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**QUALITY MANAGEMENT SYSTEM BASED ON ISO 9001:2015**

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**FINANCE PROCEDURE MANUAL**

**RU/ADM/FIN/006**

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**PROCEDURE NUMBER 1: BUDGETING**

**1.0 GENERAL**

**1.0 PURPOSE**

The purpose of this procedure is to ensure effectiveness and accuracy in budgeting.

**1.1 SCOPE**

This procedure applies to the preparation of the University's annual budget.

**1.2 REFERENCES**

- a) Public Finance Management Act (2015).
- b) Quality Manual – RU/QMR/QM/002.
- c) RU Human Resource and Procedure Manual.
- d) Relevant Government policies and guidelines.
- e) Approved University Procurement Plan.
- f) International Public Service Accounting Standards (IPSAS).
- g) International Accounting Standards.
- h) RU Strategic Plan.
- i) Any other applicable documents

**1.3 TERMS AND DEFINITIONS**

- a) RU – Rongo University
- b) VC– Vice Chancellor.
- c) DVC – AFP (Deputy Vice Chancellor Administration, Finance and Planning).
- d) FO – Finance Officer.
- e) A.I.A – Appropriation in Aid.
- f) CBA – Collective Bargain Agreement.
- g) HRFRMC – Human Resource, Finance and Resource Mobilization Committee of Council.
- h) MB – Management Board
- i) HoD – Head of Department
- j) HoS – Head of Section.

**1.4 PRINCIPAL RESPONSIBILITY**

- a) The DVC (AFP) is responsible for the supervision of this procedure.
- b) The FO is responsible for the implementation and adherence to this procedure.

**2.0 PROCESS INPUTS**

- a) Strategic Plan
- b) Proposals from departments/sections
- c) Previous year budget
- d) National Treasury Circular

**3.0 METHOD**

**3.1 Budget Preparation Procedure**

- 3.1.1 This procedure shall start in October by the DVC-AFP sending notices to all the departments and units to submit their budget requirement for next financial year.
- 3.1.2 The Finance Officer shall prepare and compile the draft budgets using the data received and forward it to MB for further consideration.
- 3.1.3 The draft budget shall be forwarded to Council for approval and submission to the National Treasury for final approval through the State Department of University Education and Research not later than 31<sup>st</sup> of January each year.
- 3.1.4 After the approval by the Treasury in June, Management shall prepare an internal budget from the initial draft to reflect the approved estimates.
- 3.1.5 The revised budget shall be forwarded to the University Council for Final approval.
- 3.1.6 Extracts of the approved budget are then circulated to the respective Heads of Departments and units for implementation.
- 3.1.7 The Accountant shall open the Vote Book using the Final approved budget.

**3.2 Budgetary Control**

- 3.2.1 This procedure shall start by the Vote Book Controller, under the supervision of the Accountant in-charge of the section posting departmental estimates from the approved budget to the respective vote heads on quarterly basis.
- 3.2.2 The Vote Book Controller shall make commitments on requisitions and vouchers for all forms of expenditure in the vote book.
- 3.2.3 The Accountant shall compile monthly expenditure returns on request by the vote holders.

**4.0 PROCESS OUTPUTS**

- a) Minutes of Council
- b) Approved university annual budget

- c) Quarterly reports of budget vs actual expenditure

**5.0 DOCUMENT CHANGE HISTORY**

| <b>Supersedes Revision</b> | <b>Revision – (Clause &amp; Details)</b> | <b>Current Rev.</b> | <b>Reviewer's name</b> | <b>Date</b> |
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**PROCEDURE NUMBER 2: REVENUE COLLECTION**

**1.0 GENERAL**

**1.1 PURPOSE**

The purpose of this procedure is to ensure efficiency and effectiveness in revenue collection.

**1.2 SCOPE**

This procedure applies to collection of all revenue in the University.

**1.3 REFERENCES**

- a) Public Finance Management Act (2015).
- b) Quality Manual – RU/QMR/QM/002
- c) Relevant Government policies and guidelines.
- d) International Public Service Accounting Standards (IPSAS).
- e) International Accounting Standards.
- f) RU Strategic Plan.
- g) Any applicable documents

**1.4 TERMS AND DEFINITIONS**

- a) DVC–AFP (Deputy Vice Chancellor Administration, Finance and Planning).
- b) FO – Finance Officer.
- c) RU – Rongo University
- d) ASA – Academic and Students Affairs.
- e) HELB – Higher Education Loans Board.
- f) IGA – Income Generating Activity
- g) CUE – Commission for University Education
- h) CDF – Constituency Development Fund
- i) LPO – Local Purchase Order

**1.5 RESPONSIBILITY**

- a) The DVC (AFP) is responsible for the supervision of this procedure.
- b) The FO is responsible for the implementation and adherence to this procedure.

**2.0 PROCESS INPUTS**

- a) Approved Fee Structures
- b) Approved Bank Accounts
- c) Cash registers
- d) Cash receipts

- e) List of admitted students
- f) Management Approvals
- g) Invoice

### **3.0 METHOD**

#### **3.1 Revenue from IGA Sales**

- 3.1.1 This procedure starts by an offer for sale of goods and services for customers who will pay and be issued with receipts in exchange of goods and services.
- 3.1.2 The unit cashier(s) shall surrender the cash received to the revenue cashier in the main cash office on daily basis for banking and reconciliation.

#### **3.2 Revenue from IGA – Internal Supplies**

- 3.2.1 This procedure starts by the IGA unit receiving an order to supply goods and services to another department.
- 3.2.2 The unit shall raise invoices for the delivered goods and payment shall be made to the supplier.

