

f) aid in kind.

24. "public Property" means all property, except public money and land, belonging to the City Government;

25. "Remission" means the discharge or release from taxes, penalties or other receivables;

26. "Write-off" means the cancellation from the books of accounts, of receivables or obligations due to the City Government or any claims by the City Government;

27. "Sinking Fund" means a fund invested to repay a long-term debt, replace fixed assets or for any other public purpose determined by regulation issued by the Cabinet;
28. "Budget Transfer" means the authorized movement of funds in an approved budget from one public body, head, subhead, project or item to another;

29. "Special Purpose" means an activity of the City Government which in accordance with legislative authority is carried out by earmarked public money;

30. "Internal Audit" is an independent and objective assurance and consulting activity designed to add value and improve an organization's operations which helps an organization accomplish its objectives by bringing in a systematic and disciplined approach to evaluate the effectiveness or risk management, control and governance process;

31. "Internal Control" means an integral process that is effected by a public body's management and personnel, designed to address risks and to provide reasonable assurance that is the pursuit of the public body's mission;

32. "Excess Expenditure" means expenditure in excess of the budget approved or appropriated or the budget allocated through budget transfer;

33. "Consolidated Account" means the City Government treasury account through which public money is received and disbursements and expenditures are made;

34. "Public Debt" means domestic and foreign borrowings of the City Government by the issuance of direct advances and sale securities as well as guarantees issued by the City Government;

35. "Security Bond" means any document produced or held to perform financial promise or financial obligation and includes Treasury bond, promissory note and bond.

36. "Office" means the Finance and Economy Development Office of sub-City

37. "Person" means physical person or a body given personality by law.
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<td><strong>Power and function Dates of Finance and Economic Development Bureau</strong></td>
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<td><strong>The Head of Finance and Economic Development Bureau</strong></td>
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<td>1. supervise and monitor the finance of the City Government and conduct audit of public bodies. If it is deemed necessary, 2. cause to issue a system of preparation of budget and develop appropriate standards of work and conduct internal audit functions of public bodies based on the budget approved. 3. effect the yearly payments of the City Government. 4. follow up and evaluate execution of internal audit. 5. submit to the City Cabinet annual report indicating findings of internal audit. 6. review and evaluate the execution of the City Budget and submit bi-annual report to the City Cabinet.</td>
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<td><strong>PART ONE</strong></td>
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<td><strong>Scopes of Application</strong></td>
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<td>1. This proclamation shall be applicable to public bodies of Addis Ababa City Government. 2. The City Government Cabinet may issue time to time the list of public bodies to be governed by this proclamation.</td>
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<td><strong>Addis Ababa City Government</strong></td>
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8. establish a system which renders government cash management effective and economical;

9. maintain the accounts of the government: submit annually and whenever necessary to the Cabinet a report on the financial activities and cash position of the City Government;

10. Build the capacity of sectors and Sub City public bodies in the administration of public finance.

6. Responsibilities of Heads of Public Bodies

1. Heads of public bodies have the duty to ensure that all of resources for which they are responsible are used for proper and approved objectives and that they are used in the most economical, efficient and effective way.

2. Without prejudice to provisions of Sub Article 1 of this Article, the financial responsibility of heads of public bodies shall include:–

a) Developing a system for financial administration which ensures transparency and accountability; monitoring the system developed within the public body to ascertain is functioning well;

b). Ensuring that the internal audit system established within the office is appropriately staffed with trained and qualified manpower and that the internal audits are carried out independently, efficiently, and economically;

C). Ensuring that the internal control system established within the body is organized in a way to enable each performer discharge his respective obligation based on specified job description; and that sufficient number of trained employees are assigned;
d. issuing guidelines of work performance which show complete and particular situation of public body on the basis of the Finance Administration Proclamation, the regulation which will be issued by the Cabinet and the directives which will be issued by the Head of Bureau.

e) ensuring that timely, proper and reliable financial information analysis is prepared and disseminated;

f) ensuring that the financial report of the public body is submitted to the Bureau on the due date, closing the accounts of the public body at the end of the fiscal year and submitting the same to the Auditor General for audit;

g) ensuring that the employees of the public body are performing their duties in compliance with this proclamation, the Regulation and Directive issued pursuant to this proclamation and procedures laid down in accordance with this proclamation; and that the internal audit is carried out timely;

h) preparing their annual budget in accordance with the Directive issued by the Head of Bureau;

i) submitting the cash requirement and cash flow prepared based on the evaluation of the public body's program;

j) submitting monthly cash utilization report of the public body;

k) taking appropriate measures in accordance with the report of the external audit or internal audit.

