



HIRSHABELLE STATE OF SOMALIA

Public Financial Management Law 2018

Applicable from

31 March, 2018

Regulation #10

Financial Record Filing, Safekeeping & Retention Policy

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1. Authority, Purpose & Scope

1.1 This regulation is issued pursuant to Section 30 and Paragraph 7 of the Public Financial Management Law, 2018.

1.2 This regulation is a “disallowable instrument” as defined in the PFM Act and in accordance with Section 7 is subject to a review period not to exceed ten (10) days by Parliament

1.3 The purpose of this Regulation is to provide guidelines for filing, safekeeping and retention of financial records (documents). This applies to both physical and electronic financial documents.

1.5 This regulation applies to to all agencies, entities and institutions of the Hirshabelle State of Somalia as defined in Section 1, Paragraph 3 of the Public Financial Management Law, 2018.

1.4 The broad categories of financial records covered by this regulation are:

- Bank Account Records (Manual & Electronic)
- Expenditure Records (Manual & FMIS maintained)
- Receipts and Revenue Records (Manual & FMIS maintained)
- General Ledger Records (FMIS maintained)
- Salaries and Related Records (Manual & FMIS maintained)
- Capital Asset Records (Manual & FMIS/AMM maintained)
- Procurement Records (Manual)
- Other Accountable Financial Records (Manual)
- Taxpayer returns (Manual)
- Documents relating to case management (Manual and RMS maintained)
- Documents relating to Appeals (Manual)
- Applications for exemption and exemption certificates (Manual)
- Records and documents of statutory committees (Appeals Board)
- Registers of Taxpayers and taxable properties (Electronic databases, with history)

1.5 This regulation does not apply to documents from:

- Social media records such as Facebook, Twitter, LinkedIn, blogs, wikis,
- Photographs – e.g. official photographs documenting business activities, Flickr
- Videos – e.g. YouTube, Vimeo, video conferencing, teleconferencing, video instant messaging and podcasts
- Electronic messaging – e.g. voicemail, instant messaging (including Lync & Skype), SMS (short message service), multimedia message service (MMS), excluding Email and other electronic word processing documents such as Word and Excel.

2. Definitions

“*Record*” means any recorded information or data (documentation), related to the transactions of the government, in any physical format or media created or received by an organization during its course of official business and kept as evidence of policies, decisions, approvals, procedures, functions, and transactions

“*Financial Record*” means any record that pertains to public finance transaction of the Hirshabelle State of Somalia

“*Records Management*” means the process and organizational function of efficiently and systematically controlling the creation, receipt, maintenance, use and disposition of records. This includes processes for capturing and maintaining evidence of and information about business activities and transactions in the form of records, to meet operational business needs, accountability requirements and community expectations.

3. Public Finance Transaction Documentation Filing, Safekeeping & Retention Policy

3.1 Principles

3.1.1 Records are valuable assets of organizations. Good records management not only helps protect records, but also enhances organizations’ operational efficiency. Records management is an important function of any government. Good and proper recordkeeping is evidence of a well-governed entity and is an integral part of, rather than incidental to, any government unit.

3.1.2 By setting out the principles and good practices relating to records management, and providing guidelines, this document aims to help government entities and their staff to assess the way in which they are managing their records and to pursue improvements if necessary.

3.1.3 In the absence of adequate resources to implement a fully modern and state-of-the-art records management system to capture all the various records related to public finance transaction, this regulation seeks to set out some minimum requirements to guide the entities of the Hirshabelle State of Somalia As the Hirshabelle State of Somalia matures and has access to greater resources, both human and financial, it is fully expected that this regulation will be updated as required.

3.2 Record filing

3.2.1 Financial record filing must be well organized and classified in a systematic, logical, consistent and scalable manner to facilitate accurate and complete documentation retention and retrieval.

3.2.2 The filing system must provide robust security and access control for records, both physical and electronic.

3.2.3 See Appendix 1 to this Regulation for guidance on characteristics of the filing system for public finance records.

3.3 Record Safekeeping

3.3.1 All records storage areas must be clean, tidy, secure and free from water and fire hazards. Records must be stored in records storage equipment without having them stacked on the floor or on the top of cabinets and racks.

3.3.2 Records must be stored in an environment that is compatible to their format and retention period.

3.3.3 Records storage areas must be secure against unauthorized access.

3.3.4 All original manual records, as indicated in Appendix 1 to this Regulation, must be scanned (if not in electronic mediums) and stored electronically on a 3rd party site should government off-site electronic storage facilities not be sufficient.

3.3.5 The Director General (Permanent Secretary) shall issue further instructions on how electronic documentation will be stored offsite.

3.4 Record Retention

3.4.1 Refer to Appendix 1 to this Regulation for record retention policy.

3.5 Document Disposal

3.5.1 Public Finance Records disposal will be controlled centrally by Director General (Permanent Secretary) of the Ministry of finance.

