

UNIVERSITY OF HEALTH AND ALLIED SCIENCES  
**Directorate of Finance**



**FINANCIAL  
POLICIES AND PROCEDURES MANUAL**

**OCT. 2018**

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## PREFACE

The University of Health and Allied Sciences (UHAS) as established by an act of Parliament, Act 828, 2011 has set itself to conduct its business effectively, and as such UHAS needs to ensure that it has sound financial management systems in place and that they are strictly adhered to. Part of this process is the establishment of these financial policies and procedures, which set out the financial direction of the University to ensure financial management efficiency and effectiveness.

The main purpose of this booklet is to set out the financial policies and procedures of UHAS. The policies and procedures included here form part of the broad system of accountability for the UHAS. As these policies and procedures form part of the General Regulations of the University, compliance with them is mandatory for all members of the University, which includes staff (including those who hold honorary contracts of employment), students and other associated individuals. Members of the University who fail to comply with the financial policies and procedures may be subject to appropriate action under the University's disciplinary procedures.

Copies of this booklet are circulated to all Deans, Directors, Heads of Departments, and other Cost Centres, and to all Senior Administrators in both Academic and Non-academic cost centres, and authorised signatories.

These Financial policies and procedures were approved by the University Council at its meeting held on October 2018.

***Professor John Owusu Gyapong***  
***Vice-Chancellor***

## **1. INTRODUCTION**

### **1.1 BACKGROUND**

The University of Health and Allied Sciences was set up by an Act of Parliament, the University of Health and Allied Sciences Act, 2011 (Act 828). The University is regulated by the Act 828 as well as the Statutes enacted in accordance with the Act by the Council of the University. Its objects, powers and framework of governance are set out in the University Statutes.

This document sets out the University's Financial Policies and detailed Procedures. It translates into practical guidance the University's broad policies relating to the financial management of the University as set out in the Act and the Statutes.

The policies and the related procedures as contained in this manual have been assembled with reference to the following:

- The codification of the existing practices of the University of Health & Allied Sciences;
- The University of Health & Allied Sciences Act, 2011 (Act 828);
- The draft Statutes of the University of Health & Allied Sciences;
- National Laws that relate to the Financial Administration of the University, including:
  - The Public Financial Management Act, 2016 (Act 921)
  - The Financial Administration Act, 2003 (Act 654)
  - The Public Procurement Act, 2016 (Act 914)
  - The Internal Audit Agency Act, 2003 (Act 658)
  - The Audit Service Act, 2000 (Act 584)
  - Fair Wages and Salaries Commission Act, 2007 (Act 737)
  - The National Pensions Act, 2008 (Act 766)
  - Revenue Agencies (Governing) Board Act, 1998 Act 558
  - Internal Revenue Act, 2000 Act 592
- Policy statements incorporated from previously issued memoranda; and
- Best practices in other Universities

The policies as well as the related procedures as contained in this manual are applicable to all financial activities and transactions within the University environment, regardless of the source of funding. 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 University's requirements regarding internal control, financial liability and the management of financial risks, as well as, comply with all legal and financial requirements as determined by the laws of Ghana and any other institutions that support the funding of the University. Accordingly, each policy document is presented against the framework of a policy number, the policy and other possible rules applicable to the policy itself. Mention of the primary source to be contacted is provided for each policy.



All clauses in the Financial Policy and Procedures Manual should be read in conjunction with any other Act or law that is applicable to the financial management of the University.

## 1.2 APPLICATION AND HIERARCHY

This Financial Policies and Procedures Manual applies to the University and to all University funds irrespective of their source. The only exception to this is where requirements that are more stringent than the University's Financial Policy and Procedures Manual are imposed by a third party, for example by a sponsor of a research grant or project. In this case, the more stringent requirements of the funder should apply.

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

## 1.3 AMENDMENT OF ANY FINANCIAL POLICIES & PROCEDURES

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

Every five years, or more frequently if appropriate, the Director of Finance shall arrange for the Financial Policies and Procedures to be reviewed and for proposed changes to be submitted to the Finance and General Purposes Committee for onward recommendation to Council.

Upon receipt of advice that the policies or procedures have been updated, Schools, Departments and any other establishments are 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.

## 1.4 FINANCIAL MANAGEMENT RESPONSIBILITIES

### 1.4.1 The University Council

Under the University's Statutes, **Council** is responsible for the management and regulation of the financial affairs of the University. The Council shall have power to undertake the following financial responsibilities:

- approve the strategic vision and mission, long-term academic and business plans and key performance indicators of the University;
- determine the authority limits for the use of finances of the University;
- control the property, funds and investments of the University and may, on behalf of the University, sell, buy, exchange and lease and accept leases of such property;

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- borrow money on behalf of the University and use the property of the University as security;
- establish processes for the monitoring and evaluation of the performance of itself and any other person or establishment of the University;
- generally, enter into, carry out, vary or cancel contracts;
- The Council shall control the finances of the University and may determine any question of finance arising out of the administration of the University or the execution of its policy or in the execution of a Trust requiring execution by the University.
- The Council is responsible for the measures necessary or desirable for the conservation or augmentation of the resources of the University, and for this purpose may specify a matter affecting the income or expenditure of the University in respect of which the consent of the Council shall be obtained before action is taken or liability is incurred.
- The Council shall determine the allocation of the funds at the disposal of the University and the recurrent grants shall be made in the form of block grants, unless the Council otherwise determines, for expenditure by the University on those central activities of the University for which the University is wholly responsible and for the expenditure of Schools and Centres and any other establishments as part of their general income.
- The Council shall determine annually the expenditure necessary for capital and revenue investments, the maintenance of the property of the University, and the human resources for transacting the business of the University and may appropriate moneys for these purposes.
- The Council may prescribe the manner and form in which and the times at which establishments of the University shall submit accounts or estimates of income and expenditure.
- Without prejudice to the foregoing, the Council shall act as trustee for any property, legacy, endowment, bequest, devise or gift made to or belonging to the University or any establishment of the University.

### 1.4.2 The Vice-Chancellor

The **Vice-Chancellor** is the chief executive officer of the University and shall exercise the powers and perform the functions conferred on the Vice-Chancellor by section 6 of the Act and the Statutes. He is the principal academic and administrative officer of the University and is responsible to Council for all financial administration. The key financial responsibilities of the Vice Chancellor include:

- The Vice-Chancellor shall be responsible for driving the overall growth and development of the University under the direction of the Council and shall have overall authority over the academic, financial and administrative matters.
- The Vice-Chancellor shall submit annually to the Council, a statement of the financial and human resource requirements which in his opinion are necessary for the effective conduct of the business of the University.

- The Vice-Chancellor shall advise the Council and the Academic Board on matters affecting policy, finance, governance and administration of the University.

### 1.4.3 Committees

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

Committee	Responsibilities
<b>Finance and General Purposes Committee</b>	<ul style="list-style-type: none"> <li>• To administer the finances and property of the University where the functions have been committed by the Council to another person or body.</li> <li>• To prepare for the approval of Council a yearly statement of the estimates and accounts of the University.</li> <li>• To do any other acts as the Council or the Academic Board may authorise.</li> </ul>
<b>Resource Allocation Committee for Academic Purposes Committee</b>	<ul style="list-style-type: none"> <li>• To receive the recurrent estimates of Schools for their programmes and academic development submitted by Deans of Schools in Consultation with the Heads of Department.</li> <li>• To consider recurrent estimates of the University and report on them to the Finance and General Purposes Committee.</li> <li>• To carry out any other functions as may be referred to it by the Finance and General Purposes Committee.</li> </ul>
<b>Procurement and Tender Committee</b>	<ul style="list-style-type: none"> <li>• Review procurement plans in order to ensure that they support the objectives and operations of the University;</li> <li>• Confirm the range of acceptable costs of items to be procured and match these with the available funds in the approved budget;</li> <li>• Review the schedules for procurement and specifications and also ensure that the procurement procedures to be followed are in strict conformity with the provisions of the Public Procurement Act, 2016 (Act 914);</li> <li>• Ensure that the necessary concurrent approval is secured from the relevant Tender Review Board, in terms of the applicable threshold in the Third Schedule to the Public Procurement Act, prior to the award of contract;</li> <li>• Facilitate contract administration and ensure compliance with all reporting requirements under the Procurement Act; and</li> <li>• Ensure that stores and equipment are disposed of in compliance with the Procurement Act.</li> </ul>
<b>Internal Audit Committee</b>	<ul style="list-style-type: none"> <li>• Receive and review the annual report of the Director of Internal Audit;</li> <li>• Ensure that internal auditing is carried out by the Directorate of Internal Audit in accordance with the Internal Audit Act, 2003 (Act 565);</li> <li>• Ensure that the internal financial control systems of the University are functioning efficiently and effectively and that they meet the</li> </ul>

Committee	Responsibilities
	objectives of the University; <ul style="list-style-type: none"> <li>• Recommend to Council measures to improve the quality of the internal audit system of the University.</li> </ul>
<b>Works and Physical Development Committee</b>	<ul style="list-style-type: none"> <li>• To formulate Development Policy;</li> <li>• To attend to detailed planning with architects;</li> <li>• To supervise the non-recurrent development projects of the University;</li> <li>• To advise on and supervise the expenditure of the University's capital and development funds;</li> <li>• To be responsible under the Finance and General Purposes Committee for the efficient management of the Estate, Grounds and Gardens and to ensure that the policies decided by the Finance and General Purposes Committee are carried out;</li> <li>• To recommend modifications of policy to the Finance and General Purposes Committee;</li> <li>• To do any other acts and things as may be delegated to it.</li> </ul>

#### 1.4.4 Officers involved in the Financial Management and Administration of the University

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

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

##### 1.4.4.1 The Registrar

The **Registrar** shall be the Chief Operating Officer of the University and shall, in that capacity, be responsible for the day-to-day operations of the University under the Vice-Chancellor and in accordance with the policy directives of the Council.

##### 1.4.4.2 Director of Finance

Council shall appoint a **Director of Finance** who shall, under the Vice Chancellor be responsible for the management of the finances of the University and who shall maintain the integrity of the finances of the University.

The Director of Finance shall be responsible for the preparation of the annual operating budget of the University and shall present the same through the Registrar to Council for review and approval. He shall also submit periodic reports to the Council on the status of plans and projections necessary for the preparation of budgets for succeeding years.

The Director of Finance shall:

- call for and receive moneys due to the University and make on behalf of the University the authorised payments;
- ensure that throughout the University proper books of accounts and records of the property of the University are kept in a manner and form required by Council;
- report to the Finance and General Purposes Committee a case of failure to maintain the financial and other records of the University in the form required by the Council;
- prepare consolidated accounts of the University;
- afford every facility to both internal and external auditors in the performance of their functions;
- advise on or raise funds for the University; and
- generally, be responsible for ensuring that the University complies with the Public Financial Management Act, 2016 (Act 921) and all related financial managements laws.

#### 1.4.4.3 Director of Internal Audit

Council shall appoint a **Director of Internal Audit** who shall, under the Vice-Chancellor be responsible for the internal audit of the accounts and financial transactions of the University.

Without prejudice to Statute 9 the Director of Internal Audit shall report directly to the Council through the Vice-Chancellor.

The Director of Internal Audit shall:

- ensure the establishment and operation of an efficient and effective financial control system;
- vet all proposed expenditures to ensure compliance with laid-down internal control systems and other statutory requirements;
- conduct periodic examination of the accounts of the University including the self-accounting schools and departments;
- monitor and ensure that all expenditure incurred have been authorised and are within budgetary provisions;
- conduct periodic management audit and submit reports to the Vice-Chancellor and the Council;
- liaise with External Auditors and ensure that appropriate action is taken on reported audit findings;
- submit periodic audit reports on the activities of Colleges, Faculties, Institutes, Departments, Schools and Centres and any other establishments to the Vice-Chancellor and the Council; and
- generally, be responsible for ensuring that the University complies with the Internal Audit Act 2003 (Act 565).

#### 1.4.4.4 Deans and Directors

**Deans and Directors** are responsible to the Vice Chancellor for the financial management in the areas and for the activities they administer. They are advised by the Director of Finance through the Finance Officers appointed to their Schools and Departments and any other establishments in executing their financial duties. The Director of Finance will also supervise and approve the financial systems operating within the Schools and Departments and any other establishments including the form in which accounts and financial records are kept.

Deans and Directors are responsible for establishing and maintaining clear lines of responsibility within their Schools and Departments and any other establishments for all financial matters. Where resources are delegated to other officers, these officers are accountable to their Deans and Directors who retain overall oversight and responsibility for the results of their own budget.

Deans and Directors shall provide the Director of Finance with such information as may be required to enable the:

- Implementation of financial planning and budget implementation;
- Compilation of the University's financial statements;
- Implementation of audit and financial reviews, recommendations, projects and value for money studies.

#### 1.4.4.5 All Employees

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

- All employees have a general responsibility for the security of the University's property, for avoiding loss and for due efficacy, efficiency and economy in the use of resources.
- They must ensure that they operate at all times within the scope of authority which has been delegated to them and in accordance with these Regulations.
- They shall make available promptly any relevant records or information to the Director of Finance, or his/ her authorized representative, in connection with the implementation of the University's financial policies, regulations and the system of financial control.
- They shall provide the Director of Finance with such financial and other information as they may deem necessary, from time to time, to carry out the requirements of the Council.
- They shall immediately notify the Director of Finance whenever any matter emerges which involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the University. The Director of Finance shall take such steps as he or she considers necessary by way of investigation and report.

#### 1.4.5 Delegation of financial responsibilities

The University's primary budget holders are the Vice-Chancellor, Registrar, Deans and Directors. They are responsible as regards budgetary and financial matters to the Council:

- the overall financial management of their budget, delegating, where appropriate, authority and responsibility to individuals nominated for such purposes;
- the preparation of estimates, forecasts, budgets and other information for the budget Schools, Departments and any other establishments, as required by the Finance and General Purposes Committee;
- the production of annual academic and financial plans, in the form prescribed; and,
- ensuring and monitoring compliance with both the Financial Policies and the underlying Financial Procedures.

Deans and Directors are responsible for overall financial management within their Schools, Departments and any other establishments. Delegation of some day-to-day financial management responsibilities will be permitted to named individuals within their Schools, Departments and any other establishments in accordance with the Financial Delegations Policy, and with the prior written approval of the Director of Finance. However, the overall responsibility remains with the Deans and Directors.

Once approved any such delegation will be subject to annual review to ensure it continues to be appropriate. Delegation may be immediately suspended or withdrawn in the event of any suspicion or evidence of abuse.

A Scheme of Delegated Financial Authorities shall be maintained by the Director of Finance.

#### 1.4.6 Compliance with the Financial Regulations

All managers and staff are required to follow the policies, procedures and guidelines in the Financial Policy and Procedures Manuals so as to fulfil their accountability requirements within the University.

Deans and Directors are responsible for ensuring compliance with the Financial Policies within their areas of responsibility. This includes ensuring that **members of staff** and others under their management who have responsibility for the administration or management of University funds are made aware of:

- the existence and provisions of the Financial Policy and Procedures Manuals and the responsibilities it places upon them, and
- the implications of non-compliance.

Compliance with the Financial Policies and Procedures is compulsory for all members of staff and others connected with the University including those not directly employed by the University but who have responsibility for the administration or management of University funds, for example visiting and honorary staff, temporary staff, contract staff and

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contractors' staff acting on behalf of the University. Members of Council and co-opted members of Council Committees are also required to comply with the Financial Policies and Procedures.

Individuals are responsible for ensuring that they understand their responsibilities under these Financial Policies and Procedures, and for adhering to them.

Where any non-compliance with the Financial Policies and Procedures is identified, the Director of Finance will investigate the circumstances and, after consultation with relevant colleagues, will decide on an appropriate course of action. Breaches which are considered to be serious in the opinion of the Director of Finance will be reported to the Vice-Chancellor and to the Finance and General Purposes Committee as appropriate. Council will be notified of any such breach through the Finance and General Purposes Committee and the Audit Committee.

### **1.4.7 Publication, interpretation and revision of the Financial Regulations**

The University will facilitate awareness within its Schools, Departments and any other establishments of the University's financial policies, procedures and guidelines and provide advice on the implications of any diversions from these policies, procedures and guidelines.

The Finance Directorate retains the responsibility for the maintenance of appropriate, officially endorsed and up-to-date financial information, training and guidance on the use of the Financial Policy and Procedures Manual.

The **Director of Finance** is responsible for ensuring that the Financial Policies and Procedures Manual is published appropriately and hard copies distributed to the Vice Chancellor, Pro-Vice Chancellor Deans and Directors.

The **Director of Finance** shall resolve doubts as to the interpretation of these Financial Policies and Procedures or refer the matter to the Finance and General Purposes Committee.



## 2. STANDARDS OF CONDUCT

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

### 2.1 GENERAL PRINCIPLES

The University is committed to probity and good conduct in carrying out its business in accordance with the seven principles set out by the Committee on Principles of Public Life (Nolan's Principle). These are: ***selflessness, integrity, objectivity, accountability, openness, honesty and leadership.***

The University will uphold all laws relevant to countering bribery, fraud and corruption and has zero tolerance towards fraud, bribery and any form of dishonesty.

### 2.2 GENERAL RESPONSIBILITIES

All members of staff and others connected with the University, including those not directly employed by the University but who have responsibility for the administration or management of University funds, for example honorary staff, temporary staff, contract staff, contractors' staff, independent members of Council and co-opted members of Committees, should at all times act with awareness of their wider responsibilities and act in good faith and in the best interests of the University. They are responsible for compliance with the appropriate policies and procedures put in place by the University to enable members of staff and other connected individuals to understand and discharge their responsibilities to support the University's commitment to probity and good conduct in carrying out University business.

### 2.3 FRAUD AND FINANCIAL IRREGULARITY

The University defines fraud and financial irregularity as: **"Any action deliberately designed to cause loss to the University, or to obtain any unauthorised benefit, whether this is received personally or by others."**

This definition is considered to apply equally to members of staff, members of Council, co-opted members of Committees, suppliers, partners, subsidiaries, associates and any other individuals or organisations who have dealings with the University.

All members of staff, students or members of Council suspecting fraud or financial irregularity in the University should report such fraud as soon as possible to the Director of Finance or the Registrar. If any suspected fraud or financial irregularity relates personally to the Director of Finance, then the matter should be referred to the Registrar. If the suspected fraud or financial irregularity relates personally to the Registrar, then matter should be referred to the Vice-Chancellor.

A Fraud Response Plan (Appendix E) sets out the process that will be followed to investigate the suspicion and the circumstances in which notifications will be made to Audit Committee and Council.

## **2.4 HOSPITALITY AND GIFTS**

Sections 240 to 245 of the Criminal Offences Act, 1960 (Act 29) and the Corrupt Practices (Prevention) Act, 1964 (Act 230) indicate that it is an offence for employees to accept any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all employees therefore, must be:

- the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest;
- the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

Thus employees should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the University would be likely to provide in return.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the relevant Dean or Director or the Director of Finance. For the protection of those involved, the Director of Finance (or other designated officer) will maintain a register of gifts and hospitality received.<sup>1</sup> Employees in receipt of such gifts or hospitality are obliged to notify the Director of Finance (or other designated officer) promptly.

## **2.5 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 Deans and

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<sup>1</sup> The Finance & General Purpose Committee shall on annual basis determine the minimum level of gifts and hospitality which shall be disclosed in the Register of Gifts and Hospitality.

## Financial Policies and Procedures Manual

Directors or other appropriate authority in accordance with the University's Staff Code of Conduct and Policy on Registration and Declaration of Interests.

Members of Council are similarly required to disclose any potential or actual conflict of interest in accordance with the University's Council Code of Conduct and Register of Interests.

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 University 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 University
- other relevant interests, for example:
  - clients or business relationships which they know to have a direct connection with the University and its associated companies or which might affect their business
  - any significant shareholdings in organisations which they know to have business with the University or its associated companies
  - un-remunerated posts, honorary positions and other connections which may give rise to a conflict of interest or of trust, as set out in the Council Code of Conduct.

It is also a requirement to record relevant interests, where they are both known and material, held by members of their immediate family, that is to say a spouse, partner, parents, children and siblings, in accordance with the Council Code of Conduct.

No person shall be a signatory to any University contract on behalf of the University where he or she also has a relevant interest in the activities of the other party as described in the Policy on Registration and Declaration of Interests.

### 3. FINANCIAL ADMINISTRATION

#### 3.1 LEGISLATIVE REQUIREMENTS

The finances of the University shall be managed in accordance with the relevant provisions of national law including the Public Financial Management Act, 2016 (Act 921), the Internal Audit Act, 2003 (Act 658) and the Public Procurement Act, 2016 (Act 914).

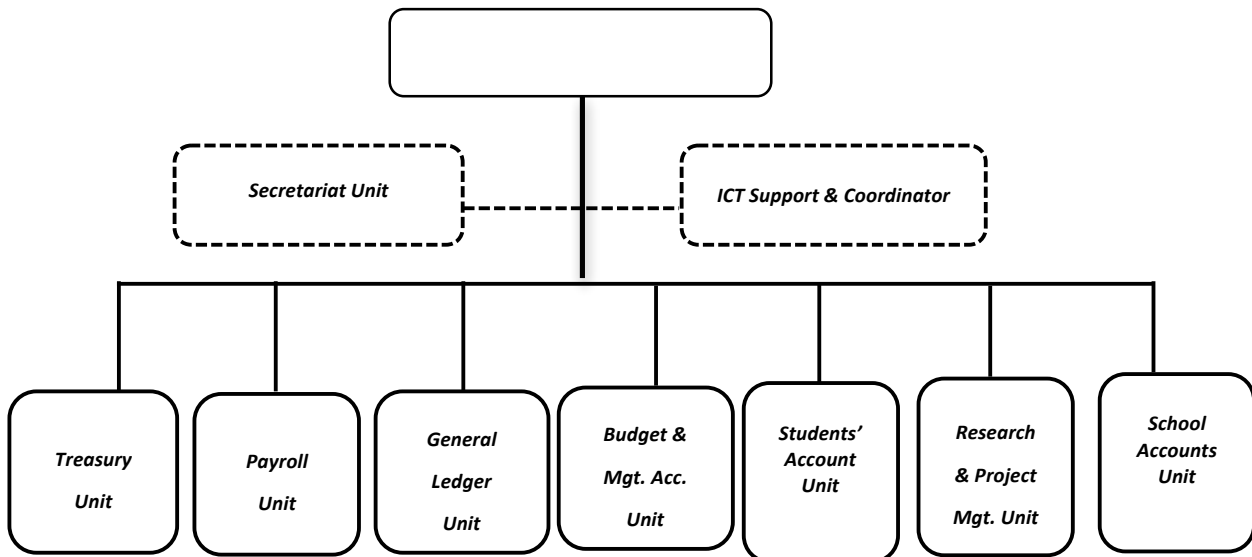
The accounts of the University shall be audited annually by the Auditor-General in accordance with clause (2) of Article 187 of the Constitution.

