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PREAMBLE

The Komenda College of Education Financial and Stores Manual has been developed as a reference material on all issues that relate to raising, spending, accounting for funds, procurement and the conduct of any business in the College.

The approach used in developing this Policy Manual is in line with the Generally Accepted Accounting Principles (GAAP) and relevant reporting requirements of Ghana's Public Sector Financial Management. The Policy Manual will be used hand in hand with other Government Public Financial Management Laws and Regulations and shall thus be managed and administered in tandem with sound National and International best practices.

All business conducted in, by and with the College shall be done in strict adherence to this Financial Regulations for the effective administration and management of public funds.

I encourage all staff and stakeholders to be deliberately ethical in their various financial capacities and engagements with the College and ensure that the College's resources are effectively applied towards the achievement of the College's Vision and Mission.

I believe in Financial Integrity!

Thank you

Very Rev, Kwesi Nkum Wilson (PhD)
Principal

BACKGROUND

Komenda College of Education is a co-educational teacher education College in Komenda, Central Region (Ghana). It is one of 46 public Colleges of Education in Ghana and was established in 1948.

Komenda College of Education started out of the buildings (Barracks) left by the Fleet Air Arm of the British Navy after the World War II. The barracks was set on the Assai hill in Komenda.

The instrumentality of Mr. A. B. Sam, the then regent of Komenda, leased the legacy to the Methodist Church Ghana, in 1947 to be used as a Training College. The government made some renovation works on the buildings to make it suitable for educational use. On March 11, 1948, the first batch of students numbering forty men was enrolled to start an initial 2-year Teacher's Cert 'B' programme. In 1952, the College became a co-educational institution with its first batch of thirty women. The first principal of the College was Mr. Lawrence Alfred Creedy, a British citizen. The **motto** of the College is "**Bepɔwso Kurow Hyer3n**", meaning **a city set on a hill, shines forth**. The three strands adopted by the founding fathers to underpin the training of students were; **Academic excellence, Service to God and Service to mankind**. The College **hymn** is **M.H.B. 577**.

Messrs R.C. Mensah, C.K. Penrose, Wonderful Dadson, K.A. Essuman and J.C.O. Okyere were among the pioneer tutors of the College. The College has gone through the following academic programmes:

2-year. Cert "B".

4-year. Cert "A".

2-year. Cert "A" (Post –Sec)

3-year. Specialist (Music & Art)

2-year Modular Course

3-year Cert "A" (Post –Sec)

4-year (Untrained Diploma in Basic Education)

3-year Diploma in Basic Education

Currently, Komenda College of Education is a tertiary co-educational College affiliated to the University of Education Winneba and runs a 4-year Bachelor of Education (B. Ed) Degree programs. The courses run by the College are; Science/Mathematics, Mathematics/ ICT, Technical, Agricultural Science, Home Economics, Visual Arts, Upper Primary Education and Early Grade Education.

The College is noted for its discipline, academic excellence and holistic training. **Graduates** of the College "shine" everywhere they find themselves.

The students' enrolment now stands at 1,241 for 2019/2020 academic year, with staff population of 87 that is 50 teaching staff and 37 non-teaching staff. The College has two (2) ICT laboratories. We also have a well-stocked library with current educational books.

The College infirmary donated by the College alumni is manned by a professional nurse from the Ghana Health Service.

The College which is noted for training Agricultural Scientists has entered into crop production which includes;

- Coconut plantation
- Maize farming
- Piggery rearing

The following are some of the ongoing projects on campus:

- ✓ New Administration block
- ✓ Auditorium
- ✓ Four-storey 24-unit lecture halls

Considering the new status of Colleges of Education in Ghana in recent times, Komenda College of Education by its vision to set the pace for excellence in teacher education in Ghana took cognizance of the Professional Developmental needs of Management and Members of the Academic and Non-Academic Board. In the light of this, the College aims at improving the quality of teaching and learning so as to keep the high standards set for its self. In this regard, a self-assessment has therefore been done to identify areas that need improvement and to plan for it. Thus, having a College improvement plan.

The Alumni is planning of a three-storey modern ICT Centre of Excellence project. Documentation on the project is ready.

The Management of Komenda College of Education has the vision to construct a Mercantile Business Centre, Central Stores and Chalets from IGF to aid the running of the College.

The College is also aiming at the following social interventions;

1. short vacation courses to be organized for teachers within KEEA municipality for capacity building
2. remedial classes for JHS students within the environs of the College to help absorb them into the College as regular students.

PURPOSE

To produce competent professional teachers for basic schools to meet the educational needs of the nation.

MISSION STATEMENT

To provide excellent technological and general training opportunities for equipping the student-teacher with the following ethically centered 21st Century skills, termed the “4Cs”

- Critical and problem solving skills
- Collaboration
- Communication
- Creativity and Innovation

VISION STATEMENT

Setting the pace for excellence in teacher education in Ghana by 2030.

1.0 INTRODUCTION

This Financial and Stores Manual issued under the authority of the Council of Komenda College of Education, Komenda has been prepared for use as a reference tool for all personnel, resources, systems and activities; to work together to carry out in an effective manner all financial and accounting functions as required by law.

This manual herein encompasses financial and management governing structure, controls and regulations as contained in:

The Financial Administration Act, 2019

The Financial Administration Act, 2003 (Act 654)

The Public Procurement Act, 2016 (Act 914)

The Public Procurement Act, 2003 (Act 663)

The Internal Audit Agency Act, 2003 (Act 658)

The Audit Service Act, 2000 (Act 584)

The Fair Wages and Salaries Commission Act, 2007 (Act 737)

The National Pensions Act, 2008 (Act 766)

The Revenue Agencies (Governing) Board Act, 1998 Act 558 and

The Internal Revenue Act, 2000 Act 592.

All members of the College Community, including all employees, students and all associated individuals are required to comply with these Financial Regulations.

1.1 Scope of the Manual

The Financial and Stores Manual describes the accounting policies, systems and procedures to be used by the Komenda College of Education. This manual will cover input, processing and control of financial transactions of the College. It has been developed to set out the accounting policies and procedures that will:

- ensure that Komenda College of Education's books of accounts are prepared to conform to all acceptable accounting principles and modern practices.
- enable Management to obtain accurate and timely financial reports on periodic basis, thereby promoting sound financial management.
- ensure correct and accountable use of the College's funds and other resources.

The approach used in developing this Policy Manual is in line with the Generally Accepted Accounting Principles (GAAP) and relevant reporting requirements of Ghana's Public Sector Financial Management. The Policy Manual will be used hand in hand with other Government Public Financial Management Laws and Regulations.

This Policy Manual is made up of some of the key transparent, anti-corruption measures and legislation introduced by the Government to streamline the Financial Management Systems of the Public Sector. The Public Sector accounting policies are as follows

- The Public Procurement (Amendment) Act, 2016 (Act 914)
- The Internal Audit Agency Act, 2003 (Act 658)
- Public Financial Management Act, 2016 (Act 921)
- Public Financial Regulation, 2019, LI2378
- Audit Service Act 2000 (Act 584)

The passage of these Laws has enabled Management to scale-up issues regarding internal controls, specifically, Internal Audit activities within Komenda College of Education.

Where there is a conflict between this manual and any Law or Government Regulations, the latter will prevail.

1.2 Purpose

This manual is intended to:

- set out the acceptable level of financial control necessary in the College. To provide guidelines for the management. Financial control is ultimately the responsibility of the Principal but implementation may be delegated to Head of Finance and staff.
- provide guidelines for both the Principal, the staff of the Finance Department and other Departments.
- be used as a monitoring tool by the Principal, Vice Principal and Head of Finance. It may also be used by the External and Internal Auditors when assessing systems and procedures.
- provide a basis for good and acceptable financial practice.
- be used as a training tool for the Head of Finance.
- be used as a reference tool by the Principal, Vice Principal, Head of Finance and staff of the Finance Department when certifying, approving or making payment of expenditure.

