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Research Paper

Principles and Practices of Vouchering and Cash Duties In Public Sector Accounting: The Nigerian Navy In Perspective

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Abstract
The Armed Forces and other agencies of government are funded by the federal government for the performance of its constitutional roles. The assigned roles which includes the defense of the territorial integrity of Nigeria, acting in aid of civil power and commitment to regional and global peace in synergy with other organization. The Nigerian Navy (NN) as an organisation was established in 1956 as a vital arm of national security assigned with specific roles in the nation's defence apparatus. To fulfil these roles, she has to recruit, train and retain capable hands as well as procure, maintain and update its platforms and weapon systems, in addition to providing and maintaining support facilities for running them. These activities requires huge amount of funds. The funds allocated to the NN to enable her perform her duties to the nation are derives from various sources which includes agriculture, trading, oil exploration, direct and indirect taxes etc.
Public sector refers to all Organizations that are neither owned nor operated by private individuals or Organizations. In other words, public sector consist of all the Organizations that are owned, operated and financed by the Government on behalf of the people. In Nigeria, the public sector refers to the federal government, the 36 states, the 774 local government councils, all government corporations, commissions and institutions. On the other hand, accounting is the process of identifying, measuring and communicating the economic information of an organization to its users who need the information for decision making. Every allocation made from public account to finance the various public sectors must be judiciously utilized and accounted for in the various books of account. The process of recognizing obligations and authorizing disbursement of public fund for accountability purpose is called vouchering. Similarly, payment is a financial obligation by the disbursement of money for goods supplied and services rendered. Payments can either be made by cash, cheque and bank transfer depending on the nature of transaction. However, all payments are made through vouchers made out in appropriate Treasury Forms. These payment vouchers are checked, audited and posted into the cash book and subsequently retired to the final accounts.
Keywords: Public sector, vouchering, cash duties,

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I. Introduction

The Armed Forces and other agencies of government are funded by the federal government for the performance of its constitutional roles. The assigned roles which includes the defense of the territorial integrity of Nigeria, acting in aid of civil power and commitment to regional and global peace in synergy with other organization. The Nigerian Navy (NN) as an organisation was established in 1956 as a vital arm of national security assigned with specific roles in the nation's defence apparatus. To fulfil these roles, she has to recruit, train and retain capable hands as well as procure, maintain and update its platforms and weapon systems, in addition to providing and maintaining support facilities for running them. These activities requires huge amount of funds. The funds allocated to the NN to enable her perform her duties to the nation are derives from various sources which includes agriculture, trading, oil exploration, direct and indirect taxes etc.

The revenues generated by the Government are paid into the 'Consolidated Revenue Fund' (CRF) and subsequently disbursed as allocation to the Accounting Officer of Ministries or Parastatals through warrants. The warrant is further supported with cheque/e payment to the face value on the warrant. The charges made from this account to Ministries or Parastatals by means of warrants is called public fund. "A fund is an independent item of expenditure that is provided for a specific purpose, governed by special regulations and different from other funds". Every allocation made from public account must be judiciously utilized and accounted for in the various books of account. The process of recognizing obligations and authorizing disbursement of public fund for accountability purpose is called vouchering. Similarly, payment is a financial obligation by the disbursement of money for goods supplied and services rendered. Payments can either be made by cash, cheque and bank transfer depending on the nature of transaction. However, all payments are made through vouchers made out in appropriate Treasury Forms. These payment vouchers are checked, audited and posted into the cash book and subsequently retired to the final accounts. Accordingly, the general duties of the cash office are mainly the receiving and paying of cash. It's also includes the keeping of cash book to records all the cash transactions and the operations of a bank account on which cheques and electronic mandate are drawn and providing timely, accurate and relevant financial information to its users. The survival of the NN and its continued ability to perform its assigned roles calls for an efficient and sound vouchering and cash duties. It also calls for proper understanding of the intricacies of a sound management of security documents by all accounting officers. The aim of this paper is to highlight the basic principles and practices of vouchering and cash duties in public sector the NN in perspective.