Subject to the Act, the Statutes and to the terms of any particular fund, endowment or loan, the financial resources of the University shall be applied solely to the purposes of the University.

#### 3.2 STRUCTURE OF THE FINANCE DIRECTORATE

The objective of the Finance Directorate is to maintain a fiscally sound organization that provides efficient and effective financial management services to the University. It also seeks to protect the assets of the University and to provide assurance to all stakeholders that the University's funds are managed prudently and in accordance with the objectives for which these are raised.

The University's organisational structure for financial management, planning and monitoring is summarised as follows:



### 3.3 FUNCTIONAL RESPONSIBILITIES OF FINANCE STAFF

The setup of Finance Director is as follows:

- The Director of Finance– Head of the Finance Directorate.
- The Treasury Accountant
- The Payroll Accountant
- The General Ledger Accountant
- The Budget/Management Accountant
- The Student Accountant
- Research & Project Management Accountant
- School Finance Office Accountants

#### 3.3.1 Director of Finance

The Director of Finance is responsible for the functions of the Finance Directorate for ensuring compliance with the University of Health and Allied Science Act 2011, (Act 828). To accomplish these functions, the Director of Finance undertakes the following roles and responsibilities:

- In consultation with the Vice-Chancellor liaises with the Ministry of Education, Ministry of Finance and the Controller and Accountant General’s Department through the NCTE for:
  - The collection of Funds/Votes appropriated to the UHAS in the National Budget.
  - Issues of notices on behalf of the Finance Committee to all Directorates/Departments within the UHAS of approved Votes, Grants and appropriations authorized for their operations and general purposes.
- Follows up for the collection of all Grants/Donations and Endowments made to the UHAS.
- Monitor the Incomes of Internally Generated Funds of Programmes and activities within the UHAS and related expenditure.
- Ensures that appropriate internal control procedures exist with respect to all Financial and Accounting transactions within the University
- Accounting for, and handling all the Funds voted for the University or accruing to the University from Grants, Donations, Endowments, etc.
- Controlling the University’s Bank Accounts, Cash and Assets and monitoring the University’s liabilities.
- Ensuring that all financial transactions are in accordance with the provisions of any enactment and provisions including:
  - Public Financial Management Act (2016) Act 921
  - The Procurement Act (2003) Act 663
  - Policies governing or relating to the operations or functions of the University as stated in the Statutes of the UHAS.

## Financial Policies and Procedures Manual

- Participation in meetings of the University relating to financial transactions (Procurements/Contract awards committee) matters relating to finance committees of the University.
- Ensuring that proper documentation and Stock control procedures are maintained throughout the University.
- Investing available funds of the University, except funds derived from Government Votes, appropriations under approval by the Vice-Chancellor under the most beneficial terms.
- Co-coordinating the preparation of Departmental/Directorate Annual Budgets/Estimates of UHAS, consolidation of Departmental/Directorate Budgets and the exercise of Budgetary controls.
- Based on the Departmental/Directorate annual Budgets/Estimates and plan of activities of the Executive Management over a long term period, to supervise the preparation of corporate plans and strategies over medium and long term periods of the UHAS.
- Preparing Annual Financial Statements and liaising with the External Auditors for the audit and submission to the Council of the UHAS within the time stipulated (within two months after the end of the financial year) under UHAS Act 2011, (Act 828).
- Submission of quarterly financial Reports to the Vice-Chancellor and the Council of the University.
- Ensuring compliance with statutory requirements for payments of PAYE, SSF, Pension/Insurance Schemes and maintenance of proper records with respect to them.
- Ensuring prompt payment of salaries, allowances, benefits and amounts due to staff, students and other amounts payable under schemes approved by the UHAS Council.
- Reviewing training programmes and facilitating training of Finance Staff.
- Provide advice and guidance on all financial matters throughout the UHAS.
- Prompt examination of External and Internal Audit Reports and review of comments and explanations.
- Ensure prompt and proper application of the computer software within the UHAS in relation to the performance of Finance and Accounting duties and the preparation of appropriate data for management and control purposes.

### **3.3.2 Treasury Accountant**

#### **3.3.2.1 Objective**

To assess, monitor, plan and manage the efficient utilization of cash and financial service in a manner consistent with objectives and within the regulatory framework of the university.

#### **3.3.2.2 Essential Functions**

- Controlling the University's Bank Accounts, Cash and Assets and monitoring the University's liabilities.

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- Investing available funds of the University, except funds derived from Government Votes, appropriations under approval by the Vice-Chancellor under the most beneficial terms.
- Receive monies for and on behalf of the university.
- Make payment that has been authorized.
- Invest surplus funds.
- Review and recommend changes to the investment policies based upon market conditions.
- Prepare or monitor the university cash flow forecasts and perform financial modeling.
- Evaluate, develop and implement cash management system to optimize efficiencies.
- Understand and manage appropriate accounting procedure and processes.
- Monitor bank service fees and address quality issues.
- Manage, direct and develop cash management staff.
- Provide advisory service to students.
- Take custody of payment vouchers and related documentations for future reference.
- Any other duty (s) assigned by the Director of Finance.

### **3.3.3 Payroll Accountant**

#### **3.3.3.1 Objectives**

- Achieving synergy through the processing and payment of employee salaries and benefit in a timely manner.

#### **3.3.3.2 Essential Functions**

- Ensuring compliance with statutory requirements for payments of PAYE, SSF, Pension/Insurance Schemes and maintenance of proper records with respect to them.
- Ensuring prompt payment of salaries, allowances, benefits and amounts due to staff, students and other amounts payable under schemes approved by the UHAS Council.
- Ensure paycheques are correct and delivered on time.
- Calculate salary and overtime.
- Prepare tax reports.
- Update new hires and terminations in payroll system.
- Perform internal audit as well as prepare information for external audit.
- Maintain personal record and pay roll data.
- Verification of deduction from wages.
- Review payroll for compliance with budget.

- Administer and interpret all policies and procedures for enforcement of provision of retirement funds.
- Prepare analysis for the director of finance and HR manager regarding revenues and expenditure and estimated future requirement to assist in budget preparation.
- Any other duty (s) assigned by the Director of Finance.

### **3.3.4 Budget and Management Accountant**

#### **3.3.4.1 Objective**

- To represent the university on fiscal matters, processes, programs and transactions with support from central administration and with critical consideration for ethical and accountable work environment consistent with the university handbook for business and fiduciary conduct.

#### **3.3.4.2 Essential Functions**

- Liaison between central administration and organizational unit
  - Communicate updates, policies, procedures and budget officers meeting information to constituent groups on a timely basis.
  - Participate in process review, policy development teams and other campus improvement effort initiated by central administration.
  - Suggesting ideas for modification to improve efficiency of operation and preservation of assets.
- Financial oversight and budgeting
  - Plan, supervise and coordinate the preparation of annual operating and capital budget.
  - Monitor budget and coordinate data collection for cost and income analysis whilst ensuring compliance with legislative intent, accounting regulations and audit principles.
  - Consult with and advise management on current fiscal operation and long-range financial planning (analysis, interpretation and forecasting)
  - Provide fiscal consultation to depts. And evaluate the financial performance of dept.
  - Evaluate and respond to all fiscal issues.
  - Monitor the financial status of research project.
- Operational oversight
  - Lead the implementation of financial and business policies, objectives and operating procedures at all the campuses of the university.
  - Establish and review financial systems and internal control processes of the unit to continually improve operational efficiency and maintain preservation of assets.
  - Help in addressing internal control problems and challenges.
  - Actively collaborate with HR professionals on issues of mutual interest such as annual budget and salary management, staffing and strategic planning.
  - Recommend budget allocations based on funding constraints, expenditure projection and departmental priorities.
  - Prepare Expenditure Returns, Monitor IGF, prepare IGF returns and performance / variance report



- Defending budget at NCTE and Ministry of Finance
- Liaising with ministries, departments, and agencies (MDAs) in respect of financial matters of the University.
- Any other duty (s) assigned by the Director of Finance.

### **3.3.5 General Ledger Accountant**

#### **3.3.5.1 Objective**

- To ensure that transactions relating to accounts in the preparation of the final financial reports are properly accounted for and are within the regulatory framework of the University, The Public Financial Management Act, International Public Sector Accounting Standards (IPSAS) to reflect the vision of the University.

#### **3.3.5.2 Essential Functions**

- Supervising the accounting system of the University generally and specifically ensuring that accounts are prepared in accordance with:
  - The provisions of the Financial and Accounting Procedures and Systems Manual with respect to Accounting Policies and the Accounts coding system.
  - Generally accepted accounting principles and practice.
- Maintaining the entries for Expenditure Accounts in the General Ledger and reconciling Control Ledger balance with list of balances on Individual Accounts.
- Ensuring the preparation of Monthly Bank reconciliation statements, daily Cash Position Statements, Periodic Cash Flow Statements and Forecasts for Funds Management.
- Reviewing the period and annual Financial Statements in liaison with the Management Accountant.
- Preparing Annual Financial Statements and liaising with the External Auditors for the audit and submission to the Council of the UHAS within the time stipulated (within two months after the end of the financial year) under UHAS Act 2011, (Act 828).
- Prompt examination of External and Internal Audit Reports and review of comments and explanations.
- Managing and maintaining accounts of existing projects by providing timely and reliable project reports to the program directors and other stakeholders
- Maintaining an efficient filing system for all vouchers, documentations and related correspondence to these projects
- Providing IGF revenue and expenditure returns with the budget officer for stakeholders
- Setting up new ledger/bank accounts for all new projects/grants on behalf of program directors/principal investigators
- Any other duty (s) assigned by the Director of Finance.

### 3.3.6 Accountant – Students’ Account

#### 3.3.6.1 Objective

- Maintaining General ledgers in accordance with **University Policy, Public Financial Management Act and Standard Accounting Practice** in relation to students’ accounts by processing payments, collection of tuition fees and other approved charges with the aim of producing credible reports for managerial decision.

#### 3.3.6.2 Essential Functions

- Ensuring that all students are billed with the approved University fees and charges in the University financial accounting software.
- Maintaining proper books, files and documents on all students for financial control purposes.
- Managing the student financial records of the University.
- Monitoring of overdue students’ accounts and reporting to management on fees payment patterns to enable management come out with appropriate policies for regulating the payment of fees.
- Providing periodic management reports on school fees payment for decision making.
- Maintaining records on all payments and receipts of fees of the University and addressing student concerns regarding school fees payment.
- Issuing receipts from the University’s financial software to students on all payments to the University with regards to;
  - Approved semester by semester school fees,
  - Transcripts,
  - Attestation,
  - Detailed results,
  - Introductory letters,
  - English proficiency letter, etc.
- Ensuring that appropriate exchange rates are applied to fees received from International/ Foreign students of the University.
- Generating a school-by-school list of fully paid students for the purpose of resource (fees) allocation to the various academic and non-academic departments of the University by management.
- Generating list of fully paid students to the academic affairs directorate and ICT to ensure that only eligible students per the University’s policies are allowed for beginning of semester course registration.
- Generating list of fully paid students to the various schools to ensure that only eligible students are allowed to participate in lectures, mid-semester examinations and end of semester examinations of the University.

- Generating the list of fully paid students and determining the amount of money to be transferred to the Student Representative Council with regards to SRC dues.
- Providing information on student revenue collection and student debtors for inputting into the University's final financial statements.
- Vetting requests for refund of school fees and ensuring that refund of excess fee payments is done in consonance with the University's policies on refund.
- Any other duty (s) assigned by the Director of Finance.

### **3.3.7 Accountant – Research and Project Management**

#### **3.3.7.1 Objective**

- Achieving synergy through the processing and payment of project cost related and benefit on a timely manner.

#### **3.3.7.2 Essential Functions**

- Responsible for the day-to-day financial management of project finances and authorizing payments against correct activity codes
- Ensuring that committed costs are followed through to actuals and liaising with the Research Institute.
- Collating and monitoring monthly management reports on project finances, identifying problems and liaising with appropriate Principal Investigators to resolve these.
- Producing accurate quarterly budget versus expenditure reports and forward projections for the Finance Director and Principal Investigator to review.
- Liaising with Project fellows in respect of project implementation, timeliness and budgets to reconcile financial reports at the appropriate time intervals
- Assisting the Finance Director and Project Principal Investigator in the production of annual financial statements for forwarding to the Project Secretariat and providing effective and rapid support to the Project Principal Investigator.
- Creating and maintaining paper and electronic records of project activities such as; ethical approvals and project related correspondences.
- Making travel arrangements (flight bookings, accommodation, visas, insurance) for Fellows and assisting the Principal Investigator in the organization of regular meetings.
- Support Principal Investigator with organizing meetings, including drafting and preparing agenda, supporting papers and minutes.
- Accompanying the Principal Investigator, when necessary, on site visits or to other meetings.

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- In the absence of the Principal Investigator, respond appropriately to enquiries.
- The Accountant of the unit where the project is implemented is responsible for ensuring that every formal application for a grant is examined and shall also ensure that there is adequate provision of resources to meet all commitments.
- Keep records of all project budgets and accounting procedures and ensure full compliance with the project conditions.
- Ensuring that Project funds shall not be used for any purposes or activities not approved in the project budget.
- Ensuring that Procurement of goods and services shall be in accordance with the Ghana Procurement Act. Where the project has its specific procurement rules, such rules should be stated clearly in the contract and shall be applied.
- Ensuring that cost to be charged to research activity shall be in line with the financial agreement (budget) of the research project. However, where the financial agreement is silent on the cost to be charged to the research project, full cost shall be charged.
- Prepare proper financial records relating to the research project and contracts shall be kept by the Project Accountant.
- Ensuring that in the absence of prescribed financial reporting procedures for any project, the financial procedures of the University shall be applied. In all cases Generally Accepted Accounting Principles (GAAPs) shall be applied.
- Managing and maintaining accounts of existing projects by providing timely and reliable project reports to the program directors and other stakeholders
- Maintaining an efficient filing system for all vouchers, documentations and related correspondence to these projects
- Setting up new ledger/bank accounts for all new projects/grants on behalf of program directors/principal investigators
- Any other duty (s) assigned by the Director of Finance.

### **3.3.8 Accountant – Schools’ Finance Office**

#### **3.3.8.1 Objective**

- Responsible for the organization and performance of the respective School’s Finance Office; its accounting systems and processes and for maintaining financial control over the respective School’s operations. Although the post holder will head up the respective School’s Finance Team, he/she will be expected to be actively involved in the respective School’s accounting systems and processes and provide cover within the team, when required.

#### **3.3.8.2 Essential Functions**

- Accounting functions at the Schools with respect to the Votes appropriated to the Schools, Directorates and Programs.
- Implementing the self-accounting systems and procedures for the various Programs and activities relating to Internally Generated Funds.
- Preparation of the Financial Statements of the Programs and activities relating to Internally Generated Funds (Skilled Based, Access, Degrees, Diploma, Sandwich and Distance Learning) for consolidation with the main Financial statements for the University.
- Supervising the Reconciliation of Revenue receivable from course participants with;
  - List of course participants
  - Approved fees
  - Receipts for fees
  - Lodgments into the University’s Bank Account:
- Providing professional and technical guidance for the performance of all Financial and Accounting functions relating to the schools, Directorates and programmers.
- Obtaining and checking all weekly/monthly returns from the Central Admiration at the Faculties with respect to:
  - Bank statements and Bank reconciliation statements.
  - Details of Income and Expenditure with supporting documents with respect to the imprest account kept at the faculties for approval of reimbursements.
  - Analysis of Expenses for preparation of Expenditure Accounting summaries under Accounting Codes similar to that applied within the University to facilitate consolidation with the Expenditure Accounts of the University.
  - Liaison with the Accountants (Revenue, Expenditure, Management/Budget) on matters relating to the Schools, Directorate and Programs.
- Collection of all miscellaneous Revenue accruing to the faculties and timely submission of returns to the Finance Directorate on weekly basis.
- Control of local bank accounts with the commercial banks opened for the School.
- Payment of expenses approved on imprest basis and maintenance of Local Imprest Account funded through the local Bank Account.
- Submission of stores requisition and control of any local stock of consumables and stationery.

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- Assisting in the preparation of annual budget and estimates for the Schools and Directorate and with the implementation of the Schools budget.
- Management and operation of the University's accounting system by ensuring proper and accurate recording and reporting of all the Schools, Directorates and Programs.
- Proper management and control of all fixed assets and stores of the Schools, Directorates and Programs.
- Reviewing of purchase requisitions emanating from the Schools, Directorates and Programs to ensure that items are duly budgeted for in the University's annual budget.
- Processing and submission of part-time and external examiners claims to the University Finance Directorate.
- Any other duty (s) assigned by the Director of Finance.

## **4. FINANCIAL POLICIES AND PROCEDURES**

### **4.1 ORGANIZATION OF THE POLICIES AND DETAILED PROCEDURES**

The Financial Policies are divided into active subject areas, each of which contains (or will in the future contain) a group of related policies.

Each policy statement is presented in a standardized format. The first section identifies the policy number and policy title. The next section of each page indicates the subject area, responsible office, the office or group having the authority to approve changes to the policy, issue date, and revision date. This is followed by the actual policy information as well as the applicable detailed procedures.

The responsible office has the responsibility to develop, promulgate, monitor and revise the applicable policy. When additional guidance or interpretation of a specific policy is required, that office should be consulted. The Office of the Director of Finance should be consulted when an issue arises which is not addressed by the Financial Policies and related Procedures.

### **4.2 RELATIONSHIP BETWEEN FINANCIAL REGULATIONS AND FINANCIAL PROCEDURES**

The Financial Policies are supported by Procedures which set out the approach of the University in meeting the requirement of the Policies and describe the means by which the principles of the Policies should be applied in the day-to-day operations of the University. These procedures include detailed instructions on financial transactions and accounting records.

It will be seen from the Financial Policies that operational issues are dealt with in the Financial Procedures. The Procedures sets out relevant details to ensure efficient, effective and economic financial control. As such, they must be read in conjunction with the Policies. In addition, reference will be made to other University publications and guidance and in such cases, an indication will be given to the source of such information and how it might be obtained.

The Financial Procedures are structured using the Financial Policies as a framework. Therefore, it is important that the Procedures are read in conjunction with the Policies. The structure of the Procedures will, for ease, follow the Policies. In cases where it is felt that Financial Policies require no procedural explanation, a reference will be made to the appropriate paragraph in the Financial Policies. In addition, attention might be drawn to procedural information provided by offices other than the Finance Directorate.

Finally, it is recognised that financial processes may, in some circumstances, require amendment to reflect local needs. However, it is expected that such cases will be exceptional and must, prior to their adoption, be approved by the Director of Finance. The Finance Directorate may also issue guidelines that seek to amplify and provide more detailed guidance to staff and other members of the University on matters dealt with in the Financial Procedures.

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In all cases where there may be any doubt or apparent conflict, the University's Financial Policies shall prevail over the Financial Procedures, which will prevail over any supplemental rules or guidelines.

**4.3 DETAILED POLICIES & PROCEDURES**

Section #	Policy & related Detailed Procedures
5	Budgetary Management & Control
6	Financial Systems & Accounting Policies
7	Income
8	Student Fees
9	Treasury Management
10	Management of Projects & Research Funds
11	Other Income Generating Activities
12	Accounts Receivable
13	Procurement
14	Expenditures & Disbursements
15	Payroll
16	Management of Fixed Assets
17	Inventory Management
18	Financial Reporting
19	Audit Requirements
20	Other Matters



## 5. BUDGETARY MANAGEMENT & CONTROL

### 5.1 PURPOSE

- To ensure that the University of Health and Allied Sciences meets its obligations in terms of the UHAS Act 828, 2011 and to provide a framework and guidelines for preparing the annual budget of the University.

### 5.2 RESPONSIBILITY

Responsible Officer	Director of Finance
Approval	University Council/ /Finance and General Purpose Committee
Originally Issued	October 2018
Revised	N/A
Takes effect from	October 2018

### 5.3 POLICY STATEMENT

#### 5.3.1 Budget objectives

- The Council will, from time to time, set budget objectives in line with the Strategic Plan of the University. These will help the Director of Finance in preparing more detailed financial plans for the University.

#### 5.3.2 Resource Allocation

- Resources are allocated annually by the Council on the basis of the budget objectives and on the recommendations of the Resource Allocation Committee for Academic Purposes through the Finance & General Purpose Committee. Deans and Directors are responsible for the economic, effective and efficient use of resources allocated to them.
- The University senior management shall approve the criteria (formula) for the sharing of fees amongst the various academic and administrative departments of the University.

#### 5.3.3 Budget Committee

- The University's Finance & General Purposes Committee shall be responsible for the:
  - review and formulation of the strategic plans;
  - co-ordination and consolidation of the budget;
  - monitoring and evaluation of budget performance; and
  - report to the Council on matters relating to the budget.

