

Accounting and Financial Management at NIU/DICO of MOC

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Chief Finance Officer

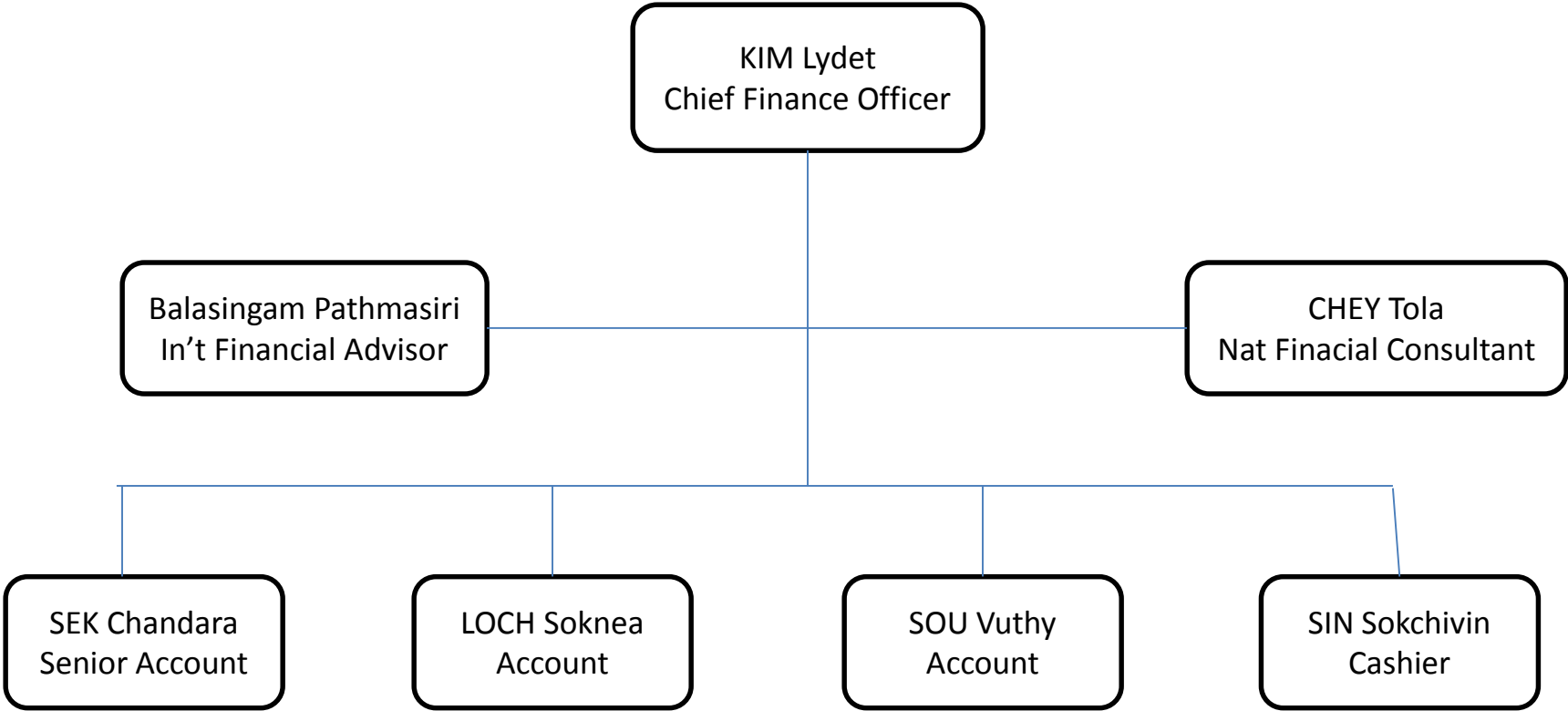
OUTLINE

- Structure of Finance Unit
- Some Facts/Background
- Some Common Features
- Some Differentiations between TDSP and EIF
- Fund Flow Mechanism

OUTLINE (Cont.)

