FINANCIAL POLICIES AND PROCEDURES

For

GREEN PARTNERS ASSOCIATION

Table of Content

1. INTRODUCTION:

This Accounting policy and procedures, documents the policies and procedures of GREEN partners Association (GPA) used to record and monitor financial transactions. This accounting policies and procedure is aimed at providing clarity regarding internal processes.

Its purpose is to help GPA:

- Guide the recording of all financial transactions
- Monitor and control expenditures
- Satisfy statutory reporting requirements
- Ensure timely and accurate financial and management reporting to donors and grant-makers

2. BUDGET PROCESS.

a. **Presentation of Budget.** Green Partners Association shall present a general annual budget for the operation of the organization to the Board of Directors for action no later than the start of the fiscal year and revision midyear and close of the fiscal year.

b. **Board action.** The Board of Directors will receive the report and recommendation of the and adopt a budget based there on.

c. **Administration of Budget.** Written documentation of expenses shall be provided to the organization's administrative office for payment of budgeted expenses. Expenses not anticipated and approved by the budget (figures and or amount) shall be referred to the board for review and direction as to payment.

Purpose of budgeting and budgetary control procedures

The purpose of budgeting and budgetary control procedures is to:

- Prepare annual and/or operational budgets
- To record cumulative expenditure to date by budget code
- To compare and monitor cumulative expenditure by budget code to the original (or revised) budget allocations from donors.

Information from the budget book can be used in the budget-monitoring sheet for reporting and also for assisting in controlling expenditure.

Ideally, the budget book should be maintained on a computer spreadsheet/globe accounting software. This makes it easy to update and amend.

Budget and expenditure procedures Principal

activities that should be performed:

1. Prepare annual work programme and budget.

2. Record the original (or revised) budget for the financial year.

3. Obtain donor approval/ or board approval in advance for revisions of budgets.

3. BANK ACCOUNTS

I. **Creation.** GPA shall maintain such bank accounts and investments as consistent with the organization's need and as authorized by the board of directors from time to time.

II. **Reconciliation.** Monthly account statements shall be sent by the financial institution to GPA and an employee (preferably from the Finance Department) who does not have signatory authority over the account shall prepare a bank reconciliation statement approved month by either of the senior management team.

a. **Signature Authority**. The following individuals have signatory authority on GPA bank accounts: The Executive Director and the Program coordinator.

b. **Transfer of Funds**. No funds shall be transferred by the GPA to or from investment accounts (excluding transfers to and from a money market account) without approval of the board of directors.

c. **Guidelines for Investments.** All guidelines apply at time of purchase.

i. Conservative investments with minimal risk are permitted.

ii. Approval by the Board before any purchase is necessary.

4. ACCOUNTING SYSTEM

The objectives of the GPA accounting system are:

● To record and classify all transactions accurately and completely

● To maintain a complete record of all:

– Revenue received

– Expenditure incurred

– Assets owned

– Liabilities due to third parties

● To report to donors on all required financial information

a- General ledger Post monthly transactions of revenue, grants received, expenditure on project activity and other transactions relating to assets and liabilities.

b- **Preparation of accounts**.

The General Ledger Accounting System is designed to improve the timeliness and quality of information available to management. Financial information includes information on assets, liabilities, revenue, funding and expenses.

General ledger procedures

Monthly

● Record expenditure by project activities

● Record other payments not relating to projects

● Record grants and other income received during the month.

● Extract monthly trial balance

● Identify and record (pass) journal entries for accrued charges and prepayments (if required)

● Prepare end of year trial balance

● Reverse year-end accruals after close of financial year. This is required to avoid overstatement of expenses.

b-Receipts

I. General. All organizational receipts for deposit shall be sent directly to the GPA for handling.

II. **Recognition of Income.** Revenue will be recognized over the period to which it relates. Such amounts earned, but not received, will be reported as receivables. Membership fees are non-refundable and shall be recognized as income upon receipt. Revenue restricted by donor or other outside parties will be reported as an increase in unrestricted net assets if a restriction expires in the year in which the revenue is recognized. All other restricted revenue will be reported as an increase in temporarily restricted net assets.

III. **Checks.** All checks shall be restrictively endorsed immediately upon receipt whether by Administrative Assistant and a staff with the notation, "For Deposit Only, [Bank Name], [Account Number]." Copies will be made of all checks received and they, together with any corresponding invoices to which they pertain, will be maintained by GPA.

IV. **Cash**. All receipts of cash will be accompanied by the issuance of a cash receipt by the GPA or any of its agents in a position to accept cash. The cash receipts shall be

Sequentially numbered and indicate the amount received, the purpose of the receipt, and be signed by the individual who received the cash on behalf of the organization. Appointed GPA staff shall maintain control of the cash receipts book at ad-hoc basis.

-All Cash should be retained in the immovable GPA safe for security purposes.

Cash Limits; GPA would maintain a limit of 500,000FCFA in it safe during working days and over the weekends a maximum of 100,000frs should be retained in the safe.

- The staff in charge of cash should have a maximum of 100,000frs within its cash till to meet the demands of GPA.

V. **Deposit**s. All funds received for deposit by GPA shall be promptly recorded and deposited into the organization's checking account within a week of receipt unless its within the cash ceiling limits of the Organization.

VI. **Dues Ledger.** GPA shall maintain a separate membership database, identifying the members name, the amount invoiced, the amount of payment, and the date of payment, and provide the ledger to the board of directors or any members thereof as requested.

