

SADC Parliamentary Forum (SADCPF)

Finance Policies & Procedures Manual

April 2022

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1 Chapter I: Introduction

1.1 Preamble

1.1.1 The Southern African Development Community Parliamentary Forum (SADC PF) is a regional inter-parliamentary body composed of fifteen (15) parliaments representing over 3500 parliamentarians in the SADC region. These member parliaments are Angola, Botswana, Democratic Republic of Congo (DRC), Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Seychelles, Tanzania, Zambia and Zimbabwe. The SADC PF was established in 1997 in accordance with Article 9 (2) of the SADC Treaty as an autonomous institution of SADC. Its main aim is to provide a platform for parliaments and parliamentarians to promote and improve regional integration in the SADC region, through parliamentary involvement.

1.1.2 SADC PF's mission is to: "strengthening the capacity of the Southern African Development Community by involving Parliamentarians of Member States in its activities".

1.1.3 The objectives of the Forum are:

6.1.1. To strengthen the implementation capacity of SADC by involving Parliamentarians in the affairs of SADC;

6.1.2. To advocate the harmonisation, ratification, domestication and implementation of SADC Protocols, treaties and other decisions at the national level;

6.1.3. To promote the principles of human rights, democracy, peace and security, regional integration, human and social development, economic governance and gender equality through collective responsibility within the SADC Region;

6.1.4. To familiarise Parliamentarians of Member Parliaments with the objectives, priorities and decisions of SADC;

6.1.5. To provide a parliamentary perspective on issues affecting SADC countries;

6.1.6. To provide a Forum for discussion on matters of common interest to SADC; and

6.1.7. To promote cooperation with other parliamentary organisations and other stakeholders.

1.1.4 The SADC PF implements activities, which give rise to different types of risks for the organisation as well as its Member Parliaments. These risks should be identified, monitored and mitigated through regular risk management. The development of this Manual is a consequence of the adoption of the Strategic Plan (2019-2023) of the Forum, which calls for good governance and prudential planning in the management of the Forum's affairs. Additionally, systematic risk

management at the Forum will mitigate the impact of risks identified during organisational assessments previously conducted.

1.1.5 The SADC Parliamentary Forum Legal Status and Governance Structure

1.1.5.1 The Forum is established in accordance with Article 9 (2) of the SADC Treaty.

1.1.5.2 The Forum has legal personality which is recognised in the Headquarters Agreement entered into with the Government of the Republic of Namibia on 27th July 2000. The Forum has the capacity and power to enter into contracts, acquire, own, manage and dispose of movable or immovable property

1.1.5.3 The SADC PF, its property and assets, shall enjoy immunity from every form of legal process, except in so far as in any particular case SADC PF has expressly waived its immunity, provided that no waiver shall extend to any measure of execution.

1.1.5.4 The property and assets of SADC PF shall be immune from search, requisition, confiscation, expropriation and any other form of interference, whether by executive administrative, legislative or judicial action.

1.1.5.5 The Headquarters of the Forum shall be in Windhoek, Republic of Namibia or at such other place as may be decided by the Plenary Assembly.

1.1.5.6 For the purposes of policy formulation and monitoring policy implementation, the SADC Parliamentary Forum has the following governance structures:

1.1.5.6.1 **The Plenary Assembly:** This is the highest policymaking and deliberative body of the SADC Parliamentary Forum. It is composed of up to a maximum of six Members per Member Parliament, consisting of the Presiding Officer and a maximum of five other Members of Parliament, selected by national Parliaments to represent them at the SADC Parliamentary Forum.

1.1.5.6.2 **The Executive Committee:** This is the Management Board of the SADC Parliamentary Forum and is composed of seven Speakers of Parliament and seven Members of Parliament at any one time. All the Member Parliaments are represented on the Executive Committee. The Executive Committee oversees policy implementation and any other issues related to the management of the Forum. It has four Sub-Committees, namely, Parliamentary Business Sub-Committee, the Finance Sub-Committee, the Human Resources Sub-Committee and the Legal Sub-

Committee, all of which report to the Executive Committee.

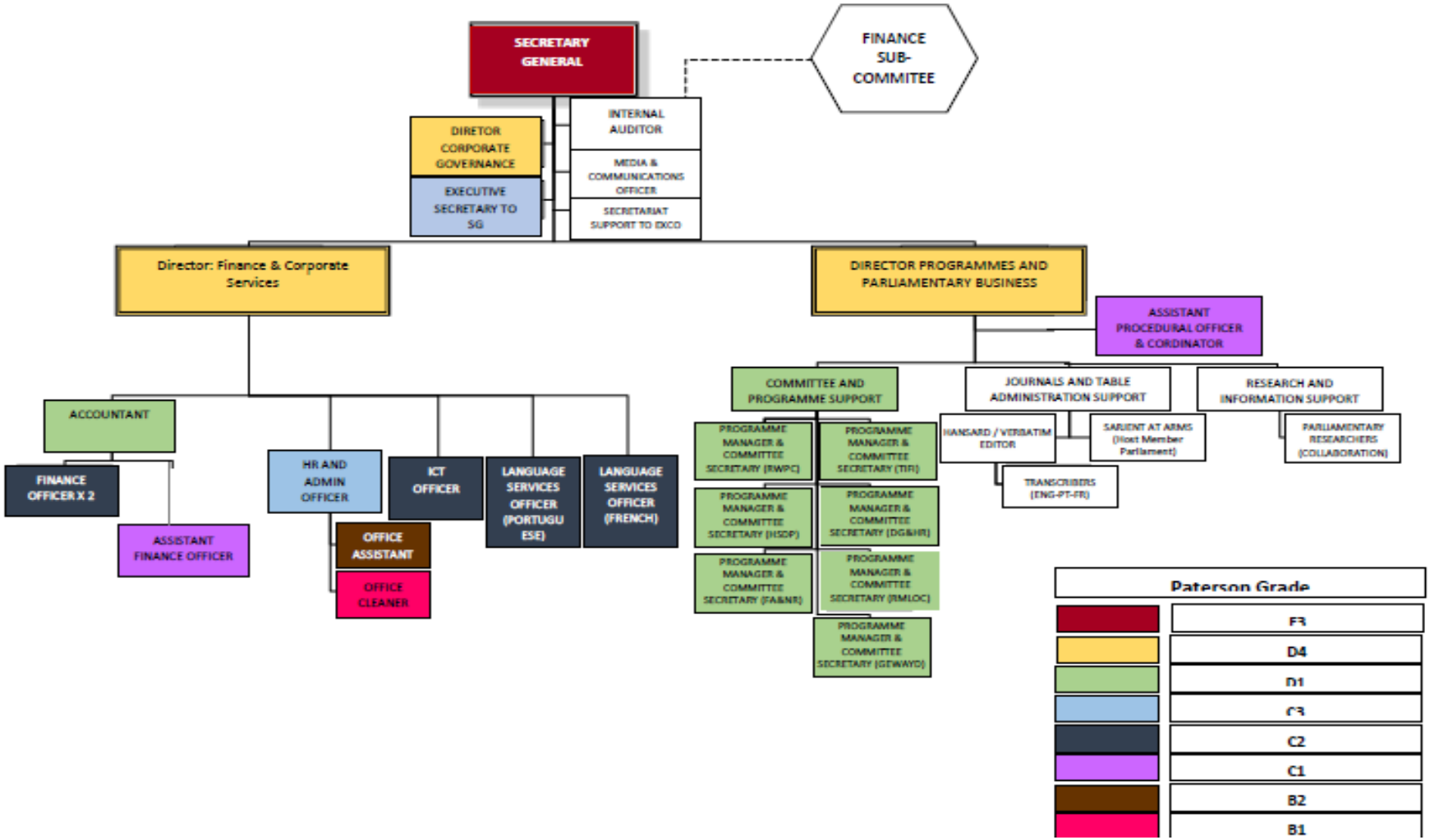
1.1.5.6.3 **Standing Committees:** The SADC Parliamentary Forum has five thematic Standing Committees that correspond with the five programme areas of the Forum, as listed below:

1. **Committee on Gender Equality, Women Advancement and Youth Development**
2. **Committee on Trade, Industry, Finance and Infrastructure**
3. **Committee on, Food, Agriculture, and Natural Resources**
4. **Committee on Democratisation, Governance and Human Rights**
5. **Committee on Human and Social Development and Special Programmes**
6.

1.1.5.6.4 **The Office of the Secretary General (Secretariat):** The SADC PF Constitution provides for the establishment of the Office of the Secretary General, which constitutes the Secretary General and "such other staff as it may consider necessary for the performance of the functions of the SADC PF". The Office of the Secretary General is the Secretariat of the SADC PF, which performs the administrative and secretarial functions of the Forum. The Secretary General shall be the Chief Executive and Accounting Officer of the Forum and shall coordinate the activities of the Forum subject to the general direction of the Executive Committee. The chart below shows the organogram for the SADC PF Secretariat.

1.1.6 Secretariat Structure

1.1.6.1 The Secretariat Structure is as illustrated below:


SECRETARY GENERAL
FINANCE SUB-COMMITEE
INTERNAL AUDITOR
DIRETOR CORPORATE GOVERNANCE
MEDIA & COMMUNICATIONS OFFICER
EXECUTIVE SECRETARY TO SG
SECRETARIAT SUPPORT TO EXCO
Director: Finance & Corporate Services
DIRECTOR PROGRAMMES AND PARLIAMENTARY BUSINESS
ASSISTANT PROCEDURAL OFFICER & CORDINATOR
ACCOUNTANT
FINANCE OFFICER X 2
ASSISTANT FINANCE OFFICER
HR AND ADMIN OFFICER
OFFICE ASSISTANT
OFFICE CLEANER
ICT OFFICER
LANGUAGE SERVICES OFFICER (PORTUGUESE)
LANGUAGE SERVICES OFFICER (FRENCH)
COMMITTEE AND PROGRAMME SUPPORT
PROGRAMME MANAGER & COMMITTEE SECRETARY (RWPC)
PROGRAMME MANAGER & COMMITTEE SECRETARY (TIFI)
PROGRAMME MANAGER & COMMITTEE SECRETARY (ISDP)
PROGRAMME MANAGER & COMMITTEE SECRETARY (DG&HR)
PROGRAMME MANAGER & COMMITTEE SECRETARY (FA&NR)
PROGRAMME MANAGER & COMMITTEE SECRETARY (RMLOC)
PROGRAMME MANAGER & COMMITTEE SECRETARY (GEWWYD)
JOURNALS AND TABLE ADMINISTRATION SUPPORT
HANSARD / VERBATIM EDITOR
SARJENT AT ARMS (Host Member Parliament)
TRANSCRIBERS (ENG-PT-FR)
RESEARCH AND INFORMATION SUPPORT
PARLIAMENTARY RESEARCHERS (COLLABORATION)
Paterson Grade
E3
D4
D1
C3
C2
C1
B2
B1

1.2 Purpose of the Manual

1.2.1 The purpose of this manual is to describe the financial accounting policies and procedures that shall be used to manage and account for the finances of the SADC Parliamentary Forum. This revised Accounting Policies and Procedures Manual (revised April 2022) has been approved by the Plenary Assembly and as such the policies, rules, and procedures, contained herein, are final and enforceable. The policies, rules and procedures are, however, subject to review by the Plenary Assembly as and when deemed necessary.

1.2.2 The manual also details the internal controls and specific methods to safeguard the Forum's assets, check the accuracy and reliability of recorded accounting data, and promote efficiency in the accounting operations. It is the Forum's policy to maintain good accounting records based on *generally accepted accounting principles* for regional and International organizations. Within these principles, the Forum adheres to the International Financial Reporting Standards (IFRS) for the preparation of financial reports and in providing the necessary information for budgeting, planning, and management responsibilities. The manual will also:

i) **Ensure uniformity and consistency in finance and accounting procedures and policies within SADC PF; and**
ii) **Provide a reference guide to management and staff in order to explain the financial and accounting systems.**

1.3 Authority

1.3.1 The policies are issued under the authority of the Plenary Assembly and any amendments to this manual will be approved by the Plenary Assembly, through the Executive Committee, of the SADC Parliamentary Forum. This document remains the property of SADC PF and shall apply to all staff members.

1.4 Administration and Implementation of the Regulations and Procedures

1.4.1 The Secretary General will be responsible for the administration and implementation of the provisions of this Manual. However, these regulations and procedures cannot cover every eventuality and as such, the Secretary General may issue circulars to amplify the relevant provisions.

1.4.2 Failure to comply with any regulation contained in this manual may render an employee liable to disciplinary action. A plea of ignorance will not be acceptable as an excuse for non-compliance.

1.5 Update of the Manual

1.5.1 As the Forum is a relatively stable entity whose business and related financial transactions do not change frequently, this manual shall be subject to update at intervals of five (05) years at which time

interval it is envisaged the Forum will have accumulated substantial EXCO/Plenary Assembly decisions to warranty the update.

1.6 Definitions

1.6.1 In the Finance and Accounting Procedures manual, the following definitions shall apply:

1.6.1.1 "**Approval**" shall mean officially agree or accept for implementation or action;

1.6.1.2 "**Bill**" of Quantity (BoQ) shall mean expression of the worth of materials in quantity, unit costs and amount;

1.6.1.3 "**Capital Grants**" shall represent tangible fixed assets and amounts received from donors for purchase or construction of tangible fixed assets. The grants are amortized using the rates used for depreciating underlying assets and credited to Income and Expenditure Statement over the expected useful lives of the related assets. Capital grants to be included in the balance sheet represent total grants receivable at the date of reporting, less amounts so far transferred to the income and expenditure statement;

1.6.1.4 "**Chart of accounts**" (CoA) shall mean a system of describing transactions using account codes, account name, subgrouping, cost or revenue element as well asset or liability element;

1.6.1.5 "**Constitution**" shall mean the Constitution of the SADC Parliamentary Forum;

1.6.1.6 "**Executive Committee**" shall mean the Executive Committee of the SADC Parliamentary Forum established in terms of Article 9 of the Constitution. The Executive Committee is responsible for the management of the affairs of the SADC PF, giving direction to the Secretariat and ensuring that the decisions of the Plenary Assembly are implemented;

1.6.1.7 "**Finance Sub- Committee**" shall mean a Sub-Committee of the Executive Committee established to

handle all financial issues and Audit Committee functions pertaining to the SADC PF Secretariat;

1.6.1.8 "**Forum**" shall mean the SADC Parliamentary Forum;

1.6.1.9 "**Impairment**" shall mean the higher of fair value less costs of disposal and value in use;

1.6.1.10 "**Lease**" shall mean rent;

1.6.1.11 "**Member Parliament**" shall mean a national parliament registered as a member of the SADC Parliamentary Forum;

1.6.1.12 "**Member State**" shall mean a Member State of SADC;

1.6.1.13 "**Obsolete**" shall mean of no economic value and can no longer be productive and used;

1.6.1.14 "**Officials**" shall mean staff employed by the SADC Parliamentary Forum;

1.6.1.15 "**Plenary Assembly**" shall mean the Plenary Assembly as established in pursuance of Article 8 of the SADC Parliamentary Forum Constitution. The Plenary Assembly is the main policy-making and deliberative body of the SADC PF;

1.6.1.16 "**President**" shall mean the President of the SADC Parliamentary Forum elected in terms of Article 9 of the Constitution or a President of any other organ of the Forum, as the case may be in a given context, and includes a Vice President when the latter is acting in place of the former;

1.6.1.17 "**SADC**" shall mean the Southern African Development Community

1.6.1.18 "**SADC PF**" shall mean Southern African Development Community Parliamentary Forum (used interchangeably with the Forum);

1.6.1.19 "**Secretary General**" shall mean the Secretary General of the Forum appointed in terms of Article 10 of the Constitution

1.6.1.20 "**Terminal Payment**" shall mean final amounts due to a staff member who has terminated employment with the Institution.

1.7 Responsibilities

1.7.1 The Plenary Assembly

1.7.1.1 The Plenary Assembly shall exercise oversight on the finances of the SADC PF through the Executive Committee.

1.7.1.2 The Plenary Assembly shall approve all financial and administrative policy.

1.7.1.3 The Plenary Assembly shall also approve the Annual budget of the SADC PF.

1.7.1.4 The Plenary Assembly shall determine the level of Mandatory Member Contributions.

1.7.2 The Executive Committee

1.7.2.1 The Executive Committee shall exercise oversight on the Finances of the Forum, on behalf of the Plenary Assembly, through its Finance Sub-Committee, chaired by the Treasurer, as provided for in Article 9 (1) of the Constitution and the SADC PF Rules of Procedure. The Finance Sub Committee shall also be the Audit Committee.

1.7.3 The Finance Sub-Committee and Audit Committee of the Executive Committee

1.7.3.1 The functions of the Finance Sub Committee include review of the following:

i) **Financial statements and reports of external auditors prior to their consideration by the Executive Committee;**
ii) **Annual Budget of the SADC PF;**
iii) **Accounting policies adopted, or any changes made or contemplated;**
iv) **Effectiveness of the annual audit, ensuring emphasis is placed on areas requiring special attention;**
v) **Significant transactions which are not normally part of SADC PF's business;**
vi) **Interim financial information;**
vii) **Effectiveness of the internal auditing functions;**
viii) **Coordination of audit approach between internal and external auditors;**
ix) **Effectiveness of risk management policies and processes;**
x) **Effectiveness of management information systems of internal control;**
xi) **Effectiveness of the policies and procedures of the SADC Institutions including approval of new regulations; and**
xii) **Recommend appointment of auditors and approval of the audit fees.**

1.7.3.2 The Audit Committee shall assist the board by providing advice and guidance on the adequacy of the organisation's initiatives for:

i) **Governance structure**
ii) **Risk management**
iii) **Value and ethics**
iv) **Internal control framework**
v) **Oversight of internal and external audit**
vi) **Financial statements and public accountability reporting.**

1.7.3.3 The Audit Committee will in general, provide the board with independent advice and guidance regarding the adequacy and effectiveness of practices set by

Management relating the above items and the potential improvement areas.

1.7.3.4 To obtain reasonable assurance with respect to SADC PF's risk management arrangements, the Audit Committee shall;

i) **Provide oversight on significant risk exposures and control issues, including fraud risk, governance issues, and other matters needed or requested by senior management and the board/EXCO;**
ii) **Review and provide advice on the risk management arrangements established and maintained by management and the procedures in place to ensure that they are operating as designed for;**
iii) **Annually review the SADC PF's corporate risk profile; and**
iv) **Obtain from the Head of Internal Audit an annual report on the management's implementation and maintenance of an appropriate integrated risk management process.**

1.7.3.5 To obtain reasonable assurance with respect to SADC PF's procedures for the prevention and detection of fraud, the Audit Committee shall:

i) **Take an active role in the prevention and determine of fraud;**
ii) **Challenge management and the auditors to ensure that the entity has appropriate antifraud program and control in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected; and**
iii) **Ensure that appropriate action is taken against known perpetrators of fraud.**

1.7.3.6 The foregoing section on the functions of the Audit Committee shall be read together with the Audit Charter.

1.7.4 Treasurer

1.7.4.1 The Treasurer shall:

i) **be the Chairperson of the Finance Sub-Committee of the Executive Committee referred to in Article 9 (2) (c) of the Constitution; and**
ii) **shall be responsible to the Executive Committee for the supervision of the management of the finances of the Forum;**

1.7.5 Secretary General

1.7.5.1 The Secretary General shall be the Chief Executive and Chief Accounting Officer of the SADC Parliamentary Forum and shall be responsible for:

i) **Coordinating all activities of SADC PF subject to the general direction of the executive Committee;**
ii) **Preparation of reports on SADC PF activities for consideration by the Executive Committee;**
iii) **Custody of all assets of SADC PF;**
iv) **Ensuring the preparation of the annual audited financial statements;**
v) **Maintenance of sound risk management and internal control**

processes; and

vi) Act as delegated authority of the SADC PF in all administrative, financial and executive matters.

1.7.5.2. This section of the functions of the Secretary General shall be read together with the corresponding provisions in the Constitution and in the corresponding Job Description.

1.7.6 Director of Finance and Corporate Services

1.7.6.1 The Director of Finance and Corporate Services shall be responsible for the day-to-day financial management of the institution, and Planning, Reporting and operational management of the Directorate, and shall:

i) ensure that proper and efficient accounting systems and internal controls are in place;
ii) be directly responsible for the preparation of budgets, periodic and annual financial statements;
iii) be responsible for all accounting and administrative functions including custodial and stewardship of the Forum's assets;
iv) be responsible for Human Resources and Talent Management;
v) be responsible for the IT and Communications function;
vi) be responsible for Procurement, administration and Logistics as well as staff management of the Directorate.

1.7.6.2 This section of the functions of the Director Finance and Corporate Services shall be read together with the corresponding Job Description.

1.8 Financial Year

1.8.1 The financial year of SADC PF shall commence on 1 April of each year and shall end on 31 March of the succeeding year.

1.9 Reporting Currency

1.9.1. All financial statements of SADC PF shall be expressed in the currency of the host country, in this case, the Namibian Dollar (N$). Translation gains and losses shall be treated in accordance with applicable International Financial Reporting Standards.

1.9.2. The organisation may produce special accounts in a foreign currency if so required by a donor with regard to grant advanced to the organisation.

1.10 Risk Management and Accountability

1.10.1 Risk

1.10.1.1 The Forum has in place a comprehensive stand-alone Risk Management Policy which this section shall be read in conjunction with.

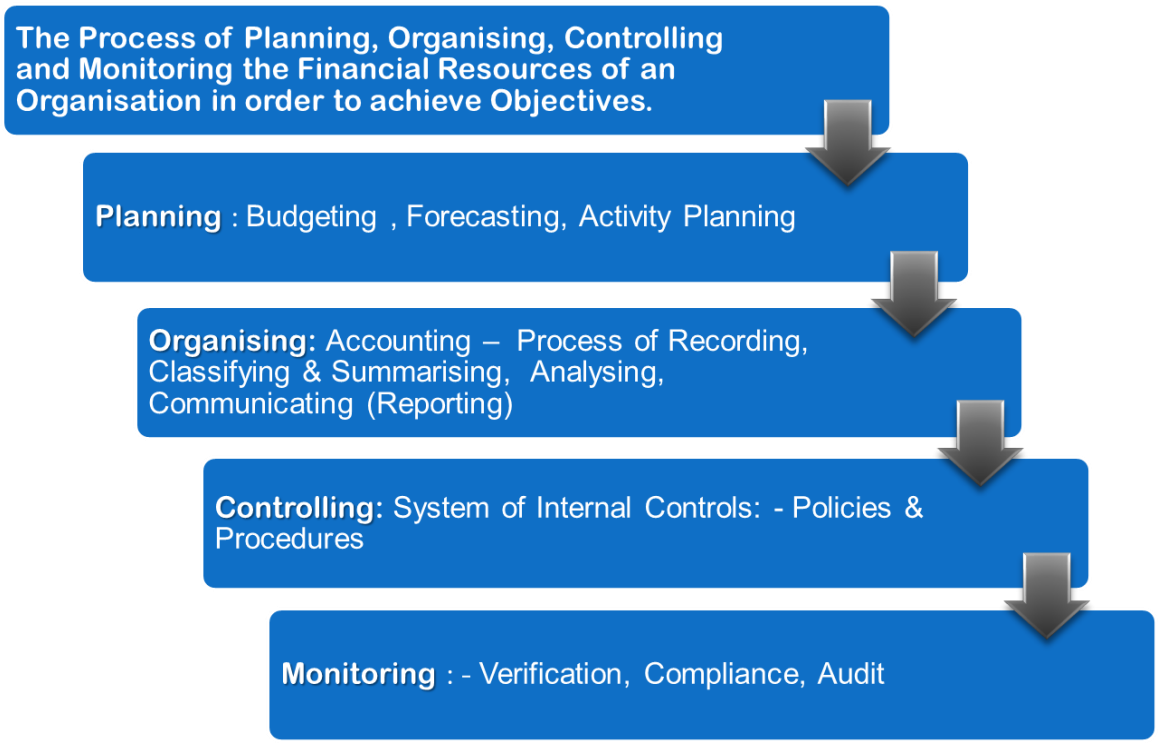
1.10.1.2 Risk can be defined as "the element of uncertainty which affects operational decisions and planned outcomes" that may have a significant effect, either positive or negative on an organisation's:

i) Achievement of strategic aims and objectives;
ii) Operational performance and;
iii) Stakeholder expectations.

1.10.2 Risk Management

1.10.2.1 Risk Management is a set of processes concerned with conducting risk planning, risk identification, risk analysis, response planning, and monitoring and control. The objective of *Risk Management* is to decrease the likelihood and consequential impact of events which are adverse to SADC PF's objectives. The effective management of risk can enable SADC PF to maximise opportunities and outputs and to achieve its objectives.

1.10.3 Principles of Financial Management



1.10.3.1 In managing the financial and accounting requirements of SADF PF, the Director Finance and Corporate

Services is responsible for ensuring sound financial management is based on a number of basic principles including:

a. **Transparency: A reviewer should be able to see how the SADC PF is spending the Forum's funds;**
b. **Segregation of duties: Duties should be segregated, meaning that the person recording the receipt should not be the same as that making the deposit. Additionally, a person independent of recorder and depositor responsibilities should reconcile the deposit to the general ledger.**
c. **Prudence: ensuring expenditure controls exist to limit or prevent abuse or excesses in utilisation of the Forum's assets or resources**
d. **Consistency: Ensuring transactions of the same nature are treated the same throughout**
e. **Integrity: All business for the Forum should be conducted with utmost honesty and principles governing the Forum**
f. **Accountability: All actions and decisions should be owned by an action taker or decision maker. Responsibility for transactions and actions shall be maintained at all times.**

1.10.4 Ten Top Reasons for Good Financial Management

i) To be Accountable to the People who give SADC PF Money;
ii) To be Accountable to the communities we work with
iii) To be Accountable to Regulatory Bodies
iv) To minimise Fraud, Theft and Abuse of Resources
v) To enable staff to make better Decisions on the use of funds
vi) To achieve the Objectives of the Organisation
vii) To enhance credibility of the Organisation
viii) To strengthen Fund raising efforts
ix) To get better value for Money
x) To plan for the future and become more financially secure

1.10.5 The Four Building Blocks of Financial Management

The Forum shall base its financial management activities on the following four (04) fundamental building blocks:



1. **Financial Planning: Budgeting, forecasting, Strategic Planning, Operational Planning**

2. **Accounting Records:** Accurate Recording of Transactions- Accurate Financial Records
   Valuable Information for Decision making. (How are we performing?)
   Reliability of our Reports, Integrity of our reports

3. **Financial Monitoring:** Comparing Budgets with Actual Spending
   Management can make informed decisions in taking Corrective Actions
   Monitor Progress of Project Implementation

4. **Internal Controls:** The systems of controls designed to provide checks and balances and ensure the good health of financial management.
   Useful for managing internal risks
   Provide the Framework for safeguarding the resources
   Protects staff involved in the day to day financial activities

1.10.6 Financial Management Principles

1.10.6.1 The Forum shall base its financial operations on the following seven (07) Financial Management Principles:


C
A
T
V
I
S
A
Consistency
Accountability
Transparency
Viability
Integrity
Stewardship
Accounting Standards

2 Chapter II: Standard Accounting Practice

2.1 Objective of financial statements

2.1.1 The objective of financial statements is to provide information about the financial position, performance and changes in financial position of SADC Institutions that is useful to a wide range of users in making economic decisions. The financial statements produced by SADC Institutions shall be of highest quality and standard in line with SADC's objective of achieving excellence in accountability.

2.2 Underlying assumptions

2.2.1 Accrual Basis (matching concept)

2.2.1.1 In order to meet their objectives, financial statements shall be prepared on the accrual basis. This is to ensure that revenue and costs are:

a. **Accrued (recognized when earned or incurred, not necessarily as money I received or paid)**
b. **Match with each other so far as their relationship can be established or justifiably assumed, and**
c. **Dealt with in income statement for the period to which they relate.**

2.2.2 Going Concern

2.2.2.1 The financial statements shall normally be prepared on the assumption that the Institution is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the Institution has neither the intention nor the need to liquidate or curtail materially the scale of its operations. If such an intention or need exists, the financial statements may have to be prepared on a different basis and, if so, the basis used shall be disclosed.

2.2.3 Consistency

2.2.3.1 The consistency concept is that there shall be consistency of account treatment of like items: -

a. **Within each accounting period, and**
b. **From one accounting period to the next.**

2.2.4 Prudence

2.2.4.1 The prudence concept is that revenue and income are not anticipated but are recognized by inclusion in the income statement only when realized in the form of cash or of other assets, the ultimate cash realization of which can be assessed with reasonable certainty. All know liabilities are provided for whether their amount is known with certainty or is a best estimate in the light of

the information available. Where the matching concept is inconsistent with the prudence concept, the latter prevails.

2.2.5 Other underlying assumption

2.2.5.1 Accounting policies are the specific bases judged by the SADC Institution to be most appropriate to its circumstances and adopted for the purposes of preparing financial statements, for example the average cost basis of stock

2.2.5.2 Where circumstances permit more than one accounting basis, the choice of policy can significantly affect an Institution's reported results and financial position. The view presented can be properly appreciated only if the policies followed in dealing with significant items are explained. The choice and disclosure of accounting policies, which is a management decision, is therefore vital to user's appreciation of the Institution's financial statements.

2.2.5.3 Accordingly, the accounting policies for dealing with items judged material or critical in determining the profit or loss for the period, and in stating the financial position, should be disclosed by way of note. The explanation should be clear, fair, and as brief as reasonably possible.

2.2.5.4 The disclosure of significant accounting policies used should be an integral part of the financial statements. The policies should normally be disclosed in one place.

2.2.5.5 Incorrect or inappropriate treatment of items in financial statements is not rectified either by disclosure of the accounting policies used or by notes or explanatory material.

2.2.5.6 Care should be taken to avoid statements, which are meaningless, tautologies, or contain nothing to enhance the user's ability to interpret the financial statements.

2.2.5.7 Two considerations affect the application of accounting standards; substance over form and materiality.

2.2.5.8 Substance over form implies that transactions and other events should be accounted for and presented in accordance with their substance and financial reality, and not merely with their legal form.

2.2.5.9 Application of materiality means that financial statement should disclose all which are material enough to affect evaluation or decisions.

2.3 Historical cost

2.3.1 The historical cost convention shall be applied in the financial statements of all SADC Institutions. Historical cost implies that the carrying value of assets is based on their purchase price. Where the

historical cost convention is departed from, this should be stated in the accounting policies, specifying the nature of the departure.

2.4 Qualitative characteristics of financial statements

2.4.1 Qualitative characteristics are the attributes that make the information provided in financial statements useful to users. The four principal qualitative characteristics are comprehensibility, relevance, reliability and comparability.

2.5 Notes and supplementary schedules

2.5.1 The financial statements shall contain notes and supplementary schedules and other information to make them meaningful to the end-users. For example, they shall contain additional information that is relevant to the needs of users about the items in the balance sheet and income statement. They shall include disclosures about the material risks and uncertainties effecting the Institution and any obligations not recognized in the balance sheet (such as contingent liabilities).

2.6 True and fair view/fair presentation of financial statements and international accounting standards

2.6.1 The monthly and annual financial statements shall give a true and fair view of the state of the Institution affairs and the income and expenditure for each financial period. The Director of Finance and Corporate Services is responsible for ensuring that the monthly and annual financial statements are prepared in this manner. The institutions shall apply the accounting assumptions and concepts described in paras 1-5 above and the appropriate International Accounting Standards in preparing the financial statements, which will then result in a true and fair view of the financial statements prepared.

2.6.2 Any material non-compliance (including any deviations from International Accounting Standards) and the requirements as set out on para.s 1 – 6.1 and the effect of any such non-compliance shall be disclosed in the financial statements as notes and reported to the Council.

2.7 Standard accounting practice guidelines

2.7.1 The Secretary General, in consultation with the Director of Finance and Corporate Services, shall issue Standard Accounting guidelines from time to time in order to classify and standardize accounting policies and procedures which are specific to the SADC PF.

3 Chapter III: Accounting System

3.1 Outline of Accounting System

3.1.1 Purpose

3.1.1.1 The purpose of this policy is to provide a description of the main features of the accounting system of SADC PF.

3.1.2 Objectives

3.1.2.1 The objectives of the accounting system are to-

i) Record all financial transaction including all assets, liabilities, income and expenditure of the SADC PF in such a way as to comply with international Accounting Standards and other requirements, including the statutory reporting requirements.
ii) Provide information to management to assist them in running the Institution's activities on a day-to-day basis;
iii) To assist in the preparation of annual budgets as detailed in Chapter 2.

3.1.3 Summary of the accounting system

SADCPF uses SAGE 300 Accounting software. The main features of the systems are described below under the following headings:

i) Basic recording and books of account;
ii) Management information system;

3.1.4 Basic Recording and Books of Accounts

3.1.4.1 Each individual transaction is processed through a double-entry accounting system using the respective account codes as stipulated in the chart of accounts using one of the following computerized modules: -

a. Accounts payable Modules
b. Accounts receivable Modules
c. Cashbook module
d. General ledger module
e. Fixed assets module

3.1.4.2 The general ledger is the principal accounting record of the institution. It is the record in which all transactions are recorded either in detail or in summary totals.

3.1.4.3 The general ledger contains accounts which show the total transactions that are recorded in detail in the subsidiary ledgers modules as explained in para. 1.4. As the principal debtors of the institutions comprise only the member states of SADC and Donor Organisation maintenance of accounts receivable module/subsidiary ledger is not considered necessary.

3.1.4.4 All posting to the general ledger are made from journals vouchers. These are either standard journals vouchers,

for items which occur regularly month by month; or non-standard journal voucher for item that are exceptional or of infrequent occurrence. The form and preparation of those vouchers is described in Regulation No 20. Posting may also be carried out from totals derived from computerized cash book module, accounts payable module and the fixed assets register module.

3.1.5 Management Information system

3.1.5.1 The majority of the data used in the management information system derives from the basic recording procedures described above. In addition, certain non-accounting information is obtained from other relevant sources.

3.2 Organisation Responsibilities

3.2.1 Purpose

3.2.1.1 To define the organization and principal responsibilities of the finance and accounting functions.

3.2.1.2 The organisation of the institution's finance and accounting department is set out in the organogram approved by the Plenary Assembly. The department is headed by the Director of Finance and Corporate Services who is responsible to the Secretary General of the Forum.

3.2.2 Responsibilities

3.2.2.1 The overall responsibilities of the finance and accounting functions are as follows: -

a. **To maintain the books of accounts and other records relating to the accounting transactions of the Institution.**
b. **To comply with accounting standards as detailed in these regulations and other requirements.**
c. **To develop and amend (after obtaining a necessary approval) accounting principles and procedures in the light of circumstances, (internal and external);**
d. **To operate satisfactory accounting controls over the assets and liabilities of the Institution;**
e. **To provide statistical and accounting information which is required by management to plan and control all the activities of the institution.**
f. **To advise on and provide computer services as required.**

3.2.3 Job Definition

3.2.3.1 The major aspects of the above responsibilities shall be expanded to provide officers of the finance and

accounting function with a comprehensive specification of the individual responsibilities and duties. These tasks shall be set out in the form of Job Descriptions which shall detail the following:

i) Title of the job
ii) Reporting Lines
iii) Organizational responsibilities
iv) Main role and objectives
v) Job responsibility
vi) Collaboration

3.2.3.2. The staff shall be required to sign Performance Agreements in order to ensure professionalism, dilligence and integrity and to facilitate performance management.

3.3 Basic accounting Routines

3.3.1 Cash receipts and payments

3.3.1.1 Purpose

To describe the system and procedures to be followed and the documentation to be used in accounting for cash receipts and payments using the cash receipts and payments modules for recording transaction through the bank accounts.

3.3.1.2 Objectives

The objectives of the cash accounting system: -

i) to ensure accountability and rigorous control of cash receipts and payments;
ii) to provide prompt monthly summary reports on standard journal vouchers for verification of posting to the general ledger.

3.3.1.3 Responsibilities

3.3.1.3.1 The Finance Officer: Payments/Receipts has overall responsibility for all cashbook records and is directly responsible for the maintenance of the main cash book and custody of support documents.

3.3.1.3.2 The Finance Officer is responsible for processing all accounting transactions and for the preparations of necessary support documents.

3.3.1.4 Summary of system

3.3.1.4.1 The main features of the system are as follows:

i. Contribution from Member Parliaments and donors are mainly

received by way of direct bank transfers from the remitter's bank account to the institution's bank. Receipts are raised for all Contributions received.

ii. Other receipts are listed by the Accountant for ledger posting, and are processed in batches in the main cashbooks individually. All receipts in cash shall be banked on the day received;

iii. All EFT payments are posted in batches in the main cash book;

iv. The cash receipts and payments books are reconciled with bank statements monthly and the analysis of transactions and batch reports checked by the Director of Finance and Corporate Services for accuracy.

3.3.1.5 Description of procedures (Cash receipts)

3.3.1.5.1 All cheques and other inward remittances should be listed on a "daily Cash/Cheque Receipts Register" by the Assistant Finance Officer. This register, with the remittance and supporting documents should be passed to the Finance Officer. He/she will sign both copies as evidence of receipts.

3.3.1.5.2 On receipt of mail or any amounts paid into the bank, the Finance Officer - receipts and payments should take the following action:

i) Issue a formal receipt (if required).

ii) Prepare bank paying-in-slip book in triplicate. A suitably designed bank paying-in-slip book will enable the Institution to process all receipts (including direct transfers) using the bank stamped second copy of the paying-in-slip. The third copy will in the deposit books.

iii) Retain any credit transfer advices on a temporary file until they are confirmed by the bank.

The Finance Officer/Accountant shall:

i) Input transactions into batches in the cash receipts book.

ii) Send batch input summaries to the Director of Finance and Corporate Services together with the deposit slips for verification.

3.3.1.5.3 Formal receipts should be issued for all cash received but need not be issued for cheques or other documentary credits unless requested by the payer or unless no other supporting documentation is submitted with payment.

3.3.1.5.4 Each cash receipt form will be numbered sequentially completed in duplicate and contained within a bound receipts book. The top copy of the receipt will be handed or dispatched to the payer. The second copy remains attached to the book. If for whatever reason, a receipt form is defaced and not issued to a payer then the original

must be firmly fixed to the receipt book. Unused receipt books will be held under lock and key by the Director of Finance and Corporate Services who will be responsible for issuing them to the Finance Officer-Receipts and Payments.

3.3.1.5.5 All Receipts issued must be checked against deposits by the Director of Finance and Corporate Services for completeness of banking of cash receipts.

3.3.1.5.6 Direct credit transfers to the institution's bank account should be recorded from the bank statement.

3.3.1.6 Banking

3.3.1.6.1 All amounts received up to 12 00hrs each day will be banked intact on the same day. Later items will be handed to the Finance Officer-Receipts and payments for overnight custody and banked the following day. A signed acknowledgment will be obtained for each transfer of cash between employees.

3.3.1.6.2 In no circumstance will collections in cash be used to defray local expenses.

3.3.1.7 Payments from bank accounts

3.3.1.7.1 Payments shall be effected by Electronic Funds Transfer (EFT).

3.3.1.7.2 All payments from bank accounts, including bank charges, will be input to the cash book module (payments) by the Finance Officer, detailing the following:

i) Date of payment
ii) details
iii) document reference
iv) discount received
v) amount paid
vi) nominal ledger posting code (accounts code)

3.3.1.7.3 Requests for all payments will be made through the Director of Finance and Corporate Services (DFCS) to whom approved invoices or other evidence of liability, supported by EFT Payment Requisitions approved by the DFCS, must be submitted. The DFCS will also verify the relevant account code. An EFT Payment

Requisition is illustrated as Form SADCPF EFT22.

3.3.1.7.4 The EFT Payment Requisition and all support documents will then be submitted to the authorized signatories.

3.3.1.7.5 For payments in foreign currency, a Foreign Currency Payment Advice (FCPA) shall be raised. The FCPA shall be signed by the Director of Finance & Corporate Services and the Secretary General, in the first instance. Where the first signatories are not available, the FCPA may be signed by other authorised signatories.

3.3.1.7.6 All relevant support documents must be availed to the signatories to facilitate signing of the FCPA.

3.3.1.7.7 All payments shall be made in accordance with applicable bank regulations. Additional Bank forms required for payments must be signed by authorised signatories.

3.3.1.8 Bank reconciliation

3.3.1.8.1 The Finance staff will prepare monthly bank reconciliations by cross-checking all items appearing in the cash books with those appearing in the bank statement, identifying and age-listing all outstanding items and agreeing balances. The computerized cash book modules will enable him/her to automatically generate the bank reconciliation statement by imputing all cleared items. The Director of Finance and Corporate Services will review the bank reconciliations, initial them to indicate his/her review, and investigate any unusual or long outstanding items.

3.3.1.9 Monthly accounting

3.3.1.9.1 At the end of each month, the Director of Finance and Corporate Services shall review the cash book analysis and bank reconciliation statements and then authorise the posting of cashbook (payment/Receipts) transactions to the general ledger module. Once posted batch postings list shall be obtained and

approved by the Director of Finance and Corporate Services for accuracy.

3.3.2 Accruals and prepayments

3.3.2.1 Purpose

3.3.2.1.1 To describe the systems and procedures to be followed and the documentation to be used in calculating and accounting for accrued and prepaid items at the end of each period.

3.3.2.2 Definitions

3.3.2.2.1 The following definitions apply to accruals and prepayments of items of expenditure: -

a. **Accruals- the value of goods received or services used by the Institute during an accounting period for which no charge has been received from the supplier or accounting action has been taken before the end of the period. Examples are telephone calls and electricity consumption, for which the supplier submits invoices in arrears.**
b. **Prepayments –items of expenses for which invoices have been received or (if the item is not subjected to purchase invoice procedures) payments has been made, but for which the institution will receive benefit or make use in the future accounting periods. Examples are rentals and insurance premiums which are paid in advance of the period to which they relate.**

3.3.2.2.2 It is also: -

a. **To make accruals of income receivable i.e. contributions receivable from member states based on the notes raised.**
b. **To receive advance payments from member state donors.**
c. **Accruals and prepayments adjustments in respect of income will not occur regularly; and specific instructions will be issued in each case by the finance officer.**

3.3.2.3 Accruals and prepayments adjustments

3.3.2.3.1 Accruals and prepayments adjustments are needed to ensure that the accounts of the institution truly reflect the financial results of any period, in accordance either the accruals principle described in Regulation No 25.

3.3.2.4 Responsibilities

3.3.2.4.1 The Accountant/Finance Officer is responsible for ensuring that journal vouchers are raised correctly every month

3.3.2.4.2 The Director of Finance and Corporate Services is responsible for the regular

review of the principles and procedures followed in making adjustments for accruals and prepayments.

3.3.2.5 Summary of system

3.3.2.5.1 The Director of Finance and Corporate Services will issue and keep under review a list of the items for which expenses, accruals and prepayments are to be made on a regular basis.

3.3.2.5.2 All items of actual expenditure relating to these items will be debited to the accruals account or the payments accounts in the general ledger according to the nature of the item at the time they are incurred.

3.3.2.5.3 The Finance Officer will maintain an accruals and prepayments register having a page for each type of expenditure. In this he/she will record:

i) Actual expenditure as recorded in the general ledger; and

ii) The required accrual or prepayments adjustment every month.

3.3.2.6 Accruals will be budgeted amounts.

3.3.2.6.1 On the basis of the calculations in this register the general ledger section will raise a standard journal voucher each month summarising the following entries for posting to the general ledger:

a. For accruals

i) DEBIT the appropriate expense account

ii) CREDIT accruals with the amount to be accrued for the month

b. For payments

i) DEBIT the appropriate expenses accounts

ii) CREDIT prepayments, with the proportion of the prepaid expense chargeable for the month.

3.3.2.6.2 In the case of items not on the list for regular adjustments, amounts of actual expenditure will be debited to the appropriate expense account in the general ledger at the time they are incurred.

3.3.2.6.3 From his review of the preliminary trial balance the Director of Finance and Corporate Services will determine whether any accrual or prepayment adjustment is required, and will raise any necessary non-standard journal with the following entries: -

a. For accruals:

i. DEBIT the appropriate expenses accounts

ii. CREDIT accruals;

b. For payments:

i) DEBIT prepayments

ii) CREDIT the appropriate expense account;

3.3.2.6.4 These journal adjustments will be reviewed or amended in the following month.

3.3.2.6.5 Where the timing or amount of possible future expenditure in uncertain (for example the periodic repainting of premises) the accruals procedure is not appropriate.

4 Chapter IV: Internal control System

4.1 Purpose

4.1.1 To provide the framework for proper internal control mechanism and for the operation of a modern and effective internal audit, which will contribute to, improved financial management at the SADC Parliamentary Forum.

4.2 Definitions

4.2.1 Internal control refers to "the whole system of controls, financial and otherwise, established by management in order to carry out the functions of the SADC Parliamentary Forum in an orderly and efficient manner, ensure adherence to policies, safeguard assets and secure the completeness and accuracy of records".

4.2.2 Internal control is a vital element of good financial management. It ensures that appropriate procedures, practices and controls are operating to achieve the Forum's objectives by preventing errors, waste and extravagance.

4.3 Internal Controls System

4.3.1 The main types of internal control systems at the SADC Parliamentary Forum shall include the following:

i) Organizational Controls: - which define the authority and responsibility of individuals and/or sections - e.g.
   Organization charts showing the division of duties amongst staff, and departmental instructions for the conduct of the duties of each officer or section.

ii) Segregation of duties: - which stipulate that no single officer should process and record a financial transaction from start to finish e.g. the officer placing an order for goods or services must not sign the cheque for payment.

iii) Physical Controls: - which secure areas of stores of official documents, forms and assets, etc e.g. controlled stationery such as blank cheques must be kept in a locked safe and their use accounted for.

iv) Authorization and Approval: - which ensure that all financial transactions are authorised at the appropriate level - e.g. only officers of a specified grade or above may sign cheques, orders and payments transfers.

v) Arithmetical and Accounting Controls: - which ensure that all transactions are arithmetically correct and are accounted for - e.g. use of sequentially numbered documents, regular bank reconciliations, etc.

vi) Supervision Controls: - which oversight the day-to-day checks and controls of all the financial transactions recording - e.g. "spot checks" by senior officers of all activities.

vii) Management: - which review the Forum's financial performance and results - e.g. monthly financial and management accounts, internal audit reports, etc.

4.4 The fundamental bases of Internal Control System

4.4.1 The Internal Control System at the SADC Parliamentary Forum shall be based on the following three essential bases, which are fundamental to the achievement of effective and efficient internal control:

i) Internal Check;
ii) Internal Audit; and
iii) Risk Assessment.

4.4.2 Internal check

4.4.2.1 The "Internal Check" shall be primarily concerned with the prevention and early detection of errors. This requires the arrangement of duties in such a way as to ensure that:

i) No single task is executed from its beginning to its conclusion by only one person; and
ii) The work of each officer involved in the processing of a transaction is subject to independent check in the course of another officer's duties.

4.4.2.2 This shall be secured by proper segregation of duties (or separation of functions) in respect of the three fundamental elements that generally make up any transaction:

i) Authorisation: the initiation of the transaction.
ii) Custody: the handling of assets involved in the transaction.
iii) Processing and Recording: the creation of documentary evidence of the transaction and its entry in the accounting records.

4.4.3 Internal audit

4.4.3.1 This section shall be read together with the SADC PF Internal Audit Policy

4.4.3.2 The SADC Parliamentary Forum shall, subject to availability of fund, recruit the service of a professional to carry out the function of Internal Audit. Internal Audit shall be an independent appraisal function that measures, evaluates and reports on the effectiveness of the system of internal controls, as a contribution to the efficient use and management of resources at the Forum. Thus it shall be the responsibility of the internal audit to review, appraise and report on:

i) The soundness, adequacy and application of internal controls;
ii) The extent to which the Forum's assets and interests are accounted for and

4.4.3.3 Safeguarded from losses of all kinds, arising from:

i) Fraud or other offences:
ii) Waste, extravagance, inefficient administration, poor value for

money or other causes;

iii) The suitability and reliability of financial and other management information.

4.4.3.4 For internal audit to fulfil these responsibilities, it should be operated with full independence, authority and objectivity. The internal audit shall not be regarded as a routine part of the system of internal checks, but rather as having a clear responsibility to independently test these. Internal audit should examine the whole system of internal controls, and report any deficiency directly to the Secretary General of the Forum. It shall be the responsibility of management to review, amend and improve internal controls in the light of changing circumstances. Internal audit should be able to form an opinion as to their adequacy and effectiveness based on their independent checking and validation.

4.4.4 Risk assessment

4.4.4.1 This section shall be read together with the SADC PF Risk Management Policy.

4.4.4.2 The SADC PF has implemented a risk management policy which includes a Risk Register that facilitates the identification and assessment of risks. A computerised software has been installed for the purpose.

4.4.4.3 Details for the management of Risk are contained in the SADC PF Risk Management Policy.

4.5 Controls in a Computerised Accounting Environment

4.5.1 The SADC PF shall develop and implement an ICT Policy that shall implement and document controls in a computerised accounting environment.

4.5.2 Additional controls and mechanisms shall be required for the computerised accounting environment since financial transactions may be initiated and processed without direct manual involvement. The ICT policy shall include the following general controls and instructions:

i) Controls over persons having access to the computerised accounting system;

ii) Control over personal computer operational privileges;

iii) In-built proper audit trail; and

iv) Proper control over backup of data.

5 Chapter V: Annual Financial Statements

5.1 Purpose

5.1.1 To describe the application of periodic accounting procedures towards the preparation of the Annual Financial Statements.

5.2 Responsibilities

5.2.1 The Director of Finance and Corporate Services is responsible for preparing the annual accounts for approval by the Secretary General. In this regards, the Director of Finance and Corporate Services is responsible for coordinating the work of preparing the Annual Financial Statements.

5.3 Contents of Annual Financial Statements

5.3.1 The Annual Financial accounts comprise of:

i) Income Statement for the year
ii) A Statement of Financial Position (Balance Sheet)
iii) Statement of Cashflows
iv) Fund Accountability Statement
v) Statement of Comparison of Budget vs Actual Amounts (BVA)
vi) Notes to give details of specified items in the accounts
vii) A statement of accounting policies adopted
viii) Auditors' report

5.3.2 All the above shall be prepared based on International Financial Reporting Standards (IFRSs) or International Accounting Standards (IAs) as the case may be and where applicable the Generally Accepted Accounting Principles (GAAPs).

5.4 Time table and reporting deadlines

5.4.1 Prior to the Financial year-end, the Director of Finance and Corporate Services will prepare instructions setting out the timetable for the submission of accounting returns and the names of the officers responsible for their completion.

5.4.2 The Creditors' ledger and accruals and prepayments register will be kept open until the end of the fifth week after the year-end, to ensure that all relevant items are included as accurately as possible. After those records are closed, any further adjustments will be made only on non standard journal vouchers authorised by the Director of Finance & Corporate Services.

5.4.3 The annual accounts must be completed and audited within 5 months following the financial year-end. The Audited Financial Statements, together with the management letter incorporating the

management responses, shall be then made available to the following:

i) The Finance Sub-Committee for detailed analysis and review;
ii) The FSC shall present same to the EXCO for its consideration and approval; and
iii) The EXCO shall submit the Audited Financial Statements to the Plenary Assembly for final approval.

6.5. Year-end accounting routines

5.5.1. Most of the year-end procedures are the same as those performed each month. However, there are some tasks, which are specific to the year-end, which include:

i) The provisions for slow moving or obsolete stocks
ii) The write off of unusable or obsolete fixed assets
iii) The certification of cash in the hands of officers
iv) The provision for bad or doubtful debts; and
v) The assessment of prepayments and accruals.

5.5.2. At the end of the year, all officers will be required to certify a statement of the balances owed by them. All sundry revenue will be paid into the bank on or before the last working day of the financial year.

5.5.3. The Director of Finance and Corporate Services will prepare an age analysis of SADC PF's sundry debtors. On the basis of this analysis a provision will be made for any bad or doubtful sundry debts.

5.5.4. The Director of Finance and Corporate Services will review the nominal ledger to identify those expenses, which have been prepaid. In addition, he will assess the nature and value of those accruals for which provision has been made.

5.5.5. All source documents during the first two months of the new financial year will be scrutinised carefully at the time of approval and any transactions relating to the previous year's accounts will be marked clearly.

5.5.6. Once the trial balance has been extracted correctly, Director of Finance and Corporate Services will prepare the statutory accounts in accordance with IFRS and ensure that the accounts are completed and ready for the external audit. The Director of Finance and Corporate Services shall prepare a report to the Secretary General and the EXCO which analyses and explains the results for the year.

6. Chapter VI: Mandatory Contributions from Member Parliaments

6.2. Background

6.2.1. The main sources of funding for SADC PF are the contributions received from Member Parliaments. The Contribution amount is approved by the Plenary Assembly. A re-assessment of the members' Contribution should be carried out every TWO years or earlier in certain exceptional cases.

6.3. Approval of Member contributions

6.3.1. Member contributions shall be approved by the Plenary Assembly, based on the recommendation of the Executive Committee.

6.3.2. Invoicing, collections and follow-up of contributions due from member states:

i) Once approved by the Plenary Assembly the budgeted contributions from Member Parliaments shall become due and payable from beginning of the next financial year. The Director of Finance and Corporate Services shall raise debit notes/invoices in respect of contributions due and send them to the respective Member Parliaments.

ii) The Member Parliaments shall ensure that contributions are paid by the due date. Periodic statements of outstanding contributions shall be submitted to the relevant Member parliaments for follow-up action.

iii) A summary of outstanding contributions shall be submitted to the Executive Committee for their information and appropriate action.

6.4. Accounting for Mandatory Member Contributions

6.4.1. Once the member contributions have been approved by the Plenary Assembly, the Finance Department shall raise the requisite invoices and the following accounting entries passed in the system

i) Debit Mandatory Member Receivable Account DR (BS)
ii) Credit Mandatory Member Contribution Income (IS)

6.4.2. When the contribution has been received from a member by the SADC PF, the following entries shall be passed:

i) Debit Cash and Bank (BS)
ii) Credit Member Contribution Receivable Account (BS)

6.5. Reporting on Mandatory Member Contributions

6.5.1. Mandatory Member Contributions shall be reported using form SADCPF/C/1 (Annex 7).

7. Chapter VII: Budgeting

7.1. Introduction

7.1.1. The SADC PF places Financial Planning as key in order to achieve its overall objective. The Financial planning process is both a strategic and operational process linked to the achievement of objectives. It involves building longer term funding strategies and shorter-term (Activity-Plans) budgets and forecasts. It lies at the heart of effective financial management.

7.1.2. Objectives: Objectives are the building bricks which help an organisation achieve its mission. Objectives (also known as goals or strategic objectives) give focus to the organisation's work and state in clear terms what it is that the organisation hopes to achieve over a given timeframe.

7.1.3. Strategies: Strategies (also known as specific objectives) set out how the organisation will achieve each of its core objectives. They outline the actions which will be taken for each objective.

7.1.4. Activity plans: The strategy may be sub-divided into several, more specific and detailed plans for each activity, function or project. Activity plans have a shorter time focus (about one year) than strategies and objectives and are subject to regular review as progress is made. Activity plans are the basis for budgets,

7.2. Annual Budget

7.2.1. Purpose

7.2.1.1. The purpose of this section is to determine and outline the systems and procedures to be followed and the documentation to be used in preparing and managing annual budgets.

7.2.2. Context

7.2.2.1. The Annual Budget and action plans must be designed to ensure that the skills and resources of SADC PF are used:

i) Effectively towards the achievement of the longer-term objectives of SADC PF as set out in its strategic plans, mission and vision; and
ii) Efficiently to obtain the best possible benefits from the costs incurred.

7.2.3. Objectives of the Annual Budget

7.2.3.1. The Objectives of the Annual Budget are to:

i) provide a framework to the Forum on the resources available for the implementation of the action plans and the achievements of the results as set out in the Strategic Plans; and
ii) ensure the optimum use of the resources available.

7.2.4. Responsibilities and Preparation Schedule

7.2.4.1. The Heads of Department will be responsible for making submissions on budget requirements for their respective departments in accordance with this policy and any particular guidelines issued by the Director of Finance and Corporate Services.

7.2.4.2. The Director of Finance and Corporate Services shall be responsible for the following:

i) issuance of detailed guidelines for the preparation of each year's budget;
ii) provision of accounting assistance in the preparation of budgets by the Department Heads where necessary; and
iii) integration of departmental budgets into a consolidated budget for the whole institution.

7.2.5. Approval of the Annual Budget

7.2.5.1. The Annual Budget shall be submitted to the Executive Committee, through the Finance Sub Committee, by November each year, for consideration and onward submission to the Plenary Assembly for approval; and

i) The approved budget shall be authenticated by signature of the Treasurer and the Secretary General.

7.2.6. Budgeting Guidelines

7.2.6.1. Budget guidelines and timetables will be issued by the Director of Finance and Corporate Services to the Heads of Department and finance staff. These guidelines shall include:

i) Current budget variance reports;
ii) Operational, capital and project Budget templates;
iii) Budget timetable;
iv) Foreign exchange rates;
v) Inflation and interest rates; and
vi) Other assumptions.

7.2.6.2. The Director of Finance and Corporate Services and the Heads of Department shall complete the budget templates setting out the expected sundry income, donations and grants committed to SADC PF by donor organisations and the resources required to carry out the planned activities. Any proposals for new expenditure/income or significant changes to expenditure/income being incurred in the current year should be separately identified and appropriately motivated.

7.2.6.3. The Budgets must be fully supported by an annual work or activity plan in line with the SADC PF strategic plan. The Heads of Department will submit their completed budgets to the Director of Finance and Corporate Services who will produce a consolidated SADC PF budget.

7.2.6.4. The SADC PF budget will then be reviewed against the accompanying motivations and work plans and agreed upon by Management;

i) The Secretary General shall then approve the proposed budget for submission to the Finance Sub-Committee;
ii) The Finance sub-committee shall review the Annual budget and recommend for approval to the Executive Committee;
iii) The Executive Committee shall review the Annual budget and recommend for approval to the Plenary Assembly;
iv) The Plenary Assembly shall consider and approve the annual budget for SADC PF; and
v) Upon approval, the Annual budget shall be signed by the Treasurer and the Secretary General.

7.3. Budget Templates

7.3.1. Annual Master Budget.

7.3.1.1. Wherever practicable, Zero-Based Budgeting concepts shall be used rather than the incremental approach in order to justify the cost of each item of expenditure.

7.3.1.2. Zero-Based Budgeting is a method of budgeting in which all expenses must be justified for each new period. Zero-based budgeting starts from a "zero base" and every function within an organization is analyzed for its needs and costs. Budgets are then built around what is needed for the upcoming period, regardless of whether the budget is higher or lower than the previous one.

7.3.1.3. As the Forum's funding includes internal and donor funds, the overall budgeting mechanism may take a hybrid form, zero based and Activity Based Budgeting.

7.3.1.4. The working budgeting templates are prescribed in Annexure I of this manual to ensure consistency and standardization of reporting systems and formats of all departments.

7.3.1.5. The format used for the SADC PF budget will be in line with management information reports and will include:

7.3.2. Master Budget Summary

7.3.2.1. The Annual Master Budget should provide the total revenue expected to be collected during the financial year under review and the expected expenditures during the same period.

7.3.3. Revenue Budget

7.3.3.1. The Revenue Budget should show the amount of money expected to be collected from:

i) Contribution from National Parliaments
ii) Grants and Donations receivable
iii) Interest Income
iv) Any other Income.

7.3.4. Overheads Expenditure Budget

7.3.4.1. The Director of Finance and Corporate Services, in consultation with the Secretary General, shall prepare the overhead expenditure budget of the Forum.

7.3.4.2. All overhead expenditure shall be supported by schedules detailing expenses for each account codes. Any significant increase in levels of operation resulting in increase in expenses shall be adequately detailed.

7.3.5. Direct Operational Expenditure Budget

7.3.5.1. The budget estimates for Plenary Assembly, Executive Meetings and other meetings of various Forum's organs should be prepared in consultation with the Secretary General, and the Heads of Departments.

7.3.6. Capital Expenditure Budget

7.3.6.1. A capital Budget is a summary statement of expenditure on fixed assets for which individual authorisation will be requested during the budget year. The objectives of the Capital expenditure Budget are:

i) To indicate the capital expenditure which is necessary either to meet the current operations and programmes approved for the year or in pursuance of the objectives laid down in the Strategic Plan of the Forum; and
ii) To give a preliminary indication of cash requirements for expenditure on fixed assets.

7.3.7. Budget for Contingencies

7.3.7.1. The Executive Committee may allocate funds to a Contingency Budget item. This fund is meant for any unforeseen expenditure which may be needed during a financial year. This fund will be managed by the Secretary General and expenditure incurred from

this fund shall be reported on a regular basis to the Finance Sub-Committee.

7.3.7.2. The authority to use the Contingency Budget fund shall be as follows:

Expenditure Amount:	**Authority:**
Up to N$ 30,000	Secretary General
N$ 30,001 to N$ 50,000	Secretary General in consultation with the Treasurer
Above N$ 50,000	Secretary General in consultation with the Treasurer and President

7.3.8. Monthly Cash flow Budget

7.3.8.1. The Annual Master Budget may also be analysed on a monthly basis so that the budgeted monthly cash inflow and outflows are clearly displayed.

7.3.9. Programmes Budget

7.3.9.1. The Programme Budget shall be based on the work plan of the programme which should provide the following information under each programme:

i) Introduction
ii) Overall Objectives
iii) List of all activities planned to achieve these objectives
iv) For each activity planned:
- Description of the activity
- Detailed goals/objectives
- Expected outputs

7.3.9.2. Where a programme is funded by external sources, the budget will adhere to the provisions of the agreements entered into with the funding partner.

7.4. Budgetary Control

7.4.1. Budgetary control is the practice of establishing budgets which identify areas of responsibility for the Heads of Departments and of regularly comparing actual results against expected results.

7.4.2. The most important method of budgetary control is variance analysis, which involves comparison of actual results achieved during a control period (a month or a quarter) with the budget.

7.4.3. The difference between actual results and expected results are called variances and these are used to provide a guideline for control action by the Heads of Departments/Divisions.

7.4.4. Responsibilities

7.4.4.1. The administration of budgetary control shall be the responsibility of the Secretary General. The Finance

Sub Committee (FSC) chaired by the Treasurer, shall review the performance of the budget annually, to ensure adherence to the approved budget.

7.4.4.2. The detailed work of communicating variance information and coordinating control efforts organized on behalf of the FSC shall be carried out by the Director of Finance and Corporate Services.

7.4.4.3. The Director of Finance and Corporate Services–shall prepare periodic management accounts and ensure that the Secretary General and Heads of Departments/Divisions responsible are aware of the need to consider control action about particular variances which may have arisen.

7.4.5. Monthly/Quarterly Budgets

7.4.5.1. For the purpose of budgetary control, the Annual Master Budget shall be apportioned on a monthly/quarterly basis.

7.4.5.2. All operational overhead expenses shall be apportioned equally, unless the period in which a particular item/items expenditure are known with certainty.

7.4.5.3. Direct operational expenses shall be apportioned based strictly on the timing of each activity in accordance with the approved Work Plan.

7.4.5.4. Capital Expenditure Budget shall also be apportioned based on the anticipated time of purchase of the assets.

7.4.5.5. Contributions receivable from member Parliaments are due on 1 April of each budget year and therefore shall be budgeted in full for the month of April. Other grants, donations, interest and sundry income shall be budgeted for the months in which they are expected to be received.

7.4.5.6. The apportioned budgets shall be captured into the computerized Accounting System by the Forum Accountants for SADC PF funded activities and the Projects Accountant for Donor funded activities.

7.4.5.7. The Director of Finance and Corporate Services shall review the postings for accuracy and completeness.

7.4.6. Computation and reporting of variances

7.4.6.1. Computation and reporting of variances shall be carried out in conjunction with the production of monthly management accounts as set out in Chapter XI. The forms to be used (Ref F3/01) in reporting of variances are similar to the budget preparation formats except that the variances shall include the following:

1. Actual for the month – previous year
2. Approved budget for the month – current year
3. Actual for the month – current year

4. Variance amount (ii-iii)
5. Variance %
6. Cumulative actual – previous year
7. Cumulative approved budget – current year
8. Cumulative actual – current year
9. Variance amount (vii-viii)
10. Variance %
11. In order to ensure uniformity, presentation of periodic management accounts shall follow the annual financial statements reporting format.

7.4.7. Detailed analysis of variances

Due to the inherent nature of the operations of SADC PF, it may not be possible to carry out detailed variance analysis in the traditional manner (i.e. price, quantity and labour efficiency etc). Therefore, the following guidelines shall be followed in computing the variances: -

7.4.7.1. Operational overhead Expenses

Variance reporting of operational overhead expenses shall comprise the comparisons of the budget for the period with that of the actual results. The computation of the detailed variances such as quantity and price variances shall be carried out only in case of significant variances (i.e. variances over 20 %). These detailed variances shall be computed and annexed to the monthly/quarterly management reporting schedules.

7.4.7.2. Direct operational expenses

Conference, Documentation, Programme and Technical Services which fall under Direct Operational Expenses are directly related to the respective activities carried out. For example, a favourable variance may indicate that a certain activity planned for the reporting period has not been carried out as anticipated. Therefore, it is imperative that all direct operational expenditure variances are supported by Programme/Project Progress Reports which relate the actual expenditure incurred to the stage of completion of each programme/project activity.

7.4.7.3. Capital expenditure

Capital expenditure variances shall be analysed between price and quantity variances. Reasons for such variances shall also be detailed in supporting schedules

7.4.8. Investigation of variances

7.4.8.1. All significant variances shall be investigated to enable remedial control measures to be implemented. Recommended remedial measures which are agreed with the respective Heads of Departments shall be

approved by the Secretary General and form part of the budgetary control process of SADC PF. Significant over or under-utilization of programme and technical services expenditure allocations shall be reported to the EXCO and Plenary Assembly on an annual basis.

8. Chapter VIII: Administration of Donor Funds

8.1. Background

8.1.1. SADC PF receives funds from various donor organizations to finance various programmes, projects and activities. The donor funds shall be administered in an economic, efficient and effective manner by the officers in charge of such projects, under the overall supervision of the Secretary General. The donor fund administrative process shall include timely feedback to the donors pursuant to the respective grant agreements.

8.1.2. Compliance with Terms and Conditions of Donors' Grant Agreements:

i) The Accountants/Finance Officers shall prepare financial reports, in the format prescribed by the donor organizations.

ii) Where a format is not prescribed by the Donor, the financial report shall be in the SADC PF Format.

iii) The Director of Finance and Corporate Services shall ensure that a separate set of financial records is kept by the Accountants/Finance Officers for each separately funded project**.**

8.2. Administration

8.2.1. Under the overall authority of the Secretary General, the Director of Finance and Corporate Services, and the Director Programmes & Parliamentary Business shall ensure that all donors' funds are utilized by the Institution strictly according to the terms and conditions of donors' grant agreements, according to their specific departmental functions.

8.2.2. Wherever possible donor funds for projects/programmes shall be banked separately from other SADC PF funds and a separate set of accounting records shall be maintained for each donor project or grant.

8.2.3. Joint Financing or Pooled Financing shall be managed according to the specific agreed terms and conditions of the joint/pooled donors.

8.3. Fund Accountability Statement

8.3.1. The Accountant shall produce a periodic Fund Accountability Statement which shall be prepared on a cash basis and which should include the following:

i) The amount received from the Donor,

ii) the amount utilised to date,

iii) the balance available, and

iv) The actual expenditure and the Budget figures for each expense item.

8.4. Restricted/Unrestricted Fund

i) Restricted Funds represent grants received but not yet spent by

the Forum. The restricted funds shall be released to Income over the period necessary to match them with costs for which the funds are intended to compensate, on a systematic basis. The Forum shall ensure funds are applied only to their intended purpose. Restricted funds, being funds released for a particular purpose, shall only be applied on such approved expenditure lines.

ii) All the unspent restricted funds at the end of the grant implementation period shall be refunded to the grantors.

8.4.1. Unrestricted funds, being funds available for any other purpose, shall be spent in conformity with approved budgets.

8.5. Capital Grant

i) Capital grants are grants that consist of capital assets or resources that are restricted for capital purposes, such as purchasing, constructing, or renovating capital assets. These may be Programme/project specific.

8.5.1. When the Forum receives capital assets from a grantor, the following are the entries which the Director Finance and Corporate Services shall ensure are passed in the accounting records:

i) The total value of the capital asset is entered into the fixed asset ledger by debiting the Asset Account and crediting Capital grant account;

ii) The asset is entered into the fixed asset register;

iii) Capital grants are amortized quarterly using the straight line method using appropriate depreciation rates; and entries are posted to the General Ledger by debiting Capital Grants and crediting amortization account.

iv) The Amortisation shall be done in such a way as to systematically write off the value of the corresponding asset over its useful economic life.

8.6. Procedures for Sub-grants to National Parliaments, Principal Recipients/Sub recipients

8.6.1. Conditions for sub-grants to National Parliaments shall be clearly set out in the Agreement with the grantor.

8.6.2. For qualifying sub-grants to National Parliaments, such grants shall only be released when the beneficiary has met all the conditions set in the sub-granting procedures and guidelines.

8.7. Procedures for advances to National Parliaments, Principal Recipients/Sub recipients

8.7.1. For qualifying advances to National Parliaments, such advances shall only be released when the beneficiary has met all the

conditions set in the advances procedures and guidelines.

8.8. Pipeline and Burn Rate

8.8.1. The pipeline shall be interpreted as the amount of funds obligated (advanced) but not yet spent. This shall be calculated using the following formula:

Pipeline = Obligation – Total amount spent.

8.8.2. The burn rate shall be the rate at which the Forum or recipient spends its obligated funds on a periodic basis, typically monthly. This shall be calculated using the following formula:

8.8.3. **Burn Rate** = Total amount Spent/Number of months

8.9. Cost share and in-kind contribution

8.9.1. Where an activity or project shall require to be funded jointly between SADC PF and the Sub-recipient, a cost-sharing ratio shall be determined and each part shall be required to contribute their allocation. Contributions shall take the form of actual allocated funds or a combination of a portion of the allocated cost in actual fund and the balance shall be in-kind (Technical skills or material resources)

9. Chapter IX: Recoverable Programme Expenditure

9.1. Purpose

9.1.1. The purpose of this regulation is to describe the policies and practices applicable to the recording, approval and recovery of Recoverable Programmes Expenditure.

9.2. Definition

9.2.1. Recoverable Programme Expenditure (RPE) is defined as an expenditure which is incurred in accordance with specific donor funded programmes and which is reimbursed by the donors strictly according to funding agreements signed between SADC Institutions and the donor agencies. The normal practice is the SADC Parliamentary Forum submits a budget to the donor agency with relevant expenditure estimates of the programmes to be funded. The donor agency may agree to fund the expenses subjects to any revisions. The revised copy of the expenditure agreement shall form the guideline for control over recoverable programme expenditure. The Forum shall appoint one officer responsible for each Recoverable Programme Expenditure Project and that officer will be responsible for:

a) Ensuring all expenditure incurred in respect of each project is in accordance with the agreement signed between Institution and donor;

b) All recoverable programme expenditure incurred is correctly recognized, analysed and coded to ensure that it is posted to the correct general ledger accounts:

c) Claims are submitted to donor agencies on a timely basis, and moneys due are collected timeously.

9.3. Coding

9.3.1. In order to facilitate the identification of Recoverable programme Expenditure transactions a suitable rubber stamp shall be used to approve all relevant purchase orders, good received notes and supplier invoices by the officer in charge of each Recoverable Programme Expenditure project as set out below:

Recoverable Programme Expenditure		
Purchase Order No.		
Goods received Note No.		
Supplier Invoice No.		
Supplier		
Project Code	Account Code	Amount

Total		
Approved by Officer in Charge:		
Date		
Posted By		

9.4. Overhead expenses

9.4.1. Details of other recoverable overhead expenses such as staff cost etc. shall be communicated by the relevant officers in charge of the projects to the Finance Department to enable them to post expenses to the correct general ledger accounts.

9.5. Reconciliation of account balances

9.5.1. The Director of Finance and Corporate Services shall issue monthly reports of all relevant ledger accounts to the officer in-charge, for their review and approval, to ensure that all recoverable expenses have been correctly posted to the relevant general ledger accounts.

10. Chapter X: Accountable Documents

10.1. Introduction

10.1.1. The documents listed below are serially numbered and controlled by the Director of Finance and Corporate Services. Registers should be maintained to record the receipt and issue of these documents. Issues should be made to authorized officers who are responsible for their safe-keeping and proper usage. Cancelled documents should also be accounted for. Used books should be returned to the Accountant.

10.2. Documents

a. Local Purchase Order Books
b. EFT documentation
c. Foreign Currency Payment Advice
d. Goods Received Note Books
e. Invoice/Debit Note Books
f. Receipt Books

10.2.1. Stocks of unused books or documents and the returned used books or documents should be kept under lock and key.

10.2.2. The Director of Finance and Corporate Services shall be personally responsible for the safe custody of the above documents.

10.2.3. The computerized accounting package shall be set up in such a manner that exception reports are generated of all missing/or out of sequence serial numbers of all source documents (i.e. Receipts, Sales Invoices, Debit Notes, Goods Received Notes and Payments) processed. The Director of Finance and Corporate Services shall investigate and sign-off all such reports to ensure the completeness of all accountable documents.

10.3. Retention of Accounting Documents

10.3.1. The SADC Parliamentary Forum should keep all the accounting records and documents in an orderly and secured place, Records will be kept in hard copy or electronically, and sensitive financial records will be stored both on site and with off-site back up for a period of time as per the following table:

Class of Record	To be retained for at least
(i) Bank Statements, Bank advices, Bank Reconciliation Statements, etc	5 years, after the year of completion of Audit
(ii) Cheque counterfoils, paid foreign Money Orders, etc	7 years, after the year of completion of Audit
(iii) Supplier Invoices, receipts, etc	5 years, after the year of completion of Audit
(iv) Log books, attendance, internal generated accounting documents	3 years, after the year of completion of Audit

(v) Financial Statements	Permanently
(vi) Deeds, Mortgages, Bill of sale	Permanently (In a safe)
(vii) Signed Minutes (of FSC, EXCO and Treasurer Report)	Permanently

11. Chapter XI: Monthly Accounts

11.1. Purpose

11.1.1. The purpose of this policy is to describe the systems and procedures to be followed and the forms to be used in the preparation of monthly financial accounts.

11.2. Responsibilities

11.2.1. The Director of Finance and Corporate Services is responsible for ensuring that the financial accounting records for the month are complete and balanced he/she is also responsible for preparing and reporting to the Secretary General on those management reports that are derived from the financial accounting records.

11.2.2. The Director of Finance and Corporate Services is responsible for ensuring that the subsidiary ledger records are reconciled with the financial records.

11.2.3. A timetable will be laid down by the Director of Finance and Corporate Services for the completion of these various activities.

11.3. Summary of System

11.3.1. The Basic monthly accounting routines are: -

i) Completion of the cashbook posting and bank reconciliation;
ii) Completion of creditors' ledger posting and reconciliation on supplier's statements;
iii) Completion of debtors' ledger posting and reconciliation on debtors' statements;
iv) The preparation of standard and other journal vouchers by a Finance staff, and the submission of these to the Director of Finance and Corporate Services for approval and posting.
v) Posting from the journal vouchers into the nominal ledger and subsidiary ledgers;
vi) Printing the trial balance and review the transactions and make any necessary adjusting entries;
vii) The reconciliation of balances on control accounts with the balances in the relevant subsidiary ledgers.
viii) The printing of monthly financial accounts and reports.

11.4. Purpose of Journal Vouchers

11.4.1. Journal vouchers are used: -

i) To provide, for each month, a complete record, by type of transaction, of the various accounting entries arising from the transactions of the Forum;
ii) To provide, in a standardized form, source documents for all postings to the general ledger.
iii) If all accounting records of the Forum were to be destroyed, the files of journal vouchers would enable the SADC Institution's balance sheet and income statement to be reproduced. It important therefore that: -
iv) Journal vouchers be prepared accurately and completely;

v) Vouchers be numbered in sequence, and a check be made that all numbers are on file;
vi) Batch posting reports are obtained and filed with the journal vouchers;
vii) Files of journals vouchers, together with batch posting reports, be kept under secure conditions.

11.5. Form of journal Vouchers

11.5.1. The form used for journal vouchers is illustrated as Form SADC F20/01. This form is designed for manual completion, though processed in the computerized accounting system.

11.6. Standard and Non standard journal vouchers

11.6.1. Standard journal vouchers (SJV's) are used for those transactions which occur regularly each month. They are pre-printed with account codes and descriptions and sources of entry. They are also pre-numbered, so that the same sequence number will represent the same source of entry every month. This saves valuable time at the month end and allows for a simple check to be made to monitor progress in the preparation of the monthly accounts and to ensure that no entries are omitted.

i) Some of the usual SJV's for monthly accounts preparation are listed in paragraph 11.7 These SJV's shall also detail: -

ii) The source from which the vouchers are prepared;
iii) A broad indication of the accounts to be debited and credited
iv) The working day by which each voucher should be completed following the month end.

11.6.2. A specific member of the finance staff will be made responsible for raising SJV's.

11.6.3. Non-standard journal vouchers will be prepared when required to cover accounting entries which do not necessary occur or effect the same account numbers every month. They will be used to cover trial balance adjustments and specifically for the reversal of incorrect postings, write-off of assets, provisions and miscellaneous income/loss.

11.7. Procedure

11.7.1. The Accountant/Finance Officer responsible for raising journals vouchers will complete them by the required date and have them approved by the Director of Finance and Corporate Services.

11.7.2. The Director of Finance and Corporate Services will pass all approved vouchers to a Finance staff for posting to the general ledger.

11.7.3. After posting any voucher the Finance Officer/Assistant Finance Officer who makes the posting will initial the voucher and return it to the Director of Finance and Corporate Services.

11.7.4. A posting batch of journal entries will be printed and reviewed by the Director of Finance and Corporate Services for accuracy.

11.7.5. Before the trial balance is completed, the Director of Finance and Corporate Services will assemble the posted vouchers in sequence and check that the series for the month is complete.

11.7.6. The journal vouchers are to be filed in serial number sequence together with the posting batch printouts and kept with the Director of Finance and Corporate Services who is responsible for their safe custody.

11.7.7. Checklist of some standard journal vouchers

SJV	**Description**	**Source of Voucher**	**Outline of Accounting Entries**
	Petty cash payment	Petty cash book (imprest a/cs returns)	DR expenses etc CR Petty cash control account
	Payroll	Payroll	DR Department salaries and wages Cr payroll control accounts
	Accruals	Accruals Register	DR Expenses CR Accruals
	Depreciation	Fixed Assets Register	DR Depreciation CR Accumulated Depreciation

11.8. Trial Balance

11.8.1. A trial balance is a listing of all the debit and credit balances on accounts in the general ledger. Its purpose is to ensure that the total of the debit balances is equal to the total of the credit balances i.e. that postings to the general ledger are, in total, arithmetically correct. This function is automatically carried out by the computerized general ledger system. Therefore, in a computerised accounting system; the only instance of the trial balance not agreeing is when data corruption occurs in the system. In such instances, correction of data can be done in accordance with accounting package instruction manual.

11.8.2. The trial balance does not ensure that: -

a. Items have been posted to the correct accounts (in other words that no error in principle has occurred) or
b. There are no compensating errors for example that the same incorrect figure has been posted to both debit and credit entries.

11.8.3. The agreed trial balance will be passed to the Director of Finance and Corporate Services who will ensure that: -

a. Balances on control accounts in the general ledger are in agreement with lists of balances extracted from the subsidiary ledger;
b. The balances on the various accounts appear reasonable in relation to the corresponding balances in the previous month, budgets and his knowledge of the transactions undertaken during the month.
c. All large and unusual transactions have been properly authorised, analysed and classified.

11.8.4. Once the adjustment journal entries are posted, the trial balance and the income and expenditure statement and the month end balance sheet will be prepared. The Director of Finance and Corporate Services will then retain the trial balance on a permanent file.

11.9. Use of Timetable

11.9.1. As each step is completed, the Director of Finance and Corporate Services will mark a cross in the column under the working day when it is achieved.

11.9.2. This will enable him/her to review progress and to take hastening action where necessary.

11.9.3. Similar timetables will be prepared and used by all heads of Department/Divisions responsible for the various management information reports that are required.

11.10. Purpose of Timetable

11.10.1. Each month a complete set of management information reports, which include monthly management accounts, budgetary variances, notes and supporting schedules, is required by a specified date, normally related to the date of the monthly meeting to be held with the Secretary General and Heads of Department. It is necessary, therefore, for the Director of Finance and Corporate Services to be in possession of the above reports and information in sufficient time for him to prepare a commentary and issue the management information package by the required date. If this is to

be achieved, all accounting work must be completed to a strict timetable.

11.10.2. As far as the financial accounts are concerned (income statement, Balance sheet and cash flow) it is a standard requirement that these shall be completed by the tenth working day after each month end.

11.10.3. The Director of Finance and Corporate Services will therefore issue a timetable each month showing the actual dates by which the various stages of work must be completed.

11.11. Form of Timetable

11.11.1. The timetable will list: -

i) Completion of cash book posting and bank reconciliations;
ii) Completion of subsidiary ledger posting and reconciliations;
iii) The various standard journal vouchers to be prepared;
iv) Completion of posting to the general ledger and extracting preliminary trial balances;
v) Completion of final trial balance after review and necessary adjustments;
vi) Completion of balance sheet, cash flow and income statement; and
vii) Any other necessary work such as preparation of supporting schedules and comments
viii) Against each item, the required completion date will be indicated by a circle in the column under the required working day.

11.12. The monthly accounts shall comprise the following:

i) Cashbook,
ii) Bank reconciliation
iii) Trial Balance
iv) Budget versus Actual (BVA) Report
v) Members contribution Report

12. Chapter XII: Payments of Goods and Services

12.1. Introduction

12.1.1. Payments for goods and services include the payment of invoices where purchase orders or formal contracts have been issued and the payment of invoices where no purchase order exists (i.e. routine payments such as electricity, water, telephone, etc.).

12.2. Financial Procedures

12.2.1. On receipt of a supplier's invoice and relevant supporting documents by the Finance Office it is consecutively entered through the accounts payable sub-ledger and the grid (rubber) stamp impressed thereon by the Finance Officer/Assistant Finance Officer. The grid stamp is so designated that the following checks are evidenced on it:

i) Checking of prices
ii) Checking of arithmetical accuracy
iii) Matching of purchase order and/or other relevant documents
iv) Matching of goods received note (GRN)
v) Allocation of an accounting code

12.2.2. The invoice must be matched with the purchase order and GRN by the Administration Department. The verification as to the quantity, unit prices, extensions and castings should be done by the Finance Officer /Assistant Finance Officer. The proper account code(s) must be recorded on the face of the invoice by reference to the purchase order/requisition and the purchase order number (if is not the invoice).

12.2.3. In respect of services received, proof of receipt of service must be evidenced by the officer responsible for the order, indicating on the face of the invoice whether the services were rendered satisfactorily.

12.2.4. Invoice batches Invoice batches shall than be prepared for posting to the computerized creditors ledger.

12.2.5. A pre-posting batch listing of invoices shall be obtained. This batch listing together with the relevant invoices must be approved by the Director of Finance and Corporate Services for validity and accuracy prior to posting to the creditors' ledger.

12.2.6. The creditors' ledger shall then be updated by posting the approved invoice.

12.2.7. The Director of Finance and Corporate Services shall also ensure that SADC PF takes advantage of all discounts made available by

suppliers, wherever it is to the benefit of SADC PF. These discounts may include bulk discounts and/or early settlement discounts.

12.2.8. Payment of goods and services shall be processed on a daily basis by reference to the invoice due date.

12.2.9. The Finance Officer/Assistant Finance Officer shall check all supporting documents (i.e. supplier invoice, purchase order, GRN, creditors' reconciliations etc)

12.2.10. The Payment Voucher and supporting invoices are passed on for signature.

12.2.11. The Director of Finance and Corporate Services, who should be the first signatory, should ensure that the invoices are properly classified and certified and supporting documents are in order, before approving the payment. The documents are then presented to the second signatory. After which the "PAID" stamp is impressed on all supporting documents. The payment reference shall be entered as a payment.

12.3. Procurement of Goods and Services

12.3.1. Procurement Policy: SADC PF has adopted the Sida Procurement Policy for Use by Non-Governmental Organisations as approved by the 45th Plenary Assembly in July 2019. This section shall be read together with the Sida Procurement Policy.

12.3.2. The procurement process to be followed shall depend on the value of the goods and services as follows:

Limits (Value)	**Goods**	**Services**
Up to US$10,000	Negotiated Procedure or Simplified Procedure without Publication	Negotiated Procedure or Simplified Procedure without Publication
US$10,001 up to US$100,000	Simplified Procedure without Publication: Obtain quotations from at least 3 suppliers and negotiate terms with one or more of them.	Simplified Procedure without Publication: Obtain quotations from at least 3 suppliers and negotiate terms with one or more of them.
Above US$100,001	Open or restricted tender procedure following publication of a procurement notice as provided in the Procurement Policy	

Amount	**Authorised Signatory - Any one of:**
Up to US$ 10 000	Secretary General or Director of Finance & Corporate Services
Over US$ 10 000 and Up to US$100,000	Secretary General on recommendation from the Director of Finance & Corporate Services
Over US$100,000	Secretary General on the recommendation of the SADC PF Internal Tender Evaluation Committee and approval of the EXCO

12.3.3. The above limits shall apply, irrespective of whether the goods and services are of a capital or recurrent nature. Purchases shall not be split in order to circumvent these transaction limits.

12.3.4. The Administration Department shall maintain an up-to-date record of current suppliers of goods and services with their current prices and quality of goods and services. The prices of these suppliers should be checked at least quarterly to ensure they are still competitive.

13. Chapter XIII: Bank Accounts

13.1. Introduction

13.1.1. Bank Accounts of SADC Parliamentary Forum shall be maintained with reputable commercial banks in the host country of the institution.

13.2. Banking Arrangements

13.2.1. Any decision to change the institution's bankers or to open a new account requires the approval of the Secretary General.

13.3. Payment by Electronic Fund Transfer ("EFT")

13.3.1. The Officers entrusted with the preparation and authorisation of payments through EFT must ensure that any gadget or passwords relating to EFT's are kept secure at all times. EFT payments shall be done only after the supporting documents have been prepared by the Finance Officer/Accountant and approved by the Director of Finance and Corporate Services.

13.4. Bank Deposits

13.4.1. All cash received must be banked intact. The daily Receipt Record and receipted bank deposit slip shall be checked by the Director of Finance and Corporate Services and filed in chronological order.

13.5. Bank Reconciliations

13.5.1. Bank reconciliations must be completed promptly after the end of each month. The Director of Finance and Corporate Services will be responsible for reviewing and certifying the bank reconciliations. All unusual and material transactions and reconciling items shall be investigated promptly.

13.6. Authority for Opening and Closing Bank Accounts

13.6.1. The opening of all bank accounts must be authorised as follows:

i) Initiated by: Director of Finance and Corporate Services

ii) Approved by: Secretary General

13.7. Signatories to Bank Accounts

13.7.1. Bank signatories and their authorised limits are as follows: -

13.7.2. Bank Signatories for Payments

	Less than USD 30 000 or NAD 200 000	**Over USD 30 000 to USD 50 000 or Over NAD 200 000 to NAD 350 000**	**Over USD 50 000 or Over NAD 350 000**
First Signatory	Director of Finance and Corporate Services or or Forum Accountant	Director of Finance and Corporate Services	Director of Finance and Corporate Services
Second Signatory	Secretary General or Director of Programmes or Designated Programme Manager	Secretary General or Director of Programmes	Secretary General

13.8. Notes

13.8.1. All payments and other banking instructions shall be signed by two signatories in accordance with the authorities established above.

13.9. Credit Cards payment

This section is to be read together with the Credit Card Policy effective from 7th August 2020.

13.9.1. In order to enhance accountability and transparency and prevent misappropriation of funds, the SADC-PF has eliminated the use of cash to pay for its goods and services through adherence to a cashless policy. This is also in line with the current bank transaction systems that the Namibian banks and other banks in the region and at international level have introduced which encourage the use of secured electronic banking platforms. The use of Credit Cards is one such system. In this respect, the cashless policy shall apply unless a national Parliament or a donor explicitly makes a request to the Forum for particular payments to be made in cash based on the ground of impracticability of the transaction if a cashless system is to be used.

13.9.2. Under this policy, the SADC-PF may provide select employees with Corporate Credit Cards that shall be used strictly for predetermined business-related expenses. The use of Credit Cards provides an audit trail for expenditure and promotes the practice for cashless spending. Processing of payments while in transit and out of the office is also more efficient in view of the nature of SADC-PF's business which may require such transactions from time to time. However, the nature of credit cards creates unique risks that require

strict internal controls and processes to prevent misappropriation, and hence the need for this policy.

13.9.3. The Credit Card Policy guides the management, use of and accountability for, the Credit Card. It is intended to inform eligible employees, and those responsible for authorising expenditure and approving the use of the Credit Card, of their limitations and responsibilities regarding the security, custody and use of the Credit Card.

13.9.4. The Credit Card shall be used only where the other established forms of cashless payments are not possible.

13.9.5. Refer to appendix 21 Credit Card Policy effective from 7th August 2020

14. Chapter XIV: Petty Cash

14.1. Introduction

14.1.1. A petty cash fund shall be established at SADC PF to improve the efficiency of organization operations for minor purchases and incidentals expenses.

14.1.2. The Petty cash funds should be maintained on an Imprest Basis on the approval of the Secretary General.

14.1.3. The custodian is responsible for ensuring the cash on hand and receipts equal the authorized float at all times. The custodian is a responsible SADC PF staff who has been authorized (by the Secretary General, in consultation with the Director of Finance and Corporate Services) to make payments from a petty cash fund and who is directly responsible for the administration of the fund.

14.1.4. The amount of petty cash float shall be determined by the Secretary General, on the advice of the Director of Finance and Corporate Services, from time to time taking account of the amount of cash disbursements requirement of the Forum.

14.2. Security of Petty Cash Funds

14.2.1. Cash and Petty Cash Vouchers must be kept in the locked till box/drawer and the petty cash custodian is personally responsible for the cash which was specifically issued to him/her. Therefore, access to the fund must be limited to the custodian.

14.3. Financial procedures

14.3.1. All payments out of petty cash shall be supported by vouchers, which are numbered consecutively. Supporting receipt slips, invoices etc, are to be attached to the petty cash vouchers. After a voucher is authorized by the requisitioner's department head, payment is made and the recipient's signature obtained. All petty cash vouchers shall be signed by the Assistant Finance Officer effecting Payments. The voucher must clearly state the business purpose of the expense.

14.3.2. In case an employee wishes to take an advance for the purchase of minor institutional items, the Petty Voucher form must be filled in. The form should be approved by the Director of Finance & Corporate Services. The person receiving the money will be personally responsible for the money advanced until he brings in the supporting receipts to back up of the actual expenditure. Upon presentation of the receipts, the custodian will clear the IOU

(cancelled) and a Petty Cash Voucher for the exact amount will be made, and the over/underpayment will be cleared.

14.3.3. The advance is provided to the employee only to purchase legitimate petty cash items. The IOU will contain (i) the amount of the advance (ii) date (iii) purpose (iv) the recipient name and signature. The recipient should obtain an itemized receipt and present the original sales receipt to the petty cash custodian. The custodian is responsible for ensuring the employee returns any unused cash.

14.3.4. In case personal monies are used for official purchase, approved receipts should be presented to the Petty Cash Custodian for reimbursement.

14.3.5. When requesting reimbursements of the petty cash imprest, a Petty Cash Imprest Return shall be completed and finally approved by the Director of Finance and Corporate Services for reimbursement. A payment voucher is then prepared and reimbursement made.

14.3.6. A member of the accounts staff/internal audit shall at least every quarter perform ad hoc unscheduled checks on the cash float to ensure that the procedures are being routinely followed.

14.3.7. At the end of the financial period, the Finance Officer/Accountant shall carry out a cash count to confirm the balance of the various cash floats held.

14.4. Authority limits

14.4.1. In normal circumstances, petty cash vouchers will be authorized by the Director of Finance and Corporate Services.

14.4.2. Petty cash payments should not exceed N$$1000 on any one voucher, except with the authority of the Secretary General.

14.4.3. Petty cash shall not be used to pay for:

a. Creditors' invoices
b. Staff loan or travel advances
c. Cashing of personal cheques for staff members

14.5. Safeguarding of Petty Cash On Hand

14.5.1. The physical petty cash on hand must be kept in a locked cashbox, with only the Petty Cash Custodian having a key to the cashbox.

14.5.2. During working hours the petty cash cashbox must be kept in a locked drawer of the Petty Cash Custodian.

14.5.3. After hours the petty cash cashbox must be locked away in a safe.

14.5.4. In the event of the Petty Cash Custodian being absent, the relief Petty Cash Custodian should sign for the key to the petty cash cashbox and the physical cash on hand in the cashbox in the presence of a senior official.

The transfer of the petty cash fund must be recorded and filed for future reference.

14.6. General Ledger Posting- Petty Cash Expenditure

14.6.1. Posting of petty cash expenditure should be done by an account staff.

14.6.2. Procedures:

14.6.2.1. Check the computation correctness of the summarized expenditure listing,

14.6.2.2. Check if proper coding has been used,

14.6.2.3. Input into the Computerized Accounting System,

14.6.2.4. Check if GL code for Petty Cash tallies with actual petty cash balance.

15. Chapter XV: Retirement of Imprest

15.1. Purpose

An Imprest shall be made available to accounts staff or other staff (the custodian) who have been authorized by the Secretary General for the payment of cash expenditure for a specific activity, which is organized by the SADC Parliamentary Forum. The staff will be required to sign the Imprest for Mission Agreement Form (refer 15.7 below).

15.1.1. The Finance Department will ensure that sufficient funds are made available in advance for the proposed activity based on the nature of the activity to be held, the anticipated expenses and anticipated timeline of the specific activity.

15.1.2. The custodian is required to exercise utmost care in handling the Imprest, making only authorized payments, and to retire any unused monies to the Finance Department together with the receipts of payments made (using the SADCPF/BC/1).

15.2. Safeguard of Imprests

15.2.1. Cash and all receipts of expenditure must be kept in a safe or secured place and the custodian is personally responsible for the cash which was specifically issued to him/her. Therefore, access to the fund must be limited to the custodian.

15.2.2. The Forum shall insure all its staff against loss of SADC PF money while on official mission.

15.3. Utilization of the Imprests

15.3.1. The money advanced should be used solely for the activity for which it has been earmarked and the custodian should ensure that the payments are in line with the budget line items of that activity, unless otherwise approved.

15.4. Payments from the Imprest fund

15.4.1. Proper official itemized invoice or receipt must be obtained to show that the funds were used for allowable expenditures.

15.4.2. For the payment of Per diem, Daily Subsistence Allowance (DSA) or other fees to participants, the Cash Acknowledgement form should be duly filled in and signed by the custodian and the recipient. Wherever appropriate, copies of passport and boarding pass

should be attached to the Cash Acknowledgement form as proof of attendance of the participant to the activity.

15.4.3. In case personal monies are used for official purchase, approved receipts should be presented to the imprest Custodian for reimbursement.

15.5. Retirement of the Imprest

15.5.1. To retire the imprest, the Custodian must submit to the designated finance staff:
(a) All unspent cash,
(b) All original receipts of expenditures, and
(c) A completed Imprest Retirement Form (form SADCPF/BC/1)

15.5.2. The Finance staff will give the Custodian a receipt for the unspent cash returned.

15.5.3. The Finance staff will check the Imprest Retirement Form (form SADCPF/BC/1) and reconcile it with the amount advanced. In case of any shortfalls or outstanding amount, the Custodian will be personally liable for reimbursement.

15.5.4. The Imprest must be retired within 15 days of the end of the specific activities. In exceptional circumstances, where the Custodian requires additional time to complete the transactions, an approval should be obtained in writing (with a justification) from the Director of Finance and Corporate Services.

15.6. GL posting- Cash Expenditure

15.6.1. Posting of cash expenditure should be done by an account staff other that the custodian of the fund.

15.6.1.1. Procedures:

i) Check the soft excel copy of the Advance Fund Retirement Form, i.e, computation correct
ii) Input the correct accounts coding.
iii) Input into the Computerized Accounting system. This may be uploaded as a journal.

15.7. Imprest for Mission Agreement Form

SADC PARLIAMENTARY FORUM
ADVANCE MONEY FOR MISSION
AGREEMENT

I, _____ (Custodian), confirm the receipt of (Currency followed by amount) _____ from the SADC Parliamentary Forum to be used for _____ (details of mission).

I will adhere to the following:

15.7.1. Agreements

i. I agree that this advance will be treated as an imprest until full

retirement has been done.

ii. **I agree to use these funds for authorized expenditures only, and to follow the**
   a. **Forum/Programme guidelines (which I am fully aware of).**

iii. **I agree to keep the cash advance in a safe place at all times and to account for all expenditures with supporting receipts.**

iv. **I understand that I must report these expenditures on a Travel Requisition Journal (TRJ) record format, and attach an itemized, dated receipt for each expense. I have been given sufficient instruction on the completion of these forms.**

v. **In the event of a lost receipt or lost cash I will notify my supervisor immediately and may be personally held responsible for the refund of the said amount.**

vi. **On my return from the mission, I agree to submit all the remaining cash, receipts and the completed TRJ within 15 days. The accounts officer responsible for the TRJ should check and post the transactions within a period of 10 days of the receipts of all the documents and information.**

vii. **I agree that in case the cash and/or the receipts have not been return to the accounts department, the Forum may deduct the full amount from my payroll, gratuity and/or any other benefits accruing to me.**

viii. **I understand that unaccounted for or unapproved expenditures are my responsibility, and that I may be liable for them.**

ix. **I agree that any cash shortage will be my responsibility and I will pay back that amount immediately, or the Forum will deduct this amount from my payroll, gratuity and/or any other benefits accruing to me.**

x. **I understand that I have a right to be fully informed of any discrepancies before any action will be taken.**

15.7.2. General Guidance and Checklist.

(i) All expenditures should be supported by official receipts.

(ii) Cash Acknowledgement Receipts should be filled for all payments.

(iii) Payment of Per-diem to participants should be made upon receipt of their Boarding Pass (or copy of their passport showing stamp from Immigration office) as proof of their travel.

(iv) Payment for contractual fees should be made after proper contract document have been dully signed. A copy of their passport or ID should be attached.

(v) Whenever there is need to exchange money in different currency, the official exchange receipt should be attached.

(vi) For payment to drivers, a copy of their driving licence should be attached.

I agree to accept responsibility for the Advance money according to the above conditions.

Signature of Custodian : _____
Date : _____

To be Completed when Cash Advance is returned:
Amount Returned: _____ Date _____
Received by: _____

16. Chapter XVI: Investments

16.1. Introduction

16.1.1. The Director of Finance and Corporate Services is responsible for advising the Secretary General about the investment of SADC PF funds. Based on projected cash flow statements, call or fixed deposits may be placed from time to time at any of the reputable commercial banks.

16.2. Authority

16.2.1. Responsibility for the establishments, renewal and withdrawal of call/fixed deposits with banks, shall lie with the Secretary General, who shall take into account SADC PF's cash flow situation and prevailing interest rates in determining the length of such deposits.

16.2.2. All instructions issued to the banks with regard to the establishments, renewal or withdrawal of call or fixed deposits shall be made by an authorized cheque signatory and countersigned by another cheque signatory (one of whom must be the Director of Finance and Corporate Services), following approval by the Secretary General.

16.2.3. Once duly approved, all borrowings/transfers from the investments shall be made in the name of SADC PF.

16.2.4. The Director of Finance and Corporate Services shall make arrangements for the registration of bonds, mortgages and guarantees and shall maintain records of all borrowings by SADC PF, in a mortgage/guarantee register, where required.

16.3. Management of Investments

16.3.1. The Director of Finance and Corporate Services is responsible for the day-to-day monitoring of investments.

16.3.2. Any movement of investments (call or fixed deposits) requires the prior approval of the Secretary General.

16.4. Speculative Investments

16.4.1. SADC PF funds shall not be invested in any speculative instruments such as in shares on stock markets, cryptocurrencies, etc.

17. Chapter XVII: Plant, Property & Equipment

17.1. Policy

17.1.1. Criteria against which items will be measured before they are classified as fixed assets:

i) **When it is probable that future economic benefits associated with the asset will flow to the organization;**
ii) **Items worth more than USD 500 with a useful life of more than one year; and**
iii) **When the cost of the asset to the organisation can be measured reliably.**

17.1.2. Items costing less than US$500 with an economic life of more than one financial year may be inventoried but expensed in the accounts in the year of purchase.

17.1.3. All fixed assets shall be depreciated on a straight line basis as shown below:

Category	Depreciation Rate per annum
Land	0%
Buildings	2%
Motor Vehicles	20%
Computers	25%
Office equipment	25%
Office furniture and fittings	25%
Staff house furniture and fittings	25%
Other equipment	25%

17.2. Procedures

17.2.1. Custody and Control

17.2.1.1. The Administration Officer is required to take a complete inventory of fixed assets belonging to SADC Parliamentary Forum and agree them with the fixed assets register. This should be reviewed by the Director of Finance and Corporate Services and should reflect the value of any discrepancies for necessary action and adjustments in the accounts. Any significant discrepancies should be reported to the Secretary General.

17.2.1.2. All items of material value received by way of a grant shall be re-valued and recorded as fixed assets in the accounting records.

17.2.1.3. Based on the inventory list prepared, a fixed assets register should be compiled and maintained by the Accounts Office preferably using a suitable computerized software package.

17.2.1.4. All additions to fixed assets, whether acquired through own funds or grants, should be reflected in the fixed assets register as and when they are acquired.

17.2.1.5. A separate inventory should be maintained of items written off in the year of purchase but have a lifespan of more than one year (e.g. calculators).

17.2.2. Purchase of Fixed Assets

17.2.2.1. All purchases of fixed assets should be in accordance with the capital budget approved by the Plenary Assembly. For any capital items not included in the capital budget, and then only in emergencies, the approval of the Executive Committee shall be required, provided that sufficient "free" funds are available under other expenditure headings.

17.2.2.2. Prior to making commitments for capital expenditure, even though previously approved by the Plenary Assembly, the clearance of the Director of Finance and Corporate Services should be obtained to ensure the availability of funds. Normal purchasing procedures (Section 12 and 13 above) must be followed in respect of all capital expenditure.

17.2.2.3. According to IAS 16, land and buildings are separable assets and are accounted for separately, even when they are acquired together. Land has an unlimited useful life and, therefore, is not depreciated. Buildings have a limited useful life and, therefore, are depreciable assets. An increase in the value of the land on which a building stands does not affect the determination of the depreciable amount of the building.

17.2.3. Fixed Asset Disposal

17.2.3.1. The Head of the respective departments shall recommend to the Secretary General the disposal of fixed assets which are no longer usable or which cannot be maintained on an economic basis. The information to be provided shall include date of purchase, serial number, model, make and the reason why the item is to be disposed.

17.2.3.2. The disposal of the asset shall be conducted by the Director of Finance and Corporate Services. Bids for the sale of fixed assets shall, in the first instance, be open only to members of staff of the Institution. The Secretary General shall, however, fix reserve prices for any items of significant value and, in particular, items over US$15 000.

17.2.3.3. The person recommending the disposal or write-off of a fixed asset should, as far as possible, justify: -

i) The reason for scrapping or disposal;

ii) The need for replacement if any; and
iii) The Director of Finance and Corporate Services shall indicate the estimated net realizable value of the asset at the time of the write- off and the estimated replacement cost.

17.2.3.4. When disposing of assets, other than to staff members, an advertisement should be placed in the media, or a recognized auctioneer should be used. The asset should be sold for the highest offer. It is desirable to obtain independent valuations for items over US$ 15 000 so that the fair market value can be ascertained before disposal (e.g. motor vehicles).

17.3. The Director of Finance and Corporate Services will ensure the updating of the fixed asset register and the passing of the necessary accounting entries. Fixed Assets Register

17.3.1. All items purchased with a value over the Forum's capitalisation limit (see Section 17.1) must be entered in a Fixed Asset Register. The Fixed Asset Register should include the following information:

i) Asset description
ii) Asset number
iii) Serial number
iv) Date of acquisition
v) Asset cost
vi) Source of funding (Core budget or Donors' fund)
vii) Expected useful economic life
viii) Depreciation
ix) Current book value
x) Location

17.3.2. The Fixed Asset Register helps to:

i) ensure that staff take responsibility for the safe custody of assets;
ii) enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
iii) manage the effective utilisation of assets and to plan for their replacement;
iv) facilitate the external auditors to draw conclusions on the annual accounts and the Forum's financial system; and
v) support insurance claims in the event of fire, theft, vandalism or other disasters.

17.4. Fixed Asset tag numbers

17.4.1. The tag numbers for the office equipment, furniture and fittings and computer equipment should be based on the asset class and should be stuck on the asset. The recording in the Fixed Asset Register should be in an appropriate format for example: SADCPF/MV/015

(MV indicates the asset category Motor Vehicle, while the last three digits represent the asset number in chronological order).

17.5. Impairment

17.5.1. Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

17.5.2. An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the de-recognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

18. Chapter XVIII: Salaries, Allowances & Benefits

18.1. Payment of Salaries

18.1.1. Detailed explanation as to the respective rights and obligations of SADC PF and its employees are set out in the SADC PF Administrative Rules and Regulations Handbook and the Remuneration & Rewards Policy. The Finance and Corporate Services Department shall be responsible for the payment of the Salaries according to the provisions of the said SADC PF Administrative Rules and Regulations and Remuneration & Rewards Policy. The Forum has adopted a Remuneration and Rewards Policy effective April 2022. The Salary Structure is based on the Paterson Grading System.

18.2. Deductions from Salary

18.2.1. Rules and regulations regarding deductions from Salaries are provided for in the SADC PF Administrative Rules and Regulations. The Finance Section shall be responsible for effecting deductions submitted by the Human Resources and Administration Section within the Finance & Corporate Services Department, under the supervision of the Director of Finance & Corporate Services and with the approval of the Secretary General.

18.3. Statutory Deduction

18.3.1. PAYE: Tax is deducted strictly in accordance with national regulations. Employees who furnish a tax directive will be taxed in accordance with the instructions in the directive, however, Non-Namibians are exempted from paying Tax pursuant to the Headquarters' Agreement and the SADC Immunities and Privileges.

18.3.2. Social Security: Membership to the Social Security Commission of Namibia, or equivalent institution in the host country, shall be compulsory to all SADC PF employees. The appropriate percentage of employee contributions shall be effected at all levels.

18.4. Other Deductions

18.4.1. Other deductions that shall be deducted through the payroll shall include among others, the following:

i. **Medical Aid: employees' contributions**
ii. **Funeral Scheme contributions where applicable.**

18.5. Allowances

18.5.1. Allowances payable are provided for in the SADC PF Administrative Rules and Regulations Handbook and in individual employment contracts. The Finance & Corporate Services Department shall be responsible for the payment of the allowances.

18.6. Overtime

18.6.1. Overtime is provided for in the SADC PF Administrative Rules and Regulations Handbook. The Finance & Corporate Services Department shall be responsible for payment of overtime submitted by the Human Resources and Administration section.

18.7. Terminal Benefit Payments

18.7.1. Final Amounts due to a staff member who has terminated employment with the Institution will be released only after clearance by the Secretary General. The purpose of the clearance is to ensure that:

i) All loans and travel advances given by the institution have been settled;
ii) All due rents, telephone and other utility charges, if applicable, have been settled, and the house, where applicable, handed over to the institution in proper condition, and
iii) Laptops, keys, books or any other property belonging to the Institution has been handed over.
iv) All other relevant outstanding commitments have been cleared with the relevant Head of Department.

18.7.2. On satisfying the conditions set out above the officer responsible for Human Resources and Administration and the Director of Programmes, where applicable, shall complete the relevant sections of the prescribed clearance form and pass it to the Director of Finance and Corporate Services. The Institution shall not release the final payment (terminal benefits, salary, leave pay, etc.) to the staff member concerned in the absence of a signed clearance form.

18.7.3. Any amounts in respect of loans, guarantees and unpaid rents/utilities shall be recovered from the terminal payments due to the staff member.

18.7.4. As a further precaution to (4) above, the institution may retain up to USD 1000 from the regional staff and up to USD 500 from the local staff respectively. This retention shall be released after three months.

18.7.5. Travel entitlements on termination of service are as described in the SADC PF Administrative Rules and Regulations Handbook.

19. Chapter IXX: Payroll

19.1. Purpose

19.1.1. To describe the system and procedures to be followed, and the documentation to be used, in preparing and analysing the monthly payroll for SADC PF staff.

19.1.2. The Forum should have a dedicated computerised Payroll System for the processing of salaries and the reporting of the cost in the main Computerized Accounting System. The system should provide a centralised, consistent approach to the management and processing of all Payrolls for Forum staff and also all project/programme staff.

19.1.3. The system should also take care of some of the Human Resources records such as leave control, staff loans and gratuity. Procedures on payment of home leave, mileage allowance, relocation cost, and maintenance of personnel files are contained in the Administrative Rules and Regulations.

19.1.4. The aim of this procedure is:

i) To standardise and centralise the processing of Payroll of all staff (Forum & Project);

ii) To facilitate posting of payroll cost to the General Ledger;

iii) To maintain adequate internal control system for payroll preparation with particular attention to segregation of duties; and

iv) To enable prompt response to staff queries regarding their pay, leave, and employment entitlements.

19.2. Responsibilities

19.2.1. The Director of Finance and Corporate Services will be responsible for the overall Payroll function.

i) The HR and Administrative Officer will be responsible for input of the employees' data into the Payroll system, after approval by the Director of Finance and Corporate Services, including the following:

ii) Creation of new employee's file, update of status (active, non-active), update of salary, employees' bank details, etc.;

iii) Collection of "labour Attestation Statement" where required;

iv) Leave administration;

v) Gratuity and Termination administration; and

vi) Deductions and payment to external bodies, e.g. PAYE, Social Securities, Medical Scheme, Pension Scheme, Funeral Scheme, Staff Loan and Advances, etc.

19.3. Internal Control and Segregation of duties

19.3.1. The objective of internal controls for payroll is to ensure that payroll disbursements to Staff are made only upon proper authorization

and that payroll payments are properly recorded in the General Ledger.

19.3.2. The Segregation of duties is very critical as it ensures separation of different functions and defines authority and responsibility over transactions. Segregation of duties helps to reduce risk of computational mistakes, fraud and other inappropriate actions. Furthermore, Segregation of duties will ensure an effective oversight of activities and transactions.

19.3.3. As a minimum, there shall be three different people involved in Forum payroll processing. The Payroll Officer will perform preparation and processing of payroll while the Director of Finance and Corporate Services will authorize and approve all payroll reports/schedules, payment Summaries, and bank transfer form. The Bank transfer form will be countersigned by the Secretary General. The payments will processed by the Finance Officer/Accountant responsible for payments.

19.4. Summary of system

19.4.1. The main features of the system are as follows: -

i) **The Human Resources and Administration section shall maintain and update individual employee master records;**
ii) **The payroll shall be prepared monthly in accordance with the salary and allowances of each employee as contained in the employment contract and pursuant to applicable provisions in the Administrative Rules and Procedures Handbook;**
iii) **The Basic Pay and relevant allowances as prescribed in the respective contracts and as provided in the Administrative Rules and Regulations Handbook shall be paid monthly;**
iv) **Monthly Pay-related deductions in accordance with the Administrative Rules and Regulations including advances, loan payments and other special items as shown on individual employee records, shall be effected.**
v) **Overtime shallo be added where applicable.**
vi) **Payment of salaries shall be done by Electronic Funds Transfer (EFT) in accordance with the existing bank regulations.**
vii) **All staff members will be required to maintain bank accounts.**
viii) **For all casual employees a cheque shall be prepared and cashed for the total net pay. The money shall then be inserted into individual pay packets;**

19.5. Descriptions of procedures

19.5.1. Engagement of new employees

19.5.1.1. New employees shall be engaged in accordance with the SADC PF Administrative Rules and Regulations. Engagement of new employees shall be duly communicated to the Finance and Corporate Services department by the Secretary General.

19.5.2. Employee permanent records

19.5.2.1. For each employee the Finance and Corporate Services department will maintain an individual payroll record. This information will be maintained in the computerized payroll package as employee master files. All entries on this record will be derived either from an engagement letter, a payroll change notice, or an appropriate internal memorandum issued by the Secretary General or Human Resources section.

19.5.2.2. The following Information shall be maintained on the Payroll record: -

19.5.2.3. Employee name, personnel number (sometimes referred to as "payroll number") address and the National ID card/Passport No.

i) Date of engagement
ii) Job title and description
iii) Department code to which the employee's remuneration is to be charged
iv) Employees current rate of pay, allowances and standard deductions
v) Date of any transfer between departments or divisions
vi) Date of discharge

19.5.2.4. The employee's personnel number remains the same throughout his employment in the Institution; and is not used again for any other employee. All records in the administration division are filed in personnel number sequence.

19.5.3. Overtime Administration

19.5.3.1. The Head of Department/Division shall be responsible for:

i) obtaining authority from the Secretary General in advance for overtime requirements,
ii) monitoring the overtime worked, and
iii) submission of the overtime sheet to the Human Resources and Administration Officer for recording and onward submission to the Director of Finance and Corporate Services for payment.

19.5.3.2. Before an employee works overtime, an overtime requisition must be completed by his section supervisor and approved by the Head of Department/Division. the requisition will show: -

i) Employee's name and number
ii) Date
iii) Reason for overtime working
iv) Number of overtime hours to be worked

19.5.3.3. Overtime payment shall be made in accordance with SADC PF Administrative Rules and Regulations.

19.5.4. Payroll Preparation and Use of Standardized Software Package

19.5.4.1. At the end of the month, the accounts department will prepare a payroll for all staff using a standard payroll software system adapted specifically for SADC PF which provides the following minimum features: -

i) Calculation of monthly salaries/wages and daily rates;
ii) Input and update of employee information on month to Date (MTD) and year to Date (YTD) within the SADC financial year;
iii) Calculations of gratuities fund and medical aid deductions/contributions;
iv) Input and update of standing data for each employee;
v) Input and update of leave records on a monthly and annual basis;
vi) Calculation of all standard SADC PF allowances and deductions with adequate provision for additional allowances and deductions;
vii) Other easy access, data integrity and back-up features;
viii) Editing of reports for data verification prior to processing of the payroll;
ix) Printing of computerized payslips;
x) Provision of Bank direct debit transfer reports/letters for each bank;
xi) Provision of Manual list for all other cash payments;
xii) Provision of Monthly payroll summary for approval;
xiii) Automatic generation of general ledger payroll journal entries integrated with the general ledger.

19.5.4.2. The sources of information used in processing the payroll are as follows:

i) Basic pay from Employment Contracts;
ii) Allowance and regular deductions adjusted by subsequent payroll change notice;
iii) Pay-related deductions as instructed by the Administration Department.

19.5.4.3. On Completion of the processing of the payroll summary, the general ledger journal entries generated shall be submitted to the Director of Finance and Corporate Services for signature; and will then be posted to the general ledger, debiting Gross Pay to the relevant department/expenditures and crediting cash and the various deduction accounts in total;

19.5.4.4. The cheque requisition and direct debit transfer requests supported by the payroll summary once approved by the Director of Finance and Corporate Services will be passed to the Finance Officer/Accountant for payments to be made;

19.5.4.5. The cheque for cash wages will be collected by the Finance Officer/Accountant responsible, who will sign

for the receipt of the cheque, for cashing. On returning to the office the Accountant will pay the wages on the pay day.

19.5.5. Payroll Journal Entries

19.5.5.1. Payroll data should be promptly posted into the Computerized Accounting system at the end of every month. The Journal Voucher should be prepared by the Director of Finance and Corporate Services or a designated staff from the department to facilitate posting in the system.

Medical Aid	DR	
Education Allowance	DR	
Entertainment Allowance	DR	
Utilities Allowance	DR	
Overtime	DR	
Car Allowance	DR	
Transport Allowance	DR	
Cellphone Allowance	DR	
Assignment Allowance	DR	
Salaries Clearing Account		CR
Gratuity Provision		CR
Salaries Clearing Account		CR
NHP Account		CR
Social Security		CR
Interest on Loans		CR
Staff loan account		CR

19.5.5.2. The monthly payroll journal entries prepared manually or generated automatically by the computerised payroll system for posting to the general ledger shall be as follows:

19.5.5.3. When the salaries/wages are paid the cash book module shall automatically update the salaries control account. Any un-reconciled balances in the salaries control account shall be investigated by the Director of Finance and Corporate Services on a regular basis.

19.6. Payments of cash wages

19.6.1. Pay envelopes will be handed out to employees by the officer delegated for the purpose, in the presence of the manager responsible for the employee concerned. Envelopes must be opened in the presence of the office; and each employee must sign or mark the payroll as evidence of receipt.

19.6.2. No employee will be allowed to collect another employees pay without the written authority of that employee and approval of the Director Finance and Corporate Services.

19.7. Unclaimed Wages

19.7.1. Wages not disbursed at the appointed time should be returned immediately to the Accountant for safe custody. Payment of these unclaimed wages should be made only on the authorization of the Director of Finance and Corporate Services. After seven days they should be banked and relevant accounting entries made i.e. Dr. cash and Cr. unclaimed wages.

i) The Accountant should maintain a register of unclaimed wages detailing: -

ii) Date of payroll
iii) name of employee and amount unclaimed
iv) date when the amount was claimed
v) payment voucher number

19.7.2. The balance of unclaimed wages should be computed each month and reconciled with the general ledger account.

19.7.3. When an employee arrives to collect his unpaid wages, he should collect a petty cash payment voucher from the Director of Finance and Corporate Services who will check: -

a. The identity of the employee
b. The amount payable
c. That the details are entered into the unclaimed wages register

19.7.4. The payment voucher will be signed by the Accountant and approved by the Director of Finance and Corporate Services. The employee will be paid in cash. The unclaimed wages paid will be debited to unclaimed wages account at the month end by the standard journal voucher raised in respect of the petty cash analysis.

19.8. Payroll deductions

19.8.1. The deductions from payroll shall be administered in conformity with the provisions of the SADC PF Administrative Rules and Regulations.

19.9. Payroll Reconciliation

19.9.1. On completing the payroll summary, the Accountant responsible will prepare a reconciliation of the current month's payroll with the

previous month's payroll and the budget. The reconciliation will explain any significant variations in: -

a) **Employees number**
b) **Employees' gross pay**

19.9.2. The reconciliation will be signed by the Director of Finance and Corporate Services as evidence review.

19.10. Salary Advances

19.10.1. Salary Advances are provided for in Section 6.3.1 of the SADC PF Administrative Rules and Regulations Handbook. The Finance Department shall be responsible for the payment and recovery of the Salary Advance, as approved.

20. Chapter XX: Travel and Accommodation

20.1. Policies

20.1.1. Rules and regulations on Travel and Accommodation are provided for in the SADC PF Administrative Rules and Regulations. All travel benefits referred to in these regulations apply to travel:

20.1.2. On official business on behalf of SADC PF;

20.1.3. In connection with initial appointment, termination of the appointment, change in duty station, home leave or for special reasons in accordance with the Terms and Conditions.

20.2. Official Travel Requisition / Authorisation Form

20.2.1. All travellers on official mission are required to complete the official Travel Requisition/Authorization Form and obtain the recommendation of the Head of Department and the approval of the Secretary General.

20.2.2. The staff member shall clearly state the official purpose, dates and routing on the official Travel Requisition/Authorization Form.

20.2.3. For any non-official costs arising from reasons such as days away on personal matters and indirect routing, these costs shall be borne by the staff member.

20.3. Official Duty Travel Allowances and Advances

20.3.1. If a staff member is required to spend time away from his duty station, whilst engaged on authorised SADC PF duties, he/she shall be entitled to per diem allowances based on the current UN Rates DSA Policy and as contained in DSA Circular ICSC/DSA/562.

20.3.2. In cases where the Secretary General is satisfied that the per diem allowances to a staff member is insufficient due to high expenses, the Secretary General may authorise a higher allowance or direct payment of expenses incurred on a case by case basis.

20.3.3. Any additional expenses (necessary and reasonable) not forming part of the per diem allowances shall also be claimed as an imprest.

20.3.4. On completion of travel, the officer shall also retire this additional travel to imprest within 5 working days of arrival at the usual duty station.

20.3.5. The Director of Finance and Corporate Services shall ensure that travel claims are in accordance with the original travel authorization signed by the Secretary General. Any changes in the itinerary should be authorised by the Secretary General. The per diem rates applicable should be checked to ensure the accuracy of the claims. Imprest expenses should be supported by original invoices/cash slips.

21. Chapter XXI: Insurance

21.1. Background

21.1.1. The purpose of obtaining insurance is to indemnify the insured in the event of loss or other event covered by the insurance. The SADC Parliamentary Forum should ensure that all the assets of the Forum are duly insured, against theft, fire and other damages, at all times.

21.2. Policy

21.2.1. The Director of Finance and Corporate Services shall be responsible for ensuring that all insurable risks are adequately and economically covered by appropriate insurance cover.

21.2.2. The insurance cover for the institutions shall be obtained in accordance with the regulations governing procurement of goods and services and tender procedures.

21.2.3. Insurance values must be updated annually and professional property values obtained every three years, where applicable.

21.2.4. The Director of Finance and Corporate Services will be required to make the annual declarations for the group life scheme, fire and theft, motor vehicles etc.

21.2.5. Insurance premium shall be paid in advance.

21.3. Claims

21.3.1. The Director of Finance and Corporate Services shall also ensure that claims are timeously lodged in respect of any damage/loss suffered by any SADC institution which is covered by insurance.

21.4. Accounting Procedures

21.4.1. The costs of insurance premiums are to be treated as an expense in the account of the Forum and should be posted under the correct Chart of Accounts.

21.4.2. Any Prepayment of Insurance should be recorded under Receivable at year end in accordance to International Financial Reporting Standards.

22. Chapter XXII: Recruitment of External Auditors

22.1. Introduction

22.1.1. According to Article 12(3) of the constitution of the SADC Parliamentary Forum, the Forum is required to maintain proper books of accounts and have its financial statements audited by appointed Auditors.

22.1.2. The annual accounts must be audited by independent, registered auditors appointed under arrangements approved by the Plenary Assembly.

22.1.3. In order to facilitate the work of the external auditors, the Forum's books, accounts and all relevant records must be made available to officials of the appointed auditors and their representatives and/or agents as requested.

22.1.4. The appointed auditors are required:

(i) to provide their independent professional opinion of the true and fairness of the Financial Statement;

(ii) to report on the adequacy and effectiveness of the accounting systems and internal controls; and

(iii) to make recommendations for improving the financial management of the Forum.

22.2. Guidance on the Recruitment of External Auditors

22.2.1. As per Article 8(3)(c) of the constitution, the Plenary Assembly shall appoint an Auditor for each financial year based on the recommendation of the Executive Committee. The contract of the auditor will be renewed annually subject to a maximum of 5 years. A formal reassessment of external auditors should take place every 5 years, usually by competitive tender.

22.2.2. The SADC Parliamentary Forum should agree a list of audit firms to be invited to tender, or open tender procedures should be followed as appropriate. In case of selective bidding, a tender list of at least three suitably qualified firms should normally be adequate. Firms with experience in auditing regional, International or similar organisations would be an advantage.

22.2.3. The letter of invitation to prospective firms should describe the requirements of the Audit Service, which include, *inter alia*, expression of an opinion on whether:

i) The financial statements have been prepa*red in acc*ordance with the International Financial Reporting Standards;

ii) Proper accounting records have been kept by the Forum throughout the financial year; and

iii) Grants received from donors have been applied for the purposes intended.

22.2.4. The tender invitation may also require bidders to outline other professional services they would be able to offer to the Forum.

22.3. Selection and Appointment of Auditors firms

22.3.1. The Secretary General should set up a special committee comprising of the Director of Finance and Corporate Services, and two other members of Management to carry out a preliminary tender evaluation exercise.

22.3.2. The tender evaluation should be based on the technical and financial proposals received. The technical proposal will include qualification, expertise and references of the firm and will normally have a higher weight. The financial proposal refers to the annual audit fees of the auditors. Based on these (i.e, technical and financial proposals) criteria, the special committee shall present its recommendation to the Secretary General.

22.3.3. The recommendation for the appointment of auditors shall be first examined by the Finance Sub-Committee and then forwarded to the Executive Committee for their Approval.

22.3.4. The resolution of the Executive Committee on the appointment of the auditors should be presented to the Plenary Assembly in the Treasurer's Report to the Plenary Assembly.

22.3.5. The contract for the auditor should be in writing. This shall normally be in the form of a letter of engagement which shall include the Terms of reference of the audit services.

22.4. Reappointment of Auditors

22.4.1. The contract of external auditors should be for one year renewable at the discretion of the Forum. A formal reassessment of external auditors should take place every 5 years.

22.4.2. Where the existing auditors are reappointed, the reappointment should be confirmed by writing to the auditor in order to renew the letter of engagement. The decision to reappoint auditors must be made after the audit report to the financial statements has been signed, to allow the Forum the opportunity to review how the audit was carried out. Each year, the Forum must review the audit report to satisfy themselves that they are getting work of a high standard service and at a reasonable cost.

22.5. Change of Auditors

22.5.1. The procedures to be applied when it is proposed to change auditors, at the end of a term of office, are as follows:

i) The Forum must send notice of the Plenary Assembly resolution to the appointed new auditors and the outgoing auditors.

ii) The Forum should arrange with new auditors to have a written letter of engagement signed by both parties

iii) The Forum should in consultation with the auditors work out a tentative timetable for the audit of the Financial statement of the Forum.

22.6. Resignation of Auditors

22.6.1. External auditors who resign during their term of office must

provide the Forum with either:

i) **a statement of any circumstances connected with their resignation which they consider must be brought to the Forum's attention; or**
ii) **a statement that there are no such circumstances. This statement is to accompany their written resignation.**

22.6.2. If an auditor has completed an audit but does not wish to seek reappointment, 'resignation' is not required. However, the auditor must still provide a "statement of circumstances" to the Forum.

22.7. Removal of Auditors

22.7.1. Auditors whose term in office has not ended can only be removed by a Plenary Assembly resolution.

22.7.2. There should be a valid reason for removal of auditors from office before their term, these may include:

i) Professional misconduct;
ii) Misuse or disclosure of Forum data and information without written consent of the Secretary General; and
iii) Other unethical behaviour.

22.7.3. If the existing auditor wants to make representations to the Forum regarding their removal, they may send these directly to the President of the SADC Parliamentary Forum.

22.7.4. Subject to the approval of the President of the SADC Parliamentary Forum, the auditor who has been removed from office has the right to attend, make representations to and be heard at the Executive Committee of the Forum at which it is proposed to fill the vacancy caused by his removal.

22.8. Conflict of Interest

22.8.1. All potential and actual conflicts of interest must not only be avoided but must also be seen to be avoided. These restrictions are particularly important for audit contracts to maintain Independence.

22.8.2. If an Executive Committee member has a direct or indirect interest in an office or firm of accountants which may wish to tender for the audit contract of the Forum, then the Executive Committee member must declare the possible conflict of interest to the Forum at the earliest available opportunity. This declaration must be noted in the minutes.

22.8.3. A direct interest in the firm wishing to tender is considered to exist where the Executive Committee member is

i) **A partner in the firm or office of that firm of accountants;**
ii) **An employee of the office or firm of accountants.**

22.8.4. An indirect interest in the firm wishing to tender is considered to exist where the Executive Committee member has a close relative, including spouse or partner who would be treated as having a direct interest as defined in the preceding paragraph.

22.8.5. If the Executive Committee member has a direct interest, then the Executive Committee member should resign from the Forum's

executive Committee if that firm in which he\she has a direct interest is appointed to audit the Forum.

22.8.6. An Executive Committee member with an indirect interest must:

i) **Not take part in the consideration or discussion and must not vote in the selection, appointment or reappointment of the auditor;**
ii) **Play no part in the annual audit.**

23. Chapter XXIII: Anti-Fraud and Corruption Policies

The Anti-Fraud, Anti-Corruption & Whistle Blowing Policy (2019) is a stand-alone policy which shall form part of the finance policy. The policy is annexed hereto.

24. Chapter XXIV: List of Separate Relevant Policies

24.1 The following is a list of separate SADC PF relevant Policies/documents:

1. **Administrative Rules and Regulations**
2. **Anti-Fraud, Anti-Corruption & Whistle Blowing Policy**
3. **Credit Card Policy**
4. **ICT Policy**
5. **Internal Audit Policy**
6. **Performance Management Policy**
7. **Remuneration Policy**
8. **Risk Management Policy**
9. **SIDA Procurement Policy**

25. Chapter XXV: List of Relevant Accounting References

25.1 In the update of this manual, the following are some of the documents that were referred to:

1. **IFRS in your pocket 2021 – IAS Plus**
2. **IFRS Handbook KPMG**
3. **Internal Audit Charter**