All exceptions to the manual must be approved by the Council.

1.3 Procedure and Usage

a. Procedures

The Procedures in the manual have the following objectives:

- To enhance completeness and accuracy of the data posted from source documents i.e. invoices, receipts, journal and the cash book.
- To provide accurate and reliable reports to enable Management to perform effective controls over the financial operations of the College.

b. Usage

- The Komenda College of Education's Financial and Stores Regulation sets out detailed minimum acceptable systems and procedures in the College. It is aimed at improving the financial management procedures and processes within College.
- It is the responsibility of Management to demonstrate that reports from the Finance Division are reliable; that is expenditures are valid, recorded accurately and based on adequate supporting documentation.
- The Financial and Stores Regulation is also designed basically to standardize and

improve the financial management practices within College. Particular attention is also to be paid to the finance staff and other officers to adhere to the prescribed procedures in compliance with all the financial laws and rules with the view of safeguarding funds from unauthorized use.

1.4 Ethical Conduct

Komenda College of Education shall consider the following as “Unethical Conduct” which covers identification of fraud, conflicts of interest, gifts and hospitality, and confidentiality.

Un-receipted payments to officials should not be made unless it is absolutely unavoidable. However, where it is essential for small payments to be made to officials, e.g. to facilitate movement or actions by officials external to Komenda College of Education, or for production of essential services, the Principal or the Vice Principal through the Head of Finance, should be notified of these payments as soon as possible. Such payments should only be made when absolutely necessary, and should be for minimal amounts only.

In addition, personal interests in third parties for example a connection between a member of staff and a supplier or contractor must be disclosed. The Departmental Heads must keep a register of any personal interests, and this must be reviewed by the Head of Finance and the Principal. If in doubts about how the policy should be interpreted in specific cases, please refer to the Head of Finance.

The Manual has been written for use as a:

- means of reference to Management, Accountants, Staff and Internal Auditors, and as the basis for training, and ensuring that appropriate controls are in place.
- clearly defined list of financial tasks to be carried out by each individual.
- time table for processing transactions and producing reports.
- guide to any External Auditor or investigator who will review the financial transactions of the College.

NOTE:

The Head of Finance is responsible for ensuring that all responsible staff understands the contents of the policy manual.

1.5 Update of the Manual

The update of the manual is the responsibility of the Finance and Internal Audit Departments of the College and approved by the Council. The manual should be reviewed periodically to accommodate relevant changes that may occur.

1.6 Responsibility of the User Staff

All personnel with a role in the Management of the College’s financial operations are expected to uphold the policies in the manual. It is the intention of the College that this Accounting manual serves as our commitment to proper, accurate financial controls and reporting to ensure the safeguard of the College’s resources.

2.0 FINANCIAL MANAGEMENT STRUCTURE

The management of the College's funds will be the responsibility of the Council, the Principal and the Finance Department of the College. Financial Management of the College will include the following;

Planning, Budgeting, Controlling, Financial Reporting, Procurement, Treasury and General Financial Administration.

2.1 The Council

The Council shall be responsible for the financial management of the College. The responsibilities of the Council may include:

- reviewing and approving the College's annual budget.
- **monitoring the financial performance of the College every quarter.**
- reviewing expenditure and revenue every quarter.
- reviewing and approving the College's annual financial statements.

2.2 The Principal

The Principal shall be responsible for the following:

- monitor the financial performance of the College and report to the Council.
- review the annual budget to be presented to the Council.
- establish the operating and financial objectives of the College.
- ensure compliance in all financial reporting and timely submission to the Council.
- approve all financial transactions.

In the absence of the Principal, the Vice Principal, a designated official shall act accordingly.

2.3 The Head of Finance

The Head of Finance shall be responsible for the following:

- maintenance of proper financial and accounting records.
- review, interpret and advice Management on financial matters.
- co-ordinate and supervise the implementation of financial functions and decisions of the College.
- ensure the preparation of Financial Statements.
- perform treasury functions.
- prepare annual budget of the College.
- supervise the preparation of annual budgets of College.
- maintain fixed assets register of the College.
- supervise and appraise performance of subordinates.

The Head of Finance shall also ensure adherence to the following financial control measures:

- **Organizational Structure:** Aid the development of the organization's structure, detailing responsibilities, reporting lines and controls consistent with the job descriptions. This allows assessment of the management and reporting structure and controls.
- **Authorization and approval:** All transactions should be authorized by an appropriate person

(Principal) to whom that responsibility has been delegated. The limits for the authorizations should be specified. The Principal has ultimate responsibility. Delegation of duties shall only be to the most senior who has been vested with the delegated authority in writing to sign cheques and authorize expenditure.

- **Physical:** Procedures and security of assets shall be achieved by limiting access to authorized persons. This will include physical security of assets such as computer hardware and stock, as well as access to assets via documentation e.g. Goods Requisition Books or office rubber stamps.
- **Segregation of duties:** A transaction should be split so that parts of it are performed by different staff. For example, the Principal may authorize the purchase of stationery, the Procurement Officer may obtain cash from the Accountant to purchase it, the Accounts officer records the expenditure in the cash books, and the Head of Finance reviews the cash books. This reduces the risk of internal manipulation or error and increases the times that the transaction is checked. In summary, the authorization and execution of a duty and the custody of assets should be performed by different people.
- **Personnel:** There must be procedures to ensure that staff are qualified, selected properly and trained. Selection procedures should ensure the competency and integrity of staff, and there should be an appraisal system to monitor this.
- **Arithmetical and accounting:** Controls within the Finance Department should ensure that transactions are authorized, correctly recorded and accurately processed. This may include the arithmetical accuracy of the records, the maintenance and checking of totals and reconciliations.
- **Supervision:** Day to day transactions should be supervised and checked by a more senior member of staff to ensure accuracy and completeness.
- **Management:** Management controls are outside the daily routine, for example review of management accounts, and taking action based on them.

3.0 ACCOUNTING POLICIES AND PROCEDURES

This manual sets out accounting policies and procedures to be followed in accordance with general accounting standards and other relevant legal framework governing the operations of financial transactions in Government Institutions.

3.1 Basis of Accounting

- The College shall prepare its accounts on Historical cost basis but assets may be re-valued from time to time to reflect current values as the **Council** may deem necessary.
- The College shall apply the Accrual based accounting method in accordance with the provisions of the Financial Administration Regulation, 2004 (Regulation 186). Revenues are recognized when earned and expenses shall be recorded in the account in the period they occurred.
- Grants received should be separated into revenue and capital grants. Revenue grants should be shown as Income in the Income Statement and Capital grants shown as Donated Assets Reserve in the Statement of Financial Position.
- Non-cash donations must be recognized through journal adjustment and supported by appropriate and objective documentation.

3.2 Non - Current Assets

3.2.1 Recognition

- Non-current asset is an asset held with the intention of being used for the purpose of providing goods and services and not held for resale in the normal course of business transactions.
- Non-current assets should initially be recognized in the accounting records at cost. The cost of Non-current assets should comprise its purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The cost of self-constructed non-current assets should comprise those costs that relate directly to the specific assets and those that are attributable to the construction activity in general and can be allocated to the specific assets.

3.2.2 Subsequent Expenditure

Subsequent costs incurred on any non-current assets should be added to its book value only if they increase the future economic benefit of the assets. All Revenue Expenditure like repairs and maintenance should be written off in the Income Statement.

3.2.3 Subsequent Measurement

A non-current asset can be subsequently measured either at cost or at a re-valued **and fair value** amount and depreciated over its useful life. An increase in the net book value as a result of any revaluation should be credited to a revaluation reserve account.

Revaluation of any non-current assets should be approved by the Council and should be done by a qualified valuer.