7. Internal Audit

1 The Internal Audit of each public body shall include the following responsibilities
1. Conducting internal audit at specific intervals to evaluate the performance of the public body and to ascertain that public money and public property are used for intended purposes, and submitting audit reports to the head of the public body and to the Head of Bureau, follow-up measures taken based on audit finding;

2. Developing audit programs which are specifically designed to meet the interest of the public body;

3. Developing a monitoring system which shall, at regular intervals, test and report to management and the Head of Bureau on the public body's compliance with the applicable internal and external directives and procedures; and

4. Advising Head of the public body, at regular intervals, on its internal practices and controls and on whether they are efficient and economical.

2. The government shall protect heads and staff of internal audit with legal protection against any persecution because of performance of their duties.

8. Accountability

The Head of every public body is accountable to the City Government Cabinet for the responsibility to ensure that the provisions of this proclamation and of Regulations issued pursuant to this proclamation are fully and properly implemented by the public body for which it is responsible.
9. Consolidated Fund

1. There shall be one consolidated fund into which all public money shall be paid except that otherwise allowed by law.

2. The Bureau shall record aid in kind in the consolidated fund based on the information it obtains from the concerned public body.

3. The bureau shall manage and administer the consolidated fund.

4. The Bureau may open, in the name of any public body, bank accounts for the deposit of public money and order the closing of the same. Such accounts shall form part of the consolidated fund.

10. Collections of public Money

1. No public money shall be collected except when authorized by law.

2. No public money shall be collected without the use of the official receipts of the Bureau or a receipt printed with the authorization of the Bureau.

3. Every authorized person who collects or receives public money shall deposit the public money so collected into the consolidated fund and keep a record of receipts and deposits of it in the form and manner prescribed in directives issued by the Bureau.

11. Deposits of Public money

1. All public money shall be deposited in the consolidated fund to the credited of the Bureau, except aid in kind which shall be recorded in the consolidated fund and therefore deemed to be deposited.
2. Money paid into the consolidated fund for a special purpose may be paid out of the consolidated fund according to the proclamation which established that special purpose.

12. Interest

The National Bank of Ethiopia shall pay interest on money deposited in all accounts held by it in the name of the Bureau or any public body. The rate of interest shall be fixed by a mutual agreement of the Bureau and the National Bank.

PART FOUR

Remission of debt, Write-Offs and different Fees and Charges

13. Remission of debt

1. The Cabinet may remit for good cause any other receivable and any interest paid or payable on it or delegate such power in whole or in part to the Head of Bureau.

2. Where the Cabinet believe that there is good cause and upon the recommendation of the Head of Bureau, it may remit any tax, including any interest paid or payable on it.

3. The Head of Bureau may for good cause remit any tax or any other receivable up to an amount determined by Regulation issued by the Cabinet.

14. Conditions for Remissions

1. A remission of the types provided under Article 13 of this proclamation may be total or partial, conditional or unconditional and may be granted:
   a) before, after or pending any suit for the recovery of the tax penalty or other receivable in respect of which the remission is granted;
   b) before or after any payment of the tax, penalty or other receivable has been made or enforced by execution; and.
c) with respect to a tax or other receivable in any particular case or class of case and before the liability for it arises.

2. Where a remission granted in accordance with this Article is on tax paid, the amount of tax remitted shall be set-off against the tax payable by the tax payer in future years.

15. Reporting of Debt Remissions

Remissions granted under this proclamation or any other proclamation during fiscal year shall be reported in the public accounts for that year.

