



FINANCIAL AND ADMINISTRATION POLICIES AND PROCEDURES 2015



Reviewed 5/2015

These Policies and Regulations take account of the laws prevailing in all the GL countries of operation. Should there be a contradiction between the Policies and Regulations and national laws, the later will take precedence except where, in the interest of fairness policies have been standardised across countries.

ABBREVIATIONS

AGM	-	Annual General Meeting
ED	-	Executive Director
CM	-	Country Manager
CO	-	Country Offices
CPA	-	Country Programme Assistant
CPO	-	Country Programme Officer
DSA	-	Daily Subsistence Allowance
EC	-	Executive Committee
FO	-	Finance Officer
GAAP	-	Generally acceptable Accounting Practices
GEJM	-	Governance and Economic Justice Manager
GL	-	Gender Links
GLS	-	GL Services Manager
HCS	-	Head Of Corporate Services
IA	-	Internal Auditors
IATI	-	International Aid Transparency Initiative
ITO	-	Information Technology Officer
MD	-	Managing Director
MOU	-	Memorandum of Understanding
MOV	-	Means of verification
PAYE	-	Pay As You Earn
PBO	-	Public Benefit Organisation
PO	-	Procurement Officer
SAcc	-	Senior Accountant
TOR	-	Terms of Reference
UIF	-	Unemployment Insurance Fund
VAT	-	Value Added Tax
VFM	-	Value for Money

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INTRODUCTION

The purpose of this Financial and Administration Policies and Procedures document is to systemise operations and to provide staff with a ready reference to the organisation's administrative and financial policies and/or procedures.

Gender Links' success is dependent on its ability to manage and safeguard the resources entrusted to us by the donors. Central to this are sound financial management control and administrative structures. This manual describes the processes and procedures for ensuring the efficient use of resources in the diverse settings Gender Links operates in, for observance by staff in their day to day operations of programs. The acceptance and application of these Policies and Procedures by all staff is key in making Gender Links transparent, effective and efficient in its service of target beneficiaries.



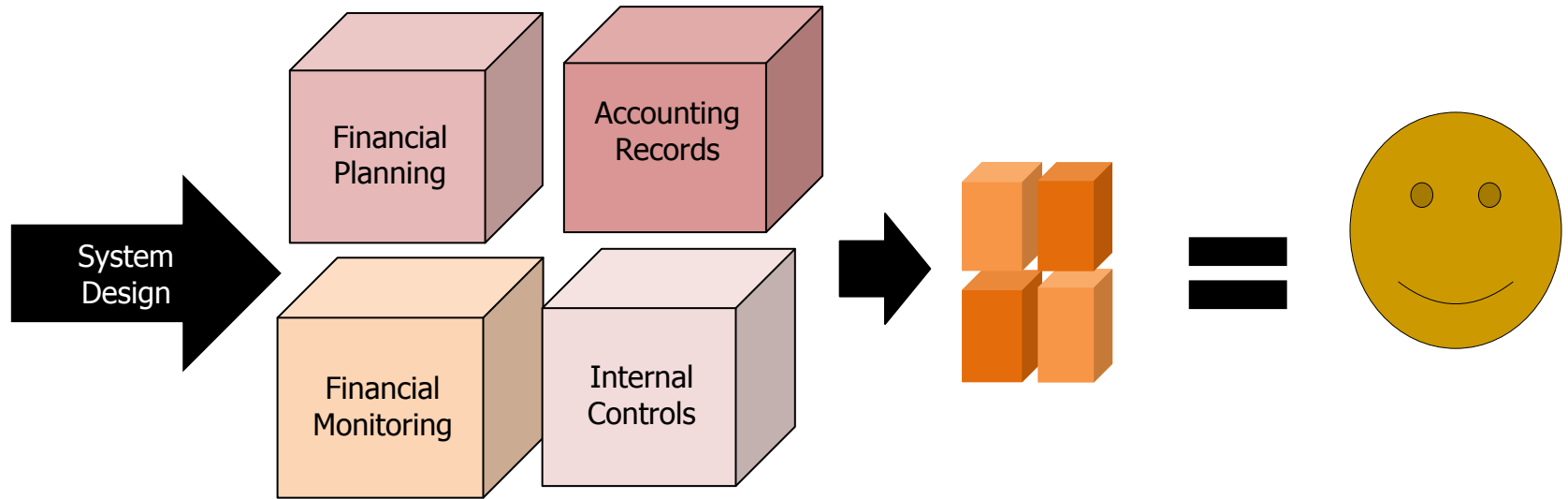
Application and interpretation

The contents of the document shall apply to all persons employed by Gender Links and are compiled for the guidance and instructions to staff. Any difficulties encountered in the interpretation of the policies/procedures shall be referred to the Head of Corporate Services (HCS). The Gender Links Board, through the Executive Committee, reserves its right to modify, amend contents of the manual as and when necessary, such amendments shall be communicated to the employees. It is important that any amendments that may be issued are inserted in all copies of the manual immediately upon receipt. The HCS shall be responsible for effecting such amendments. Each Gender Links office shall keep a copy of the handbook. The Policies and Procedures are also available in modularised format in the Intranet. All members of staff must be aware of the Policies and Procedures as outlined in the manual.

General responsibilities

Staff, consultants and programme partners and their employees that interact with Gender Links, must conduct activities morally, ethically, and in the spirit of public accountability and transparency, and in conformity with applicable laws and regulations and practices common with responsible entities (public or private).

The Building blocks for Financial Management

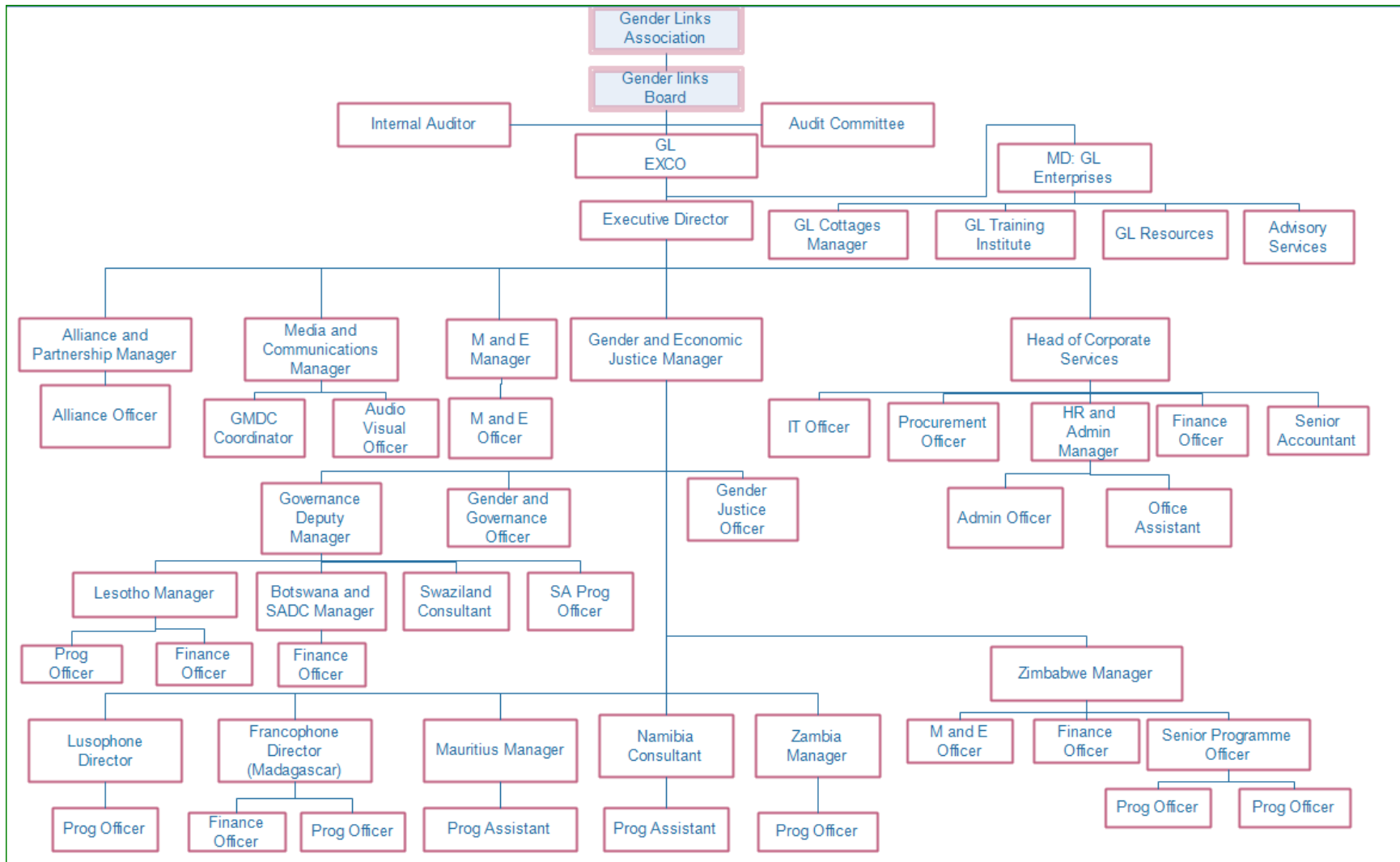


BUILDING BLOCKS

INTERNAL CONTROL

ACCOUNTABILITY

GENDER LINKS ORGANISATIONAL CHART 2015



I. STRUCTURE AND RESPONSIBILITIES

Audit Committee

1. The Company shall elect an audit committee at each AGM comprising at least three members, who satisfy requirements of section 94 (4) or 94(5) of the Act.
2. The committee shall inter alia:
 - 2.1 determine the fees to be paid to the auditor and the auditor's terms of engagement;
 - 2.2 ensure that the appointment of the auditor complies with the provisions of this Act and any other legislation relating to the appointment of auditors;
 - 2.3 determine, subject to the provisions of this Chapter, the nature and extent of any non-audit services that the auditor may provide to the company, or that the auditor must not provide to the company, or a related company;
 - 2.4 pre-approve any proposed agreement with the auditor for the provision of non-audit services to the company;
 - 2.5 prepare a report, to be included in the annual financial statements for that financial year;
 - 2.6 to receive and deal appropriately with any concerns or complaints, whether from within or outside the company, or on its own initiative;
 - 2.7 make submissions to the board on any matter concerning the company's accounting policies, financial control, records and reporting; and
 - 2.8 perform other functions determined by the board, including the development and implementation of a policy and plan for a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes within the company.

The Internal Auditor

3. The Internal Auditor shall be governed by the internal audit charter (Refer Annex 1)
4. The Internal Auditor (IA) provides monthly oversight of all financial-related transactions; checks monthly reconciliations and reports for presentation to the ED; checks quarterly reports for presentation to the EC; and does the final internal check of all accounts and reconciliations for the annual audit. The IA also checks all reports to funders and provides strategic advice on financial management and sustainability. The IA shall sign off monthly reports and produce a report of findings to be signed off by the ED.
5. Provides objective quality assurance for Gender Links to adhere to statutory laws, GL policies and principles of good corporate governance through:
 - Carrying out systematic tests/reviews in all areas of Gender Links work in order to ensure adherence to all approved systems and processes.
 - Strengthen internal controls and governance processes.
 - Audit for value for money (VFM) in all institutional and programmatic activities.
 - Check for compliance to donor budget, regulations and reporting timeliness in accordance with donor contracts and log frame.
 - Provide learning opportunities for all GL staff to ensure continuous improvement.
 - Timely detection of risks and weaknesses and support administering of proactive corrections.
 - document key findings and recommendations for corrective action from tests and reviews undertaken and share with the relevant departments and the ED.

Executive Director

6. Oversees and supports all programme requirements, including guidance on procurement needs, authorising procurement requests, tender adverts and ToRs. The ED acts as GL's representative in contract negotiations and conclusions.
7. The ED shall be responsible for the final sign off on all procurement and all payments. The ED is the accounting officer of GL and reports to the Executive Committee (EC) each quarter and to the Board annually, on the financial status of the organisation.

Managing Director – GL Enterprises

8. The Managing Director (MD) is accountable to the GL Board and implement operational strategies as per GL Enterprises Strategic Business Plans.
9. The MD leverages the varied talents and resources available in order to meet and exceed fundraising goals.
10. The MD Monitor and control the company's performance and finances in accordance with the budgets approved by the Board of Directors
11. Ensures that all staff are effectively employed and adequately trained to perform their responsibilities and operational tasks in an ethical and responsible manner.
12. Ensures that the services and products sold to clients are of high quality in accordance with the company's quality policies.
13. To ensure that the company meets all its legal requirements, including those relating to Occupational Health and Safety.

Governance and Economic Justice Manager

14. Overseas the two largest programmes of GL – justice and governance, and the work of the ten country offices.
15. He/she ensures the preparation and adherence to donor budgets from a programme perspective.

Head Of Corporate Services

16. The Head of Corporate Services (HCS), responsible for preparing budgets, payments, annual accounts and day to day financial management under the supervision of the ED. The HCS verifies all payment requisitions prepared by the Finance Officers (FO) and checked by Senior Accountant (SAcc) before these are presented to the ED. The HCS is also responsible for Company Secretarial services for the Board.

Senior Accountant

17. The Senior Accountant (SAcc) is responsible for:
- Ensuring that all procedures for each threshold level have been followed and is responsible for the vetting of all contracts.
 - Ensuring that all acquisition matters are dealt with in accordance with the set out principles.
 - Ensuring that tender procedures are adhered to at all times.
 - Taking part in the tender committee.
 - Ensuring that all GL creditors are paid timeously once advised by the relevant responsibility manager that the services have been rendered and after receipt of a certified invoice by the relevant responsibility manager.
 - Together with Programme staff, monitoring the services rendered to GL by the suppliers and reconsidering their engagement in the event that they cease to provide expected benefits

Procurement Officer

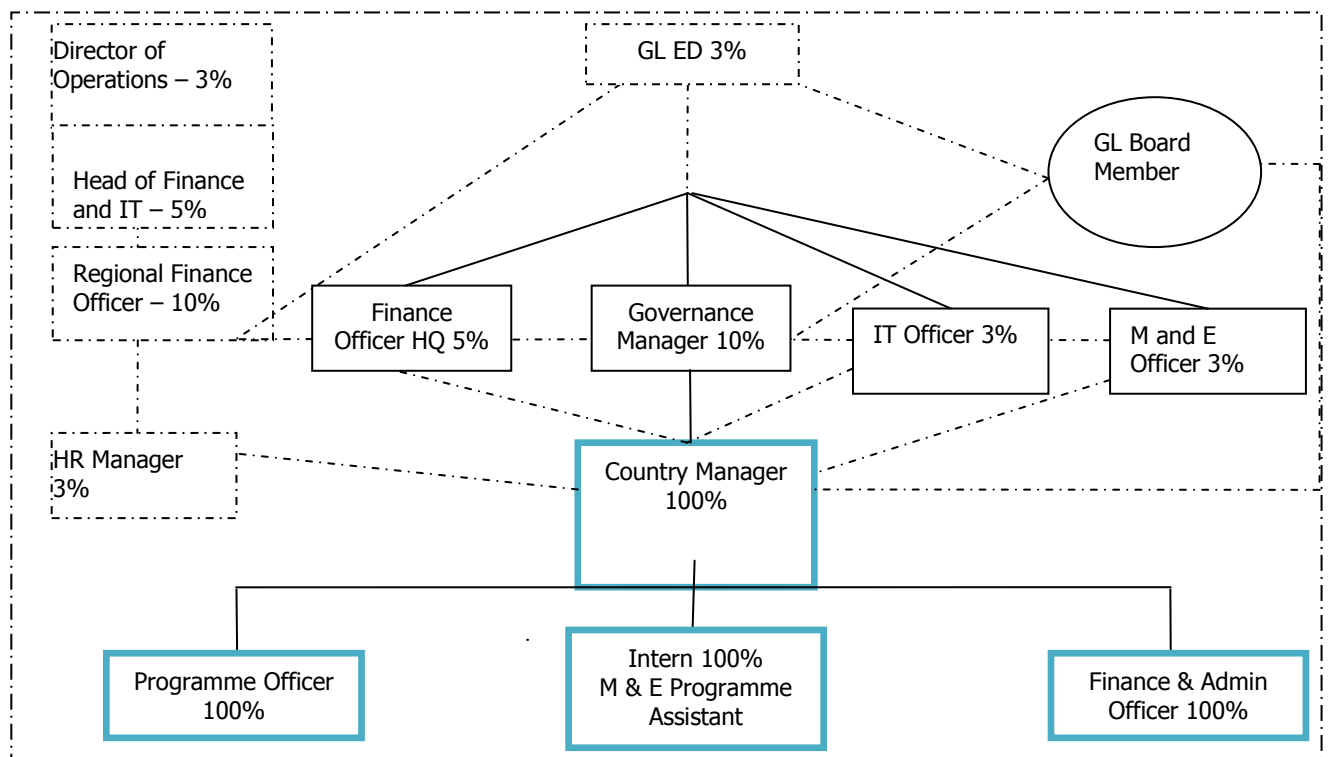
18. Responsible for purchasing, this includes technical and specialized procurement of supplies, equipment and services. Assists departments with specification development and serves on evaluation Committee.
19. Reviews and analyses all purchases which have not been awarded to the lowest bidder by ensuring that justification exists. Ensures correct budget allocations and attachments are submitted with all requests for orders.
20. Ensures that requisitions are signed by responsible managers or delegated persons. Maintains and updates the prospective list of suppliers (database). Management and administration and correct E and physical filing of contracts.
21. Monitors supplier performance ensuring value for money delivery. Ensuring that all cancelled orders for goods and services are in writing. In case of flights, ensure that unused tickets are submitted for refund before their expiry days and also inform finance office of

Programme Managers

22. Programme Managers (PM) are responsible for:
- Ensuring that VFM is achieved and all procurement is within the prescribed programme budget.

