

FINANCIAL MANUAL

[Policy and Procedure]



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INTRODUCTION

Overview & Purpose

This document has been developed to communicate and manage Finance Policies & Procedures for PASDO.

PASDO's main management and administrative activities centre around its Office at Ukhurul. This manual is an internal document to be used only by personnel employed by PASDO. However a number of the attachments included in the manual have been developed for general distribution as required. The manual should be used to inform staff, existing and new, of the finance policies and procedures that apply to the activities of PASDO.

PASDO recognizes its policies and procedures need to ensure that the highest standards possible are maintained in protecting personnel and project assets. However given the small size of the operations, it also recognizes that it will not be able to anticipate and set procedures for all circumstances.

The purposes of establishing policies and procedures for PASDO's Finance Operations are as follows:

- To ensure that the best possible controls and procedures are in place to protect assets of the project whilst at the same time that the Project is properly supported in order to achieve overall Project Objectives;
- Ensuring compliance to systems and procedures consistent across all its project
- Effective and efficient management of Funds;
- Donor Funds are used in accordance with the relevant agreements and the extant laws of the land ; and
- Minimize risk of occurrence and perpetration of fraudulent and other criminal acts.

Review and Maintenance

Review and Maintenance of this manual is the responsibility of the Project Director who will draw upon other resources within the projects. The Project Director will rely heavily on the Accountant and other staff for implementation of policies and procedures and monitoring of security and other environmental conditions relevant to the Project.

Authority

The manual is approved by the Executive Committee after consultation and no changes or deviations in operations from the manual can be made without the express approval of the Project Director. The policies and rules stated in this document must be followed by all PASDO staff and where applicable consultants and visitors associated with the Project.

Version Control

Each version of this document will be maintained and identified using the version control convention of 1.0. Major changes will cause an increment of first digit with minor changes only increasing the second digit.

Correlation with other policies and documents

Together with this manual Project staff needs to be aware and understand the following Policies & Procedures /Manual developed specifically for PASDO:

- Operational Policies and Procedures Manual
- Human Resources Policies and Procedures Manual;

SECTION 1: CASH MANAGEMENT:

1.1 Cash flow management:

- Every effort shall be made to reduce the need for cash payments to an absolute minimum.
- Cash in the office will be held as cash-in-hand based on day to day requirement projected in advance.

1.2 Cash withdrawal:

- All cash payments shall be made from cash-in-hand of a fixed amount which is regularly replenished from the bank account.

1.2.1 Cash holding limits:

- On any given day the maximum cash holding with the cashier should not exceed Rs.50, 000.This amount will be inclusive of any promissory notes or 'IOU's'.
- All cash IOU's must be settled within 24 hrs of tendering the IOU or the next working day, whichever is earlier.
- Cash should be safely kept in the office locked cash-box, the keys to which will be in the custody of the cashier/accountant only or anybody entrusted for the purpose.

1.2.2 Cash transactions:

- The maximum amount for /by cash payment should not normally exceed
- Rs. 20,000/-.
- All claims for replenishment of the cash balance should be backed up by supporting documentation and signed by the cashier.
- The supporting documentation should have been authorized by the prescribed authority other than the junior accountant or claimant.

1.3 Accounting for cash:

- All cash withdrawn should be counted and recorded in the cash book on the same day by the cashier.
- Petty cash transactions are recorded in a 'Cash book' upon proper verification and authorization.
- Closing cash balances be recorded (denomination wise) and authenticated by the cashier on a daily basis.

- All cash refunds and or receipts will be furnished by a serially numbered cash receipt/ voucher. The cash receipt books be safely kept for all reconciliations.

1.6 Cash reconciliations:

- Regular Cash verification spot checks of the cash- in- hand should be carried out by the Project Director or anybody authorized by the Project Director. This involves counting the balance of cash in hand and reconciling the amount by totaling the vouchers for amounts paid out and not yet reclaimed by the cashier.

1.7 Cash security and control:

- Cash and other valuables must be kept safely in secured locked box or the office vault.
- At no time will personal cash be held along-with the office cash.

SECTION 2: BANKING PROCEDURES:

2.1 Bank Accounts:

- All bank accounts shall be opened in the name of the organization only.
- The management of PASDO reserves the right to open or close project related bank accounts as and when deemed suitable.
- All organizational bank accounts will be operated by a minimum of two signatories as nominated by the management.
- PASDO will operate through designated separate bank accounts for foreign and Indian money, for its different projects.