16. Write-offs

1. The Cabinet may issue regulation regarding the writing-off of all or part of any receivable or obligation or any claim. Such regulation may prescribe:

a. The criteria for determining whether any receivable, obligation or claim may be written-off,

b. the requirements to be met and the procedures to be followed before any receivable obligation or claim may be written-off,

c. the information and records to be kept in respect of receivable obligations and claims that are written-off,

d. the conditions under which public property lost may be written-off; and

e. the manner in which goods lost due to depletion, leakages or any other natural cause may be written-off.
2. Any receivable price, obligation or claim which would result in a charge to and appropriation shall be written-off unless the amount written-off is included as a budgetary expenditure in an appropriation proclamation.

3. The writing-off of any receivable price, obligation or claim does not affect any right of the Government to collect or recover the Receivable, obligation or claim.

4. Any receivable obligation or claim written-off under this proclamation during a fiscal year shall be reported in the public account for that year.

17. **Fees and charges**

1. The Cabinet may issue regulation with respect to fees and charges levied by public bodies for providing goods, services or use of facilities.

2. Sub-Article (1) of this Article shall not apply where other law provides specific authority for the matters described therein.

**PART FIVE**

**BUDGET**

18. **Annual Budget**

The budget for each fiscal year which comprises the City Government revenue, expenditure and subsidy which get from the Federal Government as well as the Budget which shows the expenditure coverage shall be approved by the City Government Council.
19. Macro-economic and fiscal Framework

1. The Head of Bureau shall submit to the Cabinet macro-economic and fiscal framework. Such framework shall contain three consecutive years:

a) estimates of all revenue to be raised during each fiscal year classified certain revenue item;

b) estimates of expenditure for each fiscal year per each public body segregated by recurrent and capital expenditure;

c) estimates of recurrent and capital expenditure segregated by economic sector;

d) portion of budget allocated to the Sub-Cities based on budget allocation formula.

e) the expenditure financial coverage of the budget; and

f) recent year's macro-economic perfor-mance.

2. The macro-economic fiscal framework submitted by the Head of Bureau pursuant to sub-article (1) of this Article shall include major macro-economic plans.

20. Format for Macro-economic and Fiscal Framework and Annual Budget Preparations and Submissions

1. The Bureau shall design the format for macro-economic and fiscal framework and annual budget preparation and submissions.

2. The format to be designed pursuant to sub-article (1) of this Article shall at least contain:

a) estimates of any government revenue expected to be raised during the fiscal year to which the budget relates;

b) estimates of recurrent and capital expenditure for that fiscal year;

c) proposals for financing the budget for that fiscal year;

d) development plan and focus area of the fiscal year, and

e) budget allocation formula prepared for Sub-Cities.

21. Ceilings of Budget

1. The Head of Bureau shall determine the maximum expenditure amount on which each expenditure budget request is to be based.

2. Notwithstanding the provisions of sub-article (1) of this Article, the Head of Office shall determine and disclose budget ceiling of government offices and Kebeles under the Sub-City based on the ceiling fixed for the Sub-City and direction set by the Cabinet of the Sub-City.
22. **Budget Approval and Notification**

1. The Head of Bureau shall:
   a) submit to the Cabinet the budget projection of the coming fiscal year;
   b) provide justifications on the budget endorsed by the Cabinet to the City Government Council.

2. The budget shall be approved by the City Council until Sene 30th and make all government offices at City level and Sub-Cities shall be notified up to Hamle 7.

3. The Budget approved by the City Council shall be published up on Addis Negari Gazette.

4. The Sub-Cities shall notify until Hamle 10th to government offices under them by allocating the budget approved for them in block.

23. **Budget Transfer**

1. Transfers shall be allowed from the recurrent budget to the capital budget.

2. No transfers shall be allowed from the capital budget to the recurrent budget.

24. **Budget Transfers within Public Bodies**

1. The Head of Bureau is hereby empowered to:
   a) transfer funds of expenditure of the recurrent budget within a public body;
   b) transfer budget from one capital project to another within a public body;
   c) transfer the budget approved for capital expenditure of the public body to finance pending obligations of a project approved in previous years for which no budget is allocated in the current fiscal year,
   d) transfer the budget when organs under a public body merge or split.

