



accra
business
school



ACCOUNTING AND FINANCE POLICY AND PROCEDURAL MANUAL

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BACKGROUND

In a landscape marked by the confluence of economic evolution and socio-political dynamics, Accra Business School (ABS) emerges as a beacon of transformative education in Africa. At its core, ABS is a response to the nuanced challenges facing contemporary executives navigating the intricate tapestry of African business.

Our journey began in 2004, where we were initially known as the African Centre for Leadership and Human Resource Development (AFRILEAD) in congruence with Africa's trajectory demands for more than traditional approaches to business education. Our Institution focused on providing high quality short-term training to busy professionals. As we continue to grow and expand our offerings, we transitioned to the Graduate School of Governance and Leadership (GSGL) marking the introduction of our postgraduate diploma programs. We then became the Almond Institute which allowed for offering undergraduate programs. Today, as Accra Business School, we emphasize on our geographical location, specialization, and dedication to provide exceptional education especially in graduate programs. Our success is underscored by our strong reputation in Ghana and on the international stage as evidenced by our collaborative partnerships with foreign Institutions.

ABS sets forth a visionary agenda; to be the pre-eminent and the most preferred Christian business school in Africa. We aim to develop a new breed of global business leaders, educated to a global standard who can create jobs, increase income, and reduce poverty in Africa. The Institution aspires to be more than an educator; it aims to be a catalyst for the intellectual and practical metamorphosis of executives.

Introduction

The policies as well as the related procedures as contained in this manual are applicable to all financial activities and transactions within the Institution environment. It is the duty of each person to ensure that he/she acts in terms of these policies and procedures.

The primary aim of the financial policy is to ensure that all financial transactions comply with the Institution's requirements regarding internal control, financial liability and the management of financial risks, as well as, compliance with all legal and financial requirements as determined by the laws of Ghana. Accordingly, each policy document is presented against the framework of a policy number, the policy and other possible rules applicable to the policy itself.

APPLICATION AND HIERARCHY

This Financial Policies and Procedures Manual applies to the Institution. The only exception to this is where requirements that are more stringent than the Institution's Financial Policy and Procedures Manual are imposed by a third party, for example by a bank funding the construction of a building. In this case, the more stringent requirements of the funder should apply.

The Financial Policies and Procedures Manual also apply to all of the Institution's subsidiary undertakings, except where special arrangements are made by the Head of Finance to put alternative Financial Policies and Procedures in place. The alternative Financial Policies and Procedures will be approved by the Council on the recommendation of the Finance Committee.

AMENDMENT OF ANY FINANCIAL POLICIES & PROCEDURES

The Council shall approve the Financial Policies and Procedures on the recommendation of the Finance Committee. The Council will be consulted on amendments to the Financial Policies and Procedures.

More frequently if appropriate, the Head of Finance shall arrange for the Financial Policies and Procedures to be reviewed and for proposed changes to be submitted to the Finance Committee for onward recommendation to Council.

Upon receipt of advice that the policies or procedures have been updated, all departments and any other establishments will be required to undertake an appraisal of their existing procedures to determine if they comply with the revised requirements. Any corrective action necessary to ensure compliance is to be undertaken promptly.

FINANCIAL MANAGEMENT RESPONSIBILITIES

Governing Council

1. The Governing Council shall have power to:
 - a) Govern, control and manage all administrative and academic affairs of the SCHOOL on behalf of the shareholders.
 - b) Approve Academic Board's recommendation for the awards of degrees, diplomas, certificates and any other qualifications.
 - c) Confer the title of Emeritus Professor, Honorary Professor, Honorary Lecturer or other academic titles to deserving personalities upon the recommendation of the Academic Board and approval of the mentoring Institution.
 - d) Appoint a visitor who shall provide quality assurance guidance as and when necessary.
 - e) Control and manage all property, funds and investments of the SCHOOL and;
2. Shall have power on behalf of the SCHOOL:
 - a) To sell, buy, exchange, lease and accept leases or property.
 - b) Generally to enter into, carry out, vary and cancel contracts.
 - c) To borrow money on behalf of the SCHOOL on security of the property of the SCHOOL or otherwise.

- d) Control the finances of the SCHOOL and shall have power to determine finally any question on finance arising out of the administration of the SCHOOL or the execution of its policy or in the execution of any trust by the SCHOOL, provided always that before determining any question on finance which directly affects the educational policy of the SCHOOL, the Council shall invite the opinion of the Academic Board and shall take into consideration recommendations made by the Academic Board.
 - e) Prescribe the manner and form in which units of the SCHOOL shall submit accounts or estimates of income and expenditure.
3. Determine the annual expenditure necessary for the maintenance of:
- a) The property of the SCHOOL
 - b) An adequate staff for transacting the academic, financial and administrative business of the SCHOOL, and shall in its discretion, appropriate monies for these purposes.
 - c) Be responsible for all measures necessary or desirable for the conservation or augmentation of the resources of the SCHOOL and for this purpose may from time to time specify any matter affecting the income or expenditure of the SCHOOL in respect of which the consent of the Academic Board shall be sought before action is taken or liability is incurred.
 - d) Determine the allocation of recurrent funds at the disposal of the SCHOOL

The President

The President is the chief executive officer of the Institution and shall exercise the powers and perform the functions conferred on the President by the Statutes. He is the principal academic and administrative officer of the Institution and is responsible to Council for all financial administration. The key financial responsibilities of the President include:

- a) The President shall, by virtue of his Office, be a member of the Accra Business School Governing Council, Convocation and the Academic Board, and of every statutory committee of the Accra Business School Council and the Academic Board.
- b) The President shall be the academic and administrative head of the SCHOOL and shall:
 - i. Be responsible for discipline of all staff in the SCHOOL;
 - ii. Exercise general authority over the staff;
 - iii. Be responsible for the co-ordination and implementation of the programmes of the SCHOOL;
 - iv. Have the power to appoint all employees of the SCHOOL other than Senior Members in accordance with procedures and terms laid down by the Accra Business School Council;
 - v. Advise the Accra Business School Council and the Academic Board as well as all committees on all policy issues affecting the academic, finance and administration of the SCHOOL. For this purpose he/she shall have unrestricted right of attendance and speech at all meetings of the Accra Business School Council and all SCHOOL bodies charged with consideration of such matters;
 - vi. Have the power to delegate any functions assigned to him/her by these Statutes to such office holders or senior members of the SCHOOL as seems to him appropriate;
 - vii. Promote scholarship and general growth and welfare of the SCHOOL;

- viii. Present to the Accra Business School Council for consideration and approval of business plans and budgets one month before the beginning of every financial year;
- ix. Present to the Accra Business School Council for consideration and approval of annual audited accounts four months after the financial year;
- x. Present a termly management account to the Accra Business School Council for consideration and approval at the end of every quarter;
- xi. Ensure that policies approved by the Accra Business School Council are effectively implemented;
- xii. Be responsible for the custody of the seal of the SCHOOL for fixing it to documents in accordance with the directives of the Council.

Committees

The Institution Council has ultimate responsibility for the Institution's finances. Its' principal committees dealing with financial matters are set out below. These committees are accountable to the Institution's Council.

STATUTORY COMMITTEES OF GOVERNING COUNCIL

ESTABLISHMENT OF STATUTORY COMMITTEES OF COUNCIL

- a) There shall be established Statutory Committees of Accra Business School Council as specified in Schedule A.
- b) The Statutory Committees of Accra Business School Council shall have powers to perform specific functions assigned for and on behalf of the Council.
- c) Unless as otherwise provided by these Statutes, or regulations adopted pursuant thereto, the quorum for the transaction of business of any SCHOOL body shall be not less than one-half of the total membership of that body or if one-half is not a whole number, then the next higher whole number. If any Committee is unable to raise a quorum for two successive meetings, the chairman of that Committee shall report to the Executive Management Team of the Council for advice.
- d) No decision reached at a meeting of any SCHOOL body shall be valid unless it has received the approval of not less than one-half of the members present and voting at that meeting. If there is equality of votes in respect of any decision reached at any meeting of any SCHOOL body, the chairman of the meeting shall have, in addition to his original vote, a casting vote.
- e) Subject to such regulations as may be made under these Statutes in that behalf, any question as to the procedure to be observed in respect of any matter arising at a meeting of any SCHOOL body or committee shall be determined by the entire members present at such meeting.
- f) Unless otherwise provided, all statutory committees and boards of the SCHOOL shall meet at least once in every semester.
- g) No act or decision of any SCHOOL body shall be invalid by reason of the existence of any vacancy among its members.

THE FINANCE COMMITTEE

- a) The Finance Committee of the SCHOOL shall be appointed by the Council and shall be subject to the general policy, control and guidance of the Council and on behalf of the Council shall perform the executive functions of the Council with regard to all financial matters coming within the functions of the Council prescribed by and subject to these Statutes.
- b) The Finance Committee shall have power to:
 - i) Prepare the annual accounts of the SCHOOL for approval by the Accra Business School Council.
 - ii) Control and regulate such expenditure in the light of the SCHOOL's approved annual budget and in accordance with the SCHOOL's Financial Regulation.
 - iii) Invest and otherwise manage the SCHOOL funds.
 - iv) Incur or otherwise authorize persons or bodies to incur expenditure from SCHOOL funds, including any income accruing to any section of or body within the SCHOOL.
 - v) Perform all the functions assigned to it in the SCHOOL's Financial and Stores Regulations subject to any conditions that the Accra Business School Council may determine.
 - vi) Carry out any other functions that may be delegated to it.

THE DEVELOPMENT COMMITTEE

The Council shall appoint a Development Committee which, subject to the general policy control and direction of the Council, shall on behalf of the Council, be responsible for all matters concerning the acquisition, development, maintenance and disposal of land, buildings and other property and without prejudice to the generality of its powers, shall within the financial resources made available to it by the Finance Committee have power to:

- a) Take all steps as it considers fit for the development, care and maintenance of the property of the SCHOOL.
- b) Determine buildings programme and approve plans for the physical development of the SCHOOL.
- c) Appoint such architects, consultants and other professional persons as in its view are required for the best implementation of the physical development plans of the SCHOOL.
- d) Decide on contracts for site and building development, where appropriate.
- e) Determine all design matters.

PROCUREMENT AND TENDER COMMITTEE

A Tender Committee shall be appointed by the Council as a sub-committee of the Development Committee.

- a) The Procurement and Tender Committee shall consider contract awards and report to the Development Committee.

- b) The Committee shall process all matters related to procurement under the direction of Council and guided by relevant provisions of the Public Procurement Act, 2003 (Act 663) and PPA Amendment Act, 2016.

OFFICERS INVOLVED IN THE FINANCIAL MANAGEMENT AND ADMINISTRATION OF THE INSTITUTION

The Institution shall be managed and administered in accordance with sound and modern principles and ideas on Institution management and administration including the principles of academic and financial integrity, confidentiality, accountability, transparency, fairness and equality of opportunity.

All officers and Institution bodies whether permanent or ad hoc shall in accordance with the policy directions of the Council, manage and administer the affairs of the Institution in their various capacities in strict adherence to these principles. These officers include:

THE REGISTRAR

The Registrar shall:

- a) Lead the Registry and be supported by the Heads of Student Services, Admissions, Human Resources as well as Quality, Standards and Accreditation;
- b) Be responsible for providing secretarial services for all Boards and Committees of the Accra Business School Council and the Academic Board and its sub- committees;
- c) Be responsible to the President on matters relating to general administration of the SCHOOL;
- d) Ensure the introduction of innovative organizational development and management methods with the aim of improving upon efficiency and effectiveness of the work of the SCHOOL;
- e) Continually monitor and improve upon the flow of information and action within the SCHOOL;
- f) Ensure the availability of all services and equipment necessary to support the administration and academic programmes of the SCHOOL;
- g) Perform such other functions as may be assigned to him/her from time to time by the President;
- h) Cause to be publicized in the SCHOOL Bulletin at the end of each semester, all policy decisions of Council and Academic Board.

THE HEAD OF FINANCE

The Head of Finance shall:

- a) Be responsible for the management of the finances of the SCHOOL;
- b) Be required to fully inform and advice the President on the finances of the SCHOOL;
- c) Ensure that proper books of accounts and records of assets and liabilities of the SCHOOL are kept in such manner and form as the Council may require;
- d) Prepare for the consideration of the Council such statements, accounts and estimates as the Council may determine;

- e) Receive contributions to the SCHOOL from various sources including fees accruing to the SCHOOL in exercise of its functions, including fees paid by students, charges and dues in respect of services rendered by or through the SCHOOL and proceeds of the sale of publications and other items of the SCHOOL;
- f) Offer every assistance to both Internal and External Auditors in the discharge of their duties;
- g) Assist the President in the day-to-day financial administration of the SCHOOL;
- h) Prepare business plans and budgets for the SCHOOL;
- i) Prepare quarterly management accounts;
- j) Prepare annual statutory accounts;
- k) Ensure that the SCHOOL's accounts are appropriately audited;
- l) Put in place strategic financial control and ensure compliance;
- m) Design appropriate accounting system for the financial administration of the SCHOOL.

INTERNAL AUDITOR

The Internal Auditor shall:

- a) Ensure adherence to the internal controls of financial disbursements established by the SCHOOL;
- b) Provide a monitoring service for the Council and senior management and make recommendations on the adequacy, effectiveness and compliance with established policies and procedures;
- c) Initiate or carry out any assignment and investigation as directed by the Council and senior management.
- d) Liaise with and provide assistance to external auditors in order to ensure co-ordination and avoid duplication of work.
- e) Assure management of the completeness, accuracy and reliability of financial records and information needed for decision-making.
- f) Recommend improvement in the system of internal controls by identifying opportunities for enhancing performance, prevention and/or elimination of waste, errors and fraud and protecting the assets of the SCHOOL from both misappropriation and misapplication.
- g) Maintain a follow-up system on deficiencies noted in audits and advice on adequacy of remedial actions;
- h) Obtain, develop and maintain appropriate human resources necessary for the attainment of the objectives of the audit department of the SCHOOL.

HEADS OF DEPARTMENT

- a) The Head of an Academic Department shall be responsible to the Vice-President for providing leadership and for maintaining and promoting the efficiency and good order of the Department. The Head of an Academic Department shall be supported by the Programme Managers and Coordinators.
- b) The Head of an Academic Department shall:

- i) be responsible, with the approval of the Academic Board, to organise the teaching programme, to maintain acceptable teaching standard, and to ensure there are adequate facilities for research.
- ii) in consultation with members of the Department, recommend to the Academic Board the development of courses and syllabi as well as the promotion of research.
- iii) have direct responsibility for the administration of the department while recommend the appointment and promotion of academic staff.
- iv) consult with the Vice-President on matters affecting the Department.
- v) Consult with, and be assisted by the Programme Managers and Coordinators in the execution of his duties.

OTHER STAFF

All employees shall, in accordance with the policy decisions of the Council, manage and administer the affairs of the Institution in their various capacities in strict adherence to these Financial Policies. In so doing:

- a) Employees must follow Council policy decisions in managing the Institution's affairs.
- b) General responsibility for the security of the Institution's property and ensuring efficiency in resource use.
- c) Operate within delegated authority and adhere to regulations.
- d) Provide relevant records and information to the Head of Finance for policy implementation.
- e) Supply necessary financial information to the Head of Finance as needed.
- f) Promptly report any irregularities involving Institution's cash or property to the Head of Finance.
- g) The Head of Finance will investigate and report as necessary.

DELEGATION OF FINANCIAL RESPONSIBILITIES

The Institution's primary budget holders are the President, Registrar and Heads of Departments. They are responsible as regards budgetary and financial matters to the Council:

- a) Responsible to the Council for budgetary and financial matters.
- b) Manage budget overall, delegate authority as needed.
- c) Prepare estimates, forecasts, and budgets for schools and departments.
- d) Produce annual academic and financial plans as required.
- e) Ensure and monitor compliance with Financial Policies and Procedures.

The President, Registrar, and Heads of Departments bear the overall responsibility for financial management across the Institution, Departments, and other entities. Delegation of day-to-day financial management tasks is permissible to designated individuals within their respective areas, following the Financial Delegations Policy and with prior written approval from the Head of Finance. The President, Registrar, and Heads of Departments retain ultimate responsibility despite any delegation. Approved delegations undergo an annual review to ensure ongoing appropriateness, with the possibility of suspension or withdrawal in case of suspected or evidenced misuse. The Head of Finance maintains a Scheme of Delegated Financial Authorities.

COMPLIANCE WITH THE FINANCIAL REGULATIONS

Team members at all levels are expected to wholeheartedly embrace and implement the policies, procedures, and guidelines outlined in the Financial Policy and Procedures Manuals. This commitment is essential to meet their accountability standards within the Institution.

The President, Head of Finance, Registrar, and Heads of Departments play a pivotal role in championing compliance with Financial Policies within their spheres of influence. This not only involves upholding these policies themselves but also ensuring that all staff and individuals under their management, entrusted with the administration or management of Institution funds, are thoroughly informed and equipped to navigate these crucial responsibilities:

- Team members must be well-versed in the Financial Policy and Procedures Manuals, understanding both their existence and the specific responsibilities outlined within.
- Equally important is recognizing the implications associated with non-compliance.

Everyone associated with the Institution, including those not directly employed (like visiting staff, temporary staff, and contractors), must follow the Financial Policies and Procedures. This includes members of the Council and co-opted members of Council Committees.

Staff members are responsible for understanding their various roles they play under the policies.

If there's any non-compliance, the Head of Finance will investigate and, after talking to relevant colleagues, decide on the best course of action. Serious breaches will be reported to the President and the Finance Committee. The Council will be informed through the Finance and Audit Committees.

REVISION AND PUBLICATION OF THE FINANCIAL REGULATIONS

The Institution will actively promote awareness of its financial policies, procedures, and guidelines within its Schools, Departments, and other units. It will offer guidance on the consequences of deviating from these established principles.

The Finance Department holds the responsibility for maintaining accurate, officially endorsed, and current financial information. It also oversees training and provides guidance on using the Financial Policy and Procedures Manual.

The Head of Finance ensures the proper publication of the Financial Policies and Procedures Manual. Hard copies are distributed to key figures such as the President, Vice President, Registrar, and Departmental Heads.

Any uncertainties about interpreting these policies and procedures are resolved by the Head of Finance, who may refer the matter to the Finance Committee if necessary.

STANDARDS OF CONDUCT

This section sets out the Institution's requirements regarding the good conduct of business.

GENERAL PRINCIPLES

The Institution is dedicated to conducting its business with honesty and integrity, aligning with the seven principles outlined by the Committee on Principles of Public Life (Nolan's Principles): selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

In its commitment to ethical practices, the Institution strictly adheres to all laws related to preventing bribery, fraud, and corruption. The stance is one of zero tolerance towards fraud, bribery, and any form of dishonest behavior.

GENERAL RESPONSIBILITIES

All individuals associated with the Institution, including those not directly employed but with responsibilities for managing Institution funds, such as honorary staff, temporary staff, contract staff, contractors' staff, independent Council members, and committee are expected to consistently act with a broad awareness of their responsibilities. They should operate in good faith and in the Institution's best interests.

These individuals are accountable for adhering to the relevant policies and procedures established by the Institution. These guidelines are designed to assist staff and connected individuals in understanding and fulfilling their responsibilities, aligning with the Institution's commitment to probity and ethical conduct in its business operations.

FRAUD AND FINANCIAL IRREGULARITY

Fraud and financial irregularity is defined as, "**Any intentional act aimed at causing loss or seeking unauthorized gain, whether for personal gain or to the benefit to others**".

This definition applies universally, encompassing staff, Council members, committee co-optees, suppliers, partners, subsidiaries, associates, and any individuals or organizations engaging with the Institution.

Any staff member, student, or Council member who suspects fraud or financial irregularities within the Institution is encouraged to promptly report it to the Head of Finance or the Registrar. In cases where the suspected wrongdoing involves the Director of Finance personally, the matter should be brought to the Registrar's attention. Similarly, if the suspicion involves the Registrar personally, it should be reported to the President without delay. Upholding transparency and integrity is crucial for the well-being of our Institution.

DISCLOSURE AND REGISTRATION OF INTERESTS

A conflict of interest is defined as a situation that may occur, which has the potential to undermine the impartiality of a person, or where there is the possibility of a conflict between the individual's self-interest and their professional or public interest.

All members of staff must disclose any potential or actual conflict of interest which may impinge on their impartiality in any matter relevant to their duties to their immediate superior or other appropriate authority in accordance with the Institution's Staff Code of Conduct and Policy. Members of Council are similarly required to disclose any potential or actual conflict of interest. In all cases personal interests must be declared at any meeting where the matter is to be discussed, whether or not that interest has already been declared and recorded. Such declarations will be recorded in the minutes of any relevant meeting. The individual should not participate in or seek to influence any decision relating to the matter concerned.

It is also a requirement of the Institution that members of Council, all senior members, staff with significant financial authority and staff with access to privileged information disclose relevant personal interests in the Register of Personal Interests. This includes:

- all directorships registered under the Companies Act, whether or not they are remunerated employment, office, profession or other activity apart from employment by the Institution
- other relevant interests, for example:
- clients or business relationships which they know to have a direct connection with the Institution and its associated companies or which might affect their business
- any significant shareholdings in organisations which they know to have business with the Institution or its associated companies.
- un-remunerated posts, honorary positions and other connections which may give rise to a conflict of interest or of trust.

It is also a requirement to record relevant interests, where they are both known and material, held by members of their immediate family, eg. spouse, partner, parents, children and siblings.

No person shall be a signatory to any Institution contract on behalf of the Institution where he or she also has a relevant interest in the activities of the other party.

FINANCIAL ADMINISTRATION

THE FINANCE DEPARTMENT

The Finance Department is a cornerstone for maintaining the institution's financial health and integrity. Operating under the direct leadership of the President, the Finance Department is instrumental in ensuring the institution's efficient operation.

The primary goal of the Finance Directorate is to uphold a financially robust organisation by delivering efficient and effective financial management services to the institution. This objective of the department includes:

1. Leadership and Financial Strategy:
 - a) Oversee the finance team to manage the accounting function, ensuring adherence to legislation and ethical accounting practices.
 - b) Play a key role in developing the institution's financial strategy.
 - c) Ensure consistent communication of financial information to the Governing Council and external stakeholders.

