

Rakai Health Sciences Program

Improved Health Through Research

Financial Procedures and Policies Manual



Document review and approval

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Acronyms

AIDS	Acquired Immune Deficiency Syndrome
CAP	Contracts and Procurement Committee
ED	Executive Director
SMT	Senior Management Team
FAR	Fixed Asset Register
FC	Finance Committee
HF	Head of Finance
HIV	Human Immune Virus
ICER	International Center for Excellence in Research
NIH	National Institute of Health
NSSF	National Social Security Fund
DFA	Director, Finance, and Administration
PAYE	Pa As You Earn
RCCS	Rakai Community Cohort Study
RHSP	Rakai Health Sciences Program
UVRI	Uganda Virus Research Institute

Glossary.

Carry over:	: Is a process through which unobligated funds remaining at the end of the budget period may be carried forward to the next budget period.
No cost extension	: Extending a grant's project period without additional funding.
Notice of Award (NoA)	: Is a document that contains information that grant recipients need to perform routine accounting and finance operations.
Allowable costs	: Are those costs consistent with the principles set out in 2 CFR 200, Subpart E, and those permitted by the grant program's authorizing legislation.
Disallowable	: Costs are other costs that will not be reimbursed, if a cost cannot meet the criteria of reasonableness, allowability, allocability, and consistency.
Unliquidated	: For recipients reporting on a cash basis, unliquidated obligations represent costs that have been incurred, but not paid. For recipients reporting on an accrual basis, unliquidated obligations represent incurred costs, but an expenditure has not yet been recorded.
Reallocation	: Is a line-item adjustment involving movement of funds from one reporting line to another but within the same reporting category.
Redirections	: Occur when management determines that the project will be improved and targets better achieved, if funds are moved from one budget category to another, within the current budget period.
COP (Country Operational Plan)	: Aim to provide a clear and concise summary of programme goals, objectives, and priorities for each of its country operations.
Restricted Funds	: Funds which the donor has barred the recipient to utilize pending subofficial of the required additional information.
CoAg (Cooperative Agreement)	: Funding mechanisms used by the Federal Government involves "substantial staff involvement" from a federal agency.
PMS (Payment Management System)	: is a centralized payment and cash management system which accomplishes all payment-related activities from the time of award through closeout.

Forward - Executive Director

RHSP is committed to invest in strengthening systems, processes, policies, and institutional structures. This is partly driven by the growth and complexity of the services that we offer to our communities requiring us to adapt to the changing needs. Established in 1988, RHSP is currently one of the largest and oldest community-based research endeavors on HIV/AIDS, associated infections, and reproductive health, in Africa. The program, which until 2004 was known as the Rakai project, is currently conducting HIV prevention studies, basic and clinical laboratory research, and operations research/ evaluation to develop improved strategies of service delivery.

RHSP has successfully established a strong Senior Management Team to oversee the operations of the Staff. The Senior Management Team provides strategic direction and oversight necessary to create and sustain the growth. The different development partners and donors that we currently have required structured and streamlined Staff institution to be able to sustain the growth of the program.

As part of organization policy and the need to adapt the changes in organization structure risks and operation, RHSP has made revision in the existing finance Policy and procedures. From planning and budgeting, cash and bank management, inventory management, fixed asset management financial reporting, risk management, fraud policies and audit, the manual is intended to be a key instrument is streamlining our operations to align them to the international best practice. Through implementing standardized procedures, we intend to gain efficiencies in our operations, improved record keeping and reporting and sufficient audit trails for all transactions carried out.

I am pleased to introduce the updated version of our Finance Policies and Procedures. This manual is intended to articulate in one place the various financial management standards, policies, and procedures implemented throughout RHSP in all its activities. I would like to thank the many people who have contributed to the revision of this manual a reality. It is now for all of us to keep it a reality by following the guidance and adhering to the standards expressed within.

Thank You

Dr Joseph Kagaayi Executive Director

March 2020

3 Introduction

3.1 Background and financing

This Finance Policies & Procedures Manual is intended to provide guidance to the users, especially those engaged in execution of Finance & Accounts function, in carrying out their day-to-day work systematically and consistently.

It provides key steps that should be employed in conducting various tasks of Accounts function, all the way from Budgeting, keeping books of Accounts to preparation of Financial Statements, Audit, risk management, and Reports.

The Manual also gives the policies that are necessary for proper execution of various arms of Finance and Accounts. The function controls and the amendment procedures that are necessary for proper functioning of Finance and Accounts elements. It should be availed to all staff.

Beyond this policy, other donor financial guidance such donor guidelines that may be used as applicable. Some of the commonly used donor terminologies at RHSP are described in the glossary.

Financing / Funding

RHSP's principal sources of funding include:

- Grant income for conducting research and services
- Other Incomes.

3.2 Objectives and Mandate of RHSP Finance department

Policy objective

To ensure that.

- The roles and functions of the various key staff with responsibilities for financial management are adequately explained, performed and
- The activities in the Finance Department are carried out in a transparent manner and in accordance with the outlined roles and responsibilities.

3.3 Key roles and responsibilities

The Board of Directors

The Board of Directors is responsible for governance and providing oversight and direction on the running the Organization.

The Executive Director (ED)

The Executive Director (ED) is the overall leader of RHSP and is responsible for providing strategic direction and overall financial management of RHSP including, but not limited to, being one of the principal signatories to bank accounts operated by RHSP. The ED is assisted by the Director, Finance, and Administration to provide oversight and execute his role within the institution. The ED working together with the Senior Management Team (SMT) is answerable to the Board of Directors.

Director Finance and Administration (DFA)

The DFA is responsible for providing overall leadership with regards to finance and administration matters at RHSP. He/She sets the tone within the different units under the directorate including Finance, Grants, stores, procurement, transport, facilities management, and

Human Resource. This includes guiding the heads of departments within the Directorate on strategic priorities of RHSP as directed by the Executive Director. As an overseer of the finance and accounts team, and a member of the SMT, her role involves aligning operations to the strategic direction of RHSP. She provides guidance to the Head of Finance (HF) on key priority areas of focus while also reviewing and managing the performance of the Accounts team and the rest of the operations team at RHSP.

Head of Finance

The Head of Finance shall be responsible for management of the Finance department and report to the Director of Finance, and Administration. The HF shall be responsible for financial reporting; general ledger; payroll management; working capital management; finance monitoring and supervision of needs; financial records; Staff planning; budgeting and financial controls; finance team leadership and management; finance management systems; accounting of RHSP's physical resources, representation on behalf of RHSP at donor meetings on finance issues, and donor financial report

Key Control Processes

1. The Head of Finance and all financial department staff shall continuously refer to the Financial Policies and Procedures Manual when conducting transactions that are likely to have a financial implication on RHSP.
2. The Head of Finance and all staff shall refer to the job descriptions and responsibilities as outlined in their respective contracts of employment in executing their roles.

Finance Manager

The Finance Manager shall report to the Head of Finance, As the team leader for all the accountants within the finance and administration team, he/she shall be responsible for the program's financial management and reporting, and implementation of administrative policies and procedures that meet project needs and program and donor requirements. He/she shall liaise with the entire finance to ensure effective coordination of program activities. Key tasks include; maintenance of financial records, supporting documents, statistical records and all other records pertinent to the project; preparation and presentation of annual project budgets to accompany related work plans; monitoring of the allocation of project income and expenditure; preparation of quarterly and annual cash flow projections and monitor project expenditures; provision of training and guidance to the project team and subcontractor staff in management of finance; assistance in effective and efficient integration of project financial activities into the organization's financial management and information system; timely project financial reporting and. Some of the roles of the Finance Manager include:

- Holding meetings with accounts team to review our Weekly tasks, updates etc.
- To train, provide technical advice on accounting entries and support improvement mechanisms by proposing new innovation/ideas to improve accountability and service delivery within finance and other support and operation departments.
- To review submitted end of year grant closure grant reports for correctness and ensure timely sub official
- To follow up on the staff accountability issues and ensure closure of outstanding issues
- To ensure timely recovery of IDC from all relevant grants.
- To ensure timely invoicing of all relevant grants
- To review withheld staff salaries and follow up to ensure closure and payment to staff.
- To review reports on, shared costs (GPA, Medical insurance) and ensure full absorption of costs into respective grants.
- To ensure proper accountability of cash collection and performance other cash office responsibilities.

- To provide support on both internal and external audit.
- To ensure proper custody, recording and reporting on organizations fixed assets
- To review reports prepared by senior accountant for accuracy and timely subofficial .
- To oversee the budgeting process and ensure that it is timely and compliant to Donor requirements as well as the strategic Plan options and objectives.
- To update SOPs and ensure compliance to internal controls within the organization
- Review Cash balances liquidity position to ensure that there are sufficient funds to cover operations.
- Review Reports and make adjustments after FC Meeting.

Senior Accountant

- To review the sub-grantee accountability subofficial , review, posting and closure of outstanding issues.
- Review posted Payroll data to ensure that it is posted to the correct accounts. The data will include Vouchers, Accountabilities, PAYE, NSSF, R/B, WHT, Petty cash.
- Review prepared reports prepared by Accountants on operations (Payments processing, accountability processing).
- Review prepared management reports prepared by Accountants
- Review Bank Reconciliation, supplier's reconciliation and monthly general ledger reconciliation performed by staff.
- Follow up on Navision Issues to ensure that they are implemented and resolved

Accountant

The Accountant reports to the Senior Accountant and the Finance Manager. The overall responsibility of the accountant entails the following:

- To support on coordination of budgets within and outside finance.
- To check bank and general ledger reconciliation
- To manage liquidity and fund download processes
- To ensure timely processing of payments (suppliers and sundries).
- To prepare budget analyses and management reports
- To supervise customer (advance) account reconciliation and report outstanding issues.
- To ensure proper filing of payment vouchers, accountabilities, MOUs, reports, budgets and other documents
- To update SOPs and ensure compliance.
- To supervise, train, mentor and appraise assistant accountant
- Editing and posting of LPOs, vouchers and Accountabilities.
- Process statutory filing including but not limited to PAYE, NSSF, R&B, WHT
- Review of the petty cashbook
- Navision Support to various users & liaising with HRP to sort out any **challenges**.
- Payrolls preparation and allocation
- Follow up on cost recovery for Printing /Photocopying, Fuel, Utility Report template, deriving percentages to be used for allocation, allocating using derived percentages, generating a Report
- Review Cash office reports and cash count process/ certificates
- Statutory filing including but not limited to annual returns, PAYE, NSSF, R&B, WHT.
- To support on the Navision system administration.

- Generate an aging receivable and payables monthly report including, Cash and Operational Advances to match the cash book balances, the study un accounted for balance, intercompany recoveries etc.

The Assistant Accountants

The Assistant Accountants shall report to the Accountant and be responsible for recording and control of RHSP's financial resources. Key result areas shall include;

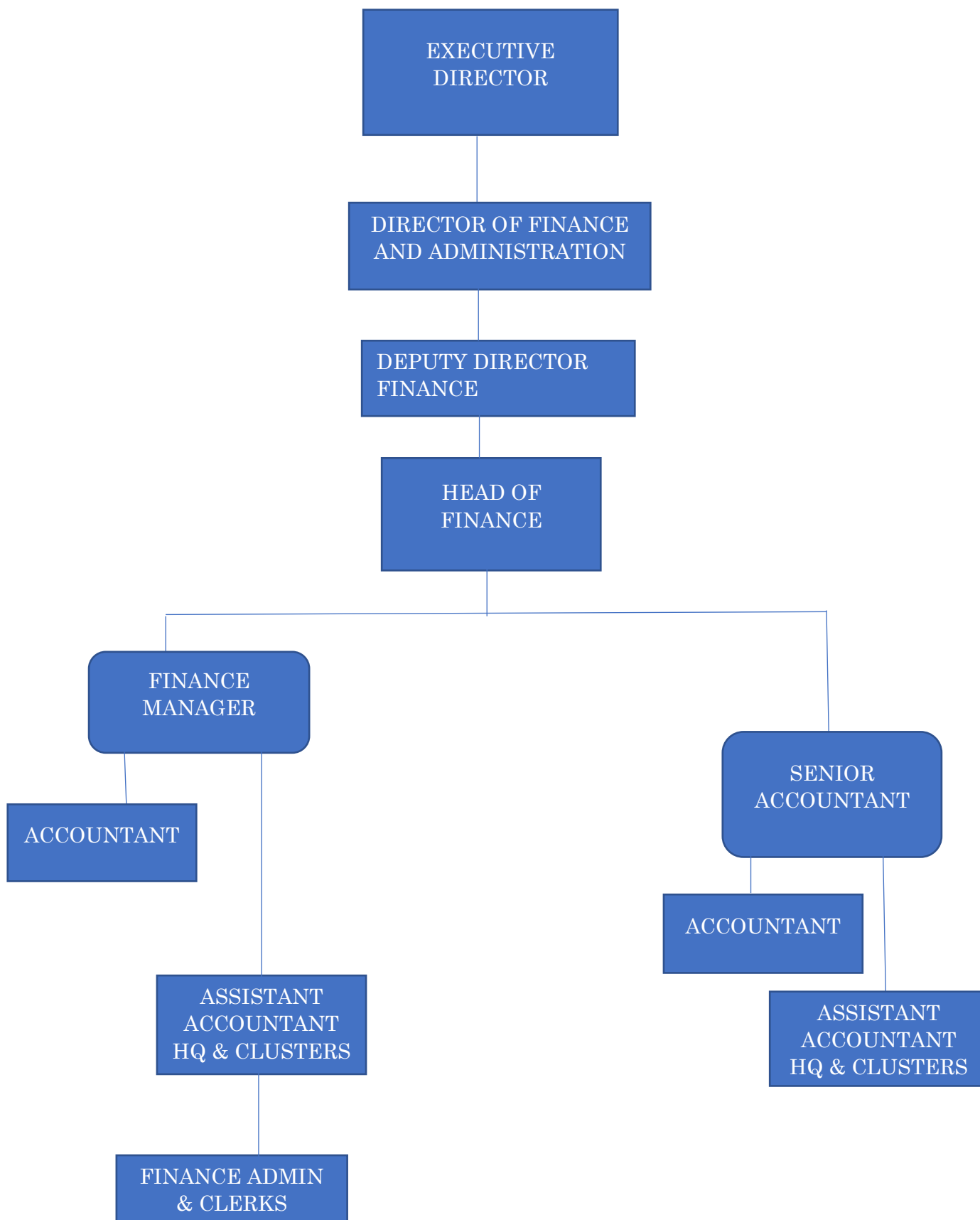
- To supervise finance admins at the clusters
- Payments requests processing,
- Reviewing and batching accountabilities
- Petty cash management
- Bank reconciliation
- Receiving unutilized staff advances
- Customer and vendor account reconciliation
- Approval of payments and budgets in share point.
- General ledger reconciliation and financial records management.

Finance Assistants

Provision of support to assistant accountants in regard to field and cluster operations.

- Participate in drawing of cluster activity work plans
- Participate in the generation of Cluster activity budgets in SHAREPOINT (in relation to the set targets) and follow them up to ensure that they are approved.
- Prepare activity money requisitions & advances in SHAREPOINT and follow them up to ensure that they are approved.
- Daily pay out money to the respective field staff to support activities
- Daily collect accountabilities & supportive documents from field staff for implemented activities for attachment on accountabilities for staff and subgrantees and prepare a weekly report for subofficial to supervisors at HQ and cluster.
- Prepare weekly report on subgrantee accountability follow up for sharing with the supervisors at the clusters.
- To prepare payment vouchers for review by the assistant accountant.
- To update records for all documents received at the cluster as guided by the supervisors.
- Review accountabilities & support documents to ascertain their authenticity before subofficial . Then reject +/- report all fake accountabilities for appropriate correction.
- Compile all authentic accountabilities (at the end of the activity) and attach an activity report (provided by the activity team leader), then have both submitted to accounts after review by the cluster coordinator.
- On a weekly basis, prepare a report on the funds received in the cluster showing those dispersed to the field teams, those accounted for and those whose accountabilities are pending with the names of staff delaying accountability.
- Ensure proper storage of financial accountability documents for the period they are still at the cluster office.
- Any other assigned duties in line with your role.

3.4 Finance Department - Organization Chart



4. Purpose of the Manual

4.1 Purpose of Financial Policies and Procedures Manual

Policy Statement

The purpose of this Financial Policies and Procedures Manual is to provide a framework of clearly defined and documented effective financial controls and processes for Rakai Health Sciences Program (RHSP). It informs RHSP staff of the financial aspects of organization, what is expected of them, thus reducing the risk of procedures not being implemented properly.

Policy Objectives

To ensure that:

1. Guidance is provided to all staff on how to conduct RHSP operations.
2. The controls which have to be put in place are adequately described;
3. The operations of RHSP are carried out in accordance with the approved policies and procedures of RHSP;
4. The Staff and Operations processes of RHSP are adequately described to guarantee continuity and consistency of operations in the absence of or changes to key financial personnel;
5. The roles and responsibilities of the various stakeholders of RHSP in its operations are clearly understood;
6. There is a reference document for auditors, consultants, donors and other stakeholders who may wish to understand RHSP's systems.