2.2 Fund transfer:

- Transfer of foreign currency funds to subsidiary offices or to partner organizations will be made through the designated foreign contribution bank account only.
- The transfer will be made to the respective designated bank account with the subsidiary office or partner organization.
- All fund transfers will be made in the name of the organization only, unless it is specified.
- All fund transfers will be made against an approved budget/cash flow request submitted by the subsidiary office or the partner organization.

2.3 Bank interest and charges:

- All bank interest remitted by the respective banks will be recorded in the books of accounts and allocated to the fulfillment of the project objectives.
- All charges levied by the bank will be considered as project expenses.

2.4 Bank operations and limits:

- All individual payments exceeding Rs. 20,000.00 will be made by cheque, signed by the designated signatories (bearer chq, for less amounts also)
- Payments to outside parties will (normally) be made by cheque, demand draft or telegraphic transfer or other approved modes of transfer.
- Delegation of limits for signatories will be decided by the PASDO management.

Bank Name and place	Authorization upper limit for cheque.	Signatories
United Bank of India ,Ukhrul, Manipur	For all amounts	Mandatory- Project Director/ Executive Secretary Second : Treasurer/ President

- All cheque books received from the banks will be entered in Cheque Received and Issued Register.
- All cheque issued will be marked “Account Payee” & “Non- negotiable”, in order to track funds and prevent fraud.
- All cheques prior to issuance will be recorded on a ‘cheque-issue’ register, giving details of cheque no., favoring to, amount, and signatory. Cancelled cheques (from No. to No.) will also be recorded in the register.

2.5 Accounting for bank transactions:

- All cheque expenditures be recorded in the bank book and cross referenced to the cheque number, with the nature of the payment and the payee clearly identified.
- All payments through cheque be recorded in the organizational bank book on a daily basis.
- All cheque received from donors and well wishers will be deposited in the organizational bank the same day or the next working day.
- Money received from foreign contribution bank accounts are deposited with the foreign contribution designated bank account only.

2.6 Bank reconciliations:

- Bank statements/ updated pass books are to be obtained from the banks by every month end.
- Monthly Bank reconciliation is carried out for each bank account.

2.7 Bank investments and fixed deposits:

- ‘Investment Policy’ as formulated by the Project Director and staff will be applicable to PASDO subject to approval by the Executive Committee.
- All investments and fixed deposits will be made in the name of the organization only.
- All investments and fixed deposits will be made as per the charity regulations of the Income Tax Act 1961.
- The instruments representing investments and fixed deposits will be safely kept in the custody of the Project Director or by any person authorized by the Director.

2.8 Bank security and controls

- Ordinarily blank cheques must not be signed.
- In case of emergency blank cheque will be designated for purpose in the ‘cheque- issue’ register, and will be safely kept with the Project Director or the person authorized by him for the purpose.

- All cheque books will be kept under safe custody in the office vault.
- Fresh cheque book be used only on completion of the previous book.
- All cheque book stubs/counterfoils (or equivalent records) should be completed at the time of payment, and retained (to form part of the accounting records).
- Cheques made payable to a nominated signatory should not be signed by that person.
- Regular spot checks be made of the expenditure records against primary documents such as invoices. No cheques be signed without a corresponding invoice, or other documentary evidence as to the nature of the payment.

Section 3: ACCOUNTING AND REPORTING:

3.1 Basis of accounting:

- PASDO will follow 'cash bases' of accounting.

3.2 Accounting software:

- PASDO will use Tally accounting software.
- The management of PASDO reserves the right to change the software as and when required.
- Data backup be done twice a week from computers onto the server machine.
- Accounting data is backed up on CD'S or any other approved back-up system twice a month, For all other computers, CD back up be taken once a month.
- A user guide for the software should be made available to concerned staff.

3.3 Books of accounts and other documents:

- PASDO will maintain its financial records in double entry system book-keeping system.
- The following records and documents will be maintained in the main office at Ukhurul.

Main books :

- i. Manual Cash and Bank book
- ii. Donor wise Ledger
- iii. Journal Register

Subsidiary books:

- i. Fixed asset register
- ii. Stock / Inventory register (for consumables)
- iii. Salary register
- iv. Cheque Received & Issued Register
- v. Data and Accounts Back Up Record Register
(Other documents as required under HR and Administration)

3.4 Vouchers and substantiation of expenses:

The following vouchers be maintained for any and every transaction-

- i. Receipt Voucher: Cash and Bank
 - ii. Payment Voucher: Cash, Bank and Journal.
- Every transaction must be adequately substantiated with a bill, challan, cash memo etc.
 - Payments be made on original bills, challans, cash memos only.
 - All vouchers be serially numbered.
 - Every voucher along with its support documentation be chronologically filed and safely kept to enable not only a clear audit trail but also for later Income Tax/other references.
 - Overwriting, cutting or application of eraser on vouchers should be avoided. In case of unavoidable error requiring cutting/deleting some written matter, the mistake should be struck out and the correction written under proper authentication of the authorized signatory or fresh vouchers be prepared.

3.5 Accounting security and control:

- The Main books of accounts will be accessed by the Accountant and the Project Director/Executive Secretary and other authorized person only.
- The data from the main books will be stored in the CD'S every fortnight, apart from the regular back up in the computer and server.
- The mechanical data to be stored in the organizational vault under the personal responsibility of the Senior Accountant who will ensure its physical and content security.
- Apart from the mechanical storage of data, printouts of cash/ bank book, ledgers, journal register, advance schedule, and financial statements will be taken every month. The same will be authorized by the Project Director/Executive Secretary and filed.
- All ledgers will be as per the approved budget heads in the beginning of the year. In case of amendments the accountant will propose the change to the Project Director/Executive Secretary for approval. Only then can the change be made.
- Any corrections in the books of accounts will be made through rectification entries only.

3.6 Donor reporting:

- Donor reporting be done on the principles of timeliness, adequacy, relevance and correctness.
- Donor reports will be prepared by the Accountant and present it for verification to the Executive Secretary/ Project Director.
- The reports will follow the datelines specified by the respective donor.

3.7 Reporting :

- Monthly/Quarterly/Half yearly and Annual financial statement.
- Audited Balance Sheet
- Income and Expenditure Account.

- Variance analysis acknowledging that variations greater than 10-20% are not permitted by Donor.

Section 4:FLOATS MANAGEMENT:

4.1 Applying for a float:

Floats /advances be made available to project staff for the following purposes:

- **Programme Advance:** For implementation of budgeted programmes by the staff.
- **Travel Imprest:** For traveling on official purpose by the project staff
- **Salary Advance:** Refer to HR manual
- **Administration advance/ Imprest:** To Support staff/authorized staff, in the beginning of each month/ financial year for the purchase of office consumables.
- **Travel Imprest:** To all traveling staff to book travel tickets.
- **Fringe benefits:** Refer to HR Manual and subsequent circulars.
- All applications for floats/advances will be made in written (in the prescribed format).
- Floats can only be availed against an approved budget.
- Applications for floats to be approved by the Project Director/Executive Secretary prior to giving out of the float.

4.2 Cash floats:

- Accountant/any authorized staff will be provided with a cash float of adequate amount as decided in the beginning of every month/ financial year for the purchase of consumables.
- Floats in cash to be kept to a minimum and will be based on actual requirement.

4.3 Procedures for settlements and reimbursements

- All floats availed for programme implementation including travel to be settled with the finance unit within 3 days on returning back to the office/base.
- All applications for settlements/ reimbursements should be submitted in the prescribed forms neatly filled in with no-overwriting or cutting (all cutting to be authenticated with full signature).
- The authorized expenses/settlements be well verified by the Accountant and approved by Project Director / Executive Secretary (as per the approval norms).

4.4 Floats monitoring and control:

- Fresh travel advances can only be availed upon settlement of the previous float.
- For programme advance, two floats can be availed at one time (this will be granted on a case to case basis) and any third advance can only be availed after the settlement of the previous advance.

- A monthly advance schedule (depicting the advances age-wise) will be prepared by the senior accountant and submitted for action with the senior management.
- In case of unsettled floats at the end of the financial year or where staff has not settled for 30 days upon returning to base office, the same will be deducted from the salary payable to him/her.

4.5 Travel Expense Entitlements:

The following DA (Food and Lodging) will be the upper limits when an Individual staff is on tour. Whereas, when two or more staff are going on tour , actual expenditure can be considered looking at the genuineness of the case subject to submission of cash memos and vouchers. All settlement/ reimbursement will be subject to submission of relevant cash memos/vouchers.