The concept of public Sector Accounting

Public Sector Accounting is the systematic process of recording, communicating, summarizing, analyzing and interpreting the financial statements and statistics of Government in aggregate and details. It deals with the receipts, custody, disbursement and rendering of stewardship on public funds entrusted". (R A Adams, 2004). The main aim of the government is not to make profit but to render essential services to her citizens. Public sector accounting can be used to measure incoming revenue and outgoing expenses of the government. It can also be used for budgeting, planning and forecasting. Although the main aim of most public sector entities is not to generate profit, it is still important to know how an agency is doing financially. The public sector is government accounting. Since they are not for profit businesses, the accounting for them is different from accounting for businesses that are for profit maximization.

Public sector refers to all Organizations that are neither owned nor operated by private individuals or Organizations. In other words, public sector consist of all the Organizations that are owned, operated and financed by the Government on behalf of the people. In Nigeria, the public sector refers to the federal government, the 36 states, the 774 local government councils, all government corporations, commissions and institutions. On the other hand, accounting is the process of identifying, measuring and communicating the economic information of an organization to its users who need the information for decision making. It identifies transactions and events of a specific entity. When the two concepts are combined, we can see that public sector accounting is an aspect of accounting. It covers accounting in government ministries and extra-ministerial departments (either at federal or state levels), local governments, government parastatals, government committees, task forces and commissions amongst others.

Public sector accounting refers to all the financial documents and records of public institutions that relate to the collection of tax payers money, and the analysis, control of expenditure, administration of trust funds, management of government stores and all the financial responsibilities and duties of the relevant organs. It is a system of accountability through which the established institutions of the public render stewardship on the revenue of the Nation and how it has been disbursed. It includes the process of recording, analysing, classifying, summarising, communicating and interpreting financial information about the public sector in aggregate and in 10 details, recording all transactions involving the receipt, transfer and disposition of public funds and property

Objectives of Public Sector Accounting.

The following are the basic objectives of public sector accounting

i. **To ascertain the authenticity of transactions and their compliance with the established laws, regulations and statutes**. Public Sector disbursements should accord with the provisions of the Appropriation Acts and Financial Regulations. There should be due authorizations for all payments so as to avoid the commission of acts of misappropriation.

ii. **Provide evidence of stewardship**. Rendering stewardship is being able to account transparently and diligently for resources entrusted. Public Sector operators are constrained to display due diligence and sense of integrity in the collection and disposal of public funds.

iii. **Assisting, planning and control**. The future is full of risks and uncertainties. Mapping out plans prevents an organisation from drifting from the right direction. Plans of actions provide the focus of activities which are being pursued. The circumstances which are not seen are built into plans so as to avoid or at least reduce corporate failure. Public Sector establishments should act in accordance with the 'mandate theory' of governance.

iv.**Ensuring objective and timely reporting.** The users of information on Public Sector Accounting are in a hurry to bridge their knowledge gaps of what the Government of their country is doing. They definitely value quick and accurate statistics to evaluate the performance of Government.

v. **Examining the costs incurred and the benefits to be enjoyed**. In the Public Sectors, it is not easy to measure costs and benefits in financial terms in all respects. The analysis of Cost-Benefit assesses the economic and social advantages (benefits) and disadvantages or inconveniences (costs) of alternative courses of actions, to ensure that the comfort of the citizens is well catered for.

vi. **Prevention of Corruption**. Even though corruption has eaten deep into the various sectors of government. A well define internal control mechanism could go a long way to curb corruption.

Others purposes of public sector accounting includes: The ruling government is the steward of the resources and finances of the Nation. Government has to give account of how these finances are used.

To enable Government to plan well the future activities and programmes of the Nation.
To provide a process of controlling the use of the financial and other resources.
To provide the means by which actual performance may be compared with the target set.
To evaluate the economy, efficiency and effectiveness with which governance is carried out.

