

University of Cape Coast



Africa Centre of Excellence in Coastal Resilience (ACECoR)

Draft Financial Management Manual

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CHAPTER ONE: INTRODUCTION

Background

The University of Cape Coast (UCC) is partnering with the World Bank under the new Africa Centre of Excellence (ACE III) Impact Project. The partnership is known as the “Africa Centre of Excellence in Coastal Resilience (ACECoR)” seeks to promote coastal resilience within the West and Central African sub-regions. The objective of ACECoR is to support the development of technical and scientific capacity of young African professionals to develop integrated solutions to address coastal degradation in the countries of intervention through short – to long-term professional and academic training programmes. Focus will be on regional participation and the inclusion of female, albeit limited in previous interventions, all geared towards the advancement of sustainable use and management of marine and coastal assets in the partner countries to be involved, achieved through collaboration with academia, research institutions and industry, locally and will secure international partnerships.

The proposed partnerships will carry out education, research and outreach programmes. These programmes will be implemented in collaboration with other academic institutions and industries within the country, sub-region and at the global level to ensure a multi- and interdisciplinary approach to addressing coastal degradation across the sub-region.

The Centre aims at achieving excellence in training both students and professionals in selected areas as a way of enhancing coastal resilience and promoting policies through:

- 1) Enhancing old academic programmes and developing new programmes to train professionals in the coastal issues
- 2) Improve teaching and learning environment and resources for training and research
- 3) Enhance human resource capacity for teaching and research in the thematic areas of the project
- 4) Establish strategic academic and industry sector partnerships for outreach through students/faculty exchange, networking, conferences and workshops

ACECoR will train 120 graduates at the postgraduate (PhD and Masters) levels in addition to 260 professionals (in short courses) across Africa in the areas already described. In addition to existing programmes of Disaster Risk Management and Migration, Fisheries Science, and Integrated Coastal Zone Management, new programmes in Physical Oceanography, Coastal and

Marine Engineering, Forestry Engineering and Marine Meteorology will be developed and mount for the training of postgraduate students.

Purpose of the Manual

The objective of the Manual is to facilitate the financial management function under the ACECoR project and is expected to guide Officers, and the staff of the Centre in general, to ensure that financial resources are not only judiciously used but also in compliance with the principles of managing public funds. It seeks to prescribe the following:

- 1) Guidelines and procedures in accounting for ACECoR's funds and assets
- 2) Value books including registers, records, forms, reports and financial statements
- 3) Labelling/Embossment of assets of the Centre

Legal Basis of the Manual

This manual shall be regulated by the following:

- a. The Public Financial Management Act, 2016 (Act 921)
- b. Financial Administration Regulations 2004
- c. Public Procurement Act, 2003 (Act 663)
- d. Public Procurement Amendment Act, 2016 (Act 914)
- e. Internal Audit Agency Act, 2003 (Act 658)
- f. University of Cape Coast Financial and Stores Regulations, 2015

Responsibility

The financial management function of the African Centre of Excellence in Coastal Resilience (ACECoR) is performed by the Financial Management Coordinator (Director of Finance of University of Cape Coast), assisted by the Project Accountant and a Principal Accounting Assistant. The Financial Management Coordinator shall the overall responsibility for the accounting system and for the preparation and maintenance of the Financial Management Manual (henceforth, the manual). She may delegate these responsibilities as she deems appropriate. She may initiate changes to the manual and such changes shall require the approval of the Director of the Centre.

General Statement on Accounting Policies

The accounting procedures detailed in this manual set out the processes that guide the operations of the accounting system at ACECoR. They aim at establishing internal controls to ensure integrity, accuracy, completeness and usefulness of financial data as well as compliance with donor requirements.

