



**WOMEN RIGHTS ADVOCACY INITIATIVE
(WRAI)**

FINANCIAL POLICIES

JUNE 2019

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1.0 INTRODUCTION

This manual aims to provide clear and reliable information in a format accessible to staff and affiliates of WRAI. It is intended to be a comprehensive guide and while it may not answer every possible question will provide a starting point for further reference and therefore the finance staff should use their professional training and experience guided by the principles of accuracy, clarity, documentation and transparency when executing their duties.

All personnel with a role in the management of WRAI 's fiscal operations are expected to uphold the policies in this manual. It is the intention of WRAI that this accounting manual serves as our commitment to proper, accurate financial management and reporting.

The manual has been designed to provide reasonable assurance in regard to reliable financial reporting, effective, efficient operations and compliance with applicable laws and regulations, following guidelines provided in the International Accounting Standards (IAS) and the generally accepted accounting principles (GAAPS)

2.0 GENERAL POLICIES AND PROCEDURES

2.1 Fundamental Principles of Accounting

There are five fundamentals accounting concepts that WRAI follows in the preparation of its accounts. These are:

- **Accruals Or Matching Principle**

This means we will try to match expenditures to when the activity happened, as opposed to when the payments were made. So at the end of the financial year we will make accruals for payments due but not paid yet. This means that expenditure in the old and the New Year will accurately reflect their activities.

- **Going Concern Concept**

It is to be assumed that the WRAI will continue in operation for the foreseeable future. It is assumed that the accounting entity has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operations. The significance of this concept is that

the assets of the business are not valued at their resale value, which is the amount that they would sell for if they were sold off piecemeal.

- **Consistency Concept**
This means that we will treat similar transactions in a consistent way. The most important aspect is that we should code transactions to the account codes that best represent the activity undertaken, rather than the account code that holds the budget.
- **Prudence Concept**
This means that if we are uncertain about how to treat a transaction we take the most prudent approach. For instance we would only accrue expenditure once a contractual agreement has been signed.
- **Substance Over Form Principle**
This means that the financial statements will reflect the financial reality of the entity (Substance) rather than the legal form of the transactions and events (Form), which underlie them. To put it very simply: if it is a goat but it was disguised in a legal form to look like a dog, Substance Over Form would prevail to reinstate that it is a goat and not a dog!

2.2 Segregation of duties

There is separation of financial duties and responsibilities so that no staff member has sole control over cash receipts, cash/cheque payments, payroll, bank reconciliations or other accounting functions.

2.3 Maintenance

The board shall be responsible for the financial policies and delegate the programme coordinator who shall oversee their implementation. These policies and procedures shall be reviewed on regular basis whenever the Board feels there is need to update them. The review will include the application of the controls and financial system.

The Board should approve any material changes to the manual as proposed by the management.

2.4 Financial Period

The financial year is from January to December as it appears in the constitution.

2.5 Structure of the Manual

The manual is divided into sections, sub sections and paragraphs. Sections deal with major aspects of financial functions and are identified by a one-digit number. Within sections, there are sub-sections that are identified by a two-digit number for example (1.3). Three digit numbers for example (1.3.1) identify paragraphs.

2.6 Source Documents

The source document is the basis for the initial recording of a transaction and serves as supporting evidence for the transaction. No entry should be made in WRAI books of accounts without appropriate supporting documentation and approvals. All disbursement/deposit of funds and entries be supported by original source documents. The purpose is to prevent accidental or incidental duplicate payment or double recording of a transaction. Supporting documents include:

- Receipts
- Agreements/Contracts
- Project payment authorizations
- Quotations analysis
- Attendance lists etc

3.0 FUNDING

WRAI will endeavor to raise adequate funds to pursue its stated mission. The specific need for finance will be identified and defined through planning and budgeting processes. WRAI will raise funds from two main sources namely grants from donors who are interested in supporting WRAI projects and own generated funds. Funds from donor will be accessed through fundraising in form of project proposals for activities that WRAI has identified. To enhance financial reliance, WRAI will endeavor to internally design innovative income generating activities.

