



# **WOMEN ENVIRONMENTAL PROGRAMME (WEP)**

## **INTERNAL CONTROL FRAMEWORK**

## 1.0 Introduction

Internal control this is a process for assuring achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. A broad concept, internal control involves everything that controls risks to an organization, Systematic measures of internal control such as reviews, checks and balances, methods and procedures instituted by an organization to;

- (1) Conduct its business in an orderly and efficient manner,
- (2) safeguard its assets and resources,
- (3) Deter and detect errors, fraud, and theft,
- (4) ensure accuracy and completeness of its accounting data,
- (5) Produce reliable and timely financial and management report, and
- (6) Ensure adherence to its policies and plans.

## 2.0 Internal Control Process

<b>Segregating Duties</b>	WEP uses accounting to record, report and analyze her financial information. WEP do not limit the amount of accounting functions to one account officer, this segregation of duties is to avoid fraud, embezzlement or abuse of organization financial information by employees.
<b>General Accounting/Book Keeping</b>	<p>WEP General accounting includes a broad range of accounting duties, such as</p> <ul style="list-style-type: none"><li>*Custody and disposal of resources,</li><li>*Segregation of responsibilities</li><li>*Voucher Entry,</li><li>*Payment Slip,</li><li>*Account reconciliations,</li><li>*Financial statements,</li><li>*Regularity of receipts,</li><li>*Budgets and</li><li>*Government tax payments/Effective and efficient funds utilization etc.</li></ul> <p>The Accountant or the Financial Manager shall carefully</p>

	review all of the above in a daily basis to avoid accounting misconduct and misuses.
<b>Cash Flow Management</b>	Cash flow management is perhaps the most important accounting function in WEP. Cash flow accounting functions, such as counting cash drawers, preparing deposits, requisitions, vouchers, bank transactions, posting cash information in the ledger etc. Different staff complete such functions to prohibit employee embezzlement.
<b>Internal Control of Assets/Division of Duties</b>	<ul style="list-style-type: none"> <li>* Staff responsible for recording fixed assets does not make general ledger entries</li> <li>*Reconciliation of the Fixed Asset detail accounts with the fixed asset control accounts and making entries into the fixed asset software are separate.</li> <li>*Custodian of the fixed assets and the taking of physical inventory are separate.</li> <li>*Staff responsible for tagging fixed assets is not the fixed asset custodian.</li> <li>*Staff responsible for locating missing fixed assets is not the fixed asset custodian.</li> <li>*Capital asset purchases require authorization by the Executive Director.</li> <li>* Asset disposals require authorization by the Executive Director.</li> </ul>
<b>General Asset Controls</b>	<ul style="list-style-type: none"> <li>*WEP has written procedures for purchasing, receiving, recording assets, and inventory management</li> <li>*Asset records properly classify and identify the assets</li> <li>*Assets are tagged when received</li> <li>*Physical asset inventories are actually performed</li> <li>*Physical inventories of assets are performed when transition of employee asset custodians occurs</li> <li>*Missing assets are logged in a missing asset log</li> <li>*Documentation is prepared when assets are received, sold, moved, transferred, damaged, or disposed of</li> <li>*Asset reconciliations are actually performed</li> <li>*Asset additions are properly valued</li> <li>*Asset capitalization includes costs required to place the asset in service including (direct costs, preparation costs, fees, damages, interest, etc.)</li> <li>*Assets gains and losses are properly recorded</li> </ul>

	* Assets are adequately insured
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