2. The Head of Bureau may delegate the appropriate head of public body to exercise the power vested in him under sub-article (1) of this Article.
25. **Budget Transfers between sub cities or cities or Public Bodies**

The Head of Bureau may transfer a recurrent budget from one public body to the other if it is ascertained that the public body to which the budget is appropriated can not wholly utilize its budget.

1. The Head of Bureau may authorize the transfer of funds from the capital budget of one public body to the capital budget of another public body under the following conditions:
   
a) Where a deficiency in one public body's capital budget can be met by an offsetting transfer from another public body's capital budget approved for that fiscal year provided that the capital budget receiving additional funds is a previously approved capital budget.

b) Where a budget is requested to finance pending obligations of a project approved in previous years for which no budget is allocated in the current fiscal year.

26. **Budget Transfer from City to Sub-City or from Sub-City to City**

The Bureau Head may transfer budget, based on the request of Head of Sector Offices, from City to Sub-City. Similarly the Head of Sub-City Office may transfer budget, based on the request of Head of Sub-City Sector Offices, from Sub-City to City.

27. **Transfer from Contingency Budget**

Notwithstanding any limitation provided by the budget proclamation of the current fiscal year, where additional funds are requested on the basis that they are urgently required for the current year's operations and could not have been foreseen in the annual budget:

1. It is allowed to transfer from the contingency budget where the Mayor faces unexpected and urgent work to the extent requested for such work;

2. Notwithstanding the provisions of sub-article (10 of this Article, when it is ascertained by the Head of Bureau that payments are not effected for goods supplied and services rendered in the previous fiscal year, the Cabinet of the City Government may authorize transfer of amount proper for the additionally requested expenditure from the contingency budget;
3) where additional budget is requested for an activity to which budget has not been allocated and the same is ascertained by the Bureau, Cabinet of the City Government may authorize transfer for the requested amount from the contingency budget.

4) The Chief Executive of a Sub-City may transfer, notifying the Sub-City Cabinet, from the emergency expenditure of the contingency budget an amount proper for the requested expenditure.

28. Additional Budget

Additional budget appropriation may be authorized by the City Council based on the recommendation of the City Government Cabinet.

29. Delay in Budget Approval

If the City Government Council has not approved the annual budget until the beginning of the new fiscal year, then until the annual budget is approved by the House.

1. the approved recurrent budget of the previous fiscal year shall be implemented on a monthly basis;

2. funds for previously approved capital projects shall be released upon approval by the Head of Bureau;

3. the amount disbursed pursuant to sub-article (1) and (2) of this Article shall be deducted from the annual budget to be approved by the City Government Council.

PART SIX

DISBURSEMENTS OF PUBLIC MONEY

30. Disbursements out of the Consolidated Fund

1. No disbursements shall be made out of the consolidated fund without the prior authorization of the City Government Council.

2. No expenditure or commitment of expenditure can be incurred from the budget approved before the budget is allocated by the Head of Bureau.

31. Disbursement Limits

Except as provided in Articles 23 to 27 of this proclamation, no disbursements to public bodies shall be made in a fiscal year which exceeds the amounts appropriated in the budgetary proclamation for that fiscal year.
32. Submission of cash Flow and Cash Requirements

1. Subject to the directives of the Head of Bureau, no disbursements shall be made out of the approved budget unless the head of the public body or his authorized representative submits the cash flow and cash requirements to the cash flow and cash requirements.

2. Payment instructions based on the cash flow requirements of the public body may only be given to a bank taking into consideration the revenue collected by the Government and the work program of the public body.

3. The Head of Bureau shall Issue the calendar for submission of cash flow and cash requirements.

33. Commitments

1. No Commitment shall be made against an appropriation except by requisition of the head of the public body or by a person authorized by him in writing.

2. No contract or other arrangement requiring payment shall be entered into by any public body unless there is a sufficient unencumbered balance from the budget to discharge any debt that will be incurred during the fiscal year in which the contract or other arrangement is made.

3. Notwithstanding the provisions of sub-article (2) of this Article, in the case of concluding long-term contract relating to a project lasting for more than one fiscal year, the ascertainment of budget appropriation for the first fiscal year of the project shall be sufficient.

4. The Bureau shall determine the procedures to the followed and the manner in which records for the control of financial commitments chargeable to each budgetary item will be registered.

5. The head of the public body shall maintain the records for the control of financial commitments chargeable to each budgetary item in a manner prescribed by the Bureau.
34. Payments for Goods and Services

1. No payment shall be made by any public body unless, in addition to any other voucher or certificate required by the head of the public body or other person authorized by him certifies:

a) In the case of a payment for the performance of work, the supply of goods or the rendering of services.

i) that the work has been performed, the goods supplied or the services rendered, and that the price charged is according to the contract, or if not specified by the contract, is reasonable,

ii) that a payment is to be made, under the terms of the contract, before the completion of the work, delivery of the goods or rendering of the service, that the payment is according to the contract

iii) that, in accordance with the procedures prescribed by the Bureau, payment is to be made in advance of verification, that the claim for payment is reasonable; or

b) In the case of any other payment, that the payee is eligible for or entitled to the payment.

2. The Bureau may prescribe by directive the procedures to be followed to give effect to the certification and verification required by this Article.

3. All payments over and above the threshold to be determined by the Bureau shall be effected by bank to bank transfer.

4. Public bodies shall maintain safe deposit boxes in which petty cash is kept. The amount of money to be used as petty cash shall be determined by a directive to be issued by the Bureau.
35. Grace Period for Capital Budget

Payments of invoices in connection with a capital project carried out in a fiscal year may be made in the 30 days period after the end of the fiscal year on the account of the capital budget of fiscal year ending.

36. Refunds of Revenue

Without prejudice to any limitations made by relevant laws, where it is ascertained that undue revenue is collected by the public Body, such amount may be paid to the lawful person. The mode of implementation of this provision shall be prescribed by a directive to be issued by the Bureau.

PART SEVEN

Management of Unspent Funds

37. Unspent Funds

1. Without prejudice to Article 36 of this Proclamation and the directive to be issued by the Bureau, the unspent balance of appropriation granted for a fiscal year shall laps and shall be credited to the treasury account of the Bureau.

2. Notwithstanding the provisions of sub-article (1) of this Article, unspent balance of grants and loans shall be retained in the consolidated fund for continued use as may be necessary.

38. Advances

Every advance that is not repaid, accounted for or recovered by the end of the fiscal year in which it was made shall be reported in the public accounts for that year.
39. Set-off

Any advance or any portion of it that is not repaid, accounted for or recovered in accordance with the regulation covering such advances may be recovered;

1. Out of any money payable, except for pension money:

2. where the person is deceased, out of any money payable, except for pension money or the sum payable when the contract is severed due to the death of the employee, by the City Government to the heirs of that person.

40. Refunds of Expenditure

Any amount received by the City Government in a fiscal year as:

1. A refund of an expenditure;
2. a refund or repayment of an overpayment;
3. a rebate, including a tax rebate or some other price adjustment on a payment;
4. recovery from an indemnification, or
5. a recovery under a claim for loss of or damage to the asset of a public body;

Shall be credited to the appropriation against which the related expenditure, advance or payment was charged.

PART EIGHT

PUBLIC DEBT AND LOAN GRANTED BY THE GOVERNMENT

41. Authority to Borrow

1. To borrow on behalf of the City Government, it shall be only upon authorization of the City Council.
2. The Bureau may borrow on the authorization of the City Council on behalf of the City Government from Country sources but it should not have to exceed from the determined level by the Revenue and Economic Development Minister.

42. Signing Loan Agreement

The Bureau may authorize a government office to sign loan agreement on behalf of the City Government
43. Modes of Borrowing

1. Where the Bureau borrow money on behalf of the City Government as provided under Article 41 of this proclamation, it may borrow all or part of that money by direct advance or security.