3.1 Grants from donors

The Executive Members will be responsible for fundraising from donors. The Programme Coordinator in collaboration with Project Officers will develop project proposals, which then will be approved by the chairperson of the board on behalf of the board. The Programme Coordinator will submit the proposal and then follow up the proposals with donors.

Information on approved grants should be shared with the members of the Board. Negotiations for a subsequent disbursement should start early enough before expiry of current funding to avoid project delays.

3.1.1 Donations

Donations are gifts in cash or in kind other than grants from donors, subscriptions and proceeds from organized harambees.

3.1.2 Cash Donations

The Accountant shall issue an official receipt for all cash donations received in the programme. Any staff who receives donations shall surrender it to the Accountant within twenty-four hours or the next working day. Failure to surrender is a disciplinary offence. Donations will be recorded in donation account in the cashbook and the ledger. The Receipts Control Sheet shall be cross-referenced with the receipt book that shall be consecutive and pre-numbered.

3.1.3 Donations in kind

Donations-in-kind are donations received from well-wishers in a form other than cash. They will be recorded by type and quantities in the donations-in-kind register.

The accounting entries for recording donations-in-kind that are significant will be through a journal entry, debiting the appropriate asset or material account and crediting donations-in-kind account with the estimated value.

4.0 Approval of expenses for reimbursement.

1. A person must never authorize their own expenses, nor have them authorized by someone for whom they are line manager.
2. An officer may delegate his/her authority (One exception is for bank accounts) such delegation should be evidenced in writing.
3. Expenses incurred on duty of WRAI by its staff or any other authorized person may be reimbursed by the WRAI. Reimbursement of expenses shall be on the actual amount spent as may be supported by voucher, receipts, bills, certificate etc.
4. Reimbursement of expenses shall only be done where the commitment, expense or the purpose for which the expense was incurred was approved in advance.

5.0 BANK & CASH OPERATIONS

5.1 Establishing a Bank Account

The establishment of a WRAI bank account requires the approval of the board. WRAI shall maintain bank accounts depending on its needs and as recommended by donors. The programme coordinator shall propose opening of new accounts and recommends their approval by the Board. The programme coordinator shall be responsible for all bank correspondences and account activities. Bank operations are guided by the following: -

- All Bank Accounts must be in the name “WRAI”.
- The power to sign cheques or give instructions to a bank is specific to nominated senior individuals and may not be delegated. Additional signatories, even though more senior, may only sign following their registration with the bank as authorized signatories using proper banking procedures. The rule is that any of the signatories must sign. The accountant must have a procedure that shows that two signatories have approved the payment.
- The Accountant will maintain and update a cheque register
- A Staff other than the one who write checks must reconcile the Bank’s balance with the balance in WRAI’s cashbooks at least monthly, and take action to resolve differences if there are any.
- All cheques shall be crossed “A/C Payee Only”
- The accountant must keep all chequebooks and specimen signatures securely.
- Arrange with the bank to confirm large payments before clearing, and to advise substantial receipts.
- Limit the number of staff who deal with the bank, e.g. collect statements, obtain account details and balances, obtain chequebooks, and make withdrawals and deposits.
- Check once per year that the bank has a full, up to date and accurate list of signatories.
- Keep the number of bank accounts to a minimum.
- Vary banking routines where possible (E.g. timing/routes)
- Cheques shall bear full names of the payee. Abbreviation shall not be used. Gaps in figures writing and in words should be avoided.
- Once the Cheque has been written appending signatures should not be used to validate amendments. The cheque should be cancelled and a new one issued.
- Cheques are not to be post dated while signing blank cheques should be avoided at all costs. Efforts should be made to have contingent signatories and avoid signed blank cheques.

5.2 Payment processing

The payment processing policies and procedures are designed to ensure that disbursements are properly made based on adequate documentation and proper authorization.

