# Contents

1. Acronyms 4
2. Forward - Executive Director 5
3. Introduction 6
   3.0 Background 6
   3.1 Financing / Funding 6
   3.2 Objectives and Mandate of RHSP Finance department 6
   3.3 Key roles and responsibilities 6
   3.4 Finance Department - Organization Chart 9
4. Purpose of the Manual 10
   4.1 Purpose of Financial Policies and Procedures Manual 10
   4.2 Version Control 12
   4.3 Levels of Authority 14
5. Accounting 16
   5.1 Accounting policies and procedures 16
   5.2 Chart of Accounts 21
   5.3 General Ledger 22
   5.4 Budget Preparation, Monitoring and Review 26
   5.5 Request and Receipt of Funds 30
   5.6 In-kind Grants 32
6. Bank Accounts Management 35
   6.1 Bank Account Signatories 36
   6.2 Opening and closure of bank accounts. 36
   6.3 Bank reconciliation statements 36
   6.4 RHSP Credit Card Management 37
   6.5 The Electronic Banking system (EBS) 38
   6.6 Foreign Exchange gains and losses 39
   6.7 Cheque book security 40
7. Disbursement Processing 41
   7.1 Payments 41
   7.2 Fuel card/ orders 45
   7.3 Petty Cash Management 49
   7.4 Activity Advances 52
   7.5 Travel Advances 54
   7.6 Payroll Processing 58
   7.7 Payroll Advances 61
   7.8 Staff incentives 63
   7.9 Accountability of Activity Advances 63
8. Fixed Assets Management 68
1 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
HFG   Head, Finance, and Grants
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  Pay As You Earn
ED    Executive Director
RCCS  Rakai Community Cohort Study
RHSP  Rakai Health Sciences Program
UVRI  Uganda Virus Research Institute
2 Forward - Executive Director

Over the past two years, RHSP has invested in strengthening systems, processes, policies, and institutional structures. This has partly been 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 business. The Senior Management Team provides strategic direction and oversight necessary to create and sustain the growth that RHSP has enjoyed during the last few years. The different development partners and donors that we currently have require structured and streamlined business institution to be able to sustain the growth of the program.

The expansion and success described above has required the revision of our finance policies and procedures to adapt to the changes in the organisational structures. 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 making 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
June 2017
3 Introduction

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 that are involved in carrying out Finance & Accounts work.

3.1 Financing / Funding

RHSP's principal sources of funding include:

- Grant income for conducting research and services
- Other income

3.2 Objectives and Mandate of RHSP Finance department

Policy objective

To ensure that;

- The roles and responsibilities of the various key staff with responsibilities for financial management are adequately explained; 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 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 and Grants, Operations, Human Resource, Communication and Public Relations. 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 HFG 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, Finance, and Grants (HFG)

The Head, Finance, and Grants shall be responsible for management of the Finance department and report to the Director, Finance, and Administration. The HFG shall be responsible for financial reporting; general ledger; payroll management; working capital management; finance monitoring and supervision of needs; financial records; business 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.

Finance Manager

The Finance Manager shall report to the Head, Finance, and Grants (HFG). 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 team in Entebbe 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.
- Review Cash count certificates
- Review Bank Reconciliation
- Review Cash balances to ensure that there is sufficient funds
- Review Reports and make adjustments after FC Meeting
- Follow up on Navision Issues to ensure that they are implemented and solved
- Posting Actuals and review of Grants
- Statutory filing including but not limited to annual returns, PAYE, NSSF, R/B, WHT

Accountant

The Accountant reports to the Finance Manager. The overall responsibility of the accountant is:

- Editing and posting of vouchers
- Posting cash against operational vouchers
- Posting Accountabilities
- Process statutory filing including but not limited to PAYE, NSSF, R/B, WHT
- Review posted data to ensure all data is posted to the correct account
- Review of the petty cashbook
- Navision Support to various users & liaising with HRP to sort out any challenges.
- Payrolls preparation and allocation
- Data entry into the Printing /Photocopying, Fuel, Utility Report template, deriving percentages to be used for allocation, allocating using derived percentages, generating a Report
• 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 Accounts Assistant
The Accounts Assistant shall report to the Accountant and be responsible for recording and control of RHSP’s financial resources. Key result areas shall include; payments requests processing, petty cash management and financial records management.

Key Control Processes
1 The Head, Finance and Grants 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, Finance and Grants and all staff shall refer to the job descriptions and responsibilities as outlined in their respective contracts of employment in executing their roles.
3.4 Finance Department - Organization Chart

- Executive Director
- Director, Finance and Administration
- Head, Finance, and Grants
  - Finance Manager
  - Accounts Assistants
  - Grants Manager
4 Purpose of the 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 business 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


Responsibility

- Executive Director
- Senior Management Team
- Director, Finance and Administration
- Head, Finance and Grants
- All staff

Procedures

- The **Executive Director** is 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, Finance, and Grants**.
- 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**

1. The **Director, Finance and Administration** and 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
- Director, Finance and Administration
- Finance Committee
- All staff

Procedures

Distribution list
This Financial Policies and Procedures Manual shall be distributed as detailed below by the Programme Administration. 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 and stamped Absolute.

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

1 This Financial Procedures and Policies Manual shall be distributed to the following:

<table>
<thead>
<tr>
<th>Version</th>
<th>Position</th>
<th>Department/Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Master, Executive Director</td>
<td>Office of the ED</td>
</tr>
<tr>
<td>2</td>
<td>Copy, Executive Director</td>
<td>Program</td>
</tr>
<tr>
<td>3</td>
<td>Copy, Director, Finance and Administration</td>
<td>Administration</td>
</tr>
<tr>
<td>4</td>
<td>Copy, Head, Finance and Grants</td>
<td>Accounts</td>
</tr>
<tr>
<td>5</td>
<td>Copy, Finance Manager</td>
<td>Accounts</td>
</tr>
<tr>
<td>6</td>
<td>Copy, Procurement &amp; Contracting officer</td>
<td>Procurement &amp; Contracting</td>
</tr>
<tr>
<td>7</td>
<td>Copy, Internal Auditor</td>
<td>Internal Audit</td>
</tr>
<tr>
<td>8</td>
<td>Copy, All staff on the shared point</td>
<td>All staff</td>
</tr>
</tbody>
</table>
Reviewing and updating of the manual

2 This manual shall be reviewed continuously 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.

3 The Executive Director shall appoint a Financial Manual Review Committee to review the manual at least on an annual basis. The membership of the Financial Manual Review Committee shall comprise the following:
   - Executive Director – Chair
   - Director, Finance and Administration
   - Head, Finance and Grants
   - Finance Manager
   - Human Resources

4 Amendments to the manual may be initiated by RHSP Staff who shall submit a written request to the Chairperson of the Financial Manual Review Committee. The written request shall include the following information at a minimum:
   - The section to be amended;
   - The proposed amendments;
   - Reason for the proposed amendment; and
   - Signature of RHSP Staff requesting the amendment.

5 The Financial Manual Review Committee may on its own initiate amendments to the manual following consultations with relevant RHSP staff.

6 All proposed amendments shall be deliberated and presented to the Senior Management Team (SMT) for review and approval.

7 Once the amendments have been approved, Head, Finance and Grants 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.

8 The Executive Director shall keep a master copy of the approved amendment.

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 a transaction
- must be informed after the transaction
- must be consulted before the transaction
- must agree with the decision
- are responsible for approval

Policy Statement
No person shall authorise 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 Levels Framework
- The Memarts (Memorandum and Articles of Association)
- Grant agreements executed with donors
- Memorandum of Understanding executed with donors
- The RHSP Human Resource.