#### **5.3.4 Budget guidelines**

- The various Schools and Departments in the University will prepare their budgets in line with the Budget Guidelines issued by the Director of Finance in accordance with the procedures in 5.4.4 below. Prior to the preparation of the budgets, briefings shall be organized to discuss issues relating to the budget.

#### **5.3.5 Budget preparation**

- Each year, in advance of the financial year to which they refer:
  - The Finance and General Purposes Committee will determine the priorities for expenditure considering available funds and the strategic priorities of the University.
  - The Deans and Directors will propose income and expenditure and capital budgets.
  - The Director of Finance will prepare the budgets, both revenue and capital, on this basis for consideration by the Finance and General Purposes Committee before submission to the Council.

#### **5.3.6 Budget Approval**

- The Budget of the University shall be approved by the University Council upon the recommendations of the Finance and General Purposes Committee in accordance with Section 5.4.6.7 below.
- The Director of Finance must ensure that the approved budgets are communicated to Deans and Directors as soon as possible following their approval by the Council.
- During the year, the Director of Finance is responsible for submitting any revised budgets to the Finance and General Purposes Committee for consideration and submission to the Council for approval and thereafter communicating the revised budgetary position to the Deans and Directors.

#### **5.3.7 Budgetary Control**

- The Director of Finance shall keep the Vice Chancellor, Finance & General Purposes Committee and Council informed of the financial consequences of changes in policy, pay awards, and other events and trends affecting budgets and shall advise on the financial and economic aspects of future plans and projects.
- The control of income and expenditure within an agreed budget is the responsibility of the designated Dean or Director who must ensure that day-to-day monitoring is undertaken effectively. These Deans and Directors are responsible for managing their budgets such that income targets are achieved and expenditure limits are not exceeded. They will be assisted in this duty by management information provided by the Director of Finance.
- The Director of Finance will establish and maintain a system of budgetary control which incorporates the reporting of, and, investigation into variances from budget. All

employees involved in initiating or authorizing financial transactions shall comply with these budgetary control procedures.

- Deans and Directors may not, (in general), authorize payment to be made out of funds earmarked for specific activities for purposes other than those activities. Deans and Directors shall, however, have authority to re-allocate amounts between approved heads of income and expenditure in accordance with virement rules specified in the University's budgeting procedures.

## **5.4 DETAILED PROCEDURES**

### **5.4.1 Introduction**

- UHAS prepares an operating budget each year as a tool to control the allocation of resources and to assist in achieving the University's strategic goals. The budget is designed and prepared to direct the efficient and prudent use of the University's financial and human resources. The budget is management's commitment to a plan for present and future organizational activities to ensure a going concern. It provides an opportunity to examine the composition and viability of the University's programs and activities simultaneously in light of available resources.
- These procedures relate to both the top level budgeting undertaken by the Finance Directorate as well as the budgeting and forecasting undertaken by Schools, Departments and other establishments.

### **5.4.2 Budget Development Process**

- Prior to the start of the Budget Cycle, the Director of Finance shall compile, review and update the list of Budget centres for the University. He/She shall also determine the type of budget that each budget centre (cost centre) shall prepare and update the budget presentation and report formats. These processes are to ensure that the Budget Presentation and Report Formats are always up to date, and fully meet the University Council's requirements.

### **5.4.3 Budget Cycle**

- The Finance and General Purposes Committee will approve a timetable for the planning and budgeting cycle, and at the appropriate time agree requirements for the following financial year. This timetable will set out the responsibilities of specified staff for compiling the various financial and statistical data, in order to meet the reporting requirements of the Council and University Committees and external bodies (such as the NCTE and the Ministry of Education).
- To ensure that sound financial projections are available to inform the strategic planning process and to enable the Schools and Departments to take the necessary actions to

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alleviate problems at the earliest opportunity, the planning cycle may, as required, incorporate a five-year forward look for it to be in sync with the Universities Strategic Plan.

- Under the annual time table, the Director of Finance is responsible for issuing guidance to relevant staff covering the preparation of, and the key assumptions to be used in:
  - forecasts of that year’s results;
  - the budget-setting process for the following year’s anticipated activities; and,
  - projections covering the subsequent two or more years.
- The key activities that are part of the UHAS’s annual budget cycle are:

Month	Activity
January	<ul style="list-style-type: none"> <li>• Review UHAS targets and issue Income Projections Circular</li> </ul>
February	<ul style="list-style-type: none"> <li>• Resource Allocation Committee review funding and agree draft revenue allocations</li> <li>• Finance and General Purpose Committee agree targets for budget year</li> <li>• Circulate Budget Guidelines – procedure and timetable</li> <li>• The Director of Finance communicates external research income estimates and internal research funding to Colleges, Faculties, Institutes, Schools, Departments and Centres and any other establishments.</li> </ul>
Mar	<ul style="list-style-type: none"> <li>• Detailed budgets are prepared by Colleges, Faculties, Institutes, Schools, Departments and Centres and any other establishments.</li> <li>• Management review of business cases and general resource allocation</li> </ul>
April	<ul style="list-style-type: none"> <li>• Budgets captured into the computerised financial system</li> <li>• Budget Hearings for Colleges, Faculties, Institutes, Schools, Departments and Centres and any other establishments.</li> </ul>
May	<ul style="list-style-type: none"> <li>• Budget consolidation and analysis by Finance Directorate</li> <li>• Final Budget reviews by Finance and General Purpose Committee</li> </ul>
June	<ul style="list-style-type: none"> <li>• Final Budget approval by University Council</li> <li>• Adjustments made to Budget following Council determinations</li> </ul>
July	<ul style="list-style-type: none"> <li>• Budget advice letters sent to Colleges, Faculties, Institutes, Schools, Departments and Centres and any other establishments</li> </ul>
August – July	<ul style="list-style-type: none"> <li>• Budget monitored on an on-going basis</li> </ul>

### 5.4.4 Budget Guidelines

- The various Schools and Departments in the University will prepare their budgets in line with the Budget Guidelines issued by the Director 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 Deans and Directors;
  - 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; and
- Deadlines for the submission of the estimates.
- The budget guidelines shall also provide any other relevant information and/ or specific instruction that would facilitate the budget preparation and approval process.

#### 5.4.5 Budget Preparation

##### 5.4.5.1 The form of budgetary documents and statements

- The Schools, Departments and any other establishments prepare their recurrent and capital budgets on the detailed guidelines issued. The Schools, 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 (*if not already available*) within the framework of the University'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 (fixed assets) required during the period and when they are required during the year;
  - Income and Expenditure projections profiled on a monthly basis.

##### 5.4.5.2 Information to be submitted in support of budgetary proposals

- At the School, Department and any other establishment level, budget officers shall use the relevant budget preparation forms attached to the Budget Guidelines, while at the same time, taking full cognizance of all the directives in the Budget Guidelines.

##### 5.4.5.3 Procedures involved in the preparation, submission and implementation of the budget

- **Budget preparation:** The University's budget is framed by reviews and updates of the Strategic Plan. The reviews feed into the setting of the key budget planning parameters including student enrolment. The student enrolment estimates enable revenue projections to be developed for state supported and full-fee paying students.
- Academic and Administrative centres then develop their budgets by organisational unit, activity and general account for the planning period. This involves:
  - Calculation of Internally-generated income 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)
  - Identification of internally funded initiatives.

- Schools, Departments and any other establishments prepare supporting documentation to substantiate their budget submission, including details of revenue targets. These are then submitted to the Director of Finance to be entered into the budget tool of the UHAS Financial Management System (SAP).
- All budgets are preliminary until such time as final approval of the budget is given by the Council at its meeting in June.

#### 5.4.5.4 Assumptions & Projections

- The University budget is an operating plan based upon assumptions made about the University's overall environment, about the State and the level of fiscal support it will provide, the students and their interest to continue attending the University and operating considerations for each instructional and support program at the University. In developing the budget, the following projections are to be considered:
  - Inflation: the current prices of recurrent expenditure and fixed assets may be adjusted upwardly by the expected rate of inflation projection for the budget period.
  - Exchange rate: income received and expenses incurred in foreign currencies may be translated using the projected exchange rates.
  - The basic factors that will determine the cost of resources needed by each cost centre are the quantity and the price per unit.
  - Past consumption patterns and/ or new activity levels would give an idea of the level of resources required by each cost centre.

#### 5.4.5.5 Preparation of Income Estimates

- Each year, each School and Department and any other establishment, in accordance with approved programs, prepares projected revenue which will indicate:
  - Projected revenue by type;
  - Actual result of prior periods (to provide a useful comparison in preparing and scrutinizing the annual budget); and
  - Approved estimates of prior periods.
- The income of the UHAS falls into the following broad categories:
  - funds approved by Parliament;
  - monies that accrue to the University in the performance of its functions consisting of:
    - fees paid by students duly registered by the University;
    - fees, charges and dues in respect of services rendered by or through the University
    - proceeds from the sale of publications of the University;
    - grants, subscriptions, rents and royalties; and
    - returns on investments;
  - endowments, donations and gifts; and
  - moneys from any other source approved by the Council.

- Actual income generated may be accessed in helping to determine projected figures. Additionally, these processes will be used in determining the following revenue types:
  - Government Subvention: Schools and Departments and any other establishments are allocated Government Subvention based on the University's internal distribution funding model. The alignment of the University's internal distribution model ensures that Schools and Departments are driven by the same imperatives as those affecting the University as a whole.
  - Student Fees: Student fee estimates are made with reference to projected numbers of students in each category provided by the Institutions, Planning Office (regular, fee – paying, postgraduate, foreign, short courses and others) and the planned fee rate for each type of student. The specific guidelines for fee levels as well as share-out ratios will be provided as part of each year's budget guidelines.
  - Research income: External research income is determined by analyzing the pipeline of existing funding agreements and supplementing this amount with an estimate of research contracts and funding derived from historical application and success rate patterns.
  - Other income: Investment income, consulting, sale of assets, donations and scholarships are estimated within the Budget Centres responsible for these income streams.
  - Schools, and Departments that run Sandwich and Special Programs: shall ensure that all costs incurred in running such programs are completely covered by their share of the gross income generated by the programme.

#### 5.4.5.6 Preparation of Expenditure Estimates

- Each year, each School, Department and any other establishment, in accordance with approved programs, prepares projected expenditure which will indicate:
  - Expenditure by type
  - Actual result of prior periods to provide a useful comparison in preparing and scrutinizing the annual budget.
  - Approved estimates of prior periods.
- The UHAS's operating expenditure is summarized into the following classifications:
  - Academic personnel costs
  - Non-academic personnel costs
  - Academic costs
  - Research and contract costs
  - Bursaries and financial aid
  - Other operating expenses
  - Finance costs

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- Actual expenditure incurred may be accessed in helping to determine projected figures. (To access the information, consult the Central Accounts or Budget Centres of the Finance Directorate).
- The budgets for the following items are to be co-ordinated by the departments as indicated below. Individual Schools, Departments and any other establishments may prepare and capture these items in their individual cost centres after consulting the co-ordinating departments.

Expenditure Item	Department
• Advertising	• Public Affairs
• Personnel Costs	• Human Resource
• Staff Training	• Human Resource
• Building maintenance	• Works and Physical Development
• Maintenance: Minor works	• Works and Physical Development
• Maintenance: Vehicles	• Works and Physical Development
• Maintenance: Computers & Accessories	• Information & Communication Technology
• Internet Service Charges	• Information & Communication Technology
• IT Maintenance and Support	• Information & Communication Technology
• External Examiner's Fees	• Academic Affairs
• External Assessors	• Human Resource
• Medical Expenses	• Human Resource

- The following expense items should, however, be budgeted centrally and captured in bulk by the departments indicated against them.

Expenditure Item	Department
• Staff Book Grant	• Human Resources
• Staff medical Insurance	• Human Resources
• Workman Compensation	• Finance
• Audit Fees	• Finance
• Insurance	• Finance
• Examination Officers Charges	• Academic Affairs

### 5.4.5.7 Budget Hearing & Approvals

- Internal Budget Hearing - With the completion of the preliminary budget, the management of the various Schools, Departments and other establishments shall facilitate the Internal Budget Hearings with representatives of the various Schools, Departments and other establishments, to ensure that they are in line with the Schools, Departments and other establishments strategic plan, policies and ceilings. These budgets are then consolidated and submitted to the Director of Finance.
- University-wide Budget Hearing - Budget Hearings will be coordinated by the Budget Committee. The hearings will be attended by the Director of Finance and as many members of the Committee who are able to attend each hearing. In addition, other



constituents having an interest in a particular budget request may be invited to hearings either by the Committee or the Dean or Director.

- At the conclusion of the budget hearings, the Director of Finance will compile the information gathered in budget submissions, budget hearings, and recommendations from the Budget Committee.
- Consolidated Budget - The final draft, incorporating all recommendations of the Budget Committee will be delivered to the Finance and General Purpose Committee by the Chairman of the Budget Committee for approval at the June Council Meeting.

#### 5.4.6 Capital Programmes

- The capital programmes include all expenditure on land, buildings, equipment, and furniture and associated costs, whether or not they are funded from capital grants, to be capitalized for inclusion in the University's financial statements.
- The University's capital programme will be approved by the Council on the recommendations from the Works and Physical Development (*for the architectural drawings in line with the University's Master Plan on land development*) and the Finance and General Purposes Committee (*for the cost and funding of the projects in terms of its sustainability*).
- The Directors of Finance and Works and Physical Development shall establish procedures for the inclusion of capital projects in the capital programme for approval by the Council. These will set out the information that is required for each proposed project as well as the financial criteria that they are required to meet.
- The University will appraise formally before approval all major capital expenditures including non-building projects, equipment etc., to conform to best practice.

#### 5.4.7 Other Major Business Developments

- Any proposed establishment of a company or joint venture arrangement or any new business proposal, which will require an investment in buildings, resources or employees time beyond existing budgets, should be presented as a business case for approval to the Finance & General Purposes Committee.
- The proposals should be supported by a business plan for three (3) years which sets out:
  - A demonstration of the proposal's consistency with the Strategic Plan approved by the University Council.
  - Details of the market need and the assumptions of the level of business available.
  - Details of the business and what product or service will be delivered.
  - An outline plan for promoting the business to the identified market and achieving planned levels of business.

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- Details of the employees required to deliver, promote and manage the business, together with any re-skilling or recruitment issues.
- Details of any premises and other resources required.
- A financial evaluation of the proposal together with its impact on revenue and profit, plus advice on the impact of possible alternative plans and sensitivity analyses in respect of key assumptions.
- Contingency plans for managing adverse sensitivities.
- Consideration of taxation and other legislative or regulatory issues.
- A three-year financial forecast for the proposal including a monthly cash flow forecast and details of the impact on the University cash flow forecast for the financial years in question.

### 5.4.8 Budgetary Control

- The Director of Finance is responsible for supplying Budgetary Reports on all aspects of the University's finances to the Finance & General Purposes Committee on a basis determined by them. The report shall outline the Income and Expenditure of the University for the financial year to date, compared with the corresponding Approved Budget and showing a forecast of anticipated year-end values, which is updated quarterly, as depicted in Appendix C.

### 5.5 References

- Strategic Plan of UHAS and its Schools
- Budget guidelines from the NCTE

### 5.6 Contact Person

<b>Title</b>	<b>Budget / Management Accountant</b>
<b>Department</b>	<b>Finance Directorate</b>

## 6. FINANCIAL SYSTEMS AND ACCOUNTING POLICIES

### 6.1 PURPOSE

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

### 6.2 RESPONSIBILITY

Responsible Officer	Director of Finance
Approval	University Council/Finance and General Purpose Committee
Originally Issued	October 2018
Revised	N/A
Takes effect from	October 2018

### 6.3 POLICY STATEMENT

#### 6.3.1 Financial systems

- The Director of Finance is responsible for the setting up of systems including the form in which accounts and financial transactions are kept. The financial systems will enforce and facilitate adherence to the Financial Policies and Procedures where possible.
- The General Ledger Section is responsible for the maintenance of the Accounting System. The number of accounts in the general ledger will be limited to a level necessary to ensure the efficient operation of the University unless required by specific agreements. All requests to create new accounts must be accompanied by proper documentation and approved by the Director of Finance.
- The Accounts will be established in appropriate fund groups to reflect the nature of the revenues to be generated and/or the purpose of the expenditures to be incurred as defined by the Director of Finance.
- All changes to account codes and other account specific information must be approved by the Director of Finance.
- Schools, Departments and any other establishments are required to notify the Director of Finance on a timely basis, of any organizational change affecting responsibility for account administration.

#### 6.3.2 Financial records

- The **Director of Finance** will specify the form of the University's financial records and ensure that proper accounting records are maintained.

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- 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 Director of Finance.
- Preservation of records shall be governed by:
  - The Limitation Decree, 1972 (NRC 54) which makes it necessary to keep financial and accounting records until such time as claims by or against government are statute-barred; and
  - The Public Records and Archives Administration Act 1997, (Act 535).
- The University shall establish a repository or repositories to hold all financial and accounting records that are no longer required for regular office references.

### 6.3.3 Accounting policies

- The Council is responsible for accounting for the University's financial activity in accordance with the national regulations, UHAS statutes and International Public Sector Accounting Standards (IPSAS).
- The accounting policies on which the financial statements of the University are produced should be in accordance with applicable accounting standards and consistent with the requirements to present a true and fair view.
- The constraints that the University should consider in judging the appropriateness of accounting policies to its particular circumstances are:
  - the need to balance the four objectives (relevance, reliability, comparability and understandability); and
  - the need to balance the cost of providing information with the likely benefit of such information to users of the financial statements.
- The Accounting policies shall be applied consistently over the years.
- The University should regularly review its accounting policies to ensure that they remain the most appropriate to its own particular circumstances. Where this is judged not to be the case, a new policy should be adopted giving due weight to the impact a change would have on comparability between periods.
- No changes shall be made to the accounting policies except by the authority of the Director of Finance with approval from the Council.
- The Director of Finance will also prepare Annual Financial Statements and other Financial Reports in accordance with the requirements of the UHAS Act, 2011 Act 828 and the relevant accounting standards bodies, and shall prescribe policies for the preparation of the Financial statements and other accounting matters in accordance with the Financial Procedures under S6.4 below.

## 6.4 DETAILED PROCEDURES

### 6.4.1 Introduction

- The Accounting Policies are the specific principles, bases, conventions, rules and practices adopted in preparing and presenting financial statements in the University. The Accounting Policies clarify how the relevant accounting standards apply to individual transactions and balances.

### 6.4.2 Basis of presentation of Financial Statements

- The financial statements will be prepared in accordance with national regulations, UHAS statutes and International Public Sector Accounting Standards (IPSAS)<sup>2</sup> and IFRS where necessary.
- The financial statements will be prepared under the historical cost convention, except where stated otherwise.

### 6.4.3 Statement of Compliance

- The consolidated annual financial statements of the University and its subsidiaries will be prepared in accordance with Internationally Accepted Standards.

### 6.4.4 Basis of Consolidation

- The consolidated financial statements comprise the financial statements of the University<sup>3</sup> and its subsidiaries as at the end of the financial year. The financial statements of the subsidiaries are consolidated from the date on which the University acquires effective control, up to date that such effective control ceases. For this purpose, subsidiaries are entities over which the University, directly or indirectly, has the power to govern the financial and operating policies of the entity so as to obtain the benefits from its activities.

### 6.4.5 Segment Information and Accumulated Funds

- 'Segmental Reporting' requires the disclosure of income, segment result and segment net assets by class of business and geographical segment where material other segments exist. A segment is a recognized component of the University that is engaged in undertaking activities and providing services that are subject to risks and returns different from those of other segments.
- The operating businesses which are managed separately but fall under the oversight of the UHAS executive leadership and their treatment in the financial statements include:

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<sup>2</sup> The aim is to provide the policies for a cautious transition to full Accrual Accounting basis in line with the recommendations of the International Public Accounting Standards Board (IPSAS) of the International Federation of Accountants.

<sup>3</sup> The University covers all Schools and Departments for which the University Council has jurisdiction.

- a. **Endowment Funds Income:** Income from specific endowments, comprising investment income and realized profits arising from the sale of investments, is recognized in the Statement of Income and Expenditure as designated for specific purposes in the period when it accrues. The University may agree to utilize a portion of this income and to re-invest the un-utilized portion in the underlying endowment funds in order to grow the capital base. Funds made available to operations which cannot be utilized due to a specific event not having occurred, are also capitalized. The utilization of these funds for operational purposes, and the capitalization of all un-utilized funds are effected by transfer within the Statement of Changes in Fund Balances.
- b. **Specifically, funded activities restricted:** The Specifically funded activities restricted consist mainly of research activity. Here, decision making rights over income earned and related expenses rest with researchers.
- c. **Unrestricted University controlled funds:** This segment predominantly represents the teaching component of the University's funds. Decision making rights relating to income earned in this segment rests with the Council.

#### 6.4.6 Significant accounting judgements and estimates

- The preparation of the University's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of incomes, expenses, assets and liabilities, and the disclosure of contingent liabilities, at reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require material adjustments to the carrying amount of the asset or liability affected in the future.

##### 6.4.6.1 Judgments

- In the process of applying the University's accounting policies, management will make the following judgments, apart from those involving estimations, which have most significant effect on the amounts recognized in the financial statements:  
*"All investments, with the exception of specific investments which are held-to-maturity, are considered to be available-for-sale investments as the intention is to grow the value of the investment portfolios over a long term horizon".*

##### 6.4.6.2 Estimations

- Where estimation techniques are required to enable the accounting policies adopted to be applied, the University should select the estimation techniques that enable its financial statements to give a true and fair view and are consistent with the requirements of the accounting standards adopted.
- The key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of

causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

- **Impairment:** The University assesses whether there are any indicators of impairment for all assets at each reporting date. The University classifies certain assets as available-for-sale investments and recognizes movements in their fair value in the Statement of Income. When the fair value declines, management makes assumptions about the decline in value to determine whether it is an impairment that should be recognized in the Income Statement. **An investment is considered to be impaired if either the fair value at the end of the year is more than 30% below cost or the fair value has been below cost for a period of twelve months.**
- **Depreciation:** At the end of each financial year, management reviews the assets to assess whether the estimated useful lives and estimated residual values applied to each asset are appropriate.
- **Student fees receivables:** At year end, management makes an estimate of the amount of total outstanding student fee debt. In addition, management estimates the amounts that it expects to recover from the outstanding balances. A provision of impairment is raised based on these estimates.

## 6.4.7 Financial Statement Presentation & Disclosure

### 6.4.7.1 Basis of accounting and preparation

- The financial statements should show a true and fair view, or present fairly the financial position, of the University's performance and changes in financial position. This is achieved by the application of the appropriate accounting standards. The University may depart from these standards in extremely rare circumstances in which it concludes that compliance with these standards would be so misleading as to conflict with the objective of the financial statements. The nature, reason and financial impact of the departure should be explained in the financial statements.
- The financial statements shall be prepared in accordance with generally accepted accounting principles. The Accounts submitted by the University shall be in accordance with the policies stated in these Regulations.
- If the basis has not been stated in these Regulations, the Director of Finance shall disclose the basis of accounting used in the preparation of the accounts and identify any significant departures and the reasons for the departures from provisions in the Regulations.
- The Financial Statements for the UHAS shall include:
  - a **Statement of Financial Position** showing the assets and liabilities at the end of the year;
  - a **Statement of Changes in Fund Balances** for the year;
  - a **Statement of Income and Expenditure** for the year;
  - a **Cash Flow Statement** for the year;

- a **Performance Report**; and
- the **accounting policies and explanatory notes** that form part of the accounts, which shall include particulars of the extent to which the performance criteria specified in the budget estimate in relation to the provision of the University's output were satisfied.

#### 6.4.7.2 Extraordinary items

- It is required that in preparation of the financial statements the University shall separately disclose the nature and amount of each extraordinary item. The disclosure may be made on the face of the financial statements and in the notes to the financial statements.
- Extraordinary items are characterized by the fact that they arise from events or transactions that are distinct from the University's ordinary activities, are not expected to recur frequently or regularly and are outside the control or influence of the University. Accordingly, extraordinary items are rare, unusual and material.

#### 6.4.7.3 Fundamental Errors

- The correction of fundamental errors that relate to prior periods requires the restatement of the comparative information. Fundamental errors are errors that have such a significant effect on the financial statements of one or more prior periods that those financial statements can no longer be considered to have been reliable at the date of their issue. An example of a fundamental error is the omission of a major class of receipt or payment from the financial statements.

#### 6.4.7.4 Reporting Currency

- The consolidated financial statements are presented in **Ghana Cedis**, which is the University's functional and presentation currency. Transactions in foreign currencies are recorded at the currency exchange rate ruling at the date of the transaction.

#### 6.4.7.5 Foreign Currency translation

- Monetary assets and liabilities denominated in foreign currencies are translated at the currency exchange rate ruling at the statement of financial position date. All differences are taken to the statement of income and expenditure in the year in which they arise.
- Non-monetary items are carried at cost and translated using the exchange rate at the date of the transaction, whilst assets carried at fair value are translated at the exchange rate when the fair value was determined.
- When a gain or loss on a non-monetary item is recognized directly in other income, any exchange component of that gain or loss shall be recognized directly in other income. Conversely, when a gain or loss on a non-monetary item is recognized directly in the statement of income and expenditure, any exchange component of that gain or loss shall be recognized directly in the income and expenditure statement.



#### 6.4.7.6 Non-Financial Reporting

- Non-Financial Reporting is reporting wholly or partly on information not contained in the financial statements. The University may report on such information.

#### 6.4.8 Accounting Policies: Receipts and Incomes

##### 6.4.8.1 Recognition of Income

- Income is recognized to the extent that it is probable that the economic benefits will flow to the University and the revenue can be reliably measured. Income is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty.
- Income is also recognized when cash or service associated with the transaction flows to the university. For cash transactions, the income is recognized on receipt of payments. For other transactions, income is recognized when it is earned by law or contract (e.g. goods or service are supplied by the University).
- The following specific recognition criteria must also be met before income is recognized:
  - Government appropriations: subsidies and grants
    - Government appropriations and grants for general purposes are recognized as income in the financial year in which they are received.
    - Government subsidies and grants for specific research purposes are brought into the Statement of Income and Expenditure in the financial period in which they accrue to the University and in accordance with the relevant grants and agreements. Such subsidies and grants are presented separately as credits in the Statement of Income and Expenditure.
    - Government subsidies and grants relating to specific expenses are not offset against the expense but are included in the disclosure of Government appropriations – subsidies and grants.
    - Where the grant is received to finance, or partly finance, the purchase, construction or development of an asset, and the asset is capitalised, it is recognized as *deferred capital grants*. An annual transfer is then made to the statement of income and expenditure over the useful economic life of the asset at the same rate as the *depreciation* charge on the asset for which the grant was awarded. Furthermore, the condition that normally has to be satisfied for the recipient to comply with the terms of the grant is that the capital item should be used for the purposes for which the grant was given.
  - Designated income from contracts, grants and donations
    - **Income received for designated specific purposes** arises from contracts, grants, endowments and donations. Such income is recognized in the Statement of

Income and Expenditure in the financial period in which it accrues to the University in accordance with the relevant agreement.

- **Academic and Residential Facility User fees** charged are applicable to one academic and financial year and are recognized in that year.
- **Interest Income:** Income is recognized as interest accrues, using the effective interest method which is the rate that 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.
- **Rendering of services:** Income, involving the rendering of services, is recognized to the extent the service has been provided and it is probable and can be reliably measured. Where the contract outcome cannot be measured reliably, income is recognized only to the extent that expenses incurred are eligible to be recovered.

#### 6.4.9 Accounting Policies: Expenditure

##### 6.4.9.1 Recognition of Expenditure

- Expenditures are payments made in respect of cash transactions by the University and liabilities incurred in relation to the reporting period for goods and services received from vendors.
- The University recognizes expenditure when goods or services from suppliers are delivered to the University and its Schools and Departments. Expenditure is also recognized when an obligation or the impairment of an asset has occurred.
- The following specific recognition criteria must also be met before expenditure is recognized:
  - **Borrowing costs** that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognized as an expense.
  - **Research costs** are expensed as incurred.
  - **Library books** are written off in the year in which they are acquired

##### 6.4.10 Accounting Policies: Fixed Assets

- This policy applies only to land, buildings, furniture and equipment used in the operations of the University. Land, buildings, and equipment not used in the operations should be treated as investment properties rather than a capitalized asset.
- Fixed Assets are initially stated at cost. The cost of an asset comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to operate as intended by management.

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- Consistent with the definition of assets, the following policies have been proposed for the capitalization of assets and the recording of depreciation:

Asset	Capitalization Policy
Land	Cost to be capitalized includes all costs connected with acquisition and costs incurred in preparing the land for its ultimate use. These include but are not limited to the cost of purchase, appraisals, professional services, and title insurance.
Land Improvements	Improvements to be capitalized include the cost of landscape, surface parking lots, and outdoor public recreational fields having a cost in excess of GH¢5,000 per annum. All costs of land improvements associated with newly constructed buildings will be capitalized.
Buildings	Cost to be capitalized includes all costs related to acquisition or construction. Acquisition cost includes but is not limited to the cost of: purchase, professional services, appraisals and title insurance. Construction cost includes but is not limited to the cost of professional services, materials, labour, and site preparation.
Infrastructure	Cost to be capitalized includes underground utility and tunnels or any other external, stationary asset that is not part of a building's construction costs or the costs of land improvements. The costs should be in excess of GH¢5,000 per annum and have an expected life beyond the year it is placed in service. Examples of Infrastructure are – sewage tunnels, electrical vaults, campus lighting, sport grounds, entertainment parks, etc.
Building Renovations	<p>Building renovations to be capitalized are significant alterations or structural changes that:</p> <ol style="list-style-type: none"> <li>cost in excess of GH¢5,000 per annum; and</li> <li>meet one or more of the following conditions: <ul style="list-style-type: none"> <li>• The project extends the useful life of the building beyond what was originally scheduled.</li> <li>• The project substantially changes the use or purpose of the original space.</li> <li>• The project expands the total square footage of the building.</li> </ul> </li> </ol> <p>Renovation costs which do not meet either of these criteria is treated as maintenance expenditure and charged to the statement of income and expenditure. The book value of a renovated building will be reduced by the cost of the components being replaced if such 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.</p>
Planning Costs	Capital project planning costs associated with the planned construction, renovation, or purchase of a specific building will be capitalized in advance of the capital project being approved to the extent such costs exceed GH¢5,000. Planning costs include but are not limited to feasibility studies, preliminary drawings, and initial cost estimates. Previously capitalized planning costs will be written off to expense in the period it is clear the specific project will not move forward in the approval process.

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Asset	Capitalization Policy
Demolition of Buildings	The book value of the building will be written off when a building is demolished. If the land is maintained and the original value cannot be determined, the land will be recorded at a nominal value of GH¢1.
Purchased Equipment	Purchased equipment to be capitalized is an article of nonexpendable tangible personal property with a useful life of more than one year or a cost of GH¢1,000 or more per unit.
Constructed Equipment	For equipment constructed at the University, the cost includes costs similar to those for purchased equipment as well as the costs incurred for materials and recharge centre services used in the course of construction. University labour expense, other than that embodied in a recharge centre charge, is not included in the acquisition cost.
Software	Operating software included in the price of the hardware will be capitalized. When purchased separately, software will be capitalized if the cost exceeds GH¢10,000. Internally developed software with material and labour costs in excess of GH¢10,000 will also be capitalized.
Donated Assets	Land and buildings received as a gift will be capitalized at the fair market or appraised value at the date of the gift. If market value or appraised value is not available, the gifts will be recorded at GH¢1 nominal value. Equipment received as a gift having a fair market or appraised value of GH¢1,000 or more will be capitalized.
Sales or Disposals of Capitalized Assets	The book value of land, buildings, and equipment will be removed from the accounting system when sold or disposed of.

- Subsequently, fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the University and the cost of the item can be measured reliably. Maintenance and repairs, which do not meet these criteria, are charged against income as incurred. Donated assets are initially recorded at fair value at the date of donation.
- Freehold Land is not depreciated as it is deemed to have an indefinite life.
- Fixed Assets are depreciated on a straight – line basis estimated to write each asset down to its estimated residual value over the estimated useful lives of the assets:
  - a. The following table displays the rates of depreciation to be applied to each category of assets.

Asset	Rate of Depreciation (%)
Buildings	2

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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

- b. Assets in the course of construction (Work in progress) are accounted for at cost, based on the value of architect's certificates and other direct costs incurred to the end of the year. They are not depreciated until they are brought into use.
  - c. A full year depreciation is charged in the year of acquisition of assets and no depreciation is recorded in the year of disposal.
  - d. A full year's depreciation will be recorded for buildings, building renovations, land improvements, and leasehold improvements in the year they are capitalized.
  - e. Depreciation of newly constructed buildings will commence in the year of useful occupancy.
  - f. Leasehold Improvements will be depreciated using the straight line method over the remaining life of the lease or the useful life of the improvement whichever is shorter.
- The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. An item of asset is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Income and Expenditure in the year the asset is de-recognized.

**6.4.10.1 Impairment of non-financial assets**

- The University assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the University shall make an estimate of the asset's recoverable amount.
- An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount.
- An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized

impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

- The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Income and Expenditure unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase.
- After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### **6.4.11 Accounting Policies: Non-Fixed Assets**

##### **6.4.11.1 Investments**

- Endowment asset investments are included in the Statement of Financial Position at market value. Current asset investments are included at the lower of cost and net realizable value.

##### **6.4.11.2 Inventories**

- Inventories are valued at the lower of cost and/or net realizable value.
- Cost includes all direct expenses incurred in bringing the inventories to their current state under normal operating conditions.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
- Damaged and obsolete inventories are written off. Provision for inventory losses during the year is charged to the Statement of Income and Expenditure.

##### **6.4.11.3 Provisions**

- Provisions are recognized when the University has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- The amount recognized as provision should be the best estimate of the expenditure required to settle the obligation at the Statement of Financial Position date. The best estimate should be determined by the judgment of the University's management and should take account of:

- Past experience of similar transactions;
  - Opinions of independent experts (where appropriate);
  - Uncertainties caused by weighting all possible outcomes (i.e. expected value);
  - Appropriate policies.
- Where the University expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Income and Expenditure net of any reimbursement.

#### 6.4.11.4 Leases

- The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date and whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A re-assessment is made after inception of the lease only if one of the following applies:
  - a. There is a change in contractual terms, other than a renewal or extension of the arrangement;
  - b. A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
  - c. There is a change in the determination of whether fulfilment is dependent on a specified asset; or
  - d. There is a substantial change to the asset.
- Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a) (c) or (d) and at the date of renewal or extension period for scenario (b).

#### 6.4.11.5 University as a lessee

- Finance Leases (*which transfer to the University substantially all the risks and benefits incidental to ownership of the leased item*) are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Income and Expenditure.
- Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the University will obtain ownership by the end of the lease term.

- Operating lease payments are recognized as an expense in the Statement of Income and Expenditure on a straight line basis over the lease term.

#### **6.4.11.6 University as a lessor**

- Leases where the University does not transfer substantially all the risks and benefits of ownership of the asset are classified as Operating Leases. Initial direct costs incurred in negotiating an Operating Lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as income in the period in which they are earned.

### **6.5 References**

- Public Financial Management Act 2016 (Act 921)
- Financial Administration Act, 2003 (Act 654)
- Financial Administration Regulations 1802.

### **6.6 Contact Person**

<b>Title</b>	<b>General Ledger/ Project Accountant</b>
<b>Department</b>	<b>Finance Directorate</b>



## 7. INCOME

### 7.1 Purpose

To set up the policies for managing the main income sources for the University.

### 7.2 RESPONSIBILITY

Responsible Officer	Director of Finance
Approval	University Council/ Finance and General Purpose Committee
Originally Issued	October 2018
Revised	N/A
Takes effect from	October 2018

### 7.3 POLICY STATEMENT

- The Income of the University includes:
  - a. Funds approved by Parliament;
  - b. monies that accrue to the University in the performance of its functions consisting of:
    - fees paid by students duly registered by the University;
    - fees, charges and dues in respect of services rendered by or through the University;
    - proceeds from the sale of publications of the University; and
    - grants, subscriptions, rents and royalties;
  - c. returns on investments;
  - d. endowments, donations and gifts; and
  - e. moneys from any other source approved by the Council.
- The Director of Finance should ensure that appropriate procedures are in operation to enable the University to receive all income to which it is entitled. All receipt forms, invoices or other official documents in use and electronic collection systems must have the prior approval of the Director of Finance.
- Levels of charges for contract research, services rendered, goods supplied and rents and lettings are determined by procedures approved by the Finance & General Purposes Committee. Proposals to amend charges should be sent to the Director of Finance for approval by the Council considering the University's academic policies and needs. The approval of fees and charges shall include any instalment and credit arrangements.
- The Director of Finance is responsible for the prompt collection, security and banking of all income received.
- The Director of Finance is responsible for ensuring that all grants approved as part of the National Budget through the National Council for Tertiary Education are received and appropriately recorded in the University's accounts. He/ she is also responsible for ensuring that all claims for funds are made by the due date.

## 7.4 DETAILED PROCEDURES

### 7.4.1 Basis of recognition

- Income is recognized to the extent that it is probable that the economic benefits will flow to the University and the revenue can be reliably measured. Income is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty.
- Income is also recognized when cash is received or when service has been rendered by the University. For cash transactions, the income is recognized on receipt of payments. For other transactions, income is recognized when it is earned by law or contract (e.g. goods or service are supplied by the University).
- The University can and does receive income from the following sources:

Revenue Type	Revenue Is Recognised
• Revenue from State / Government Grants	• Subventions for salaries and utilities from Government are to be accrued in the financial statements.
• Revenue from State / Government Grants	• Subventions for salaries and utilities from Government are to be accrued in the financial statements.
• Student Fees	• on the basis of the year in which they relate.
• Other fees and charges	• on the basis of the year in which they relate.
• Consultancies	• is recognised upon the delivery of services to the customer.
• Rental Income	• on a basis representative of the pattern of service rendered through the provision of the asset.
• Sales of Assets	• when the university has passed control of the asset to the buyer.
• Investment Income	• as it accrues, based on the interest rate applicable to the asset.
• Sales of Goods / Publications	• upon delivery of goods to the customer.
• Bequests, donations, sponsorships, fundraising etc.	• in the period of receipt.

### 7.4.2 Systems for Income Management

- The implementation and management of the Income Management System is the responsibility of the Director 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 Deans and Directors are responsible for ensuring that the Income Management System as implemented by the Director of Finance is complied with.

#### **7.4.3 Income write-offs**

- Income is to be safeguarded from loss and not to be foregone, waived, remitted or written off except where authorised in accordance with the University's regulations.

#### **7.4.4 Income Reversals**

- The University's recognised income should be reversed where:
  - it has been raised incorrectly; or
  - where previously expected benefits are no longer going to occur.
- Unless otherwise specified, all Income Reversals should be approved in accordance with the University's policies. This policy does not apply to the write-off of bad debts in accordance with the University's policy on collections.
- All Income Reversals shall be:
  - signed by a recommending officer and the Director of Finance;
  - supported by documentary evidence as to why the reversal is required.

#### **7.5 References**

- The UHAS Act
- The UHAS Statutes
- The UHAS Annual Budget as approved by Council

#### **7.6 Contact Person**

<b>Title</b>	<b>Treasury Accountant</b>
<b>Department</b>	<b>Finance Directorate</b>

## 8. STUDENT FEES & OTHER CHARGES

### 8.1 PURPOSE

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

### 8.2 RESPONSIBILITY

<b>Responsible Officer</b>	<b>Director of Finance</b>
<b>Approval</b>	<b>University Council/ Finance and General Purpose Committee</b>
<b>Originally Issued</b>	<b>October 2018</b>
<b>Revised</b>	<b>N/A</b>
<b>Takes effect from</b>	<b>October 2018</b>

### 8.3 POLICY STATEMENT

#### 8.3.1 Student Fees and charges

- The University shall have a policy of full cost recovery in the determination of fees and charges including charges due for admission, registration, accommodation, programmes of study, examinations, and conferment of degrees and otherwise.
- Recommendations on the level of all standard fees are made on an annual basis by the Finance and General Purpose committee
- The University Council shall approve the University fees and other charges every academic year towards the priority activities of the University.
- Non-standard fees and charges relating to specific courses of study must be based on sound business planning; and are recommended to the Council by the, Schools and Departments in which the courses are taught.
- All fee income must be collected in accordance with Section 8.4.4 on the Procedures for paying Fees. Students in debt to the University will be subject to a formal debt collection process including referral to the University's solicitors for legal action in appropriate cases.
- The Director of Finance is responsible for ensuring that all student fees due to the University on accredited courses are received. University regulations require that students shall pay such fees representing charges due for admission, registration, accommodation, programmes of study, examinations, conferment of degrees and otherwise, including payment of money owed to the University in respect of loans, books or other equipment or materials, at such times, and in such manner, as may be fixed from time to time by the Council.

- No person shall be registered as a student of the University until:
  - Fees have been paid in full, or arrangements have been made which are acceptable to the University for the payment of such fees for the current academic year by instalments. Unless otherwise sanctioned by the Council, a student shall cease to be a registered student if arrangements for payment by instalments are not fulfilled;
  - If applicable, all other fees and sums due to the University incurred in the previous academic year have been discharged in full.
  - No student may be admitted to any assessment unless he or she has paid such fees as may have been prescribed by the Council for the purposes of assessment. The Vice-Chancellor shall have the power to direct that the assessment result for any student who has not paid in full all fees, loans, charges or other sums due to the University shall not be published, nor submitted to the Council for confirmation, until all such debts have been paid in full.

### **8.3.2 Accounting for financial aid and scholarships**

- A bursary or scholarship is a payment made to a student from the University's own funds. These payments are made to students dependent on certain criteria, such as the financial position of the student. Such criteria are determined through the University's internal policies, or may be determined by regulatory bodies.
- It is expected that bursaries and scholarships will be accounted for gross as expenditure. This reflects the nature of the transaction, which will be a payment of funds by the University.
- Where bursaries or scholarships are paid from endowment funds, reference should be made to the accounting and disclosure requirements set out in Section 6.4.5(a).
- Bursaries paid from funds of third parties, where the University is acting in an Agency capacity, should be accounted in accordance with the guidance provided under Section 6.4.5(b).

## **8.4 DETAILED PROCEDURES**

### **8.4.1 Introduction**

- All students on a programme of study at the UHAS will be required to pay approved fees and all other charges in respect of each academic year of the period of study.

### **8.4.2 Basis of recognition**

- The University should recognize fees and charges when the rights to consideration exist and contractual performance has taken place.

### 8.4.3 Fee Setting

- Fees must be set annually through the Fees setting process which has been approved by the Council. Management is responsible for fixing and recovery of the fees and other charges to be paid by students.
  - A proposal is submitted to the Finance and General Purposes Committee each year proposing fees for all categories of students for the following academic year.
  - The level of the fees recommended by the Finance and General Purposes Committee is subject to approval by the Council.
  - The approved fees must be forwarded to Students Accounts office which will update the Fee Matrix within the Students Debtors sub-system.
- *Enrolment Statement:* All students are required to agree to abide by the rules and regulations of the UHAS.

### 8.4.4 Procedures for Paying Fees

- The students shall be required to pay fees and other approved charges in accordance with the deadlines.
- Any student who fails to meet his/her fees payment obligations with the University on time is officially allowed a temporary withdrawal in writing
- The options open to students in the payment of their fee are as follows:
  - **Regular Students:**
    - Freshmen: Payment in full before or at the beginning of the academic year;
    - Continuing Students: Payment in two instalments (normally payable at the beginning of each semester), upon acceptance by the Director of Academic Affairs;
  - **Foreign Students:** Payment in full before or at the beginning of each academic year;
- All such payments are to be affected by a direct deposit via the trans-flow system at designated banks.
- *Payment of Residential Fees:* An offer of University residence is made on the basis that the residence is available on a semester basis and at the rates approved by the Council.
- Residential fees are payable by direct deposit at the designated banks and the due dates for payment will be confirmed at the point at which an offer of residence is made.

#### **8.4.5 Sponsored students**

- Students should provide proof of sponsorship to the Finance Directorate and it is the responsibility of the student to inform their sponsor that fees are to be paid by the specified dates. In the event of sponsors not paying fees when due, the student becomes personally responsible for paying the full fee. Payments are to be made in accordance with procedures relating to regular students above.
- If a student is in receipt of part-sponsorship for tuition fees, unless the sponsor decrees otherwise, the sponsored part of the fee will be deducted and the student is liable for the balance on semester basis; payment is to be made in accordance with procedures relating to regular students above.

#### **8.4.6 Refund of fees**

- No refund of any fees shall be made to any student who has been dismissed or suspended by the University or who has withdrawn from studies for any other reason different from a temporal withdrawal.
- Students who pay fees in excess of the amounts they are supposed to pay to the University shall only be refunded such excess fees after completion of his/her course of study or after satisfactory evidence of withdrawal from the University, except for students on financial aid or scholarship.
- In the event of withdrawal, the following rules shall apply:
  - Voluntary withdrawal: - Refund of 70% of approved fees within agreed time limits
  - Dismissal for academic non-performance: - No refund
  - Dismissal on disciplinary grounds: - No refund.

#### **8.4.7 Payment of Other Moneys**

- Students are required to pay any other monies owing to the University in accordance with the stipulated deadlines.

#### **8.4.8 Registration of Students**

- Students shall register with the office of the Academic Affairs every semester on satisfactory confirmation of payment of all University fees by the Finance Directorate
- No student shall be registered by the Office of the Academic Affairs, unless the student has paid all University fees.
- Any student who has not registered due to non-payment of University fees shall not be allowed to access University services including but not limited to the library, medical, accommodation, lectures, academic assessment tests and assignments, examinations and other services.

### 8.4.9 Taking of Examinations by Students

- No students shall be allowed to sit for any examination(s) without completing payment for all the University fees and charges due him/her.
- The office of the Academic Affairs shall work closely with the Finance Directorate and School Deans to ensure that no student is allowed to take examination (s) without full payment of University fees.
- The Deans and Heads of Academic Departments, Examination Supervisors and Invigilators shall ensure that no student is allowed to sit an examination unless such a student has provided evidence of full payment of all University fees.

### 8.5 References

- The UHAS Act
- The UHAS Statutes
- The UHAS Annual Budget as approved by Council

### 8.6 Contact Person

<b>Title</b>	<b>Student Accounts Officer</b>
<b>Department</b>	<b>Finance Directorate</b>



## 9. TREASURY MANAGEMENT

### 9.1 PURPOSE:

To set out the requirements to enable the UHAS to identify, collect and bank all income to which it is entitled.

### 9.2 RESPONSIBILITY

<b>Responsible Officer</b>	<b>Director of Finance</b>
<b>Approval</b>	<b>University Council/ Finance and General Purpose Committee</b>
<b>Originally Issued</b>	<b>October 2018</b>
<b>Revised</b>	<b>N/A</b>
<b>Takes effect from</b>	<b>October 2018</b>

### 9.3 POLICY STATEMENT

#### 9.3.1 General Issues

- The Council is responsible for approving a Treasury Policy Statement setting out a strategy and policies for cash management, investments and borrowings. The Finance and General Purposes Committee has the responsibility to ensure implementation, monitoring and review of such policies.
- All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Director of Finance who will prepare procedures including an appropriate reporting system. All borrowing shall be undertaken in the name of the University.
- The Director of Finance will report to the Finance and General Purposes Committee on the activities of the Treasury operations and on the exercise of treasury powers delegated to him/her.
- The Director of Finance is responsible for ensuring that appropriate procedures are in operation to enable the University to receive all income to which it is entitled. All receipt forms, invoices or other official documents in use and electronic collection systems must have the prior approval of the Director of Finance.
- It is the responsibility of all employees to ensure that income due to the University is maximized by the efficient application of agreed procedures for the identification, collection and banking of such income.

### 9.3.2 Banking Operations

- The Council is responsible for the appointment of the University's bankers and other professional advisors on the recommendation of the Finance and General Purposes Committee.
- The Director of Finance with the authorization of the Vice-Chancellor may open or close bank accounts with the University's bankers. All requests to the University's bankers to open or close a bank account shall be in writing and signed by both the Director of Finance and one other individual authorized to sign cheques. The Director of Finance shall inform the Finance and General Purposes Committee whenever an account has been opened or closed.
- All bank accounts shall be in the name of the University or one of its subsidiaries.
- In the case of a subsidiary agency, the Memorandum of Understanding between the company and the University shall describe responsibility for the agency's bank accounts.
- A summary of all bank accounts and trust arrangements with banks must be reported annually to the Director of Finance by the Treasury Office for review.
- The Director of Finance is responsible for ensuring that University bank accounts are regularly reconciled, and that there are adequate procedures to ensure security over cheques and any other means of transferring funds.

### 9.3.3 Signatories to Bank Accounts

- Details of bank mandates and of authorized signatories and limits shall be provided for in the procedures which are available internally to the Finance Directorate. Details of bank mandates and of authorized signatories shall be approved by the Finance & General Purposes Committee.
- Officers responsible for committing, certifying, or authorizing the receipt/ disbursement of funds shall judiciously and honestly carry out their duties in the best interest of the University. For this and other control reasons, two signatures are required on all cheques drawn on the UHAS-controlled bank accounts.
- All cheques drawn on behalf of the University must be signed in the form approved by the Finance & General Purposes Committee. Authorized signatories to the University's Bank account are in two categories:
  - Category A:** Director of Finance, Accountant (Finance Directorate)
  - Category B:** Vice Chancellor, Pro-Vice Chancellor and Registrar
- The use in the Financial Policies of the term "authorized signatory" shall encompass electronic as well as written signatures. The term "electronic signature" means data in electronic form which are attached to or logically associated with other electronic data

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and which serve as a method of authentication. Electronic signatures must only be used in such circumstances and for such transactions as have been approved in advance by the Director of Finance.

- All such electronic signatures shall take such form and technical specification as required by the Director of Finance. In all cases, electronic signatures must be:
  - uniquely linked to the signatory,
  - capable of identifying the signatory,
  - applied using means that the signatory can maintain under his or her sole control,
  - linked to the data to which it relates in such a manner that any subsequent change of the data is detectable;
- Employees are reminded that the misuse of electronic signatures, including using the signature of another person, is forbidden with regard to electronic signatures as it is for written signatures. In both cases, misuse shall lead to disciplinary action and a report to the Police.
- It is forbidden for a member of staff to apply another person's signature, whether written or electronic, even if this is done at their request. In such cases, both persons are at fault and may face disciplinary and / or criminal sanctions.
- Details of authorized persons and their limits shall be provided for in the University's detailed financial procedures.

### **9.3.4 Separately Administered Bank Accounts**

- As a matter of efficiency and control it is the practice of the Finance Directorate to maintain as few bank accounts as possible. There may, however, be circumstances which require the establishment of separate bank accounts for a Colleges, Faculties, Institutes, Schools, Departments and Centres and any other establishments' use. An example would be an off campus facility that does not have convenient access to the University Accounts Payable Department.
- Separately administered bank accounts must be established through the Finance Directorate.
- All accounts and authorized signatories must be authorized by the Finance and General Purposes Committee.
- All accounts must have authorized signatories including representatives from the Finance Directorate.
- Separately administered bank accounts are to be used only for their intended purpose.

## 9.4 DETAILED PROCEDURES

### 9.4.1 Introduction

- Treasury management is a central function of the University and is managed by the treasury team within the Finance Directorate.
- Treasury management is the management of all cash resources and funding requirements of the University and its funding institutions and agencies and the control of associated risks.

### 9.4.2 Register of Bank Accounts

- The Director of Finance shall maintain a register of all University bank accounts. At a minimum the bank account register shall contain 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*).

### 9.4.3 Authorised Signatories

- Only the signatories approved by the Council shall be authorised to sign cheques and approve standing orders or direct debits on behalf of the University. The Financial Regulations set out the types of authorised signatories that exist in the University to enable the exercise of financial authority and responsibility.
- The number of authorised signatories that exist in the University must be kept to a minimum. Deans and Directors must conduct a regular review of the number of signatories that are required to permit the optimal financial management in their Schools and Departments.
- In accepting the role of an Authorised Signatory, the individuals concerned must familiarise themselves with the Financial Policies and Procedures Manual and ensure compliance thereto.

### 9.4.4 Review of all Authorised Signatories

- The Director of Finance shall undertake an annual review of all Authorised Signatories to ensure that:
  - all Authorised signatories are members of the University.
  - the available Authorised Signatories meet the University's requirements;
  - Authorised Signatories who are no longer required are removed.

- A review must be undertaken by the Director of Audit at least once a year to ensure that only current members of the University are included.

#### 9.4.5 Review of Banking Arrangements

- The Director of Finance shall ensure that at least every five years a review of the University's banking facilities is done and a report made to the Finance and General Purposes Committee. The review shall consider whether the banking facilities:
  - provide access to account balances and transactions in a manner suitable to the University's requirements;
  - fees and charges structure are cost effective;
  - issues have, in the past, been dealt with in a timely manner; and
  - represent the best value for money option.
- The review shall also consider whether other banks can offer superior services or would represent a better value for money option.

#### 9.4.6 Cash Collection and Banking Procedures

- The management and safekeeping of cash is of prime importance to the University. It is essential that all University staff adhere to the Cash Handling and Banking Procedures in place to reduce the risk of misappropriation of funds to the University and to protect all staff dealing with cash as part of their duties. Failure to adhere to the Procedures is a serious matter and will be dealt with in line with the University's *Disciplinary Policy*.
- Cash throughout this procedure document not only relates to GH¢ notes and coins but also to foreign currency, cheques, and other cash instruments.
- All monies received within Schools and Departments from whatever source must be recorded on a daily basis together with the form in which they were received. Receipts must be given where money is paid using official receipt stationery.
- To safeguard cash and to ensure the timely and proper posting of accounts, cash receipts from the Schools and Departments must be deposited intact on the day of receipt at the bank or for deposit in the University Cash Office. If this is not possible (e.g., the cash receipts were received after the Cashier's Office has closed for the day), the cash receipts from the Schools and Departments must be safely secured overnight and deposited on the next business day, or deposited in the afterhours depository available in the Bank.

#### 9.4.7 Methods of Receiving Cash

- Cash can be received by the following means:
  - **Payment directly into the bank account:** This is the preferred method of receiving cash and should be promoted to students and commercial customers at all times. To remove the potential for mis-allocation of cash received it is essential that the

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students' PIN number or invoice number is quoted as a bank reference when making such payments. Students and Commercial customers are to contact the Finance Directorate for confirmation of the relevant bank account details.

- **Payment by cheque:** All cheques should be made payable to 'University of Health & Allied Sciences or the relevant subsidiary institutions and agencies and crossed. It should be ensured that the drawers name is quoted. Cheques should be marked for the attention of the Finance Directorate. Students and Individual personal cheques shall not be accepted for payments of amounts due to the University.
- **Payments by cash:** Such payments should only be accepted where the above options are not possible. Payments must be in person at the Cash Office, Finance Directorate - University of Health & Allied Sciences, Ho (or any designated collection point).
- To protect the welfare of staff and to ensure cash is secure at all times, cash is securely collected from the designated locations in the University and locked in a safe awaiting banking.
- It is the responsibility of all Deans and Directors to be aware of all locations where cash is collected in their schools and departments and ensure the Cash Handling and Banking Procedures are followed. If cash is collected outside the above locations the Treasury Team within the Finance Directorate must be contacted immediately to ensure the safekeeping and banking of the funds takes place.
- Deans and Directors must also ensure all employees handling cash are made aware of the responsibilities surrounding this task and that the Cash Handling and Banking Procedures are adhered to at all times.
- Cash Handling
  - When physically counting cash, cashiers are to take their time and if unsure, do the count again. Where a large volume of mixed notes is being handled, it is useful to split them into their denominations before counting to avoid confusion. Cashiers should not be distracted or intimidated by customers. Where a customer is disputing the value of cash handed over, a colleague should be asked to assist in double counting.
  - A member of staff collecting cash and cheques is personally responsible for their safe custody and that of bank paying-in books.
  - Personal cheques shall **not** be cashed out of any monies held on behalf of the University.
  - Cash collected by schools and departments must **not** be used as petty cash to fund minor disbursements.
  - IOUs must **not** be accepted.

- Employees receiving cash and cheques in the course of their duties shall be required to remit all monies and/or bank in full promptly and no later than one (1) working day of receipt.
- Cash held in the till should be kept to a minimum.
- When taking a cheque from a customer the following issues should be taken into consideration:
  - Valid Date
  - Correct Payee
  - Amount in words and figures match
  - Signature
  - Any amendment is initialled

#### **9.4.8 Receipting of Cash**

- All receipts in use throughout the University shall be University approved receipts;
- People and organisations who pay over monies directly to Schools and Departments are entitled to a receipt;
- Individuals or Schools and Departments that are likely to receive monies should request a sequentially numbered receipt;
- Receipts should be made out for all monies collected;
- Where it is impractical or impossible to hand out or post a receipt the top copy should be left intact in the book;
- All spoilt receipts should be marked 'cancelled' and left in the receipt book. A new receipt should be made out to replace the spoilt receipt;
- Where there is the likelihood that cheques and cash will be regularly received in the post, the responsibility for opening mail must be delegated to two individuals together.

#### **9.4.9 Reconciliation of Cash**

- Moneys paid into the University Accounts with the respective Banks are reconciled periodically by the Treasury and Student Accounts office.

#### **9.4.10 Reconciliation by Cash Collection Points**

- Each location across the University is responsible for reconciling their cash receipts. All such receipts must be reconciled at the end of each working day by the designated member of staff responsible for cash handling at each site. All such receipts should be lodged at the Treasury or at the bank.

#### 9.4.11 Bank Reconciliation Statement

- All Bank Accounts shall be reconciled in accordance with the University’s policy on Reconciliations.
- The following standard procedure shall be followed in conducting and preparing the bank reconciliation statements:
  - the Reconciliation section shall receive and review the bank statements relating to the University Bank Accounts to ensure completeness prior to the conduct of the reconciliation.
  - The staff of the Reconciliation section shall reconcile and prepare the bank reconciliation statements for the University Bank Accounts.
  - Reconciliation of payments shall involve matching transactions on the bank statement with entries on the credit side of the cashbook.
  - Reconciliation of lodgements shall involve matching transactions on the bank statement with entries on the debit side of the cashbook.
  - Staff of the Reconciliation section shall prepare a bank reconciliation statement showing the balances on the bank statements, including outstanding/unpresented cheques and deposits to give a reconciled balance by comparing to the balances in the various cashbooks.
  - The Director of Finance shall review the reconciliation statement and follow-up on all un-reconciling or outstanding transactions. The Director of Finance shall also ensure that entries, which were previously omitted in the cashbook, are entered. These include un-receipted lodgements/direct credits and direct debit transfers.
  - The Director of Finance shall also certify the approved bank reconciliation statements.
  - The Internal Audit shall perform independent verifications of all bank accounts and reconciliation statements on quarterly basis.

#### 9.5 References

- Public Financial Management Act 2016 (Act 921)
- Financial Administration Act, 2003 (Act 654)
- Financial Administration Regulations 1802.

#### 9.6 Contact Person

<b>Title</b>	<b>Treasury Accountant</b>
<b>Department</b>	<b>Finance Directorate</b>



## 10. MANAGEMENT OF PROJECTS AND RESEARCH FUNDS

### 10.1 PURPOSE

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

### 10.2 RESPONSIBILITY

<b>Responsible Officer</b>	<b>Director of Finance</b>
<b>Approval</b>	<b>University Council/ Finance and General Purpose Committee</b>
<b>Originally Issued</b>	<b>October 2018</b>
<b>Revised</b>	<b>N/A</b>
<b>Takes effect from</b>	<b>October 2018</b>

### 10.3 POLICY STATEMENT

- Research can be defined as an original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective. It can use existing knowledge in experimental development to produce new or substantially improved materials, devices, products and processes including design and construction. It excludes routine testing and analysis of materials, components and processes.
- All bids for research grants and contracts must be prepared in accordance with the University's Financial Procedures. No submission will be made or commitment entered into before the completion of this approval procedure.
- The Director of Finance should ensure that the full cost of research contracts is established. The research agreement must be in line with the University's policy with regard to indirect costs and other expenses and should also take account of different procedures for the pricing of research projects depending on the nature of the funding body. Where there is a conflict between University policy and the procedures of the funding body, the agreement must be approved by the Vice-Chancellor.
- The Director of Finance shall maintain all financial records relating to research grants and contracts.
- Funders often have their own rules on the administration of awards, including financial management and reporting requirements. It is the responsibility of the principal investigator to ensure compliance with all of the funders' rules; advice can be sought from the Director of Finance.
- The University Policies and Procedures apply to research grants and contracts and it is the responsibility of the principal investigator to ensure compliance with these rules.

- Any loss to the University resulting from a failure to meet conditions of funding, tax legislation or arising from exchange rate differences is the responsibility of the HOD acting through the Principal Investigator and will be charged to the department's budget.

## **10.4 DETAILED PROCEDURES**

### **10.4.1 General Issues**

- Where approaches are made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of Deans and Directors to:
  - ensure that a financial appraisal is conducted before any contract is agreed upon; and
  - obtain a set of grant terms and conditions from each organization providing funding to enable the appropriate monitoring of compliance.

### **10.4.2 Recovery of Cost**

- The Principal Investigator in consultation with the Director of Finance should also ensure that the full cost of research contracts is established. The research agreement must be in line with the University's policy with regard to indirect costs and other expenses and should also take account of different procedures for the pricing of research projects depending on the nature of the funding body.
- The University has an obligation to ensure that eligible costs are recovered from external grant-awarding bodies and other organisations that fund research and services work. The University is also required to demonstrate that those of its activities that receive funding from external organisations are sustainable in the longer term. Where the full economic cost of Research or University Services projects cannot be recovered from external funders, and a School or Department wishes to proceed with the project, the University must be able to demonstrate that a conscious decision has been taken to contribute to the cost of the work from internal resources and the source of the contribution identified and approved by the relevant Dean or Director.

### **10.4.3 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 University'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 Directorate should work closely together in order to ensure compliance with the University's Financial Policies and related Procedures.

#### **10.4.4 Applying for Research Grants and Contracts and University Services Contracts**

- All applications for Research Grants and Contracts and University Services projects must be sent to the Finance Directorate for checking and the Vice Chancellor for formal approval on behalf of the University 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 Finance Directorate **at least 5 working days prior to any deadline** for submission to external bodies. This will enable Finance Directorate 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 University 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 his/her School or Department have been followed and that the Dean or Director, or a nominated deputy, has had sufficient opportunity to consider, approve and sign off the proposal before it is brought to Finance Directorate. Increasingly, applicants are required by various research funding bodies to commit to making a direct cash contribution (such as meeting a proportion of the cost of equipment to be procured from a UHAS grant) 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 Dean or Director must approve the commitment to be entered into; and
  - the School or Department must obtain confirmation from the Finance Directorate that the source of funding identified within the School or Department to meet the commitment is available and sufficient for that purpose. Finance Directorate will be unable to authorize submission of any such application without first receiving this confirmation from the Dean or Director and the Finance Directorate.
- Only persons authorised by the University are permitted to sign contracts and agreements on behalf of the University. Research grants and contracts are accepted formally on behalf of the University by the Vice Chancellor and School and Department **staffs have no authority to commit the University to financial terms with funding bodies prior to such authorisation**. Any draft agreement received from a funding body must be forwarded to the University's legal counsel. Where a document, such as a contract or agreement, relating to a research or services project requires the University seal to be affixed, the VC will request the Registrar to effect such sealing.

#### **10.4.5 Financial Administration of Research Grants and Contracts and University Services Contracts**

- Formal acceptance of awards and contracts may only be made on behalf of the University by authorised signatories.
- After receipt of either:
  - a grant award letter from the funding body; or
  - signature by the funding body and the University of an agreement governing the work; or
  - receipt of formal acceptance of a quotation from the funding body,
- Finance Directorate will notify the Principal Investigator and the Dean or Director 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 School or Department by Finance Directorate. 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 University (such as in order to recruit or retain a key researcher), the School or Department must obtain the prior approval of the Finance Directorate to underwrite those costs.
- The Finance Directorate is responsible on behalf of the University for the proper financial management of Research and University Services projects and for the preparation, authorisation and submission of any periodic claims or invoices to the funding body. The

Principal Investigator must provide Finance Directorate with all reasonable assistance to enable Finance Directorate to fulfil this responsibility.

- For those Research and University 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 Directorate, in writing, to submit invoices to the funder at the appropriate time. In the financial management system, Schools 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 Directorate authorised by the Dean or Director or a nominated deputy. Subject to any overriding terms and conditions of the funding body, Finance Directorate 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 Directorate rather than that of the Principal Investigator alone. Finance Directorate should be informed as soon as possible if the Principal Investigator becomes aware of any concerns of the funding body in this regard. Finance Directorate is also responsible for co-ordinating any audits that may be required to comply with the funding body's terms and conditions of funding.