5.3 Payment voucher

A payment voucher will be prepared and attached to all the payments. The payment voucher will be prepared along with payment cheques. Cheques will not be signed unless they are attached to a payment voucher and relevant supporting documents are attached.

The payment voucher will have the following details

- The cheque number
- Payee Details
- Date of payment
- Brief description of what is being paid for

- The budget line/code the expense is being charged
- The donor code from which the expense is charged.

Once a cheque is made, all the cheque supporting documents will be stamped "PAID" with dates and cheque number, and then should be filed sequentially per cheque number.

5.4 Payment Procedures

1. Payments will be initiated by preparation of a Request for Payment (RFP). RFP are submitted together with the original invoices attached.
2. The staff requesting the payment, codes RFP as to the donor and expense to be charged.
3. The RFP is signed by an authorized staff member indicating approval of the expenditure.
4. Any payment over kes 1,000 should be made by cheque.
5. Payments to other parties other than the identity of the invoice/fee note should only be made on a written and authorized request.
6. The cheque signatories has a right to decline signing, if in his opinion the proposed payment is not properly documented, budgeted for or improper etc.
7. All documents must be stamped paid before the cheque is signed to avoid double payment.
8. The finance staff has the liberty to refuse initiating payment documents if the transaction is likely to distort the fairness of the account or the cashflow position of the organization or is improper.
9. No payment shall be made from a statement, duplicate or copy document. Where such payment has to be done, then the finance staff shall undertake the following:
 - a) Verify that no such previous payment has taken place.
 - b) The supplier should certify such documents as true copies of the originals.
 - c) Initial on the copy document that such verification has been done.
10. The secretary mails cheques to vendors unless specific arrangements had been made in advance for pickup of cheques at the office. If a cheque is collected , the person collecting the cheque must provide identification, which agrees with the payee on the cheque or must have verifiable written authorization from the payee to pick up the cheque.

5.5 Bank Reconciliation

The person charged with the responsibility of reconciling bank accounts should reconcile each account promptly upon receipt of the bank statements. All accounts will be reconciled no later than 7 days after receipt of the bank statements.

The person performing the reconciliation must not be a signatory of the account nor should he be the one preparing cheques.

The purpose of the reconciliation is to compare bank statements with cashbook recordings to ensure accuracy and continuous monitoring of bank transactions.

When reconciling the bank accounts, the following items should be included in the procedures:

- a. A comparison of dates and amounts of daily deposits as shown on the bank statements with the cash receipts ledger.
- b. A comparison of inter-organization bank transfers to be certain that both sides of the transactions have been recorded on the books.
- d. A comparison of wire transfers dates received with dates sent.
- e. A comparison of canceled cheques with the disbursement book as to cheque number, payee and amount.

- f. An accounting for the sequence of cheques both from month to month and within a month.
- h. A review and proper mutilation of void cheques.
- i. Investigate and write off cheques, which have been outstanding for more than six months.

The programme coordinator should review completed bank reconciliations. Once he has reviewed he should initial and date the reconciliation.

5.6 Petty Cash

WRAI will, as far possible, hold cash funds in bank accounts where all payments are supposed to be made from. There are, however, some small value payments which if they were to be paid through cheque they would be uneconomical. The purpose of a Petty Cash Fund is therefore to facilitate such small business purchases or reimbursements that are needed in the day-to-day operations of the organization, without going through the cheque writing process. The petty cash will be operated on an imprest basis.