- Accounting and Financial Management
 - Financial Limits
 - Procurement of Goods, Services and Operating Expenses
 - Training, Workshops and Study Tours
 - Policies-Advance
 - Cash Advances Cycle
 - Requesting-Advance
 - Settlement/ Liquidation-Advance

Structure of Finance Unit



Some Facts / Background

- **Current Projects:**

- Trade Development Support Program (TDSP) – Funded by Multi-Donors and administered by the World Bank under a Grant Agreement
- Enhanced Integrated Framework (EIF) Tier 1, CEDEP I & II under Tier 2 EIF Funded by Executive Secretariat arrangements and administered by UNOPS as Trust Fund Manager

Name of Project Management Office

- For TDSP – Department of International Cooperation (DICO)
- For EIF Tier 1 & 2 – National Implementation Unit (NIU)

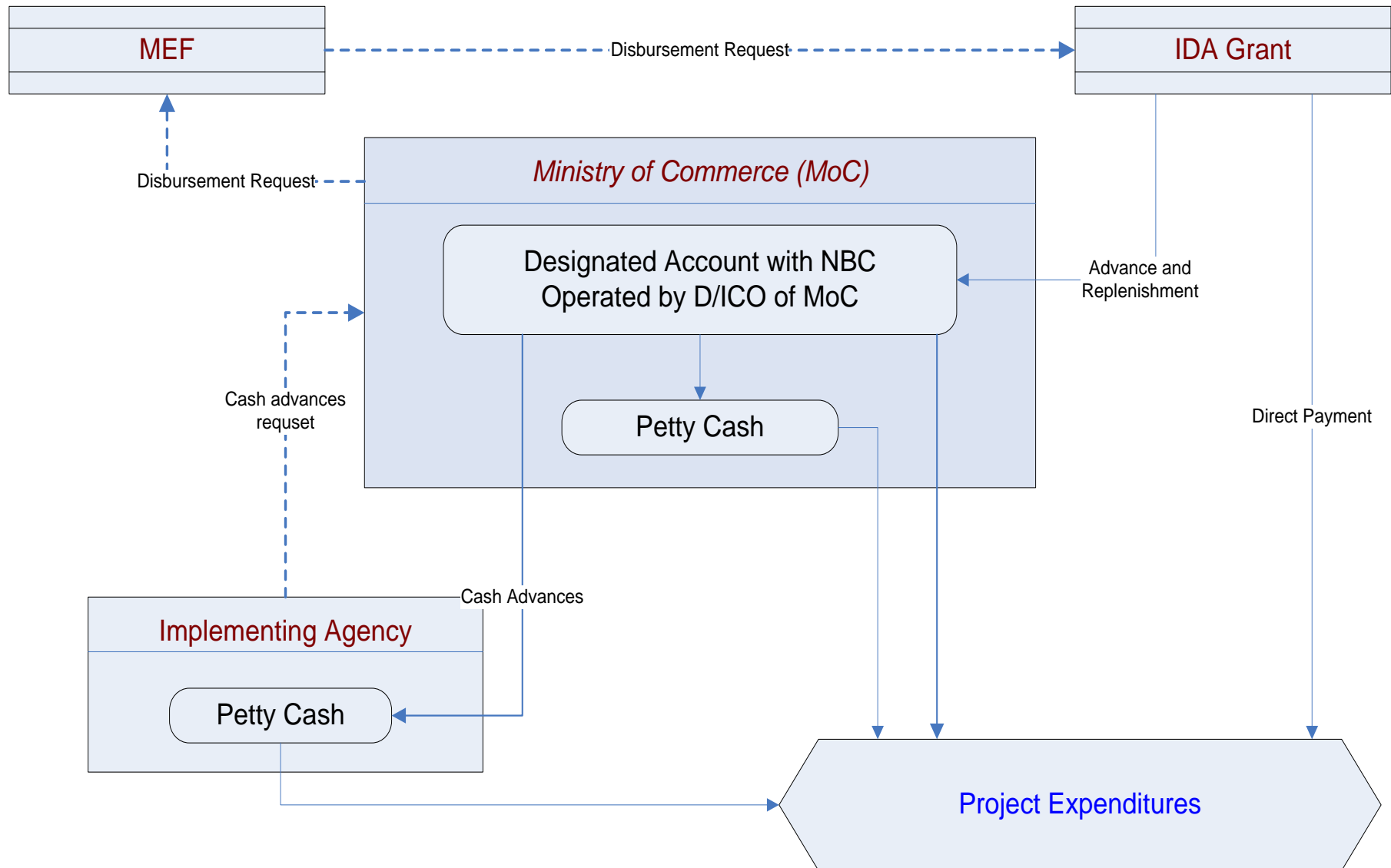
Some Common Features

- One finance unit for all the projects under Trade SWAp operationally managed by NIU
- One computer based accounting system (currently centralized) – Integrated with all the projects but different reports to meet the requirements of different donors
- Same staff handling all the projects
- One set of procedures (Supplementary Financial Management Manual adopted from MEF Financial Management Manual) – uniform document formats, authorization and approval procedures and record keeping
- One audit – A consolidated audit report is prepared by one firm of external auditors and audit report submitted within six months after the Year End
- The Annual Capacity Development/Training Plan prepared in one sheet and submitted to the donors to ensure no duplication of activities

Some differentiations between TDSP and EIF