2. For the purpose of implementing sub-article (1) of this Article the Head of Bureau may:-
   a) determine the issuance and maturity dates, and dates of payment and rates of interest;
   b) sell any securities as may be necessary;
   c) enter into, and to renegotiate, such agreements relating to the issuance and sale of advances or securities as is considered necessary; and
   d) on-lend all or a portion of a borrowing subject to terms of contract and conditions satisfactory to the Bureau.

44. Borrowing for Repayment, Conversion and Consolidation of Loans

1. The Head of Bureau may borrow such sums of money as are required for payment of any direct advances, or securities that are maturing or have been called for redemption

2. The Head of Bureau may, when necessary, with the agreement of the lender;
   a) repay any loan prior to the redemption date of that loan;
   b) convert the loan into any other loan; or
   c) consolidate one or more loans taken previously into an existing or new loan.
1. The Bureau may borrow money for the efficient management of the consolidated fund from Revenue and Finance Development Ministry.

2. The loan which the Bureau borrows in accordance with sub article (1) of this Article shall be paid from the next year budget.

46. Payment of Loan Obligations

The payment of the principal, the interest on, and administrative expenses related to direct advances and securities issued by or on behalf of the City Government, is a charge on and payable out of the consolidated fund.

47. Set-off

1. The Head of Bureau may set-off the debt owed by creditors to the government against confirmed debt owed by the Government to such creditors.

2. The amount to be set-off in accordance with this Article shall be shown clearly in the financial report of the government.

48. Security

The City Government may produce security with the view to discharge obligations in accordance with the provisions of Article 43 of this Proclamation.

49. Management of Public Debts

The City Government Cabinet may issue regulations necessary for the management of the public debt of the City Government, and the payment of interest thereon.

50. Transfer of Debt or Right

1. Cabinet of the City Government may issue regulations on:-
   a) transfer of debt of the City Government;
   b) the way how third parties could transfer their rights to the City Government.

2. No debt or right could be transferred in a way contrary to what is provided by the regulations issued by the Cabinet of the City Government in accordance with sub-article (1) of this Article.

51. Records of Public Debt

The Head of Bureau shall maintain a comprehensive and detailed record regarding the following:

1. The amount of money resived by the authorization of the city council, under taken in accordance with this proclamation, by the issuance of direct advances and sale securities:
2. Containing a description of money so borrowed in this form;

3. Showing all amounts paid in respect of the principal and interest of all money so borrowed;

4. Showing all amounts paid to registers, fiscal agents and others for administrative services relating to the issuances, management and redemption of direct advances, and securities, and for administrative services relating to the issuance, management and payment of guarantees;

PART NINE

AUTHORITY TO INVEST PUBLIC MONEY

52. Investment of Surplus Funds

Without prejudice to the regulation to be issued by the Cabinet, where money in the consolidated fund is not immediately required for payments, the Head of Bureau may, subject to regulations issued by the City Government Cabinet, invest such money in eligible securities as determined by the Cabinet.

53. Establishment and Management of Sinking Fund

1. The City Government Cabinet may provide for the creation and management of sinking funds.

2. All money required for sinking funds is paid out of the consolidated fund.

PART TEN

PUBLIC PROPERTY

54. Acquisition and Disposition

No public property shall be acquired or disposed by public bodies of the City Government unless it is done in accordance with the law.
55. Care, Control and Disposition of property
The head of each public body shall, in accordance with directives of the Head of Bureau, ensure that public property under the custody of this public body:
1. is properly registered and has system of monitoring;
2. is given proper care and maintenance; and
3. is disposed of if no longer serves the public body.

PART ELEVEN
PUBLIC ACCOUNTS

56. Preparation and Reporting of Accounts
The Bureau shall prepare public accounts for each fiscal year which shall embody the audited accounts of public bodies and the audited consolidated account of the Sub Cities and submit the same to the City Government Cabinet and the City Council before the end of next fiscal year.