Responsibility
- Board of Directors
- Senior Management Team
- Executive Director
- Principal Investigator
- Director, Finance and Administration
- Heads of Department
- Operations Manager
- All RHSP Staff
Procedures

1. All RHSP staff shall adhere to the Approval Levels Framework in the conduct of RHSP business. All transactions shall be approved in accordance with the Approval Levels Framework.

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 Levels Framework in accordance with guidelines provided in section 3.9 of this manual – Version Control.
- The Approval levels Framework 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 formalised 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; and,
- Memorandum of Understanding with the donors

Responsibility

- Executive Director
- Director, Finance and Administration
- The Head, Finance and Grants
- 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 through out 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:

Reporting currency

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

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

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 equipments] are expensed and thus depreciated 100% in the year they are paid for.

Income recognition

Restricted grants attached to specific projects and programmes are recognized as income when actually expended and the unspent portion is deferred as donors’ payable for the future year depending on the duration of the project or activity. Income for a specific program support shall be matched to the actual total expenditure of that programme including a percentage of the Operations costs of the RHSP. The grant recognised, as income shall be equal to the actual expenditure incurred in a given financial year.

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

Other incomes are recognised 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.

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.

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 ruling at the time of the transaction. 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.

**Cash and Bank balances**

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

**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 three major categories: Receivable from donors

(i) **Receivable 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.

   a) All accounts receivable shall be maintained at a minimum at any one time and shall be cleared within the next financial year.

   b) 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

   c) All funds disbursed to the accounting sub grantees shall be treated as advances until accountability has been submitted and accepted by RHSP.

   d) Advances to staff of RHSP to carry out various programme activities shall be considered as advances until accountability has been submitted and accepted as complete.

**Stocks**

RHSP does not recognise 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 stores items to facilitate effective stores management.

**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.

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

**Property, plant, and equipment**

All purchases of items that are capital in nature shall be expensed upon payment in the year of acquisition. The value of fixed asset net of depreciation shall be disclosed in the balance sheet for memorandum purposes. The corresponding contra shall be reported in the investment in fixed assets account under the capital reserve fund. A fixed assets register of all the capital items shall be maintained and shall be updated with every purchase and disposal of assets.
Depreciation on fixed assets 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:

<table>
<thead>
<tr>
<th>Item</th>
<th>Useful life</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>30 years</td>
<td>3.33%</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>7 years</td>
<td>14.29%</td>
</tr>
<tr>
<td>Computers &amp; Printers</td>
<td>3 Years</td>
<td>33.33%</td>
</tr>
<tr>
<td>Office equipment</td>
<td>4 years</td>
<td>25.00%</td>
</tr>
<tr>
<td>Office Furniture</td>
<td>8 years</td>
<td>12.50%</td>
</tr>
</tbody>
</table>

**Software**

This shall be expensed in the period of purchase.

**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 categorised 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:

(i) Grants received in advance for operations yet to start; and
(ii) Unexpended grant balances in cases of specific project funding

**Accruals and Provisions** - include the following:

(i) Accruals represent amounts due 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.

**Staff Pension & Gratuity in lieu of Pension Obligations**

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 gratuity (a defined benefit retirement) covering eligible employees as stipulated in their employment contracts. Gratuity represents staff entitlements in lieu of pension and 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.

**Fund balances**

A fund is established for accountability purposes to demonstrate that financial resources are being used only for permitted purposes. RHSP's capital reserve shall comprise of the capital reserve fund and the accumulated operating surplus.

a. The **Capital Reserve Fund** consists of the following:

   i. **Capital Fund** that represents funds reserved for future replacement and/or acquisition of fixed assets. The capital fund account is financed annually with funds from the operating surplus fund that are equivalent to the used-up value of fixed assets (i.e. depreciation charge for the year) for the financial year. Any gains from the disposal of fixed assets shall also be credited to the capital fund account.

b. **Strategic Reserve Fund**: RHSP shall maintain a strategic reserve fund representing the accumulated excess of earned income over expenditure at the end of the financial year less an amount reserved for future replacement and or/ acquisition of assets. The transferred amount is equivalent to the used-up value of fixed assets (i.e. depreciated amount of fixed Assets) for the financial year. The earned income comprise of interest income, overhead income, discount & other miscellaneous income and exchange gains/losses.

**Key Control Processes**

1. An annual review of the accounting policies shall be conducted by the **Head, Finance and Grants** 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 and Grants
- 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, Finance and Grants 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, Finance, and Grants 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, Finance, and Grants 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, Finance, and Grants shall keep all Accounts Staff informed of any changes to the CoA.
2. The Finance Manager upon the written approval of the Head, Finance and Grants 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, Finance and Grants
- Finance Manager
- Accountants
- Accounts Assistants

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 aforementioned.
   b. All the GL postings shall be finalised by the 7th of the following month.
2 Reporting formats
   a. The **Finance Manager** shall ensure that monthly management accounts are prepared in accordance with formats prescribed by the **Head, Finance, and Grants**. The HPG 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, Finance and Grants** 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 **Accounts Assistant** 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 **Accounts Assistant** 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 **Finance Manager** and the **Head, Finance and Grants**.

5 Advances
   a. All advances shall be posted into the general ledger on a timely basis.
   b. The **Finance Manager** shall prepare journal vouchers to post recoveries and cash refunds made during the month to the general ledger.
   c. A journal voucher for unaccounted business advances shall be prepared to deduct the amounts from the salary of the responsible staff.
   d. 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. To ensure proper cut-off, the **Finance Manager** shall make a note of the last invoice number and the last credit note number in the month or year end file.
c. 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 Executive Director.

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.

b. The Finance Manager shall ensure that all accruals raised at the end of the month are reversed on receipt of an invoice and actual amounts as per invoice posted.

c. 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, Finance, and Grants 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 business on the cut-off date before a stock count is performed in accordance with inventory count procedures detailed in Department 7.1 of this manual.

c. To ensure proper cut-off, the Finance Manager shall make a note of the last GRN number and the last Requisition Note Number at each RHSP store in the month/year end file.

d. On a monthly basis, the Accountant shall prepare a stock reconciliation reconciling stock balances per stock records submitted from all RHSP stores to the general ledger. On an annual basis, general ledger stock balances shall be reconciled to stock count records. The Stock Reconciliation shall be reviewed by the Head, Finance, and Grants.

9 Fixed Assets
a. The 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. At the end of each financial year, the Finance Manager shall ensure that assets are physically verified in accordance with procedures outlined in section 8 of this manual, and a Fixed Asset Reconciliation performed to reconcile fixed assets to the general ledger. The Fixed Asset Reconciliation shall be reviewed by the Head, Finance and Grants.

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, Finance and Grants.

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, Finance and Grants** shall review the trial balance for unusual/unexpected balances.
   b. The **Head, Finance and Grants** 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, Finance and Grants**.

12 General ledger processing
   a. Serially numbered Journal vouchers shall be prepared by the Financial Accountant, reviewed by the Finance Manager and approved by the Head, Finance and Grants.
   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 centres, and source of funding indicated on the payment voucher and make the necessary corrections before submitting to the **ED, DFA, HFG** for approval.
   d. Only transactions approved by the **HFG** 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 ruling at the transaction date.
   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 each account and journal class 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 Journal vouchers
2. The **Head, Finance, and Grants** 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 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 submission of budgetary performance reports is achieved to facilitate effective budget performance and monitoring.

Policy Objectives

To ensure:

- That budget and activity work plans 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 submission 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:

- Budgets
- Business plans
- Work plans
- Cash Flow Forecast
- Budget Variance Analysis Reports
- Monthly Management Reports

Responsibility

- Executive Director
- Senior Management Team
- Director, Finance and Administration
- Head, Finance and Grants
- Finance Manager
- Budget Holders
Procedures

Department A: Budget Preparation

1. The RHSP budget shall be prepared on a quarterly basis. The budgeting process shall commence one month to the start of the quarter for which the planning is meant for and shall be completed and uploaded into the accounting system before the start of the quarter.