Documents

Financial Policies and Procedures Manual

Responsibility

- Executive Director
- Senior Management Team
- Director Finance and Administration Finance and Grants
- Head of finance
- Internal Auditor
- Finance team
- All staff

Procedures

- The Executive Director and the Board are responsible for approving the Manual before it is implemented.
- It is the responsibility of the SMT to ensure that the policies & procedures in the manual correctly describe the operations and adequate controls are in place;
- The Director, Finance, and Administration is responsible for developing and ensuring compliance with the manual. However, he/she may delegate this to the Head of Finance.
- The Finance Manager, Senior Accountant, Accountants and Assistant accountants.
- All staff have a responsibility to comply with the policies, procedures and guidelines as provided for in this Financial policies and procedures manual

- During the implementation of the Financial Policies and Procedures Manual, staff shall regularly consult the specific donor guidelines and procedures as provided for in the grant agreement with the respective donor.

Key Control Process

All staff of RHSP shall refer to and comply with the financial policies and procedures manual when conducting transactions of RHSP.

4.2 Version Control

Policy Statement

All staff of RHSP shall follow the policies and procedures as prescribed in the most up to date and approved version of the Financial Procedures and Policies Manual.

Policy Objectives

To ensure that:

- All parties refer to the same version of the Financial Procedures and Policies manual issued; and
- The Financial Policies and Procedures Manual are updated in the prescribed manner.

Responsibility

- Executive Director
- SMT
- Director Finance and Administration
- Head of Finance
- Finance Team

Procedures Distribution list

This Financial Policies and Procedures Manual shall be distributed as detailed below. If the changes are made, then the revised version shall be circulated and should bear a version number. The old version shall be withdrawn from circulation.

Circulation of the Manual outside the organization should be done only with the authority of Director, Finance, and Administration.

The master copy of the manual shall be kept with the Director finance and the electronic copy will be availed to all staff on share point.

Reviewing and updating of the manual

1. This manual shall be reviewed at least every after 2 years to ensure that it is up to date with the prevailing circumstances and necessary amendments effected. Amendments to the manual shall be made following the procedures below.
2. Executive Director shall appoint Financial Manual Review Committee to review the manual. The membership of the Financial Manual Review Committee shall comprise the following:
 - Executive Director – Chair
 - Director Finance and Administration
 - Head of Finance
 - Finance Manager

3. The head of finance shall propose changes to the manual. The changes shall be reviewed by the SMT, approved by the Executive Director and the Board of Directors.
4. The Financial Manual Review Committee may on its own initiate amendments to the manual following consultations with relevant RHSP staff.
5. Once the amendments have been approved, Head of Finance shall update the existing version of the manual and a new version distributed to RHSP Staff in accordance with the Distribution List in Paragraph 1 above.

Key Control Processes

1. This Financial Procedures and Policies manual or specific section shall be updated and re-issued when a policy and/or procedure is introduced or amended.
2. All RHSP Staff shall ensure that they are using the most recent version of the Financial Procedures and Policies manual.

4.3 Levels of Authority

Introduction

This section of the financial management policies and procedures outlines the various levels before approval of a transaction or event is granted within RHSP. The levels of authority outline the staff that:

- Are responsible for originating transactions
- must be informed after transactions
- must be consulted before the transactions
- must agree with the decisions
- are responsible for approvals

These levels are outlined in the Approval matrix .

Policy Statement

No person shall authorize a transaction or an event on behalf of RHSP for which he/she has no authority and/or delegation of authority.

Policy Objectives

To ensure that:

- Levels of authority exist in all working areas to provide guidance to RHSP staff.
- Levels of authority are adhered to by all RHSP Staff.

Key Documents

The following are the key documents that shall be used to guide RHSP staff on the levels of authority at RHSP:

- Approval Matrix
- The RHSP Human Resource.

Responsibility

- Board of Directors
- Senior Management Team
- Executive Director
- Principal Investigator
- Director Finance and Administration
- All RHSP Staff

Procedures

1. All RHSP staff shall adhere to the Approval Matrix in the conduct of RHSP Staff. All transactions shall be approved in accordance with the Approval Matrix.
2. All delegation of authority shall be in writing with a copy to the immediate supervisor of the person delegating authority.

Key Controls

- Annual review of the Approval Matrix in accordance with guidelines provided in section 4.2. of this manual -Version Control.
- The Approval Matrix shall be kept as a separate document from the finance policies and procedures manual.

5 Accounting

5.1 Accounting policies and procedures

Policy Objectives

To ensure that:

1. RHSP's accounting policies are formalized and are in line with the International Financial Reporting Standards (IFRS), the requirements of the donors and the applicable laws; and
2. Staff are aware of the policies that are applicable to the preparation of the financial statements of RHSP.

Policy Statement

The accounting policies adopted by RHSP shall be applied consistently over time.

Documents

The following are the key documents that shall apply in the application of the accounting policies at RHSP:

- International Financial Reporting Standards (IFRSs);
- Other donors' financial regulations and guidelines (where applicable);
- Grant agreement with the donor.
- Memorandum of Understanding with the donors

Responsibility

- Executive Director
- Director Finance and Administration
- The Head of Finance
- The Finance Manager.

Accounting Policies:

Accounting policies are the specific principles, bases, conventions, rules, and practices in preparing and presenting the financial statements. These accounting policies shall be applied consistently throughout the year and shall be followed when preparing financial statements of RHSP.

General accounting policy

The financial statements shall be prepared in accordance with International Financial Reporting Standards.

The specific accounting policies to guide financial and accounting transactions of RHSP are:

1. Reporting currency

The reporting currency is the United States Dollar (US\$).

2. Reporting Period

The reporting period for the preparation of financial statements following the financial cycle required by the donor.

3. Basis of accounting

The Financial Statements shall comply with the International Financial Reporting Standards. The accruals basis of accounting shall be used consistently during the year for RHSP Institutional reporting. Separately, donors that require application of the cash basis of accounting shall have their financials prepared accordingly. Under the accrual basis of accounting, RHSP recognizes revenue and costs, as they are earned or incurred (and not as money is received or paid) and recorded in the financial statements of the periods to which they relate. Fixed assets are depreciated over their useful lives applying depreciation rates in accordance with generally accepted accounting practices.

Under the cash basis of accounting, revenue is recognized when received and expenditure is recognized when payment is made. Similarly, payments for assets [property, plant, and equipment's] are expensed and thus depreciated 100% in the year they are paid for.

4. Income recognition

Grants attached to specific projects and program are recognized as income when the funds are actually expended, and the unspent portion is deferred as donors' payable for the future year as a carryover or no cost extension depending on the duration of the project or donor approvals. Income for a specific program support shall be matched to the actual total expenditure of that program including a percentage of the Operations costs of the RHSP. The grant recognized, as income shall be equal to the actual expenditure incurred in a given financial year.

Core grants are recognized as income from donors when the amount is confirmed by donors or when the funds are received. Income shall be recognized in the period to which it relates, any excess of revenue over expenditure arising unrestricted funds shall be transferred to the Operating Fund balance account.

5. RHSP Reserve Fund.

Other incomes are recognized as income at the time of receipt. Such incomes include income generated by providing services to third parties, interest earned from the RHSP's fund in the Banks, discounts received from the service providers, administrative overhead charges on special projects, proceeds from the sale of the RHSP's properties and any other miscellaneous items.

For grants whose income is based on milestones achieved, income will be based on achieved milestones according to the grant agreement and accepted invoice.

6. Expenditure recognition

Expenditure comprises of costs incurred directly for the activities of RHSP and shall be recognized when incurred and not when actual payments are made except where a donor agreement requires a cash basis of accounting.

7. Foreign currency translations

RHSP's financial statements shall be presented in US Dollars. Transactions denominated in currencies, other than the US Dollar, shall be translated to US Dollars using the bank exchange rate used at the time of the treasury dealing.

Specific donor reports can be prepared in the respective currencies.

Grants received in currencies other than United States Dollars shall be recorded at bank exchange rates in effect at the time the grant is received. Donors have to be notified of

the US\$ equivalent of funds received in the "letter of acknowledgement of receipt of funds." Assets and liabilities at the year-end shall be translated at the bank-closing rate prevailing at year-end.

8. Cash and Bank balances

Cash and cash equivalents comprise cash in hand and bank balances. Overdrafts shall be disclosed separately as liabilities.

9. Receivables

Receivables shall be carried at original historical cost less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year-end. Receivables fall into two major categories:

- I. Receivables from donors are contributions and grants, which donors have obligated to pay and required conditions have been fulfilled by RHSP but remain uncollected at the end of the financial year.
- II. Other Receivables include Advances/ debts or advances to staff, advance payments to suppliers and any to other third parties during a reasonably short period of time, usually one year.
 - All accounts receivable shall be maintained at a minimum at any one time and shall be cleared within the next financial year.
 - All account receivables shall be disclosed as a separate line item on the balance sheet and individual debtors account shall be kept in Debtors List with specific identification or analysis codes
 - All funds disbursed to the accounting sub grantees shall be treated as advances until accountability has been submitted and accepted by RHSP.
 - Advances to staff of RHSP to carry out various program activities shall be considered as advances until accountability has been submitted and accepted as complete.
 - The finance Manager shall be required to send aging reports of receivables to the SMT on a monthly basis. They will also share balances of unaccounted for funds to the respective staff and copy in the respective supervisors and the line Directors.

10. Stocks

RHSP does not recognize any stocks in the books of accounts. All purchases of stores items shall be expensed at the time of purchase. However, RHSP shall keep records of all Inventory/ Store items.

11. Prepayments & Deposits

Prepayments are payments effected for actual benefits of future operating period and shall be disclosed as a separate line item on the face of the balance sheet as a component of the current assets.

12. Deposits

These are payments made against future benefits and these are treated as current assets.

13. Property, plant, and equipment

All purchases of items that are capital in nature shall be expensed upon payment in the year of acquisition for all assets procured using donor funds. A fixed asset

register of all the fixed assets shall be maintained and shall be updated with every purchase and disposal of assets.

For purposes of asset valuation depreciation on fixed assets, the depreciation shall be calculated on a straight-line basis at annual rates estimated to write-off each asset over the term of its expected useful life. The annual rates used are:

ITEMS	USEFULLIFE	RATE
Buildings	30years	3.33%
Motor vehicles	7years	14.29%
Computer & Printers	3years	33.33%
Office equipment	4years	25.00%
Office Furniture	8years	12.50%

14. Software

This shall be expensed in the period of purchase.

15. Accounts Payable

Accounts payables are funds, services, and/or materials received from third parties who are entitled to repayment of equivalent amounts to what they have provided to RHSP. The accounts payable shall be categorized as follows:

- I. Accounts Payable - Others.
- II. Accounts Payable - Donors; (iii)Accruals and Provisions

Accounts Payable -Others represents benefits of employees that require reimbursement and amounts due to third parties for services they rendered or materials they supplied for which payments have not been made.

Accounts Payable- Donors includes grants received from donors during the year but unexpended at year-end. These include the following:

- Grants received in advance for operations yet to start; and
- Unexpended grant balances in cases of specific project funding Accruals and Provisions - include the following:
 - I. **Accruals** (Unliquidated) represent amounts due or committed at the year-end as a result of services already received but for which payment has not been made.
 - II. **Provisions** are estimates of amounts due for services already received, but the exact cost of which is unknown.

16. Retirement Benefits

RHSP shall contribute to N.S.S.F, a defined contribution scheme for its employees. RHSP's NSSF contributions shall be charged to the Statement of Income and Expenditure in the year to which they relate.

Based on availability of funding and approval from the Board of Directors, RHSP shall provide retirement benefit covering eligible employees as stipulated in their employment contracts. It is based on the respective employees' salary and tenure of employment. These are accrued on a monthly basis and are charged to the statement of income and expenditure in the year to which they relate.

Key Control Processes

An annual review of the accounting policies shall be conducted by the Head of Finance and a report including any proposed changes shall be approved by the Director, Finance, and Administration.

5.2 Chart of Accounts

Policy Statement

All staff of RHSP shall comply with the Chart of Accounts when coding transactions and financial statements shall be prepared following the major classifications in the Chart of Accounts.

Policy Objective

To ensure that:

RHSP follows a uniform system for classification of transactions across its financial operations in order to ensure the production of consistent and clear financial information for its users and other stakeholders.

Key Documents

Key documents include:

Chart of Accounts

Responsibility

- Director Finance and Administration
- Head Finance
- Finance Manager
- All Accounts Staff

Procedures

1. The chart of accounts provides detailed and systematic classification of operating and capital expenditure elements, which will facilitate budget formulation and comparability to actual expenditure. The ultimate responsibility for consistently applying the Chart of Accounts rests with all Accounts Staff.
2. All budget/cost centers, donors and projects shall be assigned with identification or analysis codes that shall be reflected as part of the chart of accounts. If there is no suitable code, an application for new codes shall be made to the Finance Manager.
3. The Finance Manager shall obtain the written approval of the Head of Finance before making any amendments to the Chart of Accounts. In no circumstances shall the Chart of Accounts be amended without the written approval of the Director, Finance, and Administration.
4. The Finance Manager, in consultation with the Head of Finance shall review the Chart of Accounts annually to identify any unused or irrelevant codes and recommend amendments to the Chart of Accounts as necessary.
5. The Head of Finance shall communicate all changes to the Chart of Accounts to all Accounts Staff.
6. The Director Finance and Administration shall maintain a master file of approved and amended versions of the Chart of Accounts for future reference.

Key Control Processes

1. The Head of Finance shall keep all Accounts Staff informed of any changes to the CoA.
2. The Finance Manager upon the written approval of the Head of Finance shall only perform additions and deletions of codes to the chart of accounts.
3. The Director, Finance, and Administration shall maintain a master file of approved and amended version of the chart of accounts.

5.3 General Ledger

Policy Statement

Proper books of accounts and records shall be kept that provide an accurate financial position and performance of RHSP.

Policy Objectives To ensure:

1. Data is captured into the general ledger accurately and timely; and
2. Provision of reliable financial information to all users. Key Documents

The following are the key documents that shall be used to guide staff in the maintenance of the general ledger.

- Trial balance
- Management accounts
- Cash books
- All vouchers
- Ledgers
- Bank Reconciliation
- Petty Cash Reconciliation
- Accruals Listing
- Stock Reconciliation
- Fixed Asset Reconciliation
- Payroll Reconciliation

Responsibility

- Director Finance and Administration
- Head of Finance
- Finance Manager
- Senior Accountant
- Accountants
- All staff in Accounts

Procedures

1. Cut-off dates and deadlines

- a) The monthly cutoff date for management accounts shall be the last calendar day of each month. If this falls on a Saturday, Sunday or public holiday it shall be the last weekday preceding the afore mentioned.
- b) All the GL postings shall be finalized by the 7th of the following month.

2. Reporting formats

The Finance Manager shall ensure that monthly management accounts are prepared in accordance with formats prescribed by the Head of Finance. The HF shall develop these formats in consultation and ultimate approval of the Director Finance and Administration.

3. Month-end/Year-end file

- a) The Finance Manager shall maintain a file for each month/year end reports.
- b) All general ledger balances shall be supported by a schedule/reconciliation detailing how the balance is made up with comparatives of the previous month.

- c) The file shall be reviewed by the Head of Finance and the Director Finance and Administration.

4. Cash and bank

- a) Bank reconciliation statements shall be prepared, reviewed and approved in accordance with the procedures for bank accounts management under section 4.7 of this manual- Bank Accounts management.
- b) Petty cash counts and reconciliations shall be performed as required under section of this manual - Petty cash management.
- c) The Assistant Accountant shall ensure that all cheques issued, and funds received are processed through the cashbook by following normal cut-off procedures. No further transactions after the cut-off date shall be processed in the reporting month.
- d) The Assistant accountant shall carry out monthly analysis of the bank statements and ensure that unrecorded receipts and direct debits are posted into the cash book.
- e) All postings to the cash book shall be reviewed by the Accountant and the Senior Accountant

5. Advances

- a) All advances shall be posted into the general ledger on a timely basis by the Accountant.
- b) The Assistant Accountant shall prepare journal vouchers for posting by the accountant and cash refunds made during the month to the general ledger.
- c) The cash receipt will be issued by the cashier and posted as well.
- d) For unaccounted staff program advances, finance and HR shall hold processing salary payment for the respective staff. No other advances will be processed/advanced to the staff until they have fully accounted. The staff shall also have to stop working until they have accounted for the funds. The HR office shall deduct the amounts from the salary of the responsible staff as per the HR manual.
- e) All activity advances must be reconciled within a week after finishing the activity for which money was taken.

6. Debtors

- a) All debtor invoices issued, and payments received as of the cut-date shall be processed. No further transactions occurring after the cut-off date shall be processed in the reporting period.
- b) The Finance Manager shall prepare a Debtors Ageing Report listing all debtors with balances outstanding at the end of the month or year. The Debtors Ageing Report shall be reviewed by the Head of finance and DFA and then shared with the SMT.