2. Financial and Regulatory Reporting:

- a) Prepare annual school accounts and support schedules.
- b) Manage the annual audit process in collaboration with internal and external auditors.
- c) Ensure timely submission of all regulatory returns, including Social Security reports and tax returns.
- d) Liaise with investment advisors for investment transactions and monitor endowment cash.
- e) Collaborate with VAT Adviser on matters related to new capital projects or changes in VAT rules.
- f) Ensure compliance with Scholarship rules regarding the Student Loan Scheme.
- g) Stay updated on financial, tax, and regulatory changes, advising the Finance Committee accordingly.

3. Management Accounts and Information:

- a) Produce quarterly management accounts and regular management information reports.
- b) Collaborate on the annual budget with the Finance Committee and budget holders.
- c) Monitor balance sheet accounts and reconcile control accounts regularly.
- d) Monitor actual expenditure against budgets, investigate variances, and report to relevant committees.
- e) Support the Finance Committee in financial management, resource allocation, and financial planning.

4. Financial Accounts and Information:

- a) Record all financial transactions accurately through financial systems and processes.
- b) Establish and maintain accounting procedures consistent with audit standards.
- c) Collaborate with the Finance Committee to enhance financial systems.
- d) Monitor and oversee reconciliation processes, billing, and debt collection.
- e) Manage student finances, including student loans and grants.
- f) Maintain individual accounts for endowment funds and track Restricted Funds and Designated Reserves.
- g) Ensure accurate recording and allocation of funds in bank accounts.
- h) Oversee the monthly reconciliation of control accounts.
- i) Maintain the Fixed Assets register and authorise disposals.
- j) Prepare and maintain capital project spreadsheets for expenditure and cash flow forecasts.

5. Tax and Banking:

- a) Manage the School's tax affairs and oversee VAT implications.
- b) Prepare periodic VAT returns, annual partial exemption, and Capital Goods Scheme adjustments.
- c) Oversee tax computations prepared by auditors and handle financial transactions with subsidiary companies.
- d) Manage banking arrangements, conduct regular reviews of banking services and costs, and prepare monthly cash analysis.

6. Payroll and Pension Schemes:

- a) Oversee monthly and tuition payrolls, ensuring correct and timely payments.
- b) Oversee staff participation in pension schemes, submit accurate monthly pension returns, and ensure compliance with pension auto-enrolment regulations.

7. Staff Management:

Line manage the Finance Team, conduct annual appraisals, and assist in professional development.

8. Financial and IT Systems:

- a) Maintain and develop electronic accounting and payroll systems, ensuring integrity and security.
- b) Ensure Finance Team members are properly trained on relevant systems.
- c) Assist in implementing new database systems linked with finance transactions.

9. Additional Duties:

Undertake additional duties as requested by the institution, aligned with the grade and responsibilities of the role. The duties may be varied without changing the essential nature of the post.

FINANCIAL POLICIES AND PROCEDURES

ORGANIZATION OF THE POLICIES AND DETAILED PROCEDURES

The Financial Policies are organized into distinct subject areas, each containing a set of related policies, with the potential for future expansion.

Each policy statement adheres to a standardized format. The initial section provides the policy number and title. Subsequently, each page includes details such as the subject area, the responsible office, the entity authorized to approve policy changes, issue date, and revision date. Following this, the actual policy content and detailed procedures are presented.

The responsible office is tasked with the development, dissemination, monitoring, and revision of the applicable policy. In instances where additional guidance or interpretation of a specific policy is needed, consultation with that office is recommended. For matters not covered by the Financial Policies and related Procedures, it is advisable to seek guidance from the Office of the Head of Finance.

RELATIONSHIP BETWEEN FINANCIAL REGULATIONS AND FINANCIAL PROCEDURES

The institution's financial policies serve as a foundational framework guiding its financial management. These policies are complemented by detailed procedures that outline the institution's approach to fulfilling the requirements set forth in the policies. The procedures articulate how the principles outlined in the policies should be applied in the day-to-day operations, providing specific instructions on financial transactions and accounting records.

Operational matters are specifically addressed in the financial procedures, which offer pertinent details to ensure efficient, effective, and economically sound financial control. It is essential to read these procedures in conjunction with the overarching policies. Additionally, references may be made to other institution publications and guidance, with clear indications of their sources and how they can be accessed.

The financial procedures are structured based on the financial policies, mirroring their framework for ease of understanding. Instances where the policies do not necessitate procedural explanations will be referenced accordingly. Moreover, attention may be directed to procedural information provided by offices outside the Finance Department.

Recognising the potential need for adjustments to financial processes to align with local requirements, such changes must be deemed exceptional and gain prior approval from the Head of Finance before adoption. The Finance Department may issue supplementary guidelines offering detailed guidance to staff and other members of the institution on matters covered in the financial procedures.

In cases of doubt or apparent conflict, the institution's financial policies take precedence over the financial procedures, which, in turn, prevail over any supplemental rules or guidelines.

DETAILED POLICIES & PROCEDURES

The policies and procedures that govern financial matters for the Institution are detailed below:

1. Budgetary Management & Control
2. Financial Systems & Accounting Policies
3. Income
4. Student Fees
5. Treasury Management
6. Management of Projects & Research Funds
7. Other Income Generating Activities
8. Accounts Receivable
9. Procurement
10. Expenditures & Disbursements
11. Payroll
12. Management of Fixed Assets
13. Inventory Management
14. Financial Reporting
15. Audit Requirements

BUDGETARY MANAGEMENT & CONTROL

Purpose

In order to fulfill its financial commitments and ensure smooth operations, a comprehensive framework and guidelines are established for the preparation of the institution's annual budget. This process is crucial for effective financial management, providing a structured approach to allocate resources and meet the various financial obligations of the institution. The annual budget serves as a strategic tool to plan and control financial activities, aligning with the overall goals and objectives of Accra Business School. Through this framework, the institution aims to maintain fiscal responsibility, allocate resources efficiently, and uphold financial stability for sustained growth and success.

Responsibility

Responsible Officer : Head of Finance
Approval : Governing Council

POLICY STATEMENT

Budget objectives

The Council periodically establishes budget objectives aligned with the Strategic Plan of the Institution. This strategic alignment provides essential guidance for the Head of Finance in formulating comprehensive and detailed financial plans for the institution. By setting these budget objectives in accordance with the broader strategic vision, the Council ensures that financial planning is not only aligned with immediate needs but also contributes to the long-term goals and aspirations of the institution. This collaborative approach between the Council and the Head of Finance fosters a strategic and forward-looking financial management process, promoting the overall success and sustainability of the institution.

Resource Allocation

Annually, the Council allocates resources based on established budget objectives and recommendations put forth by the Finance Committee. The allocation process considers the strategic goals outlined in the budget and is guided by the collaborative efforts of the Council and the Finance Committee. Following this allocation, the Registrar and Heads of Departments bear the responsibility for the judicious, effective, and efficient utilization of the allocated resources within their respective domains.

Furthermore, the senior management of the institution, in coordination with relevant stakeholders, is tasked with approving the criteria or formula employed for the equitable distribution of fees among the various academic and administrative departments. This ensures a transparent and standardized approach to fee-sharing, promoting fairness and alignment with the institution's overall financial strategy. This collaborative decision-making process contributes to the economic viability and operational effectiveness of Accra Business School.

Finance Committee

The Finance Committee of the Institution is entrusted with several key responsibilities, including:

1. Review and Formulation of Strategic Plans

The committee plays a pivotal role in the review and formulation of strategic plans for the institution. This involves a comprehensive assessment of the institution's overarching goals and objectives, aligning them with the dynamic needs of the academic and operational landscape.

2. Coordination and Consolidation of the Budget

The committee takes charge of coordinating and consolidating the annual budget. This involves bringing together input from various departments and units, ensuring that the budget reflects the strategic priorities outlined in the institution's plans. The committee acts as a central coordinating body in this crucial financial planning process.

3. Monitoring and Evaluation of Budget Performance

Another vital responsibility is the ongoing monitoring and evaluation of budget performance. The committee systematically assesses how well financial resources are utilized in line with the established budget. This involves regular scrutiny of financial reports, identifying variances, and ensuring that financial activities align with the approved budgetary framework.

4. Reporting to the Council on Budget Matters

The committee serves as a reporting mechanism to the Council. It communicates significant matters related to the budget, providing updates on strategic plans, budgetary coordination, and performance evaluation. This reporting ensures transparency and accountability in financial matters, keeping the Council informed and involved in key financial decisions. By shouldering these responsibilities, the Finance Committee contributes to the institution's financial health, strategic alignment, and effective governance.

Budget Guidelines

The different departments within the institution are required to develop their budgets adhering to the Budget Guidelines issued by the Head of Finance. The budgeting process follows the outlined procedures, and to facilitate this, briefings will be organized beforehand to address pertinent issues related to the budget. These briefings serve as a platform for discussions and clarifications on budgetary matters, ensuring that departmental heads and personnel are well-informed and prepared for the budget preparation process. This proactive approach aims to foster a clear understanding of the budget guidelines and promotes effective collaboration between the departments and the finance function in aligning financial plans with the institution's overall objectives.

Budget Preparation

The Finance Committee holds the responsibility of establishing expenditure priorities by considering the available funds and aligning them with the strategic priorities of the institution. Concurrently, the Registrar and Heads of Departments are tasked with proposing both income and expenditure as well as capital budgets.

Building on these proposals, the Head of Finance takes the lead in preparing the comprehensive budgets, encompassing both revenue and capital aspects. This preparation is conducted in accordance with the identified expenditure priorities and strategic objectives of the institution. The resultant budgets are then presented to the Finance Committee for careful consideration before being formally submitted to the Council. This structured approach ensures that financial planning is collaborative, strategic, and in alignment with the institution's overarching goals, fostering effective decision-making and financial stewardship.

Budget Approval

The approval of the institution's budget lies with the Governing Council, and this is granted based on the recommendations put forth by the Finance Committee. Following the Council's approval, it becomes the responsibility of the Head of Finance to promptly communicate the approved budgets to all relevant stakeholders.

Throughout the year, the Head of Finance assumes the duty of submitting any necessary revised budgets to the Finance Committee for thorough consideration. Upon the Finance Committee's review and endorsement, these revised budgets are then submitted to the Council for final approval. Subsequently, the Head of Finance ensures that the updated budgetary position is effectively communicated to all individuals with specific roles in the financial management and operational processes of the institution.

This ongoing communication and approval process for both initial and revised budgets contribute to financial transparency, accountability, and effective decision-making within the institution.

Budgetary Control

The Head of Finance plays a crucial role in keeping the President, Finance Committee and Council informed about the financial implications of policy changes, pay awards and other events impacting budgets. They also provide advice on the financial and economic aspects of future plans and projects.

For day-to-day financial control within agreed budgets, the Registrar and Heads of Departments are responsible. They monitor income and expenditure, ensuring that financial targets are met and spending stays within limits. The Head of Finance supports them by providing relevant management information.

The Head of Finance establishes and maintains a budgetary control system, including reporting and investigating variances in the budget. All employees involved in financial transactions must adhere to these budgetary control procedures.

In general, the Registrar and Heads of Department cannot authorize payments from funds allocated for specific activities for purposes other than those designated. However, they have the authority to reallocate amounts between approved categories of income and expenditure in accordance with virement rules specified in the institution's budgeting procedures. This ensures flexibility while maintaining financial discipline and adherence to budget constraints.

DETAILED PROCEDURES

Introduction

Accra Business School (ABS) annually formulates an operating budget as a fundamental tool for resource allocation control and to support the achievement of the institution's strategic goals. This budget is meticulously designed and prepared to guide the efficient and judicious utilization of both financial and human resources within the institution. It represents management's commitment to a comprehensive plan for current and future organisational activities, ensuring the sustainability of the institution as a going concern. The budget serves

as a crucial instrument for evaluating the composition and viability of the institution's programs and activities, taking into account the available resources.

These procedures encompass not only the top-level budgeting conducted by the Finance Department but also extend to the budgeting and forecasting activities undertaken by various departments and other entities within the institution. This holistic approach ensures that all levels of the organization are aligned in their financial planning, fostering synergy and coherence in the pursuit of the institution's strategic objectives.

Budget Development Process

Before the commencement of the budget cycle, the Head of Finance takes on the responsibility of assembling, reviewing, and updating the list of budget centers for the institution. Additionally, they determine the specific type of budget that each budget center (or cost center) should prepare.

Simultaneously, the Head of Finance revisits and updates the budget presentation and report formats. These procedural steps are meticulously carried out to guarantee that the budget presentation and report formats are consistently current and align with the stringent requirements set forth by the Institution's Council. By ensuring the accuracy and relevance of these documents, the Head of Finance contributes to the transparency and effectiveness of the budgeting process within the institution.

Budget Cycle

The Finance Committee, as part of its responsibilities, will sanction a timetable for the planning and budgeting cycle. At the appropriate juncture, it will establish the requirements for the upcoming financial year. This timetable will delineate the responsibilities of designated staff members in compiling diverse financial and statistical data. The aim is to fulfill reporting obligations to the Council, various institution committees, and external bodies such as the Ghana Tertiary Education Commission (GTEC), aligning with the University's Strategic Plan as needed.

As per the annual timetable, the Head of Finance takes charge of issuing guidance to relevant staff. This guidance covers the preparation of forecasts for the current year, including key assumptions. Additionally, it outlines the budget-setting process for the subsequent year's anticipated activities and extends to projections for the following two or more years. This systematic approach ensures the availability of comprehensive and forward-looking financial information, facilitating informed decision-making and strategic planning across the institution.

The key activities that are part of Accra Business School's annual budget cycle are:

- January - Review ABS targets and issue Income Projections Circular.
- February - Finance Committee review funding and agree draft revenue allocations.
Finance Committee agree targets for budget year Circulate Budget Guidelines – procedure and timetable.
- March - Detailed budgets are prepared by the various departments and Centres and any Establishment.

Management review of business cases and general resource allocation.

- April - Budgets captured into the computerised financial system (QuickBooks)
Budget Hearings for all Departments and Centres and any other establishments.
- May - Budget consolidation and analysis by Finance Department
Final Budget reviews by Finance Committee
- June - Final Budget approval by Institution Council and adjustments made to Budget
if needed.
- July - Budget advice letters sent to all Departments and Centres and any other
establishments
- August - Budget monitored on an on-going basis

Budget Guidelines

The various Departments in the Institution will prepare their budgets in line with the Budget Guidelines issued by the Head of Finance. The budget guidelines shall cover:

- The form of budgetary documents and statements.
- Classification of budgetary transactions as contained in the Financial Management System.
- Information to be submitted in support of budgetary proposals by Registrar and Heads of Departments.
- Costing of activities.
- Procedures involved in the preparation, submission and implementation of the budget.
- Common Income Ceilings for each School, Department and any other establishment.
- Work plans and cash flow forecasts.
- Deadlines for the submission of the estimates.

The budget guidelines shall also provide any other relevant information and specific instruction that would facilitate the budget preparation and approval process.

Budget Preparation

The form of budgetary documents and statements

The Departments and any other establishments prepare their recurrent and capital budgets on the detailed guidelines issued. The Departments and any other establishments are also required

to prepare the following documents as part of their budget submission in the following sequence

- A Strategic Plan within the framework of the Institution's own Strategic Plan.
- Objectives expected to be achieved in the budget year.
- The risks associated with the attainment of the objectives.
- Recurrent Income and expenditure budget.
- Capital budget indicating the details of non-current assets required during the period and when they are required during the year.
- Income and Expenditure projections profiled on a monthly basis.

Information to be Submitted in Support of Budgetary Proposals

At the departmental and other establishment levels within Accra Business School, the budget officers are mandated to utilize the appropriate budget preparation forms provided in the Budget Guidelines. Simultaneously, they are expected to consider and adhere to all directives outlined in the Budget Guidelines. This dual approach ensures a standardized and structured budget preparation process across the institution.

The utilization of the prescribed budget preparation forms facilitates consistency and clarity in the information presented, streamlining the budgeting process. These forms likely include fields for key financial data, expenditure categories, revenue sources, and other relevant details essential for accurate budgeting.

Furthermore, by taking full cognizance of the directives embedded in the Budget Guidelines, budget officers ensure compliance with institutional policies, financial strategies, and overarching objectives. This approach fosters a cohesive and aligned budgeting process, promoting transparency, accountability, and effective financial management at every level of the organization.

Procedures Involved in the Preparation, Submission and Implementation of the Budget

Budget Preparation

The budgeting process at the Institution is intricately tied to the reviews and updates of the Strategic Plan. These periodic reviews contribute essential insights that inform the setting of key budget planning parameters. One of these crucial parameters is student enrollment. The estimates for student enrollment play a pivotal role in shaping revenue projections.

As the Strategic Plan is revisited and refined, it provides a strategic framework that guides the institution's goals and priorities. Through this process, key factors influencing the budget, such as expected student numbers, are reassessed to align with the evolving strategic direction.

By accurately estimating student enrollments, the institution can project revenues based on the Tuition fee payments and other programme related fees from students, who contribute financially to their education. This projection grounded in strategic considerations allows for a more precise and informed financial planning process.

In essence, the linkage between the Strategic Plan, budget reviews, and student enrollment estimates creates a dynamic and strategic approach to financial management, ensuring that the budget aligns with the institution's overarching goals and adapts to changing circumstances.

Academic and administrative centers within the institution then proceed to develop their budgets for the planning period by organizational unit, activity, and general account. This comprehensive budgeting process involves several key steps:

- Calculation of income generation for the period
- Calculation of expenses for academic and non-academic salaries and related costs
- Calculation of non-salary item expense estimates
- Calculation of capital (non-current assets) budgets, (where applicable)

Departments and any other establishments prepare supporting documentation to substantiate their budget submission, including details of revenue targets. These are then submitted to the Head of Finance to be entered into the budget tool of Accra Business School's Financial Management System.

All budgets are preliminary until such time as final approval of the budget is given by the Council at its meeting in June.

Assumptions & Projections

The institutional budget serves as a strategic operational plan that hinges on various assumptions related to the institution's overall context. These assumptions encompass the broader environment, the retention of students, and operational considerations for both instructional and support programs. The development of this budget involves a nuanced consideration of several key projections:

1. Inflation – This represents the general increase in prices over time which necessitates a proactive approach in budgeting. To counter its effects, the budget adjusts the current prices of recurrent expenditure and non-current assets by incorporating the anticipated rate of inflation during the budget period. This adjustment ensures that the budget remains responsive to economic changes.
2. Exchange Rate - Institutions engaged in transactions with foreign currencies face the challenge of currency exchange rate fluctuations. The budget addresses this by factoring in projected exchange rates when translating income received and expenses incurred in foreign currencies. This approach helps anticipate and manage the impact of currency value changes on the institution's financial landscape.

3. **Cost of Resources** - The cost of resources required by each cost center is contingent on two fundamental factors: quantity and price per unit. The budgeting process meticulously considers the anticipated quantity of resources needed for each cost center, as well as the projected price per unit. This detailed analysis ensures a thorough understanding of the resource needs associated with each program within the institution.
4. **Consumption Patterns** - A pivotal aspect in budget development involves assessing past consumption patterns and/or accounting for new activity levels. Analyzing historical resource utilization provides valuable insights into the resource requirements of each cost center. This historical context, combined with considerations for potential changes in program activities or the introduction of new initiatives, informs the estimation of future resource needs.

In essence, the institutional budget is a dynamic and comprehensive plan that not only considers the internal operations of the institution but also adapts to external economic factors. Through a thoughtful integration of projections related to inflation, exchange rates, resource costs, and historical consumption patterns, the budget becomes a strategic tool for aligning financial planning with the evolving needs and circumstances of the institution. Regular monitoring and adjustments are essential to ensure the budget remains responsive to actual conditions and emerging trends.

Preparation of Income Estimates

Each year, as part of the established processes, every Department and other entities within the institution develop projected revenue reports in alignment with approved programs.

These reports serve to provide a comprehensive overview that includes:

Projected Revenue by Type - This component outlines the anticipated income categorized by type. It encompasses a detailed breakdown of the various sources contributing to the institution's revenue.

The types may include, but are not limited to, student fees, service-related charges, proceeds from publication sales, rents, returns on investments, and any other revenue sources authorized by the Council.

- a) **Actual Results of Prior Periods** - To facilitate a meaningful comparison during the annual budget preparation and scrutiny process, the reports include the actual financial outcomes of preceding periods. This historical data provides valuable insights into the institution's financial performance, enabling stakeholders to assess trends, identify areas of strength or concern, and make informed decisions for the upcoming budget cycle.
- b) **Approved Estimates of Prior Periods** - This component involves presenting the approved estimates from previous periods. It serves as a reference point for evaluating the accuracy of projections and the effectiveness of financial planning. By comparing projected revenue with approved estimates, the institution gains insights into the reliability of its forecasting processes and the ability to meet financial targets.

In the context of Accra Business School, the institution's income streams are broadly classified into several categories, encompassing funds generated through the fulfillment of its functions. These categories include:

- i) Fees from Registered Students - This comprises fees paid by students who are duly registered with the institution. These fees contribute significantly to the overall revenue and are a core component of the institution's financial structure.
- ii) Fees, Charges and for Services Rendered - Revenue generated from fees, charges, and dues associated with services provided by or through the institution. This category may cover a range of services offered by the institution.
- iii) Proceeds from the Sale of Publications - Income generated from the sale of publications produced by the institution. This could include academic journals, textbooks, or any other publications that contribute to the institution's financial resources.
- iv) Rents and Returns on Investments - This category involves revenue obtained from renting out facilities or returns on investments made by the institution. It reflects diversified sources of income beyond direct service provision.
- v) Other Approved Sources - Any additional funds approved by the Council from sources beyond the mentioned categories. This provides flexibility in adapting to evolving financial landscapes and exploring new avenues of revenue generation.

In summary, the comprehensive revenue projection reports play a crucial role in strategic financial planning, allowing the institution to align its budget with anticipated income streams, learn from past performance and make informed decisions for sustainable financial health.

Preparation of Expenditure Estimates

Each year, as part of the established protocol in accordance with approved programs, each Department and other establishments undertake the preparation of projected expenditure reports. The reports outline the projected expenditure categorized by type. This breakdown offers a comprehensive view of the anticipated spending across various expense categories. To facilitate effective budgeting and scrutiny, the reports include the actual expenditure results from previous periods. This historical data serves as a benchmark for assessing the institution's spending patterns, identifying trends and making informed decisions during the budgeting process.

The reports also incorporate the approved estimates from previous periods, providing a reference point for evaluating the accuracy of past projections. By comparing projected expenditure with approved estimates the institution gains insights into the effectiveness of its budgeting processes and the ability to manage spending within established parameters.

In the context of Accra Business School, the operating expenditure is summarized into distinct classifications:

- a) Academic Staff Costs - This includes expenses related to salaries, benefits, and other costs associated with academic staff members.
- b) Non-Academic Staff Costs - Costs related to the remuneration and other financial aspects of non-academic staff within the institution.

- c) Academic Costs - Covering expenses directly associated with academic activities, such as instructional materials, curriculum development, and other academic-related expenditures.
- d) Research and Contract Costs - Reflecting expenditures incurred for research initiatives and contractual obligations.
- e) Other Operating Expenses - A broad category of miscellaneous operating expenses that are not specifically categorized in the aforementioned classifications.

- f) Finance Costs - Involving expenditures related to financial activities, including interest payments, borrowing costs, and other financial charges.

Actual expenditure data serves as a valuable reference in determining projected figures. Coordination of budgets for specific items is emphasized and departments are entrusted with preparing and capturing these items in their individual cost centers. Collaboration with coordinating departments ensures alignment with overall institutional goals and budgetary guidelines.

In summary, the meticulous preparation of projected expenditure reports by each department and establishment is integral to effective financial management. These reports enable the institution to align spending with strategic priorities, learn from past financial performance, and establish a foundation for transparent and accountable budgeting processes.

Budget Hearing & Approvals

The budgeting process at the institution involves several key stages, including internal budget hearings and institution-wide budget hearings. Here's an overview of the process:

Internal Budget Hearing:

After the preliminary budget is completed, the management of each department and other establishments conducts internal budget hearings. The aim is to ensure that individual budgets align with the strategic plan, policies, and ceilings set by the respective departments and establishments. Representatives from various departments and establishments are involved in these internal budget hearings. Following these hearings, the individual department budgets are consolidated, and the finalized budgets are then submitted to the Head of Finance.

- Institution-wide Budget Hearing - The Finance Committee takes charge of coordinating institution-wide budget hearings. These hearings involve the Head of Finance and as many members of the committee as possible. Other individuals with a vested interest in specific budget requests may be invited to attend hearings at the discretion of the Finance Committee. The goal of these hearings is to review the consolidated budgets from various departments, consider recommendations, and ensure alignment with the overall institutional goals. At the conclusion of the budget hearings, the Head of Finance compiles information gathered from budget submissions, hearings, and recommendations from the Finance Committee.

- Consolidated Budget - The Head of Finance, armed with the compiled information and recommendations, works on the final draft of the consolidated budget. The final draft incorporates all the recommendations put forth by the Finance Committee during the institution-wide budget hearings. The consolidated budget representing the comprehensive financial plan for the institution, is then presented for approval at the Council Meeting.
- Council Meeting Approval - The Council Meeting serves as the platform for the approval of the consolidated budget. The final draft is presented to the Council and decisions are made regarding the approval of the budget. This may involve discussions, revisions and voting as necessary. Upon approval, the consolidated budget becomes the official financial plan for the institution guiding its financial activities over the defined budget period.

In summary, the budgeting process involves a thorough and collaborative approach, starting from internal departmental considerations, moving through institution-wide hearings, and culminating in the approval of the

consolidated budget by the institution's governing body, the Council. This structured process ensures alignment with strategic objectives and facilitates transparency and accountability in financial management.

Capital Programmes

Capital programs encompass all expenses related to land, buildings, equipment, and furniture, along with associated costs that are recorded as assets in the Institution's financial statements.

Approval of the Institution's capital program is granted by the Council based on recommendations from the Development Committee (which focuses on architectural drawings aligned with the Institution's Master Plan for land development) and the Finance Committee (which assesses project costs and funding for sustainability).

The Head of Finance and Development Committee will establish procedures for Council-approved inclusion of capital projects. These procedures outline the necessary information and financial criteria for each proposed project.

All major capital expenditures, including non-building projects and equipment, undergo a formal appraisal to adhere to best practices before receiving approval.

Other Major Business Developments

The Head of Finance has the responsibility of providing Budgetary Reports to the Finance Committee, following a schedule established by the committee. These reports comprehensively detail the Institution's financial status, including both income and expenditures, covering the current financial year. The information is presented in comparison with the previously approved budget, and it includes a quarterly updated projection of expected year-end values. This process ensures a regular and informed overview of the Institution's financial performance for effective decision-making by the Finance Committee.

FINANCIAL SYSTEMS AND ACCOUNTING POLICIES

PURPOSE

To set out and explain the policies for the maintenance of the financial accounting system necessary to ensure financial accounting and reporting integrity.

POLICY STATEMENT

Financial Systems

The Head of Finance bears the responsibility for establishing systems, including the format for maintaining accounts and financial transactions. These financial systems will be designed to both enforce and facilitate adherence to Financial Policies and Procedures whenever feasible.

The General Ledger Section is entrusted with the maintenance of the Accounting System. The number of accounts in the general ledger will be kept at a level essential for the efficient functioning of the Institution, unless specific agreements dictate otherwise. Requests for new account creation must be supported by proper documentation and receive approval from the Head of Finance.

Accounts will be categorized into appropriate fund groups, aligning with the nature of revenues to be generated or the purpose of expenditures, as determined by the Head of Finance. Any changes to account codes and other account-specific information necessitate approval from the Head of Finance.

Departments and other entities are obligated to promptly inform the Head of Finance about any organizational changes impacting the responsibility for account administration. This ensures that the financial system remains accurately reflective of the institution's structure and operations.

Financial Records

The Head of Finance will specify the form of the Institution's financial records and ensure that proper accounting records are maintained. Financial and related documents shall normally be retained in a secure and accessible manner. The original records may be kept in an electronic format at the discretion of the Head of Finance. The Institution shall establish a repository or repositories to hold all financial and accounting records that are no longer required for regular office references.

Accounting Policies

The Council holds the responsibility for accounting for the financial activities of the Institution in alignment with internationally recognized regulations, specifically the International Financial Reporting Standards (IFRS).

The accounting policies governing the production of the Institution's financial statements must comply with applicable accounting standards and ensure a presentation that is true and fair. To judge the appropriateness of these policies, the Institution considers the need to balance four

key objectives: relevance, reliability, comparability, and understandability. Additionally, the Institution weighs the cost of providing information against the likely benefit to users of the financial statements.

Consistency is a fundamental principle, and accounting policies are applied uniformly over the years. Regular reviews are conducted to ensure these policies remain suitable for the Institution's unique circumstances. If deemed necessary, a new policy may be adopted, giving careful consideration to the impact on comparability between periods.

Any changes to accounting policies require the authority of the Head of Finance, with approval from the Council. This stringent control ensures stability and reliability in financial reporting.

The Head of Finance is also tasked with preparing Annual Financial Statements and other Financial Reports in adherence to relevant accounting standards. Furthermore, the Head of Finance establishes policies for the preparation of financial statements and addresses other accounting matters, aligning with the overarching Financial Procedures. This comprehensive approach ensures that financial reporting is not only accurate but also consistently meets the stipulated standards and procedures.

DETAILED PROCEDURES

Introduction

Accounting Policies encompass the specific principles, bases, conventions, rules, and practices adopted by the Institution for preparing and presenting financial statements. These policies serve to clarify how the relevant accounting standards are applied to individual transactions and balances within the organization. They provide a structured framework guiding the consistent and accurate recording of financial activities, ensuring alignment with international accounting standards.

These policies play a crucial role in maintaining transparency, reliability, and comparability in financial reporting. By detailing the specific methodologies and practices used to measure and report financial information, Accounting Policies contribute to the overall integrity of the Institution's financial statements. This clarity is essential for stakeholders, as it facilitates a better understanding of how financial data is captured, processed, and presented, thus enhancing the credibility and usefulness of the financial information provided by the Institution.

Basis of Presentation of Financial Statements

The preparation of financial statements at the Accra Business School adheres to the guidelines outlined in the institution's statutes and complies with International Financial Reporting Standards (IFRS).

Following the accrual concept, the financial statements are prepared by recognizing transactions and events when they occur, irrespective of when the cash is received or paid, unless otherwise specified. This method provides a comprehensive and accurate representation

of the institution's financial position, performance, and cash flows. Any deviations from the accrual concept will be explicitly stated in the financial statements for transparency and clarity.

Statement of Compliance

The consolidated annual financial statements of the Institution and its subsidiaries will be meticulously prepared in adherence to Internationally Accepted Standards. This commitment underscores the institution's dedication to ensuring that its financial reporting is aligned with global benchmarks, fostering transparency, reliability, and consistency in the presentation of consolidated financial information. By following internationally accepted standards, the institution aims to provide stakeholders with a clear and standardized view of its financial performance and position, facilitating meaningful comparisons and informed decision-making.

Basis of Consolidation

The consolidated financial statements encompass the financial statements of the Institution and its subsidiaries as of the conclusion of the financial year. The financial statements of subsidiaries are consolidated from the date when the Institution gains effective control until the date when such effective control ceases. In this context, subsidiaries refer to entities over which the Institution, either directly or indirectly, possesses the authority to govern the financial and operating policies, enabling it to derive benefits from their activities. This consolidation approach ensures a comprehensive representation of the financial performance and position of the entire group, providing stakeholders with a holistic view of the Institution and its subsidiaries.

Significant Accounting Judgements and Estimates

The preparation of the Institution's financial statements involves the use of judgments, estimates, and assumptions by management. These factors impact the reported amounts of incomes, expenses, assets, and liabilities, as well as the disclosure of contingent liabilities at a specific reporting date. It is important to acknowledge that the inherent uncertainty surrounding these assumptions and estimates may lead to outcomes that necessitate significant adjustments to the carrying amounts of the affected assets or liabilities in the future.

The management's exercise of judgment and reliance on estimates are essential elements in financial reporting, contributing to the fair representation of the Institution's financial position and performance. However, the dynamic nature of business environments and economic conditions introduces a level of uncertainty. Consequently, actual results may deviate from initial assessments, prompting the need for material adjustments to align reported figures with the real financial circumstances.

This recognition emphasizes the importance of transparency in financial reporting. By acknowledging the potential impact of uncertainties on financial statements, stakeholders can gain a more accurate understanding of the Institution's financial health and the variables that could influence future adjustments. This disclosure aligns with best practices in financial reporting, ensuring that users of the financial statements are well-informed about the potential effects of uncertainties on reported financial information.

Judgments

In the application of the Institution's accounting policies, management exercises certain judgments that, in addition to estimations, have a significant impact on the amounts recognized in the financial statements. One such key judgment involves the categorization of investments.

Management determines that, with the exception of specific investments designated as held-to-maturity, all investments are considered available-for-sale. This decision is driven by the intention to foster the growth of investment portfolios over a long-term horizon.

This judgment has substantial implications for how these investments are treated in the financial statements. The classification as available-for-sale affects the valuation method used and the presentation of gains or losses in the financial statements. This determination aligns with the strategic objective of long-term value appreciation within the investment portfolios, emphasizing the importance of this judgment in shaping the financial reporting of the Institution.

Estimations

In situations where estimation techniques are necessary for the application of accounting policies, the Institution is directed to choose techniques that not only align with the adopted accounting standards but also facilitate the provision of financial statements that offer a true and fair view.

Recognizing the significance of certain assumptions about the future and other sources of estimation uncertainty, the Institution aims to transparently communicate key elements that may pose a substantial risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year. These critical assumptions and sources of uncertainty, vital for stakeholders' understanding, are explicitly outlined below:

- **Impairment Assessment:** The Institution conducts a thorough assessment for indicators of impairment on all assets at each reporting date. Assets classified as available-for-sale investments undergo fair value recognition in the Statement of Income. In cases where the fair value experiences a decline, management employs assumptions to determine if an impairment should be recognized in the Income Statement. An investment is deemed impaired if, at the end of the year, the fair value is more than 30% below cost or if the fair value has been below cost for a continuous period of twelve months.
- **Depreciation Review:** Annually, management reviews all assets to assess the appropriateness of the estimated useful lives and residual values assigned to each asset.
- **Student Fees Receivables:** At the close of each financial year, management estimates the total outstanding student fee debt and determines the amounts expected to be recovered from these outstanding balances. Based on these estimates, a provision for impairment is established.

These procedures reflect the Institution's commitment to a diligent and transparent approach in accounting for impairments, depreciation, and student fees receivables. The outlined methodologies ensure that the financial statements present a true and fair view, aligning with best practices and accounting standards. The Institution seeks to provide stakeholders with a

clear understanding of how these assessments and estimates contribute to the accurate representation of its financial position and performance.

Financial Statement Presentation & Disclosure

Basis of Accounting and Preparation

The primary goal of the financial statements is to show a true and fair view or present fairly the financial position, performance, and changes in financial position of Accra Business School.

The financial statements should be prepared in accordance with generally accepted accounting principles (GAAP) and the International Financial Reporting Standards (IFRS).

The accounts submitted by the institution must adhere to the policies stated in the relevant regulations.

If the basis of accounting has not been explicitly stated in the regulations, the Head of Finance is responsible for disclosing the basis used in the preparation of the accounts. Additionally, any significant departures from the regulations should be identified, along with the reasons for these departures.

The financial statements for Accra Business School should include:

- **Statement of Financial Position:** This provides an overview of the institution's assets, liabilities, and equity at a specific point in time.
- **Statement of Comprehensive Income:** This presents the institution's financial performance over a period, including revenues, expenses, gains, and losses.
- **Statement of Cash Flow:** This outlines the cash inflows and outflows, helping to understand the entity's ability to generate cash and the movement of cash.
- **Statement of Changes in Equity:** This illustrates the changes in equity during a specific period, showing contributions, distributions, and other changes in equity.

The financial statements should include accounting policies and explanatory notes. These should provide details on how certain accounting treatments have been applied and explanations for various aspects of the financial statements. The explanatory notes should include particulars regarding the extent to which the performance criteria specified in the budget estimate were satisfied concerning the provision of the institution's output.

By adhering to these guidelines, Accra Business School aims to ensure transparency, accuracy, and compliance in its financial reporting, enabling stakeholders to make informed decisions about the institution's financial health and performance.

Extraordinary Items

The requirement to separately disclose the nature and amount of each extraordinary item in the financial statements is in line with transparency and providing stakeholders with a clear understanding of significant events that may impact the financial position or performance of the institution.

Extraordinary items, as defined in financial reporting, encompass events or transactions that markedly differ from the institution's regular activities. These occurrences are characterized by their infrequent and non-recurring nature, standing apart from routine operations. Importantly, extraordinary items are beyond the institution's control or influence, emphasizing their unpredictability and external origins. These events are deemed rare, unusual, and, by virtue of their material impact, hold significance in the financial landscape. Their incidence is not integrated into the regular course of the institution's operations, signifying that they are exceptional and typically beyond the institution's sphere of influence or control.

The financial statements should provide a separate disclosure for each extraordinary item. This disclosure includes both the nature and the amount of the extraordinary item.

The disclosure of extraordinary items can be made on the face of the financial statements. For example, in the income statement or statement of comprehensive income, a separate line item can be included to present the extraordinary items.

Additionally, the disclosure can be made in the notes to the financial statements, providing more detailed information about the nature and circumstances surrounding each extraordinary item.

The purpose of disclosing extraordinary items is to provide users of the financial statements with insights into significant and unusual events that may impact the institution's financial position or performance. This disclosure enhances transparency and helps stakeholders make informed decisions.

Examples of Extraordinary Items are as follows:

- Natural disasters affecting the institution's operations.
- Significant legal settlements or judgments.
- Expropriation of assets.
- Effects of a major change in government regulations.

Fundamental Errors

When addressing fundamental errors that pertain to previous periods, it is imperative to undertake a restatement of the comparative information. Fundamental errors, in this context, are inaccuracies of such magnitude that they profoundly impact the reliability of the financial statements for one or more prior periods. These errors render the previously issued financial statements unreliable as of their original issuance date. An illustrative example of a fundamental error could be the inadvertent exclusion of a significant category of receipts or payments from the financial statements. In essence, the correction of fundamental errors necessitates revisiting and amending the comparative information to ensure the accuracy and integrity of historical financial reporting.

Reporting Currency

When addressing fundamental errors that pertain to previous periods, it is imperative to undertake a restatement of the comparative information. Fundamental errors, in this context, are inaccuracies of such magnitude that they profoundly impact the reliability of the financial

statements for one or more prior periods. These errors render the previously issued financial statements unreliable as of their original issuance date. An illustrative example of a fundamental error could be the inadvertent exclusion of a significant category of receipts or payments from the financial statements. In essence, the correction of fundamental errors necessitates revisiting and amending the comparative information to ensure the accuracy and integrity of historical financial reporting.

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies undergo translation using the currency exchange rate applicable on the statement of financial position date. Any resulting variances are reflected in the statement of income and expenditure for the corresponding fiscal year.

In contrast, non-monetary items are valued at cost and are translated using the exchange rate at the transaction date. For assets valued at fair value, the translation is based on the exchange rate prevalent at the time when the fair value was determined.

In the event of a gain or loss on a non-monetary item being directly recognized in other income, the associated exchange component of that gain or loss is also directly acknowledged in other income. Conversely, if the gain or loss on a non-monetary item is directly recognized in the statement of income and expenditure, the exchange component is similarly recognized directly in the income and expenditure statement. This methodology ensures a comprehensive and accurate representation of foreign exchange impacts on both monetary and non-monetary items, aligning with the recognition of associated gains or losses.

Accounting Policies - Receipts and Incomes

Recognition of Income

Income recognition follows specific criteria to ensure a reliable representation of economic benefits flowing into the Institution. Income is acknowledged when it is probable that economic benefits will be realised and the revenue can be accurately measured. The fair value of consideration received excluding discounts, rebates, and other applicable taxes or duties serves as the basis for measuring income.

Cash transactions trigger income recognition upon receipt while for other transactions, income is recognized when the Institution fulfills its contractual obligations (e.g., supplying goods or services).

Fees applicable to one academic and financial year are recognized in that specific year.

Interest income is recognized as it accrues, utilising the effective interest method. This method discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Dividends are recognized when the right to receive payment is established.

Income related to service provision is recognised to the extent the service has been provided and can be reliably measured. This criteria ensures that income recognition aligns with the

realisation of economic benefits and adheres to the Institution's contractual and legal obligations, providing a robust and transparent basis for financial reporting.

Recognition of Expenditure

Expenditures for the Institution encompass payments made in cash transactions and liabilities incurred for goods and services received during the reporting period. Recognition of expenditure occurs when the Institution receive goods or services from vendors. Additionally, expenditure is recognized when an obligation arises or when there is an impairment of an asset.

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are considered part of the cost of that asset. Other borrowing costs are recognized as an expense.

Non-Current Assets

This policy pertains to non-current assets, specifically including land, buildings, furniture, and equipment utilised in the Institution's operations. It distinguishes between assets actively employed in operations and those not used, categorizing the latter as investment properties rather than capitalized assets.

Fixed assets are initially recorded at historical cost. The cost of an asset encompasses the purchase price along with any costs directly associated with bringing the asset to the required location and condition for it to function as intended by management.

In alignment with the definition of assets, the Institution has established the following policies to govern the capitalization of assets and the subsequent recording of depreciation. These guidelines ensure a systematic and consistent approach to the recognition and accounting treatment of assets throughout their lifecycle. The policies encompass the criteria for capitalizing assets and the methodology for appropriately reflecting the wear and tear of these assets over time through the recording of depreciation. This proactive framework aims to maintain accuracy, transparency, and uniformity in the financial reporting of the Institution's asset base.

Capitalization Policies

Land

The costs eligible for capitalization encompass not only the acquisition expenses but also those associated with preparing the land for its intended use. This incorporates a comprehensive range of costs, such as the actual purchase cost, expenses related to appraisals, fees for professional services, and expenditures associated with securing title insurance. The inclusion of these costs in the capitalization process ensures a thorough and accurate representation of the total investment involved in acquiring and preparing the land for its ultimate purpose.

Land Improvements

Capitalizable improvements encompass costs related to landscaping, surface parking lots, and outdoor public recreational fields, provided these have an annual cost exceeding GH¢5,000. Furthermore, all expenses associated with land improvements connected to newly constructed

buildings will be subject to capitalization. This policy ensures that substantial investments made in enhancing the land and associated facilities are appropriately recognized on the Institution's balance sheet, contributing to a comprehensive and accurate portrayal of its capital assets.

Buildings

The costs eligible for capitalization comprise all expenses associated with acquisition or construction. Acquisition costs encompass, but are not limited to, expenses related to the purchase, professional services, appraisals, and title insurance. On the other hand, construction costs encompass, but are not limited to, expenses related to professional services, materials, labor, and site preparation. This inclusive approach ensures that the total investment involved in both the acquisition and construction phases is accurately captured, providing a comprehensive representation of the capital assets on the Institution's financial records.

Infrastructure

Capitalizable costs encompass expenses related to underground utilities, tunnels, and external stationary assets that are distinct from a building's construction costs or the costs associated with land improvements. To be eligible for capitalization, these costs should exceed GH¢5,000 annually and have an anticipated useful life extending beyond the year they are put into service. Examples of such infrastructure include sewage tunnels, electrical vaults, campus lighting, sport grounds, entertainment parks, among others. By incorporating these criteria, the Institution ensures that substantial and long-lasting external assets are accurately reflected on its financial statements.

Building Renovations

Building renovations that are eligible for capitalization include significant alterations or structural changes meeting specific criteria:

- The renovation project must cost in excess of GH¢5,000 per annum.
- The project must meet one or more of the following conditions:
- Extend the useful life of the building beyond the original schedule.
- Substantially change the use or purpose of the original space.
- Expand the total square footage of the building.

Renovation costs not meeting these criteria are treated as maintenance expenditure and expensed in the statement of income and expenditure. Additionally, the book value of a renovated building will be reduced by the cost of the components being replaced, provided these costs can be easily ascertained. If the book value of the asset being renovated is unknown, there will be no cost reduction of the fixed asset. This policy ensures that only substantial and value-enhancing renovations are capitalized, aligning with prudent financial reporting practices.

Planning Costs

Capital project planning costs linked to the intended construction, renovation, or purchase of a specific building will be capitalized in advance, provided these costs exceed GH¢5,000. Planning costs include, but are not limited to, expenses related to feasibility studies, preliminary drawings, and initial cost estimates.

In cases where it becomes evident that a specific project will not progress in the approval process, any previously capitalized planning costs will be promptly written off to expense. This approach ensures that planning costs are capitalized in anticipation of project approval, enhancing the accuracy and transparency of financial reporting. If a project is deemed unfeasible, the write-off of these costs aligns with prudent financial management practices.

Demolition of Buildings

Upon the demolition of a building, the book value associated with that building will be written off. In cases where the land is retained but the original value cannot be ascertained, the land will be recorded at a nominal value of GH¢1. This accounting treatment ensures the appropriate adjustment of the financial records to reflect the change in the asset structure, providing transparency and accuracy in financial reporting.

Purchased Equipment

Equipment eligible for capitalization is classified as nonexpendable tangible personal property with a useful life extending beyond one year or having a cost of GH¢1,000 or more per unit. This criteria ensures that significant and durable personal property is appropriately recognized and recorded on the Institution's balance sheet, contributing to accurate and comprehensive financial reporting.

Constructed Equipment

For equipment constructed internally at the Institution, the acquisition cost encompasses expenses comparable to those for purchased equipment. Additionally, it includes costs incurred for materials and services from recharge centers that are utilized during the construction process. However, labor expenses incurred by the Institution, unless they are part of a recharge center charge, are not considered in the calculation of the acquisition cost. This approach ensures that the cost associated with internally constructed equipment accurately reflects the direct expenses related to materials and services essential for the construction process, while excluding labor expenses unless they are part of recharge center charges.

Software

Operating software that is bundled with the hardware and included in the overall price will be capitalized. When software is purchased separately, it will be capitalized if the cost exceeds GH¢10,000. Additionally, internally developed software, incurring material and labour costs exceeding GH¢10,000, will also be subject to capitalization. This policy ensures that software costs are appropriately recognized as capital assets when they meet specified cost thresholds, contributing to accurate and comprehensive financial reporting.

Donated Assets

Land and buildings received as gifts will be capitalized at their fair market or appraised value as of the date of the gift. In instances where the market value or appraised value is unavailable, these gifts will be recorded at a nominal value of GH¢1. For equipment received as a gift, capitalization will occur if the fair market or appraised value is GH¢1,000 or more. This approach ensures that donated assets are appropriately recognized on the Institution's balance sheet at their fair values or at a nominal value when necessary, contributing to accurate and transparent financial reporting.

Sales or Disposals of Capitalized Assets

The book value of land, buildings, and equipment will be eliminated from the accounting system upon their sale or disposal. This accounting practice ensures that the financial records accurately reflect the removal of these assets from the Institution's possession, facilitating transparency and accuracy in financial reporting. of these assets from the Institution's possession, facilitating transparency and accuracy in financial reporting.

Sales or Disposals of the book value of land, buildings, and equipment will be eliminated from the accounting system upon their sale or disposal. This accounting practice ensures that the financial records accurately reflect the removal.

Subsequently, fixed assets are reported at their cost reduced by accumulated depreciation and any provision for impairment. Additional costs incurred after initial recognition are integrated into the asset's carrying amount or recorded as a separate asset, depending on the likelihood of future economic benefits and the reliable measurement of the cost. Maintenance and repair expenses, failing to meet these criteria, are expensed as incurred.

Donated assets are initially recorded at their fair value at the date of donation. Freehold Land, considered to have an indefinite life, is not subject to depreciation.

Fixed assets, subject to depreciation, undergo a systematic reduction in value on a straight-line basis. This depreciation method is employed to distribute the asset's cost evenly over its estimated useful life, ultimately writing it down to its estimated residual value. This approach ensures a consistent and systematic allocation of the asset's cost over time, reflecting its consumption in generating economic benefits for the Institution.

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

Assets	Rate of Depreciation
Buildings	2%
Leasehold improvements	Over the terms of the lease
Land improvements other than buildings	10%
Motor vehicles	20%
Plant and equipment	20%
Furniture and fittings	20%
ICT equipment	50%

Assets in the course of construction (Work in progress) are accounted for at cost, determined by the value of architect's certificates and other direct costs incurred up to the end of the year. These assets are not subject to depreciation until they are put into use.

For assets acquired, a full year's depreciation is charged in the year of acquisition, and no depreciation is recorded in the year of disposal. Buildings, building renovations, land improvements, and leasehold improvements will incur a full year's depreciation in the year they are capitalized.

Depreciation for newly constructed buildings initiates in the year of useful occupancy. Leasehold improvements are depreciated using the straight-line method over the remaining life of the lease or the useful life of the improvement, whichever is shorter.

The residual value and useful lives of assets are reviewed and adjusted if deemed appropriate at each Statement of Financial Position date. De-recognition of an asset occurs upon disposal or when no future economic benefits are expected. Any gain or loss resulting from de-recognition, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the Statement of Comprehensive Income in the year the asset is de-recognized. This comprehensive approach ensures that asset values and depreciation align with their usage and economic value over time.

Impairment of Non-financial Assets

Assets in the course of construction (Work in progress) are accounted for at cost, determined by the value of architect's certificates and other direct costs incurred up to the end of the year. These assets are not subject to depreciation until they are put into use. For assets acquired, a full year's depreciation is charged in the year of acquisition, and no depreciation is recorded in the year of disposal. Buildings, building renovations, land improvements, and leasehold improvements will incur a full year's depreciation in the year they are capitalized.

Depreciation for newly constructed buildings initiates in the year of useful occupancy. Leasehold improvements are depreciated using the straight-line method over the remaining life of the lease or the useful life of the improvement, whichever is shorter.

The residual value and useful lives of assets are reviewed and adjusted if deemed appropriate at each Statement of Financial Position date. De-recognition of an asset occurs upon disposal or when no future economic benefits are expected. Any gain or loss resulting from de-recognition, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the Statement of Comprehensive Income in the year the asset is de-recognized. This comprehensive approach ensures that asset values and depreciation align with their usage and economic value over time.

Current Assets

Investments

Short-term security investments are presented in the Statement of Financial Position at their market value. Current asset investments, on the other hand, are included at the lower of cost and net realizable value. This accounting treatment ensures that the financial statements accurately reflect the fair market value of short-term security investments while considering a conservative valuation approach for current asset investments, where the lower of cost or net realizable value is applied.

Inventories

Inventories are assessed at the lower of cost or net realizable value. The cost incorporates all direct expenses involved in bringing the inventories to their current state under normal operating conditions. Net realizable value, on the other hand, is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and the expected costs necessary to make the sale.

Any damaged or obsolete inventories are written off. Additionally, provisions for inventory losses incurred during the year are expensed and reflected in the Statement of Comprehensive Income. This approach ensures a prudent and conservative valuation of inventories, reflecting their actual economic value based on cost and realizable market conditions.

INCOME

Purpose

Establishing policies for managing the primary income sources of the institution is a crucial step in ensuring financial stability and effective resource utilization.

Responsibility

Responsible Officer : Head of Finance
Approval : Governing Council

Policy Statement

The Income of the Institution includes:

- fees paid by students duly registered by the Institution;
- fees, charges and dues in respect of services rendered by or through the Institution;
- proceeds from the sale of publications of the Institution; and
- rents and royalties; returns on investments, endowments, donations and gifts and moneys from any other source approved by the Council.

The Head of Finance plays a pivotal role in ensuring the effective management of the Institution's income. Key procedures and responsibilities include:

The Head of Finance is tasked with implementing procedures to facilitate the institution in receiving all entitled income. All official documents, including receipt forms, invoices, and electronic collection systems, must obtain prior approval from the Head of Finance.

The Finance Committee approves procedures that establish the levels of charges for contract research, services, goods, rents, and lettings. Proposals to modify these charges should be submitted to the Head of Finance for approval by the Council, considering the Institution's academic policies and needs.

The approval of fees and charges encompasses installment and credit arrangements. The Head of Finance ensures that fee structures align with institutional policies and are approved by the appropriate governing bodies.

The Head of Finance is responsible for the efficient collection, secure handling, and timely banking of all income received by the institution. This includes overseeing processes to ensure the security of funds and compliance with financial regulations.

These policies and responsibilities collectively contribute to the financial integrity and operational efficiency of the institution. By adhering to approved procedures, ensuring appropriate approvals, and maintaining effective financial controls, the Head of Finance plays a crucial role in safeguarding the institution's financial health.

DETAILED PROCEDURES

Basis of Recognition

Revenue recognition at the Institution is guided by the principle that income is acknowledged when there is a probable inflow of economic benefits, and the revenue can be measured with reliability. The measurement of income is based on the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty.

Income recognition occurs in two main scenarios:

In the case of cash transactions, income is recognized upon the actual receipt of payments. This ensures that revenue is acknowledged when cash is physically received.

Income is also recognised when services have been rendered or goods have been supplied by the Institution. This recognition can happen either when the cash is received or when it is earned in accordance with legal or contractual obligations. For instance, income may be recognized when the Institution provides goods or services as specified in a contract.

This approach to income recognition aims to align with the likelihood of economic benefits, the reliability of measurement, and compliance with legal or contractual agreements. By following these principles, the Institution ensures a clear and transparent depiction of when and how income is recognized in its financial statements.

The Institution can and does receive income from the following sources:

- Student Fees: Recognized on the basis of the year in which they pertain.
- Other Fees and Charges: Recognized on the basis of the year in which they relate.
- Consultancies: Recognized upon the delivery of services to the customer.
- Rental Income: Recognized on a basis representative of the pattern of service rendered through the provision of the asset.
- Sales of Assets: Recognized when the Institution has passed control of the asset to the buyer.
- Investment Income: Recognized as it accrues, based on the interest rate applicable to the asset.
- Sales of Goods/Publications: Recognized upon the delivery of goods to the customer.
- Bequests, Donations, Sponsorships: Recognized in the period of receipt, including fundraising, etc.

Systems for Income Management

The implementation and management of the Income Management System is the responsibility of the Head of Finance and apply to all income items. The system is expected to monitor and ensure:

- the prompt identification, assessment, levy and recording of income;
- the collection of income on or before the due date; and
- the protection, recording and banking of collections received in accordance with the asset policy.

The President is responsible for ensuring that the Income Management System as implemented by the Head of Finance is complied with.

Income Write-Offs

Income must be protected against loss and should not be relinquished, forgiven, remitted or written off unless authorised in accordance with the regulations set forth by the Institution. This ensures that procedures for safeguarding income are adhered to and any exceptions to this principle are only made through proper authorisation as outlined in the Institution's regulations.

Income Reversals

Recognition of income at the Institution should be reversed in the following circumstances:

- When it has been initially raised incorrectly.
- When previously expected benefits are no longer anticipated.

All Income Reversals, unless explicitly exempted, must be approved in alignment with the Institution's policies. It's important to note that this policy does not pertain to the write-off of bad debts, which is governed by the Institution's policy on collections.

All Income Reversals shall be signed by a recommending officer and the Head of Finance and supported by documentary evidence as to why the reversal is required.

STUDENT FEES & OTHER CHARGES

PURPOSE

To provide guidelines on the procedures to be followed in the collection of, and accounting for, student fees and other charges in the Institution.

RESPONSIBILITY

Responsible Officer : Head of Finance
Approval : Governing Council

POLICY STATEMENT

Student Fees and Charges

The Institution is committed to a policy of full cost recovery in the determination of fees and charges. This policy encompasses charges associated with admission, registration, accommodation, programs of study, examinations, and the conferment of degrees, among other considerations. The objective is to ensure that fees and charges are set at a level that covers the entirety of associated costs, contributing to the financial sustainability and operational efficiency of the Institution.

Annually, the Finance Committee formulates recommendations on the appropriate levels of all standard fees. Subsequently, the Institution Council is tasked with approving the fees and other charges for the upcoming academic year. This process is integral to aligning the financial aspects of the Institution with its priority activities, ensuring a comprehensive and approved framework for fees and charges in each academic cycle.

Fees and charges that deviate from the standard structure, particularly those associated with specific courses of study, are required to be grounded in sound business planning. Recommendations for these non-standard fees and charges are submitted to the Council for approval. This approach ensures that any deviations from the standard fee structure are well-justified, financially sound, and aligned with the overall strategic planning of the institution.

All fee income must be collected following the established Procedures for paying Fees. Students who have outstanding debts to the Institution will undergo a formal debt collection process. In cases where necessary, this may include referral to the Institution's solicitors for legal action. This stringent approach ensures the institution's financial health and encourages timely settlement of outstanding obligations.

The Head of Finance bears the responsibility of ensuring the timely collection of all student fees associated with accredited courses at the Institution. According to Institution regulations, students are obligated to pay fees covering charges for admission, registration, accommodation, programs of study, examinations, conferment of degrees, and other obligations. These payments, including amounts owed for loans, books, or other materials, must be made in accordance with the timelines and methods stipulated by the Council, as periodically determined. The adherence to these regulations is essential for maintaining financial stability and supporting the institution's ongoing operations.

Payments of fees are expected to align with agreed-upon payment plans between the Institution and the student. Alternatively, arrangements acceptable to the Institution for installment-based payments for a program may be in place. In the absence of Council-sanctioned exceptions, a student's registration status will be affected if the agreed-upon arrangements for payment by installments are not fulfilled. This policy underscores the importance of adhering to established payment agreements to maintain active enrollment status.

Any outstanding fees or sums owed to the Institution from the preceding academic year must be fully settled, where applicable.

No student is permitted to participate in any assessment unless the prescribed fees set by the Council for assessment purposes have been paid. The Vice-Chancellor holds the authority to instruct that assessment results for any student with outstanding fees, loans, charges, or other sums owed to the Institution will not be published or submitted to the Council for confirmation until all outstanding debts have been paid in full. This policy underscores the importance of fulfilling financial obligations for continued academic progress and administrative processes.

Accounting for Financial Aid and Scholarships

A bursary or scholarship represents a disbursement made to a student from the Institution's own financial resources. These payments are granted based on specific criteria, including the financial circumstances of the student, as outlined in the Institution's internal policies.

In accounting for bursaries and scholarships, it is anticipated that these disbursements will be treated as gross expenditure. This accounting treatment aligns with the transaction's nature, signifying the transfer of funds from the Institution to the student.

For bursaries funded by third-party sources, where the Institution acts in an agency capacity, the accounting should adhere to the guidance provided for such scenarios. This ensures accurate and transparent financial reporting in accordance with the specific nature and source of the funds allocated for bursaries.

DETAILED PROCEDURES

All students enrolled in a program of study at Accra Business School are obligated to pay the approved fees and any other charges associated with the respective program. This financial requirement ensures that students contribute to the cost of their education and the operational needs of the institution as they pursue their studies.

Basis of Recognition

Recognition of fees and charges by the institution should occur at the point when it has both gained the entitlement to receive payment and fulfilled its contractual obligations. In simpler terms, the institution should acknowledge and record fees and charges in its financial records when it has earned the right to receive them and has completed the agreed-upon services or deliveries outlined in the contract.

Fee Setting

The determination of fees is a systematic process overseen by the institution, where fees are established periodically through an official Fees setting process that requires approval from the Council. The responsibility for both determining and collecting fees and other charges from students lies with the management.

Annually, a comprehensive proposal outlining fees for all student categories is presented to the Finance Committee. The Finance Committee, in turn, evaluates and recommends the appropriate fee levels. However, it's crucial to note that the final approval of these recommended fees rests with the Council.

Once the fees are officially approved by the Council, the institution ensures proper implementation by forwarding the approved fee structure to both the Finance Department and the Registry. This ensures transparent communication and adherence to the approved fee schedule.

Procedures for Paying Fees

Students are obligated to fulfill their financial responsibilities by adhering to the specified deadlines outlined in the Payment Plan Contract, which encompasses fees and other approved charges.

In the event that a student is unable to meet their payment obligations on time, the institution allows for a temporary withdrawal or deferment upon receipt of a written request. This provision acknowledges unforeseen circumstances that may hinder a student's ability to meet their financial commitments promptly and provides a formal process for managing such situations.

Sponsored Students

Students are required to furnish proof of sponsorship to the Finance Department. Additionally, it is the responsibility of the students to communicate with their sponsors regarding the payment deadlines stipulated by the institution. In instances where sponsors fail to remit the fees promptly, the student assumes personal responsibility for the entire fee amount. The payment process adheres to the procedures outlined for fee payments.

In cases where a student receives partial sponsorship for tuition fees, unless the sponsor specifies otherwise, the sponsored portion of the fee will be deducted, leaving the student accountable for the remaining balance of the program fees. This ensures clarity in financial arrangements and facilitates a smooth process for both students and sponsors.

Refund Policy

The institution does not provide refunds for any fees to students who have been dismissed or suspended, or who have withdrawn from their studies for reasons other than temporary withdrawal.

In cases where students have inadvertently paid fees exceeding the required amounts, refunds of such excess fees will only be processed upon the completion of the course of study or upon the submission of satisfactory evidence of withdrawal from the institution. This policy, however, does not apply to students on financial aid or scholarship.

Regarding withdrawals, the following refund rules are in place:

- Voluntary withdrawal: A refund of 70% of approved fees will be granted within agreed-upon time limits.
- Dismissal for academic non-performance: No refund will be provided.
- Dismissal on disciplinary grounds: No refund will be issued in such instances. This framework ensures a clear and fair approach to fee refunds based on the circumstances surrounding a student's departure from the institution.

Registration of Students

Students are required to complete module registration with the Registry for their chosen program of study only after obtaining confirmation of approved fee payment from the Finance Department.

The Registry will not proceed with the registration of any student unless the approved fees, as per the institution's fee policy, have been paid. Non-payment of fees resulting in a student not being registered will restrict access to various institution services, including but not limited to the library, lectures, academic assessment tests and assignments, examinations, and other related services. This policy emphasizes the importance of financial compliance for students to fully engage in the academic offerings and resources provided by the institution.

Taking of Examinations by Students

Students will not be permitted to participate in any examinations if they have outstanding fees. The Registry, in collaboration with the Finance Department and other relevant departments, will closely monitor and enforce this policy to ensure that no student takes examinations without having fully settled the required fees.

Heads of Departments, Examination Supervisors, and Invigilators will be responsible for verifying that students sitting for examinations have provided evidence of full payment of all requisite fees. This collaborative effort ensures that financial obligations are met before students engage in academic assessments, promoting fairness and adherence to the institution's policies.

TREASURY MANAGEMENT

Accra Business School needs clear procedures to recognise, gather, and deposit all its earned income. This involves creating a systematic method to identify income sources, keeping good records, setting standardized payment processes, regularly reconciling transactions, using authorized collection points, issuing timely invoices, and following efficient banking procedures. Compliance with financial regulations, communication with stakeholders, and continuous monitoring and improvement are essential for a robust financial management system.

RESPONSIBILITY

Responsible Officer : Head of Finance
Approval : Governing Council

POLICY STATEMENT

General Issues

The Council holds the authority to approve a Treasury Policy Statement, outlining strategies and policies for cash management, investments, and borrowings. Implementation, monitoring, and review of these policies fall under the purview of the Finance Committee.

Decisions related to borrowing, investment, or financing are entrusted to the Head of Finance. This includes the preparation of procedures and an approved reporting system by the Council. All borrowing activities are conducted in the institution's name.

The Head of Finance is accountable for reporting Treasury operations and the exercise of delegated powers to the Finance Committee. Additionally, they oversee the establishment of effective procedures to ensure the institution receives all entitled income. The Head of Finance grants approval for receipt forms, invoices, official documents, and electronic collection systems.

All employees share the responsibility of maximizing the institution's income by diligently applying agreed-upon procedures for identification, collection, and banking of funds. This collective effort ensures financial operations align with established policies and contribute to the institution's fiscal well-being.

Banking Operations

The Council holds the responsibility for appointing the institution's bankers and professional advisors, a decision guided by the Finance Committee's recommendation.

Authorized by the President, the Head of Finance has the authority to open or close bank accounts with the institution's bankers. Requests for such actions must be in written form, signed by both the Head of Finance and another individual authorized to sign cheques. The Finance Committee is promptly informed when a bank account is opened or closed.

All bank accounts are established in the name of the Institution or its subsidiaries. For subsidiaries, responsibilities for bank accounts are outlined in the Memorandum of Understanding between the company and the Institution.

The Finance Department must annually provide the Head of Finance with a summary of all bank accounts and trust arrangements with banks.

It is the responsibility of the Head of Finance to ensure regular reconciliation of the Institution's bank accounts and to establish adequate procedures for the security of cheques and other fund transfer methods. This approach ensures financial transparency, compliance, and the safeguarding of the institution's financial assets.

Signatories to Bank Accounts

Internal procedures accessible to the Finance Department will include information about bank mandates, authorized signatories, and their limits. These details, including bank mandates and authorized signatories, will be subject to approval by the Finance Committee.

Officers tasked with committing, certifying, or authorizing the receipt/disbursement of funds are expected to fulfill their duties with prudence and integrity, prioritizing the institution's best interests. To enhance control and accountability, a requirement is in place for two signatures on all cheques drawn on Accra Business School's bank accounts. This dual-signature practice adds an additional layer of scrutiny and safeguards the institution's financial transactions.