- Separate bank accounts for each donor
- Different level of petty cash float
- Different types of chart accounts
- Different project components and disbursement categories
- Different budget formats – but NIU / DICO consolidates with some common features
- Different reporting formats – spread sheets and narrative
- Quarterly Deadlines for Reports – for EIF within 30 days after the end of the quarter but for TDSP within 45 days after the end of the quarter

Fund Flow Mechanism



Financial Limits

Bank account: NIU/DICO of MOC operates the bank account and no bank accounts are operated by the Implementing Agencies under TDSP.

But under CEDEP I, Implementing Agencies are allowed to operate bank account as decided by TFM of UNOPS.

Petty Cash: NIU/DICO MOC maintains a petty cash float of US\$ 1,000 and the IA's are given of US\$ 500 to meet the operational expenses till the end of the sub-project implemented by the IA's. Any single payment must be less than US\$ 200 by NIU/DICO and IA's. More than US\$ 200 must be paid by cheque.

Procurement of Goods, Services and Operating Expenses

- NIU/DICO procure goods and consultant services for the IA based on the specification and TOR's provided by IA's.
- NIU/DICO pays for the goods and consultants
- For consultant services, IA's submit the request for payment supported with timesheet, invoice and report acceptable to IA. NIU/DICO will process the payments and directly pays to the supplier.
- For operating expenses less than US\$ 5,000, IA's can form their internal procurement committee and proceed but payments more than US\$ 200, IA's will submit the request for payment to NIU/DICO.