- Timeous submission of requests for required products or services for carrying out their programme work with detailed product specifications or service deliverables.
- Acting as an adviser to the tender committee.
- Approving service level agreements or motivation for the selection of specific suppliers or service providers after quote comparisons.
- Submitting and approving payment requisitions made to suppliers or service providers as per specifications and service level agreements.
- any tickets submitted for refund to ensure that funds are recovered from the travel agent.

Country operations



GL Country Board Member (CBM)

23. The Country Board Members:

- Provide Strategic support to work at country level; to enhance the organisations public standing by articulating the organisations vision, mission and values in all the program work for Gender Links.
- To provide leadership and guidance in high level matters
- Financial Oversight - To act as a co-signatory to the Gender Links Bank Account.

- To authorise transactions as per the Pastel Procurement Module authorisation process flow
- Representation of Gender Links in High level functions.
- Accompany the country manager to some donor meetings.
- Assist in strengthening partner relations.
- Assist in fund raising efforts and meeting with Donors
- Submit quarterly reports to the ED on operations at Country level.

Country managers

24. The Manager provides overall leadership to the project, is responsible for: the entire project implementation, ensuring that all activities are implemented according to the work plan and budget; budget oversight and budget tracking; preparing narrative and financial reports; ensuring donor compliance; lead and coordinate project reviews and evaluations; liaison and cooperation with partners; maintain relations at district, local council level, etc.

Programme Officers

25. The programme Officer is the actual implementer of the project with direct link to the councils/implementing partners. S/he be responsible for: getting political buy-in from the council management; carrying out needs assessments; organize trainings; prepare field reports; undertake monitoring and evaluation; make follow-up with the councils and provide support; and represents Field Coordinator in meetings, etc.

Finance & Administrative Officers

26. These are responsible for procurement, requisitions, Bank statements, financial reports budget tracking donor compliance The FOs are responsible for the day to day processing of payments, cheque requisitions and cashing of cheques; management of petty cash; reconciling all cash payments; ensuring that all creditors include the GL VAT numbers; issuing and reconciling of order numbers.

Financial Year End

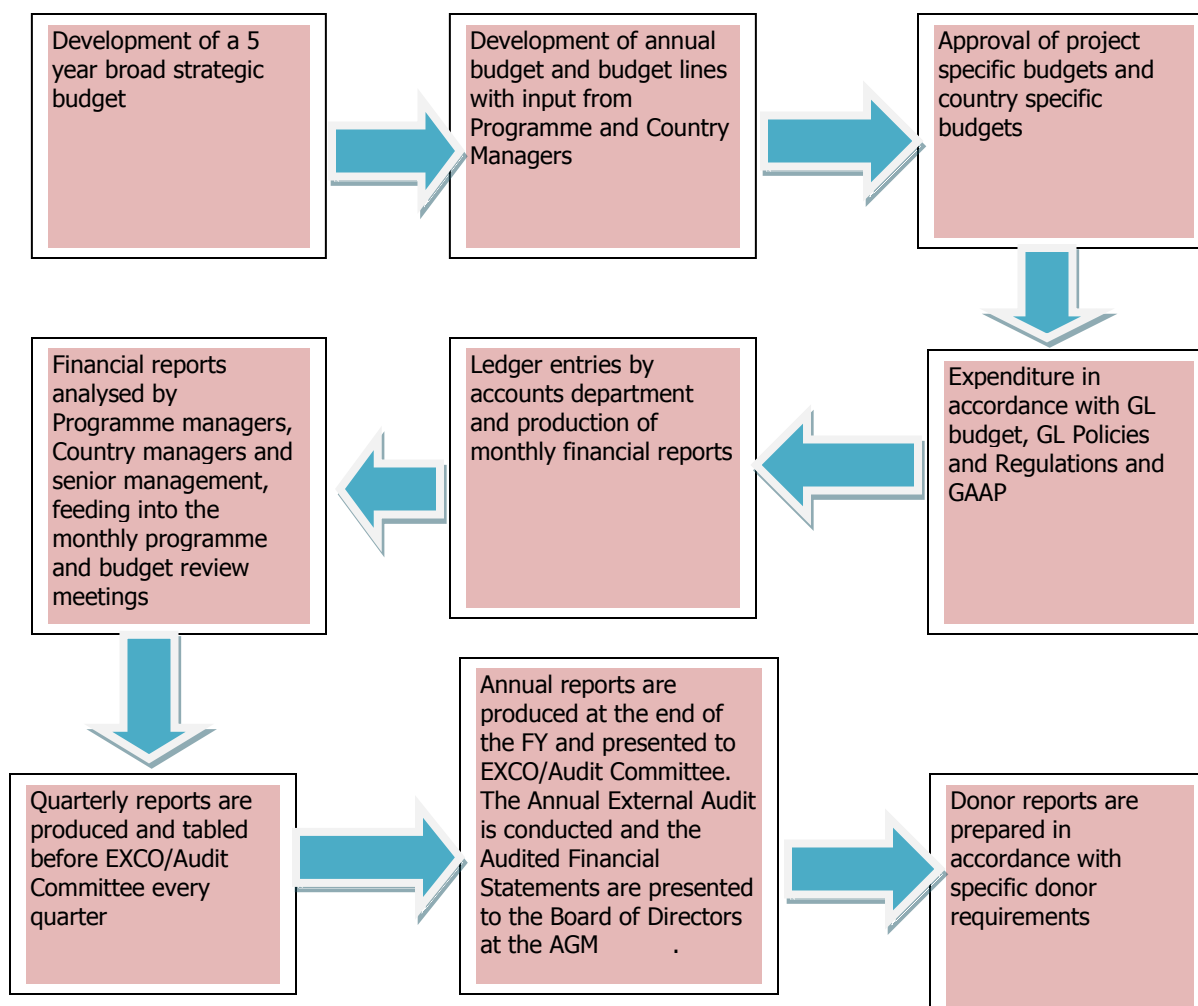
27. GL's financial year closes at the end of December each year.

Funding

28. GL is a non-profit organisation that receives the bulk of its funding from external donors, including bilateral donors and foundations. Much of GL's funding is in the form of short term project funding. To strengthen its financial position GL is shifting wherever possible to multi-year funding that covers operational, capital and core staff support and is aligned to GL's financial year. GL is also seeking to maximise internally generated resources through, for example, undertaking consultancy work from time to time; maximising interest; sale of publications and renting out its facilities.

29. GL subscribes to and complies with the requirements of the International Aid Transparency Initiative (IATI). GL commits to publish its data in line with the IATI standards to enable access to the development community.

THE FINANCIAL MANAGEMENT PROCESS



BUDGETS

30. A budget describes the amount of money that an organization plans to raise and spend for a set purpose over a given period of time. It is a financial plan that relates directly to the activities of the organization. The budget is the cornerstone of any financial management system. It fulfils several functions including fund raising, controlling and monitoring of funds.
31. Executive management shall provide the Strategic Implementation Plan indicating funds available for each activity by donor, project, country and function wherefrom the annual plans and budgets shall be drawn.
32. The ED shall provide a timetable of when budgets shall be drawn and completed.

Budget lines and coding

33. Budget lines and coding shall be centrally established at HQ for each donor and for each project so that at any time reports can be generated for individual donors using the Pastel Evolution Report Writer function.
34. Budget codes shall be shared with all staff to facilitate correct coding which in turn facilitates correct budgeting.
35. Staff not sure of their budget codes must consult the HCS to clarify the codes.
36. For management purposes, any funds designated for capital costs, human resource costs or for office operations are assigned to the capital, staff salary/consultant fees and to the operational budget lines, leaving in the project budget direct, project- related costs (e.g. workshop or publication costs).

Strategic budgets

37. The broad 5 year strategic budget is developed to complement the 5 year Strategic Plan.
38. Detailed budgets are prepared for all programmes at the time that project proposals are submitted to funders, in accordance with the five year rolling strategic plan. Budgets are adjusted according to amounts agreed and received from donors.
39. Following the organisational evaluations in 2006 and 2010, GL is working towards greater alignment among key donors to GL's planning and financial cycle including the provision of core funding and creation of a basket fund.

Donor proposal budgets

40. All donor proposals are submitted with detailed budgets either in the donor stipulated format or the GL formats (see **F01:** GL Donor Budget Proposal Template).
41. The majority of GL's funding partners provide project funding. In addition to the Programme costs funding all efforts shall be made to negotiate for and ensure that proposals include staff costs proportionate to the Level of Effort Staff shall spend on the Project. Staff costs must include both Project and HQ staff such as, CEO, GEJM, HCS and finance staff for their support to all projects.
42. The following proportions are recommended to guide all donor budgets:
- | | | |
|----------------------------|---|-----|
| a. Project Costs | - | 57% |
| b. Human Resources | - | 30% |
| c. Operational costs | - | 10% |
| d. Monitoring & Evaluation | - | 2% |
| e. Capital Expenditure | - | 1% |
43. *All donor proposals must be checked and signed off by the ED after being checked by the GEJM for content correctness and HCS for budgets correctness before submission to the relevant donors.*
44. Staff members who are paid 100% by the EU cannot engage in any other activities. If that is the case, costs for such staff members have to be shared accordingly. Furthermore, staff members paid 100% by the EU, their employment contracts should not be before the date which GL has signed a contract with the EU. This applies to any contract such as for rent and other operational costs

Detailed activity budget

45. Prior to any major activity of over R20,000, for example a workshop or summit, programme managers must prepare a detailed budget based on the budget lines in MS Project (see **F02:** Activity Budget Cash advance and retirement authorisation). This budget must be signed off by the ED or GEJM.

Annual budget

46. At the beginning of each financial year, the budgets from approved donor contracts are consolidated to form GL's annual budget. Programme and Country managers submit their budget requirements for the year and these are further tailored to fit within the available funds. After this exercise, programme and country budgets are approved and shared with all staff. Managers shall not incur expenditure until their budgets are approved by the ED.
47. Within their different teams, staff with budgetary responsibilities i.e. programmes

and country managers shall meet to develop budgets from their planned activities in line with the period objectives and targets. This is with the view that budgets are best drawn by those that implement them, as these are the people with an intimate view of their needs and are likely not to overlook vital ingredients or hidden flaws that may subsequently impede implementation.

48. Preparing a meaningful and useful budget involves asking and answering a number of questions;
- a. What are the objectives/expected outcomes?
 - b. What activities shall be involved in achieving the objectives/outputs?
 - c. What resources shall be needed to perform those activities?
 - d. What shall those resources cost?
49. Budgets are best thought of or drawn in local currencies and then converted into the organisational reporting currency.
50. Clarity and accuracy are key in budgeting. It is important to be able to justify calculations when estimating costs. Budgets must be easy to adapt if necessary without additional explanation beyond the notes on budget assumptions and calculations provided. One of the best approaches is to make a list of all inputs required specifying the number and unit cost of each item.

Semester budgets and monthly budgets

51. The Country managers and GEJM shall prepare a semester budget in line with the annual budget and the semester workplan. All country office expenditure shall be in line with the approved semester budget.
52. On a monthly basis, the Country Managers shall submit a monthly budget in line with the approved semester budget for transfers to be effected from Head Office. A monthly budget shall still be submitted in cases where the country office has local funds that are in the country office's bank account. The monthly budgets shall be checked by the relevant Programme Manager and approved by the GEJM.

Budget revisions

53. Budgets are almost always tied to **restricted funds**. Necessary budget revisions shall be made at scheduled intervals. Formal updating periods, normally half yearly shall be established and communicated during the course of the year. Managers are encouraged to build reasonable stability and firmness into their budgets without being excessively rigid.

54. Revisions can also be made in the cases where deviations have become as great as to make the approved budget unrealistic e.g. inflation, exchange differences in excess of 15%.
55. Submissions for any budget reviews will be made through the GEJM with reasons for such requests together with the 2nd quarter report. The report will be comparing results of the last half year against plans and budgets for the same period.
56. Reallocation of budgets is subject to donor conditions and the ED approval subject to justification and reasonableness of the request for allocation.

Reporting and monitoring the budget

57. The budget for a specified period is compared to actual expenditure of the same period. Any resulting differences (variances) are explained to provide insight into how the activities/programmes have progressed.
 - In the the case of an overspend, the variance figure shall be negative.
 - in the case of an under spend, the variance figure shall be positive.
 - If budget and actual are the same, the result shall be zero.
58. The variance report will show deviations from original plan and allowing management to see whether the planned activities are going ahead in a timely and controlled manner.
59. Programme managers shall be held accountable for budget overruns and underspends that are not identified and managed properly.

Variance analysis

60. Variance analysis involves looking at the significant variation from the budget and seeking to explain why it exists and what could be done to remedy the situation. A variation **of 10%+ in any period must always be explained**. Differences in expenditure compared to budget could be caused by:-
 - A change in price – items cost more or much less than originally estimated
 - A change in quantity/volume – wherein more or fewer goods/services than planned were purchased.
 - A change in timing – wherein activities are either brought forward or delayed, causing or or less expenditure

- A change of plan
- Differences may also be due to errors in the budgeting process or account coding.

61. It is useful to clarify if a variance is temporary or a more permanent situation.
62. Permanent variances represent a lasting over-spend or saving on the budget and require close attention. For a permanent overspend, it must be shown where extra resources to cover additional costs have been sourced. Permanent savings may be called in to offset any over-spends within the donor, subject to the donor rules.

Action on budget variances

	TEMPORARY	PERMANENT
FAVOURABLE	Monitor Progress Plan when to spend if activities are delayed	Increase scale of operation Re-allocate funds taking into account donor rules
ADVERSE	Delay future budgeted costs Consider Cash flow implications	Raise more funds Cut other costs Reduce operations

Compliance with funding agreements

63. The HCS is responsible for compiling a register of all donor contracts with all specific requirements and report dates and ensuring that these are met.
64. The HCS is responsible for liaising with donors on the timely transfer of funds.
65. Programme managers are responsible for preparing detailed budgets for their work and ensuring that these budgets are complied with; that any variances are explained and are within the accepted limits of specific donors; and for initiating any changes in budget lines in a timely fashion. While programme managers will be assisted in identifying potential problems by the ED, GEJM and HCS during the monthly budget and programme review meetings, it is the primary

responsibility of programme managers to manage and monitor their budgets; to initiate donor reports and to draft all narrative reports.

66. Budgets shall be informed by the activities as outlined in the project proposals. Expenditure is tracked vigilantly. At any given point in time the Programme Manager must know how much is already spent on the project, the funds still available and whether the planned activities can be covered.
67. If a programme manager suspects any major deviations from the budgets, this shall be communicated to the GEJM and she/he must help with compiling the actual expenditure together with projected expenditure by converting the accounting report to excel and comparing with the estimated expenditure. If it is confirmed there may be an over expenditure, the programme manager must take appropriate steps for seeking approval for amendments to the budget lines from the donors.
68. The HCS and managers are responsible for preparing donor financial reports per specification in contracts and ensuring that these are submitted (together with narrative reports by programme managers) at the correct times.
69. The ED/HCS shall check all reports to donors before these are sent and furnish explanatory notes on any variances.
70. The ED/HCS shall ensure that any queries raised by donors are attended to immediately and to the satisfaction of GL's donors.

4 INTERNAL CONTROLS

Financial responsibility and segregation of duties

71. No one person should handle a financial administration tasks from the beginning to the end. This is so that an error in the work of one should emerge in the work of another or a situation where the work of officer is checked by another in order to limit the opportunity for error and fraud as shown in the table below:

Person who:	Should not:
Prepares vouchers	Approve vouchers
Prepares cheques	Sign cheques
Has access to blank cheques	Post payments to the ledger
Receives cash	Record cash receipts
Prepares bank deposits or records cash receipts	Prepare bank reconciliation
Is responsible for the physical security of assets	Perform the physical inventory of assets
Maintains driver logs	Monitor fuel usage

The tables summarises the segregation controls for both HQ and country levels. An audit of GL Bank Accounts is attached at **Annex A**.