#### **10.4.6 Recovery of Direct and Indirect Costs**

- The recovery of direct and indirect costs on research and University services projects is reviewed periodically by the Finance Directorate and any proposed changes submitted to the Finance and General Purposes 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 University's policy for their distribution between Schools and central University Costs.

#### **10.4.7 University Services Projects (Services Rendered and Consultancies)**

- Procedures for University Services projects (services rendered and consultancies) follow the same pattern as set out above for research. In line with funding guidelines, the University seeks to recover full economic costs for University Services projects carried out for external organisations. Projects will therefore be costed as described above for research [para 10.4.6]. Schools and Departments should also seek to charge a profit for

such work where it is anticipated that the client will gain substantial commercial advantage from the work undertaken by the University and its staff.

- Where a School or Department wishes to undertake University Services work at less than full economic cost, a written justification signed by the Dean or Director (or nominated deputy) must accompany the request to Finance Directorate. The justification must set out the case for a reduced price to the client and confirm that the School or Department will subsidise the full economic cost of the project from its own resources.
- Income from the University Services will be applied to meet the costs of all project staff and other Directly Incurred costs associated with the project. Directly Allocated costs (including Estates costs) and Indirect costs will be charged and allocated in accordance with the University's policy.

#### **10.4.8 Duties of Principal Investigator**

- In preparing a research application or University services proposal, it is the Principal Investigator's responsibility to ensure that it is completed in sufficient time prior to any deadline for submission to an external funding body to enable internal peer review, authorisation and (for electronic submission) despatch by Finance Directorate. Such proposals should be submitted to Finance Directorate at least 5 working days before the deadline.
- More specifically, before the application or proposal is passed to Finance Directorate for final authorisation, the Principal Investigator must ensure:
  - that the staffing and other resources identified in the proposal will be sufficient to enable the work to be carried out to the highest standard in the event that the project is funded;
  - that cost estimates for the use of any University-designated facilities and for goods or services to be purchased from third parties for the proposed work are up-to-date and comply with any procurement requirements of the funding body or the University;
  - that all approvals or licenses that are required for the proposed work from an external regulatory or similar body have been identified and steps taken to obtain such approvals or licenses where necessary;
  - that any specific or exceptional requirements concerning the proposal such as building or refurbishment needs, utilities, health and safety matters, equipment purchasing, advanced computing or similar services have been fully discussed and agreed with the relevant administrative Directorate;
  - that all quality assurance or similar internal peer review or approval procedures required by his/her School or Department have been satisfied.
- Following the formal acceptance of a research award or University services contract by the University, the Principal Investigator is responsible for the conduct of all work required under the grant or contract. In particular, it is the Principal Investigator's responsibility to ensure:

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- proper financial management of the project in accordance with the terms and conditions of the funding body and the University's Financial Policies;
- that all eligible costs properly incurred in undertaking the project are charged to the specific project account code established for this purpose;
- that expenditure on the project is monitored regularly and remains within the budget established at the outset, wherever possible; where variances arise, to ensure that Finance Directorate is alerted at the earliest possible opportunity such that appropriate adjustments may be made to the project budget (with the approval of the funding body, where necessary);
- that all records of the work undertaken and the personnel and other resources deployed to undertake the work are maintained in such detail and for such duration as are necessary to satisfy internal or external audit of the project and the financial terms and conditions of the relevant funding body; these records shall include, where required by the funding body formal time sheet records of staff and student time spent on funded projects; such time sheets must be completed and signed by the individual concerned, confirmed through the signature of the Principal Investigator and backed up by appropriate supporting documentary evidence of the work undertaken by personnel such as meeting records, written reports and dated records of scientific tests or other research carried out by the individual concerned;
- that all reports of work carried out that are due to the funding body under the terms of the grant or contract are prepared and submitted in a timely fashion and in accordance with the contractual conditions agreed with the funding body;
- where invoicing is due only after completion of the work, or in stages following the achievement of specified milestones in the work programme, that Finance Directorate is notified in writing to invoice the funding body at the appropriate time;
- that any actual or potential conflicts of interest are disclosed at the earliest opportunity.

### **10.4.9 Use of University Facilities**

- In accordance with University rules, a number of specific facilities have been designated for which charge-out rates are calculated annually. Where a research grant application (or services project proposal) identifies the use of a specified University facility at the standard charge-out rate, the Principal Investigator must use that facility and not procure an alternative service elsewhere in the event that the application is funded. This is to ensure effective planning for a high utilization rate and for the sustainability of these designated University facilities.

### **10.4.10 Debt Recovery**

- In all cases where the organisation providing funding for a research or University services project has not made due payment for work carried out, it is the responsibility of the Director of Finance to initiate the University's debt recovery procedures. In the first instance, the Director of Finance will refer the matter to the Principal Investigator and the

Dean or Director concerned in order to ascertain whether the funding body has a valid reason for non-payment. Where no such valid reason exists, the University would proceed with its formal debt recovery procedures.

#### **10.4.11 Close Down of Research and Services Rendered by the University**

- All relevant costs need to be charged to the specific account set up for the research or University services project. If a surplus exists on a research or University services project account after the project has been completed and where the funding body is not liable to have any funds returned, the account will be closed by transferring the balance to the School or Department account.

#### **10.5 References**

- The UHAS Statutes
- The UHAS Annual Budget as approved by Council

#### **10.6 Contact Person**

<b>Title</b>	<b>Research &amp; Project Accountant</b>
<b>Department</b>	<b>Finance Directorate</b>



## 11. OTHER INCOME – GENERATING ACTIVITY

### 11.1 PURPOSE

To provide a general guide on the policies for the collection and accounting for other income generating activities in the University.

### 11.2 RESPONSIBILITY

Responsible Officer	Director of Finance
Approval	University Council/ Finance and General Purpose Committee
Originally Issued	October 2018
Revised	N/A
Takes effect from	October 2018

### 11.3 POLICY STATEMENT

#### 11.3.1 Non-Research Contracts

- All proposals for non-research work and new business ventures or initiatives are governed by the University's Financial Procedure Section 10.4.4. No bids will be made or commitment entered into before the completion of this approval procedure.
- The HOD in conjunction with the Director of Finance has responsibility for ensuring proper financial control, monitoring of expenditure, preparing claims and compliance with the terms of the grant or contract, but may delegate authority to the named grant/contract holder. The Department/Centre/Activity administrator or Finance Officer will provide pricing, costing, legal and accounting support and the Department/Centre/Activity will raise all invoices and grant claims.
- Any loss to the University resulting from a failure to meet conditions of funding, tax legislation or arising from exchange rate differences is the responsibility of the HOD and will be charged to the associated departmental budgets.

#### 11.3.2 Private Work and Other Appointments

- Members of staff must comply with all the needed requirements when carrying out private work and other appointments. The requirements include the need to obtain appropriate approval to carry out the work; consideration of any associated conflicts of interests; and recording of the work in a departmental register of private work.

### 11.3.3 Short courses, sandwich programmes and other services rendered

- All short courses, sandwich programme and other services are governed by the University’s regulations. All such short courses, sandwich programme and other services should normally be priced to recover full economic costs.

### 11.3.4 Partnership activities

- All partnership activities shall be initiated, developed and monitored in line with the partnership framework approved by the Council. The recommended criteria for what constitute a University partnership include:
  - positive impact on the student experience for significant numbers of students;
  - contribution to the achievement of University-level strategy;
  - University-wide impact;
  - designated lead contact for partnership; and
  - value for money.
- A partnership analysis shall be maintained for all existing and new partnerships by the partnership manager, with support from a central partnerships officer or business development manager.

### 11.4 References

- The UHAS Act
- The UHAS Statutes
- The UHAS Annual Budget as approved by Council

### 11.5 Contact Person

<b>Title</b>	<b>Treasury Accountant</b>
<b>Department</b>	<b>Finance Directorate</b>

## 12. ACCOUNTS RECEIVABLE

### 12.1 PURPOSE

This section aims to provide guidance to staff, students and others on the administration and management of UHAS debtors

All practical means will be undertaken to collect outstanding amounts owed the University. Appropriate debt collection procedures have been developed to ensure adequate controls are in place to minimise bad debts.

### 12.2 RESPONSIBILITY

<b>Responsible Officer</b>	<b>Director of Finance</b>
<b>Approval</b>	<b>University Council/ Finance and General Purpose Committee</b>
<b>Originally Issued</b>	<b>October 2018</b>
<b>Revised</b>	<b>N/A</b>
<b>Takes effect from</b>	<b>October 2018</b>

### 12.3 POLICY STATEMENT

- A receivable is money owed to the University for goods or services purchased on credit. All University debt is administered through the University's finance systems.
- Cost effective procedures must be employed to ensure collection of all accounts receivable in a timely fashion. Such procedures may include due legal process where applicable.
- Appropriate checks must be undertaken to ensure the credit worthiness of customers. The University will not engage with potential customers who fail such checks. Invoicing must be undertaken in line with the billing requirements agreed with customers.
- Prompt and effective action must be taken to collect all overdue debts, with outstanding debts being monitored and appropriate action taken. The Director of Finance is responsible for implementing credit arrangements and indicating the periods within which different types of invoices must be paid.
- Requests to write off individual debts must be referred to the Director of Finance for submission to the Finance and General Purposes Committee for consideration.

### 12.4 DETAILED PROCEDURE

#### 12.4.1 General issues

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

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- debtors' invoices are raised promptly on official invoice stationery, in respect of all income due to the University;
  - 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 authorized and completely recorded;
  - moneys received are posted to the correct debtors account;
  - swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the Procedures 12.4.2 – 12.4.11 below; and
  - outstanding debts are monitored and reports prepared for management.
- Monthly reviews of Accounts Receivable will be undertaken to ensure compliance to procedures.

### **12.4.2 Student Debtors**

- Students who have an overdue debt will have a range of Negative Service Indicators placed on their record. An overdue student debt occurs when a student fails to pay their debt to the University within the terms specified. Management of the collection of accounts receivable is centralised within the University's Finance Directorate, with the Schools and Departments sharing responsibility for debt collection from students within those Schools and Departments.

### **12.4.3 Disputes Relating to Services Rendered or Charges Imposed**

- A student who wishes to dispute whether an amount is payable, must raise their complaint in writing to the Director of Finance.

### **12.4.4 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 University's Debt Recovery Agent until settlement of the overdue amounts.
  - An invoice will be issued after an amount becomes payable to the University. 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 University students will result in Negative Service Indicators (NSI's) being applied to their student account administered within the student database.

#### **12.4.5 Disputes Relating to Services Rendered**

- A person who wishes to dispute whether an amount is payable should raise their concerns with the Finance Directorate in the first instance.

#### **12.4.6 Commercial Entities**

- The commercial entities (University Bookshop, etc.) will be responsible for issuing account reminder letters, performing recovery procedures similar to the general debtor recovery procedures outlined in these procedures and referral to the University Debt Recovery Agent.

#### **12.4.7 Staff Debtors**

- Staff debtors may be recovered by any of the following methods:
  - Direct payments to the University 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 UHAS.

#### **12.4.8 Unapproved expenditures**

- All University expenditure must be approved. In the event an employee or student incurs unapproved or personal expenditure, an invoice will be raised and recovery procedures commenced in accordance with the commercial and general debtor principles outlined 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 University property;
    - misuse of privileges and facilities;
    - other expenses deemed private by any other University policy.
- Should an overpayment by the University 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.

#### **12.4.9 Write Offs**

- The write-off of debts shall occur as detailed in the University's Bad Debts Principles and Procedures as indicated in S12.4.12 below.

#### **12.4.10 Potential Risk of Non-Compliance**

- Continued provision of goods and services to students, staff and other debtors who do not pay;
- Staff and students who receive travel advances are required to acquit those advances. Non-acquittal is a contravention of the Regulations and debt recovery may be instituted against those debtors, even if they have left the University;
- By not employing collection procedures debts that may otherwise have been recoverable may need to be written off;
- Steps would not be taken to recover debts with insignificant account balances, where costs of recovery including manpower, postage and collection agent fees outweigh any possible benefit that could be obtained in return;
- Debtors could be overstated due to insufficient provision for bad debts.

#### **12.4.11 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 University, 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.

#### **12.4.12 Bad Debts, Principles and Procedures**

##### **12.4.12.1 Write offs**

- Debts will be written off only when the University's recovery procedures have proven unsuccessful and further action is either not cost effective or highly unlikely to succeed.
- The decision to write off individual debts should include consideration of the cost of recovery action versus the amount of the debt being pursued.
- The Sectional Head - Accounts Receivable will recommend to the Director of Finance debts to be written off together with supporting documentation.

- The Director of Finance must propose to the Finance & General Purpose Committee for approval all debts for write off after being satisfied that the recovery procedures have been complied with and that all reasonable attempts at recovery have been exhausted.
- All debts to be written off may be delegated to the Finance and General Purposes Committee for consideration and approval.

#### **12.4.12.2 Administration & Management**

- The Director of Finance will maintain a register of debts that have been written off which, will be available for presentation to the Audit Committee. The register will record the details of the debt, the authority for write off and any subsequent action to reinstate.
- To prevent unauthorised bad debts journal entries, access to both the cash receipt function and the bad debts recording function are to be restricted with no journal adjustments to take place on the debtors' module without specific approval, as specified above.
- An independent reconciliation between approved adjustments and actual adjustment should be made. It will serve as further assurance of the validity of the accounting data. The Sectional Head - Accounts Receivable will perform a monthly review of debtors' accounts to ensure that bad debts are written off in a timely manner.
- The Sectional Head - Accounts Receivable will ensure that the General Ledger Accounts Receivable Balances is reconciled on a monthly basis to the Subsidiary Debtors Ledgers.

#### **12.4.12.3 Provision for bad debts**

- Annually the provision for bad debts will recognise any doubt as to the collectability of debts and the potential for a current debt to deteriorate and become bad.

### **12.5 References**

### **12.6 Contact Person**

<b>Title</b>	<b>General Ledger Accountant</b>
<b>Department</b>	<b>Finance Directorate</b>

## 13. PROCUREMENT

### 13.1 INTRODUCTION

Procurement is situated within the Procurement Office and the guiding principles for procuring any items for the University are enshrined in *value for money*.

### 13.2 RESPONSIBILITY

Responsible Officer	Director of Finance
Approval	University Council/ Finance and General-Purpose Committee
Originally Issued	October 2018
Revised	N/A
Takes effect from	October 2018

### 13.3 POLICY STATEMENT

#### 13.3.1 General issues

- The University's Procurement System must ensure that competitive procurements arrangements are in place including those required by the Public Procurement Authority.
- The Procurement Unit will support Schools and Departmental needs in obtaining goods and services at competitive costs. The Deans and Directors are responsible for ensuring that all purchasing activities within their areas operate in accordance with the University's Procurement Policy and Procedures and are compliant with all applicable legal requirements.
- Prior to any member of staff undertaking procurement activity, Section 2.5 of this Policies and Procedures manual, which outline Disclosure of Interest responsibilities and Code of Conduct requirements, should be read and understood.

#### 13.3.2 Requisitions, Purchase Orders and Invoices

- The commitment of any expenditure of goods and services must be in accordance with the University's Financial and Procurement Procedures and other purchasing guidance. All purchase orders must be placed in line with the University's conditions of contract.
- The systems and methods used to requisition, order and pay for all purchases of goods and services must be approved by the Finance and General Purposes Committee. Requisitions and purchase orders for goods and services must follow the University's prescribed format.
- Deans and Directors are responsible for ensuring that expenditure within their Schools and Departments does not exceed funds available.



- Payments will only be made by the Director of Finance against invoices that have been matched to Purchase Orders and Stores Received Advice authorized and entered by the appropriate Dean or Director or their designated officer.

### **13.3.3 Procurement of Goods and Services**

- All expenditure must be incurred solely in support of the objects of the University as specified in the UHAS Act and Statutes.
- The Head of Procurement is responsible for purchases for Schools and Departments and Centres and any other establishments.
- A list of University approved suppliers can be found at the Procurement Office as well as the UHAS website.
- Where approved suppliers are available these must be used for all relevant purchases. These suppliers cover a wide range of goods and services and have been selected through a competitive process.
- As a public body the University must demonstrate value for money. In using approved suppliers, the University can be sure that overall it is achieving this. In addition, in using approved suppliers the University can be sure that it is not in breach of any tendering requirements stipulated by the Public Procurement Authority which could result in serious consequences.

### **13.3.4 Tendering**

- The principles in the University's Procurement Policy will apply to all purchases. This includes the purchase of goods, services and building works. Orders for goods, services and building works may also be subject to additional rules imposed by funding bodies. Advice on tendering is available from the Procurement Office.

### **13.3.5 Building Contracts**

- Building contracts are administered by the Director of Works and Physical Development who shall initiate proposals in respect of planned replacements, general improvement schemes, space planning or in response to requests from Schools and Departments.
- Consultants may be appointed if a project, as advised by the Director of Works and Physical Development, is too large or too specialised to be dealt with within the University. Appointment of consultants shall be subject to appropriate tendering and other procedures.
- Proposals to spend approved budgets for long term maintenance and minor works must follow procedures as laid down by the Director of Works and Physical Development.

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- Major capital projects will be subject to the University's capital approval procedures. Where capital projects secure funding either wholly or in part from Government or other external bodies their procedural rules must also be followed. All contracts must be able to demonstrate best value for money.

### 13.3.6 Public Procurement Regulations

- The University must comply with all legal obligations from the Public Procurement Act.

### 13.4 References

- Procurement Manual
- Public Procurement Act 2016

### 13.5 Contact Person

<b>Title</b>	<b>Procurement Officer</b>
<b>Department</b>	<b>Procurement Division</b>

## 14. EXPENDITURES AND DISBURSEMENTS

### 14.1 Purpose

To assign responsibility and define the policies to be followed in the disbursement of University Funds.

### 14.2 Responsibility

Responsible Officer	Director of Finance
Approval	University Council/ Finance and General Purpose Committee
Originally Issued	October 2018
Revised	N/A
Takes effect from	October 2018

### 14.3 Policy Statement

#### 14.3.1 General Policies

- The Director of Finance is responsible for making payment to suppliers of goods and services to the University.
- Deans and Directors are responsible for ordering and authorising payment for purchases of goods and services through the Head of Procurement.
- Deans and Directors must not commit the University to any expenditure without ensuring that sufficient budgeted funds are available to meet the purchase cost of goods and services. Only *bona fide* expenditure as outlined in the University's Financial Procedures may be authorised from University funds. The *bona fide* rule applies to all forms of expenditure, including salaries and wages, fees and expenses, petty cash, and payments to suppliers.

#### 14.3.2 Authority Levels

- Expenditure approval thresholds of the university are as follows:

Up to GHS 20,000	Registrar
Above GHS 20,000	Vice Chancellor/ Pro-Vice Chancellor

#### 14.3.3 Petty Cash

- The Director of Finance must approve all petty cash floats. He or she shall make available to Schools and Departments such imprest floats as are necessary for the disbursement of petty cash expenses. The procedures for the use and management of petty cash are set out in the Procedures section 14.4.7 below.

#### 14.3.4 Employee re-imburements

- The University's purchasing and payments procedures are in place to enable the majority of goods and services to be procured through the creditor 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 Director of Finance and the relevant Dean or Director may jointly approve cash advances to employees who are going to incur expenditure on the University's behalf.
- Within **one week** of completion of the travel or project to which the advance relates, a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final account for an earlier advance to an individual is still outstanding.
- Unaccounted advances shall be charged against employee salaries.

### 14.4 DETAILED PROCEDURES

#### 14.4.1 Introduction

- The University is publicly accountable for all of its expenditure (including reimbursement of personal expenses) and is required to comply with the University's financial policies and procedures. The University currently spends a substantial amount annually on expenses reimbursement. Costs vary across Schools and Departments and across categories of staff. The procedures contained within this document aim to ensure that the University's position is safeguarded.

#### 14.4.2 Expenditure Management System

- The expenditure management system must ensure:
  - The recognition and recording of expenses in the accounts in a way which allows reporting objectives and accountability requirements to be satisfied;
  - The appropriate recording of expenses arising from consumption, actual loss or as a provision for a probable loss;
  - That expenses are only incurred for an authorised purpose;
  - That operational responsibility is assigned for the management of expenses in terms of strategic plans and of identifying expenses otherwise occurring or accruing; and
  - That accounting policies are to be applied in the recognition of expenses in the accounts and/or as general disclosures in notes to the financial statements are defined and consistently applied.

- 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

#### 14.4.3 Authority Levels

- These procedures set out the framework for the delegation of financial authority in the University. They are intended to act as a framework so that even if the specific situation is not defined, they should still provide a guide on the appropriate level for a specific decision. These procedures shall apply unless specific authority or powers are specified to particular persons or bodies under the Statutes, Standing Orders of Council and the Financial Policies.
- **Principles:** The following principles should underpin all decisions taken under the delegation of authority framework:
  - The decision should be consistent with the University'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 University 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 University's policy on document retention.
- Decisions which require a financial commitment should observe the following additional principles:
  - The approval of the relevant Dean and Director or their nominee should always be obtained;
  - The decision should demonstrate that value for money considerations have been taken into account.
  - Deans and Directors will be held personally responsible for all disbursements within their Schools and Departments.
- The Financial Limits are set out in Policy No. 14.3.2 as approved by the University Council.

#### **14.4.4 Payment Procedures for Invoice/ Accounts Payable**

##### **14.4.4.1 General Issues**

- UHAS 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 Vice Chancellor, Registrar, Dean or Director prior to being processed for payment. Invoices and related general ledger codes are also reviewed prior to posting to the subsidiary system.
- The UHAS 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.

##### **14.4.4.2 Supplier Master File**

- Schools and Departments within the University are responsible for obtaining appropriate documentation to establish new Suppliers. When a payment request is submitted for a new Supplier, the School or 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;
  - Fax number, if applicable;
  - Contact name; and
  - Bank account details.