3.2.4 De-recognition

Non-current assets should be eliminated from the College's Statements of Financial position on disposal or when no further benefit is expected from its use. The following procedures should be followed in de-recognition of an asset from the financial records:

- The Principal shall convene Board of Survey comprising representatives of Department with disposable assets which shall report on the assets subject to technical report on them which will recommend the best method of disposal.
- The Board of Survey's recommendation shall be approved by the Head of the Procurement entity and the assets shall be disposed of.
- The disposal of the assets shall be by:
 - Transfer to another Government or other public institution.
 - Sale by public auction.
- After disposing of the asset, the cost and the accumulated depreciation of the asset should be removed from the accounting books.

3.2.5 Disclosures

The following information on non-current assets should be disclosed in the Financial Statements at the College's;

- Gross and net book values of each non-current asset at the beginning and end of an accounting period showing additions, disposals, acquisitions and other movements.
- Expenditure incurred on account of non-current assets in the course of construction.
- All Komenda College of Education assets must be depreciated on the Straight line method. The rates of depreciation are as listed below:

Buildings - 2% per annum

Motor Vehicle - 20% per annum Furniture and Fittings - 25% per annum Equipment - 25% per annum

- Depreciation is charged in full in the year of acquisition irrespective of the date of purchase of the asset.
- Land is not depreciated.

The following information on depreciation should be disclosed on the Financial Statements:

- Accumulated depreciation of each non-current asset at the beginning and end of an accounting period.
- Depreciation charged on each non-current asset.

3.3 Books of Accounts

The following Books of Accounts shall be operated manually or electronically by the **College**.

- Payments and Receipts cashbooks
- Petty cash book
- General Journal book
- General ledger
- Staff ledger.
- Fixed assets register
- Stock register
- Student ledger

3.4 Chart of Accounts

The chart of accounts should be referenced from the Government's approved chart of accounts.

3.5 Documentation

The following is the description of the standard forms to be used in documenting financial transactions. Samples of documentation are at *Appendix 1-6*.

3.6 Payment Voucher

The Payment Voucher Form is the main document of record and authority of all payments. The Payment Voucher should be pre-numbered.

It is to be completed before the actual payment is made with the following details, date, **detailed** description of transaction, amount, cheque number, accounts to be debited, space for pre-auditing remarks, space for signature of approval authority and space for signature of Accountant.

The Payment Voucher shall be supported by primary documents like request memos, invoices, local purchase order, travel claim form, etc.

3.7 Internal Request (Memos)

This is the document which is prepared by the person requesting money for specific purposes. A Memo should state the reasons for the request and the amount involved. The Memo which should be dated and signed should be submitted to the Principal through the supervisor who shall endorse or provide additional justification for approval.

3.7.1 Process for requesting for funds:

1. Prepare a **request memo**
2. Submit **request memo** for **supervisor's approval**
3. Present **request memo to the principal**
4. Memo will be **sent to the Internal Auditor** for advice
5. Memo returns to the principal
6. Approved memo is forwarded to Finance Officer
7. **Warrant is then raised**
8. Cashier/ Account Officer raises payment voucher (PV)
9. PV is presented to the Internal Auditor for pre- audit
10. PV is returned to the Finance Officer
11. Cheque written by the Account Officer is forwarded to the principal for signing
12. Payment /Cheque **is presented to** the Officer requesting for fund
13. The necessary document for payment should be returned to the Account Officer, a maximum of 48 hours (2 days)
14. PV and document must be stamped with "paid"
15. File PV and document.

3.7.2 Out of Station Form

This is the document which is used by employees only to claim for per diem on official trips. The Form is designed to collect information on the name of the traveler, rank, month, days spent at outstation, purpose of the trip, entitlement per day, total amount claiming, signature of claimant, date and space for recommendation and authorization. All travels must be authorized by the Principal. No claims should be honoured without a fully completed and authorized Out of Station Form.

3.7.3 Invoices

All memos requesting monies for purchases should be accompanied by three invoices. All invoices should contain information like, name of company, date, quantity, description of items, amount, address of companies, telephone number of companies, and signature.

3.7.4 Job Order Form

All memos for the request for payment for repairs shall be supported by a completed Job Order Form. The form should contain the following details; description of items used in the repairs, quantity, unit cost and total cost. The form should be signed by the Requesting Officer.

3.7.5 Certificate of Honour

This is the document used to claim expenditure of which official receipt cannot be obtained. The form should contain information like name of payee, date, purpose of the transaction, amount and space for recommendation and authorization.

Under no circumstances should a Certificate of Honour be used for transactions for which official receipt can be obtained.

3.7.6 Store Receipt Voucher

This is the document used to acknowledge receipt of goods from suppliers. This document should always accompany all relevant authorization documents as evidence that the goods have been supplied before approval can be given for payment.

The Stores Receipt Voucher should contain the following information:

- Ledger folio

- Quantity of goods supplied
- Description of goods
- Unit price
- Amount
- Signature of the Storekeeper.

3.8 Budget Control

The emphasis on Budget Control shall be used to ensure that expenses conform to the approved budgeted figures and the College's policies and procedures. Budgeted control shall be exercised by means of the following:

- College Variance Reports
- Monitoring and evaluation of the internal control procedures in the system
- Segregation of duty - requisition, checking, verification and authorization shall be done by a different staff.

3.8.1 Authorization

- The Authorization to incur expenses shall be issued by the Principal.
- Authorization shall be done on all documents supporting expenses namely, internal memos, invoices, out of station travel forms, etc.
- Before authorizing any expenditure, the Authorizing Officer shall ensure that the budget control and procurement procedures have been duly followed and that the purpose of the expense is stated clearly and justified.

3.8.2 Payment Procedures

Payments may be made by cash or cheque. However, **under no circumstances should payments be made directly from cash takings.** All cash payments including petty cash disbursements should be taken from the bank.

3.8.3 Cash Payments

Cash Payments shall be made through Petty cash and shall be:

- limited to items not exceeding **GH¢5000.00**
- as far as possible, be restricted to payments of petty general office expenses which do not occur frequently.
- made only to payees who must provide evidence in the form of receipt or through authorized certificate of honour where it is not possible to obtain receipt for the transaction.

NOTE:

Under no circumstances should petty cash float be used for the granting of IOU's.

3.8.4 Cheque Payments

- Cheque payments shall be made on the strength of a completed and duly authorized payment voucher.
- Payment voucher must be accompanied by appropriate sufficient documentation such as request memos, invoice, VAT invoice, travel claim form and other such documents.
- Cheques should be paid to the payee or his representative who must acknowledge by signing the payment voucher and providing appropriate receipt.
- All documents accompanying a payment voucher shall be stamped '**ACCOUNTPAID**' after the payment has been made.

- Cancelled cheque shall be stapled to the cheque stub to enhance audit trail, deter and detect irregularities.

3.9 Bank Accounts

- The authority to open a bank account for the purposes of managing receipts and disbursements of the College's funds rests solely with the Principal in consultation with the Council and the Officer responsible for supervising the College **Finance**.
- A minimum of two signatures shall be required on all cheques drawn on all the College's Bank accounts. The principal shall be the principal signatory in addition to the Head of Finance shall be the authorized signatories to the account.
- Bank statement will be obtained every month, and reconciliations will be performed on cash books by an authorized Finance Officer, checked by the Head of Finance as part of the normal reporting procedure.
- Stale cheques will be cancelled by the Head of Finance when they are out of date, normally six months after issue.
- The cheque book in use will be in the custody of the authorized Finance Officer, and any new ones will be kept in the safe by the Head of Finance and will issue it out to the Finance Officer when the last cheque in the previous book is used up.
- Spoilt cheques will be cancelled in ink and stapled back on the cheque stub by the Account Officer.
- Invoices, receipts and authorization paperwork will be filed in sequential payment voucher number order by the Finance Officer.
- The Head of Finance will be responsible for monitoring cash flow and bank balances so that excess money is not held. The balance will also be monitored by the Head of Finance to prevent bank charges being incurred due to an overdraft. Bank charges should be minimized.