2. The Senior Management Team (SMT) and Budget Holders shall attend a strategic planning/review meeting once a quarter before the budgeting process commences to determine the objectives, strategies, goals and targets for the organization for the period under review.

3. At the commencement of the annual budgeting process, the Head, Finance, and Grants shall prepare and send out budget circulars/guidelines to all budget holders.

4. The Budget Holders shall, in consultation with their teams, prepare and submit proposed business plans, work plans, and budgets. The business plans, work plans and budgets shall take into account the set objectives and outputs of each program.

5. The following shall be considered during the preparation of proposed work plans and quarterly budget for each program.
   - The budgets shall be set in accordance with the objectives, goals and targets as outlined in the RHSP’s Strategic Plan.
   - 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 programmes to the extent of available funds.

6. The proposed business plan, work plans, and budgets shall be submitted to the Senior Management Team. The Head, Finance, and Grants shall ensure that budget items are consistent with the classification in RHSP’s Chart of Accounts.

7. The SMT shall meet and discuss the proposed business plans, work plans and:
   - Ensure that the work plans and budgets are consistent with the respective programme/unit objectives as outlined in RHSP’s Strategic Plan.
   - Ensure that the budgets for each programme/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 business plans, work plans and budgets.

8. The Head, Finance, and Grants shall revise the work plans and budgets in line with the respective project’s requirements and resources and recommendations of the SMT.

9. The Head, Finance, and Grants shall then compile the budgets for all programmes/units into the consolidated Quarterly Budget and submit this to the Director of Finance and Administration for review.

10. The consolidated Quarterly Budget shall then be submitted to the Senior Management Team for final review and for approval.
11 The Executive Director shall communicate the approval of the budget to the members of the Senior Management Team.

12 The **Director of Finance and Administration** shall communicate the budget to the Finance and Grants department in order to have it captured in the accounting system.

13 Upon approval by the **Director of Finance and Administration**, the **Quarterly Budget** shall be captured into the Accounting System by the **Finance Manager** based on the **Chart of Accounts**, for budgetary monitoring and control purposes.

14 The **Head, Finance, and Grants** shall communicate the approved **Quarterly Budget** to the **Budget Holders**.

**Department B: Budget Review and Reprogramming**

15 Budget Review and Reprogramming shall be done quarterly by the various **Budget Holders**

16 The Budget Review and Reprogramming meeting with the various budget holders shall be held within 21 days after the end of each calendar quarter.

17 At the meeting, the relevant budget holders shall present variances from the approved budget and proposals for planned action based on donor guidelines for dealing with budget changes.

18 The **Head, Finance and Grants** shall present a combined **Budget Review and Reprogramming Report** including proposals for planned action to the **Director, Finance and Administration** for approval. The **Director, Finance and Administration** shall approve the reprogrammed budgets not later than 7 days after the Budget Review and Reprogramming meeting.

19 Upon **Director, Finance and Administration's** approval, the **Head, Finance and Grants** shall update the budget in the accounting system.

**Department C: Budget Monitoring**

20 The **Finance Manager** shall prepare quarterly **Cash Flow Forecasts** using the approved budget. Cash surpluses/deficits shall be identified and planned for. The **Head, Finance and Grants** shall review and monitor the cash flow forecasts on a monthly basis and report any exceptions to the **Director, Finance and Administration**.

21 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. The **Budget Holders**, in consultation with the **Head, Finance and Grants**, shall confirm that there are adequate funds to meet payments before making financial commitments.

22 The Finance Manager shall send **Project Status Reports** to each **Budget Holders** on a monthly basis.

23 Budget holders shall hold variance review meetings within 7 days after the **Project Status Reports** have been circulated.

24 Variances at sub-total level shall be dealt with in accordance with donor regulations and the **Donor/RHSP Standard Operating Procedures**, and shall be subject to approvals as follows:
<table>
<thead>
<tr>
<th>Variance threshold</th>
<th>Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5%</td>
<td>Director, Finance and Administration</td>
</tr>
<tr>
<td>6% - 10%</td>
<td>Executive Director</td>
</tr>
<tr>
<td>Above 10%</td>
<td>Board of Directors</td>
</tr>
</tbody>
</table>

25 The **Finance Manager** shall prepare a *Budget Variance Analysis Report*, which shall be included in the *Management Reports* prepared on a monthly basis. The *Management Reports* shall be submitted to the *SMT* and the **Executive Director** for review and approval.

**Key Control Processes**

1. Every **Budget Holder** 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. RHSP’s *Quarterly Budget* shall be reviewed by the **DFA and approved by the Executive Director** before the commencement of the quarter being budgeted for.

3. The **Head, Finance and Grants** shall ensure that monthly budget monitoring reports/*Budget Variance Analysis Reports* are included in monthly *Management Reports* circulated to the *SMT*.

4. The **Finance Manager** shall circulate a *Project Status 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.

5. A Budget Review and Reprogramming meeting shall be held on a quarterly basis. Budget reprogramming shall be approved by the **ED** before any changes are made to the budget.
5.5 Request and Receipt of Funds

Policy Statement

All requests for funds shall be submitted timely by the Director, Finance and Administration to the donors and all revenue received from the various sources shall be recorded accurately and timely.

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 books of account;
3. All other receipts and cash refunds are recorded accurately in the books of account; and
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
- Relevant budgets and work plans
- Cash flow forecasts
- Milestone reports
- Letters requesting for funds
- Acknowledgement Receipts
- The cash book
- Bank statements
- Monthly reconciliation of receipts and expenditure from all sources.

Responsibility

- Director, Finance and Administration
- Principal Investigator
- Head, Finance and Grants
- Finance Manager
- Accounts Staff
Procedures

1. RHSP shall open and maintain foreign currency accounts for receiving all incoming funds (in foreign currency) from donors.

2. The Director, Finance and Administration shall submit a request for funds to the donor in accordance with the terms and conditions in the Grant Agreement with the respective donor. This request shall be prepared by the finance department.

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, Finance and Grants 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 business advances shall be received by the respective Accounts Assistant as part of submitted accountabilities and banked promptly by the Accounts Assistant (not later than the following working day for amounts exceeding one million) in the relevant bank accounts.

6. All funds received from donors shall be acknowledged by issuing letters of acknowledgement or email.

7. A serially numbered official receipt shall be used to acknowledge cash refunds. 

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

8. The respective Accountant shall raise a serially numbered coding slip/journal voucher for the various funds that are received and credited to the bank for posting of the receipts into the general ledger and submit these to the Finance Manager for review and approval.

9. The Finance Manager shall review, and approve the coding slip/journal voucher for completeness and accuracy and sign these as evidence of the review.

10. Upon approval of the coding slip/journal voucher, the relevant Accountant shall update the relevant cashbook and relevant ledger accounts in the accounting system with details of the approved coding slip/journal voucher.

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, review and approval of bank reconciliations for all bank accounts shall be done on a monthly basis by the respective finance personnel.

4. All cash refunds shall be banked by the 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 recognised.
- There is consistency in accounting for in-kind grants.

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, Finance and Grants
- Finance Manager
- Budget Holders
- PI/on-site representative

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, Finance and Grants 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.