GL Headquarters

Responsibility	Regional office
Budgeting	Programme Managers (PM), Governance and Economic Justice Manager (GEJM) Head of Corporate Services (HCS), Head of Corporate Services (HCS); sign off by ED
Requesting payments	Finance officers (FO), Programme officers
Checking payments	FO, HCS, Programme Managers
Approving payments	GEJM, HCS,
Authorising payments	ED
Signatories to the bank accounts	ED, GEJM and Media Manager
Required signatures per payment	Two signing together
Checking cash reconciliations	FO/HCS/Country Manager

Country offices

Activity	Finance & Admin Officer	Country Manager	Board Member / Regional office
Bank Account	Perform Banking Prepare bank reconciliations	Bank signatory	Review bank reconciliation
Payments	Make payments Enter transactions on accounting system	Authorise payments in line with scheme of delegation	Check/ certify payment vouchers
Cash Management	Prepare top up requests, perform cash reconciliations	Maintain overview, conduct spot check cash counts Authorise cash reconciliations	Monitor cash flow, regular review of cash reconciliations conduct spot check cash counts
Monthly Accounts	Prepare reconciliations	Authorise monthly accounts and monthly financial review	Approve monthly accounts and prepare monthly financial review
Payroll	Prepare payroll	Check/ certify payroll	Authorise payroll
Adjustments	Register adjustments	Check/ certify and post adjustments	Identify and approve adjustments

Spot checks

72. As part of internal audits a sample of country suppliers/partners will be contacted from time to time to confirm details of payments made. In addition Head office shall conduct random spot checks on country finances including petty cash.

Management checks

73. All managerial staff should, as part of their routine activities, sample check the work of their staff, for example, checking a few receipts at random each month. Such checks not only demonstrate management's commitment to maintaining sound financial control but also help ensure that managerial staff fully understands financial processes and the returns they are sign.

Internal Audits

74. The Internal Auditor/HQ finance shall conduct internal audit visits to country offices *every two months* and provide support to countries as part of strengthening accountability and capacity building for country offices (see Audit of GL Bank Accounts at Annex A).

Transaction Requirements

75. A record of all financial transactions shall be kept by all GL offices. The accounting records shall cover two categories namely:
- **Books of accounts** i.e. cash books, ledgers etc. where financial transactions are recorded and summarised.
 - **Supporting documents** i.e. paperwork such as receipts and invoices which provide evidence or proof that a transaction took place filed by date and transaction order.
76. GL transactions shall meet 4 basic tests which should always be applied to all GL transactions i.e. accuracy, completeness, measurement and validity as explained in the table below.

Accuracy	<p>All details relating to the transaction must be correct and charges clearly recorded</p> <ul style="list-style-type: none"> • Is the amount recorded as received or disbursed correct? • Are all relevant charges recorded? • Is the transaction coded to the correct code and funding source
Completeness	<p>Full details of transactions and any supporting computations and documents must be supplied with each element of the transaction documented and recorded? e.g.</p> <p>If petty cash shows that 10 transactions have been made, then</p> <ul style="list-style-type: none"> • 10 petty cash receipts must be posted to the petty cash register. • 10 petty cash vouchers, supported by relevant receipts and approval by an authorised individual must be available. <p>An advance paid to an employee requires the employee's signature as evidence of receipt.</p> <p>Whenever cash is received a cash receipt must be issued ore receiver signs</p>
Maintenance	<p>After a payment has been approved and recorded, there should be no room to alter the documents by adding another zero to the amount, or changing the payee name on a cheque.</p>
Validity	<p>All payments shall be made to a verifiable person or company. The payment requisition supplied as supporting documentation should provide details like physical location, name of vendor, contact number and an invoice/receipt number as per minimum requirements.</p> <ul style="list-style-type: none"> • Is the disbursement made to a verifiable supplier, partner or employee? • Was it for the benefit of the organization? • Is there proof such as supplier invoice, receipt or report for the purchase written in English to confirm that the item was received or the service performed?
Allowable	<p>Only expenses allowable by Gender Links policies and donors shall be paid. Staff shall make every effort to know these requirements before they procure goods or services.</p>

Security and controls

77. All financial records, petty cash and cheque books shall be kept in a secure location inside a locked safe and or cashbox.
 - All cancelled cheques shall be marked cancelled.
 - All staff records shall be stored on the HR drive on sharepoint to which only the ED, HCS and the HRA have access.
78. Financial records shall be kept for seven (7) years or as required by the law.
79. All shared finance records shall be stored on the Finance drive on sharepoint that is only accessible to the Corporate Services staff.
80. All electronic records are backed up on site and off site.
81. All contracts whether received or issued by GL are scanned and filed electronically on the P drive as well as in hard copy. The hard copy file shall be kept in a steel cupboard by the Procurement Officer.
82. Computer passwords to financial records shall be issued only to the ED, HCS, HCS, FOs and IA and are regularly changed.

Filing

83. Vouchers and their supporting documents should be filed in ascending numerical order.
84. All files must be clearly labelled in ink with subject, period and file reference if applicable.
85. GL strongly discourages the removal of files or documents from the finance department. If it is necessary then ensure that a note is left in the space where the file is kept to say who took it and when.

Document retention

86. Original documentation will be kept in the country head office, with HQ keeping a copy. Following such a practice will ensure that all original documentation is kept in one place and is easily accessible; this is particularly useful for audits.

Finance system back-ups

87. Back-ups may be made on the local server, with clearly labelled files
88. All back-ups should be logged in a back-up register noting the date
89. The country manager shall review periodically to ensure the back-up process is done effectively.

Other finance back-ups

Offices should have a policy for backing up other information – excel and word documents etc. This might be done centrally where computers are networked and files are shared. If not then it will be the responsibility of the finance team to ensure that all key finance documents are backed up.

Accounts and External Audit

90. The Directors (board) shall cause all such books of accounts as prescribed by the laws in all countries of operation to be kept.
91. The books of accounts shall be kept at the registered offices of the non profit company, or at such other place or places as the Directors deem appropriate, and must always be open to the inspection of the Directors.
92. The Directors must, from time to time in accordance with the Act, cause to be prepared and laid before the non profit company in the AGM such annual financial statements as required by the Act.
93. A copy of the annual financial statements that is to be laid before the non profit company in the AGM, must not less than twenty-one (21) days before the date of the meeting be sent to every member of the company, provided that this regulation does not require a copy of those documents to be sent to any person whose address the Association is not aware.
94. Auditors shall be appointed and their duties regulated. Auditors must be rotated every 5 years unless partners are rotated i.e. the same individual should not audit the GL accounts for more than 5 years.

Revenue

95. All income is recognised and allocated to revenue on receipt within the bank account. No provisions and no accounts receivables are raised for future revenue. Income is allocated per donor per project within the accounting system.

Donor Income

96. All programme funds received shall be accompanied by signed donor/grant agreements showing the nature of donation and reporting requirements and/or invoice/receipt from GL stating the nature of service agreed and provided. Exchange rates are calculated against actual income received.

Interest received

97. All monies are managed in such a way that maximise interest and the interest is invested back in the organisation.

Value added tax

98. Where possible, value added tax shall be claimed back from the tax authorities and allocated to a provision account for investment back into GL programmes.
99. Where GL charges for any of its services, a VAT charge is levied and this is paid over to the Receiver of Revenue accordingly.

Contract work undertaken by GL

100. GL may undertake contract work as part of the income generating activities of the GL Services Unit.
101. Requests to provide such services shall be referred to the Gender Links Services Manager in the first instance and a recommendation made to the ED on whether to undertake the work based on a) programme fit and leveraging b) available capacity c) a cost benefit analysis, including income to be earned by GL.
102. GL's standard set of rates as filed in the finance section of sharepoint for consulting work shall be reviewed from time to time in accordance with prevailing market trends.
103. GL shall enter into detailed agreements with all clients setting out tasks, deliverables, timeframes, fees and how variations/disputes shall be managed.
104. A staff member who undertakes contract work for GL with another institution as part of GL Services shall not be permitted to resign and take a post with the client until at least a year after the completion of the contract. This shall be made clear to the client and where possible included in the contract with the client.

105. GL may undertake contract work as part of the income generating activities of the GL Services Unit.
106. Requests to provide such services shall be referred to the Gender Links Services Manager in the first instance and a recommendation made to the CEO on whether to undertake the work based on a) programme fit and leveraging b) available capacity c) a cost benefit analysis, including income to be earned by GL.
107. An invoice is raised using the GL's standard set of rates for consulting work which shall be reviewed from time to time in accordance with prevailing market trends.
108. GL shall enter into detailed agreements with all clients setting out tasks, deliverables, timeframes, fees and how variations/disputes shall be managed.

Sale of publications - cash receipts

109. All cash receipts are controlled by invoices and/or pre-numbered receipts forms. The SAcc shall verify all cash against receipt forms. The SAcc shall ensure the immediate deposit of any cash receipts.

Reserve Fund

110. The Directors may establish any reserve fund or funds for the purpose of meeting contingencies or for the furtherance of any of the objects of the Association, and such fund or funds may be invested, as the Directors may deem appropriate, including the creation of an endowment fund.

Endowment Fund

111. This fund generally comprises of surpluses generated by the Association through consulting work; interest earned; office and conference facilities rented out and publications sold.
112. The endowment fund shall be managed by a reputable financial advisor approved by the Board and the funds must be invested with a reputable financial institution. A report on the performance of this fund must be presented at the AGM.

Bank accounts

113. All organisational funds whether locally generated or donated shall be kept in reputable GL banks.
114. Bank accounts shall be maintained by each office in local and foreign currency

115. All banks are/shall be mandated for 2 signatures for each payment. The ED and HCS form the principal signatories at HQ while the CM and country board member are the principal signatures in countries – see Annex A for list of GL accounts and signatories.
116. Release of payments by the signatories is done within approved authority limits.
117. Authorised signatories shall not sign any cheque before full details of the payee and amount payable have been entered. Under no circumstances shall blank cheques be signed.
118. In the event of a signatory resigning, being temporarily unavailable or temporarily incapacitated for a significant period, their signature shall be removed immediately from the bank's list of authorised signatories. A letter to the bank, signed by the country manager and/or HCS to the bank instructing the bank to remove the signatory replacing it with another shall be written and delivered to the bank.
119. A separate cash book shall be maintained and updated on an on-going basis for each bank account.
120. All blank cheques shall be kept crossed under lock and key and shall be opened at the request of the payee.
121. All payments shall be entered in the cash book at cheque and date chronological order by the responsible finance officer on an on-going basis with a correct cost/budget code.
122. Cancelled cheque numbers must be included in the cash book, indicated as cancelled.
123. The Finance and Admin Officer shall reconcile the cash book to the bank account at the end of each month. The HCS at HQ and CM at country offices shall check the cash book and supporting documentation and sign off each month before submission.

Bank signatories

124. Bank/Cheque signatories have a responsibility to check the payment requested for correctness, accuracy and validity prior to committing their signatures to the cheque or releasing payments. This includes but is not limited to:-

- Correct procurement process followed
- Correct budget line/cost code quoted
- Correct amounts as per invoices
- Authorisation of activity by project manager or budget holder
- Adequate supporting documents
- Local payments must be made in local currency from a local currency account.
- Cash payments shall follow the normal payment request procedure.

Business On Line / Internet Banking System Procedures

- The FO/SAcc loads creditors/beneficiaries in the BOL / Internet Banking System
- The SAcc/HCS verifies and release creditors/beneficiaries
- The FO/SAcc loads payments
- The SAcc/HCS verifies payments
- The ED/GEJM/HCS release payments
- The MD releases payments for GL Enterprises

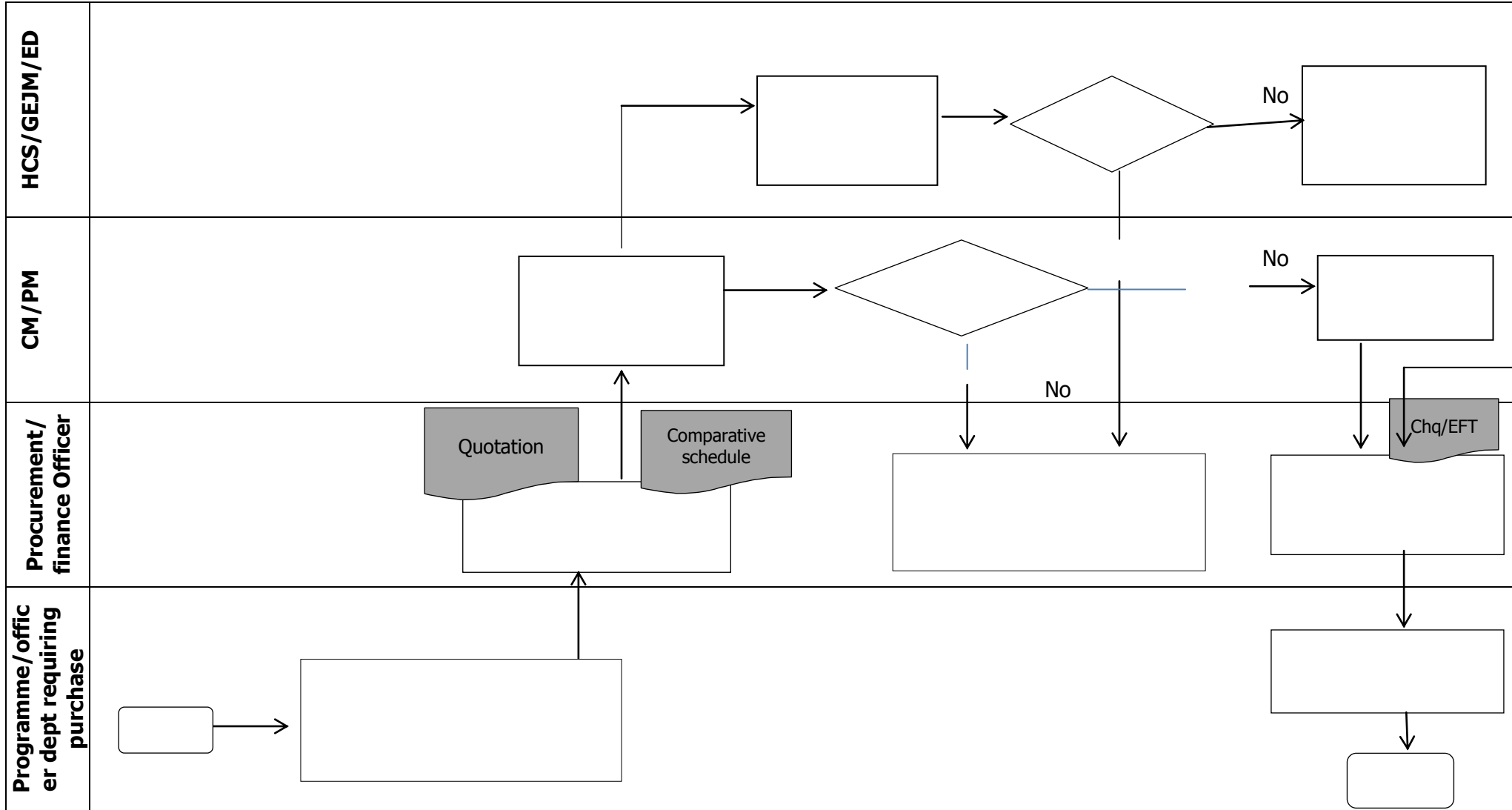
NB: When the SAcc loads creditors/beneficiaries or payments he/she shall not verify and release.

125. Payments for goods and services shall be made from the bank accounts. Payments are made either by cheque and/or electronic funds transfer.
126. **Cash payments** are/shall only made in exceptional circumstances that include: several small payments to be made for out of town and/or out of country expenses, where GL does not have a bank account and the payments do not form part of the contract of the local consultant/network contracted. Arrangements of travel cards to minimize risk of carrying cash should be made.
127. All payments requests whether electronic funds transfer, cash or cheque shall be accompanied by an Online Pastel Evolution Requisition found in the Evolution Procurement Module indicating the budget line/cost code and project to be charged.
128. Adequate supporting third party documentation such as original invoices bearing the GL VAT number; contracts; purchase orders, publication form etc. indicating
- When (date of acquisition for goods/services)
 - How much
 - What goods/services were supplied with proof of delivery
 - Who is being paid the supplier/creditor is?
 - Why - purpose of the goods matching GL business?
 - Original third party documentation
- Dates on the supporting documents for payments should follow the sequence of events.
129. Payments for goods and services shall comply with the provisions of work plans and budgets. Only allowable costs in line with GL policies and donor contracts must be processed.
130. Staff charged with checking payments shall verify that all requisitions are supported by original invoices bearing the GL VAT number; contracts; purchase orders, publication form etc. and that the payments have been assigned to the correct budget line.
131. Staff charged with checking payments check all invoices to ensure that calculations are correct; raising queries and correcting these where they are not.

132. The HCS at secretariat and country managers in countries where GL has bank accounts are responsible for checking all salary payments to ensure that they comply with contracts, tax, labour and all other statutory requirements.
133. The GEJM shall approve all programme-related payments.
134. The HCS shall approve Corporate Services, GL Services and Cottages payments and presenting the payments to ED for authorisation and release of electronic or cheque payment or bank draft at secretariat. Country Managers and country board members will approve and release the payments within their limits of authority as set in the Pastel Evolution System.
135. The MD authorises payments for GL Enterprises.
136. The head office managers responsible for country work shall approve all payments within the R20000 to R100,000 range.
137. The ED shall authorise all GL HQ payments and payments above R100,000.
 - The ED is the accounting officer of GL and reports to the Executive Committee (EC) each quarter and to the Board annually, on the financial status of the organisation.
 - All payments processed in the ED's absence at secretariat must be presented to the ED in the next payments meeting at secretariat.
138. Only the ED, HCS and GEJM may override payments above budget limits.
139. The finance officers shall still maintain hard copy files of all payments made duly signed. As soon as the payments process is finalised, the FOs shall stamp all payment documentation with the "PAID" stamp,
140. As soon as the transactions are entered in the accounting system, the FOs shall stamp the documents with a "CAPTURED" stamp.
141. The FOs shall ensure that all those to whom payments have been made are notified **within two days of the date and purpose of payments** made and for following up with the bank on any glitches relating to payments. Bank electronic funds transfers provide notification of payment facilities please ensure these are activated.
142. Expenses are allocated according to the budget lines and monitored on a monthly basis by the SAcc, HCS and ED to ensure that all expenditure is within budget and to institute negotiations with donors where adjustments to budget lines might be required.

143. Where documentation is not available immediately on payment (i.e.) advance payments for out-of-town expenses, the requisition shall be accompanied by a quotation and budget for the project. The requisition is retained and reconciliation completed together with all the necessary documentation prior to allocation to the relevant expense within the accounting system.

Procure to Pay – Purchase Order to payment process for Goods



Process Name	Responsible Person	Process
Ordering goods or services	Finance and Admin/Procurement Officer and programme officers at HQ	<ol style="list-style-type: none"> 1. Sources quotations and prepares a quote comparison. 2. At country office, the Program Officer checks the comparative schedule and the Country Manager approves the purchase of goods. 3. At HQ the HOD Finance/Programme managers check the quote comparisons, the HCS/GEJM checks and approves and the GEJM/ED checks and authorises the payment within the provisions of their authorisation limits.
Receiving goods or services	Procurement/office Assistant	The Office Assistant and or Officer who requested the goods receive and inspect the goods.
Transaction recording	Financer officer	Transactions are recorded in the Pastel cash book.
Payment of goods and services:	Finance Officer	<ol style="list-style-type: none"> 1. All payments vouchers are prepared by the Finance Officer through the Pastel Evolution system, checked by the Program officer/ountry Manager and local board member approves the payments. 2. At HQ requesting officer prepares payment voucher, finance officer checks the supporting documentation, Manager checks, HCS checks and approves for Corporate Services/GEJM checks and approves for programmes, hands over to ED for final approval and release of payment
Sending all schedules to HQ	Finance Officer	All payment vouchers are uploaded using CRM for HQ finance review and updating accounting system.

Cash requisitions (advances) and reconciliations

144. Cash payments shall be minimised to reduce risk exposure. However, in some instances such as conducting work away from GL bases, payment by electronic funds transfer or bank drafts may not be possible.
145. Cash advances will only be considered in the following circumstances
- International travel
 - Business expenses for workshops/meetings i.e. for a group consisting of two or more individuals' per diem needs, for team travel small amounts to be paid to several individuals (for example reimbursement of travel expenses); or the exact amount being unknown until after the event
 - lack of transfer facilities;
 - Staff requesting a cash advance must specify valid reasons for the advance of funds needed.
146. Members of staff requesting cash advances remain personally liable for such advances until full retirement of the cash advanced with official third party documentation is complete.
147. Programme managers shall prepare a budget using the activity budget form (see **F02**: Activity Budget Cash advance and retirement authorisation). This budget must indicate whether payments are in the form of cash, electronic transfer, credit card or cheque.
148. All requisitions shall be made through the Pastel Evolution online requisition module with the relevant supporting documentation.
149. In the case of travel the necessary supporting documentation comprises an individual travel advance request (see **F03**: Individual Travel Advance request Form). This form has been automated on the Intranet to provide Per Diem rates for each country.
150. For reimbursement of participants travel or any other **unavoidable** cash amount for which receipts can only be obtained after the event (for example catering or a venue in a rural area) the activity budget shall form the supporting documentation.
151. Cash cheques must be cashed at the bank as close to the day of departure as possible so as to reduce the amount of time in which the cash will be left in the office. If more than one person is travelling cash amounts must be split between

them to minimize chances of loss. Each person must sign a separate cash receipt form for the cash amount they are responsible for.

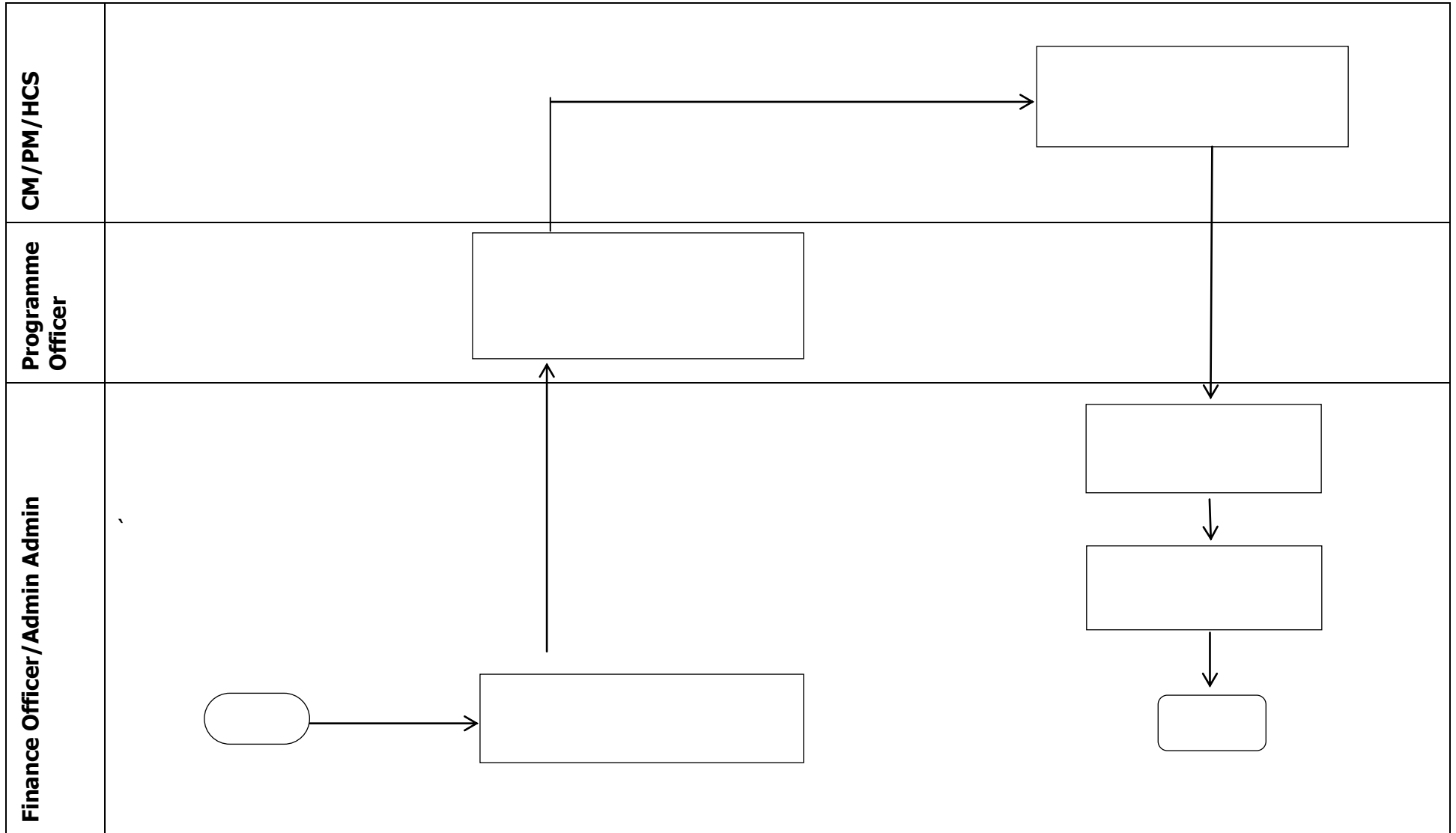
152. Workshop participants must sign for travel refunds on an expenses reimbursement form (see **F04** Workshop Expenses Reimbursement form) which has also been automated on the Intranet.
153. Cash advances shall be **retired within 4 workings days** using the Pastel Requisition Module. Failure to do so will result in such outstanding amounts being deducted from the individual's salaries without further reference. A second travel advance will not be issued prior to the retirement of any outstanding funds.
154. Original receipts from service providers must be attached to the reconciliation and numbered accordingly. Where GL provides cash for per diem the relevant section of the form must be completed by the recipient.
155. Should the receipts be in a foreign currency, the foreign currency amount must be entered in the appropriate column on the reconciliation, together with the exchange rate used and the resultant Rand amount. Documentation from the bank or an exchange bureau showing the exchange rate used must be attached to the reconciliation. The reconciliation together with all documentation must be forwarded to the FO and logged in the documents register for checking, final approval and filing with the original cheque requisition, budget and receipt form. All reconciliations are signed off by the SA.
156. Funds left over must be returned with the reconciliation to the FO for re-banking and a receipt obtained for funds handed over. Any monies owing to the applicant will be reimbursed to them via electronic transfer.

Petty Cash

157. The Fixed float or imprest method will be used for petty cash management. This means accounting for and requesting the exact spent amount i.e. Receipts + cash on hand should always be equal to the float. The layout shall be the same as that of the cash book used.
 - Petty cash is used to pay for small sundry items for the day to day running of an office like photocopies, stamps etc.
 - A limit for each country office shall be agreed with HCS.
 - Pre-numbered petty cash vouchers shall be maintained by the Petty cashier or designated accounts officer.
 - Petty cash shall be kept in a lockable cash box in a locked safe.

- Segregation controls shall be applied to petty cash transactions e.g.
 - Keys to the safe shall be kept by a different officer to the petty cash custodian while the petty cash custodian keeps the cash box keys.
 - Petty cash payments shall be authorized by a different officer from the petty cash custodian.
158. A recipient of petty cash shall sign on the voucher for the amount received (see **F05**: Petty Cash Voucher).
159. Receipts or cash vouchers shall support all petty cash payments.
160. The petty cash book should be written out daily and a reconciliation statement of cash in the safe with the actual balance reflected in the petty cash book shall be done on a regular basis the minimum being once a month.
161. Proper handover /takeover procedures should be followed when petty cash changes hands.
162. Spot checks on petty cash will be carried out on an irregular basis.
163. Petty cash will be balanced at the end of each month whether or not a reimbursement is due and documents submitted to the HQ Finance department together with other monthly finance documents.
164. The regional finance officer will verify all country petty cash reconciliations against receipts. Withdrawal of any further cash is subject to prior cash being reconciled.
165. Change from trips shall not be put on petty cash as this distorts the float but shall be re- banked.

Petty Cash Payments



MONTH END PROCEDURES

The Main Cash Book and Petty Cash accounts

166. At the end of each month the Finance Officers shall ensure that the entries in the Main Cash book are updated, correctly coded to the supplier as per the procurement purchase order.
167. Pastel Evolution Cashbooks books shall be maintained in Local currency and Rand to facilitate monthly bank reconciliations.
168. Cashbooks entries are maintained at payment order date. Cheques are issued in chronological order from the beginning of the cheque book to the end without skipping a cheque.
169. The difference between the Receipts and Payments represents cash on hand and in the bank which becomes the opening for the following month.
170. Cash on hand shall be counted and certified for correctness by the manager.

Bank Reconciliation Statement

171. At the end of every month the Finance Officers / Programme Administrators in all offices shall prepare the bank reconciliation Statement as follows:
 - Ensure that all receipts are entered in the cash book correctly.
 - Tick off all deposits entered in the cash book against deposits on the bank statement.
 - Take note of all deposits shown in the Bank statement but not recorded in the cash book, ensure a separate receipt is issued for each one.
 - Record all payments shown on the bank statement but not in the cash book
 - Ensure that all cheques/deposits in the cash book are properly recorded up to the last day of the month.
 - Record deposits in the cash book but not shown on your bank statement as a Bank reconciliation item.
 - Record cheques shown in the cash book but not on the bank statements as un-presented cheques.
172. When the above actions have been completed the bank reconciliation statement can then be prepared.

173. Un-cleared items older than six months shall be investigated and written back.
174. All clearing accounts are balanced prior to closure for month end. All inter-account and intercompany transactions shall be reconciled and funds transferred accordingly.
175. All monthly bank reconciliations must be reviewed by the HCS, presented to the HCS for approval.
176. A detailed monthly report must be printed from the accounting system per programme for the managers to monitor expenditure against budget.

Monthly Finance Reports

177. A trial balance is printed and all figures are downloaded into the monthly management report. The monthly management report details the total income/expenditure per project, the amount of funds available per project and the amount of funds available within the provision accounts.
178. All monthly bank reconciliations must be reviewed, signed and dated by the HCS and presented to the ED together with the monthly reports.
179. A detailed monthly report must be printed from the accounting system per programme for the managers to monitor expenditure against budget.

Monthly Main Cash Book Certification

180. Prior to submitting the main cash book to secretariat, the county manager shall personally check and sign the cash book as an indication that all entries have been checked by him/her.
181. The regional finance officers shall personally check the main cash book together with relevant supporting documents, certify it as being correct and sign and date the main Cash Book as an indication that all entries for the month have been checked by him/her, monthly.
182. No financial records may be destroyed.

Statutory payments

183. All countries shall strictly adhere to the statutory deductions payment dates as gazetted by the country statutes. These include the remission of PAYE, Social Security Funds and related payments.
184. It is the responsibility of the Country Managers and HOD Finance to ensure that GL does not incur fines due to delayed submission of the returns and payments.
185. Internal Audit process at HQ will verify that all statutory requirements are complied with.

Cheque Book management

186. Upon receipt from the bank, the finance officer shall verify that all the cheque leafs are available. Should there be any missing leaf, this shall immediately be reported to the bank in writing by the sub regional manager.
187. The cheque book particulars shall be recorded in the security items register maintained by each office.
188. The cheque book shall be kept under lock and key and only taken out when it is being used.
189. Cancelled cheques shall be crossed cancelled in ink both on the actual cheque and on the stub. Remove any signatures on the cancelled cheque.

Receipt Book management

190. All offices shall maintain triplicate receipt books to record **any/all** money received whether by cash or bank transfer. The original receipt shall be given to the payee, a second receipt filed with supporting documents for the payment and the fast copy shall remain in the receipt.
191. Money received shall be banked promptly where possible on the date of receipt where not within 24hours of receipt.
192. Receipt book particulars shall be recorded in the security items register maintained by each office and be store under lock and key when not in use.
193. Receipts shall be issued on the receipt number and correct date basis taking care not to skip any receipt.

Value added tax

194. Wherever possible, GL claims back VAT from the tax authorities and invests back into the programme.
195. Where GL charges for any of its services, a VAT charge is levied and this is paid over to the Receiver of Revenue accordingly.

Accounts Payable (Creditors)

196. Purchase of goods and services shall follow the Pastel Evolution Purchase order system.
197. Managers must fill in the donor budget line for the service being procured and **MUST SIGN THAT THEY HAVE MADE THIS ORDER**. Should the order not be a legitimate GL requirement or not have a budget line from which it can be paid the managers who have signed for these services will be personally liable for the payment.
198. Individual invoices for such services shall be filed by the FO and reconciled at the end of the month.
199. The FO is responsible for verification of monthly creditor accounts to ensure that they are supported by order forms issued during the month.
200. Monthly reconciliations shall be checked by the Country Manager at country office and HOD Finance at HQ, and approved by the HCS and authorised by the ED for all regular suppliers prior to payment.
201. All creditors are required by law to quote GL's VAT registration number.

Expenditure and ledger entry processes

202. Country offices are subject to the same financial rules and regulations as those of head office; in particular:
 - Country offices shall establish a local GL bank account that shall have at least two signatories; the Board member resident in country, the Country Manager (CM) and or the Country Programme Officer (CPO).
 - All capital items purchased shall be the property of GL and shall form part of the GL asset register.
 - Accountable transfers for programme and running costs shall be made at the beginning of each month.
 - The country office shall ensure that original receipts are kept for all expenditures.

- Country offices shall have the same financial year as GL head office, (1 January – 31 December)
- If necessary, Country office accounts shall be audited annually in February each year in accordance with the laws of each country in which they are registered.
- Running costs must be kept to a minimum.

Funds Transfer to Country Offices

203. Funds are transferred on a bi-monthly basis against the country work plans done annually.
204. By the last day of each month Finance Officers must record actual expenditure for the month passed and keep a running total.
205. FO must use their MS project plan to project expenditure for the coming two months.
206. The budget shall be vetted and signed off by the relevant managers at HQ; the GEJM and the ED before transfer is effected.
207. Where country offices have donor funds of their own, transfers will only be made from HQ for agreed co-financing purposes.
208. Where agreed with a donor funding country-specific activities, funds may be held at head office and released on a bi-monthly basis against MS Project projections.

7 WORKSHOPS AND CONFERENCING

Planning and authorisation

209. Programme/country manager must prepare a concept note for the event/workshop that they are planning, consistent with the overall GL work plan.
210. A budget for the total workshop expenses together with the list of participants must be drawn and must be approved by Head of unit before invitations are sent out. Budget must include all hotel costs, the DSAs, airport transfers, realistic airport taxes as well as estimated flight costs.
211. The Head of the unit must compare the budget with funds available for the workshop, this should indicate whether the budget is sufficient or not. Once this is done, participants can be invited and normal procurement procedures for travel bookings and the venue must be followed.
212. Programme/country managers shall make use of the conference and workshop checklist (**WS Checklist 1**) for ensuring effective planning of workshops and distribution of relevant GL publications.
213. Workshops/Conferences of over R20,000 must be authorised by the ED through appropriate supervisors.

Workshops and meetings at GL and the GL Cottages

214. Projects are charged for workshops held at the GL conference centre at appropriate rates as stipulated in the GL Services Brochure. Projects are charged for workshops held at the GL cottages according to the GL Cottages rates.
215. Corporate unit and the programme staff responsible should make use of the Conference room and meetings checklist (**WS Room Checklist 2**) as part of the workshop preparation.

Financial accounting

216. Officers who receive cash advances for this purpose must sign a form taking responsibility within reason for disbursements and pledging to provide reconciliation within four working days of the workshop/conference completion.
217. Cost for phone, fax and photocopying must be accompanied by receipts. If print-outs for phone and fax are available, there should be a detailed statement of expenses incurred.
218. A detailed attendance register of all participants for each day, their addresses, duration of stay, meals eaten and phone/fax details has to be completed during the workshop/ conference.

TRAVEL

Air travel

219. GL Board members and staff travel economy class at the most economical possible fares, except in extenuating circumstances such as an emergency trip for which only certain seats are available.
220. For trips of over nine hours duration GL shall make best efforts to upgrade economy tickets for Board Members and the ED to business using air miles, provided air miles are available.
221. Staff travelling to other countries are responsible for making arrangements for their visa requirements supported by the procurement dept.
222. Boarding passes for air travel should be produced after a trip.

Surface travel

223. All travel within a 450 km radius of the duty station must be undertaken by surface transport except when air travel would be cheaper (for example if it is just one person travelling) or where travel time is a factor, as determined and authorised by the ED.
224. Travel by a GL vehicle shall be authorised 3 days prior to travel by use of a local transport request form (see **F06**: Local Travel Request Form). Where staff travel as a group, a group travel form shall be used (see **F07**: Group Travel Form).
225. Should staff use their own cars for long distance road travel, they will be reimbursed at the AA rate relevant to their countries. Should they elect not to use their cars they should present alternatives that may include renting a car; pooling transport with a partner; flying or taking a safe, comfortable bus. The GEJM shall approve the most time and cost effective option and if not motivate why to the ED who shall have the final say in the mode of transport used.
226. The employee shall ensure that such vehicle is adequately insured as GL shall not be liable for damages and/or theft of vehicle that may arise out of using a private motor vehicle for business purposes.

Accommodation

227. Accommodation on GL business is provided at a safe, clean and reasonable venue that is generally a three star hotel or bed and breakfast. Exceptions to this shall be authorised by the ED with appropriate motivation.
228. Staff with booking responsibilities must inquire on the availability of breakfast at the time of booking to ensure that staff DSA is calculated appropriately.

- 229. GL provides a breakfast, lunch and dinner allowance per day as per prescribed DSA rates where these are not provided as part of a conference package.
- 230. Meals are not provided when these are catered for during flight, as stated on tickets.

Authorisation of travel for GL staff

- 231. All staff travelling on behalf of GL must seek approval from their supervisor using the appropriate trip/staff authorisation form (see **F08**: Staff Travel Request and Authorisation Form)s in the Travel booking system, before requesting for a booking. This applies to both travel funded by Gender Links and travel funded by other organisations. Except in unforeseen circumstances, all travel and related bookings must be concluded 2 weeks before travel.
- 232. The staff member travelling will initiate the request attaching the relevant documentation such as a budget, through the info path within the travel module.
- 233. The Procurement Officer will source THREE QUOTES for the requested flights on the system, confirm with the traveller before sending for final authorisation.
- 234. The request with all relevant documentation which will include quotations for flights, budget, programme and trip approval signed by supervisor will then be forwarded to the GEJM for all programme staff who report to her and HCS for non programme staff for approval and ED for final authorisation. The HCS and GEJM travel shall be approved and authorised by the ED.
- 235. Once authorisation to issue ticket has been granted by the ED, the Procurement Officer will request the travel agent to issue the ticket.
- 236. The Procurement Officer shall send the issued ticket with an administration note to the traveller with details of the travel, pick up, accommodation and other relevant information.
- 237. Travellers will communicate any amendments or changes to the ticket to the Procurement Officer who will seek the ED's authorisation before requesting the travel agent to make the changes.

238. Except in exceptional circumstances, where an event is not organised by GL but has a particular relevance to its work, all invitations by other organisations must be sponsored by the host organisation.
239. As per HR policies time in lieu shall not be granted for travel.
240. Staff who arrive from trips before 1500Hours Monday – Friday, are expected to report for work except in exceptional circumstances as agreed with the supervisor.
241. Staff who arrive from overnight travel are expected to be in the office by 1300Hours.

Authorisation of travel for participants attending GL events

242. All programme managers must ensure that they draw up a detailed budget and list of participants against budget line together with a programme to be signed off by the GEJM or HCS and presented to the Procurement officer who will not issue tickets before ED authorises.
243. The Procurement officer shall make travel bookings with the travel agency, but can only issue order numbers, after the responsible manager has verified that these are indeed the most cost effective option, that they are within budget and that the travel times are appropriate. The responsible manager must sign off on each and every participant's travel.
244. Return journeys must be booked as close as possible to the ending of the event, and preferably on the same day. Should participants wish to extend their stay they must do so at their own costs.
245. The Procurement officer must ensure that the travel confirmation and liability form is signed by all invited participants before the issue of tickets (see **F09**: Participant/Partner Travel Confirmation and Liability Form). The Procurement officer is the only authorised staff member who can give final go ahead for the issuing of tickets to the travel agent. This must be done in writing, and a record kept.
246. All participants shall receive a workshop administration note before the event detailing travel and administration arrangements.
247. The Procurement officer shall make sure that all the travelling participants have acknowledged receipt of their electronic tickets by email, fax or phone.

Travel paid for by partners

248. Travel paid for by partners must be motivated with a programme, approved by managers and the ED in the same way as travel paid by GL.
249. The ED reserves the right to decline invitations, whether paid for or not, that do not have a direct fit with GL programme work

Parking

250. All staff with cars are entitled to paid parking at their place of work. GL shall reimburse staff for parking charged while attending work related events upon production of an original receipt.

Claims

251. In order to claim for any travelling expenses, staff and Board members must complete the requisite travel claim forms. (see **F10: GL Expenses Reimbursement form**).
252. Use of personal car shall be reimbursed at the AA rate in each country.
253. In the case of accommodation, air travel, care hire and use of public transport, no payments will be made without the relevant **original receipts and invoices**.

8 VEHICLE POLICY

254. GL is committed to promoting safety and responsible driving for all of its employees. To ensure that this commitment is followed through, the Company has adopted a vehicle policy that requires all employees who operate company owned, leased/rented, or car allowance vehicles during the performance of their jobs, to do so in a lawful and safe manner.
255. Use of the aforementioned vehicles will be strictly for the business of the Company and will by no means be considered available for personal use in any way.

GL Vehicles

256. GL cars shall be registered in the name of the organisation and shall be branded with the GL logo. Where appropriate branding shall include logos of the funding partners.
257. GL vehicles shall be installed with a tracker, wheel lock nuts, and car alarm as minimum security. The vehicles shall be covered under a full comprehensive insurance cover.
258. A First Aid kit; fire extinguisher; spare tyre, red triangle, reflector jacket, tools for changing the wheel; and appropriate documentation as required by local law must be carried in the vehicle at all times.
259. All original documents of the vehicle that include the registration documents, licence disks shall be kept by the FAO and copies shall be forwarded to the Head office.
260. GL vehicles shall generally be used between 0600 hours and 1900hours.
All GL cars shall always be parked at the office premises when not in use for official work and not taken to a staff member's home except when one worked later than 19.00 hrs or is travelling early in the morning as authorised by the Country Manager.

Authorised usage of GL owned/hired vehicles

261. Only GL staff and a designated driver are allowed to drive vehicles owned by GL. The right to drive is further limited to those staff who:
- Have a valid local driving license appropriate to the size and type of vehicle, if local legislation/mechanisms exist for such licensing. The licence must be at least 2 years old with the driver having continuously driven during this period.
 - In the case of international staff, have a valid driver's licence from their home country, and also (if required by local law) either a valid international or local driving licence, both licences being appropriate to the size and type of vehicle.

262. Employees must submit evidence of driver's licence through the Human Resources Office before being authorised to drive a GL vehicle and also confirm that:
- They have read and agree to adhere to this policy and the GL Code of Conduct;
 - They are eligible to drive the type(s) of GL vehicle that they intend to use under the terms of these rules;
 - They will obey all local laws applicable to them as users and drivers of vehicles.
 - It is the responsibility of anyone driving the company vehicle to report:
 - All accidents, however small, involving a GL vehicle; and
 - Any change to staff's eligibility to continue to drive any GL vehicle; and
 - Any traffic offenses occurring whilst using the company vehicle

Requisition to use GL vehicles

263. All requisitions for use of the car shall be made through the Procurement officer and through the Country manager in country offices.
264. Where there are conflicting demands on the office car these will be determined according to priority by the Procurement officer/Country manager. Should the Procurement officer be uncertain as to these priorities he/she will seek guidance from the HCS or in his/her absence the HCS.

Safety

265. Employees are expected to take all steps necessary in avoiding endangering themselves and others while operating company or company-sponsored vehicles on company business. To ensure this, employees authorised to operate company/company-sponsored vehicles are expected to:
- Ensure that all occupants, including him/her, wear safety belts when the vehicle is in operation.
 - Ensure that the vehicle to which the employee is assigned is maintained in safe driving condition.
 - Refrain from using cellular telephones (unless they are equipped with hands-free operations), personal listening devices, and from conducting any other activities which may impede the driver's ability to focus on safely operating the vehicle while it is in motion.
 - Comply with respective laws governing motor vehicle operations.
 - Pay any fines that may be incurred as a result of not observing traffic laws.
 - Staff shall not drink alcohol and drive.
 - Any individual who is in violation with the safety expectations listed above may be subject to potential disciplinary action by the Company up to and including termination.

Handling Accidents

266. If a vehicle is involved in an accident the driver shall be required to:

- Stop where it is safe
- Assist any injured persons
- Inform the police and GL immediately
- Assist where possible with details of other parties
- Assist the police where possible but refrain from making any statement which may be incriminating
- Insurance claims must be submitted as soon after the accidents as will be possible and within 3 months of the accident where the individual has been unwell to provide necessary details, and must be accompanied by
- Police report – forms available from the insurance company
- Photocopy of the driver's licence
- 3 quotations for repairs from 3 different companies and/or some Insurance companies do have contract with specific garages.
- Any other documents requested by the Insurance company

Payment for repairs

267. GL will pay all costs for where it is clear that the accident was not due to the negligence of the driver e.g. drunkenness, use of mobile phone whilst driving where the use of the vehicle was approved.

268. Where the accidents are due to negligence by the driver, the driver shall pay

- 50% of the vehicle insurance excess with the 1st and 2nd accidents and full excess for the third accident
- With a fourth accident the driver shall be suspended from driving GL vehicles.

269. An employee who, at GL's request and through GL's authorisation, is asked to operate a rented vehicle, leased vehicle, or vehicle for which the Company provides car allowance while on Company business will do so only from licensed agencies that rent/lease vehicles meeting all state/provincial registration and inspection requirements as well as the safety requirements of this policy.

270. The office car is strictly for use on GL business only. This includes providing such logistic support to the ED and Board as is necessary for the efficient execution of their functions.

271. A monthly log book shall be kept in which a record of all trips done including the fuelling of the vehicle shall be logged and form part of the monthly M & E reports.

272. The Procurement officer/FAO/CPA/Driver shall ensure that the car is kept clean; that it is filled with petrol as needed; and that all maintenance checks and services are adhered to.

Use of personal transport on GL business

273. Should a Board or staff member use their personal car on GL business, they shall be entitled to compensation at the AA per km rate relevant to the country, provided that such travel has been authorised. South Africa AA rates shall apply in countries where there are no stipulated AA rates. Use of personal transport shall be authorised in instances in which:
- There are conflicting demands on the office car.
 - It is cheaper to use personal transport than to use another means of transport for example a taxi.

9 OFFICE ADMINISTRATION

Communication

274. Staff members are entitled to use the office telephones to make phone calls relating to their work and reasonable personal calls within the city. Each staff member has a code which they must use for making phone calls. Calls made on each code are recorded and reviewed by the ITO and COM at the end of each month. Should excessive non-work use of phones be detected this shall be reported immediately to the HCS /ED, who may deduct excessive phone costs that are not work-related from any monies owing by GL to the staff member concerned after such costs have been discussed with the individual concerned.
275. Phone calls from the office to cell phones must be kept at a minimum to reduce costs.
276. All staff shall be issued with E-Mail addresses and shall be required to undergo email training and become regular users of E-Mail. E Mail shall be used in preference to the phone wherever possible, and in particular for regional and international communication.

Private cell phones, phones and fax machines

277. Staff members shall be reimbursed for the actual cost of the use of their personal telephones and fax machines for GL business.
278. Anyone wishing to claim these expenses must provide an ORIGINAL INVOICE with itemised list of calls and faxes made on behalf of GL.
279. When there is no access to itemised billing, a record of all calls (dates, purpose and duration) made on behalf of GL must be kept and presented.

Skype /Lync

280. Staff shall be connected through SKYPE /Lynch and be trained in use of Voice Over Internet technology, and be encouraged to use this where it is cheaper than regular phone calls, and especially for teleconferencing.
281. Staff members are required to make the use of Skype as a communication tool between GL head office and country offices.
282. Programme managers are also required to empower their regional consultants with the use of Skype in order to reduce the cost of phone bills.

Office Security

283. All staff members shall be issued with keys by the housekeeper/country manager to give them access to the office. The Receptionist/FAO/CPA shall keep a register of who has which keys.
284. Any staff member who leaves GL shall ensure that the office keys issued to them are returned to the receptionist/FAO/CPA who will sign and update the register.
285. Only the ED/Country manager and the Finance staff shall have access to the financial cupboard.
286. Only the FO/FAO/CPA shall have access to the petty cash box.
287. Staff members using laptops shall be supplied with a laptop lock on their desks and shall be responsible for keeping their laptops locked while they are out of the office.
288. All staff members shall be responsible for closing their windows and curtains before they close for the day.
289. The receptionist/CPA or in his/ her absence a person delegated to perform this task shall be responsible for closing and locking all HCS rs and gates each day.
290. The last person to leave the office at any given time regardless of whether one is coming back or not shall be responsible for alarming the office.
291. It is a disciplinary offence for any staff member to reveal the security code to any person who is not a GL staff or board member.
292. No strangers shall be allowed into the offices without prior verification of their identity and business on the GL premises.

Stationery

293. GL stationery shall be kept in a locked cupboard and the receptionist/FAO/CPA shall ensure that staff sign for all stationery issued to them.

10 ASSET MANAGEMENT

294. GL defines Fixed assets are those assets that have an estimated useful life of over one year.
295. Fixed and other assets acquired or donated to GL shall be used solely to further the objectives of the organisation. Assets may not be diverted to personal use without suitable reimbursement to GL and to its donors. Misuse/misappropriation of assets shall constitute a violation of the code of conduct and may attract disciplinary action and/or dismissal.

Assets register

296. A master register of all GL assets shall be maintained by the Head Office Corporate Services department and shall be updated as assets are acquired and disposed of.
297. All assets shall be assigned a number and be tagged with this number.
298. The assets should all be insured and the schedule of insurance should be updated regularly as and when assets are purchased.
299. Each country office shall maintain a register of all assets in their possession.
300. The assets registers should indicate among other details the following:-
- the full description of asset
 - the date of purchase and suppliers details including invoice number
 - cost of the asset which shall include:-
 - Purchase price
 - Freight, insurance, transportation, customs duties and other related costs up to the company's premises where the asset shall be used i.e. all costs incidental to the acquisition of the asset until it is ready for use.
 - the serial numbers and other identifying numbers/marks
 - the user and exact location of the assets
 - Date of sale, disposal or date written off where such has occurred.
301. Donated Fixed assets, like purchased fixed assets shall be brought into the assets register at their value on receipt.
302. A verification of assets exercise shall be carried out twice yearly in all the offices to match the existing assets with the local and Master assets register.

Purchase of Fixed Assets

303. Items of Capital expenditure should be budgeted for and agreed along with the rest of the budgets at the beginning of each financial year.
304. Authority to purchase fixed assets will be granted by the Executive Director
305. Normal GL procurement processes shall be followed in the purchase of fixed assets with an additional final step being recording in the assets register.
306. A capital expenditure authorization form supported by the relevant quotations and recommendations shall be completed and submitted to the Finance Department for budgetary implications and authorisation.
307. The IT Officer shall provide specifications of IT assets and other electronic gadgets. This is in view of their electronic equipment expertise.

Theft and/or Loss of assets

308. The assets register shall be updated accordingly following the disposal.
309. All damaged assets will be written off and removed from the assets register with authority from the Board.
310. Theft/loss of equipment shall immediately be reported to the police by the affected employee and to the Corporate Services Department who will advise the ED
311. An entry showing the asset as stolen shall be made to the Assets register with the relevant case number obtained from the police on reporting.

Depreciation of Fixed Assets

368. Fixed assets shall be written down annually on a straight line basis to a nil scrap or residual value. The following are the recommended estimated useful lives:-

Asset Type	Estimated Useful Life
Freehold buildings	Indefinite
Leasehold property Improvements	Indefinite
Freehold property improvements	Indefinite
Motor vehicles	5 years
Furniture and office equipment	3 years
Computer hardware	3 years
computer software	3 years

Disposal of Fixed Assets

312. The provisions of the GL Memorandum Of Incorporation (extract below) will be utilised for the disposal of GL assets:

Winding-Up

34.1 If the Company shall be wound up or dissolved, the liquidator must comply with the provisions of schedule 1 paragraph 4 of the Act. Upon its winding-up, deregistration or dissolution the entire net value of the Company shall be distributed to other non-profit Companies or external non-profit Companies carrying on activities within the Republic, voluntary associations or non-profit trusts having objects similar to its main object, to be determined by the members of the Company at or before the time of its dissolution or, failing such determination, by the Court."

Insurance

292. All offices must take out insurance cover for their office assets.

PROCUREMENT

313. Gender Links commits itself to sound procurement policies consistent with principles relating to the policies or act governing in relevant countries. The principles and practices set out in this policy apply to all GL staff tasked with the procurement of goods, services and assets on behalf of the organization.
314. GL shall develop a procurement plan that forms part of the five year strategy and cascades into annual work plans that are reviewed every quarter.

Core principles of procurement

315. The objective is supported by the following core principles:
- obtaining value for money
 - open and effective competition
 - ethics and integrity
 - accountability and reporting

Open and effective competition

316. Open and effective competition is the central operating principle of the entire organization's acquisition process. Staff shall ensure that:
- adequate and timely information is provided to all registered suppliers to enable them to bid / quote
 - content of information on the specifications/ task directive should be uniform to all the potential suppliers
 - a fair and open process of evaluating bids or quotations should be communicated in the bid specification / task directive or request for quote (RFQ) documents when they are issued.
 - The sourcing and comparison of three quotes as per threshold level ensure that GL procures from the most cost effective and efficient supplier. Contracted rates are routinely compared with other suppliers in the market to ensure value for money.
 - The suppliers' database to be reviewed regularly so as to provide new entrants / suppliers an opportunity to bid or quote. This also ensures up to date institutional knowledge on the best services available, obtaining value for money.

Ethics and fair dealing

317. Staff shall not use their official position to obtain gifts or benefits for themselves during the performance of official duties nor should they accept any gift or benefits when offered, as these may be construed as bribes.
318. Staff shall not use or disclose any official information for personal gain or the gain of others.
319. Staff shall abstain from any official action or decision-making process, which may result in improper personal gain and they shall declare any conflict of interest.
320. It is therefore required that every employee shall ensure that
- acquisition is conducted in accordance with high ethical and moral standards

- employees must observe recognized standards of fair dealing and personal integrity
- employees should neither condone nor approve any known illegal or unethical act for any reason wilfully
- confidentiality of information must be adhered to at all times
- staff involved in the acquisition process should at all times disclose any possible conflict of interest and / or fraud to the ED i.e. with regard to acquisitions relating to bids or quotations
- impartiality in the conduct of bid evaluations

Accountability and reporting

321. Staff are required to report irregular transactions / expenditure that may be incurred as a result of non-compliance to organizational policies when transactions are concluded.

322. The following serve as examples:

- acquisitions of goods or services before an official order is generated
- goods or services are procured by means of price quotations where the value of the purchase exceeds the threshold values determined by budgets
- goods or services are procured without following the competitive route and reasons for deviation are not recorded and approved by authority
- procurement of goods and services is authorized by an individual who is not delegated to approve the expense

323. Deviations resulting in irregular expenditure are to be submitted and fully motivated to Corporate Services. The motivation must be signed by the ED. Corporate Services shall keep a register of all irregular expenditure per financial year.

Purchasing and Procurement Thresholds

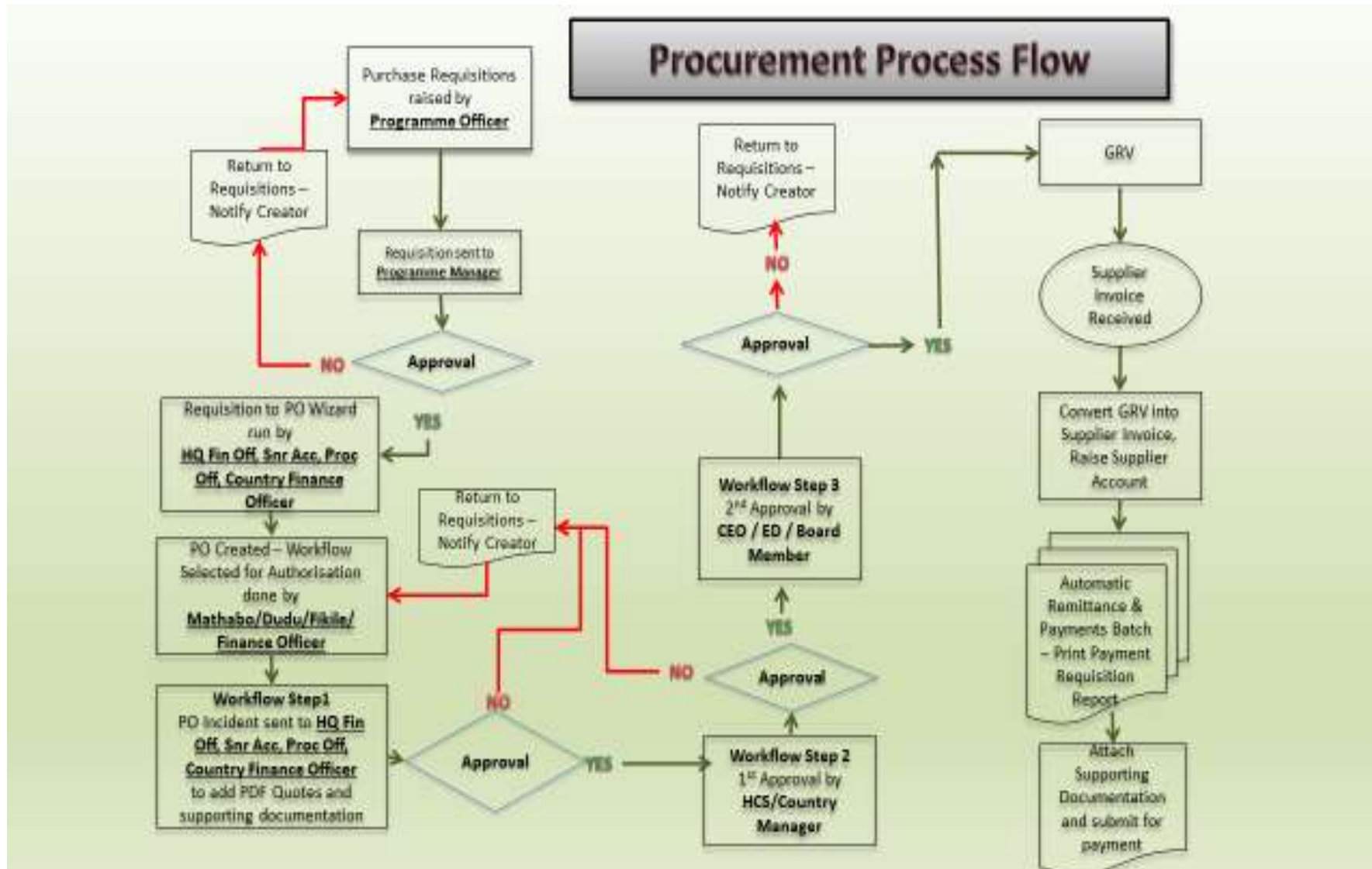
324. The ED is responsible for final sign off on all procurement.

325. Procurement by different office shall be managed within the provisions of authority limits at HQ and country offices with demonstration of value for money.

326. Gender Links’ procurement thresholds are as follows:

Estimated Value	Action
Under R20,000	Prices can be obtained from different suppliers and the best option taken or a preferred supplier can be engaged. One written quote should be obtained from a supplier.
Above R20,000	Written quotes should be obtained from at least 3 suppliers, quote comparison and motivation for the chosen supplier must be provided or a preferred supplier can be engaged.
Above R250,000	Full tendering procedure for consultancies and services other than conference venues for 1 large conference, purchase of a single motor vehicle and premises for GL use where at least 3 quotations shall be sought.

The Procurement Process



Low Value procurement (Below R20,000.00)

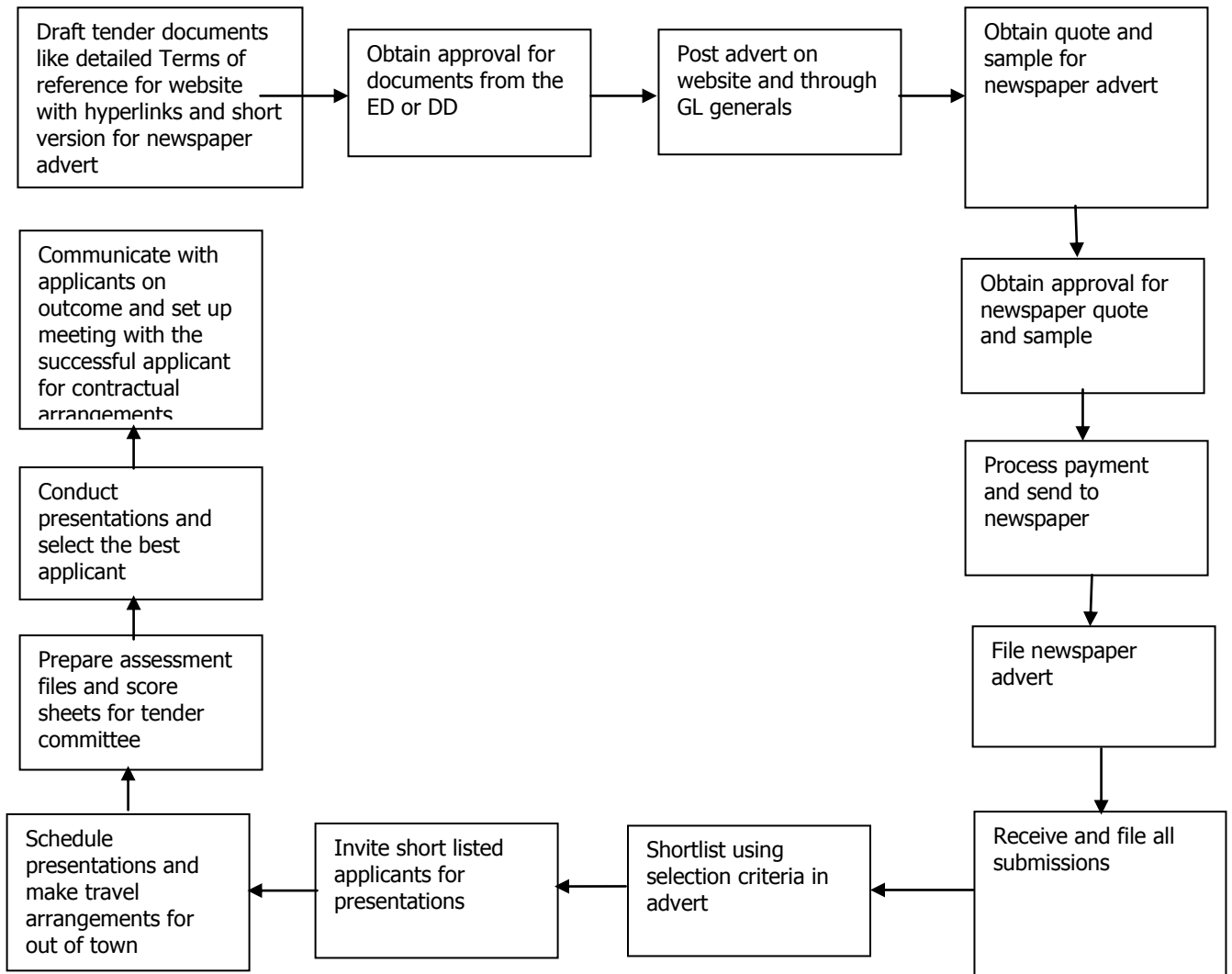
327. For low value purchases of under R20,000, prices can be obtained verbally from different suppliers and the option that affords the best value for money shall be chosen. A preferred supplier can also be engaged in such instances.

Medium value procurement (Above R20,000 but below R250,000)

328. For purchases above R20,000 but under R250,000 three quotes should be obtained from potential suppliers and compared on the Quote comparison (**Form F11: Quote comparison form and F12 VFM justification form**). Quotes should be in response to clearly defined requirements and the requirement given to suppliers must be the same in all cases. Quotes should be received in writing and the supplier meeting the requirement and the most economically advantageous offering selected. Although the recommended minimum number of quotes is 3, it may be beneficial or necessary to obtain more quotes depending on the service/goods. The procurement officer should allow suppliers a reasonable timeframe (at least 2 days) for responding to the requirement and preparing a quote. When analysing the quotes, the procurement officer should look out for any hidden costs or terms that are not in the best interests of the organization. Examples of hidden costs may be maintenance payments or automatic renewal for subscription services.

329. ***High value procurement*** Procurement above R250,000 for consultancies and services other than the procurement of a vehicle, premises and a venue for one large conference, shall be put to tender and advertised adequately in order to pool sufficient competitive bids. At least 3 quotations shall be obtained for the exceptional items referred to above. (***Above R250,000***)

Tender Process Flow Diagram



Invitation to tender

330. Program staff are responsible for drawing up detailed terms of reference (see **F13**: Terms of Reference) for tender adverts as detailed in the Call For Expression of Interest Form (see **F14**: Call For Expression of Interest) and Tender Application Template (see **F15**: Tender Application Template). The HCS is responsible for checking and approving tender adverts and ToRs. The Executive Director is responsible for authorising tender adverts and Tors. After authorisation, the tender advert is passed onto the Procurement officer for advertising. Criteria for different types works is available under procurement forms on sharepoint

331. The following information must be included in the tender advert:

- Tender number
- Description of the goods/ services applicable to the tender
- The starting date for the tender

- The closing date and closing time for the tender
 - The date until which the tender should be binding with regard to acceptance
 - The acceptance date for the tender
 - Proposed delivery date
 - The URL for the detailed tender, ToR and evaluation criteria.
332. GL advertises all tenders through different media print and online media including a regional newspaper, GL's website, the internet and through GL's own contacts list serve.
333. Suppliers shall be given a minimum of two weeks to respond to tenders. Rules relating to tender opening procedures shall apply in order to maintain fair and equitable treatment amongst suppliers. SA tender rules.
334. Tenderers are given an opportunity to make queries or inquiries that shall be made available on the GL website for interested parties as a way of sharing information.
335. The procurement officer is responsible for receiving tender bids and will keep these in a locked box until after the tender closing time where the box shall be handed over to the Head of corporate services and program manager for opening and selection. All tenders that are handed in late or fail to meet the criteria shall be disqualified.

Selection

336. The criteria used to evaluate tenders shall be relevant to the deliverables of the requirement and should be assessed in a clear and quantifiable way. Qualification is based on the capacity and capability of suppliers to fulfil the requirement at the least possible cost.
337. All tenders must be opened and a summary of all tenders against the stipulated criteria shall be prepared for transparency using the Tender applications summary form. The ED together with the programme manager are responsible for short listing at least three candidates.
338. The Procurement officer is informed and tasked with setting up presentations from the prospective candidates. The procurement officer shall act as a point of reference for the tenderers and shall attend to all questions and queries.
339. The programme manager shall prepare a score sheet on the Tender scoring sheet form (see **F16: Tender scoring sheet**). that is in line with the main requirements of the tender as set out in the ToR. The scoresheet shall be shared with to bidders at the tendering stage.
340. The ED shall approve the score sheet before the presentations start.

341. A tender committee comprising of the ED, GEJM, Procurement officer and programme manager shall be set and afforded a chance to go through all the shortlisted tenders beforehand.
342. The tender committee can, at its own discretion and depending on the nature of a tender, invite other knowledgeable personnel or consultants to advise the tender committee.
343. Presentations shall be conducted and the tender committee shall meet at the end to consolidate scores and make a decision.
344. The activities and recommendations of the tender committee are confidential and may not be made public by member of the tender committee, except when the information is officially made public by the tender committee.

Awarding tenders

345. Tenders shall be awarded to the supplier offering the lowest price or delivering best overall value – most economically advantageous tender.
346. After receipt of written confirmation of acceptance from the successful candidates, regret letters (see **F17**: Tender regret letter) are prepared and issued to unsuccessful candidates.
347. The Procurement officer shall prepare a letter for the successful candidates and set a date for a meeting between the candidates, the ED and the Programme Officer to discuss the work plan and contracting arrangements.
348. The procurement officer shall prepare an end of award report detailing the tendering process from start to finish and detailing the steps followed and reasons for selecting the winning tenderer for transparency purposes.
349. All tender documents, summaries, shortlists, scoresheets, final decisions and outcome letters shall be archived by the Procurement officer for future reference in the event of any queries.

Risk management and suppliers

350. Before entering into contracts, GL staff responsible shall perform a background check for new suppliers. This includes checking that the suppliers are a registered company, their audited statements and their track record through contacting their referees. An assessment of whether they are considered as a going concern should be done. This is meant to pick up any issues that could threaten the supplier's existence to try and mitigate GL's risk.
351. Potential consultants should submit their financial bids before a contract can be prepared. No contracts should be signed during or after the work has been

completed by the consultants. No arrangements should be entered into with suppliers without issuing a purchase order.

352. Before drawing up the contracts, GL shall have a meeting with the chosen supplier for a risk assessment of the project and allocation of such risks between GL and the supplier. The agreement of who carries what risk shall be included in the contract between GL and the supplier.

Outsourcing and contracting

353. Any work outsourced by GL to partners or consultants shall be set out in a legally binding contract (see **F18**: Consultant contract template) that spells out the task to be completed and the timeframes within which this is to be completed, as well as the disbursements against deliverables.
354. Purchase Requisitions (**available in Pastel**) must be generated through pastel procurement module by the procuring department and Finance shall generate a purchase order requisition (**available in Pastel**) to be approved by the HCS and ED. The purchase order number to be indicated in the contract.
355. Contracts not completed within the agreed period due to no fault of Gender Links and where no further negotiations are entered into by the contractor, such contracts shall be considered to have lapsed on the date due .
356. All contracts shall include penalty clauses for late delivery of outputs and these shall be strictly enforced.
357. Under no circumstances shall GL pay the full amount without evidence of all the work being completed due to no fault of Gender Links.
358. The programme/country managers responsible shall initiate contracts to be checked for compliance by the Procurement officer and signed by the ED using the designated contract form.
359. All contracts must bear the ED's original signature or that of the person assigned the authority to sign. Only in exceptional circumstances may the ED/responsible signatory's electronic signature be used. All E signatures shall be passworded and only the owner of the signature shall be able to use it. No one is authorised to use anyone's e-signature without their knowledge or approval. In the event of any amendments to the document carrying an e-signature, the signatory shall be informed first and their approval shall be sought before such amendments can be effected. Staff shall be liable for any use of another person's e-signature or amendments effected without the signatory's approval.
360. Programme/country managers shall be responsible for monitoring delivery of outputs and impact by the supplier. They shall act as the point of reference for the

supplier and are responsible for managing the relationship between GL and the supplier. Any deviations from the work plan are negotiated and agreed with the GL programme manager and immediate action is taken. Where a consultant does not deliver the expected quality, the programme manager shall discuss the possibility of reducing the consultant's fees. Consultants shall be made aware of this clause upon signing the contract.

361. The responsible persons shall be responsible for monitoring value for money delivery by the supplier and documenting these where applicable. Suppliers who meet their targets on time and deliver value for money shall be entered into the GL database for potential future engagements.
362. Evidence of the completion of the task by the supplier shall be presented in motivating payment.
363. A SWOT analysis/evaluation shall be conducted at the end of major procurement to determine whether the supplier delivered on all the outputs as expected within the expected timelines and at the expected standard. This will also be used to analyse whether the supplier delivered value for money. A report shall be prepared documenting the outcome and comments shall be included in the supplier's database to inform future decisions regarding the particular supplier. Other reports that may be generated include the travel savings reports and in kind donations reports.
364. GL reserves the right to withhold any taxes as may be required by country statutes.

Types of contracts and Key Performance Indicators

Type of Contract	For Whom	Service	KPIs
Short-term, once-off paid per deliverable	Consultants / Service providers	Research, training, facilitation, translation, video production	Consultants Work Plan.
Long-term, paid per deliverable	Suppliers / Service providers	Recurrent service like stationery, printing, courier, local travel, general repairs and maintenance	Framework Agreements
	Preferred suppliers	Recurrent service like publications layout and printing, air travel	Service level agreements
Contracts issued by suppliers	Gender Links	IT, data analysis, financial services	Checklist of general key provisions of a contract.

Short term contracts

365. Short term once off contracts shall be governed by the work plan as agreed in the contract.

Framework arrangements

366. Framework arrangements are entered into for small recurring costs like local travel, repairs and maintenance. These contracts stipulate the cost of services like hourly rates without quantifying the amount of hour or work to be done as these will be adhoc and payable per deliverable. They are usually for a period of one year.

367. These are meant to save time and costs associated with scouting for quotations and comparison every time a small procurement transaction has to be undertaken.

368. The framework arrangements are signed between GL and the supplier and reviewed annually to assess the quality of service rendered against the cost and to check whether rates are still in line with market rates to ensure value for money.

Preferred Suppliers (Suppliers database)

369. A database of preferred suppliers shall be established and updated regularly.

370. Quotations and proposals are invited from potential suppliers who provide relevant services such as research, editing, proofing, translation, data analysis, training, facilitating, layout, printing, hotels and lodges for accommodation and conferencing venues from around the region.

371. A competitive evaluation of comparing suppliers providing the same service is undertaken and the suppliers who provide the best quality and the lowest possible/acceptable costs are identified and entered into the database as "preferred".

372. Arrangements are entered into with such suppliers for the provision of services in adhoc manner as and when GL requires such services. The arrangements shall stipulate the rates like costs of accommodation per night, conferencing per person, layout and printing per page.

373. The suppliers are commissioned as and when GL needs services and the payment shall be made against valid invoices whose rates shall be consistent with those in the agreement.

374. The suppliers' database is continuously updated and new suppliers identified. If new suppliers offering the same services at the same quality and lower rates are identified, the contracted supplier shall be notified and advised of the new

supplier's rates to try and bring down their rates or if this is not possible, GL shall switch to new supplier. In case where a supplier is contracted outside the preferred supplier database, a motivation for the reasons shall be documented in a "note to file" (see **F19: Note to file**).

375. Such agreements are reviewed annually to assess the quality of service, invite new bids for competitive evaluation and assess value for money delivery.

Contracts issued by suppliers

376. All contracts issued by Service providers to GL shall be checked against the GL contracts checklist before signing.
377. These contracts shall clearly stipulate the tasks, deliverables, outputs, impact to be achieved, timeframes and total number of hours/days to be spent, hourly rates and disbursement schedule.

Filing and storage of contracts

378. All contracts shall be recorded on contracts register that is kept on the GL Sharepoint for access by staff.
379. All contracts are scanned and e-filed on the public drive for easy access by staff and all original contracts should be attached to the first payment.

Procedure for receiving goods/services

380. The member of staff who initiates an order and is therefore familiar with the goods ordered is the only person who should inspect and certify that the goods were received in the expected order. If the goods are not in order they should be returned to the supplier immediately with reasons. If in order, the goods should be recorded in the relevant goods received register.
381. All purchases must be supported by an official supplier invoice addressed to the organisation.
382. Supplier invoices/vouchers should be for goods or services, which conform to the nature of the organization's activities.
383. The goods should be stored in a secure place with properly controlled access and where they can be easily verified and counted.
384. Once the goods/service has been received, the relevant department shall certify and request for payment which is done through pastel payment requisition (**Available in Pastel**)

Recording/issue of supplies

385. Each GL office shall maintain a register for recording all goods received, goods issued out and balance of goods on hand.
386. Goods in hand will be periodically checked against theoretical/documented stock. Any discrepancies will be investigated and reported. Abnormal usage of stock should be investigated and reported.
387. Each GL Office shall maintain and retain accurate records relating to all shipping documents, receipts, cancelled cheques and other relevant documentation relating to publications, goods and services acquired by the organisation for the programme and shall avail copies to the Secretariat for financial and operational audit at the request of funding partners.

ANTI CORRUPTION POLICY, FRAUD AND CONFLICT OF INTEREST

388. Corruption is a corrosive disease in many organisations and societies. GL works for increasing transparency and good governance both within GL and with partner organisations, sharing financial records, annual accounting as well as operational results. Transparency also includes being open to share difficulties and problems, in dialogue with different stakeholders. GL is one of the first southern NGO's to become fully compliant with IATI – the International Aid Transparency Initiative. GL subscribes to the SADC Protocol Against Corruption that aims to promote and strengthen the development, within each Member State, of mechanisms needed to prevent, detect, punish and eradicate corruption in the public and private sector. GL believes that a strong focus on anti-corruption work both internally and externally strengthens the organisation's reputation as being professional and trustworthy. The position set out in this policy brief forms part of *GL Policies and Regulations* that in turn form part of all staff contracts. This particular section of GL Policies and Regulations shall, following the Board meeting of April 2013, form part of all consultant and partner contracts as well.
389. **Purpose:** The Corruption Policy, and specific policies on Conflict of Interest (COI) and fraud seek to facilitate the development of controls which will aid in the detection and prevention of corruption in all GL work. This policy aims to assist staff and Board Members (*referred to as "GL officials"*) with identifying situations that could present potential corruption, fraud, and COI, and to provide GL with procedures for preventing and addressing these situations.
390. **Application:** This policy applies to any fraud, or suspected fraud, involving employees as well as consultants, vendors, contractors, partners or any other parties with a business relationship with GL. Any investigative activity required will

be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to GL.

391. **Responsibility:** Management shall put in place mechanisms to assist in detecting and preventing fraud, misappropriations, and other inappropriate conduct. The Board takes ultimate responsibility for setting policy, exercising oversight, and leading by example where these key issues are concerned, as set out in GL's Memorandum of Incorporation, as well as Board Regulations.
392. **Visibility:** GL shall put up *Zero Tolerance on Corruption* posters in all its reception areas and finance offices at HQ and country level.

Context

393. Corruption has proved to have negative, harmful and devastating influences on investment and economic growth, administrative performance and efficiency and political development. It stifles entrepreneurialism, misuses national resources, and weakens administrative capacity and democracy. Corruption at all levels reinforces political instability, underdevelopment and deprives citizens' of their rights. Political processes and political pluralism is undermined as corruption constrains participation in decision making, and access to key public services (such as education, health and water). In post-conflict areas and fragile states, corruption amplifies and inflames existing tensions.
394. Aid Effectiveness and Development Effectiveness remains unachievable with corruption. Recipient countries and donors must ensure that development resources are used for their intended purpose and not diverted through corruption, waste or abuse. Not only does corruption undermine national and international efforts to reduce poverty, furthermore it compromises the welfare of the most marginalized communities. It affects poor and marginalized people most of all; poor women, men and children who are deprived of health services, schooling, participation in decision-making etc. They are suffering most from the consequences of corruption.

Gender dimensions

395. Studies made by Transparency International on corruption in the health sector have proven to have a particularly negative impact on women. Studies by the World Bank have shown that there is an inverse correlation between women's political participation and levels of corruption. GL is in the process of studying this issue further in its work on gender and local governance. While women are not inherently less corrupt than men, and system that promotes representation of diverse interests is likely to enhance probity, promote transparency, and reduce corruption. This is one of the reasons why GL has a dynamic and growing gender and governance programme.

Addressing corruption

396. Taking a firm stand against corruption is important to achieve all objectives on the Aid Effectiveness Agenda. It is necessary to set "the tone at the top". The approach is looking at awareness, but also on denouncing corruption as well as support building anti-corruption structures and mechanisms within State structures (such as supreme audit instructions). Still there is need for more political initiatives regarding corruption. For example, the Paris Declaration draws little attention to overcoming corruption.

- **Extortion:** The act of obtaining goods, services, loyalty, allegiance, favours by force, threats or undue demands.
- **Favouritism:** The unfair promoting of one person or a group at the expense of others.
- **Nepotism:** Favouritism shown to relatives in conferring offices or privileges.
- **Conflict of interest:** When someone handles or makes decisions in a matter in which he or she has a personal interest or where the outcome can result in gain for or damage the decision-maker or someone close to them. This also includes the impartiality of the decision-maker when handling an assignment.
- **Sexual harassment:** Men or women in power using their power to force female or male employees to give sexual favours in exchange for their jobs, promotions etc is also a form of corruption. This is dealt with as part of GL's Gender Policy.

PREVENTING AND ADDRESSING CORRUPTION IN GL' WORK

399. GL has developed methods and instruments for quality assurance so that resources are used efficiently, transparently, and effectively to comply with the objectives behind allocated resources. Staff members that work in GL shall have a clear understanding of their role and responsibility so they know what is expected of them in their daily duties. This means clear delegation of responsibilities but also capacity building.
400. ***Control, audits and reporting:*** Annual and all periodic audits for GL offices incorporate anti-corruption. The ED is responsible for monitoring compliance.
401. ***Whistle blowers:*** Whistleblowing is the confidential disclosure by an individual of any concern encountered in the workplace relating to a perceived wrong-doing. All staff are protected from victimisation, harassment or disciplinary action as a result of any disclosure, where the disclosure is made in good faith and is not made maliciously or for personal gain. Where disclosures are made in the public interest, staff will have statutory protection. Any disclosures will be investigated fully including interviews with all the witnesses and other parties involved.
402. Normally individuals should make disclosures internally. The identity of the whistle blower will be protected at all stages in any internal matter. While GL can provide internal anonymity, it cannot guarantee this will be retained if external legal action flows from the disclosure.

403. **Capacity building:** GL shall provide training of staff members on anti-corruption as part of annual financial training. Corporate Services at HQ and Country Managers are responsible for the capacity-building of staff members to ensure the implementation of guidelines and routines.
404. **Termination of service or of contract:** If an investigation results in a recommendation to terminate an employee or service contract, the recommendation will be reviewed for approval by the ED in the case of a staff member; and the Executive Committee (Exco) in the case of the ED; before any such action is taken. Any action taken will be in accordance with GL's disciplinary code and procedures, as set out under "Human Resources." These guidelines and rules have been developed to explain how GL works with anti-corruption and to give guidance to GL' staff members in their work.

CONFLICT OF INTEREST POLICY

Actions constituting Conflict of Interest

405. **Direct Conflict of Interest** arises when a GL official has an interest in, or connection with an organisation/person with which GL transacts where that interest is of such a nature that it might influence the independent judgment of the GL official. In the case of Board Members, this includes any contracts that are concluded between GL and Board Members or organisations related or linked to the Board members issued in accordance with clause 14.2 of the Articles and Memorandum of Association.
406. **Indirect conflict of interest** arises when a person such as a relative or friend of a GL official has an interest in, or connection with an organization/person with which GL transacts with where that interest is of such a nature that it might influence the independent judgment of the GL official.

407. **Types of transactions in which conflict of interest may arise**

- The selection and use of consultants or other professional advisors.
- The selection or supervision of contractors, suppliers, or vendors.
- The sale of products, the purchase of materials, supplies and equipment.
- The investment and borrowing of funds.



408. **Examples of transactions with conflict of interest**

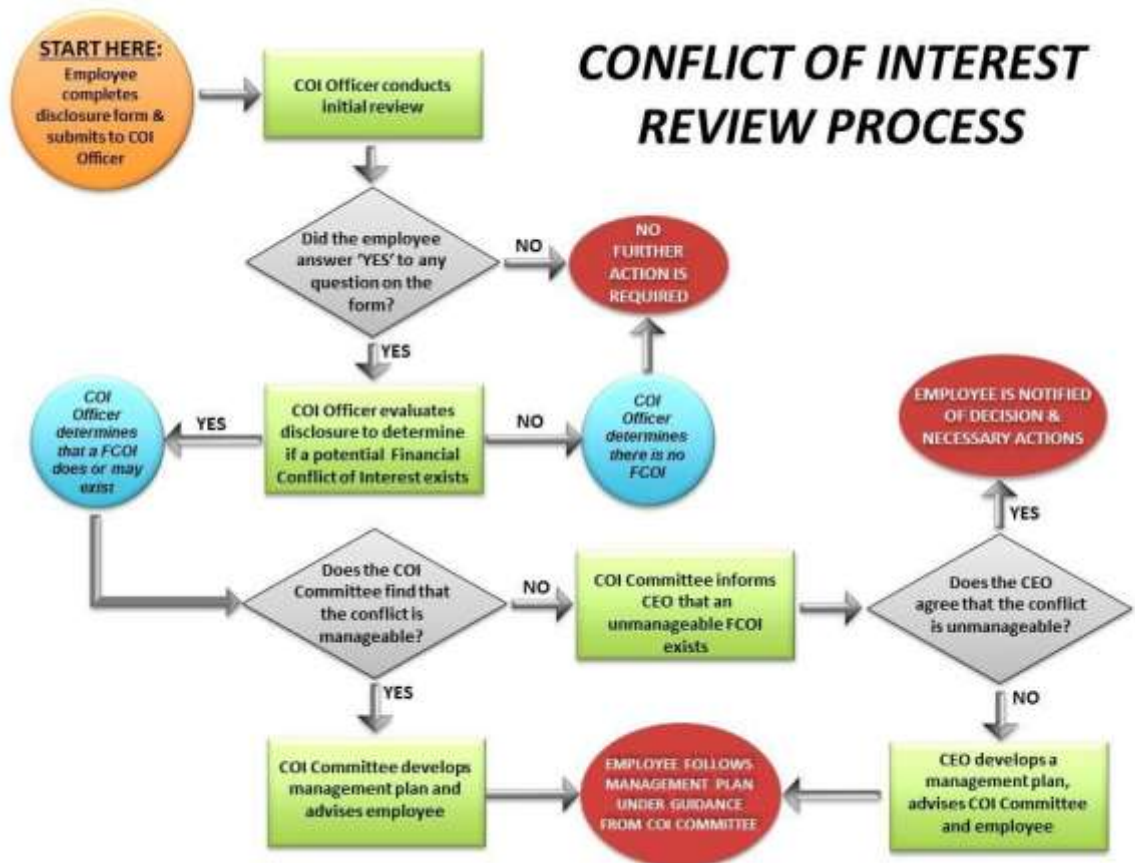
- Compensation arrangements and employment contracts directly affecting the GL official.
- A contract or transaction between GL and a GL official (e.g. Board Member) or a GL official's family member or friend.
- A contract or transaction between GL and an entity in which a GL Official or family member has a material financial interest.
- A GL official competing with GL in the rendering of services or in any other contract or transaction with a third party.
- A GL official having a material financial interest in or serving as a director, officer, employee, agent, partner, associate, trustee or consultant to an entity or individual that competes with GL in the provision of services or in any other contract or transaction with a third party.
- GL officials shall not disclose or use information relating to the business of GL for the personal profit or advantage of the GL official or a Family Member.

Gifts, gratuities and entertainment

409. A GL official or family member may not accept from a third party any gift to the value of more than R400 or any other similar benefit where the gift or benefit results out of the course of the GL official's duties or relationship with GL. Gifts of cash or cash equivalents from a third party to a GL official of any amount are not permitted.

410. If a GL official is offered any gift to the value of more than R400 or similar benefit from a third party, he/she should immediately report it to his/her direct supervisor or COO/ED for approval and this must be registered in the register of gifts that is maintained by the HRA.

411. The giving or receipt of common courtesies, occasional meals or reasonable entertainment appropriate to the business relationship and associated with business discussions are regarded as consistent with sound business practice. Unusual items, however, must be reviewed and approved in advance by the ED/HCS.
412. A GL official may not accept gifts, entertainment or other favours from any individual or entity that:
- Does or is seeking to do business with, or is a competitor of GL.
 - Has received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from GL.
413. Under circumstances where it might be inferred that such action was intended to influence or possibly would influence the GL official in the performance of his/her duties.
414. Acceptable gifts and entertainment generally fall into the following categories:
- Occasional meals of reasonable expense with a business partner
 - Ordinary sports, theatre and other cultural events of a nominal value
 - Other gifts of nominal value or reasonable entertainment.
- An offer, gift, entertainment or anything of value may not be accepted or given if it is:
- Illegal or would result in a violation of law
 - Cash or a cash equivalent (such as gift vouchers, loans, stock, or stock options)
 - A *`quid pro quod'* or part of an agreement requiring anything in return for the gift
 - Sexist, or otherwise violates GL's commitment to mutual respect
 - In violation of GL's standards or the standards of the recipient's organisation.
- Gifts, gratuities or entertainment to government officials may never be offered or provided without prior written approval of the Board



Management of transactions where conflict of interest has arisen

415. All GL officials are obliged to disclose all facts material to the transactions where conflict of interest exists as soon as the conflict of interest becomes known to the GL official before the contracts or transactions are considered by management.
416. When an opportunity, commonly referred to as a "corporate opportunity" to acquire property or to seize some financial or business advantage comes to the attention of a GL official or as a result of his/her relationship to GL in a way that would permit its personal realization, and is relevant to GL's present or prospective purposes or goals, the GL official must present the opportunity to GL.
417. An informed evaluation and determination by a disinterested majority of the management team or Board of Directors shall be conducted.
418. The GL official shall refrain from any action that may affect GL's participation in such a contract or transaction.
419. In the event of it not being entirely clear that a conflict of interest exists, the GL official with the potential conflict shall disclose the circumstances to the HCS/ED/Board Chair, who shall determine whether there exists a conflict of interest that is subject to this policy.

420. The details of transactions or contracts where conflict of interest exists shall be recorded in the Register of interests in contracts of Directors and Officers kept by the HCS and presented to management or the Board.
421. The ED shall report the disclosure to management in monthly management meetings. The Chair of the Board in the case of Board Members shall report the disclosure at a Board meeting and the minutes of the meeting shall reflect the disclosure.
422. This disclosure shall be taken into account when the Board or management discusses the contract or transaction.
423. The GL official who has a conflict of interest shall not participate in or be permitted to hear the Board/management's discussion of the matter except to disclose material facts and to respond to questions. The official shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

Annual disclosure

424. GL official shall at least annually, or as determined by GL , and as and when changes occur, complete a declaration of interest form (see **F20**. Declaration of Interest Form), as issued and amended by GL from time to time) identifying any relationships, positions or circumstances in which the GL official is involved that he/she believes could contribute to or result in a conflict of interest.

Actions constituting fraud

425. The following actions shall be regarded as constituting fraud:
- Forgery or alteration of any document or account belonging to GL
 - Forgery or alteration of a cheque, bank draft, or any other financial document
 - Misappropriation of funds, securities, supplies, or other assets
 - Impropriety in the handling or reporting of money or financial transactions
 - Profiteering as a result of insider knowledge of company activities
 - Disclosing confidential and proprietary information to outside parties
 - Disclosing to other persons securities, activities engaged in or contemplated by the company
 - Accepting or seeking anything of material value from contractors vendors or persons providing services/materials to the GL with the exception of gifts less than R400 in value.
 - Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or any similar or related inappropriate conduct

Reporting procedures

426. Any employee who suspects dishonest or fraudulent activity shall notify the ED immediately (or if the case concerns the ED, the Chair of GL Board) and should not attempt to personally conduct investigations or interviews/interrogations related to

any suspected fraudulent act. The employee or other complainant may remain anonymous.

Investigation responsibilities

427. The ED (or Exco, if the case concerns the ED) has the primary responsibility for the initial investigation of all suspected fraudulent acts. If the investigation substantiates that fraudulent activities have occurred, the ED will issue reports to Exco or if the case concerns the ED it will be reported to the Board. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and the Board as will final decisions on disposition of the case.

Investigation

428. Members of the Investigation Unit shall have:

- Free and unrestricted access to all Company records and premises, whether owned or rented; AND
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

429. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the ED, Exco or GL's legal representative. No information concerning the status of an investigation will be given out.

430. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect GL from potential civil liability.

ANNEX A: INTERNAL AUDIT CHARTER

**INTERNAL AUDIT CHARTER
2015**



Gender Links Internal Audit Charter

The Internal Audit charter serves as a guide to the Internal Audit Function of Gender Links in the performance of its duties. It intends to provide a basis for management and the Audit Committee to use in evaluating the operations of the Internal Audit function.

The components of this charter include:

The mission of the GL Internal Audit Function

The scope of the Internal Audit activities

The responsibilities of the GL Internal Audit Function

The relationship and coordination with the External Auditor

The Audit Plan

The reporting

The GL Internal Audit Function's authority and its position within GL to ensure its independence

The standards of audit practice followed by the GL Internal Audit Function

MISSION

The mission of the GL Internal Audit Function is to provide independent, objective assurance and support designed to add value and improve GL's operations and systems of internal controls. The GL Internal Audit Function assists the Organisation with accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

SCOPE OF WORK

The scope of audit coverage is Organisation-wide and no department or business unit of the organisation is exempt from audit and review.

In order to fulfil its mission, the GL Internal Audit Function must determine whether the Company's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure that:

- ✓ Risks are appropriately identified and managed.
- ✓ Interaction occurs as needed between the various departments and external regulatory authorities.
- ✓ Operations are transacted in accordance with sufficient and adequate controls.
- ✓ Significant financial, managerial, and operating information is accurate, reliable, and timely.
- ✓ Employee actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- ✓ Significant legislative or regulatory issues impacting the organisation are recognized and addressed properly.
- ✓ Programs, plans and objectives are achieved.

- ✓ Resources are acquired economically - VFM, used efficiently, and adequately protected.

RESPONSIBILITIES

GL Internal Audit Function personnel have responsibility to:

- 1) Develop an annual Audit Plan using appropriate risk-based methodology, including risks or control concerns identified by management and the Audit Committee, and submit that plan to the Audit Committee for review and approval.
- 2) Implement the annual Audit Plan, as approved, including, and as appropriate, any special mandates or projects requested by management and the Audit Committee.
- 3) Issue an audit report to management and any other relevant parties at the conclusion of each audit in order to communicate the audit findings, recommendations and management action plans.
- 4) Follow up on outstanding management action plans to ensure significant risks and major deficiencies identified are effectively addressed and remediated by management within the mutually agreed timeframe.
- 5) Prepare and present quarterly reports to the Audit Committee summarizing the status and the results of audit activities.
- 6) Identify key processes supporting financial reporting, assist business process to identify and document effective internal controls, and test key financial reporting controls in identified financial systems.
- 7) Assess the effectiveness of the disclosure controls and procedures on a quarterly basis.
- 8) Review and investigate complaints reported through GL's preferred channel and report to the Audit Committee on a quarterly basis, or promptly if the complaint has a material consequence for the organisation. As needed, the organisation's Management is advised of complaints received in the view of helping to bring corrective actions.
- 9) Review the Organisation's Antifraud program and practices with management and the Audit Committee.
- 10) Investigate on suspected fraudulent activities within the organization and notify management and the Audit Committee of the results.
- 11) Serve as a resource to the organisation in identifying the need for and characteristics of adequate systems of control.
- 12) Keep the Audit Committee informed of emerging trends and successful practices in internal auditing.
- 13) Assist the Audit Committee in any other way in connection with the discharge of its duties and responsibilities.

- 14) Opportunities for improving management control, profitability, and the Organisation's image may be identified during audits. They will be communicated to the appropriate level of management.

RELATIONSHIP & COORDINATION WITH THE EXTERNAL AUDITOR

The GL Internal Audit will work proactively with the External Auditor to determine areas where assistance and direct audit comfort can be provided by the GL Internal Audit Function. The GL Internal Audit will regularly meet with the External Auditor to discuss the internal and external audit plans and to share knowledge of any issues. These meetings will ensure that the roles of the two functions are coordinated and that there is no duplication.

AUDIT PLAN

The annual Audit Plan is developed in the beginning of each year based upon input from key management and a detailed, thorough risk assessment by the GL Internal Audit Function.

The annual Audit Plan may include a mix of the following types of audit activity:

1. Financial audits, including determining the accuracy and reliability of data developed within the Company, and determining that corporate assets are properly safeguarded.
2. Reviews of internal controls related to significant systems and processes to determine whether or not they are properly designed and functioning as intended.
3. Reviews of compliance with the Company's significant policies and procedures.
4. Reviews of compliance with significant external requirements/regulations, including accounting rules and regulations applicable.
5. Strategic audits, including due diligence activities and review of the execution of the Company's strategic objectives.
6. Reviews of computer-based systems focusing on data security, disaster recovery, and effective use of resources.
7. Operational audits focusing on improving efficiencies or effectiveness with a goal of contributing to cost reduction efforts.
8. To develop the annual Audit Plan, an overall risk-based approach is used to ensure that the Internal Audit function provides the greatest possible benefit to the Company. On an ongoing basis, matters considered in developing the annual Audit Plan include the following:
 - Review and understanding of the strategic and business plans of the core businesses.
 - Significant degree of risk for potential loss exposure to the Company.
 - Significant opportunities to achieve operating benefits.
 - Existence of significant known error s, irregularities or control weaknesses.

- Results of previous audits.
- Major changes in operations, systems or controls.
- Major changes in regulatory or other requirements.
- Request from management, Audit Committee and External Auditor.
- Each year, Internal Audit representatives will work with the management to perform risk assessment activities designed to identify and prioritize the Company's key risks and related processes. This information will be used to identify the audit mandates that will be included in the annual Audit Plan.

Based on the risk assessment performed, the GL Internal Audit will present a proposed annual Audit Plan to the Audit Committee for approval, which will include recommended activities to be audited, the timing of those audits, and the estimated resources needed. Any significant deviation from the formally approved Audit Plan will be communicated to the Audit Committee.

Internal Audit planning is developed in a manner that allows for the coverage of the Organisations's highest risk areas in a 3 year period. Significant, critical risks will be covered more frequently.

REPORTING

A written report will be prepared and issued by the GL Internal Audit following the conclusion of each audit and will be distributed as appropriate. The report will include findings and recommendations along with the audited business unit/department/country management action plans. Each recommendation will be rated and an overall rating will be attributed to the audit. The significance of the recommendations will impact the timeliness of the follow-up.

INDEPENDENCE AND AUTHORITY

To provide for the independence of the GL Internal Audit Function, it will report direct to GL highest post and a dotted line to the Audit Committee. The GL Internal Audit will meet privately at least once every fiscal quarter, with the Audit Committee. In addition, the GL Internal Audit will have direct access to the Audit Committee and will take directly to the Chair of the Audit Committee, any matter that is believed to be of sufficient magnitude and importance to require immediate attention of the Audit Committee.

To maintain its independence, the GL Internal Audit Function will have no direct operational responsibility or authority over any of the activities under scope. Accordingly, it will not develop nor install systems or procedures, prepare records, or engage in any other activity that would normally be audited.

The GL Internal Audit Function is authorized to have unrestricted access to all Organisation activities, records, property and personnel. Restriction to these accesses imposed by any employee or management of the Company, which prevents the GL

Internal Audit Function from performing its duties, will be reported immediately to the ED/GM or directly to the Audit Committee, based on circumstances as determined by the GL Internal Audit.

LIMITATION OF SCOPE

- Any attempted limitation of scope by management must be reported in writing by the Internal Auditor to the CEO and to the audit committee. The CEO and the audit committee may decide to accept the limitation of scope

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KEY FINANCIALS CONTROLS REPORT

- As per the requirement of the King III the Internal Auditor must conduct a documented review of key financial reporting controls in identified financial systems and processes annually. This should be presented to the audit committee so that it forms part of the reporting to the board of the annual financial statements.

ASSESSMENT OF THE INTERNAL AUDIT FUNCTION

-The audit committee should annually assess the effectiveness of the Internal Audit Function annually and present to the board.

STANDARDS OF AUDIT PRACTICE

The International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors guides the GL Internal Audit Function.

GL Share Point Forms and Tools

- F01: GL Donor Proposal budget template**
- F02: Activity budget cash advance and retirement authorisation**
- F03: Individual travel advance request form**
- F04: Workshop expenses reimbursement form**
- F05: Petty cash voucher**
- F06: Local transport request form**
- F07: Group travel form**
- F08: Staff travel request and authorisation form**
- F09: Participants/Partner travel confirm liability form**
- F10: GL Expenses reimbursement form**
- F11: Quote Comparison form**
- F12: VFM Justification**
- F13: Terms of reference**
- F14: Call for expression of interest**
- F15: Tender application template**
- F16: Tender Scoring Sheet**
- F17: Tender regret letter**
- F18: Consultant contract template**
- F19: Note to file**
- F20: Declaration of interest**
- F21: Purchase Requisition**
- F22: Purchase Order**
- F23: Payment Requisition**