57. Contents of Public Accounts
The public accounts provided under Article 56 of this proclamation shall be prepared in accordance with the directive to be issued by the Bureau and shall include:
1. a statement of the City Government which contains:
   a) the financial transactions of the fiscal year,
   b) the consolidated fund,
   c) debt, guaranteed debt and contingent liabilities of the City Government,
   d) sums appropriated, expended and unexpended for the fiscal year,
   e) sinking funds, if any,
   f) budget support transferred and loan offered based on the budget support,
   g) the accounts of special funds
h) such other accounts and information as are necessary to show, with respect to the fiscal year, the financial transactions and position of the Government.

2. The opinion of the Auditor General of the City concerning his examination of the consolidated accounts of the City Government; and

3. such other information as the Head of Bureau considers appropriate.

58. Currency

The accounts of the Government shall be kept and reported in Ethiopian Birr.

59. Records and reports

1. The head of each public body shall keep financial records for the responsibilities of the public body, in accordance with a directive issued by the Bureau.

2. The head of each public body shall provide to the Bureau and office monthly reports showing the financial transactions of the public body.

3. Each public body shall close its accounts and report to the Bureau within two months after the end of the fiscal year.

4. The report to be submitted in accordance with this Article shall include the amount received as grant and loan and utilization of the same.

60. Financial Audit

1. The Head of Bureau shall prepare and submit the consolidated accounts of the City Government report to the Auditor General for investigation.

2. Each public body shall close and submit its account to the Auditor General within two months from the end of the fiscal year.

3. The public body audited shall submit to the City Government Cabinet audit report together with its performance report of the period within one month from the receipt of the last year audit inspection report.
PART TWELVE

FINANCIAL RELATIONS BETWEEN
FEDERAL AND THE CITY GOVERNMENT

61. Financial Support

1. The Financial relations between the Federal Government and the City Government also include the Federal Government support which provided under the Charter.


62. Foreign Currency

The Bureau shall prepare and submit the foreign currency demand of the City Government to the Ministry of Finance and Economic Development.

63. Reporting

1. The Head of Bureau shall determine the content and submission of reports of the government and shall prepare the City Government financial report.

2. For the purposes of macro-economic management and financial administration the government offices at city level and the Sub-Cities shall report in accordance with the decisions of the Bureau Head.

PART THIRTEEN

MISCELLANEOUS PROVISIONS

64. Losses of Public Money and Property

The City Government Cabinet, may issue regulations up on the following issues:

1. Prescribing the actions to be taken whenever there are losses of public money or public property.

2. Prescribing the records to be kept and providing for the reporting in the public accounts of every loss referred to in sub-article (1) of this Article.
65. Offences and punishments

Without prejudice to the Charter and other relevant laws, when offences committed by violating this Proclamation, the Federal Government of Ethiopia Financial Administration Proclamation No 648/2009, Article 70 shall apply.

66. Access to Records

The Bureau or any other organ authorized by law shall have unrestricted access to all books, papers, accounts and records of all public bodies which it deems to be essential to the performance of its duties.

67. Delegation of Powers

The Head of Bureau may delegate his powers under this Proclamation to the officials from his Bureau and to the officials of other public bodies and may specify the conditions in which those powers may be exercised.

68. Retention of Records

The Cabinet may issue regulation about the retention period of financial records.

69. Issuance of Regulations

Cabinet of the City Government may issue regulations necessary for the proper implementation of this proclamation.

70. Directives

The Bureau may issue directives for the proper implementation of this proclamation.

71. Repealed Laws

The Addis Ababa City Government Financial Administration Proclamation No. 16/1995 is repealed and replaced by this proclamation.

72. Inapplicability

Any Proclamation, regulation, directive or practices inconsistent with this proclamation shall have no effect with respect to matters provided under this Proclamation.
73. Transitory Provision

Financial transactions commenced before the effective date of this proclamation shall be concluded in accordance with the system laid down by the Addis Ababa Financial Administration Proclamation No.16/1995 and regulations and directives issued thereunder to implement that Proclamation.

74. Effective Date

This Proclamation shall enter into force as of 9th day of November 2009.

Addis Ababa
Done at this 9th day of November/2009

Kuma Demeksa
Mayor of Addis Ababa City