Donated Stock
4. 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, Finance and Grants before posting in the General Ledger as follows:
Dr. Stock
Cr. Deferred Grant Income

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

5 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, Finance and Grants before posting in the General Ledger. The relevant entries are as follows:
   Dr. Deferred Income
   Cr. Grant Income

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

**Donated Assets**

6 When donated assets are received, the Accountant shall raise a Journal Voucher to capitalise the assets received in the appropriate asset category. The Journal Voucher shall be approved by the Head, Finance and Grants before posting in the General Ledger as follows:
   Dr. Fixed Asset Category
   Cr. Deferred Grant Income

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

7 The Accountant shall set up the assets for depreciation ensuring that appropriate funder and project (activity) codes are included in the relevant accumulated depreciation account. Funder and project (activity) codes shall not be included in depreciation expense accounts as depreciation expense is not claimable from donors.

8 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, Finance and Grants before posting in the General Ledger. The relevant entries are as follows:
   Dr. Deferred Grant Income
   Cr. Grant Income

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

**Donated Goods and Services**

9 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, Finance and Grants before posting in the General Ledger as follows:
   Dr. Expense
   Cr. Deferred Grant Income

The appropriate funder and project (activity) codes shall be included.
10. Grant income related to the donated goods or services shall be included in the total grant income released from deferred grant income, as part of the month-end grant income recognition processes. Procedures for releasing grant income from deferred grant income based on monthly expenditures as outlined in Department 5.1 shall be followed.

**Key Control Processes**

1. The **DFA** shall obtain a *Certificate of Cost* valuing all in-kind grants from the donor before any grants are recorded.

2. *Letters of Acknowledgment* of all in-kind grants shall be prepared by the **Director, Finance and Administration** and signed by the **Executive Director**.
6 Bank Accounts 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 authorisation 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 and Grants before approval 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, Finance and Grants
- 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 E(g).
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:
   a. Reason for opening or closing the account;
   b. Proposed signatories;
   c. The Name and Branch of the bank;
   d. Nature of account; and
   e. Proposed account title.
2. Upon approval of the request, the **HFG** shall prepare a letter for opening or closing bank accounts and submit it to the **DFA** for review.
3. The **DFA** shall submit this letter to two Board members for signature. This shall be signed by two members of the **Board of Directors**.
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

1. The designated **Accounts Assistant/Accountant** shall prepare monthly bank reconciliation statements for all bank accounts for which they are responsible.
2. The designated Accountant shall carry out the following when preparing the bank reconciliations;
   a) **Un presented cheques**
      (i) Follow up un-presented cheques for subsequent clearance;
      (ii) Prepare a list of all **stale cheques** for submission to the **Head, Finance and Grants**, through the **Finance Manager**
      (iii) Investigate and reverse all stale cheques, if any.
   b) **Un credited receipts.**
      (iv) 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**
      (v) 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.
(vi) The **Finance Manager** shall check all bank interest receivable before the relevant entries are passed.

d) **Direct debits.**

(vii) 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:

a. Standing orders

b. debit orders processed by the bank;

c. transfers to other bank accounts;

d. transfer payments; and

e. unpaid cheques.

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

4. If the RHSP staff loses funds intended for the business 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 HFG and submitted to the **Director of Finance and Administration** for approval by the 10th day following the month end.

### 6.4 RHSP Credit Card Management

RHSP shall maintain a Credit Card to be utilised by the Executive Director or any designate during mission travel.

**General Rules and Guidelines for credit card users**

1. RHSP Credit card shall be utilised 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 mission 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 HFG 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 bearers salary.

7. If all expenses are deemed acceptable, the expenses shall be approved by the HFG and booked by the Accountant in line with the respective budgets.

8. The controls around bank accounts management shall broadly apply to the credit card management at RHSP.
6.5 The Electronic Banking system (EBS)

General Rules and Guidelines for EBS Users:

1. The **Head, Finance and Grants** 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.

2. Each user shall ensure that the general rules and guidelines provided to them shall be kept confidential.

3. The user shall immediately notify the Bank, the **Executive Director**, and or the HPG if he/she becomes aware that his/her identification code or password has become disclosed to any other person.

4. Each user shall be liable for any direct or consequential loss arising from use of ones identification code or password by any other person.

5. 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.

6. 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.

7. All users shall ensure safe use and maintenance of the software and hardware provided by the Bank and RHSP.

8. All users shall indemnify and hold RHSP harmless at all times from all losses, damage, costs, claim or proceedings that they may suffer directly or indirectly while using the electronic banking system.

**System Access Authorization**

1. The following are the current Authorized Signatories and Users’ Functional Access Profiles to the Electronic Funds Transfer (EFT):

<table>
<thead>
<tr>
<th>System Access Authorization</th>
<th>Titles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Input &amp; Modifying</td>
<td>• Authorised Accountant</td>
</tr>
<tr>
<td>Verifying Payments</td>
<td>• Finance Manager</td>
</tr>
<tr>
<td></td>
<td>• Head, Finance and Grants</td>
</tr>
<tr>
<td>1st Level Authorization</td>
<td>Any one of the following</td>
</tr>
<tr>
<td></td>
<td>• Departmental heads (more than one)</td>
</tr>
<tr>
<td>2nd Level Authorization</td>
<td>Any one of the following</td>
</tr>
<tr>
<td></td>
<td>• Executive Director</td>
</tr>
<tr>
<td></td>
<td>• Other Directors</td>
</tr>
<tr>
<td></td>
<td>• Other senior investigators</td>
</tr>
</tbody>
</table>
2 Any of the authorized users indicated above can input and modify data in the EBS. The user who inputs the data shall always print the transaction initiation report, stamp it and sign this accordingly. The stamp shall contain the following elements to enable other authorised users sign on the transaction initiation report:

<table>
<thead>
<tr>
<th>RHSP Electronic Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment signed by</td>
</tr>
<tr>
<td>Transaction capturer</td>
</tr>
<tr>
<td>Verifier</td>
</tr>
<tr>
<td>1st Authorizer</td>
</tr>
<tr>
<td>2nd Authorizer</td>
</tr>
<tr>
<td>Releaser</td>
</tr>
</tbody>
</table>

3 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.

4 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 Authorisation officer as indicated in the table above.

5 The 1st level authorisation officer shall forward the transaction initiation report to the 2nd level authorisation officer for final authorisation.

6 The 2nd level authorization of payment transactions can be done by any of the 2nd Level Authorisation officer. The approvals shall vary depending on any two authorised signatories on any bank account.

6.6 Foreign Exchange gains and losses

1 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 Ushs in the general ledger and are translated at the end of the month.

2 These foreign exchange differences give rise to reconciling items unless they are recognized in the general ledger.
3 All the foreign exchange differences arising in the month should be calculated and recognized in the general ledger at the end of the month.
4 All differences or discrepancies should immediately be brought to the Head, Finance and Grants’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
1. 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; and
   e) All chequebooks not in use shall be kept in a safe.

Key Control Processes
1. The Senior Management Team shall approve all the authorised signatories to RHSP’s bank accounts.
2. The HFG and DFA shall approve and sign off all bank reconciliations prepared on a monthly basis. The designated signatory to a specific bank account shall review the bank reconciliation and give final approval.
3. The Finance Manager shall prepare a report, quarterly specifying the bank accounts closed and opened during the previous quarter and submit this to the HFG.
4. All electronic banking system users shall keep their passwords and identification codes confidential.
Disbursement Processing

7.1 Payments

Policy Objectives

To ensure that:

1. All payments are duly authorised by responsible officers in compliance with the levels of authority;
2. All payments are budgeted for and fully supported by valid documents;
3. All payments comply with negotiated terms and due dates; and
4. Payments are processed and accurately recorded.