3.10 Budget Preparation, Approval and Authorization.

- The College's Annual Budget shall be prepared by the Head of Finance liaising with the principal. The budget period should be from 1st January to 31st December.
- The College shall constitute a Budget Committee. The Committee should consist of the Principal, Dean of Students, Head of Finance, Head of Audit, Budget officer and Procurement Officer. The Committee will be responsible for the co- ordination of the Annual Budget.
- The completed Budget and the work plan should be forwarded to the Council by the Principal for approval. The Budget when approved should be sent to **GTEC**.
- The College's Budget should always conform to the Government policies and programmes directed by the Ministry of Finance.

3.10.1 Statement of Rules

The College's annual budget shall be considered as valid when approved by the Council.

3.11 Internally Generated Funds (IGF)

For the purpose of this manual, Internally Generated Funds are Non-Tax Revenue that is generated through the activities of the College. Revenue includes fees and charges, rent on college properties and buildings, interest on investments, and all other revenue generated from the activities of the College.

3.11.1 Collection and Lodgment of IGF

The Head of Finance shall ensure that:

- a. all Non-Tax Revenue are efficiently collected;
- b. all Non-Tax Revenue is immediately lodged in the designated College bank accounts in gross daily.

3.11.2 Accounting and Disclosure of Non-Tax Revenue.

The Principal shall fully disclose all Non-Tax Revenue collected, lodged or retained as part of the monthly report to the Minister as required, with copies to the Controller and Accountant-General under Regulation 2(j) of the FAR 2004.

3.11.3 Review of Rates, Fees and Charges

The Finance Department is responsible for collecting various types of fees and charges but Management shall review annually the administrative efficiency of collection, the accuracy of past estimates and the relevance of rates, fees and charges to current economic conditions and submit proposals to the Board for approval.

3.12 Value Books

Definition of Value book

The term “value book” is defined in Regulation 209 of FAR, 2004, as any official form, book or any electronic device used in public financial business, the improper use of which might occasion loss of public or trust monies, or lost to members of the public. Value books include;

- official receipt documents, whether in the form of books, tickets or discs.
- cheque books.
- local purchase order forms.
- activity and expenditure initiation form.
- fuel coupons and chits.
- requisitions and bill books where these form part of a standardized system as approved in departmental accounting instructions.
- departmental payment and journal vouchers.
- approved electronic device.
- travel request/warrants and any other form which the College may declare as a value book.

3.12.1 Custody of value books

It is the responsibility of the Head of Finance to determine appropriate minimum levels of supplies to be kept readily available in the Finance Office safe. It is also their responsibility to request value books from the authorized source of supplies in advance to avoid exhausting existing supplies. A person to whom value books are issued shall be personally responsible for the custody of the value books.

3.12.2 Obtaining/Assigning Value Books

Highlights of the Function		
Cycle	Actions/Events	Responsible Official
Starting Point(s)	Prepare requisition for Value Books	Finance Staff

Interim Points	<ul style="list-style-type: none"> • Collect/Receive Value Books • Post Value Book Stock Register • Post to Stock Ledger 	Finance Staff Finance Staff Finance Staff Head of Finance
Ending Point	File Copy of Requisition	Finance Staff

3.12.3 Internal Control Objectives

The internal control objectives for this function are that:

- the ordering, distributing and safekeeping of official Value Books is handled only by, or through, the designated authorized stockholder.
- all movements of Value Books into and out of the safe are recorded in the accounting records.
- such recording is made only by individuals acting within the scope of their authority; and
- all used and unused Value Books are kept in a secure place with access strictly limited to only the designated authorized stockholder.

3.12.4 Statement of Rules

- Generally, the supply of Value Books on hand should equal at least one month's requirements. In the interest of minimizing the workload associated with ordering and receiving Value Books, however, a six-month's supply of value books should be used as a more suitable guideline.
- The custody and safekeeping responsibility for all used and unused Value Books remains with the Head of Finance while the custody and safekeeping responsibility for each Value book 'in process' remains with the officer in possession of that book. All persons with safekeeping responsibilities for value books shall be held personally accountable for their proper and safe custody.
- Order for Value Books are to be placed using the requisition for Value Books form and must be signed by both the Institute Managers and the Accountants.
- A detailed record of all Value Book receipts, issuances and returns must be maintained by the finance office in a Value Book register.
- All used Value Books must be kept until such time that it is appropriate to destroy or dispose of in consonance with Regulation 225 of the FAR 2004.

4.0 ACCOUNTING FOR NON-CASH TRANSACTIONS AND DONATIONS

4.1 Overview

In this section, the Manual describes the procedures that must be followed when processing transactions to the General Ledger other than payments, receipts and invoices. These transactions which are Non-Cash are meant to:

- correct any financial errors.
- record payroll deductions.
- record non-current assets depreciation.
- record disposal of assets.
- record accruals.
- record re-allocation of expenses.
- process any other transactions that cannot be processed through the cash book.
- recognize any donations that are received in kind which needs to be quantified.

- All the above transactions should be processed by means of a General Journal.

All General Journal transactions should be reviewed and authorized by the Accountant before they are posted to the Ledger.

4.2 Preparation and Authorization.

All journal entries should be identified with a number. Details of the nature of the transactions for which the journal is being raised must be entered. All journal entries should make reference to the folio in the general ledger where the transactions are being posted to.

4.3 Accounting for Donations

The College may receive Donations in the form of Fixed Assets, Inventory or Cash. While some donations are marked for specific activities/projects, others are meant to augment government financing generally. Whatever the case may be, it is important and at the same time prudent to recognize and document the receipt of these Donations.

Below are the basic activities:

4.3.1 Donations in Kind or Cash

Highlights of the Function		
Cycle	Actions/Events	Responsible Official
Starting Point(s)	<ul style="list-style-type: none"> • Authorize receipt of Donated item • Receive donated items into stores • Receive SRA/SRV/Documentation from Stores 	Management Storekeeper Head of Finance
Interim Points	<ul style="list-style-type: none"> • Issue receipts/acknowledgement for donated items in cash/kind • Assign Values to donations in kind (if possible) • Make entries in relevant books 	Finance Staff Head of Finance/ Storekeeper/Expert Finance Staff
Ending Point	File donation documents securely	Head of Finance

4.3.2 Internal Control Objectives

The internal control objectives for this function are that:

- laid down procedures are duly followed in receiving donations.
- donations are recognized, properly receipted and documented.
- donations are issued and used for the intended purpose.
- donations are received and utilized by individuals acting within the scope of their authority; and
- all documents on donations are kept in a secure place and easily retrievable.

4.3.3 Statement of Rules

- All Cash donations shall be received by the Account Office and a GCR/CAGD Approved Receipts shall be issued to acknowledge receipt.
- The College shall keep a register of Donations – both cash and in kind.
- All donations other than cash must be receipted with the issuance of SRAs and be routed through the Stores.

- Donations in the form of Services shall be recorded in the Donations Register.

4.3.4 Procedures/Steps to Follow

a. Donation of Fixed Assets

When Fixed Assets are donated to College, the stipulations of these Rules and Instructions shall apply:

- The donation shall be documented and the necessary particulars recorded in the Fixed Assets Register.
- The Principal in collaboration with the Estate/Transport Units, shall ensure that all donated assets are marked/labelled/embossed for easy identification. The markings should be done before the assets are assigned to the user departments.
- All donated items should be received through the Stores with an SRA and SRV. It should be documented and assigned a fair value, if possible.

4.3.5 Cash Donation

When Cash Donations are made, the office of the Head of Finance will issue GCR/CAGD Approved Receipts to acknowledge receipt of the money and prepare Memorandum Journal Voucher to make entries by debiting Cash Book and crediting the Revenue Ledger respectively.