7. Accruals

- a) All costs incurred, but not yet invoiced shall be accrued, and properly allocated to the various projects/ cost centers except where a specific agreement with the donor requires cash basis of accounting. The Finance Manager shall ensure that all accruals raised at the end of the year are reversed on by the respective payment.
- b) The Accountant shall prepare a detailed listing of all accruals made and a comparative made with the previous period's accruals to ensure completeness. The Head of Finance shall review the accruals listing.

8. Stock

- a) All stock shall be expensed on acquisition. However, detailed records and stock takes have to be conducted to ensure sufficient control of all stock receipts.

- b) At the end of each financial year, the Accountant and the Stores Manager shall ensure that there is no movement of stock in all RHSP stores after the end of Staff on the cut-off date before a stock count is performed in accordance with inventory count procedures.
- c) To ensure proper cut-off, the Finance and Stores Manager shall refer to the information in Share point and Navision system.

9. Fixed Assets

- a) The Assistant Accountant shall update the Fixed Assets Ledger with details of all additions, disposals, transfers of assets as of the cut-off date. No further transactions occurring after the cut-off date shall be processed in the reporting period.
- b) The Finance Manager shall ensure that assets are physically verified twice a year e.g. march and sept every year. A Fixed Asset Reconciliation will be performed to verified reconcile fixed assets to the system report. The Fixed Asset Reconciliation shall be reviewed by the Head of Finance.

10. Payroll

- a) The Finance Manager shall reconcile the Payroll Summary to the general ledger at the cut-off date. The Payroll Reconciliation shall be reviewed by the Head of Finance.
- b) The Financial Accountant shall ensure that all payroll-related accruals are identified, and journal vouchers prepared to post such accruals. Examples of payroll related accruals include staff bonuses, PAYE, NSSF, etc.

11. The trial balance.

- a) The Head of Finance shall review the trial balance for unusual/unexpected balances and report them to the DFA.
- b) The Head of Finance shall review the trial balance and ensure that the GL reconciliations checklist are fully signed off and that any other underlying schedules required are completed, submitted, and reviewed.
- c) Once all the accounts have been closed, the trial balance shall be extracted, printed, and filed on the month-end file for review by the Head of Finance.

12. General ledger processing

- a) Serially numbered Journal vouchers shall be prepared by the Assistant Accountant reviewed by the Accountant and approved by the Senior Accountant.
- b) All entries shall be posted to the General ledger on the basis of a duly approved payment voucher and shall be supported by relevant documentation.
- c) The Finance Manager shall check the accuracy of the codes, cost centers, and source of funding indicated on the payment voucher and make the necessary corrections before submitting to the DFA and other authorized approvers.
- d) Only transactions approved by the accountant shall be posted to the general ledger.
- e) Posting of the transactions to the general ledger shall be done in US\$ (United States Dollars) which is RHSP's functional currency. Transactions in Uganda Shillings shall be converted into United States Dollars based on currency exchange rates used at the time of forex dealing.
- f) The Finance Manager shall ensure that there are no suspense accounts in the General ledger. Any arising suspense accounts shall be reviewed and cleared at the end of each reporting period.
- g) Journal listing of all posted transactions shall be extracted by the senior accountant and filed to serve as the audit trail during the annual review.
- h) The trial balance shall be the basis for preparing the draft financial statements.

Key Control Processes

1. All transactions shall be posted to the general ledger on the basis of duly approved by the accountant.
2. The Head of Finance shall prepare and produce monthly management accounts and submit these to the Director Finance and Administration and Executive Director for review and approval.
3. The HF shall also prepare a monthly BVA in regard to share point operation, procurement and subgrantee budgets.
4. The general ledger balances shall be properly supported with relevant schedule or reconciliations such as fixed assets register, bank reconciliation statements, debtors listing, etc.

5.4 Budget Preparation, Monitoring and Review

Policy Statement

- The formulation of budgets shall be undertaken based on RHSP's activity priorities and available financial resources and shall be in line with the grant agreements.
- RHSP's system of budget & budgetary control shall ensure that timely preparation and subofficial of budgetary performance reports is achieved to facilitate effective budget performance and monitoring.

Policy Objectives To ensure:

- That budget and activity work plan that facilitate allocation of resources according to RHSP's activity priorities are developed;
- Budgetary control and discipline in financial management;
- Goal congruence among all RHSP directorates and departments;
- Timely and accurate preparation and subofficial of work plans and budgets;
- Regular monitoring of budget performance;
- Timely generation of budget information and monitoring reports; and
- That the budgetary requirements of the various stakeholders are met. Key Documents

The following are the key documents that shall be used to guide the process of budget preparation and monitoring:

- Donor Budget reports (MOUs)
- Operational budgets in share point
- Procurement budgets in share point
- Subgrant budgets in share point report
- Budgets
- Staff plans
- Workplans
- Cash Flow Forecast

- Budget Variance Analysis Reports
- Monthly Management Reports

Responsibility

- Executive Director
- Senior Management Team
- Director Finance and Administration
- Head of Finance
- Finance Manager
- Budget Holders

Procedures

A. Budget Preparation

At the start of each quarter, the HF will prepare timelines for the budgeting process. This will be reviewed and approved by the DFA. This shall be shared with the all Directors and Heads of section. The Finance Manager will be responsible for ensuring the timelines are met. Any variations shall have to be approved by the DFA.

The following shall be considered during the preparation of proposed work plans and quarterly budget for each program.

1. The budgets shall be set in accordance with the objectives, goals and targets as outlined in the RHSP's Strategic Plan and donor/funder budgets per signed MOUs
- The budget holders shall formulate strategies and detailed work plans to meet the set objectives.
 - Costs shall then be estimated for the intended activities in the agreed work plans for the quarter.
 - Allocating money to project activities and program to the extent of available funds.
2. The staff will submit their budgets (operational and procurement subgrant budgets) in share point. The system accountant should lock the system (Closure) 2 days before the Pre budget meeting.
 3. The prebudget meeting shall determine the objectives, strategies, goals and targets for the organization for the period under review.
 4. The Budget Holder shall, in consultation with their teams, shall review the submitted proposed work plans. The work plans and budgets shall take into account the set objectives and outputs of each program. The RHSP budget shall be prepared on a quarterly basis. The pre budgeting meeting shall be held one month to the start of the quarter. The finance Committee shall be held two weeks before the start of the Quarter.
 5. The budget holder is staff at a strategic level who is primarily responsible for implementation/execution of a program activities.
 6. The budgets in share point will then be approved the line Directors or designees during the pre-budget meetings.
 7. The Accounts assistant will extract the budget information as per the categorization into operational, procurement and subgrant budgets (per program) to come up with a consolidated budget information to be used in the budget analysis. This will be submitted to the Accountants.

8. The Accountants will then prepare a Budget Variance Analysis report showing the following.
 - Budget balance as per budgets in donors MOUs
 - Actual expenditure booked as per the management report.
 - Commitments balances as per systems reports.
 - Variance (exclusive of next quarter budget estimates)
 - Burn rate (exclusive of next quarter budget estimates)
 - Estimated expenditure as per operational budgets from share point.
 - Estimated expenditure as per procurement budgets from share point.
 - Estimated expenditure as per sub-grant budgets from share point.
 - Estimated salary expenditure from the payroll Accountant
 - Variance (after inclusion of next quarter budget estimates)
 - Burn rate (exclusive of next quarter budget estimates)
9. The Accountant will submit the Budget Variance Analysis report to the senior Accountant and finance manager for review.
10. The finance manager will submit the Budget Variance Analysis report to the head of Finance for review.
11. The Head of Finance will submit the budget variance Analysis Report to the Director finance for review.
12. The Head of Finance will submit the Budget Variance Analysis report to the Finance committee for review and approval of the budgets.
13. The Finance Committee shall meet and discuss the proposed Staff plans, work plans and:
 - Ensure that the work plans and budgets are consistent with the respective program/unit objectives as outlined in RHSP's Strategic Plan and Donor/Funder Budgets.
 - Ensure that the budgets for each program/unit have been prepared within the set parameters and agree to the work plans.
 - Seek explanations and clarifications from Budget Holders
 - Provide recommendations to the Budget Holders for revision of Staff plans, work plans and budgets.
14. The Head of Finance shall revise the Budget Variance Analysis report and work plans in line with the respective project's requirements and resources and recommendations of the SMT. (finance Committee)
15. The Head of Finance shall then compile the budgets analysis report for all grants into the respective program areas into the consolidated Quarterly Budget and submit this to the Director of Finance and Administration for review.
16. The budget meeting minutes will be prepared by the Assistant Accountant to track the budget changes.
17. The system accountant will ensure that initiator staff get notifications of approval or rejection of their budgets.

B. Budget Monitoring

All Budget Holders shall monitor the utilization/ consumption of their budget and ensure that expenditures incurred are in line with the agreed activities in the work plans. Budget Holders, in consultation with the Head of Finance, shall confirm that there are adequate funds to meet payments before making financial commitments.

The Finance Manager shall send management reports to the following on a monthly basis;

- The SMT
- In Country Pls

- Regional Managers
- Program Managers

Procedures for Budget modification

There are three types of possible budget modifications:

1. Budget Amendment

A budget amendment involves changing the total budget amount of the contract. Budget modifications of this nature can only be made with the written approval of the funder, this shall be expressed explicitly in writing. This contract modification shall require approval by the RHSP authorities before sending the same to the relevant funder. Proposed changes of this nature are initiated by the Finance manager in consultation with the Grant Manager. Upon verification and the first approval by the RHSP authorities, then RHSP official will send the proposed changes to the funder for the final approval.

2. Redirection

A budget redirection involves.

- Transferring funds between existing budget sections (e.g. from the Personnel section to the Operating Expenses section)
- Between line items within a budget section (e.g. from office supplies to travel).

If the total of the proposed changes is greater than 25% of the total contract amount for that year. A Budget Revision Request and the accompanying Budget Revision Justification form must be submitted to the RHSP authorities and thereafter the funder for approval at least two weeks in advance of the targeted approval date. Budget revisions that are submitted within 30 days of the contract end date will not be approved.

3. Reallocation - Line-Item Adjustment

A line-item adjustment involves transferring funds from different lines but within the same category for example moving expenditures under office supplies to field supplies. For such requests, the Line-Item Adjustment Request shall be presented by the Finance manager in consultation with the Grants Manager to the SMT for approval prior to any contract implementation of the proposed changes.

Key Control Processes

1. Every head of department /Section has the responsibility to prepare and submit a quarterly budget for their respective department in time for inclusion in RHSP's consolidated Quarterly Budget.
2. The Head Finance shall circulate a management Report to each Budget Holder on a monthly basis. A budget variance meeting shall be held on a monthly basis to review budget variances. Budget variances shall be approved in accordance with RHSP's approval levels
3. The Head of Finance shall ensure that monthly budget monitoring reports/ Budget Variance Analysis Reports are included in monthly Management Reports circulated to the SMT.
4. The minutes will be prepared to record proposed changes by the SMT which will have to be implemented by the Head of Finance.

5.5 Request and Receipt of Funds

Policy Statement

All requests for funds shall be submitted timely by the grants office to the donors and all revenue received from the various sources shall be recorded accurately and timely in the accounting system.

Policy Objectives

To ensure:

1. Request for funds are adequately supported and submitted to the respective donor in a timely manner;
2. All receipts from donors are recorded accurately and promptly in the accounting system;
3. All other receipts and cash refunds are recorded accurately in the accounting system
4. That is there is timely acknowledgement of receipt of revenue from the various sources.

Documents

The following are the key documents that shall be used to guide the process of requesting and receipt of funds:

- Grant Agreement for subgrantees
- Approved Share point budgets
- Approved work plans
- Milestone reports
- Letters requesting for funds
- Acknowledgement Receipts
- Monthly reconciliation of receipts and expenditure from all sources.

Responsibility

- SMT
- Director of Finance and Administration
- Principal Investigator
- Head of Finance
- Finance Manager
- Accounts Staff
- Grants office

Procedures

1. RHSP shall open and maintain foreign currency accounts for receiving all incoming funds (in foreign currency) from donors.
2. The Head of Grants (or designee) shall submit a request for funds to the donor in accordance with the terms and conditions in the Grant Agreement with the respective donor.
3. All the requests for funds shall indicate the relevant bank details to which the funds shall be remitted.
4. Funds that are received by way of a bank transfer shall be verified by the Head of Finance and the Finance Manager against the withdrawal request or the grant agreement to ensure that the correct amount has been credited to the bank.
5. Funds that are received from cash refunds in respect of unspent staff advances shall be received by the respective Accounts Assistant-(Cashier) as part of submitted

accountabilities banked intact and promptly by the Accounts Assistant (not later than the following working day in the relevant bank accounts.

6. All the funds collected shall be kept under lock in the designated Safes that are provided by the Organization.
7. All funds received from donors shall be acknowledged by issuing letters of acknowledgement or email.
8. A serially numbered system generated receipt shall be used to acknowledge cash refunds.

NB: All staff shall ensure that they obtain a receipt for any money paid or refunded to the respective accounts assistant.

9. The Finance Manager shall review, and approve the receipts and cash reports for completeness and accuracy and sign these as evidence of the review.

Key Control Processes

1. All withdrawal applications/request for funds shall be submitted promptly and acknowledgement of receipts done, once funds have been credited to the bank account. An official receipt shall be issued for cash refunds by staff.
2. A bank credit advice shall be obtained from the bank by the Accountant to verify and confirm the amount sent by the donor.
3. Preparation (by the assistant Accountant) and review and approval of bank reconciliations for all bank accounts shall be done on a monthly basis by the Accountant.
4. All cash refunds shall be banked by the Assistant Accountant promptly (the following working day).

5.6 In-kind Grants

Policy Statement

In-kind grants shall be appropriately valued and accounted for depending on the nature of the in-kind grant.

Policy Objective

To ensure that:

- All in-kind grants are appropriately valued, and income appropriately recognized.
- There is consistency in accounting for in-kind grants.
- There is effective communication flow with finance in regard to in kind donations.

Key Documents

The following are the key documents that shall be used to guide the process of accounting for in-kind grants:

- Letters of Acknowledgement or emails
- Journal Vouchers

Responsibility

- Executive Director
- Senior Management Team
- Director Finance and Administration
- Head of Finance
- Finance Manager
- Budget Holders

- PI/on-site representative
- All finance Staff

Procedures

1. RHSP receives in-kind grants from donors in the following forms:
 - Donated Stock in the form of goods and other consumables that are used in the provision of RHSP services to clients
 - Donated assets; and
 - Donated goods and services.
2. The Head of Finance shall ensure that all donated stock is appropriately valued and a Certificate of Cost obtained from the donor.
3. All donated stock shall be acknowledged by the Director, Finance and Administration who shall prepare a Letter of Acknowledgement to the respective donor. The Letter of Acknowledgement shall be signed by the Executive Director.

5.7 Donated Stock

When donated stock is received, the Accountant shall raise a Journal Voucher to record the stock received. The Journal Voucher shall be approved by the Head of Finance before posting in the General Ledger as follows

The appropriate funder and project (activity) codes shall be included.

At the end of the month in which the donated stock was received, the Accountant shall raise a journal voucher to recognize the donation of stock as grant income. The Journal Voucher shall be approved by the Head of Finance before posting in the General Ledger. The appropriate funder and project (activity) codes shall be included.

5.8 Donated Assets

When donated assets are received, the Accountant shall raise a Journal Voucher to capitalize the assets received in the appropriate asset category. The Journal Voucher shall be approved by the Head of Finance before posting in the General Ledger.

The appropriate funder and project (activity) codes shall be included.

At the end of the month in which the donated assets were received, the Accountant shall raise a Journal Voucher to recognize the full value of the donated assets as grant income. The Journal Voucher shall be approved by the Head of Finance before posting in the General Ledger.

5.9 Donated Goods and Services

Donated goods or services shall be expensed in the month they are received to the category of expense they would normally be attributed to e.g. donated office space shall be expense to rent expense. At the end of the month in which the donation is received, the Accountant shall raise a Journal Voucher to expense donated goods or services in the appropriate expense category. The Journal Voucher shall be approved by the Head of Finance before posting in the General Ledger

Key Control Processes

1. The head grants shall obtain a Certificate of Cost valuing all in-kind grants from the donor and share a copy with the finance team.

2. Letters of Acknowledgment of all in-kind grants shall be prepared by the Head Grants or Line Director, Head of department. Director Finance and Administration and signed by the Executive Director.
3. Upon received of funds from donors and confirmation from the bank the head of grants will communicate to the head of finance who will follow up to have a receipt generated by the cashier. The receipt will be forwarded to the head of grants who will then send them to donors as acknowledgement for funds received
4. All line directors and staff who received donations shall be required to disclose received donations to the head of finance and SMT

6. Bank Accounts and Electronic Payments System Management Policy Statement

All staff shall comply with the following general principles:

1. A bank account shall only be opened or closed with the joint authorization of the Board of Directors.
2. Monthly bank reconciliation statements for all bank accounts shall be prepared by the 10th day of the following month and these shall be appropriately reviewed by the Finance Manager, Head of Finance before reviewed by the DFA.