##### **14.4.4.3 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 Dean or Director and verified by the Internal Audit that the invoice has not been paid previously. **Supplier statements shall not be used as replacement for invoices.**

#### 14.4.4.4 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 university's current chart of accounts.
  - Verify the approval of the dean or Director (or their designee) associated with the goods or services purchased. Approvals shall be documented with initials or signatures of the approving individual.

#### 14.4.4.5 Supplier Discounts

- To the extent practical, UHAS 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.

#### 14.4.4.6 Processing Payments

- Payments are processed on a daily basis. After processing the payment vouchers, the Accounts Payable Staff forwards the payment voucher to the Treasury who would undertake
  - the cheque print run;
  - print the Cheque Issued Report/ list of cheques issued; and
  - forward the cheque issued report to the banks for information purposes.

#### 14.4.4.7 Voided Cheques

- Cheques issued by the University that need to be voided must be approved by the Sectional Head - Treasury. The Sectional Head - Treasury provides the Bank with data on each void, including cheque number, date, payee, and amount.

#### **14.4.4.8 Payment with multiple invoices**

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

#### **14.4.4.9 Reconciliation of A/P Subsidiary Ledger to General Ledger**

- On a monthly basis, amounts due to all suppliers in the accounts payable subsidiary ledger are reconciled to the total in the accounts payable general ledger account (control account). All differences should be investigated and adjustments should be made as necessary. The reconciliation and the results of the investigation of differences should be reviewed and approved by the Director of Finance.

#### **14.4.5 Payment procedures for Staff Payments and Re-imbursments**

- The University'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 Director of Finance and the relevant Dean or Director may jointly approve cash advances to employees who are going to incur expenditure on the University's behalf. These are detailed in section 14.4.6 below: *Management of Accountable Imprests*.
- Reference is also made to the following Policies in regard to payments to Staff:
  - Local Travel and Subsistence Policy
  - International Travel Policy

#### **14.4.6 Management of Accountable Imprests**

##### **14.4.6.1 General Issues**

- The cost of a business expense should normally be met by the individual and reimbursement should subsequently be sought from the University. 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 non-travel expenditures.

##### **14.4.6.2 An Accountable Imprest - Things to Consider**

- Since it is the least economical method of financing university 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:



- University 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.

#### **14.4.6.3 Accountable Imprest - When are they Appropriate / Inappropriate**

- *Appropriate Uses:* When travelling on University 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.

#### **14.4.6.4 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 Cash Office 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 University.

#### **14.4.6.5 Accountability**

- *The Importance of Prompt Settlement:* The University'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 University 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 University, it is important that settlement be processed in the fiscal period (i.e. reporting period) in which the expenses are incurred.
- *University annual financial reporting:* The University'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 **two working weeks** following completion of travel or other activity for which the expenses were incurred.

#### 14.4.6.6 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 Dean or Director to which the individual is affiliated:
  - For Schools: Dean or Director.
  - For Administrative departments: Registrar, Director or Deputy Director.

This responsibility cannot be delegated. If the requester is the **Dean or Director**, there must be a "one-up" approval.

#### 14.4.6.7 Who may obtain an Accountable Imprest?

- The imprest must be recorded against a University 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 University.
- Accordingly, imprests should generally only be issued to full-time University employees.

#### 14.4.6.8 Form

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

#### 14.4.6.9 Submitting the Completed Accountable Imprest Form

- The completed form with original signatures will be forwarded to:
  - Accounts Payable of the Finance Directorate
  - Retain a second copy as the School or Department copy.

#### 14.4.6.10 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
  - School or Department address
  - 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 **three months** 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.

#### 14.4.6.11 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, Finance Directorate.
  - 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 **three months** of the release of funds, the Director 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.

## 14.4.7 Petty Cash

### 14.4.7.1 General Issues

- It is the policy of the UHAS to use petty cash for small purchases. The University provides imprest funds (for minor office expenditures, not for travel or employee advances). Treasury replenishes these funds up to its authorized balance.

### 14.4.7.2 Opening a Petty Cash Fund Account

- School or Department that need a petty cash fund to support operations must provide the Director of Finance with justification for the account and designate an employee as custodian of the monies. Subsequent to opening an account, School or Department may request an increase or decrease of their fund, providing the reason for the change.
- All disbursements from the petty cash fund must be accompanied by a completed and approved petty cash voucher. Receipts are required for all disbursements from petty cash. It is the responsibility of the petty cash custodian to ensure that the petty cash fund is locked at all times.

### 14.4.7.3 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. Custodians and Deans and Directors periodically need to review the frequency of replenishments to determine whether a fund needs to be increased, decreased, or closed.

### 14.4.7.4 Closing a Petty Cash Fund

- Reconciliation of petty cash funds must be made whenever the current custodian is no longer responsible for the funds for whatever reason. If the Dean or Director's need for the fund still exists, a new custodian must be designated.
- When a petty cash fund is being closed, all outstanding receipts need to be forwarded to Treasury to be booked and any unused funds must be forwarded to the cashier in the Cash Office. Accounts payable is not permitted to accept cash.
- Forms and more detailed procedures to open, replenish, and close petty cash funds are provided at the Treasury.

## 14.5 References

- Public Financial Management Act 2016 (Act 921)
- Financial Administration Act, 2003 (Act 654)
- Financial Administration Regulations 1802.

**14.6 Contact Person**

<b>Title</b>	<b>Treasury Accountant</b>
<b>Department</b>	<b>Finance Directorate</b>

## 15. PAYROLL

### 15.1 PURPOSE

- The responsibility of the Finance Directorate for salaries, wages and other approved personal payments is to ensure that all employees appointed by the University receive the appropriate payment, as laid down in their contract of employment and that in making such payments the University complies with all relevant statutory legislation.

### 15.2 RESPONSIBILITY

<b>Responsible Officer</b>	<b>Director of Finance</b>
<b>Approval</b>	<b>University Council/ Finance and General Purpose Committee</b>
<b>Originally Issued</b>	<b>October 2018</b>
<b>Revised</b>	<b>N/A</b>
<b>Takes effect from</b>	<b>October 2018</b>

### 15.3 POLICY STATEMENT

#### 15.3.1 Remuneration policy

- All University employees will be appointed to the salary scales approved by the Council and in accordance with appropriate conditions of service.
- The Council will determine what other benefits, such as housing, allowances, cars, medical, other benefits, are to be made available, and the employees to whom they are to be made available.
- Salaries and other benefits for senior management will be determined by the Council.

#### 15.3.2 Appointment of employees

- All contracts of service shall be concluded in accordance with the University's approved Human Resources practices and procedures and all offers of employment with the University shall be made in writing by the Council/ Vice Chancellor.
- Deans and Directors shall ensure that the Director of Finance and the Director of Human Resources are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.
- All new employees can only be paid when full bank details and pension scheme information have been supplied to the payroll office.
- For all new employees, Deans and Directors or other authorized persons shall ensure that the person is legally eligible to work in Ghana. The Payroll Section will not add a non-Ghanaian citizen to the payroll unless it is clear that any necessary work permit has been

obtained or that the immigration status of the person concerned does not require the University to seek permission for the specific employment proposed.

### **15.3.3 Salaries and Wages**

- The Director of Finance is responsible for all payments of salaries and wages to all employees including payments for overtime or services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be on a form prescribed or approved by the Director of Finance.
- The Director of Human Resources will be responsible for keeping the Director of Finance informed of all matters relating to Human Resources for payroll purposes. HODs are responsible for providing promptly to the Director of Human Resources any relevant information regarding the appointment, resignation or dismissal of an employee or consultant.
- All payments must be made in accordance with the University's detailed payroll and financial procedures and in compliance with Ghana Revenue Authority regulations.
- The Payroll section is responsible for ensuring that required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. Such Taxes are remitted to the Revenue Agencies monthly.
- It is the policy of the University to conduct regular audit of payroll data, the purpose of which is to determine the integrity of the University's payroll records, including regular salary, deductions and net payments to employees.

## **15.4 DETAILED PROCEDURES**

### **15.4.1 Payment of Employee Entitlements**

- It is the responsibility of the Director 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 University'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.

### 15.4.2 Payment of Salaries

- The Director of Human Resource will be responsible for keeping the Director of Finance informed of all matters relating to Human Resources for payroll purposes. In particular, these include:
  - 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.
- All casual and part-time employees will be included on the payroll.
- The Director of Finance shall be responsible for keeping all records relating to payroll including those of a statutory nature.
- Salaries shall be paid in accordance with the published pay days. Any changes in the published pay days shall be communicated by way of circulars.
- No deduction shall be made from the salaries of any employee, except for statutory deductions, disciplinary awards and voluntary deductions authorised by the Director of Finance.
- No deduction shall be made from the salaries of any employee, except for statutory deductions, disciplinary awards and voluntary deductions authorised by the Director of Human Resources upon administrative instructions issued by the Vice Chancellor, Registrar, Dean or Director.
- Upon production of all payroll reports, the Director of Finance reviews the payroll prior to the transfer of payments to the banks. The Director of Finance should sign the Salary Voucher, indicating approval of the payroll.
- No salary payments shall be made except directly through bank account of the employee, unless otherwise authorized by the Director of Finance.

### 15.4.3 Overtime

- All overtime claimed must be entered on an Overtime Form available from the Finance Directorate. The completed forms must be authorised by the relevant Dean or Director as per the Authority Levels Policy and returned to the Payroll Section as soon as possible after the claim period.



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- Deans and Directors must ensure that adequate budgetary provision have been made before overtime claims are approved.
- The Payroll Section must receive the authorised request by the 5<sup>th</sup> of the month to ensure payment in that month. The payments are paid a calendar month in arrears.

### 15.4.4 Advances of Salary

- Pay advances are only considered in very exceptional circumstances, and then only on the written approval of the Director of Finance.

### 15.4.5 Pension Schemes

- The Human Resources Directorate 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 Director 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.

## 15.5 References

- Public Financial Management Act 2016 (Act 921)
- Financial Administration Act, 2003 (Act 654)
- Financial Administration Regulations 1802.

## 15.6 Contact Person

<b>Title</b>	<b>Payroll Accountant</b>
<b>Department</b>	<b>Finance Directorate</b>

## 16. MANAGEMENT OF FIXED ASSETS

### 16.1 PURPOSE

To establish guidelines for the control and management of assets owed by the University

### 16.2 RESPONSIBILITY

Responsible Officer	Director of Finance
Approval	University Council/ Finance and General Purpose Committee
Originally Issued	October 2018
Revised	N/A
Takes effect from	October 2018

### 16.3 POLICY STATEMENT

#### 16.3.1 General issues

- All property owned by the University, including equipment purchased through sponsored programs, is subject to University policy.
- The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with authority from the Council.
- All departments must notify the Works and Physical Development Directorate of all gifts of equipment that have been received.

#### 16.3.2 Acquisition of assets

- Goods & Services - in excess of **GHC 800,000 and** Non-Current Assets - **GHC 1,200,000** can only be procured with authority from **Council**.

#### 16.3.3 Care, custody and security of assets

- All assets acquired either directly or indirectly through the use of University funds must be owned in the name of the University.
- Deans and Directors are responsible for ensuring the care, custody and security of the assets within their control. This includes buildings, plant, equipment and furniture, IT equipment, vehicles, stocks and stores. They are responsible for ensuring that assets owned by the University shall, so far as is practical, be effectively marked to identify them as UHAS property and recorded in an appropriate Asset Register.
- All individuals are responsible for the security of the University's property within their control and for avoiding loss.

#### **16.3.4 Fixed asset register**

- The Director of Works and Physical Development is responsible for maintaining the University's register of land and buildings. The Director of Finance shall maintain a central fixed assets register for capital accounting purposes. Schools and Departments must also maintain registers of assets that are under their control.

#### **16.3.5 Insurance**

- The Director of Finance is responsible for procuring all types of insurance cover as determined by Finance and General Purposes Committee, including obtaining quotes, negotiating claims and maintaining the necessary records.

#### **16.3.6 Physical Inventory of Assets**

- The Director of Works and Physical Development is responsible for ensuring that physical inventory of assets is performed on regular basis. Individual Schools, Departments and any other establishments are responsible for conducting physical inventories of equipment.

#### **16.3.7 Personal use**

- Assets owned or leased by the University shall not be subject to personal use without proper authorization.

#### **16.3.8 Asset disposal**

- Disposal of equipment and furniture must be in accordance with the University's detailed financial procedures no 16.4.4.

### **16.4 DETAILED PROCEDURES**

#### **16.4.1 Asset Acquisition**

- All proposed asset purchases must:
  - Be in accordance with the Asset Acquisition Plan;
  - have received budget funding;
  - must be authorised in accordance with the Regulations; and
  - must conform with the Public Procurement Act and the University's Procurement Policy.

#### **16.4.2 Requesting Asset Purchases**

- Deans and Directors seeking to acquire *Material Assets* will document the acquisition and prepare an asset acquisition proposal.

### 16.4.3 Authorising Asset Purchases

- Before endorsing the acquisition, the Vice Chancellor will have to satisfy himself:
  - that the purchase is still consistent with the University'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.

### 16.4.4 Asset Disposal

- Responsibility for the use, maintenance and custody of Assets lies with the Dean or Director. The accurate and timely accounting for disposal of assets in the system facilitates the provision of relevant information for both informed decision-making and reporting purposes.

### 16.4.5 Evaluating property to be disposed of

- The existence of surplus assets needs to be reviewed in context of the University'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.

### 16.4.6 Responsibilities for disposal

- In the disposal process:
  - The *Works and Physical Development Directorate* is responsible for:
    - Completion of the Asset Disposal Form;
    - Obtaining approval for the disposal of asset in accordance with the University's regulations;
  - A special purpose 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 Directorate* is responsible for:
    - Confirming that the asset disposal was authorized in accordance with the University'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.

#### 16.4.7 Types of disposal

- Disposal of University Assets can be by various ways, including,
  - *Internal sale or transfer*; Assets may be transferred or sold to another School or Department or individuals within the University without having to place a call for public tenders. Advertising on the intranet is the preferred mode of advertising internally. Following agreement on sale, a transfer form is to be completed for sign off by the Dean or Director selling and buying the asset. Transfer detail is then loaded into the system by the School or Department disposing of the asset.
  - *Sale to an External Party*; Before the external sale of University assets is undertaken, it should be considered whether or not the asset may be able to be used by another area in the University. University assets may not be sold externally without publicly advertising their availability. An exception to this policy exists where the cost of advertising externally will not show an appropriate return to cover the costs. In this instance the Registrar may approve in lieu of the advertising for tender, the internal sale to staff members. A written submission, justifying the rationale in not going to public tender advertisements is to be submitted to the Vice Chancellor for consideration. Once approved all staff of the University must have the opportunity to bid having been advised of the items for sale through the University intranet.
  - *Donation to an eligible organisation*; University assets may not be sold externally without publicly advertising their availability. Exceptions to this policy may be made under certain circumstances e.g. research indicates that there is no market demand for the obsolete items that have been earmarked for disposal. In circumstances of this nature where it is unlikely that the cost of advertising will produce an appropriate return, Assets may be sold or donated to the following groups directly:
    - Government Schools, Colleges or Educational Units; and
    - Not for profit community organisations.

**Note: Approval must be sought from the Vice Chancellor prior to selling/donating assets externally without publicly advertising.**

- *Scraping or Recycling of Unusable Assets*; In dealing with a scrap item the following points should be taken into account:
  - Assets and materials are purchased by the University to be used by the University in pursuit of its strategic plan;
  - Whether expensed or recognised as an asset, such items remain the property of the University throughout the whole cycle from acquisition to disposal;
  - Even at the point of disposal, the University retains ownership of these items and has the sole right to decide their fate;
- Obsolete or excess asset items that cannot be sold or donated may be approved by the Dean, Director or Director Works and Physical Development to be written off as obsolete

provided that the criteria for scrapping of assets has been fully considered and certified. Following the recording of the disposal in the Asset register, items are to be rendered unusable, tags removed and disposed of. Assets that have become obsolete but may be considered functional from a training point of view or for spare parts within the University, may be transferred to other School or Department following retirement from the Asset system.

#### **16.4.8 Loss or theft of University Property**

- As soon as the item is noted as missing a thorough search should be initiated. See the University's policy 'Assets – Stock take' for the treatment of the assets that are not located during a stock take. In addition, see the University's policy 'Losses' for the treatment of lost property.

#### **16.4.9 Asset Maintenance Review**

- Following the release of the Assets Strategic Plan, the Director - Works and Physical Development shall undertake an asset maintenance review to determine the most cost-effective way of maintaining assets consistently with the Strategic Plan.
- In undertaking the asset maintenance review, the Director - Works and Physical Development 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 undertaken in conjunction with the annual asset stock-take. The *Director* - Works and Physical Development shall ensure that any issues raised throughout the review are documented and addressed.

- Where an asset is found to be surplus to requirements in its current situation the University's policy on *Assets - Disposals* must be followed. In dealing with surplus assets the *Director - Works and Physical Development* shall consider whether the asset is required elsewhere in the University prior to its external disposal.

#### 16.4.10 Repairs and Maintenance

- The *Director - Works and Physical Development* shall observe the 'Schedule of Maintenance' which is developed as part of the Assets Strategic Plan.
- The Finance Directorate shall undertake a review of repairs and maintenance accounts on a monthly basis to identify capital items that have been incorrectly coded. Details of this review shall be documented and maintained.

#### 16.4.11 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.
- Outlays that do not meet these criteria must be expensed, as incurred, as repairs and maintenance. For example, expenditure that merely restores an asset to its original functionality, or repaired damage or wear and tear that would have prevented the asset reaching its original estimated useful life must be expensed as repairs and maintenance.
- Provisions for future maintenance are not to be recognised as a reduction in the carrying amount of the asset.

#### 16.4.12 Asset Register

- The University maintains an asset register and records details of all assets, in excess of the asset recognition threshold, held by the University.
- The Director of Finance shall ensure that a register of all University Assets 'Asset Register' is maintained.
- 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; and
• Asset Description;	• Custodian.
• Acquisition Value.	

- For verification purposes the Director of Finance shall provide a copy of the asset register to Deans and Directors upon request.
- All adjustments required for assets should in the first instance be processed through the Fixed Asset Register. Where adjustments can't be effected in this manner, then adjustments may be processed via the use of journals in the General Ledger, however the Director of Finance is required to approve all journals of this nature.

#### **16.4.13 Asset Valuation and Impairment**

- Assets having a value greater than the University's revaluation threshold amount for that class of asset and an estimated total useful life of three years or more, shall have:
  - A comprehensive valuation once every five years; and
  - Interim valuation each other year.
- Asset classes having a value less than the University's revaluation threshold, such as, artwork can be revalued at the discretion of the Director of Finance.
- Following the comprehensive valuation, non-current assets will be valued at their fair value rather than at historical cost.
- Historical cost is only used to value assets where the class of assets has a relatively short useful life and fair values may not differ significantly from the depreciated historical cost. This is to include all classes of assets other than land, buildings, infrastructure, heritage and cultural assets.

#### **16.4.14 Asset Valuations**

- The Director 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 in every year that a comprehensive valuation is not undertaken.
- Documentary Evidence: The Director of Finance shall ensure that:
  - for comprehensive valuations, evidence that a formal valuation process has been 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.

#### **16.4.15 Accounting Treatment of Revaluations**

- Revaluation increments are to be credited to the asset revaluation reserve, except where the increment reverses a previously recognised decrement. In such cases, revaluation increments are recognised as revenue.
- Revaluation decrements will be recognised as an expense, except where the decrements reverse a previously recognised revaluation increment held in the asset revaluation reserve. In such cases, revaluation decrements are treated as reductions in the asset revaluation reserve.

#### **16.4.16 Asset Verification**

- The Works and Physical Development Directorate shall ensure that a stock - take of the University's complete holdings of Fixed Assets is undertaken annually. More frequent stock - takes of particular classes of assets should be considered having regard to the risk profiles and materiality for each class of plant and equipment held by the Schools and Departments.
- In addition to the Schools and Departments asset stock - take, internal and external audit may undertake an additional independent stock - take.

#### **16.4.17 Assets Depreciation**

- The Director of Finance shall ensure that depreciation is charged against all *depreciable assets* from the time when a *depreciable asset* is first put into use or held ready for use. At this time an estimated useful life of each asset and its residual value must be ascertained.
- 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 Works and Physical Development Directorate 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 Director 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.

#### **16.4.18 Assets Held in Trust**

- Any asset held by the University in a fiduciary capacity shall be separately recorded and shall be afforded appropriate security.

#### **16.4.19 Security of Assets**

- The Dean or Director 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

#### **16.4.20 Reconciliations**

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

#### **16.4.21 Assets Insurance**

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

### **16.5 References**

- Public Financial Management Act 2016 (Act 921)
- Financial Administration Act, 2003 (Act 654)
- Financial Administration Regulations 1802.

## 16.6 Contact Person

<b>Title</b>	<b>Budget/ Management Accountant</b>
<b>Department</b>	<b>Finance Directorate</b>

## 17. INVENTORY MANAGEMENT

### 17.1 PURPOSE

To provide a general guide on the procedures to be followed in achieving economy, efficiency, transparency, accountability and value for money in the custody, control, issue and disposal of stores in the University.

### 17.2 RESPONSIBILITY

<b>Responsible Officer</b>	<b>Director of Finance</b>
<b>Approval</b>	<b>University Council/ Finance and General Purpose Committee</b>
<b>Originally Issued</b>	<b>October 2018</b>
<b>Revised</b>	<b>N/A</b>
<b>Takes effect from</b>	<b>October 2018</b>

### 17.3 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 Colleges, Faculties, Institutes, Schools, Departments and Centres and any other establishments must have the approval of the Director of Finance.
- Deans and Directors 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.
- Deans and Directors 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 year and where continuous stock records are not maintained this must be at 31st December each year. In practice, this places on the Head of Procurement a requirement to produce for the Director of Finance a stock figure for the cost of stock held at 31st December each year.
- 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 Director of Finance must approve any method other than that outlined above, of valuing stock.
- Stock must be reconciled to the University financial records.