4.5.1. Within Project Area (Ukhrul District) :

Designation	D.A	Local Conveyance/travel	Accommodation per day
All categories of staff	Rs.150/Per Meal plus Rs.100/ for refreshment (Rs.250)	As per availability of transport	Local community's contribution

4.5.2. Outstation Within the State of Manipur:

Designation	D.A./ Per diem (per day)	Local Conveyance/travel	Accommodation per day
Grade I	Rs.150/Per Meal plus Rs.100/ for refreshment (Rs.250)	Bus/Office vehicle/ Auto/ Taxi(actual expenses to be reimbursed)	Rs.600 /-
Grade II	Rs.150/Per Meal plus Rs.100/ for refreshment (Rs.250)	Bus /Office vehicle /Auto/ rickshaw (actual expenses to be reimbursed)	Rs.400/-
Grade III and IV	Rs.150/Per Meal plus Rs.100/ for refreshment (Rs.250)	Bus /Office vehicle /Auto/ rickshaw (actual expenses to be reimbursed)	Rs.300/-

4.5.3. Outstation within Indian City beyond Manipur:

Designation	D.A Per Day	Travel	Accommodation
Grade I	Rs.800/-	Train/Flight(depending on budget)	Rs.1,500/-
Grade II	Rs.800/-	Train/Flight(depending on budget)	Rs.1,000/-
Grade III and IV	Rs.800/-	Train/Flight(depending on budget)	Rs.800/-

- In case the TA/DA is being borne by other Organisation staff will be paid an incentive of Rs.100/- per head per day to all the categories of staff for programme within Manipur and Rs.200/-head per day to all the staff beyond Manipur.

4.5.4.FOREIGN TOUR:

- TA/DA for foreign tour will depend on the need and importance of the programme with sufficient justification for expenditure.
- The above TA/DA will apply for the staff involved in the Child Rights and Environment Protection project supported by KZE/MISEREOR and Bread for the World.
- Whereas the staff of the other project Viz. TI and NERCOMP will be entitled to get the benefit as per the provision applicable in the project

Section 5:ASSET MANAGEMENT:

5.1 Fixed Asset and Consumables:

Fixed assets, i.e. equipment, usually of a relatively high value (already agreed as a part of the donor budget), held for a long-term by the project and is used either as part of the production /distribution process, or for providing support services. Examples include vehicles, computers and printers, communications equipment, large electrical items, large items of furniture, etc.

Consumables. These are items which are similar to fixed assets in that they are not held for production and distribution and are held for use on site. However, they differ from fixed assets either in that they are relatively low value items, and/or their useful life is relatively short. Examples would be office stationery, small items of office furniture, cooking utensils, office refreshment items etc.

5.2 Asset procurement:

- Assets are purchased against approved budgets only.
- The Administration staff to procure three quotations from reliable vendors for the purchase of the asset.
- The Administration staff will prepare a proposal based on the quotes given by the vendor and present it for approval to the Project Director/Executive Secretary.
- The assets will be purchased only after written approval from the authorizing authority.
- Upon a written approval for purchase the Administration staff to prepare a purchase order to be sent to the vendor.
- Invoices received will be checked against orders made.
- The quality and quantity of goods supplied to be inspected in order to ensure they correspond with orders placed and those invoiced for. Services supplied need to be similarly checked by Administrative staff

- All payments will be made centrally and only against original invoices and by crossed cheque where the amount exceeds Rs 25,000.00 per payment.

5.3 Record of asset:

- All fixed assets be recorded in a fixed asset register (manually or mechanically) and identification numbers given.
- Regular stock checking be undertaken. Handing/Taking over charge will include verification of the assets.
- A list of fixed assets be held and updated regularly. This needs to include all assets donated also.

5.4 Loss and Disposal of asset:

- In case of loss or theft of office equipment from the office and from a staff on official travels an FIR to be lodged within 24 hours of the incident.
- Copy of the FIR be retained for insurance claim.
- In case loss of asset is due to staff negligence the cost of the asset will be claimed from the staff after ascertaining the facts of the matter.
- The sale of assets be done on the book value of the asset through auction
- The asset considered for disposal be advertised under the authorization of Director.
- Interested parties (internal and external) will place request in writing to the concerned authority.
- Disposal of assets by sale or otherwise will be subject to permission to be accorded by the donor(s) and the government authorities, wherever applicable.

5.5 Asset tracking and control:

- All assets should be identified by a number/ identification mark corresponding to the fixed asset register.
- All fixed assets be checked at regular intervals to ensure they remain in good repair and of use.
- Annual review of the usefulness of the fixed assets will be done to ensure they are put to best use and effectively serve the interest of PASDO.