All cheques drawn on behalf of the Institution must be signed in the form approved by the Finance Committee. Authorized signatories to the Institution's Bank account are in two categories:

- **Category A:** Head of Finance, Accountant (Finance Department)
- **Category B:** Founder and Co-Founder

The Financial Policies incorporate the term "authorized signatory," which applies to both electronic and written signatures. An "electronic signature" refers to electronic data linked to or logically associated with other electronic information, serving as a means of authentication. The use of electronic signatures is permissible only in situations and for transactions that have received prior approval from the Head of Finance. This policy ensures that electronic signatures are employed under specified circumstances and with the necessary authorization, maintaining a controlled and secure financial environment.

Electronic signatures, as mandated by the Head of Finance, must conform to specific forms and technical specifications. Regardless of the context, electronic signatures must possess the following characteristics:

They should be uniquely connected to the individual signing, allowing for clear identification of the signatory. The means used to apply the electronic signature must be under the sole control of the signatory. Additionally, the electronic signature must be intricately linked to the associated data, ensuring that any subsequent changes to the data can be readily detected. This stringent set of requirements is designed to enhance the security, reliability, and traceability of electronic signatures in various transactions.

Employees should be aware that the improper use of electronic signatures, such as using someone else's signature, is strictly prohibited, paralleling the prohibitions for written

signatures. Any misuse, whether in the electronic or written context, will result in disciplinary action, and a report to the police will be made. This policy underscores the seriousness of such actions and emphasizes the institution's commitment to maintaining the integrity and security of electronic signatures.

Employees should be aware that the improper use of electronic signatures, such as using someone else's signature, is strictly prohibited, paralleling the prohibitions for written signatures. Any misuse, whether in the electronic or written context, will result in disciplinary action, and a report to the police will be made. This policy underscores the seriousness of such actions and emphasizes the institution's commitment to maintaining the integrity and security of electronic signatures.

In the comprehensive financial procedures of the institution, specifics regarding authorized individuals and their assigned limits will be outlined. This ensures transparency and clarity in the delegation of financial responsibilities, contributing to effective financial management and accountability within the organization.

Separately Administered Bank Accounts

To ensure efficiency and control, the Finance Department generally strives to minimize the number of bank accounts. However, there might be instances necessitating the establishment of separate bank accounts for individual Departments, Centers, or other entities.

The creation of separately administered bank accounts must go through the Finance Department, and authorization, including the approval of authorized signatories, is granted by the Finance Committee. All accounts must have designated signatories, including representatives from the Finance Department, and these accounts should be exclusively utilized for their intended purposes. This approach maintains financial discipline and accountability within the institution.

DETAILED PROCEDURES

The Finance Department is responsible for overseeing treasury management, a pivotal function within the Institution. This involves efficiently managing all cash resources, funding needs, and associated risks for both the Institution itself and its funding institutions and agencies. Treasury management encompasses a comprehensive approach to optimizing financial resources while ensuring prudent risk control measures are in place.

Register of Bank Accounts

The Head of Finance is tasked with maintaining a comprehensive register of all institution bank accounts. This register, at a minimum, should include the following details:

- Financial Institutions details including name, address, branch, and contact details.
- Name and Number of the Bank Account;
- Purpose of Bank Account;
- Overdraft limits that may apply;
- Date Opened; and

- Date Closed (if any).

Authorization to sign cheques and approve standing orders or direct debits on behalf of the Institution is restricted to signatories approved by the Council. The Financial Regulations delineate the various types of authorized signatories within the Institution, outlining the framework for exercising financial authority and responsibility.

It is imperative to limit the number of authorized signatories within the Institution. Individuals taking on the role of an Authorized Signatory must acquaint themselves with the Financial Policies and Procedures Manual, ensuring strict adherence to the established policies and procedures. This approach guarantees a streamlined and controlled process for financial transactions and promotes a clear understanding of the responsibilities associated with being an Authorized Signatory.

Review of All Authorised Signatories

The Head of Finance is responsible for conducting an annual review of all Authorized Signatories. This review ensures that:

- All Authorized Signatories are active members of the Institution.
- The available Authorized Signatories align with the Institution's specified requirements.
- Any Authorized Signatories who are no longer needed are promptly removed.

To enhance oversight, an additional review is carried out by the Internal Auditor at least once a year, with a specific focus on confirming the current membership status of individuals included as Authorized Signatories. This dual-review process aims to maintain the accuracy and appropriateness of the list of Authorized Signatories, aligning with institutional requirements and best practices in financial governance.

Review of Banking Arrangements

The Head of Finance is tasked with ensuring that a comprehensive review of the Institution's banking facilities is conducted at least every five years, accompanied by a report submitted to the Finance Committee. This review will assess whether the existing banking facilities:

- Provide access to account balances and transactions in a manner that aligns with the Institution's requirements.
- Have a cost-effective fees and charges structure.
- Have addressed issues in a timely manner in the past.
- Represent the best value-for-money option.

Additionally, the review will explore whether alternative banks could potentially offer superior services or present a more favorable value-for-money option. This periodic assessment aims to optimize the Institution's banking arrangements, ensuring they remain aligned with the institution's evolving needs and financial efficiency standards.

Methods of Receiving All Payments

- Cash can be received by the following means: The most favoured mode for receiving all types of fee payments is through this method, and it should be actively encouraged among students and commercial customers. To eliminate the risk of misallocation, it is crucial that students provide their identification numbers as a bank reference when making payments through this channel. For confirmation of the pertinent bank account details, both students and commercial customers are advised to reach out to the Finance Department. This ensures accuracy and efficiency in processing payments, reducing the likelihood of errors and facilitating smoother financial transactions.
- Payment by Cheque: All cheques should be issued payable to 'Accra Business School' or the appropriate subsidiary institutions and agencies, and they should be crossed. It is essential to include the drawer's name on the cheque. When submitting cheques, they must be marked for the attention of the Finance Department. Cheques will only be accepted from sponsoring institutions following formal communication to the school, notifying them of their intention to sponsor specific student(s). Payments from students and individual personal cheques will not be accepted for amounts owed to the Institution. This policy streamlines the payment process, ensures proper identification, and maintains the financial integrity of the Institution.
- Payments by Cash: Due to the implementation of a cashless system, Accra Business School does not maintain a cashier. As a result, the institution strictly prohibits any form of cash payments within the school premises. This policy aligns with the cashless operational model and reinforces a more secure and efficient financial environment, minimizing the risks associated with handling physical currency.

Receipting

All receipts utilized across the institution must be approved by the Institution and distributed to students through sanctioned methods. Individuals and organizations making direct fee payments to the Institution are entitled to receive an official receipt. This policy underscores the importance of standardized, approved receipting processes, ensuring transparency and accountability in financial transactions within the institution.

Bank Reconciliation Statement

Bank accounts at the Institution are reconciled in accordance with the established Reconciliation Policy. The standard procedure for conducting and preparing bank reconciliation statements involves the following steps:

1. The Reconciliation section first receives and reviews the bank statements related to the Institution's Bank Accounts, ensuring their completeness before reconciliation.
2. The staff in the Reconciliation section undertakes the reconciliation process and prepares the bank reconciliation statements for the Institution's Bank Accounts.
3. For reconciliation of payments, transactions on the bank statement are matched with entries on the credit side of the cashbook.

4. Reconciliation of lodgments involves matching transactions on the bank statement with entries on the debit side of the cashbook.
5. The staff in the Reconciliation section then compiles a bank reconciliation statement, incorporating the balances on the bank statements, including outstanding/unpresented cheques and deposits. This reconciled balance is compared with the balances in the various cashbooks.
6. The Head of Finance reviews the reconciliation statement, addressing any unreconciled or outstanding transactions. The Head of Finance also ensures that any previously omitted entries in the cashbook, such as un-receipted lodgments/direct credits and direct debit transfers, are entered.
7. The Head of Finance certifies the approved bank reconciliation statements.
8. The Internal Audit conducts independent verifications of all bank accounts and reconciliation statements on a quarterly basis.
9. This comprehensive process ensures accuracy, transparency, and accountability in managing the institution's bank accounts and financial records.

MANAGEMENT OF PROJECTS AND RESEARCH FUNDS

To define the responsibilities for the financial management of research grants and contracts awarded to the Institution.

RESPONSIBILITY

Responsible Officer : Head of Finance
Approval : Governing Council

POLICY STATEMENT

Research is defined as an original investigation aimed at gaining new knowledge and understanding. It may be directed towards a specific objective and can involve the use of existing knowledge in experimental development to create new or substantially improved materials, devices, products, and processes, including design and construction. Routine testing and analysis of materials, components, and processes are excluded from this definition.

All proposals for research grants and contracts must adhere to the Institution's Financial Procedures. No submission or commitment should occur before completing this approval procedure.

The Head of Finance is responsible for establishing the full cost of research contracts, ensuring alignment with the Institution's policy on indirect costs and other expenses. Different procedures for pricing research projects based on the funding body's nature should be considered, and any conflicts between Institution policy and the funding body's procedures require approval from the President.

All financial records related to research grants and contracts are maintained by the Head of Finance. Funders often have specific rules regarding award administration, financial management, and reporting. Principal investigators must ensure compliance with these rules, seeking guidance from the Head of Finance when needed.

The rules outlined in the Institution's Policies and Procedures extend to research grants and contracts, and it is the responsibility of the principal investigator to ensure adherence to these regulations.

DETAILED PROCEDURES

General Issues

When seeking support for research projects or engaging in contracts on behalf of external bodies, the Head of Department bears the responsibility to:

- Ensure that a thorough financial appraisal is undertaken before finalizing any contract. This appraisal is crucial to assess the financial viability and implications of the proposed research project or contract.
- Obtain a set of grant terms and conditions from each organization providing funding. This step is essential to facilitate appropriate monitoring and ensure compliance with the terms and conditions specified by the funding organizations.

By fulfilling these responsibilities, the Head of Department contributes to the effective financial management and successful execution of research projects in alignment with the requirements and expectations of external funding bodies.

Recovery of Cost

The Principal Investigator, in collaboration with the Head of Finance, is responsible for establishing the full cost of research contracts. The terms of the research agreement should align with the Institution's policy on indirect costs and other expenses. Additionally, different pricing procedures for research projects, depending on the funding body's nature, should be taken into account.

The Institution is obligated to ensure that external grant-awarding bodies and other organizations funding research and services work cover eligible costs. Moreover, the Institution must demonstrate the sustainability of activities funded by external organizations in the long term. In cases where the full economic cost of Research or Institution Services projects cannot be fully recovered from external funders, and a School or Department wishes to proceed, the Institution must demonstrate a deliberate decision to contribute to the project's cost from internal resources. The source of this contribution should be identified and approved by the Head of Finance. This ensures transparency and accountability in financial decision-making related to research and services projects.

Administrative Support

Central administrative support for those preparing applications to grant-awarding bodies and other funders of research and services projects is available. Support available includes:

- advice on sources of funding for research and services projects;
- advice on the eligible costs and financial terms that various categories of funding bodies will accept;
- advice on insurance matters;
- assistance in developing research and other proposals;
- advice on completing application forms and tender responses to funding bodies;

- authorising and submitting paper-based applications and electronic application forms to funding bodies;
- advice on compliance with ethical review and other research governance matters;
- assistance in developing collaborative projects involving other Schools and Departments;
- providing model agreements for research or services work with external organisations;
- drafting and negotiating formal agreements with external funding bodies (e.g. industry) and partner organisations;
- Requests for information about funding sources or assistance in developing research proposals may be directed to The Institution's Institute of Health Research;

Some Schools and departments make available their own administrative support who will also be able to assist applicants in preparing proposals for research and services projects. Such Schools and departments' administrative offices and the Finance Department should work closely together in order to ensure compliance with the Institution's Financial Policies and related Procedures.

Applying for Research Grants and Contracts and Institution Services Contracts

All applications for Research Grants and Contracts and Institution Services projects must be sent to the Finance Department for checking and the President for formal approval on behalf of the Institution before being submitted to a funding body or client.

The lead applicant (the 'Principal Investigator') is responsible for ensuring that any proposal is received in the Finance Department at least 5 working days prior to any deadline for submission to external bodies. This will enable Finance Department to check that the project is costed appropriately, that it will comply with relevant terms and conditions of the funding body and, where required, allow sufficient time for any revisions to be made prior to submission.

Where a Institution Services proposal does not require full tender documentation or similar formal application, the Principal Investigator should provide a summary of the work or outline project plan as agreed with the funding body.

It is also the Principal Investigator's responsibility to ensure that all internal peer review processes and administrative procedures for checking and approving proposals within the appropriate Department have been followed and that the Head of the Department, or a nominated deputy, has had sufficient opportunity to consider, approve and sign off the proposal before it is brought to the Finance Department. Increasingly, applicants are required by various research funding bodies to commit to making a direct cash contribution or to make a longer term commitment, such as maintaining a staff salary beyond the lifetime of a project.

Where such commitment is required by the funding body:

The Head of Director must approve the commitment to be entered into; and

the Department must obtain confirmation from the Finance Department that the source of funding identified within the Department to meet the commitment is available and sufficient for that purpose. The Finance Department will be unable to authorise submission of any such application without first receiving this confirmation from the Head of Department and the Finance Department.

Only persons authorised by the Institution are permitted to sign contracts and agreements on behalf of the Institution. Research grants and contracts are accepted formally on behalf of the Institution by the The President. Department staffs have no authority to commit the Institution to financial terms with funding bodies prior to such authorisation. Any draft agreement received from a funding body must be forwarded to the Institution's legal counsel. Where a document, such as a contract or agreement, relating to a research or services project requires the Institution seal to be affixed, the President will request the Registrar to effect such sealing.

Financial Administration of Research Grants and Contracts and Institution Services Contracts

Formal acceptance of awards and contracts may only be made on behalf of the Institution by authorised signatories.

Finance Department will notify the Principal Investigator and the Head of Department of the project account code and will also provide a project budget sheet specifying the agreed categories of expenditure as set out in the grant award letter or the project agreement. No work should be undertaken or expenditure committed until the account code has been notified to the Principal Investigator and/or Department by Finance Department. Where the School or Department wishes to enter into any financial commitment in relation to a project before the formal award has been received or finalised by the Institution (such as in order to recruit or retain a key researcher), the Department must obtain the prior approval of the Finance Department to underwrite those costs.

The Finance Department is responsible on behalf of the Institution for the proper financial management of Research and Institution Services projects and for the preparation, authorisation and submission of any periodic claims or invoices to the funding body. The Principal Investigator must provide the Finance Department with all reasonable assistance to enable Finance Department to fulfill this responsibility.

For those Research and Institution Services projects where invoicing is due only after completion of the work or following the achievement of specified milestones in the work programme, the Principal Investigator must notify the Finance Department, in writing, to submit invoices to the funder at the appropriate time. In the financial management system and Departments must monitor project expenditure against budget using the reports that have been developed for this purpose. Such reports are available to and can be used by all 'team members' identified for a particular research or services project that are administered through the financial management system.

Where the Principal Investigator wishes to increase the amount of funding within individual budget headings through a transfer from another budget heading (virement), a written request must be submitted to Finance Department authorised by the Head of Department or a nominated deputy. Subject to any overriding terms and conditions of the funding body, the Finance Department will arrange the virement and issue a revised project budget sheet to the School or Department and the Principal Investigator.

All enquiries from funding bodies relating to compliance with financial terms and conditions after the project has commenced are the responsibility of Finance Department rather than that of the Principal Investigator alone. Finance Department should be informed as soon as possible if the Principal Investigator becomes aware of any concerns of the funding body in this regard. Finance Department is also responsible for co-ordinating any audits that may be required to comply with the funding body's terms and conditions of funding.

Recovery of Direct and Indirect Costs

The recovery of direct and indirect costs on research and Institution services projects is reviewed periodically by the Finance Department and any proposed changes submitted to the Finance and Committee for consideration.

Income from research grants and contracts is applied to meet the costs of all project staff and the other directly incurred costs associated with the project. Directly allocated and indirect costs will be charged in accordance with the Institution's policy for their distribution between Schools and central Institution Costs.

OTHER INCOME – GENERATING ACTIVITY

This serves as a general guide outlining the policies governing the collection and accounting for other income-generating activities within the Institution. The policies detailed herein are designed to provide clarity and guidance on the proper procedures and practices associated with activities that generate revenue beyond standard fees and charges. This includes, but is not limited to, activities such as consultancy services, facility rentals, and other sources of income generation. By adhering to these policies, the Institution aims to ensure consistency, transparency, and compliance in the collection and accounting of revenue from diverse income streams.

RESPONSIBILITY

Responsible Officer : Head of Finance
Approval : Governing Council

Short Courses, Sandwich Programmes and Other Services Rendered

All short courses, sandwich programs, and other services fall under the purview of the Institution's regulations. It is a standard practice that pricing for these offerings should generally aim to recover full economic costs. This approach ensures that the fees charged for these programs and services adequately cover all associated costs, contributing to the financial sustainability and viability of the Institution.

ACCOUNTS RECEIVABLE

This section is designed to offer guidance to staff, students, and other stakeholders on the administration and management of debtors at Accra Business School. The guidelines provided herein aim to provide clarity and instructions on the handling of financial obligations owed to the institution, ensuring effective debt administration and management practices.

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RESPONSIBILITY

Responsible Officer : Head of Finance
Approval : Governing Council

POLICY STATEMENT

A receivable denotes money owed to the Institution for goods or services acquired on credit and all Institution debt is managed through its finance systems.

To ensure the timely collection of all accounts receivable, cost-effective procedures will be employed, which may include legal processes where applicable.

Prior to engagement, checks will be conducted to assess the creditworthiness of customers. The Institution will not enter into agreements with potential customers who do not meet these criteria. Invoicing will be conducted in adherence to the billing requirements established with customers.

Swift and effective actions will be taken to collect overdue debts, with continuous monitoring and appropriate measures. The Head of Finance is responsible for implementing credit arrangements and specifying the timeframes within which various types of invoices must be settled.

Requests to write off individual debts will be directed to the Head of Finance for submission to the Finance Committee for consideration. This process ensures a systematic and accountable approach to managing receivables and outstanding debts.

DETAILED PROCEDURE

General Issues

The Head of Finance is responsible for ensuring that appropriate procedures are in operation so that:

- debtors invoices are raised promptly on official invoice stationery, in respect of all income due to the Institution;
- invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account;
- any credits granted are valid, properly authorised and completely recorded;
- moneys received are posted to the correct debtors account;
- swift and effective action is taken in collecting overdue debts

- outstanding debts are monitored and reports prepared for management.

Monthly reviews of Accounts Receivable will be undertaken to ensure compliance to procedures.

Student Debtors

Students with overdue debts will have various Negative Service Indicators applied to their records. An overdue student debt is defined when a student fails to fulfill their financial obligation to the Institution within the specified terms.

The centralization of accounts receivable collection is managed within the Institution's Finance Department. However, responsibility for debt collection from students within specific Schools and Departments is shared between the Finance Department and the respective Departments. This collaborative approach ensures a coordinated and efficient process for managing overdue student debts across the Institution.

Disputes Relating to Services Rendered or Charges Imposed

Should a student wish to dispute the necessity of a payment, they are required to formally submit their complaint in writing to the Director of Finance. This process ensures a documented and official channel for addressing and resolving any concerns or disagreements related to payment obligations.

Commercial and General Debtors - Debt Recovery

Action to successfully recover outstanding debt for commercial and general debtors includes discontinuation of any future supply of goods and services for those accounts that have been forwarded to the Institution's Debt Recovery Agent until settlement of the overdue amounts.

An invoice will be issued after an amount becomes payable to the Institution. Payment terms are 14 days from date of invoice or as agreed within a legally binding contract;

Aged Statements are issued to all commercial and general debtors on a monthly basis;

Collection Letters are generated in the third week of each month.

Three demand letters will be sent in respect to outstanding debt after which the debt will be forwarded to a Debt Recovery Agent.

Debtors will be notified in writing, if placed in the hands of the Recovery Agent.

Where legal action is required, the approval of the Vice Chancellor will be obtained. Recoverable court costs will be added to the outstanding debt.

Non-payment of commercial and general debts by official Institution students will result in Negative Service Indicators (NSI's) being applied to their student account administered within the student database.

Disputes Relating to Services Rendered

If someone has reservations or disagrees with the amount that is supposed to be paid, it is recommended that they initially address their concerns with the Finance Department. This department is equipped to handle and resolve disputes related to payable amounts, providing a dedicated channel for individuals to seek clarification or resolution regarding financial matters.

Commercial Entities

Commercial entities will bear the responsibility of issuing account reminder letters, executing recovery procedures akin to the general debtor recovery guidelines outlined in this document, and referring cases to the Institution Debt Recovery Agent when necessary.

Staff Debtors

Staff debtors may be recovered by any of the following methods:

- Direct payments to the Institution by the employee
- Deductions from official salaries
- Any other means which may appear to be feasible

Recoveries from official salaries shall commence from the salary of the next complete month after the month in which the debt crystalized/ advance was given. The outstanding balance of any debt/ advance becomes fully recoverable at the date of the employee leaving the service of the Accra Business School.

Unapproved Expenditures

Approval is mandatory for all institutional expenditures. Should an employee or student incur unapproved or personal expenses, an invoice will be generated, and recovery procedures will be initiated in alignment with the commercial and general debtor principles delineated in this document.

Expenditure deemed private includes, but is not limited to:

- staff and students who receive travel advances that are not acquitted by the due date;
- abuse of Institution property;
- misuse of privileges and facilities;
- other expenses deemed private by any other Institution policy.

Should an overpayment by the Institution occur (excluding salaries or salary related payments), an invoice will be raised and recovery procedures commenced in accordance with the commercial and general debtor principles, as outlined in this document. Should a salary overpayment occur, an invoice will only be raised after all other methods of recovery have been exhausted.

Potential Risk of Non-Compliance

Continued provision of goods and services to students, staff, and other debtors who fail to make payments poses a challenge. It is imperative for staff and students who receive travel advances to reconcile those advances promptly. Failure to do so is a violation of the Regulations, and debt recovery measures may be initiated, even if the debtor has left the institution.

By refraining from employing collection procedures, debts that might have otherwise been recoverable may have to be written off. Additionally, strategic decisions must be made to abstain from pursuing debts with negligible account balances, especially when the associated costs of recovery, such as manpower, postage, and collection agent fees, outweigh the potential benefits.