Types of Information Produced by Public Sector Organizations
The information produced by public sector organizations is by no means static. The information has been limited only to the needs of the user. In general, we may categorize the different types of information generated by public sector organizations as:

i. **Statutory information**: These are mandatory information that public sector organizations are required to produce by virtue of laws the established them. The Financial Administration Regulations (FAR) compels Ministries, Departments, and Agencies (MDAs) to produce monthly, quarterly and annual report of their finances and operations.

ii. **Financing information**: These are information demanded by donors and other funding agencies to be produced by public sector organization according to a stipulated format. 3 This information focuses accountability, performance evaluation, and objectivity on public interest of the programmes.

iii. **Planning information**: Planning by spending agencies in Uganda is based on a medium term expenditure framework (MTEF) which operates on cash basis normally for a period of three years. All spending agencies are expected to prepare their budgets on this planning model and report on the progress of their planning, programming and budgeting schemes.

iv. **Budgetary information**: Budgetary information relates to the utilization of budgets as instruments of national economic management, communicating the resource constraints to spending departments, reducing gaps between planned and actual expenditures and achieving better control of public expenditures.

v. **Control information**: Central control and monitoring of expenditure during a year is done by the treasury which provides regular reports on what has been spent and the estimated outturn of the year. Information for monitoring comes each month from the records of receipts and payments to Consolidated Fund maintained by the treasury. Control is exercised through cash limits that provide a system of government control of expenditure during the financial year.

Users of Public Sector Financial Information

Donor Community. Whether organizational objects are pursued, and plans and targets are attainable

Media. How Government financial information impacts on all aspects of society
Economic Planners. Whether Government financial information are adequate and received timely for planning purposes

Taxpayers. The consequences of Government spending, whether they will result in improvements in their living standards and/or increase taxation or inflation

Bankers and Lenders to Government. The financial position of government especially its ability to pay loans and interest thereon and Governments ability to borrow money.

Regul atory bodies. Whether Government spending meets legal requirements and whether financial controls are adhered to by spending agencies

Governments Economic Monitoring Authorities. Whether there is deficit or surplus on current accounts the quantum, and whether to borrow or mop up liquidity in the economy

Budget Analysts, Managerial Accountants and Investors. The trends of current monthly accounts and historical costs to help predict the future financial and economic position of the economy.

Revenue and other Finance related Agencies of Government. Monitor financial position of government as a basis for structuring managerial and employees rewards system, such as bonuses for staff

Controller and Accountant-General. Uses financial reports to develop and maintain a management information system, capturing real time, the past, present and emerging development and behaviour patterns of various Government organizations.

Auditor-General. Whether Government accounts have been properly kept and records properly reported on The Government Trade Unions Require financial information to be used in salary negotiations. Contractors and suppliers of goods Are there enough money to pay for Government contracts?

Non-Governmental Organisations Want to know key areas of the state that require social or economic intervention

The World bank, IMF, Multilateral and Bilateral Agencies and Foreign Governments Wants to know the financial and economic performance of the country, where to assist, where to advice. They want to assess the effectiveness of spending on Poverty Alleviation, the sustainability of Fiscal Policies, net debt, net wealth, contingent claims against the Government and obligations for government pensions.

Private Sector Business Whether Government borrowing from the commercial banks would affect their business, and whether they can do business with the Government?

The legal and regulatory framework of public sector Accounting

The legal and regulatory framework for public sector accounting and financial management consists of the following among others:

i **The Nigerian Constitution of 1999**. The constitution is the fundamental law from which all other laws in the country are derived. Thus it is the most important regulatory framework of public sector accounting. It provides for the establishment of the consolidated revenue fund and the Federation Account among others. It prescribes for how money can be withdrawn from the consolidated revenue fund. It is also concerned with auditing of government departments and parastatals by indicating the appointment, duties and removal of the Auditor-General of the Federation.

ii Finance (Control and Management), Act 1958. This is the major law on which the foundation of government accounting rests. It is the basic law which governs the procedure and control of all financial operations of government. The Act regulates the management and operation of government funds. It prescribes the books of accounts to be operated and the procedures to be adopted in the preparation of accounts and financial statements. The Act consists of six parts: Provides for the general supervision and legislative control of public monies. It authorises the Minister of finance to supervise the expenditure and finances of the Federation as to ensure that a full account is made to the Legislature. It also entrusts to the Minister the management of the Consolidated Revenue Fund and the supervision and control of all matters relating to the financial affairs of the Federation which are not by law assigned to any other Minister. Its also provides for the management of the consolidated revenue fund. It gives the Minister the power to authorise by warrant the issue from the Consolidated Revenue Fund of moneys necessary to meet statutory expenditure

iii. Audit Ordinance (Or Act) Of 1956. The Act deals generally with the audit of government accounts. It Act covers the appointment, tenure, remuneration and termination of the Auditor-General for the Federation. (known in the Act as the Director of Federal Audit). It caters for the audit of public accounts, including parastatals. The Act provides that the Director of Federal Audit shall on behalf of the House of Representatives inquiries into and audit the accounts of all accounting officers and of all persons entrusted with the collection, receipt, custody, issue or payment of federal public moneys, or with receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores or other property of the government of the Federation (section 7(1).