5.0 FIXED ASSETS MANAGEMENT

5.1 Fixed Assets Management

- Acquisition of fixed assets may be through annual budget of the College or through Donations received. The purchasing procedure is described under the procurement procedures. Fixed assets procured must be capitalized.
- The College is required to maintain an updated fixed asset register in the Standard Format shown and shall be provided for inspection when required. In this direction, the Procurement Unit, the Finance Department and the Estate/Transport Units are required to keep adequate records of assets procured. All Fixed Assets shall be labelled, marked or embossed before allocated for use by particular Department
- Fixed Assets management involves a number of functions including: the maintenance, transfer and disposal of Fixed Assets. It is envisaged that the College would strictly adhere to the policies and standards prescribed by these Rules and Regulations for the purpose of safeguarding the Assets.

Find below the highlights of Function of Accounting for Fixed Assets.

Highlights of Function of Accounting for Fixed Assets

Highlights of the Function		
Cycle	Actions/Events	Responsible Official
Starting Point(s)	Receive Contracts to procure Fixed Assets (Commitment)/Evidence of Receipt/Fixed Assets/Fixed Assets Register (for existing assets)	Head of Finance

Interim Points	Post relevant ledgers	Finance staff Finance staff
	Reconcile accounts records with Stores	
	Review reconciliation	Head of Finance Head of Finance
	Extract and review information for FR	
Ending Point	File copies of Receipt and Issue Voucher (where applicable)	Finance staff

5.2 Internal Control Objectives

The Internal Control objectives for this function are that;

- the general systems and procedures for accounting and for safeguarding Fixed Assets are complied with.
- there is the coordination of the movement of Fixed Assets within the organization.
- all Fixed Assets are marked/embossed/labelled for identification to indicate the Unit, Asset Class, Location and serial number.
- The College's accounting Policies regarding Fixed Assets are consistently applied.
- recordings on Fixed Assets is made only by individuals acting within the scope of their authority; and
- all documents on Fixed Assets are kept at a secured place and easily retrievable.

5.3 Statement of Rules

- Acquisitions and disposals of Fixed Assets shall be properly authorized in accordance with the provisions of the Public Procurement (Amendment) Act, 2016 (Act 914).
- A Fixed Assets Register shall be maintained to ensure that, the cost, condition and location of these assets are easily determined.
- Fixed Assets shall be disposed of in accordance with the provision under Section 83 and 84 of the Public Procurement Act. Such disposal shall be controlled and monitored by the Board of Survey to prevent abuse of the system.

5.4 Procedures/steps to follow

- Once an asset is acquired, it should be given a classification and an identification number by the Responsible Officer.
- The asset will then be assigned to a particular Department where the head of that Department would be responsible for its proper care, maintenance and use within the organization.
- All Departments should keep for inspection at any time an updated fixed asset register. This register should be maintained and updated quarterly by Estate/Transport Unit and Finance Office. The Finance Office however should maintain the accounting records – based on quarterly reports submitted to it by the Estate and Transport Units.
- The overall Assets Register of Komenda College should be kept and maintained by the Administrator in charge of operations.
- In case of transfer of an asset, the Estate/Transport Unit should coordinate the actual movement and transfer of the fixed assets and also make the necessary adjustments in the Fixed Assets Register. The respective Responsible Officers should inform the Finance Office who will also accordingly up-date the respective accounting records.
- On acquiring a Fixed Asset a Finance staff member should debit the specific fixed asset account using the CRIV/Invoice with the invoiced amount and then credit Suppliers Account.
- On payment for the asset, the payment voucher that supports the payment shall be posted in the books of account as follows;
 - a. **Debit Suppliers Account (Account Payable)**
 - b. **Credit Cash Book.**
- When a Fixed Asset is no longer functional or required and has therefore been disposed off, entries shall be effected in the books of account to remove the cost from the accounting records of the Department.
- Under the accrual basis of accounting, in the year of disposal of an asset, the Finance staff member should effect in the books of account on receipt of disposal proceeds of such assets by:
 - a. **Debiting cash book with the amount of proceeds**
 - b. **Crediting other Revenue Account**
- Upon the disposal of Fixed Assets based on accrual accounting system, a Finance staff member should transfer the original cost of the fixed assets disposed of to the fixed assets disposal account by:
 - a. **Debiting asset disposal account (original cost) and then**
 - b. **Credit Fixed Asset Account (original cost).**

6.0 STORES

6.1 Objective

The objective of Stores is to maintain a system of control over receipt, custody, issue and security of stocks.

6.2 Functions

The functions of store keeping include:

- Maintaining the stores in a tidy manner.
- Accepting goods and raising Stores Receipt Advice (SRA)/Goods Receipt Notes.

- Correct positioning of inventories and issue of bin or tally cards or inventory ledger.
- Checking that bin card quantities agree with physical quantities at all times.
- Issuing goods out on proper authority on receipt of approved requisitions and issuing stores voucher.
- Advising on obsolete, damaged and slow-moving inventories, and
- Raising requests for stock replenishment for common user items.

6.3 Inventory taking

Accounting for Inventory should be carried out in line with the Generally Accepted Accounting Principles (GAAP). The College shall recognize Inventory as part of its accounting and financial reporting. As part of the process, there shall be quarterly and annual stock count at the Colleges stores.

7.0 PROCUREMENT PROCEDURES

7.1 Overview

Government institutions are enjoined by law, Regulations 182 and 183 of the FAR 2004, to incorporate prudent inventory management systems into their operations. The procurement of goods, works and services must be done in most economical way by responsible officers charged with exercising that function on behalf of the Institute taking cognizance of the provisions of the Public Procurement (Amendment) Act, 2016 (Act 914).

7.2 Procurement Policy

- All procurements should be approved by the Entity Tender Committee and the Principal depending on the threshold and must comply with the Public Procurement (Amendment) Act, 2016 (Act 914).
- The College's procurement system must ensure value for money in the procurement of goods, services and works.
- The procurement system aims at procuring goods, services and works of the right quality, at the right price, at the right time and at the right place through an open competitive tendering process.
- The use of funds in the College's procurement activities must be conducted in a transparent and open manner, allowing stakeholders and the general public access to information on procurement actions by the College as well as a means to control and audit all procurement cases.

7.3 Required Documentations

The following documentations are required for tendering by suppliers and contractors irrespective of the procurement method:

- Valid GRA Tax Clearance Certificate.
- Valid SSNIT Clearance Certificate.
- Valid VAT Registration Certificate (if applicable).
- Valid Business Registration Certificate
- Valid Registration Certificate from PPA or Evidence of Registration
- Valid Works and Housing Certificate (Works projects)

7.4 Procurement of Goods, Works and Services

7.4.1 Definition of Goods, Works and Services

- **Goods** means objects of every kind and description including raw materials, products and equipment and objects in solid, liquid or gaseous form, and electricity, as well as services incidental to the supply of the goods if the value of those incidental services does not exceed that

of the goods themselves.

- **Works** means work associated with the construction, reconstruction, demolition, repair or renovation of a building or structure or surface and includes site preparation, excavation, erection, assembly, installation of plant, fixing of equipment and laying out of materials, decoration and fixing, and any incidental activity under a procurement contract.
- **Service** means the request for services which are of an intellectual and advisory nature provided by firms or individuals using their profession to study, design and organize specific projects, advice clients, conduct training or transfer knowledge.