Policy Objectives

To ensure that:

1. Opening and closure of bank accounts is jointly approved by the Board of Directors.
2. A separate cashbook is maintained for each bank account for which reconciliation statements shall be prepared on a monthly basis.
3. All non-reconciling items are identified, investigated and properly adjusted for in the books of account.

Documents

The following are the key documents that shall be used to guide the process of bank accounts management:

- Bank statements
- Bank reconciliation statements
- Cash books
- Bank mandate
- General rules for Electronic Banking system

Responsibility

- Board of Directors
- Executive Director
- Director Finance and Administration
- Head of Finance
- Finance Manager
- All Accounts staff

Procedures

6.1 Bank Account Signatories

1. All bank accounts shall only be operated with joint signatures of authorized signatories drawn from the list of signatories shown in the approval framework.
2. The Board of Directors is mandated to open and/or close the Bank Accounts.

6.2 Opening and closure of bank accounts.

1. The Director Finance and Administration shall submit a request to the Senior Management Team for approval to either open or close a bank account. The request shall indicate the following information:-
 - Reason for opening or closing the account.

- Proposed signatories.
 - The Name and Branch of the bank.
 - Nature of account; and
 - Proposed account title.
2. Upon approval of the request, the HF shall prepare a letter for opening or closing bank accounts and submit it to the DFA for review.
 3. The ED shall submit this letter to the Board Chair for signature.
 4. The Finance Manager shall capture the details of the bank account into the Accounting system once the bank account has been opened.

6.3 Bank reconciliation statements

The designated Assistant Accountant shall prepare monthly bank reconciliation statements for all bank accounts for which they are responsible.

The designated Assistant Accountant shall carry out the following when preparing the bank reconciliations.

a) Un presented cheques

- Follow up un-presented cheques for subsequent clearance;
- Prepare a list of all stale cheques for subofficial to the Head of Finance.
- Investigate and reverse all stale cheques, if any.

b) Un credited receipts.

The designated Accountant shall match receipts in the cashbook to the bank statement on a monthly basis (weekly for accounts where internet banking is possible), investigate and resolve un-credited receipts.

c) Direct Credits

The designated Accountant shall match all receipts in the cashbook to those in the bank statements on a weekly basis to identify direct credits on the bank statements and compile a list of the direct credits for review by the Finance

Manager and raise the relevant accounting entries.

The Finance Manager shall check all bank interest receivable before the relevant entries are passed.

d) Direct debits.

The direct debits shall be identified and verified by the designated Accountant who shall then raise the relevant entries to post into the Accounting system. These may represent the following:

- Standing orders.
- debit orders processed by the bank.
- transfers to other bank accounts.
- transfer payments; and
- unpaid cheques.

The designated Accountant shall then submit the bank reconciliation statements to the Finance Manager by the 7th day following the month end for review.

If the RHSP staff loses funds intended for the Staff operations, he is personally liable for any loss arising from such negligence regardless of the circumstances.

The bank reconciliation statements shall be checked by the Finance Manager and HF and submitted to the Director of Finance and Administration for approval by the 10th day following the month end.

The payables accountant shall prepare a monthly report on payments and any anomalies or unprocessed payments including Beyonic payment platforms, replenishment process etc.

6.4 RHSP Credit Card Management

RHSP shall maintain a Credit Card to be used to effect payments for approved online purchases.

6.4.1 Rationale for use of the credit card

- Some business entities such as International Hotels and airlines, require only credit card transactions.
- Some items required by RHSP are not available on the local market (e.g., Freezers, reagents, kits etc.). The purchase of these on the international market requires a credit card.
- We can get a better deal on some items (price-wise and quality-wise) if we purchase online than on the local market. These transactions would require a credit card.
- Credit cards are much safer than debit cards given the confirmation that needs to be done before settlements.

6.4.2 Standard operating procedures for card use.

		ACTIVITY	RESPONSIBLE PARTY
CUSTODY	1	The card shall be in the custody of the Director of Finance and Administrator. He will also sign an acknowledgment form upon receiving it.	Director of Finance and Administration
APPROVAL	1	Expenses to be paid using the credit card should get prior approval of the ED. The payments shall not exceed USD 10,000	Executive Director
BUDGETING	1	Budget initiation in Share point	Officers
	2	Budget Approvals in Share Point	Department head
	3	Budget Approvals in Share Point	Finance
	4	Budget Approvals in Share Point	Finance Committee
FUND REQUESTING	1	Initiation of Advance or cash request in the system.	Officer
	2	Advance card approval in Share Point	Department head
	3	Advance card approval in Share Point	Finance
	4	Advance card approval in Share Point	Approver/SMT member
FUND TRANSFER TO CARD		Recovery of Funds from the respective Grant (bank Account) and transfer to the NGI Account	Assistant Accountant and Accountant
	1	Payment Voucher Initiation	The Assistant accountant in charge
	2	Payment review	The accountant in charge
	3	Payment approvals	Director Finance or SMT member

CARD PAYMENT	4	Effecting the payments through the Credit card (Bank)	Head of Finance
SUPPORT DOCUMENTS	5	Follow up to Obtain Sales Invoice and other support document for attachment to payment Vouchers	Officer and Assistant Accountant/Head of Finance
BANK RECONCILIATION	1	Monthly reconciliation of the card transactions and Account by 6th of the following month.	Assistant Accountant
	2	Review and approval of the bank reconciliation report.	Senior Accountant /FM/Head of Finance.
Procedures in case of loss/damage	1	Inform ED and the Bank immediately	Card Holder
	2	Inform the Board	
	3	Replace card upon approval by the Board	

6.4.3 General Rules and Guidelines for credit card users

1. RHSP Credit card shall be utilized only for activities intended for furthering the broad goals and objectives of the program.
2. The following expenses shall explicitly not be permitted on the credit card i.e. purchase of alcohol, prohibited drug use, spirits, personal shopping and any activities that are not permissible
3. The bearer of the credit card shall have full responsibility for its security and the security of the passwords. Any misplacement or mismanagement of the credit card shall be charged directly on the bearer of the card
4. Upon return from the official travel, the bearer of the card shall submit details of the expenses and the expense report to the finance team through the Director Finance and Administration
5. The DFA shall submit the travel expense report to the HF for review to ensure that all expenses are allowable in line with RHSP disbursement procedures
6. Any expenses that are not permissible shall be disallowed and deducted from the bearer's salary
7. If all expenses are deemed acceptable, the expenses shall be approved by the HF and booked by the Accountant in line with the respective budgets. The controls around bank accounts management shall broadly apply to the credit card management at RHSP.

6.4.4 Responsibilities of card holder

1. Card holder shall sign a custody agreement to accept responsibility for the card
2. Card holder shall observe the following.
 - a. The approval mandate for every purchase
 - b. The card shall not be used for personal purchases
 - c. Ensure the card is safely kept
 - d. In the event the card is lost/ damaged/stolen the holder shall immediately inform the RHSP Executive Director and the Bank

6.4.5 Responsibilities of the Head of Finance

1. The HF will ensure that monthly reconciliations are done.
2. The HF will ensure payment of the credit on monthly basis.
3. The HF will ensure that expenses on the card are matched to and paid by the respective grants. The HF will share a monthly expense report with management.

6.4.6 Responsibilities of the RHSP field finance committee

1. The FC will review and approve budgets.
2. Review monthly expense report with management.

6.5 The Electronic Banking system (EBS)

General Rules and Guidelines for EBS Users:

- a) The **Head of Finance** shall issue a copy of the general rules and guidelines to each electronic banking system user to guide them when using the electronic banking system,
- b) Each user shall ensure that the general rules and guidelines provided to them shall be kept confidential.
- c) The user shall immediately notify the Bank, the Executive Director, and or the HF if he/she becomes aware that his/her identification code or password has become disclosed to any other person or loss of the electronic banking device (Token). He should also obtain a police report on the same.
- d) Each user shall be liable for any direct or consequential loss arising from use of one's identification code or password by any other person.
- e) All users shall ensure that their passwords are changed immediately upon receipt from the Bank, and further ensure that their password are changed at least every 30 days or as recommended by the Bank.
- f) The User shall ensure that his/her password is not disclosed to another person and that this shall be strictly controlled and used only by him/her.
- g) All users shall ensure safe use and maintenance of the software and hardware provided by the Bank and RHSP.

System Access Authorization

The following are the current Authorized Signatories and Users' Functional Access

Profiles to the Electronic Funds Transfer (EFT);

System Access Authorization	Titles
Initiate & modifying	Authorized Assistant accountant
Verifying payments	Accountant Finance Manager Head of finance
1 st level Authorization	Any one of the SMT members/others Authorized Approvers following
2 nd level Authorization	Any one of the SMT members/others Authorized Approvers following Executive Director Others Directors

- The Assistant Accountant who inputs the data shall always print the system payment voucher and ensure that it is signed accordingly.

RHSP Electronic Payment

- The user that captures the data shall then forward the transaction initiation report together with the support documents to the appropriate authorized verifier as indicated in the table above
- The data that is captured shall be verified by an independent authorized person who will also sign the transaction initiation report and forward it together with the support

documents to an independent 1st Level Authorization officer as indicated in the table above.

- The 1st level authorization officer shall forward the transaction initiation report to the 2nd level authorization officer for final authorization
- The 2nd level authorization of payment transactions can be done by any of the 2nd Level Authorization officer. The approvals shall vary depending on any two authorized signatories on any bank account.

6.6 Foreign Exchange gains and losses

a) Foreign exchange gains and losses should be recognized in instances where:

•Payments to foreign suppliers in foreign currency are recorded in the general ledger at one exchange rate and cleared by the bank at a different exchange rate.

•Receipts foreign currency are recorded in the general ledger at one exchange rate and cleared by the bank at a different exchange rate.

•Bank balances in foreign currency are maintained in USD in the general ledger and are translated at the end of the month.

b) These foreign exchange differences give rise to reconciling items unless they are recognized in the general ledger

c) All differences or discrepancies should immediately be brought to the Head of Finance 's attention. A difference or discrepancy is defined as any reconciling item not meeting one of the above standard reconciling items or reconciling items that have not cleared within two months.

6.7 Cheque book security

The following precautions shall be exercised over the security of cheque books:

a) Cheques shall Never be pre-signed, but shall be signed only after details of the payee and payment amount have been completed;

b) Cheques shall be used/issued following their serial numbers/sequence and shall be accounted for in the cheque register;

c) For each bank account, only one cheque book shall be in use at any one time;

d) Soiled or "void" cheques shall be retained and kept in the safe. They will have to be logged and destroyed after year End Audit closure.

e) All cheque books not in use shall be kept in a safe.

6.8 Mobile payment management systems (Beyonic)

a. Purpose

To minimize risks associated with cash handling at cash offices regarding payments to staff for funds to be used to implement program activities, management shall seek to use a mobile payments management system. The service provided shall include disbursement of funds to staff and beneficiaries through their mobile account. The platform will also support processing payments for airtime and data to staff.

b. Contracting

The provider of the service shall be obtained following the guidelines stipulated in the procurement manual.

Upon obtaining the service provider, a contract shall be drafted to guide on the scope, responsibilities and payment modes of the system. The contract shall have to be reviewed and approved by the executive director.

c. Access and control

The service provider shall give RHSP an account on the payment platform (Beyonic), unique login credentials to enable effective control access and transaction authorizations procedures

d. Processing and Approval Mandate.

Once a voucher has been fully approved by the respective supervisors. The following steps shall be followed.

1. The Assistant Accountant will initiate the payment within the mobile payment system (Beyonic). the assistant accountant shall also upload a scanned copy of the voucher and the respective supporting documents.
2. the payment will then be checked and approved by the accountant in charge.
3. .the final approval will then be made by the approvers authorized by SMT.
4. After the approval, the staff beneficiary will receive the funds. Both sending and withdraw charges will be incurred by RHSP.
5. .At the end of the month. A Statement shall be obtained for the mobile payment management system and used to prepare bank reconciliation.

Key Control Processes

- The Board shall approve all the authorized signatories to RHSP's bank accounts.
- Bank reconciliation reports shall be prepared by Assistant accountant and checked by the accountant in charge of bank reconciliation by the Finance manager. Approvals shall be made by the Head of Finance on a monthly basis.
- The Senior Accountant shall prepare a report, quarterly specifying the bank accounts closed and opened during the previous quarter and submit this to the HF.
- All electronic banking system users shall keep their passwords and identification codes confidential.
- Proofs of payments from the bank shall act as sufficient confirmation to all external parties paid (e.g. vendors, Subgrantees, etc.) that they have been paid funds & for receipt of funds paid to them.

7 Disbursement Processing

7.1 Payments Policy Objectives

To ensure that:

- All payments are duly authorized by responsible officers in compliance with the levels of authority.
- All payments are budgeted for and fully supported by valid documents.
- All payments comply with negotiated terms and due dates; and
- Payments are processed and accurately recorded a timely basis.

Policy Statement

All staff members shall comply with the following general principles:

1. All payments shall be made for the benefit of RHSP and responsible staff shall ensure that there is value for money; and
2. All payments shall be duly authorized against availability of funds and approved budgets.

Documents

The following are the key documents that shall be used to guide staff during the disbursements process.

- The purchase requisition form
- Advance form/card from share point
- Approved budget from share point
- Certificate of completion of work done
- Invoices, Professional fee notes, demand notes etc...
- Local purchase order (LPOs)
- Goods received note (GRN)
- Payment vouchers
- Job Card
- Delivery Notes
- Petty cash replenishment schedules
- Signed Sub-Grant Agreements/contracts
- Contracts/agreements with consultants
- Minutes, agreements etc.
- Contracts, certificate of completion for works, etc.
- Reports from consultants
- Financial accountabilities. From Sub-grantees

Responsibility

- Executive Director
- Director Finance and Administration
- Head of Finance
- Finance Manager
- Grants
- All Accounts Staff

General guidelines

1. Requisitions shall include but not be limited to the following:
 - Disbursements to Sub-grantees
 - Payments for consultancy and professional services
 - Payments for goods and services (including but not limited to stationery, transport, repairs & maintenance etc...)
 - Payment for procurement of major items, works
 - Request for funds for staff travel (including the charter of flights)
 - Staff advances for approved/planned workshops
 - Payment for office running costs (e.g. rent, utilities, fuel advances etc.)
 - Petty cash replenishments
 -
2. Payment for transactions denominated in foreign currencies shall be made from the respective foreign currency accounts. RHSP shall also maintain a local currency (Operations account) to facilitate the payment of transactions emanating account from the local currency (Uganda Shilling).
3. Electronic payments/fund transfers
4. All payments to third parties in excess of Uganda Shillings Two hundred thousand (Ushs 200,000) shall be made by cheque or by electronic bank transfers. Payments beyond this amount shall be approved by the Executive Director.
5. All payments for invoices from suppliers, service providers and sub-grantees shall be made by cheque or by electronic bank transfer.

Procedures

A. Requisitioning of funds

1. The user/requisitioner shall raise a requisition in share point with details of payment and attach the relevant support documents e.g. a copy of the Sub-Grant Agreement, budget of workshop. For planned program activities such as workshops, meetings, staff travel, flights etc., the requisitions shall be prepared and submitted at least 5 working days before the funds are required. If all the requirements of the requisition are met, the Accounts Department shall ensure that payment is made within the 5 working days.
2. The requisition together with the support documents shall follow the approval mandate in Share point.
 - The Assistant Accountant shall be responsible for checking the requisition to confirm that it is supported by adequate supporting documents eg. invoice, purchase order, delivery note, goods received note (GRN), fee note, final reports from consultants, Sub-agreement (for disbursements to Sub-grantees), financial accountabilities from Sub-grantees and that the expenditure is budgeted for.
 - The assistant Accountant shall confirm that the requisition has been authorized by the relevant authorities. He/she shall also confirm that there are no outstanding and due accountabilities from staff members submitting the requisitions for payment of Staff advances.

NB: In the event that there are outstanding and due accountabilities, this shall be brought to the attention of the Line Director.
 - For payments to external consultants, the Assistant Accountant shall obtain confirmation from the relevant Head of Department that all work has been completed in accordance with the contract. Under no circumstances shall payment be made to a consultant without this confirmation. (Refer to the procurement manual for detailed procedures for contracting)

- For payments to Sub-grantees, the Assistant Accountant shall ensure that financial accountability and other reporting requirements have been met satisfactorily. For all disbursements, a copy of the duly signed Sub-grant agreement/contract shall be attached.
- 3. The Assistant Accountant shall only raise a payment voucher basing on the details indicated on the requisition if all the relevant support documents are attached and there are adequate funds to affect the payment. The rejected requisition shall be returned to the requisitioner indicating the reasons for the rejection.
- 4. The share point requisition will then be approved following the approval mandate in Share point.