5. DISBURSEMENTS

I. **Cash Disbursement Vouchers**: Documentation shall be prepared for each invoice or request for disbursement. Invoices or accompanying receipts will be attached as backups.

- Payments above 100,000frs should done by check

II. **Check book**: GPA shall maintain the organizational check book. Signatories to the organizational checking account shall be the Executive Director and the Program Director.

III. **Check Preparation and Issuance**: The coordinator shall be responsible for preparing and processing all checks to vendors endorsed by the competent authority.

V. **Expense Verification.** Before signing any check, all check signatories shall review invoices and supporting documentation to verify that it is a legitimate expense of the organization. GPA shall verify vendor invoices for accuracy in quantities ordered and received, prices charged, and overall clerical accuracy. All paid invoices and supporting documentation shall be stamped "paid" to avoid duplicate payment and shall include the date of payment and number and amount of the check. Invoices from unfamiliar or unusual vendors shall be reviewed and approved by the Treasurer before payment.

VI. **Expense Reimbursements**: Requests for reimbursement of expenses incurred by organization officers, directors or members on behalf of the organization shall be checked for mathematical accuracy and reasonableness before approval. All requests for reimbursement shall be supported by receipts or other appropriate documentation and shall include a statement of the purpose for which the expense was incurred.

VII. **Prepaid Expenses**; Expenses related to meetings and conferences to be held in future periods will be classified as prepaid expenses and will be recognized as expenses in the period during which the meeting or conference occurs.

VIII. **Unpaid Invoices**: Unpaid invoices shall be maintained in an unpaid invoice file.

6. BOOKS AND RECORDS; FINANCIAL REPORTING

I. **General**. GPA shall create and maintain all financial books and records. All such books and records shall be open to review by the Treasurer, other members of the board, and other authorized agents of the organization at all times. Cash books Record transactions of GPA bank accounts and record receipts of petty cash from the bank and petty cash expenditure.

II. **Monthly Financial Reports**. On a monthly basis as soon as practicable after receipt of the monthly bank account statement and reconciliation of the internal financial records to the bank account statement, the finance assistant shall promptly report in writing on the state of the organization's finances to the board:

a. **A Statement of Activities** showing monthly financial activity and reflecting beginning account balances, a detailed list of all cleared checks and other debits, a detailed list of all cleared deposits and other credits, ending account balances, a detailed list of all outstanding but uncleared debit or credit transactions, and ending book balances.

b. Documentation shall be maintained of all deposits or transfers of funds into any organization financial account. The finance officer shall be provided with all information relating to deposits and debits on a monthly basis accompanying the monthly bank reconciliation.

c. **A Reconciliation Detail report** showing the reconciliation between the finance register and the monthly bank statement.

III. **Annual Financial Reports**. On an annual basis as soon as practicable after receipt of the monthly bank account statement for the twelfth month of the fiscal year, the Finance officer shall provide to the BOD the following reports:

a. Annual Statements showing income and expenses by budget category;

b. End of Year Balance Sheet showing all organizational assets and liabilities as of the last day of the fiscal year.

IV. Publication of Annual Financial Reports. Annual financial reports of the organization shall be made available to any member who requests the same. The annual financial reports shall be posted in the members' area of the organization's website.

7. AUDIT COMMITTEE

I. **Audit Committee**. The board as a whole shall act as an Audit Committee to fulfil its oversight responsibilities with respect to the audit of the organization's books and financial records and ensure a system of internal controls that the organization has established.

The board shall annually hire an independent external auditor to audit the financial records.

II. Access to Records. GPA shall cooperate by providing the outside auditor access to such books and records of the organization as are necessary to carry out the audit function.

8. Internal Control Activities:

Internal control framework may be described by the type or nature of activity based on the respective departments and their respective functions.

Segregation of duties- Separating authorization, custody and record keeping roles to limit risk of fraud or error by one person.

Departments and their corresponding finance roles

- **The Senior Management Team (SMT)**: The Senior Management Team comprises of the Executive Director and the Programme Coordinator, their responsibilities not limited to these below are;
  - i) Authorization function; Authorization of activities is based on job descriptions and responsibilities. (Bank transfer payments, check validations for Bank withdrawals).
  - ii) Coordination of Personnel and resources.
  - iii) Other administrative duties as need arises.
  - iv) Authorization function; Authorization of activities is based on job descriptions and responsibilities.
  - v) At least one surprise cash audit every month to ensure that cash in vault corresponds cash Balances within the system done by Executive Director, Program Coordinator, Accountant and a third party.
  - vi) Ensure that all financial procedures and policies are strictly adhered to.

- **The Finance Department**; This department consist of the Finance Officer and the Administrative Assistant which would be exclusively responsible for the following:
  - i) Recording function: Documentation of source documents and preparation of period financial reports is the responsibility of the Finance department.
  - ii) Authorization function; Authorization of activities is based on job descriptions and responsibilities.
  - iii) Cash disbursement: The administrative assistant would be responsible to carry out all payments within the institution upon approval by the required approval authority as prescribed on the authorization threshold.

    NO PAYMENTS SHOULD BE DONE PRIOR APPROVAL FROM THE APPROPRIATE AUTHORITIES.
  - iv) Bank reconciliations.
  - v) Financial reporting
  - vi) To ensure preparation for audits or third party financial related review to be done.
  - vii) Ensure that all financial procedures and policies are strictly adhered to.
  - viii) Retention of records: maintaining documentation to substantiate transactions.
  - ix) All movement in fixed assets are recorded in the general ledger.