#### **3.3 Revenue from Student Fee**

- 3.3.1 This procedure starts by student paying fees into the University’s designated bank accounts and the student ledger shall be updated.
- 3.3.2 The accountant shall update Students’ ledgers with the schedules of loans and bursaries received from Higher Education Loans Board, CDF and other sponsors respectively.

#### **3.4 Revenue Collection by Main Cashier**

- 3.4.1 This procedure starts by the revenue cashier receiving cash and issuing receipts for all revenue and record these in the revenue cashbook and submit to the chief cashier.
- 3.4.2 The chief cashier shall reconcile cash receipts and bank into the respective bank accounts.
- 3.4.3 Copies of the paying-in-slips shall be submitted to Accountants for postings into the ledger.

#### **3.5 Banking Process**

- 3.5.1 This procedure starts by the chief cashier collecting all cash and cheques from revenue cashier for banking.
- 3.5.2 The chief cashier shall hand over the pay-in-slips to the receiving cashier for verification and filing.

**4.0 PROCESS OUTPUTS**

- a) Fees statement
- b) Income reports
- c) Fees payment Reports
- d) Banking slips
- e) Receipts

**5.0 DOCUMENT CHANGE HISTORY**

| <b>Supersedes Revision</b> | <b>Revision – (Clause &amp; Details)</b> | <b>Current Rev.</b> | <b>Reviewer's name</b> | <b>Date</b> |
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**PROCEDURE NUMBER 3: PAYMENTS**

**1.0 GENERAL**

**1.1 PURPOSE**

The purpose of this procedure is to ensure efficiency and effectiveness in the management of payments.

**1.2 SCOPE**

This procedure applies to all payments made by the University.

**1.3 REFERENCES**

- a) Public Finance Management Act (2015).
- b) Value Added Tax Act 2013
- c) Quality Manual – RU/QMR/QM/002.
- d) Relevant Government policies and guidelines.
- e) Approved University procurement plan.
- f) International Public Service Accounting Standards (IPSAS).
- g) International Accounting Standards.
- h) Budget.
- i) Any other applicable documents

**1.4 TERMS AND DEFINITIONS**

- a) VC– Vice Chancellor.
- b) RU – Rongo University
- c) DVC –AFP (Deputy Vice Chancellor Administration, Finance and Planning).
- d) DVC -ASA (Deputy Vice Chancellor Academic and Student Affairs).
- e) FO – Finance Officer.
- f) HOD – Head of Department.
- g) PO – Procurement Officer.
- h) PV – Payment Voucher.
- i) GRN – Goods Received Note.
- j) CV – Claim Voucher.
- k) VAT – Value Added Tax
- l) WHT – Withholding Tax
- m) IW – Imprest Warrant
- n) PAYE – Pay As You Earn.
- o) KRA – Kenya Revenue Authority

- p) IA – Internal Audit
- q) PCA – Pay Change Advice.
- r) LPO – Local Purchase Order.
- s) LSO – Local Service Order.

### **1.5 RESPONSIBILITY**

- a) The DVC (AFP) is responsible for the supervision of this procedure.
- b) The FO is responsible for the implementation and adherence to this procedure.

### **2.0 PROCESS INPUTS**

- a) Invoices
- b) Approved list of prequalified suppliers
- c) Approved LPO's/ LSO's
- d) GRN's
- e) Inspection and acceptance certificates
- f) Delivery notes
- g) Debit notes
- h) Contracts/ Agreement
- i) Cheque Books
- j) Movement Registers

### **3.0 METHOD**

#### **3.1 Supplier/claim payment process.**

- 3.1.1 For supplier payment, PV's shall be raised in creditors section and submitted to the Accountant for approval whereas for personal claims, the CV shall be raised by the respective Claimant and submitted to the HoD for approval.
- 3.1.2 The PV/CV shall be submitted to vote book for commitment and to DVC -AFP for approval
- 3.1.3 The Accountant in charge of Examination shall examine and verify the PV/CV before being submitted to cash office for payment as per the contract.

#### **3.2 Imprest Surrender Process**

- 3.2.1 This procedure shall start with the imprest holder submitting the accounting documents to the imprest Section within the required period.
- 3.2.2 The surrenders shall be submitted to examination section for verification.
- 3.2.3 In case of under surrenders, un-surrendered or rejected surrenders, the amount shall be recovered from the imprest holder accordingly.

3.2.4 The accounting document shall be sent to imprest section for clearance from the imprest register.

3.2.5 The accounting document shall be posted in the ledger and filed in Final Accounts

### **3.3 Payroll Administration**

3.3.1 This procedure shall start by the FO marking the PCA to the payroll accountant.

3.3.2 The payroll accountant shall close the payroll for the particular month, reconcile and submit for payment online, for verification and authorisation by FO, and DVC- AFP/ VC by 30<sup>th</sup> of every month.

### **3.4 Payments Outside Payroll**

3.4.1 This procedure shall start when the payroll accountant receive instruction on part-time lecturers and casuals to raise a PV for the claims and submit to Vote Book for commitment.

3.4.2 The Accountant in charge of operation shall approve the PV and submit to examination section for verification and submission to cash office.

3.4.3 The cashier shall raise Cheques for payment.

### **3.5 Cheque Writing**

3.5.1 This procedure shall start with the cashier receiving fully processed vouchers.

3.5.2 The cashier shall raise cheques as per the instruction on the vouchers.

3.5.3 The cashier shall prepare cheque schedules for the written/printed cheques and submit to FO and DVC -AFP/VC for approval/authorization.