B. Procedures for bank payments

1. The Assistant Accountant shall convert the approved share point requisition into payment journal entries into the Navision system. A copy of the payment voucher shall then be printed and sent together with the support documents to the Accountant-payables for checking.
2. The payment voucher and supporting documentation are then taken to the physical paper approvers.
3. Upon approval, the Payment Voucher shall be passed to the relevant Assistant Accountant for preparation of cheques if applicable or for capturing in the bank and other details into the EFT system to facilitate an electronic funds transfer.
4. The Accountant-payables shall check the documents and confirm that the information therein is the same as what was posted into the Accounting system before inputting the data into the EFT system.
5. The hard copies or scanned documents will be sent to the authorized signatories in the bank.
6. For detailed procedures on bank payments refer to Ref 6.1 - Bank Accounts Management
7. Once a payment has been initiated in the bank online platform,
8. Once the cheque has been signed or the transfer made, the payment voucher and all supporting documents shall be stamped "PAID" to avoid re-presentation of documents.
9. The Finance Manager shall update the cash book and relevant ledger accounts in the Accounting system. The payments shall be analyzed according to the type of expenditure. The payment voucher together with the support documents shall then be filed by the Accountant.

Key control processes

1. All payments shall be released to beneficiaries promptly and acknowledgement of receipts obtained immediately.
2. Payments shall be made based on duly approved payment vouchers that are supported by original documents: and
3. Bank reconciliation statements shall be prepared monthly by 7th of the following month.

7.2 Petty Cash Management

Policy Objectives

To ensure that:

- Petty cash is utilized for the intended purpose and is accounted for properly.
- Petty cash is replenished appropriately and timely.
- Petty cash is reconciled daily: and

- Petty cash requisitions are duly approved in compliance with the levels of authority.

Policy Statement

All staff members shall comply with the following general principles:

- Petty cash shall be used to settle small payments not exceeding UGX 200,000.
- A petty cash float shall be maintained as guided by the procedures below.
- Petty cash replenishments shall be made after consumption of 60% of the replenished amount.

The following are the key documents that shall be used to guide staff during the process for petty cash management.

- Petty cash book
- Petty cash requisition
- Petty cash reconciliation statements
- Cash count certificate
- Petty cash replenishment requisition
- Payment voucher
- Petty cash payment voucher

Responsibility

- Director Finance and Administration
- Head of Finance
- Finance Manager
- Accounts Assistant
- Cluster coordinator
- Section heads

Procedures

A. Petty cash management

- An imprest system shall be established at RHSP to meet the immediate cash needs requiring small amounts of cash for purchases and service payments. A maximum float of UGX 2,000,000 shall be maintained at Head Quarter Cash office.
- The Assistant Accountant (Cashier) shall be responsible for maintenance of petty cash. The petty cash shall be kept separate from all other cash resources and can only be issued from the petty cash box /safe.
- Access to the petty cash till/safe shall be restricted to the respective Assistant Accountant-Cashier
- Petty cash payments shall only be paid after subofficial and approval of a duly approved petty cash voucher containing the following information:
 - Reason for the claim.
 - Original supporting documentation (indicating the purpose that costs were incurred for RHSP)
 - Payee.
 - Amount of petty cash in words and numerals; and
 - Signatures of the preparer, person checking, approving authority and payee.

- The Assistant Accountant shall maintain respective petty cash books that include the following.
 - The running balance.
 - All floats received.
 - Payments made (basing on duly approved serially numbered petty cash vouchers); and the daily closing balances.

Note: Petty cash book maintained in a spreadsheet shall be printed and filed every month.

- At the end of day, the Assistant accountant shall count the cash on hand and reconcile it to the balance per the petty cash book.
- Monthly petty cash counts shall be performed by designated staff in the presence of Accountant and finance manager and the results of the count documented in a cash count certificate.
- The Head of Finance (where necessary the DFA) shall appoint a senior and independent staff to carry out surprise cash counts.
- Reconciliations of the cash on hand with the cashbook balance shall be carried out by the designated staff immediately after the cash count. Any differences arising shall be investigated & reported to the DFA for appropriate action.

A. Petty cash replenishment

1. Replenishment of petty cash shall be done basing on the actual expenditure whenever the balance runs below 60%.
2. The Petty cash holders (Accounts Assistants) shall prepare and submit the petty cash replenishment requisitions together with the reconciliations and support documents to the designated Accountant for checking.
3. In no circumstances shall cash be borrowed from other sources to make petty cash payments.
4. For emergencies, prior approval will have to be sought from cluster managers or the DFA.
5. The designated Accountant shall check the petty cash requisition for accuracy before submitting it to the Finance Manager for review and the designated signatories. The designated Accountant shall then prepare payment voucher and remittance advice and submit them to the Finance Manager for review and the DFA for approval.
6. The Accounts Assistant shall draw the cash from the bank and acknowledge receipt by signing the payment voucher.
7. Upon payment, the relevant accounts in the GL shall be updated by the Finance Manager.

Key Control Processes

1. The **Head of Finance** through the **Finance Manager** shall ensure that no petty cash is replenished until full and adequate accountability has been submitted.
2. Monthly petty cash counts shall be performed for the petty cash.
3. Surprise cash counts shall be conducted by an independent official.
4. Petty cash reconciliations showing an analysis of cash received, cash payments and cash on hand shall be prepared and reviewed by the Finance Manager.

7.3 Activity Advances

Policy Statement

All staff and sub grantees shall be required to comply with the following general principles:

Activity advances shall only be requested and drawn to support the activities and operations of RHSP

Policy Objectives

To ensure that:

1. All Staff advances are processed and recorded accurately; and
2. Activity Advances are only drawn to meet the operational needs of RHSP.

Documents

The following are the key documents that shall be used to guide staff during the disbursement of Staff advances.

- Advance form from share point
- Approved budgets from share point
- Workplans
- Detailed budgets
- Advances ledger
- Approved rates for subsistence allowances
- Payment vouchers

Responsibility

- Director Finance and Administration
- Head of Finance
- Finance Manager
- Senior Accountant
- Head of Programs
- Cluster Coordinators
- RM/technical managers
- Accounts Assistant
- Program staff

Procedures

1. Staff advances shall be paid to staff for expenditure to be incurred by RHSP. These shall include per diem (day and overnight allowances), workshop costs such as hire, participant transport refund, accommodation, and meals, stationery **venue** costs.
2. Staff advances shall be drawn against an Advance form (AF), to which the relevant supporting documents such as approved work plan and budget must be attached. The Advance form shall be authorized by the respective Heads of section or designate, if the advance relates to the Director, Finance and it. The advance form shall Administration, the Executive Director shall approve then be forwarded to the Finance and Grants department for processing.
3. The Advance form shall provide the following information:
 - a) Reason for the Staff advance and details of the program/cost Centre, the person requesting the advance and the amount

- b) For daily subsistence allowances, the number of people concerned and the approved rate per person and the date of commencement and duration of the visit.
4. Before an advance is processed, the designated Assistant Accountant shall perform the following:
 - a) Review the advances ledger to ensure that the person drawing the advance has no outstanding advances. No advance shall be given to a person who has not fully where the activity has been completed and accounted for the previous advances the time for subofficial of accountability has lapsed.
 - b) Ensure that the advance requested for is authorized by the Head of department or Director Finance and Administration.
 - c) Confirm that amount requested does not include funds for items paid directly by RHSP such as flight costs/consultants fees. If these are included, the request shall be adjusted accordingly.
 - d) Confirm availability of funds for the proposed activities.
5. The advance form shall then be forwarded to the DFA, and ED for approval.
6. Upon approval of the Advance form, this together with the relevant supporting documents shall be forwarded to the designated Accountant for preparation of a payment voucher and cheque/EFT processing.
7. The procedures for payments under Ref Payments shall be followed.
8. Once the cheques have been signed or the EFT has been approved, the payment voucher shall be posted into the appropriate ledger accounts in the Accounting system. All Staff advances that are paid by cash shall be insured to minimize the risk of loss.
9. Refer to Ref. Accountability for detailed procedures on accountability for the Staff advance.

Key control processes

1. Staff advances shall be authorized by the respective Head of Department. Final shall give after review by DFA and final approval by the ED approval
2. The staff member who draws the advance shall be liable for proper accountability of the advance within the stipulated time.
3. Monthly review of the aged advances listing shall be produced by the respective designated Accountant and the report forwarded to Head of Finance.
4. Monthly reports for funds unaccounted for shall be certified by the Finance Manager and submitted to the Finance Committee to authorize recovery. The affected staff shall be informed before the recovery of the relevant advance is affected.
5. Failure to account for the funds received within 7 days shall be deducted from the respective individual's salary at the end of the month in question.

7.4 Travel Advances

Policy Statement

All staff shall comply with the following general principle:

- Travel advances shall be processed and paid according to the authorized rates and shall only be drawn for purposes supporting the implementation of the Strategic plan and Operations plan of RHSP.
- Any deviations from the approved rates must be approved by the Executive Director.

Policy Objectives

To ensure that:

1. Travel advances are only paid for the operations of RHSP.

2. Travel advances are paid according to the authorized prevailing rates: and
3. Travel advances are processed, recorded, and accounted for accurately and promptly.

Documents

The following are the key documents that shall be used to guide staff during the disbursement of travel advances.

- Travel requisition form
- Travel expense report
- Official per diem rates
- Cash payment voucher
- Workplans
- Detailed budgets
- Completed travel checklist International Travel
- Completed travel checklist International Travel
- Boarding Passes, Air tickets
- Approved rates for subsistence allowances (per diem rates & other rates)

Responsibility

- Executive Director
- Director Finance and Administration
- Head of Finance
- Finance Manager
- Budget holders
- All staff

Subsistence Daily Allowance guidelines

1. The SDA for Local duty travel is determined and paid according to the Local Daily Subsistence Allowance rates that have been approved by the SMT.
2. Per diem allowances shall be payable to staff only where overnight stay from home is necessary for carrying out planned activities. The per diem/allowances are intended to cover accommodation and meal costs and the amount that is paid shall not exceed the standard approved rates in accordance with the RHSP guidelines.
3. A portion of Per diem (less Room rate) is paid for travel which does not call for hotel accommodation or when the travel requires over 10 hours stay but a night is not spent in a hotel
4. SDA / Per diem policy applies to all RHSP employees as well as to travelers invited and sponsored by RHSP. However, RHSP shall not be liable for any travel costs associated to travel sponsored by others or third parties.

Travel guidelines

1. Official travel is categorized as International or Local travel by employees or invited personnel for RHSP.
2. International travel refers to a travel outside the country while local travel is travel within the country.
3. International Travel will be governed by travel guidelines.

Travel Approval Process

1. A requisitioner (traveler) requesting for official international travel shall complete a travel requisition form which clearly specifies the following:
 - Purpose of the travel,
 - Dates of the travel
 - Detail itinerary,
 - Estimate of the Perdiem required,
 - Funding source,
 - Budget/Cost Centre
 - The approved rate per person and the date of commencement and duration of the visit.
 - Dates for the entire trip (This should include overnight stay)
 - Authorization and approval of overnight stay and per diem
 - Project Code
 - Associated Intermediate Result
2. The travel requisition form shall be submitted to the Head of Department for review and Executive Director for final approval at least two weeks before the travel date.
3. Upon approval, the travel requisition form shall be submitted to the Accounts department for processing.
4. The respective Accountant shall perform the following:
 - Confirm availability of funds for the proposed activities;
 - Check the completed form for accuracy and ensure that this is consistent with the approved work plan/budget;
 - Confirm that all previous advances to the requisitioner have been cleared.
 - Re-calculate and determine the appropriate SDA based on the detailed itinerary
 - Initiate the purchase of air ticket (where applicable).
5. The travel requisition form together with the relevant supporting documents shall then be forwarded to the Finance Manager and HF for review and the Director Finance and Administration for approval.
6. Upon approval, the travel requisition form together with the supporting documents shall be submitted to the Accountant for preparation of a payment voucher and cheque processing.
7. The procedures for Payments under 7.1 Payments shall then be followed.
8. The payment for travel shall be treated as an advance until the travel is completed and the advance accounted for.
9. Additional travel advance will not be paid to a traveler with unaccounted for advance of previous travel. All travel advances must be accounted for before any new travel advance is requested.

Purchase of Air Ticket

1. The process of purchasing travel tickets shall follow the travel request itinerary authorized and approved by the DFA.
2. Upon receipt of the approved travel request form, the Accountant shall make inquiries from approved providers for alternative price quotations of fares and place an order for the most direct and economical fare preferably excursion fare whenever available and applicable.
3. RHSP allows only Economy Class travel to staff and any other RHSP sponsored travelers.

Travel Expense Reporting (Accountability)

1. Travel advances shall be accounted for using the standard Travel Expense Report document.
2. Accountability shall be submitted within five (5) working days after return from the travel.
3. All travel expense claims for expenses in excess of the approved SDA rate shall be adequately supported by with hotel accommodation bills and receipts, boarding pass, etc.
4. For any expenses claim originated in currencies, other than the US Dollars, the traveler shall be required to attach currency exchange slip from bank or hotel in order to justify the exchange rate.
5. Travelers are not required to produce receipts for personal meals and any other out-of-pocket expenses that are covered in the SDA. But the traveler is required to submits the used stub of the air ticket together with boarding passes attached to the travel expense report.
6. The respective Accountant shall review the travel expense report against the approved travel requisition and submit this to the DFA for approval. The travel expense must be approved before the accountability is retired.
7. The relevant accounting entries shall be made in the Accounting system to the relevant travel expense account and the advance cleared from the travelers advance account.

Key control processes

- Duly approved official rates shall be used when making payments for staff allowances.
- All advance payments for travel expenses shall be accounted for within 5 days of return from the official .

7.5 Payroll Processing

Policy Statement

All staff members shall comply with the following general principles:

1. The payroll shall be reviewed and approved before payment of salaries, regular allowances and benefits and payments shall only be made to bona fide employees of RHSP.
2. Payment of salaries, allowances, and benefits shall be made through bank accounts indicated by employees in writing.

Policy Objectives

To ensure that.

1. Payroll is only prepared for bona fide employees of RHSP.
2. Payroll data is accurate, reliable, and all salary deductions are computed properly and accurately.
3. The payroll is approved and authorized by the responsible staff of RHSP before payments are affected.
4. All overtime has been properly approved; and
5. All legal/statutory and any other deductions are remitted to the appropriate authorities in time.

Documents

The following are the key documents that shall be used to guide staff during payroll processing.

- The HR (excel) Payroll.
- The payroll (wide from Navision system)
- Salary Allocation schedule
- Fund recovery (from grants) report.
- Communication of changes in remuneration
- Staff grading scales and schedule of applicable remuneration.
- Appointment letters
- NSSF schedule
- PAYE schedule
- Schedule for Staff advance deductions (Staff advances not accounted for)
- Pay slips
- Payment vouchers

Responsibility

- Human Resources
- Executive Director
- Director Finance and Administration
- Head of Finance
- Finance Manager
- Accountant
- Assistant accountant

Procedures

1. The Head of Human Resources Department is responsible for maintaining personnel records for all employees including the staff member's bank details to which their salaries shall be credited.
2. The Human Resource office shall prepare a monthly payroll by the 15th day of the month.
3. It is the responsibility of the Head of Human Resources department to inform the Finance and Grants Department of the changes to the standing information to the payroll for each month by the 10th of the month. Some of the changes may include, appointments, dismissals, demotions, resignations, salary review resulting from increase/decreases, and any other authorized changes.
4. All non-permanent changes to the payroll shall only be made by the Accountant after approval by the Director Finance and Administration.
5. Such changes may include, non-permanent allowances, recoveries from salaries for unaccounted for advances and salary advances.
6. The department heads have the responsibility of ensuring that a request for working on a non-working day is completed and approval for this payment is done by the heads of departments and authorized by the ED or line director.
7. The HR office shall submit final payrolls (excel and Navision) to the Accountant in charge for checking by the 12th day of every month. The payroll shall clearly indicate:
 - a) Gross pay (Including basic pay, allowances payable,)
 - b) NSSF deductions
 - c) PAYE deductions
 - d) Nets pay due to employees.
 - e) Salary advances to be recovered.
 - f) Other recoveries
 - g) Telephone costs to be recovered.
 - h) Net amount payable to employees

The accountant in charge will check to ensure the following.