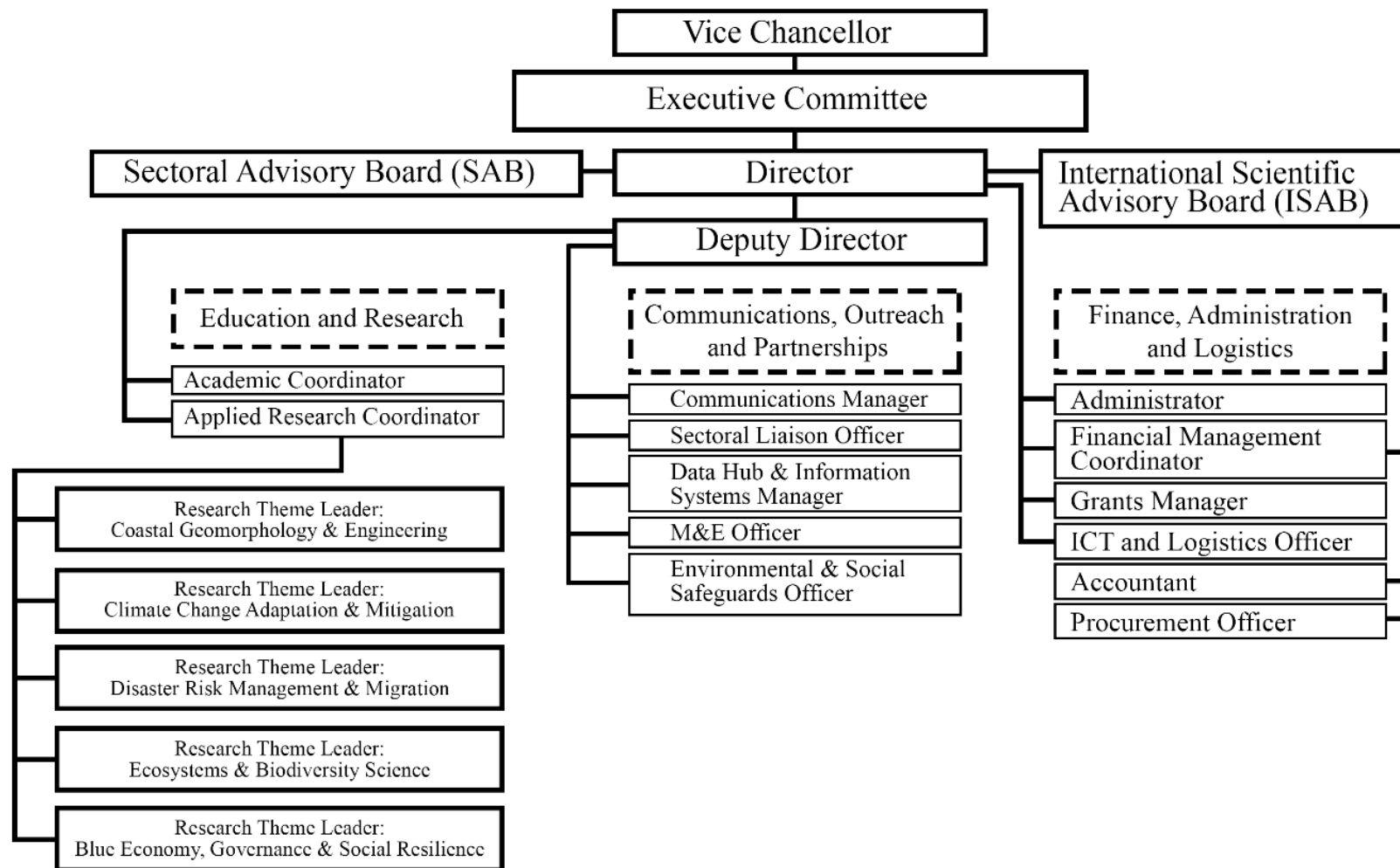
1) Significant Policies

ACECoR presents its financial statements in accordance with the requirements of the relevant detailed in the Grant Agreement Letter agreed with the donors as well as Generally Accepted Accounting Principles. The major accounting policies adopted in the preparation of these financial statements are set out below:

- a. **Basis of Accounting** - A Modified Accrual Basis of accounting shall be adopted where revenue is recognised when earned and expenditure is recognised when incurred.
- b. **Consistency** - Consistent accounting methods shall be applied from one period to another. Significant changes to these policies which will improve the reported financial results shall be identified and its effect results fully disclosed in accordance with Generally Accepted Accounting Principles.
- c. **Currency Translation** - The Financial Statements for ACECoR shall be presented in United States Dollars (US\$). Transactions and balances expressed in currencies other than US Dollars are treated as follows:

The transactions during the year shall be converted into US Dollars at the prevailing Bank of Ghana foreign exchange rates at the transaction dates. Assets and Liabilities that are expressed in other currencies shall translated to US Dollars at the Bank of Ghana closing rate prevailing at the period end. The resulting exchange differences are treated under the contingency budget line or adjusted with bank charges in the period in which they arise.

Organogram



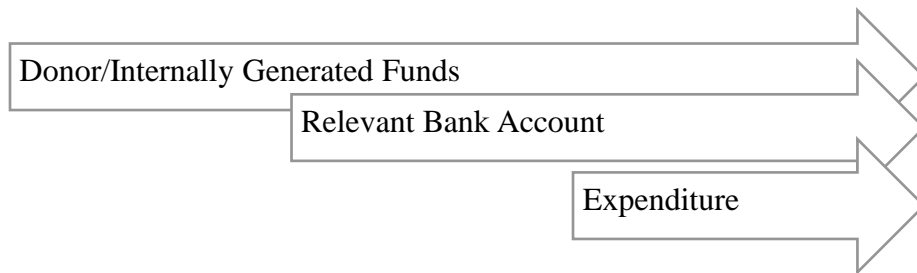
CHAPTER TWO: FINANCIAL ACCOUNTING SYSTEM

General Accounting Procedures

This section details the framework for the general accounting system and specifies the flow of documents within ACECoR. It also shows the overview of the accounting system used at ACECoR. The general accounting procedures also outlines the financial reports that the funds flow system put in place.

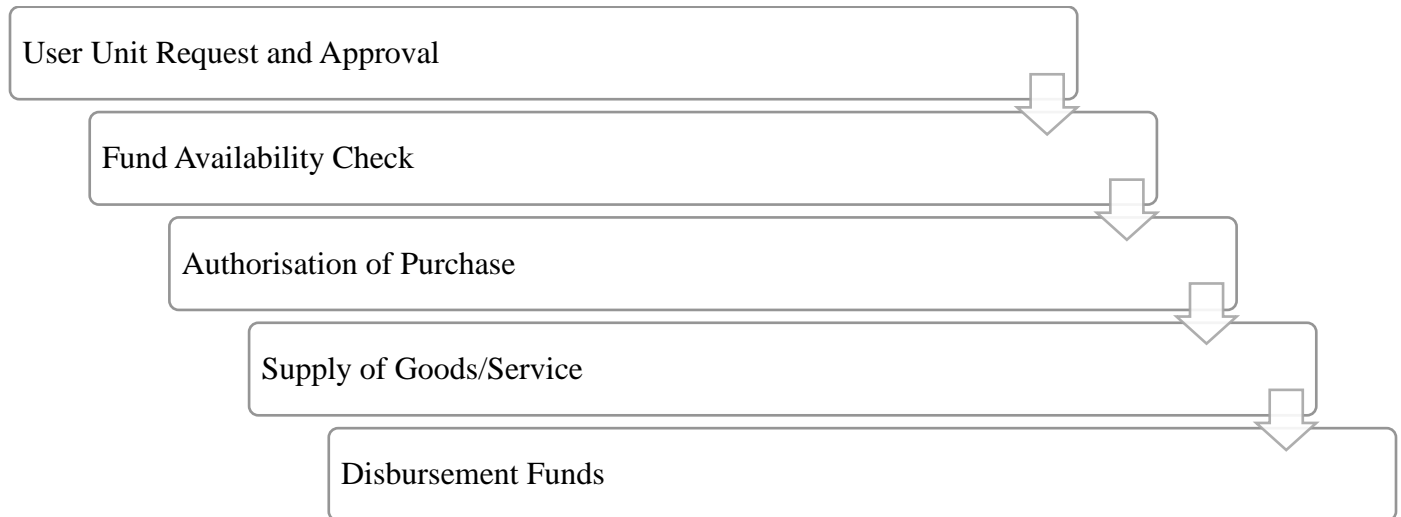
Receipt of Funds

The flow of funds into the Centre shall be as follows:



Disbursement of Funds

The general flow of payment for goods, services and works shall be as illustrated below:



Reports

The following reports shall be prepared by the Financial Management Unit of the Centre:

- 1) Monthly Financial Reports
- 2) Annual and Quarterly Expenditure Plans and Variance Reports
- 3) Annual Procurement Plan
- 4) Annual Investment Plan
- 5) Financial Reports to Donors
- 6) Annual Consolidated Financial Report for Advisory Board

Accounting Standards

- 1) The Financial Management Coordinator shall, in consultation with the Director of Internal Audit, adopt accounting standards and prescribe relevant policies, systems and procedures for the Centre.
- 2) The accounting policies, systems and procedures prescribed shall be in accordance with internationally accepted accounting standards.

Basis of Accounting

The accounting basis of the Centre for the record of revenue, expenditure, assets and liabilities shall be on a modified accrual basis.

Preservation of Financial Information

- 1) All financial information of the Centre processed on the Topaz Accounting Software and other Software in use by the Financial Management Unit, including books, ledgers, journals, vouchers, payrolls, and supporting documents of receipts and payments, shall be preserved in an electronic form for a minimum period of ten years.
- 2) Any other financial information or data which is not admissible on the Accounting Software shall be kept for a minimum period of ten years.
- 3) The deletion of financial information which has attained the maximum period of storage shall follow the processes directed by the Controller and Accountant-General.
- 4) The Financial Management Coordinator shall be the custodian of financial data on the Topaz Accounting Software and other Software in use by the Financial Management Unit.

Revenue Management

Responsibilities for Collection of Revenue

- 1) The African Centre of Excellence in Coastal Resilience shall collect:
 - a. Donor Funded Projects and Research Grants
 - b. Student Fees and Charges
 - c. Other internally generated funds
- 2) The Director shall:
 - a. take effective and appropriate steps to collect money due to the Centre; and
 - b. report to the Advisory Board for cash management any impending
 - i. Under-collection of revenue due; and
 - ii. Shortfalls in budgeted revenue.