Furthermore, there is a risk of overestimating debtors due to inadequate provisions for bad debts. It is crucial to strike a balance between effective debt recovery and avoiding unnecessary costs in pursuit of debts with minimal economic value.

Student Debtors and Negative Service Indicators

Debt recovery against a Student Debtor commences at the point where the student fails to pay any fine, fee, charge or debt due to the Institution, including the Library;

A Negative Service Indicator (NSI) restricts a student's access to various entitlements to which they would normally have access. The NSI becomes increasingly restrictive the longer the student's account balance remains overdue.

Bad Debts, Principles and Procedures

Write offs

Debts are designated for write-off exclusively when the institution's recovery procedures prove unsuccessful, and pursuing further action is either not economically viable or deemed highly improbable.

The decision to write off specific debts necessitates an evaluation of the cost of recovery actions in relation to the amount of the debt under consideration. The Accounts Receivable Officer will propose debts for write-off to the Head of Finance, providing comprehensive supporting documentation.

Before presenting debts for write-off approval, the Head of Finance must satisfy themselves that the prescribed recovery procedures have been adhered to and all reasonable efforts for recovery have been exhausted. Subsequently, the Head of Finance is responsible for proposing all debts earmarked for write-off to the Finance Committee, seeking their approval.

Alternatively, the Finance Committee may be delegated the authority to consider and approve all debts slated for write-off. This ensures a thorough and transparent assessment of the financial considerations involved in the decision-making process.

Administration & Management

The Head of Finance is responsible for maintaining a comprehensive register documenting debts that have undergone write-off procedures. This register will be readily available for presentation to the Audit Committee. Within this register, details of each debt, the authorization for write-off, and any subsequent efforts to reinstate the debt will be meticulously recorded.

To safeguard against unauthorized entries in the bad debts journal, stringent access restrictions will be implemented for both the receipt and bad debts recording functions. No adjustments on the debtors' module will be permitted without explicit approval, as specified earlier.

To ensure the integrity of the accounting data, an independent reconciliation will be conducted between approved adjustments and the actual adjustments made. This additional step serves as further assurance of the accuracy and validity of the financial records.

The Accounts Receivable Officer will play a crucial role in this process by conducting a monthly review of debtors' accounts. This review aims to ensure that bad debts are identified and written off in a timely manner, preventing any potential discrepancies or delays.

Furthermore, the Accounts Receivable Officer will diligently reconcile the General Ledger Accounts Receivable Balances on a monthly basis with the Subsidiary Debtors Ledgers. This meticulous reconciliation process adds an extra layer of scrutiny, promoting accuracy and consistency in the financial reporting system.

Provision for Bad Debts

On an annual basis, the provision for bad debts will acknowledge any uncertainties regarding the collectability of debts and the potential for a current debt to decline in value and eventually become classified as a bad debt. This proactive approach ensures that the financial statements accurately reflect the potential risks associated with outstanding debts, taking into account the dynamic nature of economic and credit conditions. By recognizing these potential issues annually, the organization can maintain a more realistic and conservative assessment of its financial position, promoting transparency and prudent financial management.

PROCUREMENT

The Procurement Office is the designated location for managing procurement activities within the institution. The overarching principles that govern the procurement of any items for the organization are firmly rooted in the concept of "value for money." This principle ensures that the procurement process is not solely focused on cost considerations but takes into account the overall value and benefits derived from the acquired goods or services. By emphasizing value for money, the institution aims to make procurement decisions that optimize quality, efficiency, and effectiveness, contributing to the best possible outcomes for the organization.

RESPONSIBILITY

Responsible Officer : Head of Finance
Approval : Governing Council

POLICY STATEMENT

General issues

The Procurement Unit plays a pivotal role in assisting the various departments of the institution in fulfilling their needs by acquiring goods and services at competitive costs. To ensure adherence to the institution's procurement standards, the Heads of Departments bear the responsibility of overseeing all purchasing activities within their respective areas. This entails strict compliance with the Institution's Procurement Policy and Procedures, as well as adherence to all relevant legal requirements governing procurement processes. The collaborative effort between the Procurement Unit and the Heads of Departments aims to uphold transparency, efficiency, and fairness in the procurement processes across the institution.

Requisitions, Purchase Orders and Invoices

Ensuring financial prudence and adherence to established procedures is paramount in managing expenditures for goods and services within the institution. All procurement activities must strictly align with the Institution's Financial and Procurement Procedures, as well as other relevant purchasing guidelines. Purchase orders should be placed in accordance with the terms outlined in the Institution's conditions of contract.

To maintain a streamlined process, the Finance Committee must approve the systems and methods employed for requisitioning, ordering, and payment of all purchases. Requisitions and purchase orders must conform to the specified format provided by the Institution.

The Heads of Departments bear the responsibility of overseeing expenditures within their respective Schools and Departments, ensuring that spending remains within the available funds.

To ensure financial accountability, payments will only be processed by the Head of Finance after invoices have been matched to authorized Purchase Orders. This authorization and entry

into the system must be carried out by the relevant Head of Department or their appointed officer.

This comprehensive approach aims to uphold financial integrity and transparency in the institution's procurement and financial management processes.

Procurement of Goods and Services

All expenditures within the institution must align exclusively with the objectives outlined in the Strategic Plan. The Head of Procurement holds the responsibility for overseeing all procurement activities.

For the convenience of all stakeholders, a comprehensive list of approved suppliers is available at the Procurement Office and on the Accra Business School's website. It is mandatory to utilize these approved suppliers for relevant purchases. These suppliers have undergone a rigorous competitive selection process and offer a broad spectrum of goods and services.

Demonstrating value for money is imperative. By engaging approved suppliers, the institution ensures overall cost-effectiveness. Furthermore, adhering to approved suppliers mitigates the risk of violating tendering requirements, thereby averting potential serious consequences.

This approach not only guarantees financial prudence but also assures compliance with approved standards, underscoring the institution's commitment to responsible and accountable procurement practices.

Tendering

The acquisition of goods, services, and building works within the institution is governed by standardised procedures. Orders for these items may also be subject to supplementary regulations imposed by funding bodies. The Procurement Office is a valuable resource for guidance on tendering processes, offering advice to facilitate compliance with established protocols and any specific requirements outlined by funding entities. This ensures a transparent and systematic approach to the procurement of goods, services, and building works, aligning with both internal protocols and external regulations set forth by funding bodies.

Building Contracts

The oversight of building contracts falls under the purview of the Director of the Development Committee, who initiates proposals for planned replacements, general improvement schemes, space planning or in response to requests from departments.

In cases where a project, as recommended by the Director, is deemed too large or specialized for in-house handling, consultants may be appointed. The appointment of consultants is contingent upon adherence to appropriate tendering procedures and other relevant protocols.

For proposals involving the expenditure of approved budgets for long-term maintenance and minor works, the prescribed procedures set by the Development Committee must be followed.

Major capital projects are subject to the institution's capital approval procedures. In instances where funding is secured, either wholly or partially, the procedural rules of these entities must also be observed. All contracts, irrespective of the nature of the project, must demonstrate best value for money, ensuring efficient and effective use of resources.

EXPENDITURES AND DISBURSEMENTS

The purpose of this directive is to delineate responsibilities and establish policies governing the disbursement of funds within the institution. This framework aims to ensure a structured and accountable approach to the allocation and utilisation of institution funds. By clearly assigning responsibilities and articulating specific policies, this directive seeks to promote transparency, fiscal prudence, and adherence to established financial protocols throughout the disbursement process. The outlined guidelines are designed to govern the allocation of funds in a manner consistent with the institution's financial objectives and regulatory standards, fostering a responsible and accountable financial management framework.

Policy Statement

General Policies

The Head of Finance assumes the responsibility for facilitating payments to suppliers providing goods and services to the institution.

Various heads of departments play a pivotal role in the procurement process by initiating and approving payment for goods and services through the Head of Procurement.

To safeguard the institution's financial health, the Heads of Departments are tasked with ensuring that any commitment to expenditure aligns with the availability of budgeted funds. Expenditures, including but not limited to salaries, wages, fees, expenses, petty cash, and payments to suppliers, must strictly adhere to the guidelines outlined in the Institution's Financial Procedures. The bona fide rule, emphasizing the legitimacy and appropriateness of expenditures, is applicable across all financial transactions. This comprehensive approach underscores the importance of financial prudence and adherence to established procedures in managing institutional expenditures.

Authority Levels

Expenditure approval thresholds of the Institution are as follows:

Petty Cash

The Head of Finance is responsible for granting approval for all petty cash floats. In this capacity, they will provide Departments with the necessary imprest floats to facilitate the disbursement of petty cash expenses. Detailed procedures outlining the proper use and management of petty cash can be found in the designated Procedures section. This ensures a systematic and transparent approach to handling petty cash expenses across the institution, promoting accountability and adherence to established protocols.

Employee Re-imbursments

The Institution has established purchasing and payment procedures to facilitate the procurement of goods and services through the creditor payments system, minimizing the need for employees to bear personal expenses. However, in certain instances, particularly related to travel, employees may incur expenses and are eligible for reimbursement.

In cases where such expenditures are anticipated, the Head of Finance and the relevant Dean or Director may collaboratively approve cash advances for employees undertaking expenses on behalf of the Institution.

To ensure accountability, within one week of concluding the travel or project, a final account must be prepared detailing how the advance was utilized, and any remaining balance must be repaid. Notably, a second advance will not be approved if a previous advance for the same individual remains unsettled.

Failure to account for advances will result in charges against the employee's salary, emphasizing the importance of timely and accurate reporting in the expenditure reimbursement process. This approach safeguards financial transparency and accountability within the institution.

DETAILED PROCEDURES

Introduction

The Institution's management holds accountability for all expenditures, encompassing the reimbursement of personal expenses, and is obligated to adhere to the institution's financial policies and procedures. The annual expense reimbursement constitutes a significant portion of the Institution's budget, exhibiting variations in costs among different departments and across staff categories.

The procedures outlined in this document are specifically designed to safeguard the institution's financial position. By establishing clear protocols and guidelines, these procedures aim to ensure responsible financial management, mitigate the risk of misuse, and promote consistency in handling expenses across the Institution. Through adherence to these measures, the institution aims to maintain fiscal integrity and uphold transparent and accountable financial practices.

Expenditure Management System

The expenditure management system must ensure:

The acknowledgment and recording of expenses in the accounts are conducted in a manner that facilitates the fulfillment of reporting objectives and accountability requirements. This involves systematically and transparently documenting all incurred expenses, ensuring accuracy and adherence to established financial standards. By adopting this approach, the institution aims to meet reporting obligations effectively, provide a clear financial picture, and enhance accountability in financial management.

Expenses arising from consumption, actual loss, or anticipated losses are meticulously recorded in a manner that aligns with financial standards and practices. This involves accurately documenting and categorizing expenditures, recognizing actual losses, and creating provisions for probable losses. This meticulous recording ensures that the institution's financial statements accurately reflect the true financial standing, providing a comprehensive and transparent view of incurred expenses and potential liabilities.

Expenditures are strictly confined to purposes that have received proper authorization. This means that funds are utilized only for activities or objectives that have been formally approved by the relevant authorities or in accordance with established procedures. This stringent adherence to authorized purposes ensures financial discipline, accountability, and alignment with the institution's goals and priorities.

Operational responsibility for expense management is assigned in accordance with strategic plans. This involves the identification and oversight of both anticipated and unforeseen expenses. By aligning expense management with strategic objectives, the institution ensures that resources are allocated efficiently and in line with its overall goals. Assigning operational responsibility involves a proactive approach to identifying, monitoring, and addressing expenses, contributing to effective financial planning and resource utilization.

Procedures have been established and documented for the following areas:

- Authority levels
- Payment procedures for invoice/ account payable
- Payment procedures for staff payments and re-imbursments
- Management of Accountable Imprests
- Petty cash payments

Authority Levels

These procedures establish the structure for the delegation of financial authority within the Institution. Their purpose is to serve as a comprehensive framework, offering guidance on decision-making levels, even in situations not explicitly outlined. Unless particular authority or powers are expressly granted to specific individuals or bodies under the Statutes, Standing Orders of Council, or the Financial Policies, these procedures shall apply uniformly across the institution. This framework ensures consistency and clarity in financial decision-making, providing a reliable guide for various scenarios within the institution.

Principles:

The following principles should underpin all decisions taken under the delegation of authority framework:

- The decision should be consistent with the Institution's aims and objectives;
- The person to whom the authority has been delegated should only act within his/her sphere of influence; one School or Department should not take a decision that commits another School or Department without their consent;
- Decisions should not be taken unless relevant documentation has been reviewed in line with Institution policies and procedures and, where necessary, external legal advice has been sought;

- Where a third party has provided funding, decisions should only be taken once any required approval of the third party has been obtained;
- An assessment of the risk should be undertaken including the legal implications, if any;
- Acceptable terms and conditions should be agreed through the relevant School or Department;
- Appropriate documentation must be produced and a record of the decision made available, in keeping with the Institution's policy on document retention.

Decisions which require a financial commitment should observe the following additional principles:

- The approval of the relevant Head of Department or their nominee should always be obtained;
- The decision should demonstrate that value for money considerations has been taken into account.
- Head of Departments will be held personally responsible for all disbursements within their Departments.

Payment Procedures for Invoice/ Accounts Payable

General Issues

Accra Business School strives to maintain efficient business practices and good cost control. The accounts payable function assists in accomplishing this goal through processing invoices and making payment for authorized transactions.

The recording of assets or expenses and the related liability is performed by an employee independent of ordering and receiving. The amounts recorded are based on the supplier invoice for the related goods or services. The supplier invoice is supported by an approved purchase order where necessary, and is reviewed and approved by the President or Vice President and the Head of Finance prior to being processed for payment. Invoices and related general ledger codes are also reviewed prior to posting to the subsidiary system.

The Accra Business School policy relating to the processing and payment of invoices requires that:

- A supplier master file be maintained and updated on a regular basis.
- Only original invoices will be accepted for payment.
- Disbursements must be properly authorized.
- Invoices must be processed in a timely manner.
- Duplicate payments must be avoided.
- Supplier credit terms and operating cash must be managed for maximum benefits.

Supplier Master File

Departments within the Institution are responsible for obtaining appropriate documentation to establish new Suppliers. When a payment request is submitted for a new Supplier, Department will forward the appropriate documentation to Accounts Payable for processing. Accounts Payable personnel will check to see that the following information is provided:

- Supplier's legal name;
- Address;
- Telephone Number;
- Email;
- Tax Identification Number;
- Withholding Exemption Letter from Ghana Revenue Authority (if available)
- Name of Contact Person; and
- Bank account details.

Receipt and Recording of Payment Requests

All invoices received by accounts payable will be date stamped with the date of receipt and forwarded to appropriate personnel for processing.

All accounts payable transactions must be supported by adequate documentation that explains the nature and purpose of the expense. Accounts payable transactions are processed for payment on the next cheque run, unless a future date is specified.

When the original invoice is not available, a duplicate copy may be submitted to process the payment. The duplicate copy must be approved by the Head of Finance and verified by the Internal Audit that the invoice has not been paid previously. Supplier statements shall not be used as replacement for invoices.

Processing of Invoices

- The accounts payable staff should perform the following steps to process invoices for payment:
- Check the mathematical accuracy of each vendor invoice
- Compare the nature, quantity and prices of all items ordered per the supplier invoice to the purchase order, if applicable.
- Verify the general ledger distribution, using the Institution's current chart of accounts.
- Verify the approval of the President and the Head of Finance (or their designee) associated with the goods or services purchased. Approvals shall be documented with initials or signatures of the approving individual.

Supplier Discounts

To the extent practical, Accra Business School shall take advantage of all prompt payment discounts offered by suppliers. When availability of such discounts is noted, and all required documentation in support of payment is available, payments will be scheduled so as to take full advantage of the discounts.

Processing Payments

In the daily financial operations of our organization, payments undergo a systematic process. The initial step involves the creation and processing of payment vouchers. These vouchers

meticulously document the essential details of each transaction slated for payment, including pertinent information such as payee details, transaction amounts, and the purpose of each payment.

Following the careful processing of these payment vouchers, the responsibility shifts to the Accounts Payable Staff. This team takes charge of translating the approved transactions into tangible cheques. The cheques are then subjected to a crucial phase of scrutiny and authorization.

The next stage involves submitting the prepared cheques to the Head of Finance for thorough examination and approval. The Head of Finance plays a pivotal role in ensuring the accuracy and compliance of each payment with established financial protocols. Their approval is a critical checkpoint in the financial workflow.

Once approved by the Head of Finance, the cheques proceed to designated signatories. These individuals hold the authority to endorse and finalize payments. It is at this juncture that the signatories meticulously append their signatures onto the cheques, endorsing the validity of each transaction.

The collective approval and endorsement from both the Head of Finance and the designated signatories signal the completion of the payment process. The validated cheques are now ready for distribution, marking the successful execution of daily payment transactions with a comprehensive system of checks and balances in place.

Voided Cheques

In cases where the institution deems it necessary to void issued cheques, a stringent approval process is mandated, requiring the endorsement of the Head of Finance. The responsibility for managing this voiding procedure lies with the Accounts Payable Officer.

Upon identifying cheques that need to be voided, the Accounts Payable Officer meticulously records pertinent data associated with each voided cheque. This includes details such as the cheque number, issuance date, payee information, and the specific amount involved.

The recorded information serves as a comprehensive documentation of the voiding process, ensuring transparency and accountability in financial transactions. The requirement for approval from the Head of Finance adds an additional layer of scrutiny, underscoring the institution's commitment to maintaining accuracy and compliance in its financial operations.

Payment with Multiple Invoices

Payments to Institution Suppliers with multiple monthly invoices are made in bulk to reduce the volume of payments entered in the accounts payable system.

Reconciliation of Accounts Payable Subsidiary Ledger to General Ledger

Every month, a thorough reconciliation process takes place, comparing the amounts owed to all suppliers in the accounts payable subsidiary ledger with the total recorded in the accounts payable general ledger account, also known as the control account. This meticulous procedure is designed to ensure the accuracy and integrity of financial records.

During this reconciliation, any disparities between the subsidiary ledger and the control account are scrutinized. The responsible parties are required to investigate these differences diligently, aiming to identify the root causes. If necessary, adjustments are made to rectify any discrepancies discovered during this process.

A critical checkpoint in this reconciliation workflow involves the review and approval by the Head of Finance. The Head of Finance plays a pivotal role in ensuring the reliability of financial information and confirming that all necessary adjustments are valid and compliant with established financial protocols.

This monthly reconciliation, investigation, and approval cycle are essential components of maintaining financial transparency, accuracy, and accountability within the organization's accounts payable processes.

Payment procedures for Staff Payments and Re-imbursments

The Institution's purchasing and payments procedures are in place to enable the majority of goods and services to be procured through the accounts payable payments system without employees having to incur any personal expense. However, on some occasions, employees may incur expenses, most often in relation to travel, and are entitled to reimbursement.

Where such expenditure by employees is planned, the Head of Finance and the relevant Head of Department may jointly approve cash advances to employees who are going to incur expenditure on the Institution's behalf. These are detailed in *Management of Accountable Imprests* below.

Management of Accountable Imprests

General Issues

The cost of a business expense should normally be met by the individual and reimbursement should subsequently be sought from the Institution. However, Imprests may be made where significant out-of-pocket expenses will be incurred. Generally, Accountable Imprests should only be approved for the purposes of travel or subject payments; but in rare situations where no other payment options are available, an accountable imprest is available for both travel and non-travel expenditures. Such imprests will not normally exceed GH¢2000.00 and will require the prior approval from the President and the Head of Finance.

An Accountable Imprest - Things to Consider

Since it is the least economical method of financing Institution expenditures, an accountable imprest should only be requested after all other available options have been considered. It should be noted that in using Accountable Imprest:

- Institution cash is disbursed before goods and or services are obtained;

There is additional administrative burden; essentially preparing and processing documents for one activity twice:

- the preparation, approval and submission of the imprest request form;

- the preparation, approval and submission of the imprest retirement form after the expenditures are incurred.

Accountable Imprest - When are they Appropriate / Inappropriate

Appropriate Uses: When travelling on Institution business, particularly in remote locations an Accountable Imprest may be the only viable option. In addition, when cash is required to reimburse research participants (i.e. subject payments), an accountable imprest may be requested.

Inappropriate Uses: When travel arrangements are made in advance in order to obtain advantageous rates, an expense reimbursement claim should be completed. An Accountable Imprest cannot be used for the purchase of airline tickets.

Alternative Uses Than Those for Which the Advance Was Requested

An Accountable Imprest should not be used for expenses other than those for which it was requested. If not required for the stated purpose, the advance should be paid to the Finance Department and the receipt sent to the Accounts Payable as soon as possible with an Accountable Imprest Retirement Form, and an explanation as to why the advance was not used for the designated purpose.

As well, if the purpose of the accountable advance (i.e. travel) is significantly delayed (i.e. by three weeks or more), the accountable imprest should be returned to the Institution.

Accountability

The Importance of Prompt Settlement: The Institution's accounts are subject to an annual external audit. In addition, research awards are increasingly subject to independent audit. Imprests not settled within a reasonable timeframe may lead to the perception that the Institution is not sufficiently sensitive to the need for proper accountability.

Administrative Efficiency: Delays increase the risk of misplacing related expenditure documents or of being unable to efficiently supply additional information if required.

Accurate financial reporting: If expenditures are incurred or if there are unspent funds to be returned to the Institution, it is important that settlement be processed in the fiscal period (i.e. reporting period) in which the expenses are incurred.

Institution annual financial reporting: The Institution's fiscal year ends on December 31 and, therefore, it is important to settle all advances for activities completed prior to December 31.

Reporting to research sponsors: When an imprest is to be settled for any sponsored program, careful attention must be paid to the fiscal period for the grant.

When to Settle an Accountable Imprest: An accountable imprest should be settled as soon possible, the latest within Five working days following completion of travel or other activity for which the expenses were incurred.