3.5.4 The cashier dispatches the cheques.

### **4.0 PROCESS OUTPUTS**

- a) Fully Processed payment vouchers
- b) Payroll & payroll deductions
- c) Duly signed cheques
- d) Counter Foils/ Cancelled Cheques
- e) Duly signed Movement Registers

**ISSUED FOR USE ON:**

**FINANCE PROCEDURE MANUAL**

**REF: RU/ADM/FIN/006(3)**

**5.0 DOCUMENT CHANGE HISTORY**

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**PROCEDURE NUMBER 4: MANAGEMENT OF CREDITORS**

**1.0 GENERAL**

**1.1 PURPOSE**

The purpose of this procedure is to ensure efficiency and effectiveness in management of creditors.

**1.2 SCOPE**

This procedure applies to creditors of Rongo University.

**1.3 REFERENCES**

- a) Public Finance Management Act (2015).
- b) Quality Manual – RU/QMR/QM/002.
- c) Relevant Government policies and guidelines.
- d) International Public Service Accounting Standards (IPSAS).
- e) International Accounting Standards.
- f) Any other applicable documents

**1.4 TERMS AND DEFINITIONS**

- a) VC– Vice Chancellor.
- b) DVC-AFP – (Deputy Vice Chancellor Administration, Finance and Planning).
- c) FO – Finance Officer.
- d) HRFRMC – Human Resource, Finance and Resource Mobilization Committee of Council.
- e) MB – Management Board

**1.5 RESPONSIBILITY**

- a) The DVC (AFP) is responsible for the supervision of this procedure.
- b) The FO is responsible for the implementation and adherence to this procedure.

**2.0 PROCESS INPUTS**

- a) Payment vouchers
- b) LPO/LSO/GRN
- c) Invoices and Delivery Notes
- d) Contracts and Agreements
- e) Debit / Credit Notes
- f) Inspection and Acceptance Forms

**3.0 METHOD**

**3.1 Creditors Management process**

3.1.1 This procedure shall start with the accountant in-charge receiving and verifying documents pertaining to creditors.

3.1.2 The accountant shall prepare monthly ageing schedules, open credit ledgers and post invoices and prepare payment vouchers and submit to examination section for verification and approval.

3.1.3 The accountant shall submit the approved payment vouchers to cashier for payment.

3.1.4 The accountant shall reconcile and update creditors ledgers

**4.0 PROCESS OUTPUT**

- a) Duly Signed Cheques
- b) Duly Signed Movement Registers
- c) Creditors ledgers
- d) Creditors ageing analysis
- e) Counter Foils/ Cancelled Cheques

**5.0 DOCUMENT CHANGE HISTORY**

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## **PROCEDURE NUMBER 5: MANAGEMENT OF DEBTORS**

### **1.0 GENERAL**

#### **1.1 PURPOSE**

The purpose of this procedure is to ensure efficiency and effectiveness in debt collection.

#### **1.2 SCOPE**

This procedure applies to the planning, drafting and execution of the University's final accounts.

#### **1.3 REFERENCES**

- a) Public Finance Management Act (2015).
- b) Quality Manual – RU/QMR/QM/002.
- c) Relevant Government policies and guidelines.
- d) International Public Service Accounting Standards (IPSAS).
- e) International Accounting Standards.
- f) Any other applicable documents.

#### **1.4 TERMS AND DEFINITIONS**

- a) VC – Vice Chancellor.
- b) RU – Rongo University.
- c) DVC-AFP (Deputy Vice Chancellor Administration, Finance and Planning).
- d) IA – Internal Auditor.
- e) TB – Trial Balance
- f) FO – Finance Officer.
- g) AG – Auditor-General.

#### **1.5 RESPONSIBILITY**

- a) The DVC (AFP) is responsible for the supervision of this procedure.
- b) The FO is responsible for the implementation and adherence to this procedure.

#### **2.0 PROCESS INPUTS**

- a) List of Debtors
- b) Invoices
- c) Memos from DVC-AFP

#### **3.0 METHOD**

- 3.1 This procedure shall start by FO receiving requests from DVC-AFP on debtors requiring invoicing by debtors section.

- 3.2 The accountant in-charge shall raise invoices and post them in the respective debtor's ledgers.
- 3.3 The accountant shall forward the original invoices to the respective debtors and copies to salaries section for recoveries where applicable.
- 3.4 The accountant shall update the debtors' ledgers with the monthly salary recoveries and any cash payment.
- 3.5 The accountant shall prepare monthly debtors' report for the FO.

**4.0 PROCESS OUTPUTS**

- a) Debtors Ageing Analysis
- b) Ledgers
- c) Reports
- d) Invoices

**5.0 DOCUMENT CHANGE HISTORY**

| <b>Supersedes Revision</b> | <b>Revision – (Clause &amp; Details)</b> | <b>Current Rev.</b> | <b>Reviewer's name</b> | <b>Date</b> |
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## **PROCEDURE NUMBER 6: PETTY CASH MANAGEMENT**

### **1.0 GENERAL**

#### **1.1. PURPOSE**

The purpose of this procedure is to ensure effectiveness, timeliness, consistency and efficiency in petty cash management.

#### **1.2. SCOPE**

This procedure shall apply to all petty cash management.

#### **1.3. REFERENCES**

- h) Public Finance Management Act (2015).
- i) Quality Manual – RU/QMR/QM/002.
- j) Relevant Government policies and guidelines.
- k) International Public Service Accounting Standards (IPSAS).
- l) International Accounting Standards.
- m) Any applicable documents

#### **1.4. TERMS AND DEFINITIONS**

- a) DVC–AFP (Deputy Vice Chancellor Administration, Finance and Planning).
- b) FO – Finance Officer.
- c) RU – Rongo University
- d) Registrar – Academic and Students Affairs (ASA).
- e) HELB – Higher Education Loans Board.
- f) IGA – Income Generating Activity
- g) CUE – Commission for University Education
- h) CDF – Constituency Development Fund
- i) LPO – Local Purchase Order

#### **1.5. RESPONSIBILITY**

- a) The DVC (AFP) is responsible for the supervision of this procedure.
- b) The FO is responsible for the implementation and adherence to this procedure.

### **2.0 PROCESS INPUT**

- a) Approval from DVC-AFP
- b) Duly processed claims (Imprests, PV’s and Claim Forms)

### **3.0 METHOD**

#### **3.1 Main Petty Cash**

- 3.1.1 The procedure starts by the DVC- AFP approving for the paying cashier petty cash float at the beginning of the financial year.
- 3.1.2 The payee shall certify receipt of cash by appending signature on the voucher.
- 3.1.3 The cashier shall then enter the details of all payments in the petty cash analysis book.
- 3.1.4 The paying cashier shall balance the cashbook every day.
- 3.1.5 The accountant in charge shall verify and sign the petty cash analysis book
- 3.1.6 When the total amount of paid vouchers reaches about a minimum of 80%, the paying cashier shall recoup the float.
- 3.1.7 The recoupment voucher goes through the payment process before withdrawal of cash.
- 3.1.8 The paying cashier shall surrender the float at the end of each financial year and apply for a new one at the beginning of a new financial year.

#### **3.2 Departmental Petty Cash Float Process**

- 3.2.1 This procedure starts by the user department making a request for a float by writing to the DVC-AFP through the HOD.
- 3.2.2 Upon DVC-AFP's approval, an IW for the amount approved is raised by the prospective float holder and taken through the process of Imprest.
- 3.2.3 The petty cash float details shall be entered in the departmental floats register.
- 3.2.4 The float holder shall make requests for recoupment on monthly basis by filling a CV and attaching the relevant supporting documentation.
- 3.2.5 The HOD shall verify the claim before forwarding it for processing.
- 3.2.6 The claim shall go through the process of CV.
- 3.2.7 The float holder shall surrender the float at the end of the financial year i.e. 30<sup>th</sup> June upon which the Imprest is cleared.

### **4.0 PROCESS OUTPUTS**

- c) Petty cash analysis book
- a) Paid CV/Imprest Vouchers
- b) Movement Register

**5.0 DOCUMENT CHANGE HISTORY**

| <b>Supersedes Revision</b> | <b>Revision – (Clause &amp; Details)</b> | <b>Current Rev.</b> | <b>Reviewer's name</b> | <b>Date</b> |
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## **PROCEDURE NUMBER 7: MANAGEMENT OF RESEARCH GRANTS**

### **1.0 GENERAL**

#### **1.1 PURPOSE**

The purpose of this procedure is to ensure efficiency and effectiveness in the management of research project funds.

#### **1.2 SCOPE**

This procedure applies to the management of all externally sourced research project funds in the University.

#### **1.3 REFERENCES**

- a) Public Finance Management Act (2015).
- b) Quality Manual – RU/QMR/QM/002.
- c) Relevant Government policies and guidelines.
- d) Approved University procurement plan.
- e) International Public Service Accounting Standards (IPSAS).
- f) International Accounting Standards.
- g) RU Strategic Plan.
- h) Budget.
- i) Any other applicable documents

#### **1.4 TERMS AND DEFINITIONS**

- a) VC – Vice Chancellor.
- b) RU – Rongo University.
- c) DVC (AFP) – Deputy Vice Chancellor (Administration, Finance and Planning).
- d) DVC (ASA) – Deputy Vice Chancellor (Academic and Student Affairs).
- e) FO – Finance Officer.
- f) PV – Payment Voucher.
- g) CV – Claim Voucher.
- h) IW – Imprest Warrant

#### **1.5 RESPONSIBILITY**

- a) The DVC (AFP) is responsible for the supervision of this procedure.
- b) The FO is responsible for the implementation and adherence to this procedure.

### **2.0 PROCESS INPUTS**

- a) Bank statements
- b) Signed Research Contracts

- c) Award letters

**3.0 METHOD**

- 3.1.1 This procedure shall start with the receipt of research grants money from various donors/organizations and banked in the University account.
- 3.1.2 The FO shall inform the DVC-ASA and the researcher concerned of the receipt of funds.
- 3.1.3 The accountant in-charge shall open ledger accounts for the various research projects.
- 3.1.4 The researcher shall apply for the funds through imprest warrants, which must be authorized by DVC-ASA.
- 3.1.5 The imprest warrant shall be recorded in the imprest register, the researcher’s ledger account and processed for payment.
- 3.1.6 The researcher will surrender the imprest in accordance with the Procedure number 3 of this manual.
- 3.1.7 The Finance Officer shall prepare financial reports to the donor as per the contract schedules.