Official Receipts

The following documents shall represent evidence of receipts of revenue and other moneys owed to the Centre:

- 1) A deposit-slip issued by the Bank of Ghana or a commercial bank for deposit into the Centre's Account;
- 2) An electronically-generated deposit-slip of an electronic fund transfer to the Centre's account; and
- 3) All official receipts issued by a cashier or a revenue collector of the Centre.

Collection of Revenue

Revenue collection shall start from the first working day of the financial year.

Collection and Lodgement of Revenue

The Director shall:

- 1) Ensure that revenue is efficiently collected;
- 2) Ensure that revenue is immediately lodged in gross within twenty-four hours in the designated Centre Account.

Ceremonial Receipts

- 1) Where any moneys are paid to the Centre as part of a public or official ceremony, the moneys shall be paid within forty-eight hours into the appropriate Centre Account.
- 2) An officer of the Centre shall not accept a symbolic cheque if that cheque is not supported with an actual cheque.

Hours of Collection

The Financial Management Coordinator shall:

- 1) Establish official hours of collection which shall be to facilitate service to the public and safe custody of Centre funds;
- 2) Prominently display notices on their premises specifying the collecting hours; and
- 3) Provide services throughout the official hours.

Issue of Original Receipt

- 1) A collector who is satisfied that money tendered is in order, shall issue an original receipt to the payer and shall retain the duplicate.
- 2) A collector shall not use temporary receipts or receipts other than in the authorised form for collections.
- 3) A person who issues a temporary receipt or an unauthorised form for collections is in breach of this Manual as well as section 96 of the Public Financial Management Act (Act 921).

Cheques Payable to the Africa Centre of Excellence in Coastal Resilience

- 1) Cheques in respect of payments to the Centre shall be made payable to the "Africa Centre of Excellence in Coastal Resilience" and be crossed.
- 2) Where a cheque in respect of payment to Centre:
 - a) Is incorrectly issued in the name or the post of a particular officer, the cheque shall immediately upon receipt be endorsed by the officer with the statement "Pay to Africa Centre of Excellence in Coastal Resilience"; and
 - b) Is uncrossed, the cheque shall immediately upon receipt be crossed by the officer who receives the cheque.

- 3) An officer who fails to comply with is in breach of this Manual and section 96 of the Public Financial Management Act (Act 921).

Expenditure

Funds of the centre shall at all times be applied to activities in line with the policies and procedures laid out in this manual. The Centre shall ensure that its economic resources shall only be used for purposes of promoting the vision of ACECoR.

Expenditures of personal nature (reimbursable), such as Daily Subsistence Allowance (DSA), travel expenses, or expense claims etc. shall not be authorised by the person in whose name the expenditure is to be or has been incurred. Hence, expenses concerning the Director shall be approved by Vice-Chancellor while those concerning other members of Senior Management shall be approved by the Director of the centre.

Schedule of Authorisation

The Director of the centre is the Principal Spending Officer of ACECoR, as such all payments shall be approved by the Director, or in his absence, Deputy Director, except in the case of expenditure of a personal nature or beyond his threshold, in which case such expenditure shall approved by the Vice- Chancellor.

Bank Account Signatories

The authorized signatories to ACECoR project account comprise six (6) designated Officers of the University of Cape Coast. Two signatories shall be required for each approved payment, that is, the one primary signatory, countersigned by a secondary signatory as outline below:

Primary Signatories

- | | |
|----------------------------------|-------------------------|
| a. Prof. Denis Worlanyo Aheto | Director, ACECoR |
| b. Dr. Precious D. Agbeko Mattah | Deputy Director, ACECoR |

Secondary Signatories

- | | |
|-------------------------------------|---|
| a. Mrs. Elizabeth Obese | Director of Finance, University of Cape Coast |
| b. Mr. John Kofi Nyan | Registrar, University of Cape Coast |
| c. Prof. Dora Francisca Edu-Buandoh | Pro-Vice-Chancellor, University of Cape Coast |

Payment Procedures

ACECoR shall use the University of Cape Coast accounting system generated payment voucher for all payments at the Centre. All payment vouchers/remittance advices for payments shall be sent to the University Of Cape Coast Directorate Of Internal Audit together with all relevant documentation, such as invoices, for pre-auditing before payment is effected.

Responsibility for Payment

The Director of the Centre is personally responsible for ensuring in respect of each payment of the Centre:

- 1) The validity, accuracy and legality of the claim for the payment;
- 2) That evidence of services received, certificates for work done and any other supporting documents exists;
- 3) That the commitment for the payment has been approved in accordance with approved budget; and
- 4) That there is a sufficient unspent amount of an allocation for making the payment.