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 authorised 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
- Invoices, Professional fee notes, demand notes etc...
- Local purchase order (LPOs)
- Goods received note (GRN)
- Payment vouchers
- Transaction initiation report
- 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, Finance and Grants
- Finance Manager
- Accountants
- All Accounts Staff

General guidelines

1. Requisitions shall include but not be limited to the following:
   a. Disbursements to Sub-grantees
   b. Payments for consultancy and professional services
   c. Payments for goods and services (including but not limited to stationery, transport, repairs & maintenance etc.)
   d. Payment for procurement of major items, works
   e. Request for funds for staff travel (including the charter of flights)
   f. Business advances for approved/planned workshops
   g. Payment for office running costs (e.g. rent, utilities, fuel advances etc.)
   h. 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 account (Operations account) to facilitate the payment of transactions emanating from the local currency (Uganda Shilling).

3. All payments to third parties in excess of Uganda Shillings Two hundred thousand (USh 200,000) shall be made by cheque or by electronic bank transfers. Payments beyond this amount shall be approved by the Executive Director.

4. 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 prepare a requisition with details of payment and attach the relevant support documents e.g. a copy of the Sub-Grant Agreement, budget of workshop, and forward it to the Head of Department for review and authorisation.

2. The requisition and the relevant support documents shall then be submitted to the HFG for review. The requisition together with the support documents shall be reviewed and approved by the DFA who shall approve the requisition by appending a signature and date to it.

3. For planned programme 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.

4 The approved requisition shall be forwarded to the Finance Manager who shall charge one of the accountants to process payment.

5 The Accountant shall be responsible for checking the requisition to confirm that it is supported by adequate supporting documents e.g. 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.

6 The Accountant shall confirm that the requisition has been authorised 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 business advances.

NB: In the event that there are outstanding and due accountabilities, this shall be brought to the attention of the DFA.

7 For payments to external consultants, the 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 consultants)

8 For payments to Sub-grantees, the Accountant shall ensure that financial accountability and other reporting requirements have been met satisfactorily. The contract reference must be quoted on the requisition. In the case of initial disbursements, a copy of the duly signed Sub-grant agreement/contract shall be attached.

9 The 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 effect the payment. The rejected requisition shall be returned to the requisitioner indicating the reasons for the rejection.

B. Procedures for bank payments

10 The Accountant shall enter the payment details on the requisition into the Accounting System and a system generated payment voucher raised with details of the relevant accounts codes and titles to be debited and credited, the costs for each account, source of funding and programme/project. The payment voucher shall be held in the system pending verification and approval by the Head, Finance and Grants.

11 A copy of the payment voucher shall then be printed and sent together with the support documents to the Finance Manager for review, HFG for further review before submitting to the HFG for approval.

12 Upon approval, the Payment Voucher shall be passed to the relevant Accountant for preparation of cheques if applicable or for capturing the bank and other details into the EFT system to facilitate an electronic funds transfer. The Accountant 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.
13 For detailed procedures on bank payments refer to Ref 6.1 - Bank Accounts Management

14 Once the cheque has been signed or the transfer made, the *payment voucher* and all supporting documents shall be stamped "PAID" to avoid representation of documents.

15 The **Finance Manager** shall update the cash book and relevant ledger accounts in the Accounting system. The payments shall be analysed 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 7\(^{th}\) of the following month.
7.2 Fuel card/ orders

Policy Statement
All staff members shall comply with the following general principles:
RHSP shall maintain an efficient and effective fuel usage management system that
promotes its strategic objectives

Policy Objectives
To ensure that:
1. Fuel cards are utilized for the intended purpose and accounted for properly;
2. There is an effective system for management of fuel usage. Appropriate and timely
   replenishment of Fuel cards.
3. Proper approval prior to use of fuel cards.
4. Ensure fuel card security

Documents
Key documents include:
- Vehicle movement log books
- Fuel cards
- Fuel receipts
- Payment voucher
- Fuel statement
- Fuel account generated reports
- Expense report
- Motor vehicle service agreement;
- List of approved card holders.
- Fuel Consumption Report
- HR manual

Responsibility
- Director, Finance and Administration
- Head, Finance and Grants
- Finance Manager
- Accountant
- Transport Coordinator
- Assigned employees

Procedures
1. Fuel cards shall be used on imprest basis with a float of up to Ush 3,000,000 for both
   motor vehicles and office generators combined.
2 A card shall be linked to a vehicle registration number and must not be used to purchase fuel and/or oil in relation to another vehicle.

3 The **Driver** or **assigned employee** shall obtain a fuel card with its personal identification number (PIN) from the **Transport Coordinator**.

4 All RHSP motor vehicles shall be fueled from designated fuel outlets as determined by SMT and the fuel vendor. RHSP motor vehicles shall not be fueled outside the designated fuel outlets.

5 A signed schedule of the **Driver/assigned employee** using or possessing the card must be kept with the **Transport Coordinator** with a copy to support office.

6 When a **Driver/assigned employee** uses the card, he/she shall;
   - Fill up as usual and present the card to the fuel attendant after entering the PIN number;
   - The fuel attendant will need to know car registration number and mileage as these have to be noted down;
   - Obtain a system generated receipt from the fuel attendant and ensure the details are correct.
   - Sign or initial the receipt
   - If not, notify the fuel attendant and request that the transaction be cancelled and re-entered
   - Retain the receipt for accountability purposes and submit it along with expense report to support office when making a fuel requisition.

The same procedure shall apply to fuel requisition for generators.

7 The generated fuel receipt shall confirm the following;
   - Date and time
   - Location of petrol outlet
   - Receipt number
   - Fuel Card Number
   - Motor vehicle registration number
   - Balance brought forward of fuel card amount,
   - Quantity of fuel consumed and equivalent amount.

8 The amount of fuel provided shall be determined by the engine size of the vehicle to be used and distance to be covered. Fuel required shall not exceed the capacity of the vehicle tank.

9 Where activities are conducted in a region or area that does not have the fuel vendor’s outlets, a cash advance of up to Ushs 3,000,000 shall be given to the RHSP teams or staff and subsequently accounted for in reference to section on Advances and Accountability.

10 In the event that a **Driver/assigned employee** takes leave, the fuel card shall be respectively retained by the Transport Coordinator at the office. It shall then be passed on to another user for that period.

11 Where a **Driver/assigned employee** tenders in a resignation with a notice period, he/she shall use the fuel card and hand it over to the **Transport Coordinator** at the office within a reasonable time of the end of the notice period. The fuel card shall immediately be handed to management where the **Driver/assigned employee** is
terminated from RHSP. The RHSP guidelines for clearing staff leaving the organisation, as set out in the HR manual shall be followed.

Fuel Requisitioning

12 When the fuel float is low and there is need for replenishment, the **Driver/assigned employee** shall prepare an *expense report* and attach generated fuel *receipts* and a copy of the motor vehicle *log book*. The expense report shall clearly show the following:
   - Name of purchaser and regional office
   - Date and purpose of purchase
   - Name of fuel outlet
   - Quantity purchased
   - Total Amount of Purchase
   - Mileage/Odometer reading.

13 The **Driver/assigned employee** shall adequately fill all the fields in motor vehicle log book. These include; date, time out, meter reading, fuel, from, to, reasons for travel, mileage and signature.

14 The **Driver/assigned employee** shall submit the expense report, fuel receipts and motor vehicle log book to the **Transport Coordinator** for checking. The *expense report* shall be a summary of monthly fuel requisitions and remaining fuel float at the end of the month.

15 The **Transport Coordinator** shall check all submitted documents to ensure that they are in conformity and sign against the *expense form* as evidence of review. The **transport officer** shall agree the *fuel expense report* to the motor vehicle log book and submit the documents to the Financial Accountant for additional review.