**4.0 PROCESS OUTPUTS**

- a) Receipts and expenditure reports
- b) Handing over reports
- c) Ledgers
- d) Updated Assets Register

**5.0 DOCUMENT CHANGE HISTORY**

| <b>Supersedes Revision</b> | <b>Revision – (Clause &amp; Details)</b> | <b>Current Rev.</b> | <b>Reviewer’s name</b> | <b>Date</b> |
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**PROCEDURE NUMBER 8: FIXED ASSET MANAGEMENT**

**1.0 GENERAL**

**1.1 PURPOSE**

The purpose of this procedure is to ensure efficiency and effectiveness in the management of fixed assets.

**1.2 SCOPE**

This procedure applies to identifying, recording and controlling of fixed assets of Rongo University.

**1.3 REFERENCES**

- a) Quality Manual – RU/QMR/QM/002.
- b) Public Finance Management Act (2015).
- c) Relevant Government policies and guidelines.
- d) Approved University procurement plan.
- e) International Public Service Accounting Standards (IPSAS).
- f) International Accounting Standards.
- g) RU Strategic Plan.

**1.4 TERMS AND DEFINITIONS**

- a) VC – Vice Chancellor.
- b) RU – Rongo University.
- c) DVC-AFP (Deputy Vice Chancellor Administration, Finance and Planning).
- d) DVC-ASA (Deputy Vice Chancellor Academic and Student Affairs).
- e) FO – Finance Officer.
- f) PO – Procurement Officer.
- g) PV – Payment Voucher.

**1.5 RESPONSIBILITY**

- a) The DVC (AFP) is responsible for the supervision of this procedure.
- b) The FO is responsible for the implementation and adherence to this procedure.

**2.0 PROCESS INPUTS**

- a) Invoices
- b) Delivery Notes
- c) Payment Vouchers.
- d) Issue List from Stores/ Movement Registers

**3.0 METHOD**

**3.1 Tagging Asset and Updating Asset Register**

- 3.1.1 This procedure shall start with the PO submitting information on a new fixed asset to FO.
- 3.1.2 The FO shall process and submit the information to the Accountant in charge of Fixed Assets Register.
- 3.1.3 The Accountant in charge of Fixed Assets Register shall tag the asset and update the fixed asset register.

**3.2 Disposal of Fixed Asset**

- 3.2.1 This procedure shall start with the PO submitting record of assets already disposed to the FO.
- 3.2.2 The FO shall process the list and submit it to the Accountant in charge of Fixed Assets Register.
- 3.2.3 The Accountant in charge of Fixed Asset Register shall update the register accordingly.

**3.3 Depreciation and Amortization of Assets**

- 3.3.1 This procedure shall start with the Accountant in charge of Fixed Assets depreciating/amortizing the assets as prescribed in the Finance Management Policy.
- 3.3.2 The Accountant in charge of Fixed Assets shall update the fixed asset register accordingly.

**3.4 Revaluation of Fixed Asset**

- 3.4.1 Once every three years, the DVC-AFP shall ensure fixed assets are revalued by a consultant.
- 3.4.2 The Accountant in charge of Fixed Assets shall update the fixed asset register accordingly.

**4.0 PROCESS OUTPUTS**

- a) Fixed Asset Register.
- b) Report on disposal of fixed assets.
- c) Revaluation report.
- d) Quarterly reports and financial statements

**5.0 DOCUMENT CHANGE HISTORY**

| <b>Supersedes Revision</b> | <b>Revision – (Clause &amp; Details)</b> | <b>Current Rev.</b> | <b>Reviewer's name</b> | <b>Date</b> |
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**PROCEDURE NUMBER 9: PREPARATION OF ANNUAL ACCOUNTS**

**1.0 GENERAL**

**1.1 PURPOSE**

The purpose of this procedure is to ensure efficiency and effectiveness in preparing the final accounts.

**1.2 SCOPE**

This procedure applies to the planning, drafting and execution of the University’s final accounts.

**1.3 REFERENCES**

- a) Public Finance Management Act (2015).
- b) Rongo University Finance Manual
- c) Quality Manual – RU/QMR/QM/002.
- d) Relevant Government policies and guidelines.
- e) International Public Service Accounting Standards (IPSAS).
- f) International Accounting Standards.
- g) Current RU Strategic Plan.
- h) Budget.
- i) Any other applicable documents.

**1.4 TERMS AND DEFINITIONS**

- a) VC – Vice Chancellor.
- b) RU – Rongo University.
- c) DVC-AFP (Deputy Vice Chancellor Administration, Finance and Planning)
- d) IA – Internal Auditor.
- e) TB – Trial Balance
- f) FO – Finance Officer.
- g) AG – Auditor-General.

**1.5 RESPONSIBILITY**

- a) The DVC (AFP) is responsible for the supervision of this procedure.
- b) The FO is responsible for the implementation and adherence to this procedure.

**2.0 PROCESS INPUTS**

- a) Ageing Creditors and Debtors Schedules
- b) Trial balance
- c) General ledger

- d) Stock taking Report
- e) Cash Count report
- f) Bank Statements and bank Certificates
- g) Working paper Files

### **3.0 METHOD**

#### **3.1 Production of Accounts**

- 3.1.1 This procedure shall start by the accountant in charge of final accounts receiving all accounting documents from the various sections of Finance.
- 3.1.2 The Accountant shall process the data and dispatch the document for filing and safe custody.
- 3.1.3 The accountant shall produce monthly TBs and prepare Bank reconciliation reports for all the bank accounts.
- 3.1.4 The accountant shall prepare quarterly accounts, management accounts and any required financial statement from the TBs.
- 3.1.5 The accountant shall prepare draft final accounts at the end of the financial year and submit to the FO.
- 3.1.6 The FO shall review the draft annual reports and financial statements and submit to RUMB for consideration and tabling in Council.
- 3.1.7** The Council shall consider and approve the annual reports and financial statements for submission to Ministry of Education, the National Treasury and Office of the Auditor General by 30th September every year.