Certification of Completion of Works or Supply of Goods and Services

- 1) The Director shall, on the completion of works or the supply of goods or services, prepare a certification statement in respect of works and stores received, that includes
 - a) The quantity and particulars of the works and supply,
 - b) The method and results of the inspection, and
 - c) Any evidence supporting the results.
- 2) Where the Director identifies that works carried out, goods supplied, or services rendered or their prices are inconsistent with the contracts or specifications, the Director shall specify the necessary remedial actions in the certification statement.
- 3) The remedial actions referred to that the Director shall take may include:

- 1) Partial rejection and payment for the portion accepted:
- 2) Full rejection; or
- 3) Any other action that may be necessary to ensure complete delivery.
- 4) Where certification of works, goods, or services requires specific expertise, the Director may appoint an independent person or firm as an inspector.

Inspection for Purpose of Certification

- 1) The Director shall as a condition for certifying completion of works and large scale supply of goods, inspect the physical output of the works and supplies in the field.
- 2) Inspection of completion of works and large scale supplies shall be carried out
 - a) Before a progress payment required under a contract is made, in order to certify progress of works and supplies required for the progress payment; and
 - b) When works and supplies are fully completed.
- 3) The Director or the authorised officer of the Director shall not certify the completion of works, unless
 - 1) The contractor concerned has complied with all provisions of the contract; and
 - 2) The size, quality, and performance of the physical output is consistent with the design and specifications.
- 4) An officer authorised by the Director to carry out an inspection, shall be an officer who has adequate expertise in construction, engineering or other relevant technical fields.

Record of Invoices and Supporting Documents

- 1) When a certification statement is issued, the Director of the Centre shall
 - a) Record the details of the invoice in the Accounts Payable Software, and
 - b) Upload the certification statement and other supporting documents onto Accounts Payable and General Ledger Software.

- 2) A Centre shall comply with the above in respect of the following:
 - a) Expenditure financed by Internally generated funds;
 - b) Expenditure financed by donor funds; and
 - c) Expenditure financed by any other public funds.

Record of Approval of Payment Voucher

- 1) A payment by the Centre shall be accompanied with a payment voucher authorized by the head of accounts and approved by the Director of the Centre or the Vice Chancellor.
- 2) The Director and the Financial Management Coordinator shall ensure;
 - a) The validity, accuracy and legality of the claim for payment;
 - b) That the commitment has been approved by the Director; and
 - c) That an invoice, a certificate statement and a complete set of supporting documents have been obtained and recorded in the relevant software.
- 3) The Centre shall comply with (2) above in respect of the following:
 - a) Expenditure financed by internally generated funds;
 - b) Expenditure financed by donor funds; and
 - c) Expenditure financed by any other funds of the Centre.

Payment Methods

- 1) All payments for expenditure of the Centre shall be made through the Accounts Payable and the General Ledger using the following methods:
 - a) electronic fund transfer for third party transactions;
 - b) system cheques or other electronic means for withdrawal of money where the expenditure is in relation to:
 - i. internal payments,
 - ii. third party transactions,

- iii. allowances; and
 - c) physical cash disbursement may be allowed from imprest and payments of allowances to ultimate individual beneficiaries
- 2) The Centre shall comply with the above in respect of the following:
- a) Expenditure financed by internally generated funds:
 - b) Expenditure financed by donor funds; and
 - c) Expenditure financed by any other funds of the Centre.

Employee Compensation

The Director shall;

- 1) Ensure that only the names of personnel who are eligible to receive payment for work done are kept on the payroll; and
- 2) Keep records of the nominal roll in a manner that ensures that the correct amount of emolument is paid.

Control of Compensation

- 1) Activities relating to the authorization of appointments, the authorization of payments for compensation, and the record of those payments shall not be performed by the same person responsible for the compensation of employees of the Centre.
- 2) The Director of the Centre shall ensure that appointments, promotion, salary increases, performance bonuses, and other costs of compensation of employees are within the amounts of the line items in the budget.

Relevant Date for Compensation Management

- 1) The salaries of employees of staff on the payroll of the Centre shall be paid on the date published by the Financial Management Coordinator.
- 2) The effective date of stoppage of salaries shall
 - a) In the case of a deceased public officer, be the day following the date of death;

- b) In the case of a convicted officer, be the date of conviction;
- c) In the case of leave without pay, be the date approved for the leave;
- d) In the case of an officer who is absent without leave, be the first day of such absence;
- e) In the case of vacation of post, be the date of vacation of post; and
- f) In the case of resignation and retirement, be the date of absence or the date specified in the relevant document, whichever is earlier.

Payroll Validation

- 1) The Financial Management Coordinator shall generate and transmit the Employee Salary Payment Voucher to the Director of the Centre after the payroll test run.
- 2) The Employee Salary Payment Voucher shall be validated by the designated Director to ensure that
 - a) Only employees belonging to the Centre are on the salary payment vouchers;
 - b) In the case of employees who are on posting or transfer out of the office, the name is declared unknown for steps to be taken to suspend the employees from the payroll;
 - c) Employees who are at post but whose names are not found on the salary payment voucher, are declared missing for steps to be taken to reinstate the name of the employee concerned onto the payroll
 - d) In the case of retirement, resignation, termination, vacation of post or death, appropriate notification is made for the name of the employee concerned to be deleted;
 - e) Any over payment of personal emolument is recovered;
 - f) The names of new employees and those posted or transferred to the Centre, appear on the payment voucher; and

- g) Any instructions related to salary issued by the Financial Management Coordinator are complied with.