Obtaining an Accountable Imprest

Timing of request: The request should be submitted not less than five business days prior to the time the funds are required. Once the form has been completed, processing turnaround is approximately two business days.

Approvals required: The request should be approved by the President and Head of Finance.

Who may obtain an Accountable Imprest

The imprest must be recorded against a Institution Employee Number. This means that an imprest may be issued as follows:

- to a full-time appointed employee under his/her employee number,
- to a casual employee under his/her employee number, or

Note: An Accountable Imprest is a payment in trust to an individual for future expenditures. Cash advances should be issued only where there is a means to hold the individual accountable and ensure that:

- the funds will be spent only for the purposes expressly approved, the requirements for accountability will be met, and funds not required for the specified purpose will be returned promptly to the Institution.
- Accordingly, imprests should generally only be issued to full-time Institution employees.
-

Form

An Accountable Imprest form is used to request an Accountable Imprest.

Submitting the Completed Accountable Imprest Form

The completed form with original signatures will be forwarded to:

- Accounts Payable of the Finance Department.
- Retain a second copy as the Department's copy.

Outstanding Accountable Imprests

At month-end, an Accountable Imprest statement is systematically produced for individuals showing accountable imprest expected to be settled in the following month. The settlement date on the report is based on information provided in the request. The report has the following information:

- Account number (of the payee) and payee's name
- Department
- The original accountable advance document number (request number)
- Settlement date
- The amount of the accountable advance
- Funding source charged with the accountable imprest

If for any reason settlement cannot be completed within two weeks from the statement date, Accounts Payable must be advised. Otherwise, the settlement must be submitted using the procedures below for Settlement of an Accountable Imprest.

The Individual is ultimately responsible for the repayment of the Accountable Imprest therefore it is recommended that School or Department track any outstanding Accountable imprests relating to their staff.

Settlement of an Accountable Imprest

Once the purpose of the Accountable Imprest (e.g. travel) has been completed, the following steps must be taken:

- An Accountable Imprest Retirement form must be completed.
- The completed and approved Accountable Imprest Retirement form is forwarded to Accounts Payable of the Finance Department.
- If the approved expenses claimed exceed the imprest, a cheque will be issued to the claimant for the amount of the expenses, less the imprest.
- If the imprest exceeds the total expense claim on the Accountable Imprest Retirement form, the claimant must include a receipt for the difference.

Should an employee fail to account for the advance within one month of the release of funds, the Head of Finance reserves the right to withhold the provision of further advances or reimbursements of expenses until the matter is resolved or make a direct deduction from payroll of the outstanding sum.

Petty Cash

General Issues

It is the policy of Accra Business School to use petty cash for small purchases. The Institution provides imprest funds (for minor office expenditures, not for travel or employee advances). The Finance Department replenishes these funds up to its authorized balance.

Opening a Petty Cash Fund Account

The institution has established a centralized petty cash system, entrusted to the exclusive custody of a designated employee within the Finance Department, preferably the Accounts Payable Officer. This individual assumes the role of the petty cash custodian, responsible for the proper management and security of the petty cash fund.

Any disbursements from the petty cash fund necessitate the completion and approval of a petty cash voucher. This voucher serves as a documented record of the transaction. Additionally, for every disbursement, supporting receipts are mandatory. The petty cash custodian is accountable for ensuring that receipts accompany all fund withdrawals, contributing to a comprehensive and transparent financial record.

A crucial aspect of safeguarding the petty cash system involves the custodian's responsibility to maintain the security of the fund. The petty cash fund is to be securely locked at all times, emphasizing the importance of maintaining the integrity and confidentiality of the funds entrusted to the custodian.

This structured approach to petty cash management is designed to instill accountability, transparency, and security in the disbursement process, aligning with sound financial practices within the institution.

Replenishing a Petty Cash Fund

It is suggested that custodians replenish petty cash funds when the funds have been expended. However, at fiscal year-end, custodians should replenish funds within two weeks of the close of each fiscal year, to ensure expenditures are recorded in the proper fiscal year. The custodian periodically needs to review the frequency of replenishments to determine whether a fund needs to be increased, decreased, or closed.

PAYROLL

The Finance Department bears the responsibility for overseeing salaries, wages, and other approved personal payments within the institution. Their primary objective is to ensure that every employee appointed by the institution receives the accurate and rightful payment, as stipulated in their respective contracts of employment. In the process of disbursing these payments, the Finance Department is committed to adhering to all pertinent statutory legislation, thereby ensuring compliance with legal and regulatory requirements.

RESPONSIBILITY

Responsible Officer : Head of Finance
Approval : Governing Council

POLICY STATEMENT

Remuneration Policy

The appointment and compensation structure for all institution employees adhere to the salary scales approved by the Council and are governed by appropriate conditions of service. The Council, as the governing body, holds the authority to decide on additional benefits beyond basic salaries, including but not limited to housing, allowances, cars, medical benefits, and other perks. The determination of which employees are eligible for these benefits is also within the purview of the Council.

Specifically, salaries and other benefits for senior management positions within the institution will be expressly determined by the Council. This approach ensures that remuneration and benefits align with the strategic goals and policies set forth by the governing body, reflecting a comprehensive and equitable approach to compensation within the institution. The Council's role in shaping these aspects emphasizes a structured and deliberate approach to employee compensation and benefits.

Appointment of Employees

In adherence to the Institution's approved Human Resources practices and procedures, all contracts of service shall be established. Offers of employment within the Institution will be formally communicated in writing to both The Governing Council and the President.

Heads of Departments play a pivotal role in facilitating the employment process. They are responsible for promptly providing the Head of Finance and the Head of Human Resources with all necessary information pertaining to appointments, resignations, or dismissals of employees.

It is a prerequisite that all new employees furnish the payroll office with complete bank details and pension scheme information before receiving any payments.

Furthermore, before adding a new employee to the payroll, authorized individuals must ensure that the individual is legally eligible to work in Ghana. The Payroll Section is mandated not to include non-Ghanaian citizens in the payroll unless it is unequivocally established that the required work permit has been obtained or that the immigration status of

the individual allows for the specific employment proposed. This process underscores the institution's commitment to legal compliance and responsible employment practices.

Salaries and Wages

The Head of Finance assumes responsibility for the disbursement of all salaries and wages to institution employees, encompassing payments for overtime or services rendered. This extends to payments related to external examiners, visiting lecturers, or researchers. All relevant documentation, including timesheets and pay-related forms, must adhere to a format prescribed or approved by the Head of Finance.

For seamless payroll administration, the Head of Human Resources collaborates closely with the Head of Finance, ensuring that the latter is kept well-informed of all Human Resources matters that impact payroll.

Payments, including those for salaries and wages, must strictly adhere to the detailed payroll and financial procedures established by the institution. Compliance with regulations set forth by the Ghana Revenue Authority is imperative in the payroll processes.

The Payroll section is entrusted with the task of ensuring the proper completion and submission of required tax forms. Additionally, they are responsible for withholding and remitting all necessary taxes to relevant Revenue Agencies on a monthly basis. This adherence to tax regulations reflects the institution's commitment to legal compliance and financial responsibility.

The institution upholds a policy of conducting regular audits of payroll data. This practice aims to verify the accuracy and integrity of payroll records, covering aspects such as regular salary payments, deductions, and net payments to employees. The periodic audit underscores the institution's commitment to maintaining transparency and accountability in its payroll management processes.

DETAILED PROCEDURES

Payment of Employee Entitlements

It is the responsibility of the Head of Finance to ensure:

that employee entitlements are paid at the correct rate according to the relevant legislation, contract or award;

- all variations to salaries and wages are processed;
- salary and wages expenditure is loaded to the Institution's general ledger;
- the payroll reconciles with the general ledger; and

All payments will be made by direct deposit to employees' nominated bank accounts except for urgent cheques or in special circumstances.

Payment of Salaries

The Director of Human Resource will be responsible for keeping the Head of Finance informed of all matters relating to Human Resources for payroll purposes. They include but not limited to:

- appointments, resignations, dismissals, supervisions, secondments, transfers and deaths;
- absences from duty for sickness or other reason, apart from approved leave;
- changes in remuneration other than normal increments and pay awards;
- voluntary payroll deductions;
- information necessary to maintain records of service for superannuation/ social security, income tax and national health insurance.

The Head of Finance assumes responsibility for maintaining comprehensive payroll records, encompassing both statutory and general payroll-related information. Employee salaries will be disbursed in accordance with the established paydays, and any modifications to these paydays will be communicated through circulars.

Deductions from employees' salaries will only occur for statutory obligations, disciplinary sanctions, or voluntary deductions authorized by the Head of Finance. The Head of Human Resources, acting upon administrative directives from the President or Head of Finance, is empowered to approve such deductions.

The Head of Finance plays a crucial role in the payroll process by reviewing all payroll reports before authorizing the transfer of funds to the respective bank accounts. This approval is formalized by the Head of Finance signing the Salary Voucher.

Payments of salaries are exclusively made through employees' bank accounts, unless specific authorization is granted by the Head of Finance. This ensures a secure and transparent process in line with established financial protocols.

Overtime

To request compensation for overtime, employees are required to complete an Overtime Form, obtainable from the Finance Department. These forms must be endorsed by the respective Departmental Heads in accordance with the Authority Levels Policy and promptly submitted to the Payroll Section after the claim period.

Before approving overtime claims, the Head of Finance is responsible for verifying that sufficient budgetary allocations have been made to accommodate these additional expenses.

To facilitate timely processing and payment, authorized overtime requests must reach the Payroll Section by the 5th of the month. It's important to note that overtime payments are made in arrears, reflecting the preceding calendar month. This ensures an organized and systematic approach to handling overtime compensation within the established financial framework.

Advances of Salary

The provision of pay advances is a rare occurrence and is only entertained under highly exceptional circumstances. In such instances, individuals seeking a pay advance must obtain written approval from the Head of Finance to proceed with the request. This stringent policy ensures that pay advances are granted judiciously and in accordance with carefully assessed and justified situations.

Pension Schemes

The Human Resources Department will advise Payroll of the pension scheme an employee is joining and all eligible staff will be joined to a scheme unless they opt out.

The Head of Finance is responsible for day-to-day Pension matters, including:

- administering eligibility to Pension arrangements;
- preparing the annual return to various Pension Schemes (SSNIT), etc;
- paying contributions to the authorized Pension Schemes.

MANAGEMENT OF FIXED ASSETS

The objective is to establish comprehensive guidelines governing the control and management of assets owned by the institution. These guidelines will provide a structured framework for ensuring the efficient oversight, maintenance, and responsible utilization of the institution's assets.

POLICY STATEMENT

General Issues

All assets owned by the Institution, including equipment acquired through sponsored programs, are bound by the institution's policies.

Authorisation from the Council is mandatory for any undertaking involving the purchase, lease, or rental of land, buildings, or fixed plant.

Departments are required to inform the Development Committee about any gifts of equipment they receive. This collaborative approach ensures transparency and effective management of acquired assets.

Acquisition of Assets

Acquisition of assets exceeding GHC50,000.00 requires explicit authorization from the Council. This policy underscores the need for official approval to ensure responsible and accountable procurement practices for high-value assets within the organization.

Care, Custody and Security of Assets

Assets obtained directly or indirectly with Institution funds must be registered in the name of the Institution.

Departmental Heads bear the responsibility of safeguarding and ensuring the security of assets under their jurisdiction, encompassing buildings, plants, equipment, furniture, IT equipment, vehicles, and more. It is their duty to ensure that these assets are appropriately marked for identification as Accra Business School property and diligently recorded in the designated Asset Register.

Individuals at all levels share the responsibility for the security of the Institution's property within their control, with a collective obligation to prevent losses and maintain the integrity of the Institution's assets.

Fixed Asset Register

The Facility Manager is tasked with the responsibility of overseeing and maintaining the Institution's registry of land and buildings. Simultaneously, the Head of Finance is entrusted with the maintenance of a centralized fixed assets register specifically designed for capital accounting purposes. This division of responsibilities ensures a systematic and efficient management of both the real estate and financial aspects of the Institution's assets.

Insurance

The Head of Finance holds the responsibility for procuring various types of insurance coverage, as dictated by the Finance Committee. This encompasses tasks such as obtaining insurance quotes, negotiating claims, and upkeeping the requisite records. This role ensures a comprehensive and well-managed approach to the institution's insurance needs, in alignment with the decisions and guidelines established by the Finance Committee.

Physical Inventory of Assets

The Facility Manager is responsible for ensuring that physical inventory of assets is performed on regular basis. Individual Departments and any other establishments are responsible for conducting physical inventories of equipment.

Personal Use

Unauthorized personal use of assets owned or leased by the Institution is strictly prohibited. Individuals must obtain proper authorization before using such assets for personal purposes. This policy aims to ensure the responsible and legitimate use of the Institution's resources and to prevent misuse or unauthorized appropriation for personal benefit.

Asset Disposal

Disposal of equipment and furniture must be in accordance with the Institution's detailed financial procedures.

DETAILED PROCEDURES

Asset Acquisition

All contemplated asset acquisitions must adhere to the following criteria:

- **Alignment with the Asset Acquisition Plan:** The proposed purchase should align with the institution's Asset Acquisition Plan, ensuring consistency with strategic objectives and operational needs.
- **Budgetary Allocation:** Adequate budget funding must be secured for the intended asset purchase, confirming financial feasibility and compliance with fiscal plans.
- **Authorization in Accordance with Regulations:** Approval for the proposed asset acquisition must be obtained in accordance with established regulations, ensuring compliance with procedural requirements and governance protocols. This multi-faceted approach ensures a systematic and well-regulated process for asset procurement within the institution.

Requesting Asset Purchases

Departmental Heads intending to acquire material assets are required to document the acquisition process and prepare a comprehensive asset acquisition proposal. This proposal should detail the justification, specifications, and any pertinent information related to the proposed acquisition.

Authorising Asset Purchases

Before endorsing the acquisition, the President will have to satisfy himself:

- that the purchase is still consistent with the Institution's Asset Strategic Plan;
- that the priority of acquiring the asset over alternative uses of the funds is still justified; and
- that there is the availability of sufficient funds to cover the purchase.

Asset Disposal

The Facility Manager is entrusted with the responsibility for the utilization, maintenance, and safekeeping of assets. Ensuring accurate and timely accounting for the disposal of assets in the system is crucial. This practice not only facilitates the provision of pertinent information for informed decision-making but also contributes to effective reporting processes within the organization. This delineation of responsibilities aims to maintain a systematic and accountable approach to asset management.

Evaluating Property to be Disposed Off

The existence of surplus assets needs to be reviewed in context of the Institution's Assets

Strategic Plan. This review can be undertaken during the stock take of plant and equipment. The determination of surplus assets should include but not limited to the following criteria:

- The increased costs of continued repairs and maintenance;
- The productivity and quality of older assets as compared to new technology;
- The availability of substitute assets;
- The cost of new assets;
- The need for the cost centre to achieve its stated objectives and goals in the most cost effective manner; and
- The real market value of the asset as opposed to the written down value.

Responsibilities for Disposal

In the disposal process:

The Facility Manager is responsible for:

- Completion of the Asset Disposal Form;

- Obtaining approval for the disposal of asset in accordance with the Institution's regulations;

A Finance Committee would be responsible for:

- Actual disposal of the asset in accordance with the prescribed methods in the Procedures;
- Processing the system removal of the asset; and

The Finance Department is responsible for:

- Confirming that the asset disposal was authorized in accordance with the Institution's Regulations.
- Confirming the removal of the asset from the Asset Register; Ensuring the integrity of the General ledger; and
- Processing the depreciation and adjustments for disposal.

Loss or theft of Institution Property

Upon identification of a missing item, an immediate and thorough search should be initiated. Refer to the Institution's policy titled 'Assets – Stock take' for guidance on handling assets that cannot be located during a stock take. Additionally, consult the Institution's policy on 'Losses' for procedures related to the treatment of lost property.

Asset Maintenance Review

In undertaking the asset maintenance review the Facility Manager shall ensure that all assets held:

- remain appropriate;
- are productive and cost effective;
- used for authorised purposes;
- remain secure; and
- have maximised their benefits of use.

The asset maintenance review will:

- indicate if disposal is warranted in terms of continued upkeep; and
- identify surplus assets.

For major assets the review will need to consider:

- whether pre-established performance measures, assigned to the asset during the acquisition of the asset, are being met.
- maintenance history of the asset and whether the history detracts or lessens the level of performance.

- the level of productivity, the environment the asset is in, and whether the asset is operating at its lowest possible long-term cost.

The assets maintenance review can be conducted simultaneously with the annual asset stocktake. The Facility Manager is responsible for ensuring that any concerns identified during the review are documented and appropriately addressed.

If an asset is determined to be surplus to current requirements, the guidelines outlined in the Institution's policy on 'Assets - Disposals' must be followed. In managing surplus assets, the Facility Manager should assess whether the asset is needed elsewhere within the Institution before proceeding with external disposal. This approach ensures a systematic and responsible process for handling surplus assets in alignment with institutional policies.

Repairs and Maintenance

The Facility Manager is responsible for adhering to the 'Schedule of Maintenance,' an integral component of the Assets Strategic Plan.

The Finance Department is tasked with conducting a monthly review of repairs and maintenance accounts to identify any misclassified capital items. The findings of this review will be documented and retained for reference. This process ensures that the maintenance schedule is followed and that financial records accurately reflect the classification of capital items, contributing to effective financial management and reporting.

Accounting for Repairs and Maintenance

Expenditure for repairs and maintenance of assets must be capitalised when it improves the condition of the asset beyond its originally assessed standard of performance or capacity. This can occur through:

- an increase in the annual service potential provided by the asset; or
- increasing the useful life of the asset.

Expenditures failing to meet the specified criteria must be treated as incurred expenses and expensed immediately under the category of repairs and maintenance. This includes costs associated with restoring an asset to its original functionality or repairing damages or wear and tear that would have otherwise hindered the asset from reaching its initially estimated useful life.

It is important to note that provisions for future maintenance are not to be acknowledged as a deduction from the carrying amount of the asset. This policy underscores the distinction between current repair and maintenance costs and future maintenance provisions in financial reporting.

Asset Register

The Institution diligently maintains an asset register, documenting comprehensive details of all assets surpassing the asset recognition threshold in its possession.

The Head of Finance is responsible for guaranteeing the upkeep of the 'Asset Register,' a comprehensive record encompassing all assets owned by the Institution.

As a minimum the Asset Register will contain the following information:

- Serial No
- Disposal Date
- Tag No
- Useful Life
- School or Department
- Depreciation Rate
- Location
- Accumulated Depreciation
- Acquisition Date
- Write Down Value
- Asset Description
- Custodian
- Acquisition Value

Any necessary adjustments for assets should primarily be processed through the Fixed Asset Register. If, for any reason, adjustments cannot be made through this channel, they may be processed using journals in the General Ledger. However, it's crucial to note that the Head of Finance is mandated to approve all journals of this nature. This dual-step approach ensures proper oversight and authorization for adjustments, maintaining accuracy and compliance within the financial management system.

Asset Valuation and Impairment

Assets that surpass the Institution's revaluation threshold for a particular asset class and have an anticipated total useful life of three years or more are subject to specific evaluation and accounting procedures. The revaluation threshold is a predetermined value that serves as a benchmark for assessing the need for revaluation based on the asset's class and its estimated useful life. The application of this threshold ensures that assets meeting certain criteria undergo a thorough evaluation process to accurately reflect their current market value and overall financial impact on the institution.

These types of Assets shall have:

- A comprehensive valuation once every five years.
- Interim valuation each year.

After undergoing a thorough valuation process, non-current assets will be assessed at their fair value rather than their historical cost. This approach recognizes that fair value provides a more accurate representation of the current market worth of assets. However, in cases where the asset class has a relatively short useful life and fair values do not substantially differ from the depreciated historical cost, historical cost may be utilized for valuation purposes. This

distinction ensures that the valuation method chosen is appropriate for the specific characteristics of the asset class in question.

Asset Valuations

The Head of Finance shall ensure:

- That all assets are re-valued in accordance with the prescribed accounting standards.
- that all assets are recorded at their fair value or historical cost depending on the class of assets.
- that a comprehensive valuation of non-current assets is undertaken every five years unless the nature of the assets dictates, or an event occurs that requires that the valuation be performed more frequently.
- that a schedule of comprehensive valuations, including the next year that a comprehensive valuation is to be held, is maintained.
- that an interim valuation is undertaken every year that a comprehensive valuation is not undertaken.
- for interim valuations, the general index that was applied or for each class of asset the specific index that was applied; and
- information for disclosure in the financial statements about the basis of the valuation whether the valuation was independent and the date of the valuation.

Accounting Treatment of Revaluations

Revaluation increments are to be credited to the asset revaluation reserve, with the exception of situations where the increment reverses a previously recognized decrement. In such cases, revaluation increments are treated as revenue.

On the other hand, revaluation decrements will be recognized as an expense, except when the decrement reverses a previously recognized revaluation increment held in the asset revaluation reserve. In these instances, revaluation decrements are treated as reductions in the asset revaluation reserve. This accounting treatment ensures transparency and accuracy in reflecting changes in the value of assets over time.

Assets Depreciation

The Head of Finance is responsible for ensuring that depreciation is systematically charged against all depreciable assets from the point when a depreciable asset is first utilized or held in readiness for use. It is at this juncture that an assessment of the estimated useful life and residual value of each asset must be undertaken to establish the basis for calculating depreciation. This practice aligns with sound financial management principles and ensures accurate representation of the asset's economic consumption over time.

Depreciation should be calculated on the components of an asset, separately, where the components have different useful lives and where this would have a material impact on the total reported depreciation expense.

The Facility Manager must ensure that a useful life and residual value review of depreciable assets is undertaken. This review is to be:

- undertaken periodically to ascertain whether the allocated useful life is still appropriate and, if necessary adjusted;
- consistent with the Objectives of the Asset Strategic Plan;
- undertaken with reference to an appropriately qualified person, potentially the staff member responsible for the asset; and
- documented and signed off.

In undertaking a useful life review particular attention should be given to those assets whose remaining lives are approaching nil. Changes in the estimated useful life for depreciable assets in excess of the asset should be kept consistent with asset revaluation decisions.

