

# FINANCIAL MANAGEMENT POLICY



ATEBUBU  
COLLEGE OF  
EDUCATION



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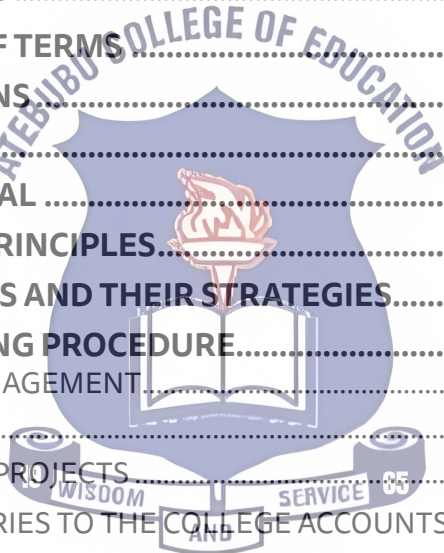
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# BRIEF HISTORY OF THE ATEBUBU COLLEGE OF EDUCATION

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Atebubu College of Education is a Teacher Education Institution in Atebubu (Atebubu Amantin Municipality), Bono East Region. The College was founded in October 1965. The College was the first second-cycle institution, and the only Teacher Training College in the Eastern Corridor of the then Brong- Ahafo Region, out of which Bono, Bono East and Ahafo Regions were born. The College began with eighty (80) male students and with the passage of the Education Act in 2008, Act 778, the College is now a tertiary institution, affiliated to the University of Cape Coast and currently running 4-year Bachelor in Primary Education, 4-Year Bachelor in Early Grade Education and 4-Year Bachelor in JHS Education programmes. The College has six Academic Departments: Education Studies, Science, Social Sciences, Languages, Mathematics and ICT, and Creative Arts.



## MISSION STATEMENT

Atebubu College of Education is committed to a partnership with students, alumni, sister educational institutions, government regulatory bodies and community stakeholders, providing students with the knowledge, practical skills and professional attitudes to become productive citizen in a challenging, technological and diverse world.

## VISION

The Igniting minds, beyond borders: Atebubu College of Education's legacy – a generation of teachers redefining education.

## CORE VALUES

The following Core Values are intended to drive the mission, vision and strategic direction of Atebubu College of Education:

- Excellence and Professionalism
- Commitment and Hard Work
- Gender, Equity, and Social Inclusion (GESI)
- Teamwork and Mentorship



# DEFINITION OF TERMS

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1. **Resources** – a stock or supply of money, materials, staff, and other assets that can be drawn on by a person or organization in order to function effectively.
2. **Prudence** - the act of being careful, often with money.
3. **Compliance** - means conforming to a rule, such as a specification, policy, standard or law.
4. **Budget:** A financial plan that outlines expected revenues, expenditures, and financial goals over a specific period.
5. **Financial Reporting:** The process of presenting financial information to stakeholders, typically through financial statements such as income statements, balance sheets, and cash flow statements.
6. **Expense:** The costs incurred in the course of business operations, including but not limited to salaries, utilities, rent, and supplies.
7. **Revenue:** Income generated through business activities, such as sales, services, or investments.
8. **Cash Flow:** The movement of cash in and out of a business, reflecting its liquidity and ability to meet short-term obligations.
9. **Audit:** A systematic examination and verification of financial records, transactions, and processes to ensure accuracy, compliance, and transparency.

- 10. Financial Controls:** Policies and procedures designed to safeguard assets, ensure accuracy in financial reporting, and promote compliance with regulations.
- 11. Cost Accounting:** A branch of accounting that focuses on tracking and analysing the costs associated with producing goods or services.
- 12. Internal Controls:** Mechanisms, policies, and procedures implemented to protect assets, ensure accurate financial reporting, and promote operational efficiency.
- 13. Financial Risk Management:** The process of identifying, assessing, and mitigating potential financial risks to achieve the organization's financial objectives.
- 14. Capital Expenditure:** Funds spent on acquiring, maintaining, or upgrading physical assets, such as property, equipment, or technology, with long-term benefits.
- 15. Financial Statement:** A formal record of the financial activities and position of a business, typically including an income statement, balance sheet, and cash flow statement.
- 16. Fiscal Year:** The accounting period used by an organization for financial reporting, often different from the calendar year.
- 17. Depreciation:** The systematic allocation of the cost of a tangible asset over its useful life for accounting and tax purposes.
- 18. Working Capital:** The difference between a company's current assets and current liabilities, reflecting its short-term liquidity.