iv **Fiscal Responsibility Act (FRA) 2007**. The Fiscal Responsibility Act 2007 is an act to provide for prudent management of the Nation’s Resources, ensure Long- Term Macro-Economic stability of the National Economy, secure greater accountability and transparency in Fiscal operations within the Medium Term Fiscal Policy Framework, and the establishment if the Fiscal Responsibility Commission to ensure the promotion and enforcement of the Nation’s Economic objectives; and for related matters. The 2007 Act has been amended by the Fiscal Responsibility Act 2011

v. Treasury/Finance Circulars And Circular Letters. These are administrative instruments which are issued for the purpose of guiding day-to-day routine operations of the departments of government. They are used in amending existing provisions of public service rules and Financial Regulations.

vi. Appropriation Bill. In line with the transparency and accountability, the Act provides for the publication of Audited accounts and Publication of a summarized report on budget execution

vii. Appropriation Acts. Money Bills when passed into laws become Appropriation Acts. They regulate financial matters, including the payment or withdrawal from the Consolidated Revenue Fund. Appropriation Acts are passed yearly, for the release of public money so as to render services in the years to which they relate. Appropriation Acts may direct a change in the way of operating any fund, apart from the Contingencies Fund and the Consolidated Revenue Fund.

viii. Public Procurement Act (PPA) 2007. The goal of public procurement is to award timely and cost-effective contracts to qualified contractors, suppliers and service providers for the provision of goods, work and services to support government and public services operations, in accordance with principles and procedures established in the public procurement rules.

x. **Freedom of Information Act (FOI) 2011.** The Freedom of Information Act (FOIA) supersedes the Official Secrets Act (OSA), originally enacted in 1911, which forbade the unauthorised transmission, obtaining, reproduction, or retention of any classified matter. The Act applies not only to public institutions but also to private organisations providing public services, performing public functions or utilising public funds. The underlying philosophy of Freedom of Information is that public servants are custodians of a public trust on behalf of a population who have a right to know what they do. In particular, the FOIA promises to remove the aura of mystery and exclusion with which public servants cloak the ordinary operations of government and public institutions. It also seeks to change the manner in which public records and information are managed. The Act builds on the presumption of openness, by placing on those who wish to keep public information away from the people, the onus of justifying why they have to do so.
The Freedom of Information Act (FOIA) is an Act that gives a person, group, association or organisation the right to access information from Government Agencies, Parastatals, Federal Civil Service, Private and Public sector organisations providing public services, etc.

(vi) The Financial Regulations (2009). Financial authorities are the legal instruments that empower and guide all public officers in carrying out government financial transactions. Such financial transactions include the receipt, custody of and accounting for government revenue ; the procurement, custody and utilization of government stores and assets, and the disbursement of funds from the major gov uncut funds i.e. the Consolidated Revenue Fund (CRF), Development Fund and the Contingencies Fund, 'flic principal financial authorities are dealt with hereunder

It to be noted that certain financial matters of government are regulated by other laws of the Federation enacted by the National Assembly. These include the Finance (Control and Management) Act, CAP 144 Laws of the Federation of Nigeria. 1990, the Annual Appropriation Act and the Supplementary Appropriation Act. The Revenue Mobilisation and Fiscal Allocation Commission Act, Cap lb Laws of the Federation of Nigeria, 1990. The Minister of Finance shall issue from time to time financial regulations which shall be in accordance with existing laws and policies of government. The Accountant-General of the Federation is the 1 lead of the federal Government Accounting Services and the Treasury. He has the responsibility for providing adequate accounting systems and controls in the ministries, extra ministerial offices and other arms of Government. The overall essence is to bring about probity and accountability in the management of public fund and also fight corruption.