5.6.1 How petty cash will be managed

- i. The secretary will double up as a secretary and custodian of the petty cash.
- ii. The maximum petty cash float shall be kshs 10,000.
- iii. The maximum amount payable from petty cash imprest shall be 3,000 of the fund, or otherwise the higher amount shall be paid by cheque.
- iv. Petty cash is kept in a locked box and secured in a locked cabinet, safe or desk. Only assigned custodians will have keys to the box.
- v. The Programme coordinator will approve all petty cash payments or in his absence his designate.
- vi. A petty cash voucher will be raised for every payment being made. The voucher shall have adequate information to record a transaction, and should be duly approved before paying.
- vii. Receipts shall support all petty cash payments. Occasionally it is not possible to obtain a receipt. Where this is the case the expense claim form should include sufficient details of the expense incurred and the reason for not having receipts.
- viii. All the petty cash vouchers and receipts will be attached to the reimbursement form and handed to the Accountant. The Accountant verifies the documents and reconciles with the petty cashbook balance. If satisfied, the Accountant issues a cheque for an amount equivalent to the petty cash payment already incurred. The cheque is signed the normal way but is opened to allow for cash to be withdrawn from the bank
- ix. The petty cash vouchers shall be appropriately marked Paid and stamped upon reimbursement in order to avoid double payment.
- x. The accountant shall occasionally conduct surprise cash counts in the presence of the petty cashier, but a mandatory cash count must be done at the end of every month. Once a cash count is conducted, a certificate should be issued signed by the accountant and confirmed by the person managing the petty cash.
- xi. The custodian will ensure that the petty cash box contains vouchers and cash totaling the amount of the fund at all times, otherwise he/she will be held responsible for any shortfall. Any discrepancies should be discussed and resolved immediately.

6.0 BUDGETING

Budgets provide a standard by which to measure performance, encourage planning, and allocate resources in accordance with funding source requirements. Budgets should use reasonable assumptions of income and expenses. All budget assumptions should be documented to facilitate a thorough analysis and evaluation, not only of the budget, but also of the actual revenue and expenditures as they relate to the budget.

All expenditures during the financial year will be compared with this budget. Variances are expected. The objective of budgets is to examine and establish their causes so as to:-

- Decide what cause of action to be taken
- Improve future forecasting
- Identify the flexibility needed to manage the unpredictable.

Annual plans and budgets will be prepared by the Programme Coordinator in Consultation with Project Officers and approved by board before the commencement of every financial year.

In developing its financial plan, WRAI shall consider:

- ii) Sufficiency of funds to meet its expected obligations or commitments.
- iii) The cost of obtaining the funds.
- iv) The reliability and sustainability of sources of funds.
- v) The flexibility of its plan in the financial resources changes.
- vi) The synchronization of its financial objectives – Vs – the overall objectives of the WRAI.

1. The finances of the WRAI shall be appropriated following the approved budget by the board and the donors.
2. There shall be a consolidated organizational budget that shall be backed up by specific sub-budgets for program activities. Every budget shall list the number of activities and task to be done and cost estimates be assigned to them.
3. There shall be production of monthly performance report (budget – Vs – actual) in order to monitor expenditure continuously. The report shall be reviewed with a view of rescheduling any future activities or any activities in the preceding month or year.
4. Whenever a budget revision is necessary, reasons shall be provided for the budget modification (adjustment) i.e.
 - a) Need for additional funding.
 - b) Re-allocation of funds between line items.
 - c) Changes in scope of activities.
5. The accountant will prepare cash flow projections on a quarterly basis in order to determine the funds required for the particular period.
6. WRAI shall put in place an elaborate chart of accounts in order to monitor, allocate and account for funds and charge costs to the relevant accounts.
7. Program budgets shall only be exceeded with the approval of the Donors.
8. Budget shall be reviewed on monthly basis to counter any under expenditure or Over – expenditure to take most appropriate action. Any over or under spend which is plus or minus 10% should be explained.

7.0 DONOR CONTRACT MANAGEMENT

Donor contracts must be reviewed by the programme coordinator before signing using the checklist to ensure that funding conditions are acceptable, appropriate and understood by programme and finance staffs who will manage the contract.

The following must be checked and discussed either with the donor or programme staff in order to ensure that requirements are understood and can be met by WRAI.

- The general conditions on the use of the funds
- Whether the basic facts are correct
- Procurement conditions
- Implementation conditions
- Reporting conditions
- Closure conditions

The accountant will maintain individual contract files containing copies of the grant/contract, any amendments, relevant correspondence regarding the grant/contract, and reports of expenditures or billings.

The accountant will prepare and maintain, on a current basis, a listing of reports and due dates of the various funding sources.

7.1 Donor Reporting

Major institutional donors generally require narrative and financial reporting to be done in agreed formats as per the contract. WRAI's policy is that donor reports must be submitted in line with the requirements of the donor.

Quality and accuracy of donor narrative and financial reports are equally important as some donors are particularly strict about reporting requirements and apply sanctions in the event of overdue reports.

- Narrative reports are prepared by programme officer but must be harmonized with the financial report and then checked by the programme coordinator before submission to the Donor.
- Evidence linking expenditure to donor contracts must be retained.
- Where it has not been possible, for exceptional reasons, to meet donor-reporting deadlines, programme coordinator must ensure that reports are submitted no more than 2 months overdue and with liaison with the donor.
- The programme coordinator should ensure that all donor reports are prepared in accordance with the donor's requirements.
- A donor financial reports check-list exists to assist the checking of financial reports

Donor reports should be prompt.

- Late reports are a breach of contract
- Late reports alienate the donor
- Alienated donors do not make funds available.
- Financial reports must be reconciled to the expenditure and contract balances within the system.
- Donor financial report will be prepared and submitted to donors according to their specific reporting requirements.
- The Programme Manager will be responsible for ensuring donor reports are submitted on time.

8.0 Payroll

For temporary staff, the number of hours worked should be clearly recorded and monitored, in order to determine the pay due.

Programme coordinator shall authorize the payroll together with any changes to the payroll standing information.

The purpose of the payroll procedure is to ensure: -

- a) Correct amounts are paid to employees
- b) All the staff on the payroll have proper contractual documents
- c) The payroll is based on proper authorization and required documentation.
- d) Statutory and other deductions are recovered from salaries
- e) Statutory deductions are remitted on time and in full.
- f) Salaries are paid on time and recorded properly in the books of accounts.

8.1 Payroll Preparation

The payroll will be prepared on or around the 24th day of each month. The payroll will show the following information for each employee: -

- Consolidated pay-Even cases where a person's salary is funded by more than one donor the amounts will be consolidated into a single salary.
- Tax payable
- Statutory deductions: PAYE, NSSF and NHIF etc
- Advance recoveries
- Total deductions
- Net pay

8.2 Payment

The net salaries will be paid to each employee by cheques or through their account, employees should not collect the pay on behalf of other employees, unless authorized in writing. A pay slip advising the staff their month pay breakdown will be given to each staff.

8.2.1NHIF

National Hospital Insurance Fund is deducted from employees earning more than Ksh.1, 000 per month except married women whose husbands are contributors. These have an option to either join or not. NHIF deductions will be deducted from contributing employees according to the rates approved by NHIF. NHIF card will be maintained for each contributing staff.

NHIF stamps will be bought in bulk and fixed on the employee's NHIF cards.

8.2.2 PAYE

- Pay As You Earn (PAYE) will be deducted from staff salaries through the payroll and remitted to Kenya Revenue Authority (KRA) monthly on or before 9th of the following month.
- The deduction will be based on the graduated scales provided by KRA
- PAYE deduction cards for each employee will be maintained as required by KRA. PAYE returns will be prepared and returned to KRA according to their regulations.