7.4.2 Procurement Methods

Methods that can be used in the procurement of goods, services and works include:

- International Competitive Tender
- National Competitive Tender
- Single Source Procurement
- Request for Quotations (RFQ)
- Restricted Tender
- Two-stage Tendering

7.4.3 International Competitive Tender

- International Competitive Tendering is appropriate for procurement of the following:
- Goods – above GH¢ 10,000,000.00
- Services – above GH¢ 5,000,000.00
- Works – above GH¢ 15,000,000.00

7.4.4 Procurement Process for National Competitive Tender

For the procurement process of the under-listed activities:

- Goods - more than GH¢100,000 up to GH¢10,000,000
- Services - more than GH¢50,000 up to GH¢ 5,000,000
- Works - more than GH¢200,000 up to GH¢15,000,000

All the Procedures should be followed in addition to advertisement in at least one national media (print and electronic, or where applicable) and allowing for at least two to four weeks for submission of sealed envelopes.

7.4.5 Single Source

Single Source Procurement from a supplier without competition (Direct Procurement) is subject to a specific approval to be granted by the Public Procurement Authority. Single source procurement is appropriate when the:

- purchase is for urgently needed products, provided this is restricted to the minimum quantity to meet the urgent need until a purchase by other methods can be fulfilled; or
- requirement can only be supplied by one source for physical, technical or policy reasons.

7.4.6 Request for Quotations

This is also known as “shopping” and is based on comparing price quotations obtained from several suppliers, usually at least three, to ensure competitive prices.

7.4.6 Restricted Tender

A procurement entity may, for reasons of economy and efficiency and subject to the approval of the Board, engage in procurement by means of restricted tendering if the;

- i. goods, works or services are available only from a limited number of suppliers or contractors:
- ii. time and cost required to examine and evaluate a large number of tenders is disproportionate to the value of the goods, works or services to be procured.

7.4.7 Procurement Process (Goods/Works/Services)

- Obtain formal request for items from the needy Department/Stores
- Check for the availability of products.
 - a. **If in stock, supply to the needy department.**
 - b. **If not in stock, the under listed steps must be followed:**
 - Memo is written to the Principal.
 - The Principal approves memo and forwards it to the Procurement officer.
 - Procurement officer invites quotations from three or more suppliers.
 - Evaluation Committee is constituted and chaired by the person with relative technical skills to evaluate quotations/submissions.
 - Submission of evaluation report to the Principal for approval.
 - Award of contract.
 - **Delivery of Goods**

7.5.0 Delivery of Items

- Storekeeper, User Department and Internal Audit checks the quantity and quality (specifications) of goods supplied with the contract document.
- Prepares Store Received Advice.
- Attaches copy to invoice and waybill.
- Forward document to Procurement Unit for onward submission to the Principal
- The Principal forwards to the Internal Audit for Vetting and recommendation
- The Internal Audit recommends to the Principal
- The Principal forwards the approved transaction to the Finance Department.

7.6.0 Procurement of Service

7.6.1 Komenda College Policy

Services below GH¢1,000 should be sourced from at least three entities, providers or suppliers. Examples of services include maintenance of vehicles, building, equipment, plants, machinery and consultancies. In executing the above activities, the under listed process should be followed:

7.6.2 Procurement Process

- User Department request for the service using the Job Order Form.
- Procurement Unit in collaboration with the user Department collect and assess three quotations based on quality of service, competitiveness of prices, experience and delivery time.
- Job Order Form is given to the service provider.
- Service provider fills in the field to indicate the completeness of service.
- User also indicates whether the service has been provided.
- The invoice and the Job Order are forwarded to the Finance Department for processing and payment.

8.0 SALARIES AND ADVANCES

8.1 Payroll Accounting and Control

This section presents the processes and procedures to be followed by the College in administering Payroll; the key documentation to be used and the roles and responsibilities to be performed in order to control and account for the payment of Employee Compensation.

The Payroll expenditure forms the bulk of all cost traceable to employee compensation of the College for any financial year. There should be maximum collaboration between the various players in the Payroll administration within the College; Human Resource and Finance Departments in order to improve control over the management of payroll.

8.2 Responsibility for Payroll

The “accounting authorities” responsible for the integrity of the payroll are as follows:

- All employees shall be issued with appointment letters signed by the Principal.
- The appointment letter shall contain the initial salary, responsibilities, duties and the general terms and conditions.
- Personal file shall be opened for every employee of the College. Copies of job application letters, appointment letters and any other correspondence between the College and the employee shall be kept on this file.
- Payment of employees' salaries shall be validated by the Principal, the Human Resource Manager and the Head of Finance using the E-SPV system which is handled centrally by the Controller and the Accountant-General's Department.
- The Principal; shall be responsible for notifying the CAGD of circumstances affecting staff pay which arise.
- The Finance and Human Resource Department shall be responsible for the general control of employee compensation.
- All data captured shall be verified by an officer designated by the College for accuracy and their financial appropriateness.
- Employees shall be issued with pay slips at the end of every month from the Controller and Accountant General's Department which should be printed online.
- Controller and Accountant General's Department generates staff Identification number for new entrants. This number shall be submitted to the account department for the Electronic Payslip (E'Payslip) to be generated.
- The Principal should ensure the immediate stoppage of payment of salary to an employee under the following circumstances in accordance with Regulation 297 (1) of the FAR by submitting the appropriate input forms to the CAGD.
 - a. If the employee has absented himself from duty for 14 consecutive working days without permission.
 - b. The employee is on leave without pay.
 - c. The employee has died, resigned or retired.
 - d. The employee has been convicted by a court of competent jurisdiction for offences involving theft and fraud or has been imprisoned for any offence.

8.3 Internal Control Objectives

Internal Control objectives for this function are that;

- payroll is managed efficiently within the constraints of the Employee Compensation limits.
- only staff belonging to the College and are at post should have their names on the College's Payment Voucher.

- officers are paid emoluments commensurate to their grades and salary levels.
- the monthly payroll is certified by persons acting within the scope of their authority.
- recordings on personnel and payroll is made only by individuals acting within the scope of their authority; and
- all documents of personnel and payroll are kept at a secured place and easily retrievable.

8.4 Statement of Rules

- Salaries may be paid in accordance with pay-days published by the Controller and Accountant General's Department (CAGD)
- All Salary payments shall be made through bank accounts of the staff unless authorized otherwise by the CAGD.
- No entry shall be made on any payroll system without authorization and approval by officers designated by the College.
- Inputs for Salary related payments by the College should conform to the approved salary structures or scales issued by the Ministry of Finance, checked and signed by Head of Finance.
- The primary responsibility of the correctness of an input rests with the Principal.
- For the purpose of authenticating Payroll inputs, the Principal and the College's Management should ensure that specimen signatures are lodged with the Payroll Processing System.
- In accordance with Regulation 298 (3) (b and c) of the FAR 2004, the Principal shall write to the Bank, copied to the CAGD, for repayment into the Consolidated Fund salaries or other payments credited to the bank accounts of separated staff.

8.4.1 Procedures /Steps to follow

- IPPD Input forms are signed by the scheduled Officer, approved by the Head of Finance and authorized by the Principal.
- Officers authorizing or approving the input forms must check relevant supporting documents before signing and stamping all inputs forms with the Institute's official stamp.
- The College's Payroll Processing System should conduct a monthly reconciliation with the Payroll Processing Department-CAGD to verify and validate all inputs made against the payroll outputs generated by CAGD.

8.4.2 Relevant Accounting Entries for Payroll

Where salaries are paid from the Consolidated Fund, a Journal Voucher is written using the summaries generated monthly from the CAGD and debiting Salaries Account (Gross payment – inclusive of 13% Employer's Contribution) while crediting Subvention Account with the Gross payment.

8.4.3 Payments of salary made out of Internally Generated Funds (IGF)

Where Payment Vouchers are prepared to pay salaries from IGF, debit Salaries Account with the Gross Salary and 13% Employer's Contribution and Credit the IGF Bank Account with the Net Salary Payment, Ghana Revenue Authority Account (Income Tax), the SSNIT Accounts, (SSNIT Contribution).

8.4.4 Salary Advance to Staff

The following procedures should be followed in granting loans/salary advance to employees of the College:

- The Principal granting loans/salary advance to employees should ensure that such advances can easily be recovered.