Section 6: BUDGET MANAGEMENT:

6.1 Preparation of a budget:

- Detail quarterly activity budget (from the approved budget) will be prepared by the programme staff.
- The budget will be prepared in the prescribed format.
- The budget will be checked by the finance unit for correctness and presented to the Project Director/Executive Secretary for approval

6.2 Budget approval:

- All PASDO budgets, including subsequent variations or changes should be approved by the Executive Committee
- Minor variations can be approved by Project Director in consultation with concern Project Coordinator

6.3 Budgetary monitoring and control:

- Budgetary variance analysis will be done on a quarterly basis by the Senior Accountant on the programme cost
- Any surplus or deficit will be brought to the notice of Director/Secretary by the Accountant.
- Project Director / Executive Secretary will authorize revision and send for approval to PASDO Executive Committee or General Body.

6.4. Common cost allocation policy :

6.4.1. Objective of cost allocation :

- Cost Allocation Policy is developed with an objective to charge the expenses in a fair and justified manner to the donor specific projects. Hence, the Cost allocation approach brings transparency in the charging of expenses to the donors as well as to other sources.
In addition, the policy will help us in :
- Preparing budget for the project on realistic approach.
- The case where costs are not supported by any donor, the amount of own means to be generated is clearly defined consistency in donor reporting

6.4.2. Implementation of the Cost Allocation Approach:

- The cost allocation policy is formulated and implemented by the Project Director of the organization in consultation with Executive Secretary and the project staff, finance team and the auditor. The same is shared with the Executive Committee and the donors.
- The cost allocation policy will be reviewed every year or before the start of any new project as costs may vary from time to time.
- At present condition Cost Allocation will be applied for Administrative and Office Running cost as follows:

Cost Heads	Classification	CR Project	TI Project	UDCRMS Prog.
	Direct-direct/Direct-Allocable/both			
Personnel		Direct-Direct	Direct-Direct	Direct-Direct
Administration	Direct-Allocable			
Travel		Direct-Direct	Direct-Direct /Direct-Allocable	Direct-Direct /Direct-Allocable
Electricity	Direct-Allocable	60%	10%	30%
Water	Direct-Allocable	60%	10%	30%
Printing and stationery	Direct-Allocable	Direct-Allocable	Direct-Allocable	Direct-Allocable
Equipment (Projector)	Direct-Allocable	Direct-Allocable	Direct-Allocable	Direct-Allocable
Furniture	Direct-Allocable	Direct-Allocable	Direct-Allocable	Direct-Allocable
Vehicle (owned)	Direct-Allocable	Direct-Direct/Direct-Allocable	Direct-Direct/Direct-Allocable	Direct-Direct/Direct-Allocable

Mail and postage	Direct-Allocable	Direct-Direct/Direct-Allocable	Direct-Direct/Direct-Allocable	Direct-Direct/Direct-Allocable
Telephone and mobile	Direct-Allocable	60%	20%	20%
Stationary	Direct-Allocable	Direct-Allocable	Direct-Allocable	Direct-Allocable
Fuel (for own vehicle)	Direct-Allocable	Direct-Direct	Direct-Direct	Direct-Direct
Charcoal	Direct-Allocable	70%	5%	25%
Office Refreshment	Direct-Allocable	70%	5%	25%

Section 7:ROLES AND RESPONSIBILITIES

7.1 Structure of the finance unit:

- The Project Director will be directly responsible to the PASDO Finance Committee, Executive Committee and General Body for all matters of finance.

7.2 Staff responsibilities:

Staff will be assigned responsibilities generally in accordance with the job description provided to them by their reporting authority.

Sample assignments for Accountant:

- Make sure that all financial transactions are carried out and recorded in accordance with standard financial procedures.
- Regularly review of the float/advance registers.
- Monitor cash-flow and request top-ups.
- Prepare the monthly payroll.
- Check the monthly trial balance, and ensure that all book-keeping and coding is accurate.
- Ensure that all financial records are properly kept.
- Ensure to timely fund request as per the activity plan and budget.
- Monitor actual expenditure versus budgets.
- Prepare financial reports to donors, in consultation with the Project Director.
- Continue to develop appropriate financial systems and help all staff to understand and work with them.
- Provide support to the office in all other financial matters.

Sample assignments for Junior Accountant/ Cashier:

- Maintain cashbooks and accounts records.
- Make payments, including preparing payment vouchers.
- Receive cash, including preparing receipt vouchers.
- Maintain float/advances registers.
- Prepare monthly payroll and salary payments.