3.5.2 All financial record disposals by entities described in paragraph 1.4 must make a formal request to the Director General (Permanent Secretary) of the relevant Ministry in a format to be prescribed by the Director General (Permanent Secretary)

3.5.3 The Director General (Permanent Secretary) must notify and seek approval from the Auditor General for disposal of documents before undertaking disposal.

3.5.4 The Director General (Permanent Secretary) must keep a register of all documents that are destroyed. The key information to maintain in the register is (i) date of disposal, (ii) description of documents destroyed, (iii) the method used to destroy the documents, (iv) person who supervised the disposal, (v) reference numbers of letters and dates permission was given by Auditor General to destroy records.

3.5.5 All paper documents are to be disposed of in a two-step process. The first step is to shred the documents and the second step is to burn via an incinerator.

3.5.6 All electronic documents are to be disposed using industry-standard electronic file shredding software. If not maintained locally, when selecting the 3rd party storage service, this ability must be investigated to understand the ability to permanently destroy. Electronic file shredding will be fully coordinated with the ICT Director of the Hirshabelle state of Somalia.

4. Entry into Force

4.1 This Regulation is deemed to have entered into force on date issued of of **31/03/2018**

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of

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Appendix 1 – Types of Public Finance Records, Characteristics of Filing/Storage System & Recommended Retention Period

Bank Account Records

Type	Item #	Description	Characteristics of Filing & Storage System	Recommended Retention Period [After Audit Completed]
Cheques & Associated Records	1	Where cheque book butts exist for all manual cheques written (fully used books)	<ul style="list-style-type: none"> Stored in safe, secure, dry area with access only for Treasury staff Filed in numerical sequence 	7 years
	2	Manual Cheque Books - unused	<ul style="list-style-type: none"> Stored in safe, secure, dry area with access only for Treasury staff (Treasurer or designate) Filed in numerical sequence 	Retained till Used or Bank Revokes
	3	Electronically-produced cheques from FMIS	<ul style="list-style-type: none"> Copies of signed FMIS-produced cheque and filed as part of Commitment Payment Order (CPO) for non-salaries or Payment Order for Salaries & Allowances (POSA) document packages 	7 years
	4	Used manual cheques	<ul style="list-style-type: none"> If returned by bank, Stored in safe, secure, dry area with access only for Treasury staff. Manual cheque numbers to be recorded in FMIS Copies of signed manual cheques taken and always attached to copy of signed FMIS-produced cheque and filed as part of Commitment Payment Order (CPO) for non-salaries or Payment Order for Salaries & Allowances (POSA) document packages 	7 years
	5	Cancelled/Voided Cheques	<ul style="list-style-type: none"> Stored in safe, secure, dry area with access only for Treasury staff Filed in numerical sequence Attached to the cheque book butt 	7 years

Financial Record Filing, Safekeeping & Retention Policy

Type	Item #	Description	Characteristics of Filing & Storage System	Recommended Retention Period [After Audit Completed]
	6	Stop payment orders on cheques	<ul style="list-style-type: none"> Stored in safe, secure, dry area with access only for Treasury staff Filed in date-issued sequence 	7 years
	7	Cheque register	<ul style="list-style-type: none"> Maintained by FMIS and stored in the cloud. Should manual cheques be issued in tandem with FMIS-issued cheque, the manual cheque # is to be noted in the FMIS to maintain an electronic record. 	7 years
Bank Deposits	8	Bank deposit books, slips or used butts	<ul style="list-style-type: none"> Stored in safe, secure, dry area with access only for Treasury staff Filed in numerical sequence 	7 years
	9	Summary of daily deposits	<ul style="list-style-type: none"> Stored in safe, secure, dry area with access only for Treasury staff or Finance staff of revenue-collecting Ministries or Agencies Filed in date-issued sequence 	7 years
Bank Reconciliations	10	Physically Printed and Approved Bank Reconciliation Reports	<ul style="list-style-type: none"> Stored in safe, secure, dry area with access only for Treasury staff Filed in date-issued sequence 	7 years
	11	Electronically Maintained	<ul style="list-style-type: none"> Stored automatically by FMIS in cloud 	7 years
Bank Statements	12	Physical Statements	<ul style="list-style-type: none"> Stored in safe, secure, dry area with access only for Treasury staff Filed in date-issued sequence 	7 years
	13	Electronic	<ul style="list-style-type: none"> Stored by banking institution, access via Bank's website as required 	7 years
Electronic Funds Transfer Instructions	14	Electronic funds transfer is conducted via a manual instruction issued to the FMS' bank. currently There is no electronic system to system instruction due to no inter-bank transfer system in place.	<ul style="list-style-type: none"> Signed Employee form filed with the POSA documentation package. Signed physical cheque issued from FMIS, which contains the vendor's bank account number and is thus a transfer instruction, filed with the CPO documentation package. 	7 years

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Expenditure Records (Non-salary)

Type	Item #	Description	Characteristics of Filing & Storage System	Recommended Retention Period
Commitment Payment Order (CPO) Document Package	1	Package of complete documentation supporting payments from time of original commitment through to receipt of goods and services, including all supporting invoices and terminating with payment.	<ul style="list-style-type: none"> Copies maintained at submitting Ministry or Agency. Filed in CPO # order Originals stored with Treasury as all payments are processed centrally All CPO packages to scanned & stored by a 3rd party storage facility 	7 years
Vendor Addition Authorization	2	Vendor addition authorization form (manual)	<ul style="list-style-type: none"> Originals filed in vendor number order (vendor number issued from FMIS) 	7 years
Petty cash Records	3	Working Funds records/books	<ul style="list-style-type: none"> Stored in safe, secure, dry area with access only for Treasury staff or Finance staff of Ministries or Agencies that have been given Working Funds from Treasury 	7 years
	4	Working Funds receipts	<ul style="list-style-type: none"> When working funds replenished, receipts are filed with the CPO 	7 years
Travel Allowance Issuance & Retirement	5	Application and retirement forms, along with all supporting documentation in support of issuance and retirement.	<ul style="list-style-type: none"> Copies maintained at submitting Ministry or Agency. Originals maintained with Treasury department. Copies filed by employee name, original forms part of the CPO package for payment or receipt documentation package reimbursement of cash upon retirement. 	7 years

Salaries and Related Financial Records

Type	Item #	Description	Characteristics of Filing & Storage System	Recommended Retention Period
Payment Order for Salaries & Allowances	1	Package of complete documentation supporting	<ul style="list-style-type: none"> Copies maintained at submitting Ministry or Agency. 	7 years

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Type	Item #	Description	Characteristics of Filing & Storage System	Recommended Retention Period
(POSA) Document Package		payments to civil servants and otherwise salaried employees	<ul style="list-style-type: none"> Filed in POSA # order All POSA packages to scanned & stored by a 3rd party storage facility Originals stored with Treasury as all payments are processed centrally 	
Employee Addition & Maintenance Form	2	Employee addition/maintenance authorization form (manual)	<ul style="list-style-type: none"> Originals filed in Employee number order (employee number issued from FMIS) 	7 years

Accounting Ledger Records

Type	Item #	Description	Characteristics of Filing & Storage System	Recommended Retention Period
General Ledger, Cash Book, Sub-ledgers, Commitment Ledgers, Allocation Ledgers, Liabilities, Payments Ledger, Bank Reconciliation	1	All accounting is performed through a cloud-based Financial Management Information System	<ul style="list-style-type: none"> All financial records processed through the FMIS are maintained in the "cloud", hosted by the software provider. No action required by Hirshabelle state of Somalia, other than paying the yearly hosting fee to ensure system continues to function. 	10 Years

Receipts and Revenue Records

Type	Item #	Description	Characteristics of Filing & Storage System	Recommended Retention Period
Receipts	1	Unused pre-numbered receipt books issued by MoF	<ul style="list-style-type: none"> Maintained by MoF or revenue collecting Ministry or Agency in a locked, secure area, sorted by receipt book number range and register of receipt books maintained, indicating issued and not issued books. 	7 years
	2	Copies of issued manual receipts	<ul style="list-style-type: none"> Maintained by MoF or revenue collecting Ministry or Agency (relevant copy) in a locked, secure area, sorted by receipt number. 	7 years

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Type	Item #	Description	Characteristics of Filing & Storage System	Recommended Retention Period
	3	Butts of used receipt books	<ul style="list-style-type: none"> Maintained by MoF or revenue collecting Ministry or Agency in a locked, secure area, sorted by receipt book number range and register of receipt books maintained, indicating issued and not issued books. Used books to be returned to MoF quarterly and receipt book register updated. 	7 years
	4	Electronic receipts issued by RMS	<ul style="list-style-type: none"> Hard copy maintained by MoF or revenue collecting Ministry or Agency in a locked, secure area, sorted by receipt number range. Electronic version of receipts processed through the RMS are maintained in the "cloud", hosted by the software provider. 	7 years
Revenue Register	5	Revenue recorded in Revenue Management System (RMS)	<ul style="list-style-type: none"> Revenue register maintained through the RMS are saved in the "cloud", hosted by the software provider. 	10 Years
	6	Revenue recorded in Financial Management Information System (FMIS)	<ul style="list-style-type: none"> Revenue register maintained through the FMIS are saved in the "cloud", hosted by the software provider 	10 Years
Taxpayer Returns	7	Prescribed forms and accompanying evidence	<ul style="list-style-type: none"> Maintained by MoF or revenue collecting Ministry or Agency in a locked, secure area, sorted by TIN 	7 years
Documents Relating to Case Management	8	Manual and RMS maintained	<ul style="list-style-type: none"> Retained in the case management module of RMS, additional documents attached or retained physically in a locked secure area, sorted by TIN 	7 years
Documents Relating to Individual Appeals	9	Applications, evidence and supporting documents	<ul style="list-style-type: none"> Retained in the case management module of RMS, additional documents attached or retained physically in a locked secure area, sorted by TIN 	7 years
Applications for Exemption and Exemption Certificates	10	Application forms and evidence	<ul style="list-style-type: none"> Retained in the case management module of RMS, additional documents attached or 	7 years