Stoppage of Payroll Compensation

- 1) The Director shall ensure the immediate stoppage of payment of salary to staff and notify the Financial Management Coordinator in the following circumstances:
 - a) On the death of an employee,
 - b) On the conviction of an employee offence and sentence of that employee to imprisonment,
 - c) On the dismissal of an employee or relief of post on administrative and other related grounds,
 - d) On the grant of leave without pay to an employee;
 - e) On the vacation of post by an employee; and
 - f) On the resignation or retirement of an employee.
- 2) The Director shall take the necessary action to retrieve any unearned compensation occasioned by any of the occurrences on the above.
- 3) The amount retrieved under (2) shall be paid into the appropriate bank account of the Centre.

Payroll Deductions

- 1) Deductions from salaries of employees of the Centre shall be limited to the following:
 - a) Deduction of taxes and social contributions;
 - b) Recovery of over payment made to employees or benefit deduction to facilitate the payment of any amount owed to the Centre, arising from the benefits of the employee;
 - c) Deduction of fines, losses, and damage's determined through a disciplinary process;
 - d) Deduction that is required or permitted under the law or by a court order; and

- e) Deduction to which the employee agrees in writing and for which the approval of the Financial Management Coordinator has been obtained.
- 2) The Director of the Centre, shall obtain the consent of the affected employee before making a discretionary deduction from the salary of that employee.
- 3) The Director shall when validating the payroll, verify that the amount of payroll deduction is actually due.
- 4) The Financial Management Coordinator shall make payments of payroll deductions to the relevant institutions within the statutory period.

Payroll Processing Cycle

The payroll processing cycle for the Centre shall include

- a) The update of personnel record;
- b) A payroll test run, correction of the payroll test run and a final validation of the test run;
- c) The final payroll run; and
- d) Payment of employees, effected through the banks.

CHAPTER THREE: IMPREST ACCOUNTS

Definition of Imprest

An imprest is a sum of cash advanced to an Officer to meet payments which are otherwise convenient to disburse through the normal payment procedures.

Classes of Imprest

Imprest is of two classes, namely:

- 1) Standing Imprest, held throughout the financial year and replenished as and when necessary by the presentation of receipt and petty cash vouchers; and
- 2) Special Advance, is normally issued for making a particular payment, or group of payments which must be fully retired by the date specified in the approval.

Standing Imprest

ACECoR shall maintain petty cash funds under the imprest system to meet the cash requirements for emergency purchases and other minor expenditures. The petty cash float for any project shall be GH¢1,000.00 (One Thousand Ghana Cedis).

- 1) Application to keep a Petty Cash Account or Standing Imprest shall be made by Director of the Centre to the Vice Chancellor of the University of Cape Coast.
- 2) Applications for an increase in the amount of a current imprest may be submitted to the Vice Chancellor of the University of Cape Coast. Each application shall, however, be considered on its own merit.

Imprest Holders to Keep a Register

The Centre shall keep a Register showing the amount received as imprest and how it has been used. The Register shall be forwarded to the Directorate of Internal Audit for examination whenever the imprest is being recouped or retired. The Register also subject to examination by the Financial Management Coordinator. Monies which may be taken into Imprest Account are those which have been specifically drawn for imprest purposes under due authority. Any other monies received or handled by imprest holders shall be accounted for separately and shall not form part of their imprest account.

Responsibility of Imprest Holders

Imprest holders shall observe all regulations regarding the control of expenditure and disbursement of the Centre's monies. It is unlawful and irregular for imprest holders to use imprest monies for any purpose other than the purpose for which it was granted. Imprest holders are not absolved from the responsibility of accounting for their imprest until vouchers supporting all expenditure have been examined and found correct.

Recoupment and Retirement of Imprest

Imprest holders may recoup their imprest from time to time when the amount is almost or completely exhausted.

- 1) In recouping the imprest they shall submit all receipts and vouchers first to the Directorate of Internal Audit for examination, then to the Financial Management Coordinator or his/her representative who shall in turn prepare a voucher for the reimbursement required
- 2) All standing imprest shall be retired on or before the last day of the University's financial year for which they were issued. All imprest holders shall retire their imprest before they can be issued with fresh imprest at the commencement of the ensuing financial year
- 3) In the case of a Special Advance, the amount shall be retired as soon as the expenditure has been incurred and on no account shall a Special Advance be retained for more than one month. Failure to retire a Special Advance within the stipulated time, without good reason, known and acceptable to the Financial Management Coordinator, shall be considered misconduct.