- **Logistics Department**

  The primary functions of an NGO logistics department include:
  - **Procurement:** Acquiring goods and services necessary for the organization's operations, including office supplies, medicine, shelter, and equipment.
  - **Warehousing:** Managing the storage and distribution of supplies
  - **Transportation:** Arranging the transportation of goods and personnel to and from the field.

- **Fleet Management:** Maintaining and managing the organization's vehicles and other transportation assets.
- **Supply Chain Management:** Overseeing the entire supply chain process, from procurement to delivery.

i) **Asset management.** Manage asset register which include monthly

ii) **Office inventory management**

I.) INTERNAL CONTROL PROCEDURES.

Objectives;

1. Ensure that procedures, policy and regulatory compliance across all the services of the Institution are being complied.
2. Ensure the integrity of the Accounts and Financial Reports of the Institution.
3. Ensure that all the assets of the Institution are properly safeguarded and optimally deployed.
4. Identify control lapses and policy inadequacies through control activities for process improvement and policy amendments.
5. Provide control, compliance counseling and advisory services to executive management and the Board.
6. To provide Management/Board with assurances that controls which govern the Institution's activities, it computer system (when/where available) and operations are properly conceived, in line with global best practice and are being effectively administered.
7. Work within the framework of the policies, directives and strategies of the institution in driving to achieve the Organizational objectives.

9. ASSETS

- **Purpose of fixed asset procedures**

The purpose of fixed asset procedures is to ensure:

- All assets purchased
- Grant recipient's assets are safeguarded by recording their details and monitoring their location and condition.
- All movements of fixed assets are accounted for in the general ledger.

These procedures provide guidance for introducing a manual for the fixed asset register and updating it for additions and disposals, as well as recording movements of assets in the general ledger.

Fixed assets and depreciation

Fixed assets are defined as tangible assets, which have been acquired either through purchase or donation with the intention of being used on a continuing basis for a period exceeding one year.

Fixed Asset Policy

Definitions:
- **Fixed Assets**: Long-term tangible assets that are used in the operations of the organization and have a useful life of more than one year (e.g., land, buildings, machinery, equipment).
- **Depreciation**: The systematic allocation of the cost of a fixed asset over its useful life.
- **Asset Register**: A record that contains details of all fixed assets owned by the organization, including acquisition cost, depreciation, location, and disposal information.
- **Capitalization Threshold**: The minimum cost at which an item is classified as a fixed asset and capitalized.
- **Useful Life**: The estimated period during which a fixed asset is expected to be used by the organization.

Policy Statements

1. **Acquisition of Fixed Assets**
   - Approval: All fixed asset acquisitions must be approved by the relevant authority or management.
   - Capitalization Threshold: Fixed assets with an acquisition cost above [50,000frs] shall be capitalized. Items below this threshold shall be expensed with exceptions to some which have a lifespan above 1year.
   - Documentation: All fixed asset acquisitions must be documented with purchase orders, invoices, and receipts.

2. **Asset Register**
   - Maintenance: The Supply Chain Officer/Procurement Officer in close collaboration with Logistic/Procurement officer shall maintain an accurate and up-to-date asset register.
   - Details: The asset register shall include the following details for each fixed asset:
     - Asset description
     - Acquisition date and cost
     - Depreciation method and rate
     - Location
     - Responsible department or individual
     - Disposal date and proceeds

3. **Depreciation**
   - Methods: Fixed assets shall be depreciated using the straight-line method, reducing balance method, or any other method deemed appropriate by the organization.
   - Useful Life: The useful life of fixed assets shall be estimated based on industry standards and the organization's experience.
   - Review: The useful life and depreciation rates of fixed assets shall be reviewed periodically and adjusted if necessary.

4. **Management and Safeguarding**
   - Responsibility: Department heads and project managers shall be responsible for the safeguarding and proper use of fixed assets assigned to their departments.
   - Tagging: All fixed assets shall be tagged with unique identification numbers for tracking and management purposes.
   - Inventory: Regular physical inventories shall be conducted to verify the existence and condition of fixed assets.

5. **Disposal of Fixed Assets**
   - Approval: All disposals of fixed assets must be approved by the relevant authority or management.
   - Methods: Fixed assets may be disposed of through sale, trade-in, donation, recycling, or scrapping.
   - Documentation: All disposals must be documented with disposal request forms, sales invoices, and recycling certificates.
   - Recording: Disposed assets shall be removed from the asset register, and any gain or loss on disposal shall be recorded in the accounting system.

6. **Financial Reporting**
   - Asset Valuation: Fixed assets shall be valued at historical cost, less accumulated depreciation and any impairment losses.
   - Impairment: Fixed assets shall be reviewed periodically for impairment, and any impairment losses shall be recorded in the financial statements.
   - Disclosure: Financial statements shall disclose information about fixed assets, including acquisition cost, depreciation methods, useful life, and disposal information.

7. **Compliance and Audit**
- Regulations: The organization shall comply with all relevant accounting standards, regulations, and statutory requirements related to fixed asset management.
- Audits: Regular internal and external audits shall be conducted to ensure compliance with this policy and accuracy of asset records.
- Non-Compliance: Non-compliance with this policy shall be addressed promptly, and corrective actions shall be taken as necessary.