Vouchering System in the NN

Funds are being classified into Public and Non-public. Public funds are monies provided by government through the allocation of warrant or authority to incur expenditure (AIE) such as running cost, ration, funds from special government grants and proceed from the disposal of government assets. These monies are allocated from taxpayers' money and are therefore subjected to audit by federal Auditors. The audit is carried out with a view to ascertaining it trueness and fairness, as well as compliance to existing regulations. The non-public funds on the other hand, are monies generated internally from the sales of scraps, donations from philanthropist, dividend from investment, etc. These are not subjected to audit by the Federal Auditors but internal audit and investigation is carried out for the purpose of proper management. It should be noted that the NN is not a revenue generating arm of government. Chapter 6, Section 601 of the Financial Regulation (FR) state as "All payment entries in the accounts must be vouched for, on one of the prescribed forms. Vouchers will be made out in favour of the person or persons to whom the money is actually due".

A payment voucher is a way to record payments made to suppliers and maintain a history of payments that your business has made. A payment voucher is a memorandum of a company's liabilities. It's an important accounting tool that ensures payments are properly authorised and helps you to determine whether goods and services purchased have been actually received. Payment voucher is especially useful in situations where payments are not due immediately.

"A voucher is an accounting document made out of a prescribed form to contain the full particulars of a transaction in favour of a person or persons to whom sum of money is due". This will enable Accounting Officer to have proper checks without reference to any other documents. In the NN, all payments are made through vouchers made out in appropriate treasury forms supported with relevant documents such as approved authority, local purchase order, store receipt voucher, invoices and receipts, signals, minutes of meeting, job completion certificate, due process certificate etc. it is to be noted that, retirements of accounts without the necessary accompanying documents amounts to effort in futility and an invitation for investigation.

Vouchers are particularly important when an audit is performed. By law, public organisation is subject to an audit procedure that verifies the veracity of the information in the financial statements. Thanks to the voucher, the auditor in charge can easily verify that all the goods purchased, or the services paid, were actually received by the organisation. Thus, the vouchers are used to justify and document the cash payments of the company. On the other hand, the vouchers are used internally to reduce the risk of misconduct by employees and deter them from colluding to steal organisational assets. The vouchers create a paper trail, which documents all of the people involved with that particular transaction, as well as their tasks associated with that transaction. In such a way, it is easier to assess who is responsible for what.

Types of Vouchers and Its Use In The NN

Vouchers as accounting documents are classified according to the nature of transaction or circumstances attached to the expenditure. They are as follows:

a. **Salary Payment Voucher**. Salary vouchers are prepared base on monthly nominal rolls through which deductions are made and the balance paid into individual bank account through bank schedules.

b. **Other Charges Payment Voucher**. Other charges vouchers are prepared on various treasury forms and cover all other payments other than salary and contract.

c. **Contract Payment Voucher** . Contract Vouchers are made on treasury form 1 for settlement of bills. The voucher must be supported by necessary accompanying documents.

Preparation of Payment Vouchers in the NN

Prior to the introduction of IPPIS by the FGN, 3 payment vouchers are commonly been used for NN financial administration. There are the monthly salary voucher, contract voucher and other payment vouchers. The monthly salary voucher is prepared on receipt of the personnel Personal Emolument Record form (PE) once in every fiscal year. The information's contained in the PE form are transferred into a pay card opened for personnel with a sizeable recent passport photograph at the Nigeria Navy Central Pay Office (NNCPO). These individual pay cards are collated into different group(s) in accordance with the status, banks and branches. Several number of pay cards of the same bank, branch and status are bonded together in a big file called Kalamazoo. All information contained in the pay cards are transferred into the voucher and balanced.

The Kalamazoo passed through senior rate to the various Staff Officers for cross-checking and authorization by appending their signatures on the vouchers and all receipt vouchers. The authorized vouchers are passed through the checking office to the Internal Audit for pre-paid audit as a means of internal control established by the system. On completion of the pre-paid audit, the vouchers move to the Cash Office for collation according to banks. Cheques/mandates are raised to the value of the bank schedule and paid to the personnel's accounts. The self-accounting Commands, Units and Establishments raises payment vouchers for all other transactions outside salary. The officer demanding for fund makes a demand through appropriate file, seeking for approval by the chief accounting officer of the units. Once the request for fund is approved, it becomes a legal document for vouchering.