### **17.3.1 Stock Provision**

- A provision should be made at the end of each financial year to provide for excessive loss in the value of stock held through obsolescence, damage, expired shelf life, or lack of historic and future expected usage.

### **17.3.2 Disposal of Stocks**

- If an item of stock is still usable but no longer required by the holding School or Department, then it should be offered to other similar School or 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.
- The processes for managing the University's inventories are governed by the University's Financial Procedure Section 17.4.

## **17.4 DETAILED PROCEDURES**

### **17.4.1 Introduction**

- The University's inventories refer to all supplies and equipment used for the smooth running of the University's business. The purpose of this section therefore is to describe the inventory management system which embraces procedures and
- documentation used for authorizing, processing, paying and accounting for the purchase and usage of supplies and equipment.
- Items described as supplies and equipment includes stationery, spares parts, materials, office furniture and equipment.
- The objective of a system for procurement and usage of public supplies and equipment for the University business is to ensure economy, efficiency, transparency, accountability and consistency in the activities of officials charged with such responsibilities.

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- The University shall undertake key programmes to ensure that:
  - a. There are controls to prevent stock:
    - building up to excess;
    - running out;
    - becoming damaged, expired, obsolete or otherwise wasted.
  - b. The University's stock holding shall be planned to reflect:
    - projected usage levels;
    - expiry dates of consumables and other materials;
    - delivery constraints.
  - c. The University's store layout shall be designed to reduce:
    - overcrowding;
    - stock damage;
    - other bottlenecks.
  - d. Accurate inventory records should be maintained of the University's stock; by ensuring that:
    - All entries in the inventory records are required to be:
      - i. supported by standard accounting documentation which should be adequately controlled and accounted for;
      - ii. 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.
  - e. 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 annually, either by cycle or periodic counts by persons other than those who have physical control over inventory;
  - f. Costs attributed to inventories should be accurately determined
  - g. All inventories, the cost of which may exceed realisable value, should be identified as a basis for determining provisions for inventories.
- The procedures for accounting for stores are described below under the following headings:

### 17.4.2 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.
- **Type of Control System:** 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 School or 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 using information obtained at (b) and (d);
  - 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.

#### **17.4.3 Goods Receiving Procedures**

- For all items purchased, the storekeeper who is to receive the goods will be provided with copies of the relevant LPO'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 University's order. If necessary, a technical inspector will be called to verify the specification and quality of the items.

#### **17.4.4 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.

#### **17.4.5 Physical Stocktaking**

- Every Dean or Director 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 University'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 University;
  - 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;
  - whiles stock taking is in progress at a store:
    - to ensure that the stores accounting procedures laid down in the accounts manual are being rigidly adhered to;
    - to inspect the store;
    - prepare a report to the Director of Finance

#### **17.4.6 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 year. 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.

#### **17.4.7 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.

#### **17.4.8 Stores Movements during Stocktaking**

- 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 and they should witness the issue.

#### **17.4.9 Stocktaking Record Book**

- A stocktaking record book or sheets are maintained for each store section items. The stock taking report is printed from the SAP Financial system to facilitate the stock taking.

#### **17.4.10 Stock Difference Report Sheets**

- 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;

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- 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 is totalled, 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.

### **17.4.11 Review by Team Leader**

- After the two week programmes have been completed, the stock counters present to the team leader the;
  - stock difference report sheets;
  - note books.
- 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 note books prepares a report to the Director of Finance;
  - slow moving items, by reference to the last issues dates;
  - items whose condition is noted as unsatisfactory.

### **17.4.12 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 Director 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 Director 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.

### 17.4.13 Action on Stock Variance

- On receiving the original and duplicate copies of the stock difference report sheets, the Director 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 Director 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

### 17.5 References

- Public Financial Management Act 2016 (Act 921)
- Financial Administration Act, 2003 (Act 654)
- Financial Administration Regulations 1802.

### 17.6 Contact Person

<b>Title</b>	<b>Budget &amp; Management Accountant</b>
<b>Department</b>	<b>Finance Directorate</b>

## 18. FINANCIAL REPORTING REQUIREMENTS

### 18.1 PURPOSE

To provide information on the University's financial operation to management, Council, and other interested parties.

### 18.2 RESPONSIBILITY

Responsible Officer	Director of Finance
Approval	University Council/ Finance and General Purpose Committee
Originally Issued	October 2018
Revised	N/A
Takes effect from	October 2018

### 18.3 POLICY STATEMENT

#### 18.3.1 Financial statements/ reports

- The University's financial statements and accounting policies are prepared for Council approval by the Director of Finance in accordance with the approved format and subject to any specific requirements of funding bodies.
- The financial statements are approved by Council on the recommendation of the Finance and General Purposes Committee.

#### 18.3.2 Annual Closing/ Financial Statements

- The Director of Finance is responsible for:
  - Establishing and coordinating the annual financial closing of the accounts and related audit with the University'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 (28<sup>th</sup> February); and
  - Preparing the financial statements in accordance with Generally Accepted Accounting Principles.
- The annual financial statements include:
  - A Statement of Financial Position at the end of the year;
  - A Statement of changes in Funds balances;
  - A Statement of Income and Expenditure for the year;
  - A Cash Flow Statement for the year;
  - A Performance Report; and
  - Notes to give details of specified items in those accounts.

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- The financial statements shall be subject to annual audit by the University's External Auditors as appointed annually by the Auditor General.
- The annual financial statements will be submitted for approval at the 2<sup>nd</sup> Quarter meeting.
- The fiscal year of the University is from 1<sup>st</sup> January to 31<sup>st</sup> December.

### 18.3.3 Quarterly Closings/ Reporting

- The Director of Finance is responsible for:
  - Establishing quarterly accounting closing schedules;
  - Preparing and distributing the quarterly financial statements to the Finance Committee and all other relevant bodies;
  - Supporting Schools and Departments in the areas of financial reporting and analysis;
  - Monitoring control of all University financial activity at a high-level through preparation of variance analysis of all financial statement accounts to detect possible errors and/or provide explanations for significant fluctuations;
- All schools and departments will comply with the closing schedule as established.
- The Director of Finance is responsible for reviewing the monthly transaction report for their respective accounts to ensure the accuracy, completeness and validity of each revenue and expenditure transaction. Significant errors or issues arising from this review must be immediately reported to the General Ledger section for investigation and correction as required.

### 18.3.4 Financial Reporting to Outside Agencies

- The University is required to provide various periodic financial reports to the NCTE and other outside bodies.
- The Director of Finance is responsible for the timely preparation, approval and submission of all required financial reports to all the relevant bodies.
- The financial accounting system and the related subsystems are the source for preparation of all required financial reports.
- Any financial information included in reports to any outside third party, either directly or by reference, must be approved by the Director of Finance prior to distribution.

## 18.4 DETAILED PROCEDURES

### 18.4.1 General Issues

- The Director 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.

### 18.4.2 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 Director 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.
- All assets and liability accounts in the ledger shall be supported by and agreed with lists of specific individual items. Thus the following shall be supported at the end:

Item	Supporting Documentation
Cash at bank	<ul style="list-style-type: none"> <li>• a bank reconciliation statement</li> </ul>
Cash	<ul style="list-style-type: none"> <li>• a balance on the imprest cash book itself supported by a cash reconciliation statement and a cash certificate.</li> <li>• Cash certificate produced from quarterly cash count under the observation of auditors.</li> </ul>
Stocks	<ul style="list-style-type: none"> <li>• a list of control totals from the stores ledger cards, which in turn would have been agreed to individual stock items as part of the stores ledger section' monthly procedures.</li> <li>• Stock certificate produced from a stock count under the observation of auditors.</li> </ul>
Student debtors	<ul style="list-style-type: none"> <li>• a list of individual items.</li> </ul>
Work-in-progress	<ul style="list-style-type: none"> <li>• a list of individual contracts.</li> </ul>
Fixed Assets	<ul style="list-style-type: none"> <li>• a listing under each category showing the prior period balance and individual movements in the month.</li> </ul>
Liabilities	<ul style="list-style-type: none"> <li>• list of balances on the liabilities ledgers</li> </ul>
Provision for debtors, stock, depreciation	<ul style="list-style-type: none"> <li>• as appropriate for the nature of the item.</li> </ul>

- 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 Director 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<sup>4</sup>.

#### **18.4.3 Annual Closings/Financial Statements**

- Year-end processing and reconciliation procedures are required to ensure the financial information is a true and fair reflection of the financial results and financial position at the end of the financial year. The year-end requirements are timetabled and published by the Director of Finance. It is imperative that all financial transactions and reconciliations are completed in accordance with the timetable and prior to the closure of the records for the financial year. All University staff responsible for financial administration are to ensure compliance with the relevant timetable dates and processing requirements relevant to their activities.
  
- The Director of Finance is responsible for:
  - Establishing and coordinating the annual financial closing and related audit with the External Auditors;
  - Establishing all closing schedules to ensure that the financial statements are completed by the end of the second month after the year end; and
  - Preparing the financial statements in accordance with Generally Accepted Accounting Principles.

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<sup>4</sup> It is expected that the financial report for each school and department would be extracted for submission to Deans and Directors for their review and necessary action.

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- The Annual Financial Statement includes:
  - A Statement of Financial Position at the end of the year;
  - A statement of Changes in Funds balances;
  - A Statement of Income and Expenditure for the year;
  - A Cash Flow Statement for the year;
  - A Performance Report; and
  - 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 following additional matters are to be considered:
  - Additional review of statement of financial position items;
  - Notes on the accounts;
  - Compliance with relevant legislation;
  - External auditors report; and
  - Publication of accounts.
  
- The financial statements shall be subject to annual audit by the external auditors as appointed by the Auditor General.
  
- The annual audited financial report will be submitted to the Finance and General Purposes Committee for recommendation to the Council for approval.

### **18.4.4 Management Information System**

- Quarterly reports must be issued by the 10<sup>th</sup> 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 Director of Finance will prepare a quarterly review of the reports, summarizing the main variations from expected performance and examining the reasons for these variations. In the case of significant variance, he will make recommendation for future action. On completion of the first half-year's results, and each period thereafter, the Director of Finance will assess the likely impact of variations on the year end result.
  
- The routine management reports are listed in Appendix C.



## 18.5 References

- Public Financial Management Act 2016 (Act 921)
- Financial Administration Act, 2003 (Act 654)
- Financial Administration Regulations 1802.

## 18.6 Contact Person

<b>Title</b>	<b>General Ledger/ Project Accountant</b>
<b>Department</b>	<b>Finance Directorate</b>

## 19. AUDIT REQUIREMENTS

### 19.1 PURPOSE

- To establish responsibility for objectively assessing, evaluating and reporting on the adequacy of the internal control system as a contribution to the correct, efficient and effective use of resources.

### 19.2 RESPONSIBILITY

Responsible Officer	Internal Auditor
Approval	University Council/ Finance and General Purpose Committee
Originally Issued	October 2018
Revised	N/A
Takes effect from	October 2018

### 19.3 POLICY STATEMENT

#### 19.3.1 Audit framework

- The audit framework for the University within which the Internal and External Auditors operate is set out in the Audit Service Act 2000 (Act 584). Both internal and external audits constitute key elements of good corporate governance arrangements within the University.
- The Internal Auditors are appointed by Council and the External Auditors by the Auditor General.
- The External Auditors must provide an opinion to **Council** on whether funds have been applied for the intended purposes and on whether the financial statements provide a true and fair view of the financial results for the year. External Auditors must also form a view about whether the University is a going concern.
- The main responsibility of the Internal Auditors is to provide **Council, Audit Committee** and the **Vice-Chancellor** with independent assurance about the adequacy and effectiveness of risk management, control and governance, and value for money. The Internal Auditors remain independent in planning and operation and have direct access to **Council, the Vice- Chancellor and Chair of Audit Committee.**
- The External and internal Auditors have unrestricted access to information – including all records, assets, personnel and premises – and are authorised to obtain whatever information and explanations they consider necessary.
- External and internal auditors shall have authority to:
  - access University premises at reasonable time;

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- access all assets, records, documents and correspondence relating to any financial and other transactions of the University;
  - require and receive such explanations as are necessary concerning any matter under examination;
  - require any employee of the University to account for cash, stores or any other University 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 University or any other suspected irregularity in the exercise of the activities of the University, the Dean or Director of the School or Department concerned shall notify the Director of Finance and the Vice-Chancellor who shall take such steps as they consider necessary by way of investigation and involvement of the Director of Internal Audit. Action will be taken in accordance with the University's Fraud and Corruption Response Plan.

### 19.3.2 Internal Audit

- The prime responsibility of the Internal Audit department is to provide Council, the Vice-Chancellor and the other managers of the University with assurance on the adequacy and effectiveness of the internal control system, including risk management and governance. It also seeks to ensure that propriety, efficiency, economy and effectiveness are achieved in all areas of the University's activity.
- 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 Audit Department may also provide advice, especially before new or revised systems are to be introduced, subject to the need to maintain their independence.
- The Director of Internal Audit 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 University.
- In order to provide this opinion the Director of Internal Audit will undertake a programme of work agreed by the Audit Committee. The programme of work will have the following objectives:

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- 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 statutory 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 University 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 Director of Internal Audit is responsible to the Vice Chancellor on a day-to-day basis for providing a professional internal audit service.
  - To guarantee the independence of the Internal Audit Department, the Director of Internal Audit 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 Director of Internal Audit 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 employee's Dean or Director.
  - The Director of Internal Audit is to ensure that the University's accounting procedures and internal control systems are audited and report submitted in accordance with the provisions of the Internal Audit Agency Act, 2003 (Act 658) and standards, guidelines and instructions issued by the Internal Audit Agency Board in line with the Act.
  - The Director 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.

### **19.3.3 External Audit**

- The Auditor General is responsible for the external audit of the accounts of the UHAS.
- The primary role of external audit is to report on the University'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 University's books of account and report on the University's annual financial statements to the Finance & General Purposes Committee

and the Council of the University 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 University for specific purposes, have been properly applied to these purposes and if appropriate managed in compliance with any relevant legislation.
- The External Auditors will attend and be heard at meetings of the Finance & General Purpose 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 University will ensure that the External Auditors receive proper notification and the agenda for the meetings.

#### 19.4 References

- UHAS Audit Manual
- Internal Audit Agency Act, 2003 (Act 658)
- The Audit Service Act, 2000 Act 592

#### 19.5 Contact Person

<b>Title</b>	<b>Director of Audit</b>
<b>Department</b>	<b>Internal Audit Directorate</b>

## 20. OTHER MATTERS

### 20.1 PURPOSE

- To provide guidelines governing the management of restricted funds in the University.

### 20.2 RESPONSIBILITY

Responsible Officer	Director of Finance
Approval	University Council/ Finance and General Purpose Committee
Originally Issued	October 2018
Revised	N/A
Takes effect from	October 2018

### 20.3 POLICY STATEMENT

#### 20.3.1 Funds Held in Trust

- Gifts, Benefactions and Donations:** The Director of Finance is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the University.
- Student Welfare and Access Funds:** The Director of Finance will prescribe the format for recording the use of Student Welfare Funds. Records of Access Funds will be maintained according to funding body requirements.
- Trust/Endowment Funds:** The Director of Finance is responsible for maintaining a record of the requirements for each Endowment/ Trust Fund and for advising the Finance and General Purposes Committee on the control and investment of fund balances. The Finance and General Purposes Committee is responsible for ensuring that all the University's Endowment/ Trust Funds are operated within any relevant legislation and the specific requirements for each Endowment.
- Voluntary Funds:** The Director of Finance shall be informed of any Fund that is not an official fund of the University which is controlled wholly or in part by an employee in relation to his function in the University. The accounts of any such fund shall be audited by an independent external person and shall be submitted with a certificate of audit to the appropriate body. The Director of Finance shall be entitled to verify that this has been done.

### 20.4 References

### 20.5 Contact Person

Title	Budget/ Management Accountant
Department	Finance Directorate

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## Appendices/



## Appendix A: Terminologies & Interpretations/

Owing to the diverse nature of activities in the University of Health & Allied Sciences, a wide range of terms are in use by committees, employees and other persons connected to the University. The following general terms have been used in these Policies and Procedures Manual.

Term	Definition and Interpretation
Accounting system	An organized set of manual and computerized accounting methods, procedures, and controls established to gather, record, classify, analyse, summarize, interpret, and present accurate and timely financial data for management decisions in the University.
Assets	Any item of economic value owned by the University especially that which could be converted to cash. Examples are cash, accounts receivable, inventory, office equipment, buildings, vehicles, and other property.
Best practices	A technique or methodology that, through experience and research, has proven to reliably lead to a desired result.
Block grants	Relates to a sum of money granted by the national government with only general provisions as to the way it is to be spent. This can be contrasted with a restricted/ specific grant which has more strict and specific provisions on the way it is to be spent.
Budget	A quantitative and/or financial statement prepared prior to a defined period of time, of the policy to be pursued during the defined period. It indicates the resources that have to be made available or which are available for the different tasks that have to be undertaken to attain defined objectives or goals in the defined period.
Budget holder	The persons authorized to incur expenditure under specified account codes or budget centres.
Budgetary Control	Methodical control of the University's operations through establishment of standards and targets regarding income and expenditure, and a continuous monitoring and adjustment of performance against them.
Capital grant	Funds allocated to support the physical infrastructure of the University. These funds are designed to recognize that good-quality buildings, equipment and information technology are essential to academic excellence in teaching and research.
Capital projects	Long-term investment project requiring relatively large sums to acquire, develop, improve, and/or maintain (such as land, buildings, roads).

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Term	Definition and Interpretation
Cash flow statement	Cash-flow statements provide a look at the movement of cash in and out of the University. These statements include information from operating, investing, and financing activities. As an analytical tool, the statement of cash flows is useful in determining the short-term viability of the University, particularly its ability to pay bills, handle expenses, and acquire assets.
Consolidated Financial Statements	Comprise the financial statements of the University and its subsidiaries/ associates as at the end of the financial year.
Depreciation	A noncash expense that reduces the value of an asset as a result of wear and tear, age, or obsolescence. Most assets lose their value over time (in other words, they depreciate), and must be replaced once the end of their useful life is reached.
Employee	Senior members and employees of the University.
Endowment Fund	A special account that is established in order to generate revenue that will be used for a specific purpose. Funds of this type are sometimes established to create an income stream to fund research projects, provide scholarships to qualified applicants, or even to supply aid to individuals who apply to the fund for financial help.
Extra-ordinary items	Extraordinary items are characterized by the fact that they arise from events or transactions that are distinct from the University's ordinary activities, are not expected to recur frequently or regularly and are outside the control or influence of the University.
Financial period/ year	Period for which an organization prepares its internal or external accounts or the period covered by the financial statements. For internal accounts, it may be a month or a quarter; for external accounts it is normally a period of 12 months.
Financial and management controls	A systematic effort by management to compare performance to predetermined standards, plans, or objectives in order to determine whether performance is in line with these standards and presumably in order to take any remedial action required to see that human and other resources are being used in the most effective and efficient way possible in achieving the university objectives.
Financial plan	The long-term process of wisely managing the university finances so that it can achieve its' goals.
Financial statement	Records that provide an indication of the University's financial status. There are four basic types of financial statements: statement of financial position, statement of income and expenditure, cash-flow statements, and accounting policies and explanatory notes.

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Term	Definition and Interpretation
Fundamental errors	Fundamental errors are errors that have such a significant effect on the financial statements of one or more prior periods that those financial statements can no longer be considered to have been reliable at the date of their issue.
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IFRIC	International Financial Reporting Interpretations Committee
Lease	A lease is a legally enforceable contract which defines the relationship between an owner, the lessor, and a renter, the lessee. A typical lease spells out all of the terms involved in a land or merchandise rental agreement, including the length of time a lessee may use it and what condition it must be in upon return to the lessor.
Liabilities	The university's legal debts or obligations that arise during the course of business operations. Liabilities are settled over time through the transfer of economic benefits including money, goods or services.
Nolan Principles	The seven principles identified by the Committee on Standards in Public Life
Risk management	Risk management is a logical process or approach that seeks to eliminate or at least minimize the level of risk associated with a business operation. Essentially, the process identifies any type of situation that could result in damage to any resource within the possession of the company, including personnel, then take steps to correct factors that are highly likely to result in that damage.
School	A semi-autonomous establishment which may have the status of a Faculty and normally shares in one or more of the following characteristics, namely, association with a profession or the preparation of students for certification by another professional body
Segment	A recognized component of the University that is engaged in undertaking activities and providing services that are subject to risks and returns different from those of other segments.
Statement of Financial Position	A financial statement that summarizes the University's assets, liabilities and equity at a specific point in time. The statement of financial position gives an idea as to what the University owns and owes, as well as the amount invested in it.
Statement of Income and Expenditure	A financial statement that measures the university's financial performance over a specific accounting period. Financial performance is assessed by giving a summary of how the university incurs its income and expenses through both operating and non-operating activities. It also shows the net profit or loss incurred over a specific accounting period, typically over a fiscal quarter or year.

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Term	Definition and Interpretation
Subvention	A subsidy, grant of financial aid given by a government to an institution.
True and fair view	Words used in a company's accounts by auditors to show that they think the accounts give correct and complete information about a company's financial situation.
Value for money	Value for Money (VfM) is the term used to assess whether or not an organization has obtained the maximum benefit from the goods and services it acquires and/ or provides, within the resources available to it. It not only measures the cost of goods and services, but also takes account of the mix of quality, cost, resource use, fitness for purpose, timeliness and convenience to judge whether or not, when taken together, they constitute good value. Achieving VfM may be described in terms of the 'three Es' - economy, efficiency and effectiveness.
Virement	The agreed transfer of money from one budget heading, to which it has been allocated, to another budget heading.
IPSAS	The term IPSAS includes all applicable International Financial Reporting Interpretations Committee (IFRIC) Interpretations issued by the International Accounting Standards Board (IASB).