Responsibilities
- Supply Chain/Procurement Officer: Responsible for maintaining the asset register, calculating depreciation, and ensuring accurate financial reporting, as well as maintaining the asset registre.
- Department Heads and Project Managers: Responsible for the safeguarding, proper use, and reporting of fixed assets within their departments.
- Employees: Responsible for adhering to the guidelines outlined in this policy.

To facilitate proper financial and management control, fixed assets have been grouped into five categories:

1- Motor Vehicles (MV)

2- Office Equipment (OE)
3- Office Furniture and Fittings (OF)
4- Computer Equipment (CE)
5- Office stationaries

Fixed assets should be recorded at cost of purchase price or market value for donated assets.

Procedure for Asset Disposal
1. Identification of Assets for Disposal
- Review Asset Register: Regularly review the asset register to identify assets that are no longer needed, obsolete, or have reached the end of their useful life.
- Assessment: Assess the condition and value of the assets to determine if they should be disposed of.

2. **Authorization for Disposal**
- Approval: Obtain approval from the relevant authority or management for the disposal of the identified assets.
- Documentation: Complete a disposal request form that includes details such as the asset description, reason for disposal, and estimated value.

3. **Method of Disposal**
- Internal Transfer: Check if the asset can be used by another department within the organization.
- Sale: Sell the asset to recover some of its value. This can be done through auctions, online platforms, or direct sales.
- Trade-In: Trade the asset in for a new one, if applicable.
- Donation: Donate the asset to a charitable organization if it has no significant resale value.
- Recycling: Recycle the asset, especially for electronic equipment, to recover valuable materials.
- Scrapping: Dispose of the asset as scrap if it has no resale or donation value.

4. **Recording the Disposal**
- Update Asset Register: Remove the disposed asset from the asset register.
- Depreciation: Ensure that depreciation expense is up to date before recording the disposal.
- Journal Entries: Record the disposal in the accounting system with appropriate journal entries. This includes debiting accumulated depreciation and crediting the asset account.

5. **Financial Reporting**
- Gain or Loss on Disposal: Calculate and record any gain or loss on the disposal of the asset. This is the difference between the asset's book value and the proceeds from the disposal.
- Sales Invoice: If the asset is sold, issue a sales invoice and record the transaction, including any applicable taxes.

6. **Compliance and Documentation**
- Environmental Regulations: Ensure compliance with environmental regulations, especially for electronic waste.
- Documentation: Maintain all documentation related to the disposal, including approval forms, sales invoices, and recycling certificates.

10. TRAVEL RECORD and TRANSACTIONS RELATING TO TRAVEL.

Purpose of travel procedures

The purpose of travel procedures is to ensure that:

● All travel, international or otherwise is adequately planned for in advance

● All travel expenses are for properly authorized travel on official business and are incurred at the correct rates

● All travel advances are properly and completely accounted for before they are expensed

TRAVEL POLICY Purpose

This policy outlines the guidelines for employees and volunteers traveling for organizational related activities ensuring safety, accountability, responsible use of resources and cost-effectiveness

1. **Scope**

This policy applies to all employees, volunteers, Senior management team and board members traveling for business purposes

2. **Travel Approval**

- All travel must be pre-approved by the direct supervisor or management.
- Requests for travel authorization should be submitted at least 4days in advance, including purpose, destination and estimated cost.

3. **Booking Procedures**

- Preferred travel agencies must be used for booking flights, hotels, and rental cars.
- Travel arrangements should be made through reliable and secured travel agencies
- Employees are encouraged to book the most cost -effect options that meet safety and comfort standards

4. **Travel Expenses**

Reimbursement will be made for the following expenses

- Meals: up to 5000FCFA per day .
- Lodging: standard accommodations at reasonable rates; approval is need for luxury hotels
- Transportation: Economy class for flights, use of public transport or hired cars are encouraged for local travel.
- Miscellaneous: Necessary expenses (visas, vaccinations) must be pre-approved

4.1 Non-Reimbursable Expenses

- - Personal expenses (e.g., souvenirs, personal phone calls)
- - Upgrades to flights or accommodations
- - Alcoholic beverages

5. **Payment methods**

- Employees and volunteers could be given cash in hand by the finance department or may use organizational credit cards, where available. Personal expenses should be covered by the individual and reimbursed afterward.

6. **Safety and Security**

- Employees should prioritize their safety and well-being while traveling.
- In case of emergencies, employees must contact their manager and follow emergency procedures.
- Adhere to safety protocols and travel advisories issued by local authorities or the organization.

7. **Conduct expectations**

- Travelers are expected to represent GPA positively and professionally.
- Adhere to GPA's values and code of conduct during travels

8. **Reporting and Reimbursement**
- All expenses must be reported within 3days of retuning from travel.
- Employees must submit a detailed expense report within 3 days of returning from travel, including all receipts to finance department.
- Reimbursements will be processed within 5days of receiving the expense report.