- Prepare monthly trial balance
- Timely preparation of fund request to Donors
- Manage all bank related jobs.

7.3 **Consultants and External Advisors:**

- Consultants and external advisors will be hired as per the project requirement.
- The Curriculum Vitae of the prospective consultant will be studied and approved.
- A detailed 'Terms of Reference' will be prepared, entailing the amount and mode of payment for the services.
- Payments will be made via bank (cheque or demand drafts) only.
- Tax will be deducted as applicable.

Section 8: AUDIT AND LEGAL COMPLIANCE:

8.1 Internal Audit

1. Purpose of Internal Audit:

With the growth of the charity and welfare sector “accountability” is constantly being re-defined from mere report writing to effective governance, abled propriety leadership and achieving quality excellence for a larger impact within limited resources. Internal audit function is one of the many tools used for the desired results.

Internal Audit is an independent, objective assurance and consultative activity designed to improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

2. Principles of Internal Audit:

The Internal audit function is expected to operate upholding the following principles:

Integrity: Establish trust to provide basis for reliability and sound judgment.

Objectivity: Exhibit high professional ethics in collating and translating information, taking into consideration the circumstances to arrive at a balanced assessment.

Confidentiality: Be prudent in the use and protection of information gathered during the course of an internal audit exercise.

Competency: Application of required knowledge, skills and experience to uphold the objective of the exercise.

3. Accountability and Authority:

- The Internal Audit personnel is granted full and complete access to all organization’s records (manual, electronic), assets, and the concerned personnel relevant to a audit engagement.

- Internal audit personnel have no direct responsibility or any authority over any of the activities or operations that they review. They should not develop and install procedures, prepare records, or engage in activities, under their review.
- The internal audit personnel will directly report to Project Director/Executive Secretary.

4. Objectives of an Internal Audit:

- To develop a quarterly audit plan
- To evaluate the reliability and integrity of the financial systems and information.
- To evaluate the adequacy of financial policies and procedures that has significant impact on the objectives of the organization.
- To assess the level of compliance with the local/state and central Govt. provisions for charity organizations.
- To provide management with recommendations for improving operations, systems and mitigating and managing financial risks.

5. Duties and Responsibilities:

The Internal audit personnel are expected to present opinion on the following:

Accounting:

- To check the appropriateness of accounting records, reconciliation to quarterly (if any) and annual reports and banking records.
- Certification of payments for availability of funds.

Financial Internal control mechanism:

- Review of the financial internal control system and structure.
- Review of the economy, efficiency, and effectiveness of the control procedures and practices existing in the organization.
- Review procedures for the approval and authorization of disbursements, policy and practices on advances and payments
- To review the controls in place for safeguarding assets.
- Suggest improvements and amendments where ever applicable.

Budgetary Control Mechanism

- Review of budgetary process, monitoring of income and expenditure against budgets/ forecasts, and financial reporting to stake holders.

Investment Procedure

- Custody and investment of surplus fund balances and bank agreements, signatories and verification of bank accounts, reconciliation, interest earned, and currency management.

Statutory Compliance:

- Review the organization's compliance procedures under relevant Acts; Income Tax Act 1961, Foreign Contribution Regulation Act, 1976 and mandatory staff welfare schemes.

Any other assignments:

- Prepare audited financial statements for donor (provisional and final)
- Conduct capacity building programmes for strengthening financial management systems for partners.

Internal Audit within the Organisation

PASDO shall carry out internal audit Half yearly by the President and Treasurer of PASDO.

6. Audit Report and Follow-up:

- The Internal Audit personnel are expected to submit opinions, amendments, and recommendations as per the terms of reference on standards of control, in a written report of audit findings and opinions.
- The report is given to the operating management for review and implementation.

8.2 Statutory (External) Audit

- PASDO Director will liaise directly with the Accountant on all requirements of the External Audit process.

9. INTERNAL BUDGET/FUND ADJUSTMENT:

It has been experienced that most of the approved project funds were not received on time. However, the project implementation could not wait for the fund and the organization needed to carry on the project activities as planned. Thus, internal adjustment of fund among the projects is inevitable. It shall be agreed upon in principle that internal adjustment of fund utilization will be made between different project accounts in order to implement the different project activities of the organization in time.

Sd/-
Gajendra Prasad Mohanty
Project Director
PASDO, Ukhrul

Sd/-
Thotchuila Hongray
Executive Secretary
PASDO, Ukhrul