The residual value of a depreciable asset must not be subsequently increased for changes in prices. Where a non-current asset is revalued, a new estimate of residual value must be made at the date of the revaluation.

The Head of Finance must make available the depreciation rates used for disclosure in the notes to the financial statements. Disclosure should also be made as to the nature and amount of a change in accounting estimate that has an effect in current or future periods.

Security of Assets

The Facility Manager shall ensure the security of all assets. These shall include, but not limited, to the following:

- maintenance of an items register;
- maintenance of an equipment sign-out register; and
- Disclosing security requirements to staff members who have individual responsibility for significant assets or portable and attractive items, for example, - motor vehicles or laptop computers, and get their acknowledgement in writing where considered necessary.
- Regular verification of assets that are deemed to be at risk

Reconciliations

All changes to the Asset Management System must be reflected in the General Ledger for the purpose of accurate financial reporting.

Assets Insurance

The Head of Finance is to arrange the appropriate insurance to cover the loss of assets should a deficiency in security of the asset occur.

FINANCIAL REPORTING REQUIREMENTS

The primary purpose of providing information on the Institution's financial operation is to furnish insights into its fiscal activities for the benefit of management, Council, and other stakeholders. This information serves as a tool for decision-making, transparency, and accountability, enabling informed judgments and effective oversight of the Institution's financial performance and position.

RESPONSIBILITY

Responsible Officer : Head of Finance
Approval : Governing Council

POLICY STATEMENT

Financial Statements/Reports

The Head of Finance is responsible for preparing the Institution's financial statements and accounting policies in adherence to the approved format. This process is subject to any specific stipulations set by funding bodies and aligns with International Financial Reporting Standards (IFRS). Upon completion, the financial statements undergo approval by the Council, following the recommendation of the Finance Committee. This structured approach ensures compliance with established standards and provides a comprehensive financial overview for Council approval.

Annual Closing/ Financial Statements

The Head of Finance is responsible for:

- Establishing and coordinating the annual financial closing of the accounts and related audit with the Institution's External Auditors.
- Establishing all closing schedules in consultation to ensure that the financial statements are completed by the end of the second month after the year end (28th February).
- Preparing the financial statements in accordance with Generally Accepted Accounting Principles.

The annual financial statements includes:

- A Statement of Financial Position at the end of the year;
- A Statement of Changes in Equity;
- A Statement of Comprehensive Income for the year;
- A Cash Flow Statement for the year;
- Notes to give details of specified items in those accounts.

The financial statements shall be subject to annual audit by the Institution's External Auditors.

The annual financial statements will be submitted for approval at the 2nd Quarter meeting. The fiscal year of the Institution is from 1st January to 31st December.

Quarterly Closings/ Reporting

Establishing Quarterly Accounting Closing Schedules:

- Develop and implement schedules that outline the tasks and timelines for closing accounting activities on a quarterly basis.
- Preparing and Distributing Quarterly Financial Statements:
- Compile accurate and comprehensive quarterly financial statements in accordance with established accounting practices.
- Disseminate these financial statements to the Finance Committee and other relevant bodies within the stipulated timeframe.
- Monitoring Financial Activity at a High Level:
- Conduct a high-level overview of all financial activities within the institution.
- Prepare variance analyses for all financial statement accounts, identifying possible errors and providing explanations for significant fluctuations.
- These tasks collectively ensure a systematic and transparent approach to financial management, supporting informed decision-making and regulatory compliance.

DETAILED PROCEDURES

General Issues

The Head of Finance is responsible for setting a timetable for the preparation of the financial statements and other financial reports. These include quarterly management reports and annual financial statements.

Quarterly Closings/Reporting

The General Ledger section is responsible for:

- Establishing quarterly accounting closing schedules and coordinating the data input requirements;
- Preparing and distributing to the Head of Finance quarterly statements from the Financial Accounting System.

The Head of General Ledger section shall undertake the following:

Review Vouchers to ensure appropriateness and accuracy of recording.

- Ensure batch control information has been accurately recorded.
- Authorize and forward transcripts for processing.
- Post journals/transcripts.

When all postings have been made and ledger balances are supported as required, a trial balance is printed to ensure that the entries in the ledger have been correctly posted.

The Financial Accounting System and the related subsystems are the source for preparation of all required financial reports.

The General Ledger section shall ensure that:

- Balances on the control accounts in the general ledger are in agreement with lists of balances extracted from the supporting ledgers.
- The balances on the various accounts appear reasonable in relation to corresponding balances in the previous quarter and his knowledge of the transactions undertaken during the quarter.
- A Statement of Income and Expenditure with supporting schedules are prepared.
- A Statement of Financial Position with supporting schedules is prepared.
- The General Ledger section shall ensure that:
- All liabilities and assets, so far as known, have their values.
- All revenue receivable and expenses properly incurred for the period have been taken into account.
- The accounts were prepared on a basis consistent with those of the previous period.

All prior year and prior-period adjustments have been appropriately treated in the accounts.

The financial Situational Report for the quarter signed by the Head of Finance together with other relevant schedules prepared for management are submitted to the Finance and General Purposes Committee for consideration on quarterly basis. The quarterly financial statements shall be submitted to the Council at each Council meeting.

Annual Closings / Financial Statements

Year-end processing and reconciliation procedures are essential to guarantee that financial information accurately reflects the true and fair financial results and position at the end of the fiscal year. It is critical that all financial transactions and reconciliations adhere to the designated timetable and are concluded before the closure of the records for the financial year.

All staff members responsible for financial administration within the institution are required to adhere to the relevant timetable dates and processing requirements associated with their activities. This ensures compliance with established timelines and procedures, contributing to the accuracy and reliability of the financial data presented in year-end reports.

The Head of Finance is responsible for:

1. Establishing and coordinating the annual financial closing and related audit with the External Auditors;
2. Establishing all closing schedules to ensure that the financial statements are completed by the end of the second month after the year end; and
3. Preparing the financial statements in accordance with Generally Accepted Accounting Principles.

The annual financial statements includes:

- A Statement of Financial Position at the end of the year;
- A Statement of Changes in Equity;
- A Statement of Comprehensive Income for the year;
- A Cash Flow Statement for the year;
- Notes to give details of specified items in those accounts.

Most of the year end accounting routines will be the same as those performed each month. However, there are specific tasks to be completed at the end of the year which include:

- Provisions for slow-moving or obsolete or deteriorated stock;
- The certification of cash in the hands of officers;
- The provision for bad and doubtful debts;
- The assessment of prepayments and accruals.

The financial statements shall be subject to annual audit by the external auditors as appointed by the Council.

The annual audited financial report will be submitted to the Finance Committee for recommendation to the Council for approval.

Management Information System

Quarterly reports must be issued by the 10th working day following the end of the period which they relate.

Any other reports required by management must be issued on time. Reports on events must be issued as soon as possible after the event to which they relate.

The Head of Finance will prepare a quarterly review of the reports, summarising the main variations from expected performance and examining the reasons for these variations. In the case of significant variances he will make a recommendation for future action. On completion of the first half-year's results, and each period thereafter, the Head of Finance will assess the likely impact of variations on the year end result.

AUDIT REQUIREMENTS

To ensure accountability in objectively appraising, assessing, and reporting on the effectiveness of the internal control system, with the goal of facilitating proper, efficient, and effective resource utilization.

POLICY STATEMENT

Audit framework

Both internal and external audits constitute key elements of good corporate governance arrangements within the Institution.

Both the Internal and External Auditors are appointed by the council.

The External Auditors are required to offer their judgment to the Council regarding the appropriate utilization of funds for their intended purposes. Additionally, they must express an opinion on whether the financial statements accurately reflect a true and fair view of the financial results for the year. Furthermore, the External Auditors are tasked with forming an assessment of whether the Institution is considered a going concern.

The primary duty of Internal Auditors is to furnish the Council, Audit Committee, and the President with unbiased assurance regarding the sufficiency and effectiveness of risk management, control, governance, and the value derived from expenditures. Internal Auditors maintain independence in their planning and operations, ensuring direct access to the Council, the President, and the Chair of the Audit Committee.

The External and internal Auditors have unrestricted access to information – including all records, assets, staff and premises – and are authorised to obtain whatever information and explanations they consider necessary.

External and internal auditors shall have authority to:

- access Institution premises at reasonable time;
- access all assets, records, documents and correspondence relating to any financial and other transactions of the Institution;
- require and receive such explanations as are necessary concerning any matter under examination;
- require any employee of the Institution to account for cash, stores or any other Institution property under his or her control
- access records belonging to third parties, such as contractors, when required.
- All auditors should respect the confidentiality of information to which they have access in the course of their work.

All the activities within the responsibility of Council, including those of its subsidiary Institutions and agencies, are included in the audit remit.

Whenever any matter arises which involves, or is thought to involve, irregularities or fraud concerning cash, stores or other assets of the Institution or any other suspected irregularity in the exercise of the activities of the Institution, the Departmental Head concerned shall notify

the Head of Finance and the President who shall take such steps as they consider necessary by way of investigation and involvement of the Internal Auditor.

Internal Audit

The key role of the Internal Audit department is to offer assurance to the Council, the President, and other institution managers regarding the sufficiency and effectiveness of the internal control system, encompassing risk management and governance. Additionally, it endeavors to verify that propriety, efficiency, and effectiveness are upheld across all facets of the institution's operations.

Responsibility for internal control remains fully with management. The Internal Audit department should provide 'reasonable assurance' on the effectiveness of the internal controls being implemented to provide guarantees against material errors, loss or fraud.

The Internal Auditor may also provide advice, especially before new or revised systems are to be introduced, subject to the need to maintain their independence.

The Internal Auditor is required to report annually to the Audit Committee on the work of the Department and to give an opinion on the status and reliability of internal controls within the Institution.

In order to provide this opinion the Internal Auditor will undertake a programme of work agreed by the Audit Committee. The programme of work will have the following objectives:

- to review and appraise the soundness, adequacy and application of financial and other controls, and to ascertain whether these are operated efficiently, effectively and economically;
- to ascertain the extent to which the system of control ensures compliance with established policies, plans and procedures and any other requirements;
- to ascertain the extent to which assets and funds are properly controlled and safeguarded from losses of all kinds, including fraud and other offences;
- to ascertain that financial and other information used by the management of the Institution is reliable, timely and relevant for the purposes for which it is used;
- to draw attention to uneconomical, ineffective or inefficient results flowing from management decisions, practices or policies.

The Internal Auditor is responsible to the President on a day-to-day basis for providing a professional internal audit service.

To guarantee the independence of the Internal Audit Department, the Internal Auditor will have direct access to the Chairman of the Audit Committee, and after receiving his/her advice, to the Chairman of Council.

All employees will have access to the Internal Auditor to bring matters of concern to his/her attention, especially in matters of fraud (actual or suspected) involving employees or contractors. However, in normal circumstances, the reporting line should be through the Departmental Head.

The Internal Auditor is to ensure that the Institution's accounting procedures and internal control systems are audited and report submitted.

The Head of Finance shall submit a report to every meeting of the Audit Committee showing the progress which has been made in complying with outstanding agreed internal audit recommendations.

External Audit

The primary role of external audit is to report on the Institution's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds.

The External Auditors will audit the Institution's books of account and report on the Institution's annual financial statements to the Finance Committee and the Council of the Institution at the meetings which consider and approve these. They will in their report:

- state whether in their opinion the financial statements show a true and fair view of the statement of balances at the year end and of the income and expenditure, and cash flow statements for the year then ended;
- state whether in all material aspects monies expended from whatever source, administered by the Institution for specific purposes, have been properly applied to these purposes and if appropriately managed and in compliance.

The External Auditors will attend and be heard at meetings of the Finance Committee when the annual financial statements are being considered and approved. They will also have the right to attend meetings of the Council when the annual financial statements are considered. The Institution will ensure that the External Auditors receive proper notification and the agenda for the meetings.

INVENTORY MANAGEMENT

To offer a comprehensive framework outlining the steps to be taken in promoting economy, efficiency, transparency, accountability, and value for money in the management of stores within the institution, encompassing their custody, control, issuance, and disposal.

RESPONSIBILITY

Responsible Officer : Head of Finance
Approval : Governing Council

POLICY STATEMENT

The Head of Procurement is responsible for establishing and maintaining adequate arrangements for the custody of stocks and stores within their Department/Centre/Activity and for ensuring that such stores are adequately protected against loss and misuse. The systems used for stores accounting in the Departments and any other establishments must have the approval of the Head of Finance.

Departmental Heads are responsible for ensuring that annual inspections and stock checks are carried out. Stores of a hazardous nature must be subject to appropriate security and health and safety checks.

Stock-taking must take place at least once a month and where continuous stock records are not maintained this must be at the end of each month. In practice, this places on the Head of Procurement a requirement to produce for the Head of Finance a stock figure for the cost of stock held at the end of each month.

The stock figure must be produced by carrying out a full stock count by a nominated officer, or by maintaining continuous stock records which have been undertaken on a cyclical basis. Such counts will be subject to audit checks. The Head of Finance must approve any method other than that outlined above, of valuing stock.

Stock must be reconciled to the Institution financial records.

Stock Provision

At the conclusion of each financial year, it is imperative to set aside a provision to account for any significant loss in the value of stock, arising from factors such as obsolescence, damage, expiration, or insufficient historical and anticipated usage.

Disposal of Stocks

If an item of stock is still usable but no longer required by the holding Department, then it should be offered to other similar Department before disposal takes place. Other alternatives should be considered such as charity donations prior to disposal.

A Board of Survey shall have the responsibility for the disposal of written off and unusable items of stock.

Once disposal has been agreed, the item should be removed from the physical stock location and counted to compare with the quantity held on the stock management system and any adjustments to the quantity accounted for.

The stock item should then be disposed of in accordance with the laid down procedures, including the procedures for disposing of hazardous substances and chemicals.

For future reference and auditing purposes the Head of Stores and Deans and Directors should retain documentation of all types of disposal of stocks.

DETAILED PROCEDURES

The inventories of the Institution encompass all supplies and equipment essential for the seamless operation of its business. The aim of this section is to delineate the inventory management system, encompassing the procedures and documentation employed in authorizing, processing, paying, and accounting for the acquisition and utilization of supplies and equipment.

Supplies and equipment, within this context, encompass items such as stationery, spare parts, materials, and office furniture and equipment. The primary objective of establishing a procurement and usage system for these items in the Institution's business is to ensure that the activities of officials responsible for such functions adhere to principles of economy, efficiency, transparency, accountability, and consistency.

The Institution shall undertake key programmes to ensure that there are controls to prevent stock: building up to excess.

- running out.
- becoming damaged, expired, obsolete or otherwise wasted.

The Institution's stock holding shall be planned to reflect:

- projected usage levels.
- expiry dates of consumables and other materials.
- delivery constraints.

The Institution's store layout shall be designed to reduce:

- overcrowding.
- stock damage;
- other bottlenecks.

Accurate inventory records should be maintained of the Institution's stock by ensuring that all entries in the inventory records are required to be:

- supported by standard accounting documentation which should be adequately controlled and accounted for;
- properly authorised;
- inventory records shall be maintained in the ledger by persons other than storekeepers detailed inventory records shall be reconciled at suitable intervals with the control accounts balances.

Adequate physical control should be maintained over inventories and adequate steps should be taken to confirm their physical existence by ensuring that;

- Issues from stores are made only on the basis of valid requirement;
- Stores are protected against access by unauthorised personnel
- Inventories are physically verified at least monthly either by cycle or periodic counts by persons other than those who have physical control over inventory
- Costs attributed to inventories should be accurately determined.

The cost of all inventories which may exceed realisable value, should be identified as a basis for determining provisions for inventories.

Stores Control Records

Purpose: A system of stock control is essential for the effective and economic operation of stores. Its main object is to minimize the cost of providing the required supply services; the control is effected by specifying when and how much to order.

Types of Control Systems: There are a number of techniques which may be used to control inventory. These vary according to the volume, frequency and regularity of the movement of stocks, the value of the items and the economy with which each technique can be operated. At each Department, minimum stock levels, maximum stock levels and re –order levels and economic order quantities are calculated for each item.

Re – Order Levels: A replenishing order is placed when the sum of the physical stock and the amount already on order falls to a level (called the re – order level) corresponding to the largest demand likely to occur during the lead time for the order. The re – order level has two components, as follows:

- the average demand expected to occur during the lead time;
- the safety stock which represents a provision for abnormal demand and longer than average lead time.

To enable the re – order to be fixed and kept under review, the system of stock control ideally must have facilities for:

- recording and monitoring the lead time, that is the period between the time when the need to place a purchase order becomes apparent and the time when the goods are received into stock;
- forecasting how much stock is required to satisfy demand over the lead time;
- determining how erratic this demand is likely to be;
- calculating how much safety stock is required to provide a reserve against the risk of running out of stock through unexpected increases in demand or delays in receiving goods ordered;
- establishing a re – order level
- comparing the re – order level with the available stock in order that a decision may be made as to whether it is necessary to make another order.

Re - Order Quantities: The main object when deciding on the size of a replenishment order is to reduce the total costs involved to a minimum. These costs include: -

- the basic cost of the items themselves;
- the administrative costs of ordering and receiving the items from a supplier which decrease if larger quantities are ordered less frequently;
- holding cost, including provisions for the interest on capital tied up, storage, insurance and obsolescence, these costs increase if larger quantities are ordered as the average stock is higher.

Goods Receiving Procedures

For all items purchased, the storekeeper who is to receive the goods will be provided with copies of the relevant Purchase Order(s). The goods sent by the supplier will be accompanied by a waybill.

The receiving storekeeper will check that the goods are in accordance with the waybill, both in quantity and quality and that they conform to the specification on the Institution's order. If necessary, a technical inspector will be called to verify the specification and quality of the items.

Goods Transfer Procedures

In the case of transfer, a requisition is raised by the requisitioning store. All other procedures are as per stores issues then apply.

Physical Stocktaking

Every Departmental Head is responsible for the safe custody of inventories under his control.

The Store management is responsible for ensuring that accurate accounting records are maintained of the Institution's stocks, that periodical checks are made of physical stocks and that the stocks held are in accordance with the records.

The responsibilities of the stocktaking – team leader are as follows:

- to ensure that the stock counters under his direction are performing their work conscientiously and at all times safe – guarding the interest of the Institution;
- to ensure that the procedure for continuous stock taking set out in these instructions are followed;
- at the end of each month to instruct the stock counters to proceed to the appropriate stores, in accordance with the continuous stock taking program;
- to ensure that the stores accounting procedures laid down in the accounts manual are being rigidly adhered to

Programme of Continuous Stocktaking

For accounting purpose, stores items are grouped into separate ledgers or stock record card. In addition to the ledger stock control accounts, subsidiary controls are maintained for each stores ledger or stock record cards.

The annual continuous stocktaking programme is divided into sections corresponding to the stores ledgers. The programme, which is varied from year to year, is so arranged that each stores section is covered at least once during each month. Sections which include stores that are particularly valuable or liable to pilferage or deterioration, or in which the results of recent stocktaking have been unsatisfactory, are covered more often.

At the end of each month, the DOF informs the stocktaking team of the sections to be checked during the following month.

Stock Taking Procedure

Stock is taken by counting, weighing, measuring or dipping where the other methods are not practicable.

Where for some reason an item of store is not located in accordance with its identification number and the location has not been noted, the storekeeper shows the stock counter where it is to be found. He also provides any assistance required to move heavy items of stores before they can be checked. The stock keeper will also accompany the stock counters during their work as he will be required to sign the stocktaking record book and the stock difference report sheets at the conclusion of the stock counters visit.

To ensure that all items are included in the stock take, the stock counter places a distinctive coloured chalk mark on each bin or stock as it is counted, after section count has been completed, the bins and stock are examined to ensure that all have been marked.

Stores items received during stocktaking are held in the receiving bay until the stocktaking has been completed and must on no account be released to the storekeeper.

Stores issues are suspended during the stock taking, except to meet urgent requirement. Where such issues have to be made, the stock counters should be informed.

When the work described above has been completed, the stock difference report sheets are prepared in triplicate listing the items showing variances between the quantity counted and the stores ledger. The following details are entered on the stock difference report sheets:

- materials description;
- variance; (shortages and surplus of physical count as compared with stores ledger balances (shortages being shown in brackets));
- latest unit price; or standard price for central stores;
- value. (losses in brackets).

The value of the report sheets are totaled, separate totals being shown for losses and surpluses

The stock difference report sheets are:

- signed by the stock counter;
- agreed with and signed by the storekeeper.

Review by Team Leader

After the stock taking programme have been completed, the stock counters present to the team leader the;

- stock difference report sheets.
- notebooks.

The team leader scrutinizes the above records to see that they have been properly completed and from a review of the stock taking record sheets/books and notebooks prepares a report to the Head of Finance;

- slow moving items, by reference to the last issues dates;
- items whose condition is noted as unsatisfactory.

Action on items reported as Slow Moving or Unsatisfactory

- On receipt of the team leader's report on items which are slow – moving or whose condition appears to be unsatisfactory, the Head of Finance;
- checks whether action has already been initiated on any of the items concerned and enters the “Action Required” column of the report accordingly;
- reviews his purchasing programme to see whether any changes are required;

On receiving the report, the Director of Finance:

- instructs an officer to inspect the items on which action is required and decide whether they should be classified as obsolete or unusable;
- when this has been done, informs the Stores Manager.

The Stores Manager:

- retains his copy until informed by the Head of Finance that any necessary action has been taken;
- includes in his quarterly report a note of any report sheets outstanding since the date of his last report, which have not been dealt with.

Action on Stock Variance

On receiving the original and duplicate copies of the stock difference report sheets, the Head of Finance:

- reviews the differences and decides whether any disciplinary action or further investigation is required;
- signs the original and passes it to the stores concerned to make the necessary correcting entries

When the signed original from the Head of Finance is received by the stores concerned:

- a stores receipt voucher (S.R.V) is raised for surpluses, which are taken on charge at no cost, the average prices being recalculated;
- a store issue voucher (S.I.V) is raised for losses at the latest average price, or standard price for central stores.