# ABBREVIATIONS

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1. **CAPEX:** Capital Expenditures
2. **GAAP:** Generally Accepted Accounting Principles
3. **ROI:** Return on Investment
4. **PO:** Purchase Order
5. **GTEC:** Ghana Tertiary Education Commission
6. **UCC:** University of Cape Coast
7. **UG-** University of Ghana
8. **UCC-** University of Cape Coast
9. **KNUST-** Kwame Nkrumah University of Science and Technology



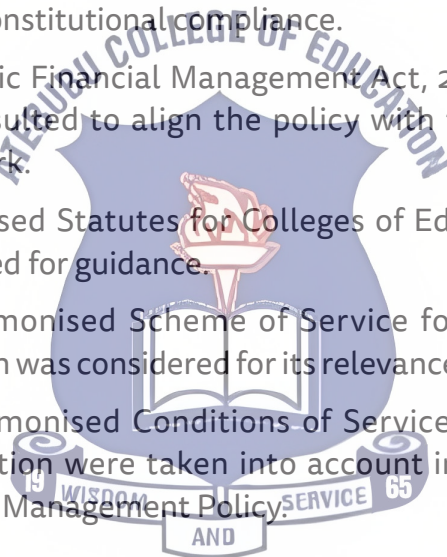
# 1.0 PREAMBLE

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The Financial Management guidelines at Atebubu College of Education have been devised to ensure the efficient and accountable handling of the institution's financial assets. The development of this policy aligns with the provisions of the Public Financial Management Act, 2016 (Act 921), which delineates regulations and processes pertaining to budgeting, financial reporting, and accountability within the public sector. Additionally, consideration is given to the Audit Service Act, 2000 (Act 584), which establishes the Audit Service in Ghana, outlining its functions, including the auditing of public institutions. The primary objective of this policy is to establish a framework for financial decision-making that upholds the college's vision, mission, and strategic goals. It is crafted to enhance transparency, accountability, and adherence to relevant regulatory requirements as stipulated by the Universities and Other Tertiary Institutions Act, 2003 (Act 659). This policy delineates the fundamental principles, guidelines, and procedures governing the appropriate allocation, utilization, and monitoring of financial resources. Its purpose is to facilitate sound financial practices and cultivate a culture of fiscal responsibility across all departments and units within the college.

In order to uphold transparency, fairness, and adherence to the values of Atebubu College of Education, the formulation of the Financial Management Policy involved comprehensive consultations with the following sources:

- i. Legal counsel was sought to ensure that the College's Financial Management Policy align with all relevant laws and regulations.
- ii. The College's prior admission policies was reviewed and considered during the development process.
- iii. Financial Management Policies of established universities such as UG, UCC, and KNUST were examined for insights and best practices.
- iv. The 1992 Constitution of Ghana was referenced to ensure constitutional compliance.
- v. The Public Financial Management Act, 2016 (Act 921) was consulted to align the policy with the statutory framework.
- vi. Harmonised Statutes for Colleges of Education were referenced for guidance.
- vii. The Harmonised Scheme of Service for Colleges of Education was considered for its relevance to the policy.
- viii. The Harmonised Conditions of Service for Colleges of Education were taken into account in shaping the Financial Management Policy.



## 2.0 POLICY GOAL

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Atebubu College of Education is dedicated to maintaining a sound and transparent financial management system that upholds the highest standards of integrity, accountability, and efficiency. The College's commitment to prudent financial stewardship is integral to the fulfilment of our educational mission and the cultivation of a dynamic learning environment that nurtures academic excellence, innovation, and community engagement.



## 3.0 GUIDING PRINCIPLES

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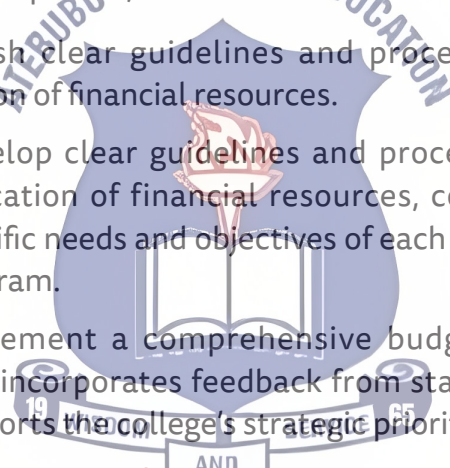
The principles outlined below collectively contribute to forming of the financial management policy that prioritises the well-being of the college, its students, and the wider community. Here are the guiding principles:

- i. The College shall establish clear guidelines and procedures for budget creation aligned with the college's strategic priorities and academic programs.
- ii. Robust financial planning process shall be developed to consider both short-term and long-term goals.
- iii. The policy shall ensure transparency in financial operations through regular and comprehensive reporting.
- iv. Effective risk management practices shall be implemented to mitigate financial risks and safeguard the college's financial well-being.

## 4.0 OBJECTIVES AND THEIR STRATEGIES

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The objectives of the Financial Management Policy of Atebubu college of education are to ensure the efficient and effective utilization of financial resources while aligning with the College's overall mission and vision statement. The following objectives are expected;

- 
- i. Establish clear guidelines and procedures for the allocation of financial resources.
    - Develop clear guidelines and procedures for the allocation of financial resources, considering the specific needs and objectives of each department or program.
    - