



**THE FINANCIAL REGULATIONS FOR THE AFRICA
REGION OF THE COMMONWEALTH PARLIAMENTARY
ASSOCIATION**

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1. GENERAL

1.1 Title

These regulations shall be cited as **the Africa Region of the Commonwealth Parliamentary Association's Secretariat Financial Regulations (2007)**. These regulations shall be read as part of the Rules and Regulations of **the CPA**. Should there be any conflict between **these** Financial Regulations and the Constitution of the Region the latter will prevail.

1.2 Scope of Implementation:

Financial Regulations shall provide the scope within which decisions relating to financial operations and administration shall be made. The Regulations provide the power authority and responsibilities of officers, at various levels in the **organisation** with regard to budget, receipt cash, custody of cash, payments, use of assets and control of expenditures.

Each officer is called upon to uphold the provisions of the Association's Financial Regulations. Failure to observe these Regulations shall be interpreted as a breach of Rules and Regulations. These Regulations are subject to amendment by the Executive Committee as and when they consider fit from time to time.

The responsibility to enforce the Financial Regulation is vested in **the Secretary**, who will do so when the prevailing circumstances shall be consistent with the requirements for the enforcement of the Financial Regulations.

1.3 The General Principles of Financial Administration.

1.3.1 The **Region** shall receive all financial resources it is entitled to receive, according to the policies and directives issued to **the Secretariat by the Executive Committee**.

1.3.2 The **Region** shall protect cash and other assets from loss arising from theft, waste, fraud, and negligence.

1.3.3 The **Region** shall use financial resources in accordance with the policy and directives issued by the Executive Committee from time to time.

- 1.3.4 The **Region** shall maintain accurate and up to-date financial record as a basis for preparation of financial reports.
- 1.3.5 The **Region** shall institute **measures** to evaluate the efficiency, economy and effectiveness of every segment, every individual, and any asset employed in the course of attainment of **the Region's** goals.
- 1.3.6 The **Region** shall encourage every individual to adhere to the rules, regulations, policies, and the budget of the **Region**.
- 1.3.7 The funds of the **Region** shall be in one or more Bank accounts, and the Executive Committee shall direct the **Region** to which bank or any financial institution the **Region's funds** shall be deposited.
- 1.3.8 All conveyances, transfers, contracts guarantees agreements, bonds, mortgages, charges, bills, of exchange, promissory notes, bank draft, **letters of credit**, securities, and other instruments **whatever** to which the **Region** is a party shall be executed on behalf of the **Region** by; -
- (a) **the Regional Secretary; and**
- (b) such other officer of the **Region** committed by **the Secretary** to do so on his/her behalf.
- 1.3.9 Cheques issued by the **Region** shall be signed jointly by two of the **authorised** officers.

Local Bank Account:

- **Regional Secretary**
- Chief Accountant
- **Assistant Regional Secretary**
- Secretariat Accountant cum Cashier

Foreign Bank Account:

- **Secretary**
 - Chief Accountant
 - **Assistant Secretary**
 - Secretariat Accountant cum Cashier

1.3.10 The Principal Signatories are **the Regional Secretary**, and the Chief Accountant. In their absence and with written authority, the **Regional Secretary** will appoint alternative signatories to sign the cheques.

1.3.11 **The Financial Statement of the Region shall be prepared in compliance with the International Financial Reporting Standards.**

2. DUTIES AND RESPONSIBILITIES OF THE SECRETARY.

Duties responsibilities and authority of **the Regional Secretary**.

The Regional Secretary who is the Chief Executive Officer of **the Region** shall be responsible to the Budget Committee for the proper administration of finance as well as **non-financial** matters.

With regard to financial matters **the Regional Secretary** shall be responsible for designing and implementing a system of **administration** as well as shall ensure that:

- (a) **an** appropriate accounting system is instituted to ensure that the **Region's** transactions are recorded, **summarised** and reported as required; the accounting department is handled by qualified personnel; and the accounting procedures are available to the accounting personnel;
- (b) **the Region's** budget is prepared and submitted to the Executive committee for approval before annual operations begin;
- (c) **the Regional Secretary** does not fail to submit to the Executive Committee the income and Expenditure, the Balance sheet and Cash flow Statement within three months after the end of the financial year;
- (d) **the Regional Secretary** should not fail to submit financial reports to the Budget Committee biannually;
- (e) **contracts** and agreements entered on behalf of the Executive Committee **should be in the best interest of the Region; and**
- (f) **arrangements** are made to protect the physical assets of the **Region**.

Duties and responsibilities of the Finance and Administrative officer.

- 2.3.1 The Chief Accountant shall be responsible to **the Regional Secretary** for maintaining financial records, and providing expert advice on financial matters as well as designing and installing a sound system of internal control.
- 2.3.2 He/She shall be responsible for supplying quarterly financial statements to **the Regional Secretary** and other management team officials to help them in the evaluation of performance, and in **the** problem solving process.
- 2.3.3 He/she shall be responsible for coordinating and preparing the budgets and estimates.
- 2.3.4 He/she shall be responsible for the preparing of financial statements at the end of the financial year, and statutory returns thereon.
- 2.3.5 He/she shall be responsible for the administration of superannuation, insurance matters and investment.

3. BUDGETING

3.1 The Budget and its phases

- 3.1.1 The Annual Master Budget is a document showing in quantitative terms the plan of action designed by **the Secretariat** to implement operations necessary to attain the policies of the **Region**. It also shows the borders within which operations will take place, providing a basis for controlling the operations, and also providing a basis for coordination of the activities of the **Region**.
- 3.1.2 The budget therefore is designed to gauge the **efforts of the Secretariat and its staff Association by indicating to each** one of them the resources desired for smooth operations and the tasks to be attained.
- 3.1.3 Utmost care shall be taken in preparing the budget so that it may mirror the long-term objectives of the **Region** besides providing the basis for controlling the operations.
- 3.1.4 A memorandum explaining the objectives, which are consistent with **the Region's** Mission, shall support every annual budget. It has also to provide physical and financial

goals and targets in terms of production or service to be achieved during the year.

3.1.5 The phases in preparing **the Region's** budget will be:

- (a) **an** expression of the goals desired;
- (b) **a** review of the environment to assess the likelihood of changes in parameters which affect the Association's operations;
- (c) **a** review of the previous year's operations to assess their effects on physical as well as financial resources which will be needed for the coming year;
- (d) **a** review of **the Region's** policies to assess their relevance to the current and expected environment;
- (e) **formulating** programmes necessary to attain the goals desire, and indicating the resources needed to implement the programmes;
- (f) **obtaining** the **costs** of the resources employed in the operations; **and**
- (g) **expressing** the goals desired in financial terms in order to provide the financial implications of the plan s well as a basis for controlling the expenditures.

3.2 **Procedures for preparation of estimates:**

3.2.1 At least six months before the end of the financial year, **the Regional Secretary** shall request the Chief Accountant to submit budgets, basing on the operational priorities designed to attain the objectives.

3.2.2 Within a month he/she shall submit revenue and expenditure budget **for the coming year to the Regional Secretary**. Their budgets shall take into account:

- (a) **change** in the volume of activity of the expenditure item;
- (b) **the** effect of changed volume of activity on the Secretariat item demand for resources;

- (c) **the** reasons why the proposed change on revenue and expenditure items will **materialise; and**
- (d) **the** explanations to support the preference of resources they request, if a request is for alternative resources new resources or additional resources.

3.2.3 When the Chief Accountant receives budget, shall prepare the draft estimates to be submitted to the budget committee for review.

3.3 **The contents of the Budget:**

3.3.1 The budget shall include the following:

- (a) **summary** of the Region's objectives;
- (b) **the** survey of the previous year's environment and how it affected the operations;
- (c) **the** envisaged goals for the year for which the budget is prepared;
- (d) **the** strategy, which will show how, the resources, will be deployed to attain the goals;
- (e) **the** statement of the major policies to be followed when decisions are being made;
- (f) **the** source of revenue and the amount from each source showing the comparison between last year's result and the expected result for the year under budget;
- (g) **the** expenditure expected comparing it to the previous year's expenditure; **and**
- (h) **the** preformed financial statements indicating:
 - (i) Income and Expenditure Account;
 - (ii) **the** Balance Sheet;
 - (iii) **the** cash budget; **and**
 - (iv) **the** cash flow statement.

3.4 **The composition of the Budget Committee**

3.4.1 There shall exist the Budget Committee comprising the following:

Treasurer	- Chairperson
Members of Programme Planning and Finance Sub-Committee	- Members
Secretary	- Secretary

3.4.2 **The Scope, Power and Responsibilities of the Budget Committee**

The Budget Committee shall do the **following**:

- (a) **review the annual plan and assess its consistency with the objectives of the Region;**
- (b) **review** the existing policies with a view **to** assessing their relevance **to** the changed environment;
- (c) **review** the proposed **itemised** activities with the view **to** assessing their propriety with regard to the proposed volume of operation in the budget, and whether the resources requested are proportional and **consistent** with **the Secretariat's** departmental activities;
- (d) **recommend** the budget to the Executive Committee; **and**
- (e) **review** the implementation of the budget.

3.4.3 In **exercising its** powers under these Regulations the Budget Committee may co-opt any Member of the Executive Committee with relevant knowledge and skills to **attend** meetings.

3.4.4 **Procedures for Meeting**

- (a) The Chairperson of the **Budget Committee** shall be **the Treasurer**.
- (b) The committee shall meet biannually
- (c) The quorum shall be at least half of the members.

3.5 **The Approval of the Budget**

- 3.5.4 The **Treasurer** shall table the budget to the **Executive Committee** before it is presented to the **General Meeting** for final approval. If the **General Meeting approves** the budget, it shall be binding on the Secretariat. The **Secretariat** shall be allowed to use the resources provided in the budget, and it shall be accountable for the goals indicated in the budget.
- 3.5.5 No expenditure shall be incurred for the purpose of attaining the **Region's** goals unless it is within the provision of the annual estimates, or according to the supplementary estimates approved by the Executive Committee.
- 3.5.6 In exceptional circumstances where for any reasons the **the Annual** Conference fails to meet and approve the budget, **the Regional Secretary** shall incur expenditure which will be approved by the Executive Committee retrospectively, subject to the endorsement of **the Treasurer**.
- 3.5.7 The Secretariat shall present to the **Budget Committee** a budget that shows a surplus or over expenditure. It will thus be incumbent upon the Secretariat to indicate sources of funds from which expenditures will be made.
- 3.6. **Year of charge**
- 3.6.1 The **Region's** year begins from January 1st of every year and ends on December 31st of the same calendar year. Thus expenditure properly chargeable to the account of the year must, if possible, be **met** within that year and in no circumstance will payments of the current year be deferred. This is to avoid over expenditure. By the same **token, no** payment shall be made before it falls due for the purpose of **utilising** an anticipated saving.
- 3.7 **Re – Allocation:**
- 3.7.1 All expenditures have to be charged to the allocations approved in the budget. Should it be necessary to re-allocate financial provisions, **the** Regional Secretariat will explain the reasons to the Budget Committee.

Classification of Revenue

3.7.2 All income due and accruing in respect of a given year shall be credited to the appropriate item as provided in the budget.

3.8 Classification of Expenditure:

3.8.1 No charge may be made against any budgetary item except for the specific purpose for which a budget item was made. All expenditure chargeable to the accounts of the year must be charged against the proper budgetary allocation of the same financial year.

3.9 The Budgetary Report

3.9.1 The **Regional Secretary** shall report biannually the progress of the budget as approved by the Executive Committee giving summaries of funds raised and expenditures from every appropriation in the budget.

3.9.2 In order to report budgetary items which are no longer attainable, **the Regional Secretary** shall prepare a revised budget for the current year, and present it to the Budget Committee for its decision

4. FINANCIAL CONTROLS.

4.1 Efficiency and Economy in Expenditure:

4.1.1 All personnel charged with the task of **authorising** expenditures shall be charged with the responsibility of exercising care. Expenditure shall only be incurred as approved in the budget and for approved purposes. An approved expenditure shall not be made unless it benefits the **Region**.

4.2 Financial liability of Accounting persons With regard to Budget Allocations:

4.2.1 **The Secretary** is the Chief Accounting Officer. Together with the subordinates involved in approving and processing expenditures, he/she is charged with the task of incurring expenditures as provided in the budget. No expenditures shall exceed these limits without the prior approval of the Budget Committee.

4.3 **The Vote Book.**

4.3.1 **The Region** shall maintain a Vote Book. A page shall be reserved for each budget estimate of expenditure with a distinct vote number. The Vote Book shall be used to record the approved estimates, total expenditure and the balance hitherto.

4.3.2 The particulars of the given vote number shall always be copied on the payment **voucher**. Any payment voucher which indicates a red balance will suggest an over expenditure. Such a payment voucher shall not be signed until it is referred to **the Treasurer** who will commit herself/himself to take the responsibility of over expenditure, and later explain to the Executive **Committee**.

4.4 **Cash Receipt and Recording.**

4.4.1 The Chief Accountant is charged with the responsibility of ensuring that all cash to which the **Region is entitled is** received and banked.

4.4.2 The Chief Accountant has the responsibility to see to it that internal controls over cash are proper and adequate.

4.5 **Cash Receipt**

4.5.1 Cash in the form of currency **shall be received by** the Secretariat Accountant cum Cashier who will count the amount received and then issue **the cash receipt**.

4.5.2 Unless otherwise as approved by **the Executive Committee**, all subscription fees accrued from member countries should be in USD equivalent.

4.5.3 The cash **receipt** shall be coded in such a way that it indicates the source of cash.

4.5.4 The receipt shall state the amount in words and numbers, and the Accountant cum Cashier shall sign it.

4.5.5 Cash received shall be deposited in the **Region's safe** to await banking on the following working day.

4.5.6 Cheques found in the mail shall be registered separately

from the other **incoming** mail. The register shall provide for the following particulars:

- (a) **name** of the drawer;
- (b) **the cheque** serial number;
- (c) **the date of the cheque;**
- (d) **the cheque** amount; **and**
- (e) **the explanations about what the cheque** is received for.

4.5.7 The Officer who opens the mail shall ensure that:

- (a) **cheques** are crossed and made payable to the **Region;**
- (b) **the** amounts in words and in numbers are the same. If these are not the same, the cheque should be returned to the drawer; **and**
- (c) **the** cheque is properly signed. If it is not properly signed it shall be returned to the drawer.

4.5.8 The cheques received shall be sent to the Finance and Administrative officer who will later forward the same to the cashier. On receipt of cheques, the Accountant cum Cashier shall issue the cash **receipt** for the exact amount stated in the cheque.

4.6 **Banking of Cash.**

4.6.1 The Accountant cum Cashier shall be responsible for banking cash received on the following working day. The cashier shall prepare the bank **pay-in slip** and enter all cash received on the previous working day. Such cash and the **pay-in slip** shall be forwarded to the appropriate bank where the **Region** has the account.

4.6.2 The Bank Teller shall acknowledge receipt of cash by stamping the duplicate **copy** of the **pay-in slip** that will be handed back to the Accountant cum Cashier. The Accountant cum Cashier shall bring it back and file it.

- 4.6.3 All cash received shall be banked intact. No part of cash receipt shall be used for payment before it is banked.

4.7 Control Over Cash Receipt and Unused Cheques:

- 4.7.1 All receipts issued shall be under the custody of **the** Finance and Administrative officer, who will keep them under lock and key.
- 4.7.2 Cheque and **cash receipts** issued shall be registered in the dispatch book where the cashier shall acknowledge receipt of the blank cheques and receipts.
- 4.7.3 The **cheques** and cash receipts shall be serially numbered, and their issue shall strictly follow the sequence of their serial numbers.
- 4.7.4 All cash **receipts and cheques** shall be accounted for. Any cancelled cheque or cash **receipt** shall remain attached in the respective book, and it shall be accounted for along with leaves used, before a fresh issue is made to the cashier.
- 4.7.5 The Accountant cum Cashier shall keep the unused cheques, the unused cash **receipt** and signed cheques awaiting collection, in the safe.

4.8 Control of Unbanked Cash:

- 4.8.1 Cash not yet banked shall be kept in the safe.
- 4.8.2 The Accountant cum Cashier, who shall ensure that the safe keys are securely preserved, shall keep all keys. Should any loss be sustained as a result of the Accountant cum Cashier's negligence in handling the cash received, it shall be recovered from the Accountant cum Cashier, and disciplinary action taken.
- 4.8.3 An appropriate fidelity Insurance Policy shall be taken by the **Region** to cover possible loss of cash.

4.9 Destruction of Cash Receipts and Cancelled Cheques:

- 4.9.1 All cancelled cheques, cash receipts and soiled or damaged cheques and receipts shall remain undestroyed for five (5) years. They are of interest to auditors, and

they shall only be destroyed with the permission of the Chairman of the Executive Committee.

4.9.2 A certificate of destruction shall be prepared for such receipts and cheques. Destruction shall be effected by incineration in front of officers **duly appointed by the Regional Secretary**.

4.9.3 The certificate shall detail the serial numbers of the receipt books or **cheque books** destroyed. The officers witnessing the destruction of these forms shall ensure that the serial numbers appearing in the certificate are those destroyed.

4.10 Control Over Revenue:

4.10.1 Revenue shall be recorded immediately it is **recognised**.

4.10.2 Revenue resulting from the **Region** having rendered goods or services shall be **recognised** immediately such goods **or** services have been transferred to the customer.

4.10.3 The value of goods or services rendered shall be invoiced to the customer and a copy of the invoice shall be sent to the Chief Accountant.

4.10.4 The Secretariat, any member country which renders the services will be responsible for drawing an invoice.

4.10.5 The Accounts Sections shall be responsible for recording the invoice in the Sales Day Book.

4.10.6 The invoice shall be appropriately coded so that the revenue shall be properly classified to conform to the provisions of the budget.

4.11 Control Over Unused Invoices:

4.11.1 Invoices like **cash receipts and cheques** are accounting documents that should be strictly controlled. The procedures for their control are similar to those applicable to **cash receipts** and cheques, with regard to their movements, storage, and destruction.

4.12 Outstanding Cash Receivable:

- 4.12.1 Cash receivable shall be recorded in details in the subsidiary ledger to provide sufficient information about the debtor, the amount invoiced, cash received, and the balance.
- 4.12.2 A statement of accounts shall be sent at the end of each quarter to the debtors.
- 4.12.3 At the end of the financial year, the debtors schedule shall always be prepared and it shall always be made available to the external auditors.
- 4.12.4 All debts considered bad shall be written off with permission from the Executive **Committee**. Sufficient reasons shall be provided why a recommendation is made to have a receivable written off.
- 4.12.5 At the end of the year, an estimate of possible bad debts shall be made to provide a basis for updating the provision for bad debts.

4.13 Control Over Payments:

- 4.13.1 The **Region** shall pay for goods or services received or receivable according to the terms of the contract between the vendor and the **Region**.
- 4.13.2 Payment shall be made when:
 - (a) A valid claim has been received;
 - (b) An evidence is available that goods or services received were ordered; **and**
 - (c) Evidence that goods or services were received are available.

4.14 General Responsibility for Payment:

- 4.14.1 Any person making, allowing or **directing** payment without proper authority shall be held personally responsible for the amount of payment. Thus:
 - (a) **any** accounting person who is required to render services with regard to payment shall be held responsible for inaccuracies in the course of his services;

- (b) **where** the necessity for payment arises out of the negligence or misconduct on the part of the accounting staff, the amount so incurred shall be surcharged against such a person;
- (c) **any** penalty arising from **non-payment** of periodic payments such as rent, insurance, taxes, etc, or any losses arising **thereof** shall be charged against the officer responsible, and disciplinary action shall be taken for **non-compliance; and**
- (d) **officers** responsible for handling **and/or** signing payment vouchers, who certify the accuracy and **for any errors or losses that may arise from such payment** propriety of the payment in every detail therein, shall be personally responsible.

4.15 Payment Vouchers:

- 4.15.1 Every payment shall be supported by a voucher. The authority to sign payment **vouchers** is vested in **the Regional Secretary** who may delegate it to the Chief Accountant and **Assistant Regional Secretary**.
- 4.15.2 Payment **vouchers** shall be completed in all respect, detailing the authority, appropriate coding of expenditure, full description of the transaction or reason for payment, quotation of numbers of bills or invoices, so as to ensure that correct identification of the payment is made even if supporting documents were lost.
- 4.15.3 Original invoices, **bills, statements** etc relating to payment shall be attached to the original payment voucher, except where the volume, or weight of such attachments makes it impossible to do so. In that case, these documents shall be separately packed and cross referenced to the payment voucher
- 4.15.4 Certificates necessary to complete the payment voucher shall be embodied in the voucher. The need for a certificate may arise in the following circumstances:
 - (a) certificate to authenticate the receipt of goods or services. In this case certificates shall indicate whether goods or services have been issued directly for immediate use or taken. The

certificate shall include a reference to the appropriate Asset Ledger entry; **and**

(b) **certificate** of indemnity, to include cases where the expenditure is not **supported by a** voucher.

4.15.5 Accounting **personnel** certifying vouchers shall exercise great care to ensure that the certificates they sign are in accordance with the facts, and **be** aware that they are liable to **a** surcharge in the event of an improper payment being made as a result of an incorrect certificate.

4.15.6 Payment voucher forms shall be protected from improper use.

4.16 Disbursement of Funds:

4.16.1 Subject to proper certification all certified claims against the Region shall be paid immediately

4.16.2 All payments shall be paid by cheque. Such cheques shall be crossed and made payable to the account of the payee.

4.16.3 Should the payee lose the cheque drawn in his/her favour, such a cheque shall not be replaced until its **non-presentation** to the bank has been established, and the bank **has been** issued with a stop payment **order** for the lost cheque.

4.16.4 The paying **officers** shall satisfy themselves that the person claiming the payment is a bona fide claimant or a person **authorised** to receive payment on behalf of **the Region's** creditor.

4.16.5 The responsibility for nugatory payments rests with **the Regional Secretary**. Such payments include:

(a) **double** payment for goods or services;

(b) **payments** in excess of approved prices, rates or scales; **and**

(c) **payment** for goods **or** services not received.

- 4.16.6 Immediately the claim is paid, the paying officer shall perforate all **documents** supporting the payment using a stamp with the word "**PAID**". The perforation shall include the indication of the date when payment was effected, the cheque serial number, and date. The cheque serial number shall appear on every supporting document.

4.17 Imprests Disbursement and Retirement:

- 4.17.1 Imprests shall be classified as either **standing imprests** or **special imprests**. Standing **imprests** are renewable on the submission of valid payments from the imprest fund, while the special imprest is used for a single purpose

- 4.17.2 The holder of a standing Imprest shall maintain a cash book in which to record all **receipts**, payments and the balance at hand.

The standing **imprest** shall be replenished to the extent of expenditure accounted for. Standing **imprests** shall include Petty cash Funds and Branch cash.

- 4.17.3 The holder of **special imprest** is fully responsible for appropriate expenditure from that imprest. Special **imprest** shall not be used for the purpose other than for which it was approved.

- 4.17.4 To account for special imprests, documentary evidence shall be tendered to show that the expenditure was made in the interest of the **Region**.

- 4.17.5 Special imprests shall include Safari Imprests, and imprests issued to the **Region's officers** to acquire goods or services on behalf of the **Region**.

- 4.17.6 Imprests shall be accounted for within a period of fourteen days after the task for which the imprest was granted and executed, failure of which shall render the salary of the employee responsible to be subjected to recoveries to make good the imprest amount outstanding.

4.18 Electricity and Water.

- 4.18.1 The Finance and Administrative Officer shall keep a proper record of the bills of the electricity and water payable by the **Region**.
- 4.18.2 The bill shall be paid only after verifications have confirmed that the amount therein is genuine.
- 4.18.3 Where the bill rises persistently over a number of months, the Chief Accountant shall notify the Budget Committee in the next meeting of the committee about this fact.

4.19 Wages, Salaries and Overtime:

- 4.19.1 Appointments shall be made against the staff establishment approved by the Executive Committee, and subject to the funds being available.
- 4.19.2 The emoluments shall comply with the terms of employment as given in the letter of appointment.
- 4.19.3 The copy of the letter of appointment shall be sent to the section responsible for the preparation of wages and salaries.
- 4.19.4 Any correspondence which amends the amount of emoluments specified in the employee's letter of appointment shall be copied to the section responsible for the preparation of the wages and salaries.
- 4.19.5 Overtime shall only be worked when it has prior sanction of the Chief Accountant.
- 4.19.6 The Chief Accountant shall sanction the working of overtime after satisfying himself that the work for which overtime is requested could not be completed within normal working hours.
- 4.19.7 The Chief Accountant shall be required to supervise workers doing overtime, and ensure that the volume of work done is commensurate with the time spent on it.
- 4.19.8 Overtime worked shall be entered in the overtime sheets, and it will be signed by the supervisor and the head of department

4.19.9 The Chief Accountant shall maintain a record of the employee's liabilities to the **Region**, which shall be **up-to-date**.

4.19.10 Where a need arises to pay terminal benefits as a result of employment termination, care shall be taken to ensure that the **Region's** liabilities are recovered from such benefits.

4.20 Auditing:

4.20.1 Internal Audit:

Given the size of the **Region**, there shall not be an internal audit unit. In these circumstances, **the Regional Secretary** shall ensure that efficiency and effectiveness with regard to financial **management** is achieved by insisting on the prescribed monthly reports, and adherence to budgetary provisions.

Given the absence of the internal audit function, the external audit procedures should be extended as far as possible in the area of efficiency and effectiveness of the operations.

4.20.2 External Audit:

The **finances** of the **Region** shall be **audited annually** by the External Auditor. The audit fees payable to the external auditor shall be based on the volume of work undertaken by the external auditors.

In order to reduce the size of this volume, the Chief Accountant shall ensure that: -

- (a) **the** books of account are **up-to-date** within three months after the end of the financial year;
- (b) **the** debtors and creditors schedules are available;
- (c) **fixed** asset register is **up-to-date**; and
- (d) **the** income tax liability is correctly determined.

4.21 Taxation: (If applicable to the Secretariat)

- 4.21.1 The Chief Accountant is responsible for the timely preparation of tax returns and prompt payment of tax liabilities, according to the provisions of the tax laws.
- 4.21.2 The income tax returns, for provisional and final assessment shall be prepared so as to comply with the laws so that a need shall not arise to pay tax penalties.
- 4.21.3 The returns for pay as you earn recovered from the employees shall be filed within three months of the calendar year as provided in the **Income** Tax Act.
- 4.21.4 Pay as you earn and payroll levy shall always be remitted within seven days together with returns as required by the law.
- 4.21.5 Stamp duty remittances and returns thereon shall be made promptly as the act specifies in order to avoid attracting penalties.
- 4.21.6 Penalties relating to failure or delays in remittances of tax liability or filing the tax returns shall be surcharged against the officer responsible for such delays.

4.23. Insurance:

- 4.23.1 All insurance matters shall be under the Chief Accountant, subject to the direction **of the Regional Secretary.**
- 4.23.2 Heads of departments shall give prompt notification to **the Secretariat** Accountant cum cashier of new insurable risks and additional property which requires to be insured, and the type of cover required; or any alterations that need to be made in the existing risks.
- 4.23.3 On receipt of notification, **the** Secretariat Accountant, shall notify **the** Chief Accountant who will take prompt action to ensure that adequate insurance cover is arranged with the insurance companies.
- 4.23.4 The Secretariat Accountant shall once in a year notify **the** Chief Accountant **of the** details of all insurance policies affecting **the Region's properties.**

- 4.23.5 On receipt of the notification of insurance policies affecting **the Region's properties, the** Chief Accountant shall review them with a view **to** ensuring that all insurable risks are adequately covered by insurance.
- 4.23.6 **The Regional Secretary** shall ensure that adequate covers are available for all properties of the **Region** against thefts, losses, fire, accident etc. and that existing policies are current and valid at any given time.
- 4.23.7 The Chief Accountant shall keep a register of all insurance policies obtained by the **Region**, and this register shall always be **up-to-date**.
- 4.23.8 The Chief Accountant shall always take prompt measures to notify the insurance agency engaged by the **Region** about any losses suffered by the **Region**, with a view **to** obtaining indemnity.
- 4.23.9 All cash relating to indemnity whether for the **Region's** property or the loss suffered by **an** employee shall always be paid to the **Region** first, and subsequently the **Region** shall pay the employee involved, if the latter case is applicable.

4.24 Investments:

- 4.24.1 The powers of investment of the **Region's funds are vested** in the Executive Committee. This committee shall approve all investments recommended by the **Secretariat**.
- 4.24.2 All investments shall be in the name of the **Region**.
- 4.24.3 Liquidation of long- term investments shall always be approved by the Executive Committee where necessary.

5. CONTROL OVER THE USE OF PROPERTY

5.1 Motor Vehicles

- 5.1.1 Each motor **vehicle/cycle** shall have a log book with **up-to-date** records of **the mileage** covered for each journey, time taken, and the purpose of the journey.
- 5.1.2 The log book shall be regularly inspected by the Chief Accountant and **he/she shall** initial every entry considered to be valid.
- 5.1.3 Each **motor vehicle** shall have a History Record showing the details of the repairs, services replacement of **parts/spares** etc. This record shall include the cost of each repair service and spare parts replacement. **The** Secretariat Accountant shall maintain the History Record.
- 5.1.4 Before any expenditure for repair, service or spare parts replacement of any motor vehicle **is** undertaken, its History Record shall always be consulted first.
- 5.1.5 Old spare parts shall be delivered to the stores and acknowledged. Such parts shall be cross referenced to the Issue Note of the new spare parts, or Local Purchase Order which requested for replacement of the old spare part. This is for verification purposes.
- 5.1.6 A driver for each **motor vehicle** is not charged with the assessment of the efficiency of **the** motor vehicle. However he will be charged **for assessments which arise** out of his negligence or willful acts.
- 5.1.7 Any **parked motor vehicle** shall have its ignition keys deposited with the Secretariat Accountant, and entries made in the register for ignition keys. Tools, tool kits and **equipment** acquired for repairs of motor vehicles shall be registered as fixed assets if they qualify, and at the same time registered in the register maintained.
- Tools offered to a driver of a particular motor vehicle shall be entered in the History Record of the **motor vehicle**, and the driver concerned shall sign the entry in the History **Record** to acknowledge receipt of the tools.
- 5.1.8 **Repairs** shall always be undertaken by the **authorised** garage, and mechanics only.

5.1.9 In the event of an accident involving the **Region's** motor vehicle, notification shall be made to the insurance agency with a view **to** recover the loss suffered.

5.1.10 The expenses for major repairs, or repairs after an accident shall always be reported to **the Regional Secretary**.

5.2 **Control of Telephones:**

5.2.1 The **Region** shall pay for telephone bills of the approved lines. Trunk calls shall be made if they are made for approved purpose. To ensure this, a request will be made by filling in the form requesting for permission to make official trunk calls. Such requests shall be approved by the Chief Accountant, and shall be submitted to **the Regional Secretary**.

5.2.2 The Chief Accountant shall ensure that the bill for each trunk call is reasonable. Any unusually high bill shall merit investigation to establish the reasons for such high costs, and it will be brought to the notice of **the Regional Secretary**.

5.2.3 Before any telephone bill is paid it shall be verified by the respective individual in charge of the telephone line. Each officer in charge of the telephone shall maintain a Trunk call register in which a record of **trunk** calls made in the month is made. This register shall be attached to the telephone bill and submitted to **the Regional Secretary**.

5.2.4 Any telephone expenses arising out of the use of telephone outside the official business shall be a liability of the officer in charge of the respective telephone line.

5.2.5 The telephone operator shall be responsible for the trunk call made from the general line. No employee shall be permitted to make private trunk calls unless he/she shows the written permission from the Chief Accountant.

5.3 **Photocopying:**

- 5.3.1 The **photocopier operator** shall keep a daily record of photocopies made every day.
- 5.3.2 Photocopying shall not be done by the operator unless the request is supported by a requisition for photocopying signed by the **Secretariat** Accountant.
- 5.3.3 The photocopying register shall be sent to the Chief Accountant for review.

5.4 **Repairs and Maintenance of Buildings:**

- 5.4.1 For each house rented or owned by the **Region**, there shall exist a History Record maintained by the Secretariat Accountant. The History **Record** shall contain the relevant details relating to decorations, repairs, paintings, partitioning, and extensions.
- 5.4.2 For each building, there shall exist a record of furniture, machines and **equipment** available in each respective building.
- 5.4.3 Furniture, machines and **equipment** shall first be received at the office in the warehouse in a normal way. Then they will be requisitioned and transferred to the intended house on the basis of an **Issue** Note which will be signed by the resident of the building acknowledging receipt of such articles.
- 5.4.4 In order to update the inventory record of items in the given house, the copy of the Issue Note transferring the furniture machines and **equipment**, shall be sent to the Chief Accountant.
- 5.4.5 Each asset whether existing in the residential building or in the office shall be identified with a specific number given to it, and it shall not be transferred without prior permission from the Chief Accountant.
- 5.4.6 Periodic checks of buildings, and the assets in them shall be made by the Secretariat Accountant both in terms of record review and physical checks. If physical checks and records review reveal the variance, such a variance shall be reconciled and records amended accordingly.

- 5.4.7 The repairs to **equipment** and machines shall be carried out to conform to the time specifications offered by the supplier, or according to the timetable set. This timetable shall be consistent with the budgetary request made by the Secretariat Accountant.
- 5.4.8 When the occupant of a resident house is required to vacate the house of the **Region**, the Chief Accountant shall ensure that the house is vacated as soon as possible, **and furniture, machines and equipment are handed over as well.**
- 5.4.9 The handing over shall be witnessed by the officer selected by **the Regional Secretary**, and a certificate shall be signed by the vacating officer and the **incoming** officer. The certificate shall specify the **number of assets** in the house and their physical condition.
- 5.4.10 When **an** employee's **services are** terminated and such an employee is not traceable to hand over the house, the following steps shall be taken:
- (a) A police **officer** shall be called to witness the breaking into the house.
 - (b) The Secretariat Accountant shall call a mason if the keys are not available to break the locks of the doors.
 - (c) A list of items found in the house shall be compiled by the Secretariat Accountant **with a witness**. Any items of the **Region** missing shall be reported immediately to the Police Station.

6. **CONTRACTS**

6.1 **Tenders**

- 6.1.1 Any tender above the amount of US\$ 75,000 shall be circulated to all **Member** Countries of the **Region**, and local **Parliaments** shall bear the cost of advertisement.
- 6.1.2 The notice calling for tenders shall be brief and explicit. The contents of the tender shall not be amended piecemeal once the tender has been made in public.

Where it becomes necessary to amend the terms of the tender, the addendum will be made and circulated.

6.1.3 Adequate time shall be given to **tenderers** to enable them to make adequate preparation in the course of submitting the tender.

6.1.4 Where the samples of products offered are required, this should be included in the terms of the tender notice. Two or more samples of each product shall be supplied by the tenderer and the sample shall be retained as a basis for comparison with the products offered in the course of execution of the contract. And where necessary one of the sample or part of the samples shall be tested by suitably qualified consultants in order to analyse its contents, strength, quality, etc. and the analysis report shall form a basis for comparison with the goods offered by the tenderer in the course of execution of the tender.

6.1.5 All letters bearing the tender offer shall be marked in bold letters with the word "TENDER" by the tenderer.

6.2 **Receipt of Tenders:**

6.2.1 All tenders shall be received in sealed envelopes and they shall be deposited in the tender box before they are opened. Unless indicated otherwise. Envelopes containing the tender mail shall also be numbered chronologically to indicate which tender was received first, and which one was received last.

6.3 **Consideration of Tender**

6.3.1 The bids of tenderers shall be considered by the Tender Board to decide who will be offered the tender.

6.3.2 On the date and the hour at which the tender closes, there shall be received no more tender mail, and at that time the tender box, shall be opened by the Chairperson of the Tender Board in the presence of other Members and Tenderers who wish to attend.

6.3.3 Each tender envelope shall be opened and recorded.

6.3.4 The tender mail and the tender records are confidential documents, which should be kept out of the reach of those not concerned **with** the tenders.

- 6.3.5 Where it is necessary, the Tender Board shall retain the consultant to advise on technical issues relating to the goods or services to be offered by the tenderer.
- 6.3.6 In arriving at the decision to offer or not to offer the tender to the tenderer, the Tender Board shall consider a number of factors including the goods or services offered by the tenderer.
- 6.3.7 With respect to the tenderer, the following factors shall be taken into account:
- (a) **the** tenderer should be a person whose integrity is not questionable;
 - (b) **the** tenderer's financial position should be expected to be sufficiently strong during the entire period of the contract; **and**
 - (c) **the** tenderer should have sufficient production capacity to meet the requirements of the tender.
- 6.3.8 With respect to the goods or services offered the following factors shall be taken into account:
- (a) **the** quality of goods or services should be expected to comply with the wishes of the **Region**; **and**
 - (b) **the price of the goods or services.**
- 6.3.9 To enable the Tender Board to arrive at a sound decision, the following details shall be offered to the Tender Board Members with respect to each tenderer, and the terms offered:
- (a) **the** price the **Region** is prepared to pay, basing on expert advice available;
 - (b) **the** technical details of the contract on the basis of which the tender is offered;
 - (c) **the** tender aspects not included in the tender but which are part of the entire job;

- (d) **the** list of persons invited to bid for the tender, including their full addresses;
- (e) details of previous jobs performed by the bidders elsewhere;
- (f) their financial position, and the capacity of their facilities;
- (g) **the** price at which they wish to offer **the goods** or services;
- (h) **the** time they guarantee to complete the job, and the guarantee period they offer;
- (i) **the** copy of the advertisement made by the association when calling for the tender under consideration; **and**
- (j) **the** details with respect to penalties in the event of non-performance of the contract, down payments and retention period.

6.3.10 The minutes of the Tender Board Meeting shall be taken, and these minutes and all relevant documents shall be filed and retained for future reference.

6.3.11 As soon as the Tender Board has decided who shall be offered the tender, the tender Board Secretary shall notify the unsuccessful tenderers with regret letters, and also notify the successful tenderer so **as** to enable that person to draw up the contractual document

6.3.12 The Tender Board shall comprise the followings Members:

- | | |
|---|---------------|
| - Treasurer | - Chairperson |
| - Secretary | - Secretary |
| - Member of Executive Committee of the Host Country | - Member |

6.3.13 Where, in respect of relatively small works, the Tender Committee deems it necessary and in the interest of the **Region**, it may resolve to negotiate the contract rather than call the tender. **A negotiated contract shall be in writing using the approved form or by variation Order**

or by Addition Order or by Omission Order if contracts refer to existing contracts.

6.4 Purchase Procedures:

- 6.4.1 All purchases shall be made only when the budget approved by the Executive Committee allows, and funds are available.
- 6.4.2 Purchases shall be in quantities that are economical to ensure that purchased goods shall not be stored for a long period to attract carrying costs, neither that they are in small quantities to necessitate frequent orders with resultant ordering costs.
- 6.4.3 Purchases shall only be made when the Secretariat has made requisition for goods or services. This will result in a purchase **requisition** to be prepared by the Secretariat Accountant, and it is on the basis of the approved **purchase requisition** that a purchase transaction shall be undertaken.
- 6.4.4 Each purchase transaction shall be evidenced by the Purchase Order, which will be sent to the approved supplier.
- 6.4.5 The approved suppliers shall include suppliers nominated by **the** Secretariat, or those **whose** quotations have been received and approved.
- 6.4.6 The purchase transaction shall be undertaken only when the price offered is known and accepted prior to the purchase order **being** prepared. Under no circumstances shall the **Region** issue a signed blank purchase order. The purchase order shall include all terms offered by the **Region** including the price.
- 6.4.7 Where in the interest of the **Region** the prepayment is made for future delivery, the amount relating to the undelivered goods or services shall be among the list of debtors.
- 6.4.8 For purchases exceeding USD 1,000 the Secretariat Accountant shall obtain at least three quotations, from among **which the** favourable offer shall be selected. Selection shall emphasise both high quality and low price.