11. FINANCIAL COMMITMENTS with THIRD PARTY SERVICE PROVIDERS

a. **Board Authority.** No employee, agent, independent contractor or other representative of the organization shall bind the organization to any contract involving a financial commitment of the organization except upon the authorization of the board of directors.

b. **Contracting third Party Services**. All written contracts between the organization and any vendor or other provider of goods or services to the organization or its membership shall be signed on behalf of the organization by the Senior Management Team.

c. **Payroll**

The purpose of payroll procedures is to ensure that:

● Employees are paid in accordance with letters of appointment

● Payments to employees are properly accounted for

● Statutory and voluntary deductions are properly accounted for and remitted to the appropriate authorities

● Salary advances are properly accounted for and recovered from salaries

● All salaries, allowances or cash advances should be approved by the any of the Senior Management Team.

12. Roles and Responsibilities for Internal Control

The **BODs** are responsible for overseeing the implementation of the policies, rules and regulations in GPA, including the system of internal control. More specifically, the BOD has a key role in defining expectations about integrity and ethical values, transparency, and accountability for the fulfilling responsibilities regarding internal control activities. The **Senior management Team (SMT)** is accountable to the BOD in the effective implementation of the Internal Control Framework and in achieving the Organization's objectives Responsibility to implement this framework is a shared responsibility of all staff Every individual within GPA has a role in effecting internal control. However, roles vary in responsibility and level of involvement, as discussed below:

The **Senior management Team (SMT)**is ultimately responsible for the establishment and maintenance of the ICF. In this role, the Senior management Team (SMT)is assisted by the his/her team members, comprising the pedagogic advisers, accountants in ensuring the adequacy and effectiveness of the GPA's overall system of internal control Specifically, the Senior management Team (SMT)has the following responsibility and accountability:

- To establish and maintain an internal control system, including operating policies and procedures, to ensure the accomplishment of established objectives and goals of the Organization, the economical and efficient use of resources, the reliability and integrity of information, compliance with policies, plans, procedures, rules and regulations and the safeguarding of assets

- The Senior management Team (SMT) fulfils this duty by providing leadership and direction to project managers, principals and head teachers and reviewing the way they are managing the resources and operations.
- With the support of management, the Senior management Team (SMT) shapes the Organization's values, standards, expectations of competence, organizational structure and accountability as the foundation for an effective internal control system
- All staff members are accountable to the authority of the Senior management Team (SMT)and to assignment given by the Senior management Team (SMT) to any of the activities or offices of the GPA

Departmental Heads are responsible and accountable for:

- Providing leadership and direction in their department in reinforcing the values, standards, expectations and accountability of the internal control system.
- Identifying and addressing known and significant internal control weaknesses and risks, and communicating these to the Senior management Team (SMT) duo me
- Completing at least annually a self-assessment checklist for their department as part of their day-to-day oversight of GPA's activities based on the principles presented in this framework which can be used as a basis for discussion within their departments.
- Monitor compliance with rules, regulations and procedures and report on any or significant compliance breaches, and ensure corrective actions are brought to the attention of the Education Secretary

Finance Coordinator the Senior management Team (SMT) with respect to internal control, specifically responsible and accountable for

- Ensuring financial controls are developed and implemented to meet Standards
- Coordinating and reporting of internal financial control effectiveness.
- Ensuring, on behalf of the Education secretary, that action is taken to address known and significant internal financial control weaknesses, as soon as these become apparent and with due regard to both the risks involved and the costs of addressing these.
- In the production of accurate, timely financial statements and donor financial reports

The Finance Department are responsible and accountable for::

- Ensuring that all managers are aware of the policies, procedures and tools for the effective implementation of the internal controls.
- Providing advice and support to project managers, principals and head teachers in following the rules and procedures of internal control.
- Monitoring compliance with rules, regulations and procedures and highlight any breaches and suggest corrective actions as needed.
- Reporting on any compliance breaches, and ensure corrective actions are brought to the attention of the Education Secretary
- Working closely with budget, finance, programme, HR and administrative staff.
- Serving as a focal point for the administration of proposals.
- Serving as the focal point for the implementation, monitoring and reporting of internal control activities in the Region

Other Staff - All WHO personnel have a responsibility to employ effective internal controls They should communicate to their supervisors any operational problem, incident of fraud or other risks which will jeopardize the achievement of the objectives of the Organization, and comply with internal rules, as set out in GPA rules, regulations, directives, policies and procedures.

7. Limitation of Internal Control - Concept of Reasonable Assurance

Internal Control is a system that provides reasonable assurance on the achievement of objectives. No matter how well designed and operated. internal control cannot provide absolute assurance that all objectives will be met. This is because factors exist outside the control or influence of management that can affect the entity's ability to achieve all of its goals. For example, human mistakes, judgment errors, undetected acts of collusion to circumvent control, and events beyond the Organization's control can affect meeting the Organization's objectives. Nonetheless, it is important for management to be aware of this when selecting, developing and implementing internal controls that minimize, to the extent possible, these types of limitations.

Scope of coverage;

These controls shall apply to all Institutions under the umbrella of the GPA.

Control Procedure Proper

1. Periodic Financial Reporting Review/ Reporting		
1.1	Financial Perspectives	❖ Obtain the financial reports for the period under review. ❖ Review actual performance with budgeted to ensure targets are achieved i.e compare the actual income to budgeted income and compare the actual expenses to budgeted expense ❖ Review Actual expenses to budgeted expenses (Project by Project) for the period under review ❖ Review ratio variances and look into possible reasons for deviations. ❖ Communicate major findings in through the Board Of Directors/ senior Management Team. ❖ Any exception should be noted, discussed for resolution and escalated as appropriate.
1.2	Financial Recording/Reporting	❖ Ensure all cash transactions are properly documented and recorded. ❖ Ensure all cash receipts have been properly recorded. ❖ Review reconciliations of General Ledgers against respective Auxiliary accounts ❖ Ensure proper recording of transactions into appropriate journals using the right account code on the chart of account. ❖ Ensure compliance with legal, regulatory and Donor reporting requirement ❖ Ensure appropriate and relevant periodical organization reports have been prepared(Trial Balance, Income statements, Cash flow statements) ❖ Verify Project financial reports for completeness and accuracy

1.2	Feed Back Management	❖ Review of the suggestion box whose keys should be retained with the Controller of Senior Management Team. ❖ All stakeholders should be encouraged to leave opinions, contributions and suggestions through the box. ❖ ❖ Review of minutes of meetings held during the period under control, by staff and the respective management boards where necessary.
2. Bank Account and Cash Management Review		
2.1	Vault (Cash Safe) Review	❖ Review register to confirm that the movement of staff in and out of the vault is recorded. (where applicable) ❖ Review the vault key register to ascertain that no individual has access to both keys. (that is the door and the vault) ❖ Confirm that vault keys are physically held by the appropriate custodians as documented in the vault key register. ❖ Review of adequate security at the vault area. ❖ Carry out a full cash count (by denominations) and confirm that ✓ Physical cash agrees with vault register ✓ Physical cash agrees with Vault GL System balance (balance per records) ✓ Notes are bundled according to denomination ✓ A vault balance is not above the limit to be held at the premises(every branch should have a limit of cash to be held) ❖ Observe the location of the vault door and ensure that it is not unduly exposed to outsiders.
2.2	Cash Operation	❖ Ensure cash are not left on the floor outside each cubicle unattended to by the Bursar or Cahier. ❖ Ensure teller's personal effects are not kept in their cubicles. ❖ Ensure cash withdrawal limits are respected and there is authorization from appropriate authorities for withdrawal above the stipulated threshold. ❖ All cash Advances are properly accounted and justifications provided
2.3	Cash Officers	❖ Count the cash in Cashiers(Bursars) till boxes and confirm with the system balance (records)

		❖ Agree teller's cash count with proof and ensure it agrees with the system or records ❖ Review security over batch envelopes and ensure they are kept in a safe environment before and after call over.
2.3	Bank Account Management	❖ Existence of a bank account in the name of the institution. ❖ Delegation of Authority for all withrawals from the bank. ❖ Ensure all income is deposited in the bank account not later than 24hrs after reception . ❖ Ensure monthly Bank Renconciliation of all Active Bank Accounts Under period of Review
3. Expenses Review		
3.1	Expenses	❖ Ensure that all expenses incurred are allowable expenses within approved limits. ❖ Ensure that expense items committed comply with expenditure procurement policy. ❖ Review expense accounting voucher for appropriate approvals and that the expenses are incurred in line with budget policy. ❖ Ensure that total expenses incurred are within the budget approved for such expenses and for any surplus it should be duly approved. ❖ Ensure that expenses are debited to the right account. ❖ Ensure that all source documents are originals. ❖ Review cash advances book (account) to ensure that expenses are not warehoused inside. ❖ Ensure that all source documents are stamped processed/ crossed to prevent recycling. ❖ Ensure properly balancing of expenses accounts. ❖ Ensure the purchases of goods and services are done on the basis of competitive prices and quality. ❖ Sample the prices of some items in the market and raise issues. ❖ Ensure that a cost/benefit analysis or project evaluation has been carried out for high capital commitment. ❖ Ensure that expense files are well filed according to the GL a/c.
4. Staff Review		
4.1	Staffing	❖ Ensure recruitment, employment and personnel practices clearly defined and followed, and do they embrace transparency and competition.

		❖ Confirm the physical staff headcount to the staff payroll position of the institution for the month and the previous months. ❖ Ensure Payroll is against the agreed number of hours spent o the job. ❖ Confirm the physical staff head count to the details in the attendance register. ❖ Ensure that an annual leave roster exist and leave is taken as and when due. ❖ Ensure that the key employees of the institution has succession plan. ❖ Ensure job descriptions including key performance indicators exist for all workers. ❖ Ensure that handover certificate records are properly maintained.
5. Fixed Assets / Inventory Review		
5.1	Fixed Assets Review	❖ Review the fixed assets register and ensure that it is well formatted in terms of details and separated by asset type (Equipment, Furniture, Computers etc.), date asset was acquired, depreciation rate, annuity, net book value etc. ❖ Conduct physical verification of assets and agree to the fixed asset register. ❖ Review security over the fixed asset for adequacy. ❖ Confirmed that all fixed assets are coded (tagged) ❖ Review the fixed asset movement register for proper update. ❖ Confirm that all assets disposed of during the period or received during the period are noted in the asset register. ❖ Ensure the gains or losses arising from disposal are properly accounted for.
5.2	Inventory Review	❖ Physical count of Stock in balance against that in record ❖ Review justification for movement for inventory(waybills) ❖ Review Inventory reports against Balance in stock
6. Call Over Review		