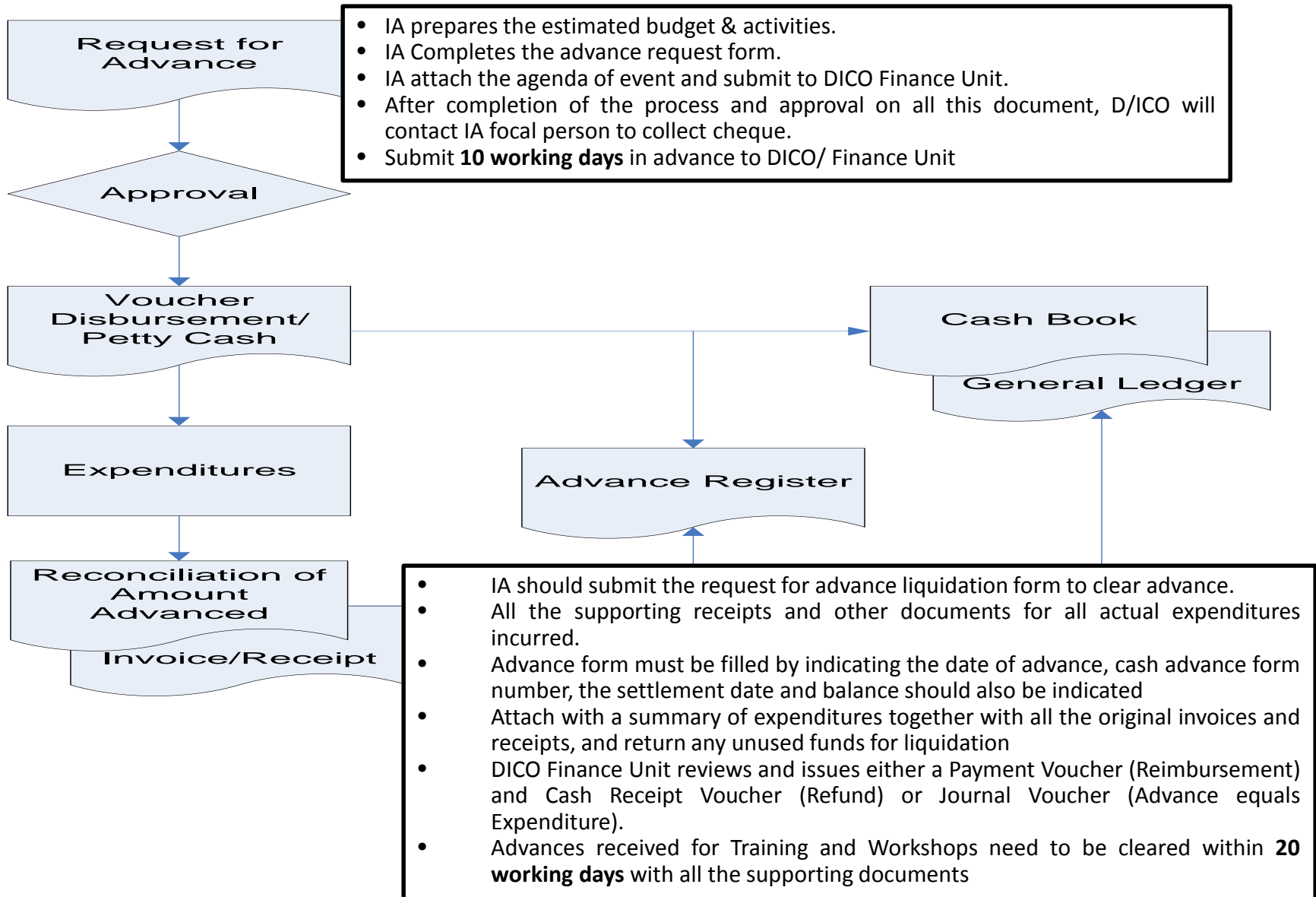
Training, Workshops and Study Tours

Policies

- Very important to strengthen the Capacity at NIU /DICO level. EIF Tier 1 focus was mainly on this and TDSP also financed many training activities
- Advance planning and budgeting required with details – Participants, Venue, Resource Persons and Materials by applying Standard Uniform Cost approved in SFMM
- IA can request advance based on the approved activity/expenses and shall be made 10 working days before the activity starts.
- Advances received for Training and Workshops need to be cleared within 20 working days with all the supporting documents (e.g. Attendance sheet & appropriate invoices for payments)

- Advance can be made after the 1st advance was liquidated by IA
- Appropriate mechanism to select the right and qualified candidates to attend training and workshops overseas
- On return, the participants need to submit back to office report and conduct additional training to the staff
- Cash advance should be settled no later than 20 working days after completion of activities.

Cash Advances Cycle



Supporting Documents for Training, Workshops and Study Tours shall include but not limited to:

- Proof of attendance for the period claimed
- Proof of travel by air ticket stubs, travel agent's receipt, airline boarding passes (for overseas travel)
- Proof of stay (hotel bill for overseas travel)
- Evaluation Report for any expenses more than US\$ 500, Original invoices for venue rental, food and beverage, sound and hire of equipment to support host, stationery and handouts, simultaneous interpreters / translators, etc.
- Training / Workshop Completion Report
- Any other relevant documents (if deemed necessary and requested)

Thank You

Time for questions and
explanations