#### **3.2 External Audit Management**

- 3.2.1 This procedure shall start with the university receiving notification from external auditor on the intended audit exercise.
- 3.2.2 The external auditor shall visit the University to carry out the audit as per their terms of reference.
- 3.2.3 The external auditor shall write a management letter to the Vice Chancellor.
- 3.2.4 The Vice Chancellor shall respond to the management letter immediately and may consult with the external auditor whenever necessary.

#### **3.3 External Auditors Report**

- 3.3.1 This procedure shall start with the Vice-Chancellor receiving the audited Annual Report and Financial Statements from the Office of the Auditor General.

3.3.2 The Vice-Chancellor shall respond to issues raised by the external auditor and submit copies to Public Accounts Committee of Parliament through Ministry of Education for discussion.

**4.0 PROCESS OUTPUTS**

- a) Management Letter.
- b) Audited Annual reports and financial statements

**5.0 DOCUMENT CHANGE HISTORY**

| <b>Supersedes Revision</b> | <b>Revision – (Clause &amp; Details)</b> | <b>Current Rev.</b> | <b>Reviewer's name</b> | <b>Date</b> |
|----------------------------|--|---------------------|------------------------|-------------|
|                            |  |                     |                        |             |
|                            |  |                     |                        |             |

**RONGO UNIVERSITY COLLEGE - ISO 9001:2015 BASED QUALITY MANAGEMENT SYSTEM**

ISSUED FOR USE ON:

FINANCE PROCEDURE MANUAL

REF: RU/ADM/FIN/006(9)

**OBJECTIVES REGISTER FOR FINANCE**

| OBJECTIVES REGISTER FOR FINANCE |                          |   |   |  |   |   |           |   |                    |                 |
|---------------------------------|--------------------------|---|---|--|---|---|-----------|---|--------------------|-----------------|
| <b>Department:</b>              | Finance                  |   |   |  |   |   |           |   |                    |                 |
| <b>Rev. Status</b>              |                          |   |   |  |   |   |           |   |                    |                 |
| <b>Issue Date:</b>              |                          |   |   |  |   |   |           |   |                    |                 |
| <b>Created By:</b>              |                          |   |   |  | <b>Reviewed By:</b>                                       |   |           | <b>Approved By:</b>   |                    |                 |
| S.No                            | Key Result Area          | Strategic Objective   | Objective   | Strategies   | Key Performance Indicator                                 | Resources Required                        | Timeline  | Deliverable   | Frequency of M & E | Responsibility  |
| 1                               | Financial sustainability | To improve financial sustainability through diversification of revenue streams and effective and efficient financial management | Increase revenue collection by 30% as at December 2019. | Initiate IGA's; automate the financial management systems;                       | Increased revenue, Automated systems and reduced expenses | Budget, skilled staff, ICT infrastructure | Dec. 2019 | Automated financial systems, trained staff, improved financial management and liquidity | Quarterly          | Finance Officer |
|                                 |                          |   | To reduce operation cost by 5% by December 2019         | Negotiations; austerity measures; reduction of wastage; using internal capacity; | reduced operation cost                                    | Budget, skilled staff, ICT infrastructure | Dec-19    | Cost analysis reports; quarterly financial statements; Minutes of meetings;             | Continuous         | Finance Officer |

**RONGO UNIVERSITY COLLEGE - ISO 9001:2015 BASED QUALITY MANAGEMENT SYSTEM**

ISSUED FOR USE ON:

FINANCE PROCEDURE MANUAL

REF: RU/ADM/FIN/006(9)

**RISK REGISTER FOR FINANCE**

| RISK REGISTER FOR FINANCE |                    |                                      |  |  |             |        |           |                     |  |                    |                                  |                 |
|---------------------------|--------------------|--------------------------------------|--|--|-------------|--------|-----------|---------------------|--|--------------------|----------------------------------|-----------------|
| <b>Department:</b>        | Finance            |                                      |  |  |             |        |           |                     |  |                    |                                  |                 |
| <b>Rev. Status</b>        |                    |                                      |  |  |             |        |           |                     |  |                    |                                  |                 |
| <b>Issue Date:</b>        |                    |                                      |  |  |             |        |           |                     |  |                    |                                  |                 |
| <b>Created By:</b>        |                    |                                      |  | <b>Reviewed By:</b>  |             |        |           | <b>Approved By:</b> |  |                    |                                  |                 |
| S.No                      | Process            | Risk                                 | Causes   | Existing Controls  | Probability | Impact | Risk Rate | Risk Level          | Additional Controls  | Frequency of M & E | Opportunities                    | Responsibility  |
| 1                         | Budgeting          | Late submission of budgets           | non-adherence to schedules   | issue notices early, issuance of budgetary guidelines, sensitization of process owners   | 1           | 4      | 4         | low                 | Quarterly review and monitor the process of budgeting including submission | Quarterly          | Automation of budget process     | Finance Officer |
|                           |                    | Budget over runs and under budgeting | unplanned activities   | adherence to budget, virement and deferring some expenditures, supplementary budget  | 3           | 2      | 6         | Medium              | Revise the Budgets at least once a year                                    | Quarterly          | Realistic planning and budgeting | Finance Officer |
|                           |                    | Under funding                        | Abrupt change in government policies; Challenges in revenue collection   | Negotiate for additional funding; enhancing AinA collection, establish IGAs  | 4           | 3      | 12        | High                | austerity measures   | Continuous         | Diversify sources of income;     | Finance Officer |
| 2                         | Revenue collection | Loss of revenue                      | inadequate staff and lack of supervision; weak internal control, Inadequate training and development of staff, fraud, bad debt | periodic reviews, Segregation of duties and job rotation, Online bank integration and reconciliations, training of staff, automation | 2           | 3      | 6         | Medium              | Reconciliations  | Continuous         | Automation                       | Finance Officer |
| 3                         | payments           | Delayed payments                     | Cash flow shortfalls, Delayed staff contract   | Adherence to financial controls and service charter  | 2           | 4      | 8         | Medium              | Implement code of conduct  | Monthly            | Diversify sources of income;     | Finance Officer |