- Proper computation of taxes and other deductions.
 - Existence of staff in the payroll.
 - Proper inclusion and computation of overtime and other payments.
8. The payrolls will be submitted to the head of finance for checking
 9. The payrolls will be submitted to HR manager for approval.
 10. The payrolls will be submitted to director finance or SMT member for approval
 11. The Accountants in charge will extract from the management reports fund balances per grants.
 12. The Assistant Accountant will prepare the salary allocation schedule (showing salary cost attached to respective grants) by the 14th day of every month for subofficial to the head of grants for review of the allocations.
 13. The head of grants will complete review of the salary allocation schedule and submit it to the SMT for review by the 16th day of every month.
 14. The monthly payroll will be approved by the ED or SMT member. The SMT will review and approve the salary allocation schedule by the 20th day of every month.
 15. Upon approval, the Assistant Accountant shall prepare the payment vouchers and bank transfers using the EFT system for transfer of funds from grant bank Accounts to the salary pool NGI bank account. The procedures for EFT payments under Ref 7.1 shall be followed.
 16. The accountant will then raise payment vouchers and bank transfers using the EFT system for transfer of funds for the following.
 - staff net salaries
 - Retirement benefits
 - PAYE (after filling in URA system)
 - NSSF (after filling in URA system)
 - Others/LST
 17. The Head of Finance shall ensure that the salaries are paid by the 23rd day of the month.
 18. Remittances for PAYE and NSSF shall be made by the 15th of the following month. The procedures for Payments under Payments shall be followed.
 19. The HR manager shall send out payslips to all employees once payment of salaries is affected. The payslips shall indicate the following:
 - The consolidated salary, salary arrears, other employee benefits for the month and gross pay.
 - Statutory deductions like PAYE, NSSF.
 - Non-statutory deductions like telephone, deductions, Staff advance deductions and salary advances recoveries.
 - The net pays.
 20. Any complaints by employees regarding the payslips information shall be addressed to the Head of Human Resources Department and resolved immediately.
 21. At the end of the month, the Accountant shall check the payroll against the General ledger to ensure that is accurately posted.

Key control processes

1. All payroll changes shall be properly authorized by the Director Finance and Administration or the Executive Director.
2. Payment of salaries, allowances and benefits shall be made through bank accounts indicated by employees in writing.
3. Monthly reconciliation of the Payroll to the general ledger shall be performed by the Accountant and reviewed by the Finance Manager.

4. Finance Manager and the Head of Finance shall review and sign.
5. The payroll prior to processing of payment; and
6. The Head of Human Resources Department shall maintain copies of the approved monthly payrolls.

7.6 Payroll Advances

Policy Objectives

To ensure that.

1. RHSP does not provide salary advances. However, in very exceptional circumstances, the procedures below shall be followed upon approval by the ED.
2. All salary advances are duly authorized by responsible officers of RHSP.
3. There is timely processing of advances and that these are accurately recorded.
4. There is timely recovery of salary advances.
5. The SMT may approve the 13th cheque for all staff.

Policy Statement

All staff members shall comply with the following general principles:

1. All salary advance payments shall be duly authorized and correctly stated in RHSP's books of account.
2. Recovery of salary advances shall commence at the end of the month following the payment of the advance and shall be fully recovered by the end of the financial year.

Documents

The following are the key documents that shall be used to guide staff during the disbursement of payroll advances.

- Salary advance form
- Advance form
- Memo/email. From staff requesting for advance
- Salary Advances ledger
- Aged advances listing
- Payment vouchers

Responsibility

- Executive Director
- Director Finance and Administration
- Head of Finance
- Finance Manager
- Head of Human Resources Department
- Accountants

Procedures

1. Salary advances are payments made to staff from their salaries before they are earned.
2. Staff members shall submit a request of the advance on a salary advance form to the ED for recommendation. The salary advance shall not exceed the limits set under the Human Resource department of this manual.

3. The salary advance form shall be submitted to the Accounts Department for approval and processing. The Accountant shall check the approved amount on the advance form to ensure that the net pay is within the allowed limits and ensure that there are no outstanding advances. No further advances shall be paid until all previous advances have been recovered.
4. Once the checking is done, the Accountant shall prepare the payment voucher and cheques or bank transfers where applicable.
5. The procedures for Payments under Ref 47.1 - Payments shall then be followed.
6. . The summary of salary advances outstanding at commencement of the month shall be provided to the Accountant for update and pay roll recovery.
7. All salary advances shall be recovered in three equal monthly installments after the month when the advance was taken.
8. Housing advances that are paid against accumulated gratuity shall be recovered in monthly installments by the end of the financial year.
9. RHSP funds shall not be used to make loan advances to staff. The Head of Finance shall provide guidance to staff to avoid situations whereby staff salary advances could be construed to be loans.

Key control processes

- Salary advances shall be recommended by the HF and approved the ED.
- All salary advances shall be recovered through the payroll within one-months.
- No further advances shall be paid until all previous advances have been recovered or accounted for.

7.7 Staff incentives

Policy Statement

Incentives shall be awarded after completing the performance management process as determined by the SMT. Incentives may be paid depending on the availability of the funds subject to the financial policies and procedures manual.

These incentives may include the 13th Cheque of the year.

Weekend Allowances

Staff required to work over weekends shall require their heads of section to obtain prior approval from their line directors.

On completing of work, they will fill in overtime, obtain approval from both heads of section and line directors.

The forms should be submitted to the Human Resource office for verification and payment processing through payroll.

These are computed by obtaining the number of weekend days worked divided by total number of days in a month and multiplied by the gross salary.

Policy Objectives

To ensure that:

1. Incentives are paid to RHSP legitimate staff.
2. Incentives are adequately approved and authorized prior to payment.

3. Employees are motivated to be performers and outcome oriented in their work and to continue to improve on their work performance.

Documents

- Human Resource Manual
- RHSP Staff plan

Responsibility

- Executive Director
- Senior Management Team
- Director Finance and Administration
- Head of Finance
- Human Resources

Procedures

RHSP is a donor funded organization. Therefore incentives not provided for in the Human Resource manual e.g. send off parties and gifts shall be only be awarded in accordance with donor regulations and upon the approval of the SMT.

7.8 Accountability of Activity Advances to staff

Policy Statement

All staff shall comply with the following general principles:

1. Program managers/heads of units shall review accountabilities before sub official to the Accounts Department.
2. All advances shall be accounted for promptly and cleared within the stipulated time (5Staff/Working days) or else shall be recovered automatically from the relevant staff involved through the payroll guided by the HR manual.

Policy Objectives To ensure that:

1. All advances are promptly accounted for.
2. All advances are used for the purposes they were requested for and for the benefit of RHSP; and
3. There is an effective system for monitoring all advances.

Key Control Processes

1. The designated Accountant shall maintain an advances ledger to monitor retirement of accountability.
2. Violations of accountability procedures shall be brought to the attention of the Head, Finance and Grants, Director Finance and Administration and Executive Director for action.

Documents

The following are the key documents that shall be used to guide staff during the process of accountability of advances.

- Accountability voucher form
- Relevant Reports (e.g., Financial accountability reports)
- Copy of the Staff advance form
- Original invoices and receipts

- Minutes of meetings
- Attendance registers for workshop
- Activity reports
- Register for submitted staff accountabilities.
- Register for sub grant Accountabilities.
- Sub grantee accountability form.

Responsibility

- Director Finance and Administration
- Head of Finance
- Budget holders
- Heads of section/technical line managers
- Cluster coordinators
- Finance Manager.
- Accountants.
- Accounting Assistant.
- Sub-grantees
- All staff

Procedures

A. Accountability for Activity Staff Advances

1. The individual staff to whom the funds were advanced shall prepare the accountability within 5 working days of completion of the activity. All accountabilities shall be supported by appropriate original documents e.g., receipts, attendance register for workshops and acknowledgement for receipt of transport refunds, the relevant reports.
2. The relevant Head of Department shall review the accountability to ensure that the accountability submitted is complete and adequate in all respects and is supported by adequate documentation necessary to retire the advance. He/she shall authorize the accountability or return to the staff concerned where the accountability is not satisfactory. Satisfactory accountability shall then be submitted to the Accounts Department.
3. The accountability will then be handed over to the cashier stationed to the cash office and have it recorded in the register for the recorded accountabilities.
4. In case of unspent amounts, the designated Assistant Accountant (Cashier) shall confirm amount returned and issue a system generated receipt to the staff who refunded the cash. The receipt shall form part of the accountability.
5. The designated Assistant Accountant(cashier) shall receive and verify the accountability and forward to the accountant in charge for checking.
6. The staff should not spend more funds than advanced without express authorization from the ED, DFA or HF. In circumstances where it is difficult to get express perofficial either by email or phone, the staff will spend and seek authorization as soon as they get back to office.
7. Upon approval of the accountability, the designated assistant Accountant shall enter the accountability details into the Accounting system. relevant entries into the Accounting system.
8. The accountability together with the journal vouchers shall be reviewed and posted by the Accountant in charge.
9. The individual staff member shall prepare and submit full accountability report. within 5 days from the time of completion of the activity.

Failure to submit accountability by RHSP Staff.

1. The individual staff that is advanced funds shall be personally responsible for accounting for the funding received.
2. If the accountability is not submitted by the individual staff within the specified timeframe, the assistant accountant will inform the staff in writing (E-mail) with the respective supervisors in copy.
3. Failure to comply the staff salary will be held by HR and Finance and only paid to him once he has accounted.
4. Should the staff still fail to account; the head of finance will request the supervisors to halt staff deployment.
5. Failure to comply disciplinary action shall be taken. (Refer to HR policy for detailed procedures on disciplinary action).

8. Subgrantee Management

Subgrantees are organization that RHSP shall partner with to jointly implement program activities. The overall responsibilities of these contracted parties shall still lie with RHSP. These will include community-based organization (CBOs), Districts (With in Masaka region) Partners.

8.1 Sourcing of subgrantees

Subgrantees shall be sourced following the procurement process as highlighted in the procurement manual. The process entails passing advertisement to ensure transparency and acquisition of competent partners.

8.2 Subgrantee pre-award financial management capacity assessment

This process shall entail reviewing the financial management systems, financial controls, financial documentation, financial planning, financial statements and financial reporting, audit experience, and cost sharing capacity. The areas to be accessed (Refer to the CBO Assessment tool) shall include the following.

1. Budgeting

Objectives: Assess the organization's ability to budget and plan for financial resources.

Resources: Financial policies and procedures manuals, financial monitoring tools, accounting journals, chart of accounts, general ledger, revenue and expenditure reports, and financial staff, questionnaires, or interviews.

2. Accounting System

Objective: Assess the organization's ability to record and report revenues and expenditures in inaccurate and timely manner.

Resources: Financial policies and procedures manuals, financial monitoring tools, accounting journals, chart of accounts, general ledger, revenue and expenditure reports, and financial staff questionnaires or interviews.

3. Internal Controls (Checks & Balances, and Segregation of Duties)

Objective: Assess whether there are adequate internal controls to safeguard funds and check the accuracy and reliability of accounting data.

Resources: Financial manual, accounting journals, chart of accounts, General Ledger, financial statements and annexes, bank records and financial staff questionnaire or interviews.

4. Bank Account Management

Objective: Assess whether bank accounts properly separate donor and project funds and bank records are properly reconciled and reviewed.

Resources: Financial manual, accounting journals, chart of accounts, general ledger, financial statements and annexes, bank records, and financial staff questionnaire or interviews.

5. Financial Documentation (Financial Records and Filing)

Objective: Assess whether the organization has a routine reporting system for financial information and is able to meet various donors' financial reporting requirements

Resources: Financial reports to government, CDC and other donors; filing system; payment vouchers; petty cash records; and financial staff questionnaires or interviews.

6. Financial Statements and Reporting

Objective: Assess the policies, procedures, and practices for generating financial statements that meet the needs of the organization and comply with the donor (s) financial reporting requirements.

Resources: Financial reports to CDC (if applicable) and/or other donors, and financial staff questionnaires or interviews.

7. Audit Experience

Objectives: Assess whether the organization undergoes routine audits and has a system for addressing audit findings. A key focus of this subsection is whether existing audit practices meet various donor requirements.

Resources: Audit policy, financial audit reports, post-audit management plans, CEO/ED and CFO interviews

8. Procurement

Subsection Objective: To assess the soundness of procurement policies and procedures and degree of staff understanding and compliance.

Resources: Procurement policies, plans, and files, payment vouchers, staff questionnaires or interviews with Procurement Manager, Accountant/Finance staff.

9. Fixed Asset Management (Equipment & Property)

Objective: To assess the soundness of policies and procedures for fixed assets management and degree of staff understanding and compliance.

Resources: Fixed assets registers, asset movement schedule, physical inventory reports; payment vouchers, staff questionnaires or interviews.

10. Donor Compliance

Objective: To ensure donor compliance.

Resources: NOAs, OMB Guidance.

Training of subgrantees

Several trainings will be conducted by the accountant to equip subgrantee with required skills to handle finances.

8.3 Subgrantee Budgeting, funding requestioning & Payment processing

Subgrantee payment processing shall fall the following steps.

1. Budgeting

- a) Finance shares the expense lines that will be used to inform the budgeting by Finance manager.
- b) Development, Sub official , and review of Master annual CBO paper budgets at the end of a financial year and beginning of new funding year (The annual budget should have money split by monthly or quarterly) by CBO/Coordinators/ Regional Managers, Grants & deputy project manager.
- c) Review & approving the budgets by Program leadership.

- d) Extraction, Subofficial and review of quarterly paper budgets and work plan for next quarter by CBOs & RHSP program team
- e) Uploading of the quarterly CBO budgets for next quarter into share point by Respective officers (RHSP)
- f) Review of the budget by the program leadership (the pre-budget meeting) by Director programs/program manager
- g) Review & approving the budgets by SMT.

2. Fund requisitioning

- a) After budget is approved, Sub official of quarterly fund request by CBO.
- b) Grants Team to input budget tracking information on funds requests and return to Programs Team to be uploaded at the point of creating an advance by Grants team.
- c) Uploading of the fund requests in share point by Respective officers (RHSP)
- d) Verifying and approving fund requests by RHSP verifiers (accountant) and approvers (RMs, heads of department, SMT)
- e) Partial accountabilities. 75% Rule. At the end of every quarter, all subgrantee are expected to account for all the funds that were advanced to them before any replenishment is done to them. .however due to ongoing activities those might have accounted for 75% will receive replenishment. The subgrantee shall be required to account for the 25% not later than in the 1st month of the second quarter.

8.4 Accountability for Sub-grantees

- a) A Sub-grantee shall fill in the Sub Grantee Accountability Form with details of the Accountability for the advance that was taken from RHSP within 7 days of the end of the respective quarter, whichever is earlier.
- b) The sub grantee form will be accompanied by Expenditure listing, original documents or certified copies of receipts, attendance registers for workshops and acknowledgement for receipt of transport refunds, the relevant reports, and any other document relevant to the accountability shall be submitted by the sub grantee to the respective Head of Department. Once the verification of the accountability is completed, the original documents shall be returned to the respective sub grantee.
- c) The sub grantee official shall deliver the accountability documents to the respective cluster offices.
- d) The documents shall be recorded in the accountability register at the cluster offices by the finance assistant.
- e) For Districts subgrantees the cluster coordinator shall review the accountabilities for completeness and compliance upon which he/she will forward them to the technical in charge.
- f) For CBOs the cluster finance assistant (upon receiving the accountabilities) will forward the accountabilities to the technical manager at Head quarters.
- g) The technical in charge (RM) shall review the accountabilities for completeness and alignment to program activities/targets upon which he/she will forward them to the accountant in charge of CBOs who will forward the accountabilities to the grants office.
- h) The grants office shall review the accountabilities for compliance with donor specifications in MOUs upon which he/she will forward the accountability to the accountant in charge of subgrantee accountabilities.
- i) The designated Assistant Accountant shall check the accountability to ensure that the accountability submitted is complete and adequate to retire the advance. The assistant Accountant will batch the transaction and generate a liquidation report for review by the accountant.

- j) For queried accountabilities a query form will be prepared and forwarded to the accountant for review. This will then be sent to CBO coordinator who will eventually communicate to the subgrantee the findings / queries for address.
- k) Upon approval of the accountability, the designated Accountant shall post the journal entries into the Accounting system.
- l) The senior accountant shall review the accountability process to ensure that the accountabilities submitted and activities implemented meet the Donor and RHSP objectives. The SAC will be the overall coordinator of subgrantee process within finance
- m) The head of finance to ensure the accountabilities that exceed 300 million are checked by Senior accountant/Finance Manager or Head of Finance.

8.5 Failure to submit accountability -Sub-grantees

- a) The Accountant (Head of the sub grantee) shall be personally responsible for accounting for all the funding received from RHSP.
- b) No further funds shall be advanced to the Sub-grantee if the accountability for previous advances has not been submitted. In an attempt to obtain accountability from a defaulting sub grantee, a letter of reminder shall be sent first by the Director Finance and Administration and finally by the Executive director to the Sub- grantee in respect of any outstanding accountabilities.
- c) Where the defaulting sub grantee does not heed to the demands in 21 above, RHSP shall take steps to recover the funds advanced. Where the sub grantee contract is silent the law shall take its course.

8.6 Accountability monitoring and reporting

- a) The HF shall circulate to the Heads of Departments monthly accountability reports showing a list of all pending accountabilities from staff and Sub-grantees.
- b) All Heads of Departments shall monitor the utilization/ consumption of their budget and ensure that individuals who drew advances have utilized them on approved activities and reports have been prepared as part of the accountability.
- c) The monthly accountability reports shall be forwarded to management for review in the management meetings. All queries raised by management should be resolved before approval of the monthly accountability report.

8.7 Subgrantee review and monitoring

Review and monitoring shall be done by programs, finance, Grants and internal auditor.

8.7.1 Goals and indicators of monitoring CBOs

- To ensure that clear and proper source documents are generated & available that reflect true information on the work of the CBOs.
- To ensure timely approval and release of funds
- To enable provision of quality services and products to community members
- To ensure timely subofficial of technical reports
- To ensure timely subofficial and review of accountabilities
- To reduce cases of misuse and re-allocation of funds

The overall goal is to enable CBOs (sub-grantee) conduct and provide quality services in such a way that ensures that Masaka region achieves rapid HIV epidemic control through

implementation of timely, targeted, user-friendly, innovative, evidence based, efficient and sustainable services and projects.

Additional Indicators:

- Ask CBOs on the number of technical support supervision visits from RHSP staff.
- Percentage of CBO's with clear and proper documentation of tools
- Number of days taken by CBO to submit the accountabilities to the cluster office.
- Number of days taken by CBOs to receive feedback on the accountabilities submitted to RHSP.
- Number of days taken from time CBO requested for funds and received them.
- Number of days taken to submit accountabilities at RHSP finance office.

8.7.2 Review the work done by the CBOs.

The financial review shall be done following the criteria below as well as the guidelines in the pre assessment tool.

1.	Check on the Vouching Process
2.	Check existence of bank and other reconciliations
3.	Check existence of Proper documentation used when accounting
4.	Check existence of a money safe
5.	Check Financial Reports e.g. Budget vs Actual
6.	Verify Physical location of the organization
7.	Interview of staff (capability of handling finances)
8.	Check Cash count certificates
9.	Check Proper filing system in place
10	Check Payroll management
11	Check Internal controls e.g. segregation of duties

8.7.3 Feedback Provision to subgrantees

Feedback shall be provided to the subgrantees immediately and a meeting shall be held with the subgrantee top executives.

8.7.4 Report preparation.

The team in charge of the review shall prepare the report for review by supervisors, managers and line directors.

9 Fixed Assets Management

Policy statement

The Head, Finance and Grants shall ensure that the fixed assets register is promptly updated with all fixed asset acquisitions and disposals.

Policy Objectives

To ensure:

1. All fixed asset acquisitions, disposals and changes are authorized and are accurately recorded.
2. The fixed assets register is promptly updated with all fixed asset acquisitions and disposals; and
3. All tangible assets are individually identified and accounted for.

Documents

- Documents of title
- Procurement manual
- Incident Report
- Lost or Stolen property report
- Fixed Asset Ledger
- Fixed Asset verification form
- Purchase invoice
- Investigation Tracking Form
- Fixed assets register for each office at HQ maintained by office in charge.
- Fixed assets register at cluster offices maintained by cluster coordinators.
- Fixed assets register at facilities/health centers maintained by facilities in charge.
- Consolidated fixed assets maintained by finance
- Inventory register maintained by finance
- Asset identification form

Responsibility

- Senior Management Team
- Director Finance and Administration
- Principal Investigator
- Head of Finance
- Estates Manager
- Security Officer
- Finance Manager
- Accountant
- Internal Auditor
- Accounts Assistant
- Procurement and contracts officer

9.1 Definition of Fixed Assets and Equipment not capitalized.

- All fixed Assets shall be expensed on acquisition and a fixed asset register maintained.
- Physical verification of assets shall be performed twice a year.

9.2 Acquisition of fixed assets

- The RHSP procurement team shall be responsible for selection of all RHSP's fixed assets to ensure quality and compliance to the Procurement manual.
- Acquisitions of fixed assets shall be in accordance with the approved budget and donor compliance guidelines where applicable.
- An item shall only be acquired when funds are available.
- The acquisition of assets shall be done in accordance with the procurement procedures under the procurement manual.
- For asset additions purchased during the year, the Accountant shall file a copy of the purchase invoice showing the total cost of the asset. The relevant cost of an asset shall be all amounts incurred to acquire the asset and any amounts that can be directly attributable to bringing the asset into working condition e.g. delivery, stamp and import duties, cost of preparing the site, professional fees. General overhead costs or administration costs shall not be included as part of the total costs of a fixed asset (e.g., the running costs of the building in which the asset is kept, or the cost of the maintenance team who keep the asset in good working condition).

9.3 Maintenance of the fixed asset register

- A fixed assets register shall be maintained, and this shall be updated with all the relevant details of the fixed assets additions and disposals. For control purposes, assets that shall be fully written down but still in use shall be maintained in the register at NIL value until they are disposed of.
- All fixed assets shall be controlled and monitored by engraving each asset with an identification number specific to the asset group that corresponds to the assets group in the fixed assets register.
- A fixed asset register maintained by the Head of Finance shall contain the following fields:
 - a) asset number.
 - b) asset description.
 - c) Date of purchase or acquisition and reference number.
 - d) purchase or acquisition value.
 - e) original cost.
 - f) state of insurance.
 - g) condition of asset.
 - h) Asset file
 - i) location of assets.
 - j) Depreciation.
 - k) Manufacturers' model and serial number, if any.
 - l) Financing/Funding sources of the asset.
- A physical verification of all assets shall be performed twice a year by RHSP under guidance of the Head of Finance. The results shall be used to update the Fixed Assets register and the general ledger once a year. Any discrepancy noted shall be investigated and reported to the Head of Finance for appropriate action.

Security and insurance of assets

- The Director Finance and Administration, Head of Finance and Procurement, Logistics and Security manager are responsible for ensuring that all assets are secure and uniquely engraved or tagged for tracking and verification.
- Identification numbers should be fixed or engraved within 3 months of the capitalization date.
- Where applicable, the assets of RHSP shall be insured with reputable insurance companies.
- The original documents of titles for RHSP assets shall be kept securely by the Head of Finance or designate in a safe.
- Fixed assets shall be safeguarded against loss or damage and will be properly stored and maintained at all times when not in use.
- Abuse and misuse of RHSP's resources or assets shall result in disciplinary action.
- Internal Audit shall verify the fixed assets during their audit activities.

9.4 Maintenance and Repair of assets

- All equipment repairs and maintenance shall be initiated by the relevant function/ unit and shall follow the maintenance and service arrangements contained in the contract with the supplier. The Procurement and Logistics shall perform the following in relation to repairs and maintenance of equipment:
 - a) Monitor the contract to ensure that it does not elapse;
 - b) Ensure that records of all repairs are kept;
 - c) Ensure that regular maintenance is promptly carried out by the service provider;
 - d) The Head finance should maintain appropriate costs for each asset to ensure that those that incur high costs are disposed.

9.5 Loaning of Assets

Assets purchased for the RHSP activities shall not be lent out to third parties. However, in exceptional cases where this happens, the Executive Director shall give approval after completing an Asset Loan Form.

9.6 Disposal of fixed assets

- Upon disposal, the Fixed Assets Register shall be updated. It is RHSP's policy to first offer any fixed assets no longer needed to staff at a price deemed reasonable by the Disposal Committee. The disposal will be done following the RHSP disposal guidelines.
- Any assets sold, scrapped or disposed of in the period should have asset values removed from the register and profit/loss on disposal calculated by the Finance Manager and reviewed by the Head of Finance. Any proceeds from sale (if any) shall be recorded accurately in the General Ledger by the Finance Manager.

9.7 Guidelines for reporting lost, misplaced or stolen property.

- Staff shall immediately report lost, misplaced or stolen property to the Operations Manager.

- The Operations Manager shall carry out relevant investigations and prepare an incident report with details of when, what, and how the item was lost, misplaced or stolen.
- The staff shall report the lost, misplaced, or stolen property to the nearest police station and provide a valid statement with a detailed description of when, what, and how the item was lost, misplaced, or stolen.
- On receipt of the police statement, the Operations Manager shall attach the incidence report and lodge an insurance claim with the Insurers in consultation with the DFA. Immediate subofficial of the report is a prerequisite for insurance company to accept claims and process the replacement of stolen or lost items.
- The Operations Manager shall follow up with the appropriate Police station to find out if the lost, misplaced or stolen item has been recovered. If the lost, misplaced or stolen property has been recovered without assistance from Police, the police shall be immediately notified, and the notice cancelled.
- If there is no recovery of the lost or stolen property within 3 months, the Operations Manager shall compile a Lost and stolen property report and forward it to the HF for appropriate accounting action
- The Head of Finance shall ensure that the lost/stolen asset is retired from the Fixed Assets ledger and register.
- If it is established after the investigation that the property was lost or stolen due to negligence, the Head of Finance shall take the appropriate action by making deductions from the staff member's salary within a period of 3 months. Reference should be made to the HR Manual guidelines on how to deal with stolen property.

9.8 Insurance of property

Policy Objectives

To ensure:

1. Where donors permit, and where applicable, the RHSP assets of are comprehensively insured with a reputable insurance company; and
2. That there is adequate insurance cover for all staff in accordance with the law.

Policy Statement

- All assets of RHSP shall be comprehensively insured.

Documents

Key documents include:

- Insurance policies
- Documents of title
- Fixed assets register
- Employment contracts

Responsibility

- Executive Director
- Director Finance and Administration
- Head of Finance
- Finance Manager
- Accountant

Procedures

1. The Director Finance and Administration shall be responsible for insuring all assets of RHSP with a reputable insurance company.
2. Procurement of a reputable insurance company shall be done in accordance with the procurement guidelines in this manual. Policy documents shall be securely kept by the Director Finance and Administration.
3. Request for insurance of assets shall be prepared by the Logistics or Stores Department and submitted to the Head of Finance for review and DFA for approval. The request shall then be submitted to the Executive Director for final approval.
4. Upon approval, payment of the relevant insurance premium shall be done by following the procedures for payment. Refer to Ref - 7.1 Payments.
5. The DFA shall maintain a register for all the insured assets.
6. All staff have the responsibility to report any event that may result into loss to the DFA.
7. In case of loss, insurance claims shall be initiated by the Administrative Officer and submitted to the DFA and ED for review and approval, respectively.
8. Upon approval, the DFA shall submit a claim form to the insurance company and ensure the claim is paid.
9. The Logistics officer/Estates manager shall ensure that insurance cover for all insurable assets is valid at all times.

Key Control Processes

1. The DFA shall ensure that all assets are comprehensively insured.
2. The DFA shall review the insurance register against the FAR to ensure that all insurable assets are insured.

10 Financial and Statutory Reporting

Policy Statement

1. The financial year of RHSP shall run as per donor guidance. This may be different for different donors.
2. The financial statements and any financial information shall be extracted from the RHSP books of account and other sources as may be necessary; and
3. Periodic performance management reports shall be prepared and produced to guide management decisions.
4. RHSP shall provide clear guidelines and orientation to the sub grantees with regard to financial management responsibilities.
5. RHSP shall monitor the financial performance of the sub grantees in accordance with the sub grant agreements.

Policy Objectives

To ensure:

1. That there is an effective mechanism for timely and reliable reporting to all stakeholders of RHSP;
2. That financial reports comply with applicable regulatory framework such as IFRSs. and other regulations and guidelines issued under the law.
3. Timely access to financial information by RHSP stakeholders
4. Sound financial stewardship of funds provided by RHSP to sub grantees: and
5. That financial reports or information are used as a regular communication medium in RHSP for effective planning and budgeting, monitoring, and decision making at all levels.

Documents

The following are the key documents that shall be used to guide staff during the process for reporting.

- Annual and Periodic Financial Statements
- International Financial Reporting Standards.
- The general ledger
- The trial balances
- Financial reports from the Sub-grantees
- Accounting records of RHSP
- Budget performance report
- Approved Annual Workplans
- Management reports
- Donor reports

Responsibility

- Senior Management Team
- Executive Director
- Director Finance and Administration
- Head of Finance
- All Heads of Departments
- Internal Auditor
- All staff

Procedures

1. **General Principle**
RHSP shall maintain its books of account in accordance with the established Regulations, accounting policies and the applicable regulatory framework (IFRS). The financial statements shall be prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS). RHSP shall prepare its financial statements under the accrual's basis of accounting, except for some specific donor agreements that may require application of the cash basis of accounting.
2. **Cut-off**
The month-end for management accounts shall be the last working day of the calendar month.
3. **Reporting formats**
 - a) The monthly management accounts, quarterly reports, biannual reports and annual reports, shall be prepared in the prescribed formats as provided by the Head Of Finance
 - b) The Senior Management Team and the respective Heads of Departments shall provide technical reporting formats to sub grantees.
4. **Schedule of reporting at RHSP;**

Management Reports

Management Reports/Financial Performance Report	Monthly	15th subsequent month	the Finance Manager	HF, Executive Director, SMT Head of finance	Finance Committee SMT
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Donor Reports

Donor Reports	Monthly/Quarterly /Annual according to Donor SOPs. In compliance with Donor SOPs.	Finance Manager	HF, PI	Donor
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Internal Reports

Statutory Financial Statements		31 December of the following year	Head of Finance	DFA, Executive Director	Senior Management Team, Donors, SMT
Fuel Consumption Report		5 working days following month	Transport Manager	DFA	Executive Director
Fleet Report		15th of the following month	Transport Manager	SMT	SMT

10.1 External reports

Donor reports

Donor reports for the various donor funded programs shall be prepared by the Head of Finance and approved by the DFA on a monthly, quarterly, biannual and annual basis and according to specified donor agreement Standard Operating procedures (SOPs) per respective donor agreements.

RHSP shall prepare specific reports as and when they are required.

10.2 Management Reports

Management Reports to RHSP

At the completion of each month the Finance Manager shall prepare and submit monthly management reports to RHSP by the 15th of the following month. These reports shall include but not be limited to:

- a) Management Accounts
- b) Payables and Receivables reconciliations
- c) Bank balances
- d) Donor balances
- e) Cashflow reports

10.3 Financial Statements

The Head of Finance shall prepare financial statements within three months after the end of the financial year, which shall be subject to audit by external auditors. The financial statements shall include but not limited to:

- Report of Directors
- Statement of Management Representation
- Independent Auditors report
- Statement of financial position (Balance Sheet)
- Statement of comprehensive income
- Statement of changes in the general fund
- Statement of Cash flows
- Significant accounting policies followed in the period
- Notes to the financial statements Trial Balance

On an annual basis, RHSP shall prepare a Trial balance showing:

- Outstanding payments/commitments
- Project expenditure reports
- Quarterly budget expenditure reports (Quarterly)
- Periodic & annual Progress reports

Key Control Processes

- Relevant financial reports (monthly, quarterly, biannual, annual) shall be prepared by the responsible personnel and submitted timely for approval and dissemination to end users.
- The Executive Director shall sign off the periodic and annual.

All adjustments agreed with the external auditors shall be incorporated in the financial statements through the general ledger.

1 1 Financial Reporting and Assurance

11.1 External audit

Policy Statement

1. The Senior Management Team shall appoint an independent external auditor to give an independent opinion on RHSP books of account; the appointment may be based on recommendations from SMT.
2. RHSP shall not be audited by the same auditor consecutively for a period exceeding 5 years.
3. RHSP's books of account shall be audited by a recognized and international audit firm

Policy Objectives

To ensure that.

1. The role and scope of external Audit is clarified.
2. The legal and regulatory environment is explained; and
3. The financial statements are expeditiously audited.

Documents

The following are the key documents that shall be used to guide external audit arrangements;

- Chart of Accounts
- Accounting records of the RHSP
- Cash books
- Journal vouchers
- Financial statements
- Trial balance
- Supporting schedules to all trial balance items
- Bank reconciliations for the period

The RHSP Procedures Manuals

- Risk Register
- Internal audit reports
- Donor Agreements
- Contracts

Responsibility

- Board of Directors
- Executive Director
- Director Finance and Administration
- Head of Finance
- Finance Manager
- All Accounts Staff

Procedures

1. RHSP's Board of Directors shall appoint the external auditors annually. The same auditor shall not be appointed consecutively for a period exceeding three (5) years .

2. The external auditors to be appointed shall be selected from approved firms from the Institute of Certified Public Accountants.
3. Procurement of external auditors shall be in compliance with procedures on procurement of professional services and consultants as outlined in the RHSP procurements policy.
4. The Head of Finance working under delegated authority from the DFA is responsible for arranging the annual financial audit review.
5. The annual external audit review shall commence in the second week of March following the end of the financial year and a draft submitted to RHSP by the second week of September every year. External Audit shall be concluded by the end of September every financial year.
6. The Head of Finance shall be responsible for the preparation of the annual financial statements properly supported with all the relevant schedules before the commencement of an external audit. These will be availed to the external auditors on the commencement of the audit.
7. The Head of Finance and all the relevant staff of RHSP shall provide all information and/or explanations as requested by the external auditor to ensure that the audit is completed promptly.
8. The Director Finance and Administration shall receive a draft audit report together with the management letter from the external auditors and discuss with the finance team and the SMT to provide management comments.
9. The draft reports shall be finalized through discussions with the external auditors and the Finance Committee before the final report is issued and presented to Board of Directors for approval.
10. The audited reports shall be approved by the Senior Management Team and signed off on behalf of the Senior Management Team by the ED and copies circulated to donors and collaborative partners.