16 At the end of each month, the **Accountant** shall obtain a *fuel statement* from the fuel supplier and reconcile it with *fuel expense reports, fuel receipts and copies of log books* for all applicable motor vehicles for the month. He/she shall allocate fuel costs to the respective budget codes based on attached support documents. Any discrepancies noted shall be investigated and appropriate action taken.

17 If there are no discrepancies, the **Accountant** shall prepare the payment voucher attach invoice and support documents and forward them to the DFA, PIs, HFG or **Executive Director** for approval.

18 The fuel card shall thereafter be replenished by the **Finance Manager** through EFT.

19 Fuel consumption per vehicle shall be checked monthly by the **Transport Coordinator** who shall prepare a monthly *fuel consumption report* for all motor vehicles by the 15th following the end of the month and submit it to the **Operations Manager** for review and the DFA for approval.

20 The *fuel consumption report* shall illustrate and compare fuel consumption per vehicle with the established consumption rate.

21 Liability of fuel card owners should ensure that the cards are kept safely.
Fuel Card Security

The Driver or assigned employee shall be responsible for the security of the fuel card and should not allow any other individuals to use the fuel card.

If the fuel card is lost or stolen, or where a vehicle or generator is sold, wrecked or removed from service, the following shall be done;

a) The Driver/assigned employee shall; immediately notify the Transport Coordinator.

b) The Transport Coordinator will then notify the fuel card company through writing to cancel the lost or stolen fuel card.

c) The written notification shall include a request to cancel the card, reasons for cancelling the card, identification of fuel card number, vehicle registration number, or generator identification number.

d) The Transport Coordinator shall access the fuel vendor database and request for a new fuel credit.

e) Written requests shall be filed for record keeping purposes.

f) The Transport Coordinator shall surrender and document to the fuel vendor for destruction and discarding of the card.

g) The card shall be deactivated by the vendor and float on it transferred to a new card prior to its destruction.

h) The new card shall be promptly issued.

If the lost or stolen fuel card is subsequently found, it shall be returned to the Transport Coordinator who shall pass it on to the fuel vendor for destruction.

Disciplinary Action

Any misuse of the card will result in reasonable disciplinary action that shall include the following;

1. The fuel consumption report shall be prepared by the Transport Coordinator and submitted to the Operations Manager for review and DFA for approval by the 15th following the end of the month.

2. Department heads shall explain the fuel variances within 2 days of receipt of the fuel consumption report.

Key procedures

- A card shall be linked to a vehicle registration number and must not be used to purchase fuel and/or oil in relation to another vehicle

- The Finance Manager shall ensure that no petty cash is replenished until full and adequate accountability has been submitted and appropriately approved by the respective personnel.

- The fuel consumption report shall be prepared by the Transport Coordinator and submitted to the Operations manager for review and DFA for approval by 15th following the end of the month.

- The Driver/assigned employee shall be responsible for fuel card security.

- Fuel variances shall be resolved on a timely basis and disciplinary action taken by the responsible personnel for those that cannot be clearly explained.
7.3 Petty Cash Management

Policy Objectives
To ensure that:
1. Petty cash is utilised for the intended purpose and is accounted for properly;
2. Petty cash is replenished appropriately and timely;
3. Petty cash is reconciled daily; and
4. 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:
1. Petty cash shall be used to settle small payments not exceeding USHS 200,000;
2. A petty cash float shall be maintained at USHS 2,500,000 and shall be replenished when the balance falls below USHS 600,000; and
3. Petty cash replenishments shall be made after full accountability of the previous imprest.

Documents
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, Finance and Grants
- Finance Manager
- Accounts Assistant

Procedures
A. Petty cash management
1. An imprest system shall be established at RHSP to meet the immediate cash needs requiring small amounts of cash for purchases and service payments. The amount of the float for the main petty cash float shall be USh 2,500,000. The approval of the
new float shall be given by the Head, Finance and Grants. The replenishment level of the petty cash float shall be USHS 200,000 and the maximum limit for individual payments out of this float shall be USHS 200,000.

2 The Accounts Assistants 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.

3 Access to the petty cash till/safe shall be restricted to the respective Accounts Assistant

4 Petty cash payments shall only be paid after submission and approval of a duly approved petty cash voucher containing the following information:
   a. Reason for the claim;
   b. Original supporting documentation (indicating the purpose that costs were incurred for RHSP);
   c. Payee;
   d. Amount of petty cash in words and numerals; and
   e. Signatures of the preparer, person checking, approving authority and payee.

5 The Accounts Assistant shall maintain respective petty cash books that include the following
   a. The running balance;
   b. All floats received;
   c. Payments made (basing on duly approved serially numbered petty cash vouchers); and
   d. The daily closing balance.

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

6 At the end of day, the Accounts Assistants shall count the cash on hand and reconcile it to the balance per the petty cash book.

7 Monthly petty cash counts shall be performed by designated staff in the presence of the Finance Manager or Head, Finance and Grants and the results of the count documented in a cash count certificate.

8 The SMT shall appoint a senior and independent staff to carry out surprise cash counts.

9 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 SMT for appropriate action.

B. Petty cash replenishment

1. Replenishment of petty cash shall be done basing on the actual expenditure whenever the balance runs below Ushs 250,000.
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. The designated Accountant shall check the petty cash requisition for accuracy before submitting it to the Finance Manager for review, HFG for review and DFA for final approval.

5. 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, Finance and Grants 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.
7.4 Activity Advances

Policy Statement
All staff shall 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 business 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 business advances;

- Advance form
- Work plans
- Detailed budgets
- Advances ledger
- Approved rates for subsistence allowances
- Payment vouchers

Responsibility
- Director, Finance and Administration
- Head, Finance and Grants
- Finance Manager
- Accounts Assistant
- Programme staff

Procedures
1. Business 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 venue hire, participant transport refund, accommodation, and meals, stationery costs.
2. Business 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 authorised by the respective Heads of Departments or designate, if the AF relates to the Director, Finance and Administration, the Executive Director shall approve it. The advance form shall then be forwarded to the Finance and Grants department for processing.
3. The Advance form shall provide the following information:
   a. Reason for the business advance and details of the programme/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 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 accounted for the previous advances where the activity has been completed and the time for submission of accountability has lapsed.
   b. Ensure that the advance requested for is authorised 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 business advances that are paid by cash shall be insured to minimise the risk of loss.

9 Refer to Ref Accountability for detailed procedures on accountability for the business advance

Key control processes

1. Business advances shall be authorised by the respective Head of Department. Final approval shall given after review by DFA and final approval by the ED.
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, Finance and Grants.
4. Monthly reports for funds unaccounted for shall be certified by the Finance Manager and submitted to the Finance Committee to authorise recovery. The affected staff shall be informed before the recovery of the relevant advance is effected.
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.
7.5 Travel Advances

Policy Statement
All staff shall comply with the following general principle:

- Travel advances shall be processed and paid according to the authorised 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 authorised 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
- Foreign exchange slips
- Work plans
- 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, Finance and Grants
- Finance Manager
- Budget holders
- All staff
Daily Subsistence allowance guidelines

(i) The DSA for Local duty travel is determined and paid according to the Local Daily Subsistence Allowance rates that have been approved by the SMT.

(ii) DSA 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.

(iii) A portion of DSA (full DSA 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. However, for travel less than 10 hours stay 50% of the applicable DSA rate. \{(DSA minus Room) \times 50\%\} shall be paid.

(iv) DSA 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 Mission travel is categorized as International or Local travel by employees or invited personnel for RHSP business.

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 (traveller) requesting for mission travel shall complete a travel requisition form which clearly specifies the following:
   a. Purpose of the travel,
   b. Dates of the travel
   c. Detail itinerary,
   d. Estimate of the DSA required,
   e. Funding source,
   f. Budget/Cost Centre
   g. The approved rate per person and the date of commencement and duration of the visit.
   h. Dates for the entire trip (This should include overnight stay)
   i. Authorisation and approval of overnight stay and per diem
   j. 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:
   a. Confirm availability of funds for the proposed activities;
   b. Check the completed form for accuracy and ensure that this is consistent with the
      approved work plan/budget;
   c. Confirm that all previous advances to the requisitioner have been cleared.
   d. Re-calculate and determine the appropriate DSA based on the detailed itinerary
      e. 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 HFG 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 DSA 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
   traveller shall be required to attach currency exchange slip from bank or hotel in
   order to justify the exchange rate.

5 Travellers are not required to produce receipts for personal meals and any other out-
   of-pocket expenses that are covered in the DSA. But the traveller is required to
submit 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 travellers advance account.

**Key control processes**

1 Duly approved official rates shall be used when making payments for staff allowances.

2 All advance payments for travel expenses shall be accounted for within 5 days of return from the mission.
7.6 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 authorised by the responsible staff of RHSP before payments are effected;

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 Payroll.*
- *Communication of changes in remuneration*
- *Staff grading scales and schedule of applicable remuneration;*
- *Appointment letters*
- *NSSF schedule*
- *PAYE schedule*
- *Schedule for business advance deductions (Business advances not accounted for)*
- *Payslips*
- *Payment vouchers*

Responsibility
Human Resources
- Executive Director
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 authorised 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 competed and approval for this payment is done by the heads of departments and authorised by the ED or the DFA. The monthly payroll will be approved by the DFA, ED, or

7. The Finance Manager shall check the monthly payroll and process payment by the last week of each month.

8. The payroll shall clearly indicate:
   a. Gross pay (Including basic pay, allowances payable,)
   b. NSSF deductions
   c. DFAYE deductions
   d. Net 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

8. A copy of each month payroll shall be reviewed and the Head, Finance and Grants to ensure completeness and accuracy of the payroll. Before final approval for payment is given.

9. Upon approval, the Accountant shall prepare the payment vouchers and bank transfers using the EFT system. The procedures for EFT payments under Ref 7.1 shall be followed.

10. The Head, Finance and Grants shall ensure that the salaries are paid by the 23rd day of the month.
11 Remittances for PAYE and NSSF shall be made by the 15th of the following month. The procedures for Payments under Ref Payments shall be followed.

12 The Finance Manager shall send out payslips to all employees once payment of salaries is effected. The payslip shall indicate the following:
   a. The consolidated salary, salary arrears, other employee benefits for the month and gross pay.
   b. Statutory deductions like PAYE, NSSF.
   c. Non-statutory deductions like telephone deductions, business advance deductions and salary advances recoveries.
   d. The net pay.

13 Any complaints by employees regarding the payslip’s information shall be addressed to the Head of Human Resources Department and resolved immediately.

14 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 authorised 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 The Finance Manager and the Head, Finance and Grants shall review and sign the payroll prior to processing of payment; and

5 The Head of Human Resources Department shall maintain copies of the approved monthly payrolls.
7.7 **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 authorised by responsible officers of RHSP;
3. There is timely processing of advances and that these are accurately recorded; and
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 authorised 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, Finance and Grants
- 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, Finance and Grants shall provide guidance to staff to avoid situations whereby staff salary advances could be construed to be loans.

Key control processes

1 Salary advances shall be recommended by the HFG and approved the ED.

2 All salary advances shall be recovered through the payroll within one-months.

3 No further advances shall be paid until all previous advances have been recovered or accounted for.
7.8 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.

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

- RHSP Business plan

Responsibility

- Executive Director
- Senior Management Team
- Director, Finance and Administration
- Head, Finance and Grants
- 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.

7.9 Accountability of Activity Advances

Policy Statement

All staff shall to comply with the following general principles:

1. Programme managers/heads of units shall review accountabilities before submission to the Accounts Department and the ED, , DFA, OR HFG shall give the final approval to all accountabilities; and

2. All advances shall be accounted for promptly and cleared within the stipulated time (5 Business/Working days) or else shall be recovered automatically from the relevant staff involved through the payroll.
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.

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 business advance form
- Original invoices and receipts
- Minutes of meetings
- Attendance registers for workshop
- Activity reports

Responsibility

- Director, Finance and Administration
- Head, Finance and Grants
- Budget holders
- Finance Manager;
- Accountants;
- Accounting Assistant;
- Sub-grantees
- All staff

Procedures

A. Accountability for Activity 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 designated Accountant shall check and verify the accountability before submission to the Finance Manager for review and the ED, DFA, OR HFG for final approval.

4 In case of unspent amounts, the designated Accountant shall confirm amount returned and issue a receipt to the staff who submitted the accountability. The receipt shall form part of the accountability.

5 The staff should not spend more funds than advanced without express authorisation from the ED, DFA or HFG. In circumstances where it is difficult to get express permission either by email or phone, the staff will spend and seek authorisation as soon as they get back to office.

6 Upon approval of the accountability, the designated Accountant shall prepare the journal vouchers and enter the relevant entries into the Accounting system. The accountability together with the journal vouchers shall be reviewed and posted by the Finance Manager.

B. Accountability for Sub-grantees

7 A Sub-grantee shall prepare accountability for the advance that was taken from RHSP within 20 days of the end of the contract or after end of the respective quarter, whichever is earlier.

8 An accountability constituting a financial accountability report supported by appropriate 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.

9 The Head of Department shall review the accountability to ensure that the activities undertaken meet the RHSP objectives and afterwards forward this to the accounts department.

10 The designated Accountant shall review the accountability to ensure that the accountability submitted is complete and adequate to retire the advance and submit to the Head, Finance and Grants for final approval.

11 Upon approval of the accountability, the designated Accountant shall prepare journal vouchers and enter the relevant entries into the Accounting system. The accountability together with the journal vouchers shall be reviewed and posted by the Finance Manager.

Time Limit

12 The individual staff member shall prepare and submit full accountability report within 5 days from the time of completion of the activity.

13 The Sub-grantee shall prepare and submit a full accountability report within 20 days of the end of the contract or after end of the respective quarter whichever is earlier.
14 Accountability reports originating within RHSP once submitted to the relevant Head of Department shall be reviewed within three days and accountability reports from Sub-grantees shall be reviewed within four days.

15 The designated Accountant in the Accounts Department shall ensure that the accountabilities are reviewed within five days and forwarded to the, DFA for final approval.

16 The Accountant shall update the relevant accounts in the Accounting system after the approval.

Failure to submit accountability by RHSP Staff

17 The individual staff that is advanced funds shall be personally responsible for accounting for the funding received.

18 If the accountability is not submitted by the individual staff within the specified timeframe, the funds advanced shall be recovered from the individual staff member's salary, provided the unaccounted for advance can be covered by one month salary.

19 Where an advance not accounted for cannot be recovered from one month's salary of the defaulting individual, disciplinary action shall be taken. (Refer to HR policy for detailed procedures on disciplinary action).

20 No further advances shall be made to a defaulting individual until complete and adequate accountability has been submitted for any previous advances that are due.

Failure to submit accountability – Sub-grantees

21 The Accountant (Head of the sub grantee) shall be personally responsible for accounting for all the funding received from RHSP.

22 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.

23 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.

C. Accountability monitoring and reporting

1 The HFG shall circulate to the Heads of Departments monthly accountability reports showing a list of all pending accountabilities from staff and Sub-grantees.

2 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.

3 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.