**RONGO UNIVERSITY COLLEGE - ISO 9001:2015 BASED QUALITY MANAGEMENT SYSTEM**

ISSUED FOR USE ON:

FINANCE PROCEDURE MANUAL

REF: RU/ADM/FIN/006(9)

**RISK REGISTER FOR FINANCE**

| Department: Finance |                               |                           |  |   |              |        |           |            |   |                    |                                 |                 |
|---------------------|-------------------------------|---------------------------|--|---|--------------|--------|-----------|------------|---|--------------------|---------------------------------|-----------------|
| Rev. Status         |                               |                           |  |   |              |        |           |            |   |                    |                                 |                 |
| Issue Date:         |                               |                           |  |   |              |        |           |            |   |                    |                                 |                 |
| Created By:         |                               | Reviewed By:              |  |   | Approved By: |        |           |            |   |                    |                                 |                 |
| S.No                | Process                       | Risk                      | Causes   | Existing Controls   | Probability  | Impact | Risk Rate | Risk Level | Additional Controls                                   | Frequency of M & E | Opportunities                   | Responsibility  |
|                     |                               |                           | renewals, Delayed pay change advice, Delayed submission of accounting information, Service interruptions, litigation |   |              |        |           |            |   |                    |                                 |                 |
|                     |                               | Wrong payments            | Errors of commission and omission, wrong documents, fraud  | verification of accounting documents, pre-audits              | 1            | 4      | 4         | low        | Automation  | Continuous         | Further training of staff       | Finance Officer |
| 6                   | Petty Cash                    | Misappropriation of funds | lack of periodic spot checks, staff integrity,   | continuous reconciliation                                     | 1            | 3      | 3         | low        | sensitization of staff, sanctions                     | Continuous         | Automation                      | Finance Officer |
|                     |                               | Teeming and lading        | lack of Segregation of duties, staff integrity   | Segregation of duties and job rotation                        | 1            | 2      | 2         | low        | Daily reconciliation                                  | Continuous         | Train staff on integrity issues | Finance Officer |
| 7                   | Management of research grants | Misappropriation of funds | Failure to adhere to budgets   | adherence to budget, monitoring and evaluation                | 1            | 3      | 3         | low        | verification of accounting documents, internal audits | Continuous         | Automation                      | Finance Officer |
|                     |                               | Low absorption of funds   | lack of proper planning  | work plans in place   | 1            | 3      | 3         | low        | Adherence to the work plans                           | Quarterly          | Revise work plans               | Finance Officer |
| 8                   | Fixed asset management        | loss of asset             | Failure to update asset register   | Continuous tagging of target, inventory management, Insurance | 2            | 2      | 4         | low        | insurance of all assets                               | Continuous         | Automate inventory management   | Finance Officer |

**RONGO UNIVERSITY COLLEGE - ISO 9001:2015 BASED QUALITY MANAGEMENT SYSTEM**

ISSUED FOR USE ON:

FINANCE PROCEDURE MANUAL

REF: RU/ADM/FIN/006(9)

**RISK REGISTER FOR FINANCE**

| RISK REGISTER FOR FINANCE |                                |                  |   |   |                     |        |           |            |   |                    |               |                 |
|---------------------------|--------------------------------|------------------|---|---|---------------------|--------|-----------|------------|---|--------------------|---------------|-----------------|
| <b>Department:</b>        | Finance                        |                  |   |   |                     |        |           |            |   |                    |               |                 |
| <b>Rev. Status</b>        |                                |                  |   |   |                     |        |           |            |   |                    |               |                 |
| <b>Issue Date:</b>        |                                |                  |   |   |                     |        |           |            |   |                    |               |                 |
| <b>Created By:</b>        |                                |                  |   |   | <b>Reviewed By:</b> |        |           |            | <b>Approved By:</b>                       |                    |               |                 |
| S.No                      | Process                        | Risk             | Causes  | Existing Controls                         | Probability         | Impact | Risk Rate | Risk Level | Additional Controls                       | Frequency of M & E | Opportunities | Responsibility  |
| 9                         | Preparation of annual accounts | Qualified report | Noncompliance with standards & regulations, Loss of supporting documents, Financial misstatements | Compliance with standards and regulations | 2                   | 3      | 6         | Medium     | Continuous review of financial statements | Continuous         | Automation    | Finance Officer |

**APPLICABLE FORMS**



Receipt No



*P.O BOX 103-40404 RONGO; finance@rongovarsity.ac.ke*  
**MISCELLENEOUS RECEIPT**

**Date:** \_\_\_\_\_

**Received From:** \_\_\_\_\_ **Amount in words:**

**Kshs.** \_\_\_\_\_

| Being Payment for:             | Kshs | Cts |
|--------------------------------|------|-----|
| Tuition and related fees       |      |     |
| Sale of tender documents       |      |     |
| Imprest /petty cash surrender  |      |     |
| Sale of food and related items |      |     |
| Sale of Form produce           |      |     |
| Examination fees               |      |     |
| Proceeds From disposal         |      |     |
| Consultancy Fees               |      |     |
| Fines                          |      |     |
| Others                         |      |     |
| Others                         |      |     |
| Others                         |      |     |
| <b>Total</b>                   |      |     |

No.