Special Advance

There are two types of Special Advance, namely:

- 1) Special Advance Granted for Purposes other than Research
This must be accounted for in full within one month or when the service has been performed whichever is earlier.
- 2) Special Advance for Research
This must be accounted for through the Director of the Centre to the Financial Management Coordinator immediately activity is completed.

Consideration for Special Advance

Application for Special Advance shall be considered only:

- 1) Where credit facilities are not obtainable from the supplier of the goods or services
- 2) Where an item or service is urgently required and can only be paid for by cash
- 3) Approved Special Advance shall only be used for the purpose for which approval was given. Change of purpose will constitute misconduct.

All applications for Special Advance shall normally be supported by not less than three pro-forma invoices from VAT Registered Suppliers and shall give details of the amount required and the purpose for which it is required.

CHAPTER FOUR: MISCELLANEOUS PROVISIONS

Value Books

A "value book" refers to any official form, book or electronic device used in any public financial business, such as

- 1) Official receipt documents whether in the form of a book, ticket or disc,
- 2) Cheque books,
- 3) Local purchase order forms,
- 4) Requisitions and bill books, and
- 5) Any other form which the Financial Management Coordinator may declare to be a value book, the improper use of which may cause loss of public or trust moneys.

Management of Value Books

- 1) The Financial Management Coordinator shall specify conditions for the management and safety of value books used by the Centre.
- 2) The Financial Management Coordinator shall:
 - (a) Approve the design, form and content of value books,
 - (b) Order the supply of value books,
 - (c) Issue guidelines for the management of value books, and
 - (d) Approve stock levels of value books to be produced for use by the Centre.
- 3) The Director of the Centre is responsible for the efficient control of stocks of value books of the Centre.

Security of Value Books

The Financial Management Coordinator shall ensure that

- 1) Security features of value books are reviewed periodically to prevent theft, misuse, duplication or tampering;
- 2) Systems used for the production of value books have adequate protocols and controls to prevent unauthorised access and use; and
- 3) Value books have identifiable pre-printed serial numbers or system generated numbers.

Custody of Value Books

- 1) A person to whom a value book is issued is responsible for the custody of the value book.
- 2) A stockholder of a value book is responsible for the custody of the value books until the receipt of the value books has been duly acknowledged by another stockholder or user.

Loss of Value Books

- 1) Loss of a value book shall be reported immediately
 - a) by the officer responsible for the custody of the value book to the issuing stockholder;
 - b) by the issuing stockholder to the Vice Chancellor; and
 - c) by the Vice Chancellor to the Police as the circumstance of each case requires,
- 2) Where the circumstances of the loss of a value book suggests the possibility of unlawful use of the value book, the person who had custody of the value book shall give sufficient notice of the loss to the other officers and the public.
- 3) The notice includes
 - a) publication in the Gazette;
 - b) publication in a newspaper of nationwide circulation;
 - c) circular; or
 - d) Any form of notice specified in the Departmental Accounting Instructions.

Value of the Loss

The value of the loss of a value book comprises

- a) The cost of acquiring the value book,
- b) The cost of the notice to the public, and
- c) Any loss of revenue or irregular payment occasioned by the loss of the value book.

Retention of Used Value Books

The Director of the Centre shall retain used value books at least for a period of ten years.

Management of Fixed Assets

- 1) The Financial Management Coordinator shall determine the classes of fixed assets.

- 2) Fixed Assets" include land, buildings, vehicles and other high value fixed assets which the Centre controls and uses in the operations of the Centre to generate revenue or provide services and which are expected to be in use for more than one year.

Inventory of Land, Buildings, Vehicles and High Value Fixed Assets

- 1) The Director shall periodically undertake an inventory of all land, buildings, vehicles and other high value fixed assets of the Centre and update the records in the Fixed Assets Management Software.
- 2) The Financial Management Coordinator shall issue an instruction on the procedures for an inventory of all land, buildings, vehicles and other high value fixed assets under.

Fixed Assets Register

ACECoR shall keep an up-to-date register of all its assets. The purpose is to meet donor requirements by way of submitting timely capital equipment reports. Additionally, it will ensure accountability for all ACECoR assets as it will facilitate the monitoring of the status of each asset. An asset register will preserve the financial and statistical records relating to individual assets.

Responsibility for Fixed Assets Register

The Director of the Centre has overall responsibility for ensuring that details of non-current assets are correctly recorded in the asset register.

Capitalization thresholds

Any item that would benefit the Centre for more than one financial year, and meets the following thresholds shall be capitalised and classified as a non-current asset and shall be included in the register.

SN.	Description of item	Thresholds in GHS
1	Land	Full Capitalization
2	Land improvement	GHS20,000 and above
3	Buildings	Full Capitalization

SN.	Description of item	Thresholds in GHS
4	Building Rehabilitation	Full Capitalization
5	Production Equipment	Full Capitalization
6	Other Equipment (E.g. Copiers, Gen. Set)	GHS 25,000 and above
7	Donated Asset of any category	GHS 25,000 and above
9	Motor Vehicles	Full Capitalization
10	Furniture & Fittings	Expensed in the year of acquisition
11	Computer Hardware, Software & IT Equipment	Expensed in the year of acquisition
12	Laboratory Equipment	GHS 25,000 and above

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Centre and the cost of the item can be measured reliably.