The vouchering section prepares PV in favour of the officer. The PV is registered and numbered accordingly. Subsequently, the voucher passes through the checking section before posting into the departmental cash and vote book. The officer controlling vote will authorize the PV before dispatching it to the Internal Audit for pre-paid audit. On completion, the voucher returns back to the Cash Office for disbursement of fund to the Payee and stamp "PAID" on the pages of the PV. All the paid vouchers are in turn entered into the cashbook, balanced it, and prepared for dispatch to the Final Accounts with necessary accompanying documents.

Rules Governing Preparation Of Voucher

Section 604-608 of the FR established rules to be observed strictly when preparing payment vouchers to avoid audit queries and appearance before Public Accounts Committee of the National Assembly. These rules are listed as follows:

a. Vouchers shall be made out in ink or typewriting. All copies must be legible.

b. There should be no erasures of any kind in both methods.

c. A single thick horizontal line will be drawn immediately before and after Naira (N) figure where it appears in words. Space is not allowed where the Naira figure is Nil.

d. The original copy of payment voucher must be signed full in legible ink by certifying officers and their payee.

e. Each certificate on a payment voucher must be signed separately.

f. Duplicate and Triplicate copies must be marked "Duplicate" "Triplicate" where carbonated copies are not suffice.

g. Alteration to the amount on a voucher in words or figures is not permitted. A new voucher must be prepared when necessary. Any other alteration must be supported by the full signature certifying the voucher.

h. All vouchers must be accompanied with the proper documents such as approved authority, receipt(s), LPO or Work orders etc.

j. All vouchers must be entered in the voucher register and forwarded for checking through voucher schedule.

k. All contract vouchers must carry the business name of the contractor and the office address.

It is important for all accounting officers to adhere strictly to these rules to avoid unnecessary audit queries. Once these rules are observed, the preparation of payment voucher becomes easier and subsequent retirement of public fund will be achieved.

Essential Features of a Valid Voucher

A good PV must contain full particulars of such services rendered, and must be supported by relevant documents such as invoice, local purchase orders, letters of authority etc. however, the following are the essential features of a welled prepared PV:

a. Date of the PV which determines its life span..

b. Classification code i.e. Head and sub- heads.

c. Amount in words and in figure which must agree.

d. Voucher number.

e. Description of payment.

f. Name and address of payee.

g. Signature of the cashier.

h. Signature of the payee.

j. Cheque number or Mandate, were payment is by cheque or e payment respectively.

k. Cashiers stamp PAID which prevent representation of the voucher for payment a second time.

l. Voucher stamp certificate. (Which indicate: prepared by, checked by, entered into vote by, passed by and paid by).

It is to be noted that, payment vouchers without the prescribed essential features will be qualified for an audit query.

General Rules On Payment

A payment is the voluntary tender of money or its equivalent or of things of value by one party (such as a person or company) to another in exchange for goods, or services provided by them, or to fulfill a legal obligation. The party making a payment is commonly called the payer, while the payee is the party receiving the payment and evidenced by a payment voucher. Payment is governed by the following basic rules which must be strictly followed:

a. Request must be made from an accounting unit/ section or officer that needs the fund.
b. Authorization from appropriate authority.
c. Payment would be made only to the person named in the voucher or his authorised representation.
d. When payment is made to legal representatives, authorities such as powers of attorney, letter of administration must be presented and attached to the PV.
e. All payments except those exempted in section 631 of the FR 2009 shall be made through E-payment
f. Payment for imported goods and services is guided by extant FR for foreign exchange transactions.
g. The use of cheques and cash for payment should be avoided
h. Money laundering must be avoided
j. Cash advance and PV register must be maintained.
k. If a PV is reported lost, proper investigation and report must be made by the accounting officer.

Limitations Of Vouchering Process In The NN

The vouchering process in the NN may be hindered as a result of the following:

a. The urgency involved in the demand for fund to perform military operation.
b. Pressure from the Appropriate Superior Authority to carry out an immediate task/operation.
c. Unexpected and unforeseen circumstances that might require immediate or urgent attention.