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.
8 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 authorised 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

- Fixed asset register
- Documents of title
- Procurement manual
- Incident Report
- Lost or Stolen property report
- Fixed Asset Ledger
- Fixed Asset verification form
- Purchase invoice
- Investigation Tracking Form

Responsibility

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

8.1 Definition of Fixed Assets and Equipment not capitalized

- Any asset valued at or above $5,000 shall be capitalized and treated as a depreciable fixed asset.
- Any asset valued above $500 but less than $5000 shall be expensed, treated as non expendable property and listed in an inventory tracker for monitoring.
- Any asset valued at less than $500 shall be expensed and not tracked.
- Physical verification of assets above $500 shall be performed twice a year.

8.2 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).

8.3 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, Finance and Grants 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) location of assets;

i) Depreciation;

j) Manufacturers' model and serial number, if any;

k) 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, Finance and Grants. 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, Finance, and Grants for appropriate action.

8.4 Security and insurance of assets

- The Director, Finance and Administration, Head, Finance and Grants 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, Finance and Grants 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.

8.5 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 HFG should maintain appropriate costs for each asset to ensure that those that incur high costs are disposed.

8.6 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.

8.7 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, Finance and Grants. Any proceeds from sale (if any) shall be recorded accurately in the General Ledger by the Finance Manager.

8.8 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 submission 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 HFG for appropriate accounting action
- The Head, Finance and Grants 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, Finance and Grants 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.

8.9 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, Finance and Grants
- 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, Finance and Grants 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.
9 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 IFRSSs 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 balance
- Financial reports from the Sub-grantees
- Accounting records of RHSP
- Budget performance report
- Approved Annual Work plans
- Management reports
- Donor reports
Responsibility
- Senior Management Team
- Executive Director
- Director, Finance and Administration
- Head, Finance and Grants
- 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 accruals 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, Finance and Grants.

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:

<table>
<thead>
<tr>
<th>Periodic Report</th>
<th>Recurrence</th>
<th>Reporting Deadline</th>
<th>Prepared By</th>
<th>Approved By</th>
<th>Submitted to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Reports/Financial Performance Report</td>
<td>Monthly</td>
<td>14th of the following month</td>
<td>Finance Manager</td>
<td>HFG, Executive Director, SMT</td>
<td>Finance Committee SMT</td>
</tr>
<tr>
<td>Balance Sheet reconciliations</td>
<td>Monthly</td>
<td>14th of the following month</td>
<td>Accountant</td>
<td>Head, Finance and Grants</td>
<td>Executive Director</td>
</tr>
</tbody>
</table>
Donor Reports

<table>
<thead>
<tr>
<th>Donor Reports</th>
<th>Monthly/Quarterly/Annual according to Donor SOPs.</th>
<th>In compliance with Donor SOPs.</th>
<th>Finance Manager</th>
<th>HFG, PI</th>
<th>Donor</th>
</tr>
</thead>
</table>

Internal Reports

<table>
<thead>
<tr>
<th>Statutory Financial Statements</th>
<th>Annually</th>
<th>31 December of the following year</th>
<th>Head, Finance and Grants</th>
<th>DFA, Executive Director</th>
<th>Senior Management Team, Donors, SMT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Consumption Report</td>
<td>Monthly</td>
<td>5 working days following month</td>
<td>Transport Manager</td>
<td>DFA, Executive Director</td>
<td></td>
</tr>
<tr>
<td>Fleet Report</td>
<td>Monthly</td>
<td>15th of the following month</td>
<td>Transport Manager</td>
<td>SMT</td>
<td>SMT</td>
</tr>
</tbody>
</table>

9.1 **External reports**

**Donor reports**

Donor reports for the various donor funded programmes shall be prepared by the Head, Finance and Grants 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.

9.2 **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 14th 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

9.3 **Financial Statements**

The Head, Finance and Grants shall prepare financial statements within two 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 *financial reports*
• All adjustments agreed with the external auditors shall be incorporated in the financial statements through the general ledger.
10 Financial Reporting and Assurance

10.1 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 3 years; and

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, Finance and Grants
- 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 (3) 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, Finance and Grants, 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 August 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, Finance and Grants 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, Finance and Grants 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 three (3) 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 submission to the external auditors.
10.2 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 programmes
- 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, Finance and Grants
• 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 business 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.
Internal Audit Planning

1. The Internal Auditor shall submit an annual audit work plan and budget to the SMT for the following financial year for approval by the end of November of every financial year.

2. The audit work plan shall be developed based on a prioritization of the major business areas using a risk-based methodology and will take into account input from the DFA.

3. Any significant deviation from the formally approved work plan shall be communicated to the Executive Director and the SMT through periodic activity reports.

Key Control Processes

1. The Internal Auditor shall report directly to the Board of Directors and administratively to the Executive Director.

2. 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.

3. All staff in Internal Audit unit shall regularly consult the Internal Audit Manual and other applicable Internal Audit guidelines and regulations.
10.3 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 organisational 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.
- Alert reports

Responsibility
- Senior Management Team
- Executive Director
- Head, Finance and Grants
- 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 minimise 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 summarising 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.
10.4 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
1. In case of deliberate misuse of funds, the Executive Director of RHSP shall be informed immediately.
2. 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.

3 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.

4 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.

5 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.
9 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 though 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:

i. Encourage all employees to speak up in confidence and report any matters that they suspect involves anything illegal, unethical, inappropriate or unacceptable;

ii. Ensure timely reporting of such allegations and provide assurance that all disclosures will be taken seriously and treated confidentially;

iii. Protect interest of RHSP’s and its employees;

iv. Provide guidelines for reporting that will ensure professional, timely and consistent response to reported allegations; and

v. 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.

4. 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.
9.1 Scope of the policy

1. 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.

9.2 Duty to report/reporting in good faith

1. Each employee has the duty to report anything that they believe in good faith is;
   i. Illegal,
   ii. Unethical,
   iii. 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;
   i. Actions that constitute a serious breach of any applicable law, government regulation including RHSP's code of conduct and internal policies;
   ii. 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:
      a) Providing fake accountability (staff should take note of this as it could lead to summary dismissal),
      b) Claiming/accounting for activities that have not taken place,
      c) False accounting of contingency money,
      d) Siphoning off fuel or colluding with pump attendants to steal fuel and any other theft of RHSP’s resources, bribery;
      e) 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 no: benefit RHSP;
      f) Dangers to any employee's health and safety;
      g) Detrimental to RHSP or any of its employees; and
      h) 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.

9.3 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:
   
   i. Email:
   ii. Post office box:

2. Any concerns relating to the Executive Director should be addressed to the attention of the BOD and sent to the following contacts:
   
   i. Email: (state email)
   ii. Post office box: (state P.O.Box)

9.4 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 expect 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.

9.5 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.
9.6 What information should be provided

1. In order to facilitate the investigation process, we encourage you that in as so far as is possible, to please provide the following information:

   i. An outline of the suspicious illegal, unethical, inappropriate or unacceptable practices;

   ii. Details to the best of your knowledge of what, where, when, how it occurred;

   iii. 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;

   iv. Details of how you came to know of the suspicious illegal, unethical, inappropriate or unacceptable practices;

   v. If possible estimate of the value of the loss;

   vi. What breaches, if any, of RHSP's code of conduct, internal policies, applicable legal, accounting or regulatory requirements you believe has occurred;

   vii. 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

   viii. Date and time when you made the report.

9.7 How are the whistle blowing reports handled

1. 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.

2. 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.

3. 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.

4. 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.
5. 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.

6. 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.

7. All allegations made against the Executive Director will be referred directly to the Board of Directors.

9.8 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.
11 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 backup 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.
Approved by; *(On behalf of RHSP)*

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<thead>
<tr>
<th>Name</th>
<th>Date</th>
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<tbody>
<tr>
<td>Executive Director</td>
<td>Dr Joseph Kagaayi</td>
<td>June 19th, 2017</td>
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