9.0 Travel Floats/travel policy

1. The staff of WRAI may receive travel floats to meet expenses i.e. accommodation, meals and incidentals while on official duties but the travel advance shall be accounted for by receipts or certification statements immediately upon return from travel. All travels, meals and accommodations shall be by the most economic mode.
2. The person in charge shall ensure that the activity in the course of which costs are incurred by staff was authorized.
3. The chairman of the board will approve the travel costs and subsistence claims of the programme coordinator.
4. The expenses allowable on official travel are:
 - i) Accommodation.
 - ii) Meals.
 - iii) Official telephone calls occasioned by the trip.
 - iv) Local travel.
 - v) Soft drinks and snacks.
 - vi) Statutory charges e.g. Airport tax.
 - vii) One personal call per week while away on travel, not exceeding ten minutes.
5. All travel shall be budgeted and approved.
6. Completed float liquidation forms with receipts or invoices supporting the expenditures and any remaining cash should be returned to finance within 24hrs of return. Occasionally it is not possible to obtain receipts. Where this is the case the expenses liquidation form should include sufficient details of the expenses incurred and the reason for not having receipts. Failure to return within these times will result in the full amount being deducted from salary. Where it has not been possible to obtain receipts expenses incurred should be individually authorised by the programme coordinator

The following are the rates for claiming Daily Subsistence Allowance for Board of Directors, Partners, Network members, Government Officials, Community members and Staff of WRAI. (A) Within and (B) Outside the District –neighboring districts’(C) Regional Levels

a. WITHIN THE COUNTY

No.	Categories	Breakfast	Lunch	Dinner	Accommodation	Transport
1.	Board of Directors	800	1500	700	2500	As per distance
2.	Partners, Network /individual members	300	800	400	1000	”
3.	Government Officials	<i>To be paid per diem as per their Job groups</i>				
4.	Staff	400	1000	600	1500	”

b. OUTSIDE THE COUNTY (within the Country)

No.	Categories	Breakfast	Lunch	Dinner	Accommodation	Transport
1.	Board of Directors	1000	2000	1000	3500	As per receipts
2.	Partners, Network/ individual members	500	700	600	1500	”
3.	Government Officials	<i>To be paid per Diem as per their job groups</i>				
4.	Staff	500	1200	700	2500	”

c. REGIONAL LEVEL (Outside the Country)

No.	Categories	Breakfast	Lunch	Dinner	Accommodation	Transport
1.	Board of Directors	1500	2500	1500	5000	As per receipts
2.	Partners, Network/ individual members	800	1000	800	2,000	”
3.	Government Officials	<i>To be paid per Diem as per their job groups</i>				
4.	Staff	800	1500	800	3500	”

10.0 REPORTS

10.1 MONTHLY REPORTS

- Bank and cash accounts must be reconciled on a monthly basis
- All other balance sheet accounts should also be reconciled monthly.
- The accountant should prepare a Budget-Variance-Analysis report showing the over and under-expenditures for all accounts included in the annual operating budget and a cashflow projection.
- The Budget-Variance-Analysis report should be distributed to the relevant programme officers to review for completeness and accuracy; and corrective actions initiated as necessary.
- In addition, the monthly reports for the quarterly periods will be submitted to the full board for their review and acceptance at the meeting.

10.2 YEAR – END CLOSING PROCEDURES.

- All financial commitments outstanding should be accumulated and recorded before closure of the financial year.
 - All the Account balances should be reviewed and confirmed.(payables, receivables, advances)
 - End year closing stock take should be carried out.
 - Run reports for the year and verify their accuracy. Enter adjusting entries as necessary and rerun the reports.
 - Back up your data file on a special backup diskette, zip disk or CD ROM that will never be touched.
 - Make adjustments for prepaid and accrued expenses to match the expenses and incomes for the year.
 - Track all fixed assets
- Reconcile all cash, banks, and floats accounts with the statements. File the reconciliation reports.