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Type	Item #	Description	Characteristics of Filing & Storage System	Recommended Retention Period
Committee Documents Relating to any Statutory Committee including the Appeal Board	11	Minutes, agendas, attached or tabled documents other than those relating to specific cases.	<ul style="list-style-type: none"> retained physically in a locked secure area, sorted by TIN Retained in an identified secure folder in the Ministry it system or in a locked secure area, sorted by date. 	7 years
Registers of Taxpayers, or Taxable Properties	12	Cloud-based Electronic database, containing details of the taxpayer or taxable property.	<ul style="list-style-type: none"> Maintained securely in RMS system. With retention of historical changes. 	Changes retained for 7 years

Capital Asset Ledger

Type	Item #	Description	Characteristics of Filing & Storage System	Recommended Retention Period
Permanent Capital Asset Register	1	Cloud-based Asset Management Module records key data points on each asset that is tracked by the FMS in accordance with their capital asset policy.	<ul style="list-style-type: none"> All financial records processed through the FMS are maintained in the "cloud", hosted by the software provider No action required by FMS, other than paying the yearly hosting fee to ensure system continues to function. 	10 Years
	2	Manual forms that authorize all additions, edits and disposals of capital assets	<ul style="list-style-type: none"> Copies maintained at submitting Ministry or Agency. Filed in CPO # order Originals stored with MoF department assigned to maintained Capital Asset Register as register is maintained centrally 	7 years
	3	Capital Asset Disposal Records	<ul style="list-style-type: none"> To be defined in Capital Asset Disposal Regulation 	To be defined in Capital Asset Disposal Regulation

Procurement Records

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Type	Item #	Description	Characteristics of Filing & Storage System	Recommended Retention Period
Issued Bidding Documents	1	All forms of issued bidding documents in accordance Regulation #8, Establishing Public Procurement Policy & Procedures	<ul style="list-style-type: none"> All issued bidding documents will be provided with a unique number, issued by the procurement department upon release of bidding document. Filed by bidding-document number Originals stored with centralized MoF procurement department. All bidding document packages to be stored electronically by a 3rd party storage facility 	7 years
Responses to Bidding Documents	2	All bid responses and clarification questions answered before bid closure deadline.	<ul style="list-style-type: none"> All bid responses will be filed alphabetically under the bidding document number against which the response pertains. Originals stored with centralized MoF procurement department. All bid response document packages to be scanned (if not submitted electronically) & stored by a 3rd party storage facility 	7 years
Bid Evaluation Reports	3	Bid evaluation committee final report on procurements undertaken and award recommendation	<ul style="list-style-type: none"> Originals stored with centralized MoF procurement department, filed by bidding document number. All signed bid evaluation reports to be scanned & stored by a 3rd party storage facility. 	7 years
Contracts or Purchase Orders Issued	4	All Contracts and Purchase Orders issued upon finalization of bidding process and awarding procurement.	<ul style="list-style-type: none"> Originals stored with centralized MoF procurement department, filed by contract or purchase order number, linked to the original bid document number. All signed Contracts and Purchase Orders to be scanned & stored by a 3rd party storage facility. 	7 years

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Other Accountable Document Financial Records

Type	Item #	Description	Characteristics of Filing & Storage System	Recommended Retention Period
Financial Statements	1	Year-end audited financial statements & notes thereto	<ul style="list-style-type: none"> Signed copy stored electronically by a 3rd party storage facility. 	7 years
Appropriation Act	1	Schedule #1 Original Appropriation	<ul style="list-style-type: none"> Signed original stored electronically by a 3rd party storage facility Schedule #1 is retained in the Budget Planning Module (BPM) and is stored on the cloud by the BPM host provider 	7 years
	2	Schedule #2 Supplementary Appropriation(s)	<ul style="list-style-type: none"> Signed original stored electronically by a 3rd party storage facility Schedule #1 is retained in the Budget Planning Module (BPM) and is stored on the cloud by the BPM host provider 	7 years

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