Maintenance and repairs costs of item of property, plant and equipment, which do not meet the recognition criteria, are charged to the statement of financial performance as expenses.

Depreciation

Depreciation of property, plant and equipment shall be charged on straight line basis with no depreciation charge for any asset in the year of acquisition. The asset's residual value and useful lives shall be reviewed, and adjusted if appropriate, at each Statement of Financial Position date. An item of asset shall be de-recognized upon disposal or when no future economic benefits are

expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) shall be charged to the Statement of financial performance in the year the asset is de-recognized.

Assets in the course of construction (Work in progress) are accounted for at cost, based on the value of architect's certificates and other direct costs incurred to the end of the year. They are not depreciated until they are brought into use

Freehold Land is not depreciated as it is deemed to have an indefinite life. Non-current Assets are depreciated on a straight - line basis estimated to write each asset down to its estimated residual value over the estimated useful lives of the assets:

The following table displays the rates of depreciation to be applied to each category of assets.

SN	Description of Item	Depreciation Rate	Useful Life
1	Freehold Land	Nil	Freehold
2	Leasehold Land	Based on lease period	Lease Period
3	Building & Building Rehabilitation	2%	50 years
4	Production Equipment	25%	4 years
5	Other Equipment (E.g. Copiers, Gen. Sets)	25%	4 years
6.	Furniture and Fittings	25%	4 years
7	Estate and Area Development	10%	10 years
8	Motor Vehicles	25%	4 years
9	ICT including Laboratory Equipment	25%	4 years

Embossment of Non-Current Assets

All ACECoR's assets shall be embossed in a logical manner having regard to the nature of the asset. When designing an embossment system the following principles should be adhered to;

- 1) Simplicity - to ensure the code is easy to use and also to minimize likelihood of errors.
- 2) Unambiguity - each code should only refer to one asset.
- 3) Flexibility - the code should be possible to add further categories

4) Brevity - code should be kept short for ease of use and to reduce the chance of errors.

An alphanumeric code with references to the Centre, the University of Cape Coast and the unique asset number shall be adopted.

Store Management

- 1) The Financial Management Coordinator shall record the acquisition of store items in the Stock Control Software when the delivery is certified.
- 2) The disposal of stores shall be in accordance with the Public Procurement Act, 2003 (Act 663).
- 3) The Centre shall manage stores in accordance with the Public Financial Management Regulation.

Internal Controls

The Management of ACECoR shall be responsible for developing and implementing a system of internal controls that will:

- 1) Safeguard the assets of the Centre
- 2) Ensure the accuracy and reliability of accounting data
- 3) Promote operational efficiency
- 4) Encourage adherence to prescribed policies by donors

The Financial Management Coordinator in setting up or examining the internal controls of ACECoR may use the controls listed below. These controls are not intended to contain comprehensive coverage of all the points, which would normally be covered by an auditor making a detailed review of internal control. They are intended, however, to be a general guide for self-examination by ACECoR to ensure proper internal controls.

Controls

- 1) All disbursements, except petty cash, must be made by cheque or bank transfer.
- 2) No cheques are to be signed until completely prepared and accompanied by supporting documentation.

- 3) Bank statements are to be reconciled monthly and should be independently reviewed by someone other than staff who prepared it. The sequence of cheque numbers is to be accounted for when reconciling the bank statements.
- 4) Cheques should not be issued on the basis of verbal authority and a control should be maintained over blank and voided cheques.
- 5) Periodic surprise counts and reconciliation of the petty cash fund should be made.
- 6) When cheques are submitted for signature, a voucher along with supporting documents should be presented. Invoices and payment vouchers should be marked “PAID” and the cheque number, and date should be posted to the invoice and payment voucher to prevent their resubmission.
- 7) A non-current asset register shall be established and maintained which will provide a perpetual inventory of all assets.

Monitoring and Evaluation of Financial Operations

Annual Audit

In addition to the audit of the operations of ACECoR by the Directorate of Internal Audit of the University of Cape Coast as part of its annual audit programme, the Centre shall engage the external auditors to carry out an annual audit of the Centre’s financial and management operations. The audit shall serve the purpose of objectively assessing, evaluating and reporting on the adequacy of the internal control system as a contribution to the correct, efficient and effective use of resources.

Audit Report Implementation

Following the annual audit by the External Auditors, an audit report shall be issued to the Management of ACECoR. The University of Cape Coast Audit Committee shall oversee the implementation of all audit recommendations.

APPENDIX: FLOW CHART FOR PURCHASE PROCESSING