11.0 ANNUAL ACCOUNTS AND AUDITS

1. The financial year of WRAI shall be 1st January to 31st December.
2. The annual accounts of WRAI shall be stated to mean the following.
 - The Auditor's report.
 - The balance sheet.
 - The income and expenditure Account.
 - The explanatory notes and other appendices (where applicable.).
 - Statements of sources and application of funds.
3. The following documents and books of account shall be kept to ensure proper Accountability.
 - General ledger.
 - Cash books.
 - Receipts books/credit notes.
 - Check books/folio.
 - Debit notes/invoice books.
 - Payment vouchers.
 - Trial balance
 - Asset register
 - Journal
 - Petty Cashbook.
5. The accounts of WRAI shall be reviewed, ready for Audit by the 30day after financial year-end.
6. The Audited accounts shall be presented to the executive Board for approval, and shared with our partners soon after the same have been approved.
7. The audited accounts shall be presented to the board and to the ordinary general meeting.
8. The staff and volunteers must co-operate unreservedly with the auditors.

11.1 Annual Audits

The auditors will be hired and terminated by the board during a general meeting as specified in the constitution.

The auditors will audit the annual financial statements and submit the audit report together with the management letter to the board/donor.

11.2 Special Audits

Donors may request a separate audit for their funds. Such an audit will be conducted separately from the annual audit. The audit will only cover transactions related to the funds of the particular donor who requested for the audit. In such cases donors will pay for the cost of the audit.

12.0 INTERNAL CONTROL TECHNIQUES.

	Control techniques	Typical users	Evidence of control
1	Transaction approval	To show approval of expenditures shown on payment vouchers, invoices, purchase orders, payroll, petty cash, stock requisitions etc	Signature of authorization according to determined and documented approval levels.
2	Pre-numbered documentation (preferably in multi-part sets)	Receipt books, Local purchase orders, cheques.	The documentation is filed in numerical order.
3	Reconciling or balancing control	Bank reconciliation, payroll reconciliation, petty cash reconciliation of details to total or control account.	Documented reconciliation, signed by the preparer and approved by someone else in senior level of management
4	Sequence check	Verification of the usage of key forms, e.g. cheque leafs, Local Purchase orders, receiving advances.	Initials to indicate check performed.
5	Calculations check	Verification of the arithmetical accuracy of invoices, payrolls, journals.	Initial or signature on document to indicate check performed.
	Segregation of duties	To separate the custody of an asset from the related record keeping, to restrict access by individuals to records. To ensure that bank account are accurately reconciled. Separate programming from computer operations. To ensure that a task is carried out by more than one person	Flow-charts or other description of procedures, procedures manual. Signatures from the different people who handled the transaction.
7	Physical custody fences, lock, security guards.	To safeguard assets.	Control can be observed, guard rosters and plans, keys, safes.

13.0 Glossary

Account code	A code for a specific type of transaction. Transactions are given a code which describes what type of income or expenditure they are - e.g. transport costs, office rent etc.
Asset	Any item that keeps its value and has a useful life of over one year is known as an asset. For NGOs, these are normally stocks of goods, office equipment, vehicles and property.
Asset register	A register (list) of the assets owned by the organisation, including details such as: asset reference number, date bought, purchase price, supplier and location.
Bank reconciliation	This means reconciling (comparing) the cashbook to the bank statement. It is a fundamental internal control, demonstrating that the basic accounting records are right.
Bank statement	A report produced by the bank, listing all the receipts and payments made out of or in to a bank account.
Book-keeping	The process of recording the basic details of each transaction.
Budget	The best possible estimate of the cost of a set of activities over a given period of time, and of how you are going to finance those activities
Cash advance	A sum of money entrusted to someone for a general purpose when precise costs are not known in advance.
Cashbook	A book or spreadsheet that lists all of the transactions made in to and out of a single account.
Cashflow forecast	A report that shows the expected timing of receipts and payments over a period of time.
Chart of accounts	A list of all account codes, including a description of each code.
Cost centre	A label for a group of costs, which are looked at together. For instance, different projects are often treated as different cost centres.
Reconciliation	The process of comparing information held in two sets of records that describe the same transactions.
Supporting document	The original documents that describe each transaction. These include receipts, invoices and authorising documents.
Transaction	Any exchange of goods, services or money in return for other goods, services or money.