It is to be noted that, the aforementioned limitations, in the vouchering process does not implies that funds will not be accounted for when released to carter for operational exigencies of the NN. All finance officers are expected to ensure that public funds are properly vouched.

Cash Duties and Securities of Accounting Documents

In all offices handling cash transactions, a safe must be provided for the safe custody of cash, stock of stamps and receipt. Such safe should be built into the wall of the building or securely attached to the structure of the building. Transfer of cash from one place to another should be done in approved cash tank with armed security escort. Similarly, Officers holding the key to safes and strong room are personally responsible for the safe custody and content of the safe. Loss of any key must be reported immediately to the chief accounting officer. It is to be noted that cash officers must be responsive to their duties and avoid delving into issues that would bring disgrace to the NN. The duties of the cash office are: Receipts, custody and disbursement of approved cash, revenue collection on behalf of the Federal Government and balancing of Cashbook, Other duties of the cash office are reconciliation of all bank transactions with Cashbook, maintenance of adequate cash control measures, maintenance of adequate security measures and maintenance of proper books of accounting records such as cash book, vote book, bank reconciliation statement, electronic payment mandate etc. these books are to be updated and inspected regularly by the staff officer controlling expenditure.

Payment is made only to the person named in the voucher or his properly authorized person. When a payee is illiterate, his mark must be witnessed by literate official other than the paying officer stating his rank, title etc on the voucher. Similarly, when payments are made to legal representatives, authorities such as powers of attorney, letters of administration must be presented to the sub accounting officers and attached to the payment voucher. A payment voucher register will be maintained for authorised vouchers until it has been entered into the cash book. Furthermore, if a payment voucher is reported lost, prompt investigation will be made and a report submitted to chief accounting officer.

Accounting books are security documents. Proper care must therefore be taken by the finance officer to protect these security books from unauthorized access and guard against damaged by fire. Issuing and handling of such books should be limited to a small number of staff of the pay office. The best protection for accounting documents is storage in strong room or safe. Accounting documents are not to be destroyed or discarded at the expiration of their active lives. In order to destroy accounting documents, proper application must be sought for from AA.

II. Conclusion

The activities of the NN as a component of the national security requires huge amount of funds to meet up her statutory commitments. Public fund is the money generated from various sources including tax collection paid into an account called “Consolidated Account”. Allocations are made out of this account to Ministries, Parastatals and Departments via warrants to execute projects or to carry out certain expenses on behalf of the Government for specified purpose. This allocation is subject to Federal audit while non-public funds are monies generated from donations, dividend from investment and not subjected to Federal audit but can be investigated internally at the discretion of the unit Commander. A voucher as an accounting document is used as a record of payment made on behalf of Government for specific purposes and entered into the Cashbook. There are various types of vouchers used in the NN. These vouchers depend on the nature of transaction. The salary vouchers are used for the payment of personnel through the Central Pay Office while other vouchers are being raised by self-accounting Commands/units for non-salary expenses.

Every allocation made from public account to finance the various public sectors must be judiciously utilized and accounted for in the various books of account. The process of recognizing obligations and authorizing disbursement of public fund for accountability purpose is called vouchering. Similarly, payment is a financial obligation by the disbursement of money for goods supplied and services rendered. Payments can either be made by cash, cheque and bank transfer depending on the nature of transaction. However, all payments are made through vouchers made out in appropriate Treasury Forms. These payment vouchers are checked, audited and posted into the cash book and subsequently retired to the final accounts.

The preparation of vouchers is being governed by some rules to prevent manipulation and fraudulent practice. The urgency in demand for fund in the military and pressure from Appropriate Superior Authority are the limiting factors experienced in the due process of vouchering before disbursement of fund. A good PV must contain full particulars of such services rendered, and must be supported by relevant documents such as invoice, local purchase orders, letters of authority etc. The responsibilities of Cash Office include receipts and disbursement of fund and maintenance of proper books of accounting. In all offices handling cash transactions, a safe must be provided for the safe custody of cash, stocks of stamps and receipt. Accounting books are security documents. Therefore, Proper care must be taken by the accounting officers to protect them.

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