- The Principal granting loans /salary advance to employees should ensure that after granting the facility, the net salary of the employee should not be less than 50% of his basic pay after statutory deductions.
- No temporary employee should be granted any loan/ salary advance.
- The Principal should not grant him or herself any loan/salary advance unless he/she seeks authorization from the Council.
- Staff receivable control ledger should be maintained and reconciled every month.
- All advances granted to employees at the College should be deducted directly from their salaries from the CAGD.
- In accordance with regulation 113 (1) of the FAR, 2004, recoveries from official salaries shall commence from the salary of the next complete month after the month in which the advance was made.

9.0 ACCOUNTING FOR INVESTMENTS

9.1 Accounting for Investments

- Investment in this section refers to investment in non-governmental securities such as Call Accounts, Fixed deposits, and Savings. Investment in shares and other investments shall be regulated by Regulation 140 of the FAR, 2004.
- The College shall not invest in Government Securities (Treasury Bills, Government Bonds etc.) and other such instruments for which interest shall be paid from the Consolidated Accounts as in – Section 49 of the Public Financial Management Act, 2016 (Act 921).
- The College may invest funds not immediately required for service delivery to earn interest. These investments however must be flexible to liquidate as and when it is required to execute any “Komenda College of Education’s Programme of Work” activity. Managements shall seek the expressed authority of the Council to invest funds. The investment shall mature within the fiscal year. The table below indicate the basic activities:

9.2 The process of Accounting for Investments

Highlights of the Function		
Cycle	Actions/Events	Responsible Official
Starting Point(s)	<ul style="list-style-type: none"> • Authorization by Council/Management • Contract Agreement/ Proof of Investment received 	Principal Head of Finance
Interim Points	<ul style="list-style-type: none"> • Open books to record Investment • Monitor Performance of Investment • Periodic reconciliation of Investment with bank or holder 	Finance Staff Head of finance Finance Staff
Ending point	<ul style="list-style-type: none"> • File securely investment document • Monitoring and maintenance of investment 	Head of Finance Finance Staff

9.3 Internal Control Objectives

The internal control objectives for this function are that;

- due diligence has been undertaken prior to investing the funds.
- investments are protected from a fall in value of the original amount.
- positive returns are earned from the investment.
- investment is negotiated and concluded by individuals acting within the scope of their authority;
- and all documents on investments are kept in a secure place and easily retrievable.

9.4 Statement of Rules

- There shall exist at the time of investment, evidence of authorization.
- The College shall keep and update register of Investments.
- The Head of Finance shall ensure that the relevant books of accounts are maintained to record investment made and the performance thereof.
- Investment certificate or Proof of interest shall be kept by the Head of Finance.
- No investment of funds shall be made if it stands in competition with funding a Programme of Work activity.
- Cash Plans shall be prepared and reviewed by Management prior to acquiring any Investment.

9.5 Procedures/Steps to Follow

- As part of the efforts to ensure efficiency in the financial management processes, Management intending to carry out investment activities have to sample and choose from possible areas of Investment.
- Such effort should result in the drawing up of cash plans and evidence of the availability of funds for the investment before authorization.

- The Head of Finance Office shall ensure that adequate records are kept of the Investment and any interest thereof. Consequently, the Finance Office should record particulars of contract and proof of investment received in the register as part of effort to ensure that investments undertaken by the College are duly recorded in the books of accounts.

Upon the receipt of the contract and proof of investment, the Head of Finance will instruct a Finance staff member to make the appropriate entries in the Investment Account using the Departmental Journal Voucher, after it has been signed by him or her.

- At appropriate intervals when the interests are earned on the Investment Account, a Finance staff member will enter the amount in both the Cash Book and the Investment Account Ledger.
- De-investment shall be authorized by the Principal and notice provided to the Council. In that case, the Head of Finance should accordingly be informed so that the details of the de-investment shall be entered in the Investment records appropriately by debiting Cash book and crediting Investment Account.

10.0 INTERNAL AUDIT ARRANGEMENT

10.1 Overview

The Internal Audit Department is primarily to provide Assurance on Internal Controls to Management. It is a management tool designed to ensure that resources in the public sector are economically, efficiently and effectively utilized for the purposes for which they were released. As part of Government's effort to strengthen the Internal Audit functions and Public Financial Management generally, the following laws have been enacted;

- **The Public Procurement (Amendment) Act, 2016, (Act 914)**
- **The Internal Audit Agency Act, 2003, (Act 658)**
- **Public Financial Management Act, 2016, (Act 921)**
- **The Financial Administration Regulation, 2019, LI2378**
- **Audit Service Act 2000, (Act 584)**

The passage of these Laws has provided impetus to Management to scale-up issues regarding Internal Controls, specifically Internal Audit activities within the College. However, per section 103 (1) of Public Financial Management Act, 2016 (Act 921), the following have been repealed:

Section 16 (8) of the Internal Audit Agency Act, 2003 (Act 658) and Section 30 of the Audit Service Act, 2000 (Act 584).

The basic activities are indicated below:

Internal Audit Arrangement: Basic Audit Activities

Highlights of the Function		
Cycle	Actions/Events	Responsible Official
Starting Point(s)	Establish Internal Audit Unit	Principal

Interim Points	Set up systems of Internal Control	Principal
	Assess and advice on the adequacy and effectiveness of the Control systems	Head of Audit
Ending Point	Verify that allocated resources are used for the approved plans and activities	Head of Audit
	Verify compliance to rules and regulations	Head of Audit Head of Audit Head of Audit
	<ul style="list-style-type: none"> • Issue reports to Management • Systems Audit/Performance Audit • Staff Audit/Pre-audit 	Head of Audit Head of Audit Head of Audit
Ending Point	File copy of report & follow up	Management of the College

10.2 Internal Control Objectives

The Internal Control objectives for this function are to ensure that;

- there is economic, efficient and effective use of resources allocated or generated by the College.
- policies, rules and regulations enshrined in or issued in accordance with the FAR, PFMA, IAA and this manual as well as acceptable Standards are complied with.
- Management would be provided the assurance that internal control systems so established are adequate to safeguard the assets of the College.
- allocated resources are used for the approved plans and activities; and
- systems that have been established are adequate and are working efficiently.

10.3 Statement of Rules

- Section 16 of the Internal Audit Agency Act, 2003, Act 658 requires Institutions (Komenda College of Education) to set up Internal Audit Units to support the Principal to put in place appropriate internal control systems to ensure the efficient and effective running of the College.
- The Principal as well as the Heads of Department are required to ensure that the supporting accounting records, procedures and internal control systems are audited in accordance with the provisions of the Internal Audit Agency Act, 2003, (Act 658) and standards, guidelines and instructions issued by the Internal Audit Units shall provide quarterly reports to management
- In addition to assignment reports that shall be promptly issued, Internal Audit Department shall provide quarterly reports to the Principal.
- The Internal Audit Department shall ensure that reports are 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.
- Internal Audit Unit shall write reports, making recommendations regarding audit observations for Management considerations.
- The College shall set up an Audit Committee in accordance with **section 86 of the PFMA, 2019.**

10.4 Procedures /Steps to follow:

- The authority of the Internal Audit Department to exercise its mandate is required by Law.
- Notification is required to be given to the Departments prior to the commencement of audit.
- Audit teams should debrief Departments prior to and on completion of the audit.
- Audit Plan should be drawn before the commencement of any audit, stating clearly the objectives and scope of the audit.
- The Audit committee shall ensure that action is taken on audit recommendations.
- Management shall respond to Internal Audit observations within ten (10) working days upon the receipt of the report.
- The assignment report should be ready within ten (10) working days after the completion of the audit task.

11.0 FINANCIAL STATEMENTS AND REPORTS

11.1 Financial Statements

The Financial Statements of the College shall comprise the following;

- Statement of Revenues and Expenses showing the financial performance of the College.
- Statement of Financial Position showing the assets and liabilities of the College.
- Statement of Cash Flow showing cash generation and absorption of the College.

The table below indicates the highlight of functions:

Highlights of the Function		
Cycle	Actions/Events	Responsible Official
Starting Point(s)	<ul style="list-style-type: none"> • Completing the various ledger books: • Completion of entries in the Cash Book and General Ledger. • Prepare Bank Reconciliation(s) Statements • Preparation of end of year adjustments. • Summarize all ledger balances of the College i.e. assets, Liabilities, Expenses and Revenue Accounts in the General Ledger and the Cash Books. 	Finance Staff
Interim Points	<ul style="list-style-type: none"> • Extract trial balance • Prepare Statement of Revenue and Expenses • Prepare Statement of Financial Position showing Assets and Liabilities (half year and annually) • Prepare a Cash Flow Statement • Review Integrity of Financial Reports 	Finance Staff Finance Staff Finance Staff Finance Staff Internal Audit

Ending Point	Sign and Submit	Head of Finance
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11.2 Reports

The following Financial Reports should be prepared and submitted to the Council.

Report Date of Submission

- Annual Accounts - 15th February.
- Annual Budget - 5th September.
- Quarterly Variance - 20th April, 20th July, 20th October, 20th January.
- Bank Reconciliation Statement - 10th of the following month.

Appendix 1



THE METHODIST CHURCH GHANA
KOMENDA COLLEGE OF EDUCATION



Honour Certificate

I certify on my honour that the amount below was spent by me in the interest of Komenda College of Education and that no receipts were obtainable.

DATE	ITEM OR SERVICE	QUANTITY	UNIT PRICE	AMOUNT (GHC)
Total Amount in Figures				

Total Amount in words.....

Ghana Cedis.....Ghana Pesewa(s).

Authorised Signature:

Recipient Signature:

Name:

Name:

Title:

Title:

Date:

Date:

NB: This form SHOULD be submitted within 78 hours (2 days)

Appendix 2



THE METHODIST CHURCH GHANA
KOMENDA COLLEGE OF EDUCATION



(Transport Requisition Form)

(A)

Name of Requesting Officer

Designation..... Date

Place and purpose for which the transport is requested

.....

No. of People Route and Destination

From (Date/Time) To.....

Contact Signature

(B)

Transport Office

Choose: Transport is available/ Not

Approval is given to the vehicle number Driven by

..... To Carry out assignment from

(C)

Recommendation by:

Signature Date..... Official Stamp

(D)

Time Started Speedometer Reading

Time Returned..... Speedometer Reading

Driver's Signature Date

Officer's Signature Date.....

Appendix 3



THE METHODIST CHURCH GHANA
KOMENDA COLLEGE OF EDUCATION



(FUEL REQUEST FORM)

The bearer of this form is authorized for the release of fuel for the following vehicle (s)

Purpose

.....

.....Prepared by

Date

Recommended by

Date.....

Approved by

Date

Appendix 4



THE METHODIST CHURCH GHANA KOMENDA COLLEGE OF EDUCATION



Job Order Form (Please Provide all Information to the Best of your Knowledge)

General Information

Name of Company: _____ Email: _____
Date Reported: _____ Date Inspected: _____
Location: _____ Contact: _____

Project Information

Description of work/Project: _____
(Account to be charged for the service)

Site/Project Condition: _____

Time available: _____ Request Completion Date: _____

Further Recommendations: _____

Name of Officer: _____ Rank: _____

Signature/Stamp: _____ Grade: _____

Material Description

S/N	ITEM/ MATERIAL	QUANTITY	UNIT PRICE	AMOUNT (GHC)
Total Material Cost				

P.O. Box CK 5, Komenda, Ghana
MOB: 0205003000

Digital Address: CK 1855-3393
Mail: komendacollege@yahoo.com

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Appendix 6

Format for the Preparation of Annual Budget

- Brief History of the Institute
- Vision, mission and core values of the Institute
- Budget performance for the current year (Non-financial and Financial)
- Planned programmes for the next year (Non- financial)
- Next Year's Budget (Financial)
- Challenges

Budget Performance for the Year

The Budget Performance should always be the performance of the current Budget as at 30th September of the current year.

The performance should be separated into financial (Variances) and non-financial (policies) as follows:

Review of Policy Objectives of 20x1 as at 30th September, 20x1

The achievement of each policy as at 30th September should be compared with the target set in the current budget and explanation given when necessary. The presentation should be in a tabular form concentrating on key programme areas (Non-financial) as shown below:

Non- Financial Performance

No.	Programme	Target	Implementation Status (Actual)	Variance	Implementation challenges
1	Enrolment				
2	Teaching Practice				
3	Staff Development				
4	Production Income				
5	On-going Projects				

Performance Report As At 30th September, 20x1 (Variance Report) Revenue

Revenue Item	Budget as at 30/09/20X1 GH¢	Actual as at 30/09/20X1 GH¢	Variance F/(A) GH¢	% Variance
Student Fees	x x	xx	xx	x%
Admission Fees	x x	xx	xx	x%
Production Income(3c)	xx	xx	xx	x%
etc				

Variance is positive if the Actual revenue exceeds the Budget and vice versa.

Note: The Actual as at 30/9/20X1 should be compared with a Flexible budget at 30/9/20X1 and not the full years' budget

Expenditure

Expenditure Item	Budget as at 30/09/20X1 GH¢	Actual as at 30/09/20X1 GH¢	Variance F/(A) GH¢	% Variance
Teaching and Learning	xx	xx	xx	x%
Repairs & Maintenance	xx	xx	xx	xx%
Employee Compensation	xx	xx	xx	xx%
Utilities	xx	xx	xx	x%
Refreshment	xx	xx	xx	x%
Allowances	xx	xx	xx	x%
Donations	xx	xx	xx	x%
Stationary	xx	xx	xx	x%
Advertisement	xx	xx	xx	x%
Etc				

Variance is positive if the actual expenditure is less than the budget and vice versa.

3 (c) Departments

The Production Income Budget should be broken down into Departments as follows:

Department Item	Budget as at 30/09/20X1 GH¢	Actual as at 30/09/20X1 GH¢	Variance F/(A) GH¢	% Variance
	xx	xx	xx	x%
	xx	xx	xx	x%
	xx	xx	xx	x%
	xx	xx	xx	x%
	xx	xx	xx	x%
Etc				

The Departments' Revenue budgets should be accompanied with the Expenditure budget as follows:

Departments Expenditure Budget Variance

Department Item	Budget as at 30/09/20X1 GH¢	Actual as at 30/09/20X1 GH¢	Variance F/(A) GH¢	% Variance
	xx	xx	xx	x%
	xx	xx	xx	x%
	xx	xx	xx	x%
	xx	xx	xx	x%
	xx	xx	xx	x%

Planned Programmes for the next Year

This section should provide the key programme areas to be pursued in the following year. The programmes should have targets which can be measurable and should be presented as below:

No.	Programme	Actual 30.09.20X1	Projected to 31.12. 20X1	Target 20X2	% Change	Remarks
1	Enrolment					
2	Teaching Practise					
3	Staff Development					
4	Production Income					
5	On-going Projects					

Next Year's (20X2) Budget (Financial) Summary

		20X1	20X2	%change
		GH¢	GH¢	
Total Revenue	1	xx	xx	xx%
Total Expenditure	2	xx	xx	xx%
		xx	xx	xx%

NB: The Budgeted Revenue should be equal to the Budgeted Expenditure.

NOTE 1

The Total Revenue Budget should be prepared same as before.

NOTE 2			
Total Expenditure Budget:			
Employee Compensation	(2a)	xx	
Goods and Services	(2b)	xx	
Assets	(2c)	xx	xx

Note: 2a, 2b and 2c should show detail budget for Employee Compensation, Goods and Services and Assets before.