*P.O BOX 103-40404 RONGO; finance@rongovarsity.ac.ke*  
**FINANCE DEPARTMENT**

**INVOICE**

M/S..... Date:.....

Delivery Note No..... LPO No.....

| QTY             | DESCRIPTION  | @ | SHS | CTS |
|-----------------|--------------|---|-----|-----|
|                 |              |   |     |     |
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|                 |              |   |     |     |
|                 |              |   |     |     |
| <b>E&amp;OE</b> | <b>TOTAL</b> |   |     |     |



No.



FINANCE DEPARTMENT

SUBSISTENCE / CLAIM FORM

Claimant's Name: ..... PF: No .....Department.....

Signature:.....

A: Non — Accountable Subsistence Claim Subsistence Claim while traveling on official duties to

For ..... Date. ....
1. Subsistence allowance Kshs. .... for ..... days

2. Use of personal Vehicle:
Vehicle Reg. No. .... Capacity .....
3. Destination: From ..... to .....Km @ .....
4. Distance Travelled .....

B. Reimbursable Public Transport (attached Bus Tickets)

C: Other Reimbursable Claims

- 1. Medical Claim:
Hospital/Chemist ..... Receipt No. ....
2. Cash Purchases:
Item ..... Receipt No. ....
3. Other claims (Specify) .....

TOTAL PAYABLE
Amount payable in words ..... Kshs. ....
Claimant Signature ..... Date: .....

Recommendation:

I recommend/not recommend that the above expenditure be made on behalf of the University and Incurred on the department vote

Signature ..... Reasons for not recommending (HOD/Cost Centre Controller)

Department Code ..... Account Code.....

This Commitment: Ksh .....Balance available Ksh ..... Vote Book Accountant: .....

Date ..... Signature .....

Approved/Not approved:.....

Date: ..... DP (AFP)/Principal

Passed for- payment .....

Finance Officer

Date: .....

No.



FINANCE DEPARTMENT
REQUEST FOR IMPREST

FROM \_\_\_\_\_ PF No. \_\_\_\_\_ GRADE...
TO FINANCE OFFICER

The expenditure from this amount is chargeable to vote.....

Please advance me Ksh..... (Amount in words :.....) to meet
disbursement for the following purposes:.....

I undertake to submit an account supported by voucher, repay any balance of money to you following date, in the event of not
accounting for this advance within Seven days of the said date after the expenditure, you are hereby authorized to deduct the
whole amount of imprest from my salary in the month following the expiration of the Seven days.

Examined and certified/Not certified for payment

Signature

Dean's / Head of Department's Signature

A. PERSONAL CLAIMS:

I certify that no other amount is at present outstanding against the above named member of staff

PAID VIDE

Signature: \_\_\_\_\_ PVNO/CHEQUENO.....

Date:

Sign:.....

....

Accountant (Imprest)

B.1. BUDGETARY CONTROL

Vote Book checked and confirmed funds available/Not available as follows:-

- Monthly Allocation: Kshs. \_\_\_\_\_
Cumulative expenditure: Kshs. \_\_\_\_\_
Balance Available: Kshs. \_\_\_\_\_
This Commitment: Kshs. \_\_\_\_\_
Balance after entry: Kshs. \_\_\_\_\_
Management Accountant: Date: \_\_\_\_\_

C.2. EXAMINATION: \_\_\_\_\_ Date: .....

Accountant

D. Recommended/Not Recommended \_\_\_\_\_ Date:.....

E. Approved \_\_\_\_\_ DVC (AFP)/VC



**FINANCE DEPARTMENT  
ACCOUNTING FOR IMPREST**

From..... PF/NO.. .. Grade. ....

To: Finance Officer

Attached herewith find the accounting details for the sum of Kshs. ....

From Vote No. .... Imprest No... .. Imprest Date.....

This was disbursed as follows:-

|                      |  |       |
|----------------------|--|-------|
| SUBSISTENCE:         | Self                                   | Kshs. |
|                      | Driver (Signature)                     | Kshs. |
|                      | Others: (Append duly signed list)      | Kshs. |
| TRANSPORT:           | Mileage                                | Kshs. |
|                      | Public means & Taxi { Attach receipts) | Kshs. |
|                      | Others:                                | Kshs. |
| TOTAL                |  | Kshs. |
| OVERSPENT/UNDERSPENT |  |       |
| Receipt No. ....     | (Unspent Balance)                      | Kshs. |

Reason(s) for over expenditure:.....

**NOTES:**

- (a) Over expenditure is subject to 15% of the amount advanced with prior approval
- (b) Use of personal vehicle is considered only where prior approval is sought
- (c) Expenses must be accompanied by receipts
- (d) Under expenditure must be surrendered to cash office and receipted

Claimant (Sign & Date)

HoD/Dean/DVC/VC (Sign & Date)

Examined By (Sign & Date)

FO/CA/Accountant (Sign & Date)

Imprest Register Posted By (Sign & Date)

