



Technical & Financial Responsibilities of the Country Fora



OBJECTIVES

- Remind ourselves on the importance of the financial management (Governance, Budgeting, Reporting, Procurement, Auditing & Accountability);
- Frequent Audit Findings;
- Smooth closing of the projects (LMP, CAADPXP4, ATREA & AIRTEA)

Governance

- Governance encompasses the system by which an organisation is controlled and operates, and the mechanisms by which it, and its people, are held accountable.

Components of good governance

Discipline

This encompasses an organization's awareness of, and commitment to, the underlying principles of good governance, particularly at senior management level.

“All involved parties must be committed to adhere to procedures, processes, and authority structures established by the organization.”

Components of good governance Cont'd

Transparency

Transparency is the ease with which an outsider is able to make meaningful analysis of a organization's actions, its economic fundamentals and the non-financial aspects pertinent to that business.

“All actions implemented and their decision support will be available for inspection by authorized organization and Stakeholders.”

Components of good governance Cont'd

Independence

Independence is the extent to which mechanisms have been put in place to minimize or avoid potential conflicts of interest.

These mechanisms range from the composition of the board, to appointments to committees of the board, and external parties such as the auditors. The decisions made, and internal processes established, should be objective and not allow for undue influences.

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Components of good governance Cont'd

Accountability

Individuals or groups in an organization, who make decisions and take actions on specific issues, need to be accountable for their decisions and actions.

Components of good governance Cont'd

Responsibility

- With regard to management, responsibility pertains to behavior that allows for corrective action and for penalizing mismanagement

“Each contracted party is required to act responsibly to the organization and its stakeholders.”

Components of good governance Cont'd

Fairness

- The systems that exist within the organization must be balanced in taking into account all those that have an interest in the organization and its future.

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“All decisions taken, processes used, and their implementation will not be allowed to create unfair advantage to any one particular party.”

Components of good governance Cont'd

Social responsibility

- A well-managed organization will be aware of, and respond to, social issues, placing a high priority on ethical standards.
- An organization is likely to experience indirect economic benefits such as improved productivity and corporate reputation by taking those factors into consideration.

Budgeting

- Budgeting is the process of structuring organization's costs into different buckets and making sure expenses are made keeping cost efficiency in mind.
- In other words, it's an estimate of income and expenditure over a certain period of time, such as a month or year.

An example of a budget

Budget code	Activity	Method	Budget Category	Deliverable	Unit	Cost per Unit	Qty	Total
Pillar 1	Orientation of the Board	Workshop	Training	Training Report	Persons	800	13	10,400
Pillar 2	Collecting data from Kayunga	Travel	Travel & Allowances	Report	Days	100	4	400

Common errors in Budgeting

Activity	Item	Units	Total cost (USD)
Conducting M& E field activities	1car		700
Organizing a financial training workshop	Lumpsum		5,000
Reviewing the data and update the reports	Workshop		4000

Reporting

- Reporting is a process in which information is provided to the different levels of management.

Importance of Reporting

- **Performance evaluation**-Helps assess progress, achievements & areas for improvement;
- **Informed Decision** -making-Accurate & timely reporting enables
- **Resource Allocation**-Reporting informs resource allocation optimizing investments
- **Strategic Planning**- Contributes to strategic planning , shaping future goals & objectives.

Importance of Reporting Cont'd

- **Stakeholders engagement** - Keeps Stakeholders informed
- **Accountability** - Promotes transparency & accountability by tracking actions & outcomes
- **Continuous improvement** - Facilitates learning from successes and setbacks.

What to note in Reporting

- **Format** - It has to be in an agreed format in most cases the budget in grant agreement.
- **Frequency** - Quarterly or as and when requested, or as agreed in the agreement.
- **Supporting documents** - As agreed in the grant agreement, Bank reconciliation, bank statement, all financial documents (Vouchers, Invoices, Contracts, LPO, evaluation reports).

Important dates to note

- **Effective date** - All expenditures must be from the effective date
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- **Reporting Date** - This is well stated in the grant agreement
- **Completion Date** - The date when all the activities are supposed to end
- **Closing Date** - Final date for payments and reporting

Challenges in reporting

- Late submission of reports;
- Lack of supporting documents & Budget codes;
- Lack of consistency;
- Including the data outside the reporting period;
- Unreconciled figures;
- Figures in the report not tallying with the supporting documents.
- Lumpsum budgets

Accountability

Accountability - is the act of taking responsibility for the results of your work, decisions and performance.

Financial Accountability - Refers to responsibility and obligation to manage and report on financial resources in a transparent and efficient manner,

Key Elements of accountability

- Answerability;
- Responsibility;
- Explainability;
- Consequences & Blameless (Acknowledging & learning from mistakes).

Frequent issues in the accountability

- Lack of supporting documents;
- Incomplete documents;
- Governance Issues;
- Technical reports;
- Suspicious documents.

Reminder of the CAADPXP4 Categories

Category	Definition	Supporting Documents
Travel and Allowances	Costs related to travel, including fares, per diem and hotel costs for full time staff, consultants and beneficiaries.	<p>Travel expenses of workshop participants including perdiems (perdiem policy will be requested during verification of expenses details) and hotel should included here.</p> <ul style="list-style-type: none"> • Invitation Letter • Programme or evidence
Good, Services and Inputs	Expenditure related to goods, non-consulting services or inputs.	<ul style="list-style-type: none"> ▪ Payment Evidence (Bank Statement) , • Purchase Order, • Invoice, • Evidence of Delivery, Evidence of link to the project (asset assignment). • Evidence of competitive procurement.

CAADPXP4 Categories Cont'd

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CAADPXP4 Categories Cont'd

Category	Definition	Supporting Documents
Training	Expenditure related to the training of project beneficiaries. This will include all related expenditure such as the cost of the venue, participant travel, etc.	<p>Expenditures related to workshops and training events organized for beneficiaries intended in the project.</p> <ul style="list-style-type: none"> • Assessment report or Training Plan • venue hire, • Travel for participants, Facilitator etc. • Payment Evidence, • ToRs of the workshop. • Evidence of procurement process. • List of participants duly signed. • Training report with pictures.

CAADPXP4 Categories Cont'd

Category	Definition	Supporting Documents
Consultancies	Professional and consultancy services are services rendered by persons who possess a special skill, and who are not officers or employees of the organization .	<p>Payment Evidence (Bank Statement) ,</p> <ul style="list-style-type: none"> • Contract clearly linked to the project, • Invoice / Third Party Receipt, • Evidence of Deliverable. • Evidence of competitive selection of consultant including purchase request, • Invitation (Call for proposal). • Application from Consultants, • Comparative Analysis and Decision.

CAADPXP4 Categories Cont'd

Category	Definition	Supporting Documents
Workshop	Costs of workshop venue, food and beverages, publication material.	Expenditures related to the workshop meetings, <ul style="list-style-type: none"> • venue, • Food and beverages, • Publication material. • Payment Evidence, • ToRs of the workshop. • Evidence of procurement process. • List of participants duly signed. • Workshop report with pictures.

Project Closure

- Completion date
- Closing Date
- Un Spent Funds
- Ineligible Expenditures
- Reporting
- Keeping the Financial Documents



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THANK YOU

CAADP

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PROGRAMME



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IFAD

Investing in rural people