Key Control Processes

1. External auditors shall be selected in compliance with RHSP procurement guidelines and appointed by the Senior Management Team.
2. The same auditor shall not be appointed consecutively for a period exceeding 5 years
3. The DFA shall sign off all the financial statements and reports in preparation for an annual audit of RHSP.
4. The management letter responses shall be discussed and agreed with the SMT before sub official to the external auditors.

11.2 Internal Audit

Policy Statement

The Internal Auditor shall functionally report to the Board of Directors and administratively to the Executive Director for mentoring and support and shall have full and independent access to the Executive Director and all staff members and heads of departments.

Policy Objectives

To ensure that;

1. Effective internal audit reviews are established and maintained by RHSP;
2. The role and function of the internal auditor is explained; and
3. The regulatory environment for internal audit reviews is adequately explained.

Documents

The following are the key documents that shall be used to guide the internal audit reviews;

- Risk Register
- Approved work plans
- Internal audit plan
- Audited financial Statements
- Internal Auditing manual
- Internal Audit program
- RHSP policies and procedures
- Donor agreements and regulations
- RHSP Code of Ethics
- Institute of Internal Auditors' Code of Ethics.
- International Standards for the Professional Practice of Internal Auditing
- The RHSP Chart of Accounts
- Accounting records of RHSP
- All reports of RHSP

Persons responsible

- Executive Director
- Director Finance and Administration
- Head of Finance
- Internal Auditor

Procedures

1. The internal auditor shall carry out reviews within RHSP in compliance with standards for the professional practice of Internal Auditing.
2. All the members of the audit team shall be qualified and well trained and proficient to carry out the audit assignments given to them. Relevant qualifications shall be in compliance with the Internal Audit Charter.
3. The internal auditor shall provide a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal controls, and governance processes at RHSP and ensure that there are Internal Auditing Guidelines and an internal audit manual in place against which performance of internal audit reviews shall be measured and monitored.
4. The Internal Auditor shall develop and implement an annual audit plan in line with the organizational approved work plans for the Internal Audit reviews to ensure periodical review of all delivery functions of the organization. The audit plan shall be formally approved by the Board of Directors.
5. The Internal Auditor shall have full, free, and unrestricted access to any and all of RHSP records, physical properties, and personnel relevant to any team under review.
6. The Internal Auditor shall ensure that all documents and information given to the Internal Audit team during a periodic review are handled a prudent and confidential manner.
7. Before the audit of RHSP Staff channels, the internal audit team shall always follow procedures as detailed in the Internal Audit Manual.
8. The internal auditor shall prepare and issue an internal audit report within five working days after conclusion of every internal audit assignment. And a copy of each audit report will be forwarded to the Board of Directors.

9. The report shall include management's response and corrective action taken or to be taken in regard to the specific findings and recommendations from internal audit assignments. Management's response should include a timetable for anticipated completion of action to be taken and an explanation for any recommendations not addressed.
10. In cases where a response is not included within the audit report, the manager in charge of the relevant area shall respond to the query, in writing, within thirty days of publication of the Internal Audit report.
11. The internal auditor shall follow up on the agreed management actions in the internal audit report. All significant internal audit findings will remain in an open issues file until cleared by the Internal Auditor or the Board of Directors

Key Control Processes

- The Internal Auditor shall report directly to the Board of Directors and administratively to the Executive Director.
- The Internal Auditor shall prepare and present quarterly reports to the internal audit management committee regarding the status of internal control procedures and environment of RHSP, risks facing it and any other matters that he/she may consider necessary to bring to the attention of the management of RHSP. Such reports shall also make recommendation to improve the internal control environment of the organization.
- All staff in Internal Audit unit shall regularly consult the Internal Audit Manual and other applicable Internal Audit guidelines and regulations.

11.3 Risk Management

Policy Objectives To ensure that:

1. Risks that threaten the achievement of the RHSP objectives are identified and assessed.
2. There are effective measures and controls in place to monitor and report on the current status of risks and the effectiveness of the related controls;
3. Risks are responded to appropriately, based on the assessment made; and
4. A risk awareness culture is created throughout RHSP and that the control environment is continually improved.

Policy Statement

Risks that threaten the achievement of RHSP strategic objectives shall be identified and managed by adopting an organizational wide risk awareness and management approach that is consistent with international best practice.

Documents

The following are the key documents that shall be used to guide the process of risk management.

- Risk reports.
- Risk register
- Alert reports

Responsibility

- Senior Management Team
- Executive Director
- Head of Finance

- Internal Auditor
- All staff

The Internal Auditor shall be responsible for the following:

- a) Reviewing the RHSP's progress towards stated Operations risk objectives, goals and risk tolerances.
- b) Periodically review RHSP's Operations risk framework and consider the loss experience, effects of external market changes, environmental factors, and the potential for Operations risks that are associated with new activities or systems;
- c) Ensure appropriate reporting to the SMT.

Procedures

1. The Internal Auditor shall plan and conduct an annual risk awareness and management seminar that shall be attended by staff
2. The Internal Auditor shall periodically assess, investigate and recommend appropriate controls in the existing and new processes to minimize the loss to RHSP.
3. The Internal Auditor in liaison with the IT Department shall put in place checks/controls to ensure the completeness, integrity, and relevance of management information systems.
4. The Internal Auditor shall ensure implementation of controls as part of the risk management process.
5. The Internal Auditor shall liaise with the heads of department to identify the risks facing the respective units and assess the effectiveness of the related controls.
6. The internal auditor shall prepare and submit quarterly reports to the Executive Director, the SMT and management summarizing Operations risk exposure, loss experience, internal control assessments and recommendations for managing the risks identified.
7. The internal auditor shall provide a report on internal controls and processes for managing risks to the Board of Directors.

Key control processes

1. All staff shall attend an annual risk awareness training conducted by the Internal Auditor
2. Quarterly risk management reports shall be generated and submitted to the Executive Director, the SMT and management by the Internal Auditor.
3. There shall be continuous monitoring and reporting of Operations risk by the Internal Audit function.

11.4 Anti-Fraud Policy

Policy Statement

1. All staff members are to comply with the following general principle:
2. RHSP has a zero tolerance to fraud and corruption and staff shall act with integrity at all times.

Policy Objectives To ensure that:

1. There are adequate procedures for prevention, detection and management of fraud.
2. All staff of RHSP are aware of their respective responsibilities with regard to fraud.
3. There is suitable environment for managing fraud; and
4. There are adequate protection guidelines for those reporting suspected fraud.

Responsibility

- Board of Directors
- Executive Director
- Senior Management Team
- Director Finance and Administration
- All staff of RHSP.

Anti-Fraud Culture

RHSP is committed to preventing fraud and corruption from occurring and developing an anti-fraud culture. In order to achieve this, RHSP shall.

- a) Put in place guidelines to prevent fraud.
- b) Ensure that when fraud occurs, a vigorous and prompt investigation takes place with no regard to position or length of service.
- c) Take appropriate disciplinary and legal action in all cases, where justified; and
- d) Review existing systems and procedures to prevent similar fraud procedures.

In case of deliberate misuse of funds, the Executive Director of RHSP shall be informed immediately.

The Internal Auditor has the overall responsibility for managing risk of fraud. His/Her responsibilities include.

- a) Developing a fraud risk profile and undertaking a regular review of the fraud risks.
- b) Establishing effective anti-fraud procedures and fraud response plan.
- c) Recommending the controls to prevent fraud; and
- d) Establishing appropriate mechanisms for reporting fraud.

RHSP shall put in place avenues for reporting suspicion of fraud including the guidelines for protecting whistleblowers. All matters will be dealt with in strict confidence.

RHSP shall put in place a suggestion box where staff shall report any suspicion of fraud in confidence. The internal auditor shall periodically review the information in the suggestion box and carry out an investigation.

Investigations regarding fraud shall be reported to the Executive Director for action and if such investigations relate to the Executive Director, the matter shall be reported directly to the Board of Directors.

Key control processes

1. Adequate procedures for prevention, detection and management of fraud shall be established and followed by all staff of RHSP.
2. All staff shall adhere to the anti-fraud policy.

12 Whistle blower Policy

Policy Statement

1. This policy is intended to provide guidance on how employees can in good faith raise concerns about illegal, unethical, inappropriate or unacceptable practices in a confidential manner, without fear of reprisal, intimidation or retaliation.
2. We acknowledge that at times staff may not always be comfortable to report suspicious incidents through normal reporting channels. Therefore, we are committed to providing whistle-blowing avenues that will ensure that the information provided will be treated confidentially.
3. RHSP defines whistle blowing as informing relevant persons in the organization of suspicious violations of RHSP's code of conduct, internal policies, applicable legal, accounting or regulatory requirements or any questionable conduct or practice that has been committed, is being committed or is likely to be committed.

Policy Objective:

1. Encourage all employees to speak up in confidence and report any matters that they suspect involves anything illegal, unethical, inappropriate or unacceptable.
2. Ensure timely reporting of such allegations and provide assurance that all disclosures will be taken seriously and treated confidentially.
3. Protect interest of RHSP's and its employees.
4. Provide guidelines for reporting that will ensure professional, timely and consistent response to reported allegations; and
5. Serve as a means of detecting illegal, unethical, inappropriate or unacceptable practices at all levels of the organization in addition to deterring any incidents that may have not yet taken place.

For the purposes of this policy, the indicated items are defined as follows:

- I. **Good Faith:** Disclosures will be made in good faith if the allegation is made without malice or consideration of personal benefit and the person(s) has a reasonable basis to believe that the complaint is true. However, an allegation does not have to be proven to be true to be made in good faith. Good faith is absent when the disclosure is known to be malicious or false.
- II. **Illegal, unethical, inappropriate or unacceptable practices:** Examples include, but are not limited to financial and accounting fraud, violation of applicable laws including RHSP's code of conduct and internal policies.

12.1 Scope of the policy

This Policy applies to all RHSP's employees including our partners, Consultants, and contractors, irrespective of their location, function, grade or standing. Any third parties that RHSP partners with are encouraged to apply this Policy.

12.2 Duty to report/reporting in good faith.

1. Each employee has the duty to report anything that they believe in good faith is;
 - a) Illegal,
 - b) Unethical,
 - c) Inappropriate or unacceptable.

2. Employees will face disciplinary action if it is later discovered that a fraud occurred in their area of responsibility and they failed to report about it despite noting some red flags.
3. Incidents that should be reported include but are not limited to.
 - a) Actions that constitute a serious breach of any applicable law, government regulation including RHSP's code of conduct and internal policies.
 - b) Illegal/unlawful conduct that has been committed/is being committed/is likely to be committed or any other actions which otherwise might constitute criminal behavior (including behavior that might constitute fraud with respect to questionable accounting practices/financial or regulatory reporting, any other financial impropriety by employees, theft, bribery, corruption or miscarriage of justice). Examples include but not limited to:
 - Providing fake accountability (staff should take note of this as it could lead to summary dismissal),
 - Claiming/accounting for activities that have not taken place,
 - False accounting of contingency money,
 - Siphoning off fuel or colluding with pump attendants to steal fuel and any other theft of RHSP's resources, bribery.
 - Wasteful conduct, which includes gross waste or misappropriation of resources. For example, misuse of RHSP's vehicles, using the fuel cards for purposes that do not benefit RHSP.
 - Dangers to any employee's health and safety.
 - Detrimental to RHSP or any of its employees; and
 - A deliberate concealment of information showing the above.
4. Any disclosure made in good faith will be protected by this policy if the whistleblower has a reasonable suspicion that anything illegal, unethical, inappropriate, or unacceptable has occurred, is occurring or is likely to occur.
5. Equally, if it is subsequently found that the employee has knowingly submitted a false report with the intention to accuse another employee or for other malicious reason, the matter will fall under appropriate disciplinary procedures under the human resource policy and procedure manual.

12.3 How to report.

1. In addition to any other avenue available to an employee (such as a supervisor),

whistle blowers can raise their concerns either verbally or in writing. Written concerns should be addressed to the attention of the Executive Director and the Board of Directors (where necessary) and sent to the following contacts:

- Email: whistleblow@rhsp.org
- Post office box 279 Kalisizo

2. Any concerns relating to the Executive Director should be addressed to the attention of the BOD and sent to the following contacts:

- Email: whistleblow@rhsp.org
- Post office box: 279 Kalisizo

12.4 Confidential whistle blowing

1. Employees may consider revealing their identity when making the disclosures as this adds credibility to their report.
2. We undertake to respect and protect the confidentiality of any individual that will reveal their identity.
3. We provide assurance that we will not disclose the identity to third parties except with regards to overriding legal obligations such as being required to do so by a court of law. In such cases the identity will not be revealed without prior consent and dialogue with the employee.

12.5 Anonymous whistle blowing

1. We understand that some of the disclosures made may be highly confidential and sensitive in nature.
2. A whistle blower may not want to reveal their identity because of fear of reprisal, intimidation or retaliation by those they are reporting.
3. We give assurance that all anonymous tips will be received through a secure postal address and e-mail address only capable of being accessed by designated people and set up in such a way that e-mail sent will be non-traceable.

12.6 What information should be provided.

1. To facilitate the investigation process, we encourage you that in as so far as is possible, to please provide the following information:
2. An outline of the suspicious illegal, unethical, inappropriate or unacceptable practices.
3. Details to the best of your knowledge of what, where, when, how it occurred.
4. A list of names of those who you suspect are involved or a list of names of any other person that may provide relevant information or names of any other persons you have discussed with or reported the matter.
5. Details of how you came to know of the suspicious illegal, unethical, inappropriate, or unacceptable practices.
6. If possible, estimate of the value of the loss.
7. What breaches, if any, of RHSP's code of conduct, internal policies, applicable legal, accounting, or regulatory requirements you believe has occurred.
8. Your name and details if you wish to make a confidential report. However, if you wish to remain anonymous then do not disclose your identity; and
9. Date and time when you made the report.

12.7 How are the whistle blowing reports handled.

- Any allegation of illegal, unethical, inappropriate, or unacceptable practices that is made to Executive Director or through any other avenue available whether openly, confidentially, or anonymously, will be reported to the Board of Directors on a quarterly basis.
- .Each allegation forwarded to Executive Director will be reviewed within 1 week who may, at their discretion, consult with any member of management or employee whom they believe would have appropriate expertise or information to assist the investigation.
- .The Executive Director in consultation with Internal Auditor will determine who should investigate the allegation, taking into account the identity of the alleged offender, the significance of the alleged offence and the credibility of the allegation report of the offence.

- .If the Executive Director and Internal Auditor decide that any member of management or employee can perform the investigation then the appointed persons will investigate the allegations and based on the significance of the allegation (involving losses in excess of UGX 2,000,000) give a report to the Board of Directors within 2 days of completion of the investigation.
- .For the rest of the cases (losses under UGX 2,000,000) given the Board of Directors quarterly updates on the action taken and status of each whistle blowing report received. Management will be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.
- .If the Executive Director and Internal Auditor decide that decision to investigate the allegation should be made by the Board of Directors, then they will make that known to the Board of Trustees in writing. The Board of Directors will promptly determine what professional assistance, if any, it needs in order to conduct the investigation. They will be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.
- .All allegations made against the Executive Director will be referred directly to the Board of Directors.

12.8 When not to use the whistle blowing avenues.

1. We expect employees to act sensitively and sensibly with the highest standards of integrity, respect, accountability, and transparency.
2. The use of the whistle blowing avenues provided should be consistent with these standards and should not be used to express personal grievances.
3. Employees are therefore encouraged to report any matters that are not illegal, unethical, inappropriate, or unacceptable practices to their line manager or relevant support function.

13 Record Management

Policy Statement

Proper filing system shall be maintained and all RHSP records/ documents securely kept.

Policy Objectives

To ensure that:

- All important documents and records are filed promptly and have a point of reference.
- That all records and documents of RHSP are securely kept and
- Records and documents are easily tracked.

Documents

- Filing index
- All Files
- File register
- All records/ documents of RHSP

Responsibility

- Designated RHSP Archive Officers
- Unit Archive Officers
- All staff

Filing System Procedures for RHSP documents

1. The Records Officer shall be responsible for establishing a proper filing system for RHSP. This shall include but not limited to putting in place a proper filing index to guide staff on how to file the documents.
2. Clearly labeled files shall be used for the filing of similar documents.
3. A filing register shall be maintained by the Administrative Assistant. This shall record both documents submitted to the Administration unit and issued out.
4. Individuals who need to access documents from the archive shall sign in the filing register upon receipt and return.
5. The Unit Archive officers shall periodically archive files that are older than two years that are no longer actively used.
6. When and where need be, the decision for destroying Files/ documents that are no longer required shall be reached after consultation and authorization of the SMT.
7. The Assistants for each respective department shall be responsible for the filing of all the records of their department.
8. The Administration department in liaison with other department heads shall design a retention policy to ensure that the records that are kept are relevant and of use to RHSP Electronic Filing system
9. All staff shall save their work and key documents on the central server.
10. Daily backups of the data/files shall be carried out by the ICT department.

Key Control Processes

1. Access to the filing cabinets/specific folders on the server shall be restricted to only authorized staff.
2. All records that are taken and returned by staff must be signed for.
3. A daily backup of the electronic data/files shall be carried out by the Head of ICT department.