6.1	Call over	❖ Call over entails checking transaction documents against related printout or report. ❖ Retrieve transaction tickets/vouchers from processors compare against the daily journal ❖ Ensure that all posted transactions vouched and all tickets are also posted. ❖ Ensure that the same depositor who signed the deposit slips also countersign on each cancellations on the deposit slip. ❖ Ensure amount in words are the same with amounts in figures. .
7. Income Collection		
	7.1 Income	Obtain the following registers/schedules from the BM on: ❖ Existing credit advice under period of review ❖ Bank statement of Funders and Organization ❖ Institution of money to be recovered ❖ Other Income sources not clear Ensure that commissions are collected, if not raise an exception to management recommending actions to be taken.
8. Security Sweep		
8.1	Security Sweep	❖ Take custody of all valuable items (keys, unprocessed documents/instruments, etc), note other exceptions- open lock, critical electrical gadgets left on, etc) ❖ Issue mails to all affected staff with copies to their superiors ❖ Issue a report on the findings.
9. The Handling of Accounting Documents/Administrative Documents/Filing and Archiving		
9.1	Accounting Documents	❖ Check to ensure that the Institution adheres to management measures to guard against liquidity risk. This is by maintaining an extra amount above the organiztions's cash need for the period. ❖ Verify the writing and cancelling on account documents. ❖ Verify cancelled bills ❖ Verify the up-to-date of the daily journal and the account book.
9.2	Administrative Documents	❖ The examination of documents of administrative staff teaching and auxiliary staff. ❖ Examination of statistics on students: class list and by cycle, his presence on class registers and quarterly list of students. ❖ Examination of the files of permanent, temporal and contract staff; ❖ Verification of administrative account as approved by hierarchy.
9.3	Archiving	❖ Review the Digital and Analog Filing of Documents

13. Procurement

Procurement of goods, works and related services and consulting services shall be based on strict ethical principles and shall conform to GPA's internal procurement policy as described in this section. The procurement of goods, works, and related services as well as consulting services shall also take into account national best practices.

Key aspects of procurement compliance in GPA include:

- **Transparency:** GPA's procurement processes are made transparent through public advertisement, allowing free and fair competition.
- **Competition:** Open competition is encouraged to attract the maximum number of candidates and achieve the best quality at the best price.
- **Economy:** Efficient use of funds is promoted to ensure value for money and the achievement of programs and projects at minimum cost.
- **Efficiency:** Procurement functions are expedited to avoid delays in the implementation of programs.
- **Fairness:** Considerations of fairness are made to distribute benefits from resources evenly and minimize monopolistic tendencies.
- **Accountability:** Sound management of the procurement process is required to ensure administrative necessity in our administration.

GPA's procurement procedure takes the following Procedure;

1. **Identify the Need:** Determine what goods or services your organization requires. This step involves understanding the requirements and specifications.
   - This is initiated by the individual or department in need.
2. **Create and Submit a Purchase Request/purchase Order:** Once the need is identified, create a purchase request. This formalizes the requirement and initiates the procurement process.
   - This should be presented to the finance officer for evaluation to see it falls in line with previewed budget and further recommendations could me made by the finance department.
3. **Evaluate and Select Suppliers/Vendors:** Research potential suppliers, evaluate their offerings, and select the most suitable ones. Consider factors like quality, cost, and reliability, efficiency of delivery.
   - This varies according to the need and the estimated cost.
   - Research will be done through our Media handles, Our Notice Board and radio announcements where necessary.

Expenditure Approval Threshold

x	Type of goods, services or works procured	Contract value	Procurement method
1	Any type	< 100,000 FCFA	Direct Award
2	For standard goods and services	≥ 100,000FCFA but < 3000,000FCFA	Price quotation/proforma (at least 3 qualified bidders)
3	For consulting services, non-standard goods and non-standard	≥ 3,000,000FCFA but < 10,000,000FCFA	Limited Competitive Bidding (LCB) NATIONAL
4	For works (construction)	≥ 10,000,000 but < 50,000,000FCFA	Competitive Bidding and publish online (CB) (INTERNATIONAL)

- The bidding period will be fixed in a way that allows the bidders sufficient time to prepare their bids.

  The Bidding process would usually adopt this criteria;

i) **Request for Proposal (RFP):**

- Publish an RFP document detailing project requirements, evaluation criteria, and submission guidelines on our notice Boards and Website.

- Invite potential suppliers/Contractors to submit Bids.

ii) **Bid Submission:**
   - Suppliers submit their proposals by the specified deadline.
   - Ensure that bids are securely received and recorded by organizational email or in the Suggestion usually positioned outside during such periods

iii) **Bid Opening:**
   - Conduct a public bid opening session.
   - Read out bid details, including prices and other relevant information.

iv) **Evaluation Committee:**
   - Form an evaluation committee comprising experts from relevant fields.
   - Ensure committee members sign confidentiality agreements.

v) **Evaluation Criteria:**
   - Define clear evaluation criteria (e.g., Technical capability, Price, Past Performance).
   - Assign weights to each criterion.

vi) **Scoring and Ranking:**
   - Evaluate bids based on the criteria.
   - Score each bid objectively.
   - Rank bids according to their total scores.

vii) **Transparency Measures:**
   - Document the evaluation process thoroughly.
   - Maintain records of committee discussions and decisions.

- The selection process is carried out by a team of 4 staff: the Executive Director, Programme Coordinator , Project Manager and a designated members of the Board where necessary.

4. **Negotiate the Terms**: Negotiate with the chosen supplier to finalize terms, including pricing, delivery schedules, and any other relevant conditions.

5. **Finalize the Contract:** Draft a contract that outlines all agreed-upon terms. This document serves as a legally binding agreement between your organization and the supplier.

-In complex situations as deemed by the Board of Directors a legal expert may be required to draft the contract except otherwise the Board of directors may appoint any of the senior manage to draw up a contract which should be drawn up by an SMT and reviewed by a legal expert.

-The Board of Directors delegates authority to the Senior Management Team to approve contracts especially in cases of constraint time.

6. **Implement the Contract:** Put the contract into action. Monitor deliveries, ensure compliance environmental, social, safety and security measures where applicable., and manage any changes or issues that arise.
7. **Manage the Supplier**: Maintain a positive relationship with the supplier throughout the contract period. Regular communication and performance reviews are crucial.
8. **Reception of Goods/ Services:** Reception would be done taking into consideration negotiated terms and would be done the procurement/logistics manager taking into consideration all required documentation for the transaction.
9. **Payment of Supplier/Contractor;**
   - All payments will be made against signed contracts and invoices provided in accordance with agreements validated by the competent authorities**.**
   - All contracts should be sufficiently approved before any proforma can be signed/recieved.
   - Bid analysis reports are usually attached to source documents justifying the expenditure.

- Payments shall be made by the Administrative Assistant be it cash or cheque upon appropriate confirmation of all required payment justifications that validate delivery of service or percentage of completion of a contract.
- No payments equal to or above 100,00frs are permitted to be made in cash at GPA.
- In situations of discrepancies, it is important to get adequate clarifications before payments are made.

• The procurement process will comply with GPA's principles. At each step of the procurement process and specifically before a procurement decision is made, the procurement needs to be verified by at least two persons.

• The bidding period will be fixed in a way that allows the bidders sufficient time to prepare their bids.

• Selection processes must be confidential. While a tender procedure is ongoing GPA will not release any information on the assessment of the bids or the recommendations on the award of contracts to bidders or to any other persons who are not officially involved in the selection procedure.

Exceptions upon approval:

1- Exceptions possible depending on the context, eg. In areas where potential suppliers are not available

2- Exceptions may also occur in situations of war when we don't have many suppliers and in hard-to-reach areas with limited access to goods and services.

3- Exception also applies here because GPA has made it a duty to document a list of suppliers and their price for goods and services. Through this, potential suppliers can be selected.

In situations where thresholds are breached there should be approval from respective higher Personnel.

The Procurement Unit:

It consist of :

a- The procurement officer
b- The Programme Coordinator
c- Two other Board Members.
d- The Accountant

SEGREGATION OF PROCUREMENT FUNCTION – All purchase over 50,000FCFA		
Procurement Activity	**Responsible Person**	**Approval Requirement**
Requisition to expend funds	Any staff member	Requisitions include any request or requirement to expend organization funds. Requisition to be approved at the appropriate level on the Designate Financial Authorization Chart prior to any commitments to purchase being extended. The individual making the requisition may not also commit to purchase. Commitment to purchase to be performed by a different staff member
Budget	Senior Management Team, programme	Board of Director approves the annual budget and changes thereto.

	coordinator, Finance Officer	Reallocations between budget lines maybe approved by the any of the Senior Management Team, where the overall budget total does not change.
Commitment	Any staff member	May commit Agency funds within the approved Budget only where approval has been obtained. The individual requisitioning the goods or services may not prove the purchase commitment
Receipt of goods and/ or service	The procurement and logistic officer receives goods above certain threshold	On behalf of the individual making the requisition the procurement and logistic officer shall confirm the receipt of goods or services prior to payment being processed.
Payment	Finance Department	Finance shall prepare payment to vendors once approvals have been appropriately documented.
Requisitions Originating in Finance	Program Coordinator	Where a purchase requisition Originates in the Finance Department, special rules will apply. This role will be performed by the program coordinator to ensure appropriate segregation of duties. Confirmation of receipt of goods may originate with finance, however payment release to be confirmed by a non-financial staff member(SMT member)

DESIGNATED FINANCIAL EXPENDITURES AUTHORIZATION POLICY

The expenditure plans (the Budget) are approved by the Board of Directors. The Budget reflects the strategic plan, the priorities and financial resources of the organization.

The Education Secretary has overall responsibility to ensure GPA expenditures are consstem with the approved Budget.

All expenditures, or commitments to expend must be authorized by an employee with the Appropriate delegation of financial authority.

Delegation of financial authority confers responsibility for prudent and fiscally responsible expenditure decisions, balancing budget constraints and professional judgment Exercise of financial authority confers responsibility for understanding of and compliance with accountability requirements

Purpose

Delegation of financial authority is an essential internal control mechanism that ensures the organization's funds are utilized in a manner that supports organizational priorities, including sound financial management, while empowering employees of the organization to efficiently and effectively achieve the work of the organization.

The purpose of this Policy is to ensure the responsible and risk based delegation of financial expenditure authorization.

Employees with delegated financial expenditure authorization are responsible to ensure procedures as outlined within this document are completed to support financial expenditures or financial expenditure commitments.

Designate	**Function Expenditure Authority**	**Designated** **Financial Expenditure Authority Amount**
Executive Director	All	Any within Board approved Budget
Programme Coordinator	All	Any within Board approved Budget
Finance Officer	Project related expenditure and other expenses within approved budget	-<1,500,000FCFA
Administrative Assistant	Consumable office supplies and small office equipment	10,000-<50,000FCFA