- 6.4.9 All goods or services delivered shall be acknowledged by the recipient with a Goods Received Note. This document shall be a principal document for recording goods **received and the liability of the Region** to the supplier of goods or services, together with the suppliers invoice, and the copy of the purchase order.
- 6.4.10 All goods received shall first be delivered to the store room before they are issued to the user; and they shall be issued to users against the stores **requisition**.

6.5 **Execution of Contracts:**

- 6.5.1 All contracts such as construction, repairs of buildings etc. shall be in writing in an approved form.
- 6.5.2 Where the consultant is retained, for instance in architectural contracts, the estimates of the degree of completion shall form a basis for disbursements to the contractor.
- 6.5.3 The **Regional Secretary shall authorise** payment on the basis of fee notes and expenses submitted by the contractor. He shall **scrutinise** them carefully before payment is made.
- 6.5.4 Where the contract fee has been retained, such retentions shall not be paid until **the Regional Secretary** is satisfied that the contractor has fully discharged his/her contractual obligation.

6.6 **Contract Records:**

- 6.6.1 The Chief Accountant shall maintain the register of contracts **wherein** a minimum of the following information shall be available:
- (a) **serial** number of the contract;
 - (b) **name** and address of the contractor;
 - (c) **date** of contract;
 - (d) **reference** to appropriate authority for award of contract;

- (e) **brief** description of the nature of contract;
- (f) **date** of completion;
- (g) **amount** of contract;
- (h) **the** amount paid to date;
- (i) **security** retained and how it will be disposed off eventually; **and**
- (j) **remedy** in the case **of breach of the** contract.

7. MISCELLANEOUS PROVISIONS.

7.1 Records of Fixed Assets:

7.1.1 The Secretariat Accountant shall maintain a register in which fixed assets shall be recorded, and this register shall highlight the categories of fixed assets such as office buildings, residential buildings, office furniture, residential furniture, **office** machines, residential machines etc.

7.1.2 The details shall include:

- (a) **date** of purchase;
- (b) **cost** of purchase;
- (c) **the** name of the supplier;
- (d) **reference** for: -
 - (i) **supplier's** Invoices, and Delivery Note;
 - (ii) **the** Goods Received Note; **and**
 - (iii) **title** documents;
- (e) **location**;
- (f) **Identification** Code Number;
- (g) **depreciation** details;
- (h) **disposal** details; **and**
- (i) **major** repairs extending the useful life of the asset.

The **asset register** value shall be equal to the general ledger value.

7.2 Board of Survey:

- 7.2.1 Every twelve months a survey shall be made by the appointed Board of Survey to dispense with unserviceable items of fixed assets. A proposal shall be submitted to **the Regional Secretary** suggesting which assets should be **disposed of**.
- 7.2.2 **The Regional Secretary** shall consider the Board's proposal and accept or refuse it.
- 7.2.3 **The fixed asset shall be disposed of by tender or auction whichever is considered by the Board to be advantageous to the Region.**
- 7.2.4 **The Regional Secretary's** decision to dispose of the fixed asset shall be certified by the **Executive Committee** before the disposal takes place.
- 7.2.5 The Board of Survey shall include:
- (a) **Assistant Secretary** - Chairperson
 - (b) Clerk Assistant - Member
 - (c) Chief Accountant - Member
 - (d) Secretariat Accountant - Secretary

7.3 Accounting Policies:

7.3.1 Depreciation

Fixed assets shall be **depreciated** using the following rates:

- (a) Buildings 4%
- (b) Motor Vehicles 20%
- (c) Tools and office equipment 20%
- (d) Furniture and Fittings 10%

The rates shall be applied to the **original cost** of the respective assets, and it will be for twelve months **starting from the date of the month following the date of acquisition**. Where such acquisition takes place in any part of the year, a

fraction of the **Year's** depreciation shall be recorded.

7.3.2 Valuation of Debtors: (Subscription fee receivable)

A provision for bad debts shall be made at the end of every year on the basis of the ageing of debts as **follows**:

Age of Debt.	Provision Rate.
24-36 months	25%

7.3.3 Valuation of Debtors:

The **Region** shall use First in First out method to price stocks issued out, and the stock available at the end of the year shall be valued on the basis of lower of cost and net **realisable** value.

7.4 Custody of Document:

7.4.1 The following documents are classified as valuable and are to be preserved so as to prevent their loss, destruction or misuse, and the listed officers shall be accountable for such documents.

Document	Responsible Officer
Title Deeds	Chief Accountant
Guarantee	"
Vehicle Registration Cards..	"
Insurance Policies	"
Local Purchase Order Book..	Accountant/Cashier
Cheque Book.....	Accountant/Cashier
Receipt Book	Accountant/Cashier

Each Officer required to keep custody of documents, shall maintain a register in his custody **as** recorded.

7.5 Financial Statements:

7.5.1 **The Secretariat** shall **produce** the following statements at the end of each financial year:

- (a) Trial Balance;
- (b) the Bank Reconciliation Statement;
- (c) **certificate** in respect of the true cash balance as **reckoned** in the Bank Reconciliation Statement;
- (d) **itemised** statement of actual income and expenditure comparing the budgeted item to actual results;
- (e) **itemised** statement of capital expenditure compared to the budget provision;
- (f) **a** statement of payable and receivables; **and**
- (g) Income and Expenditure account.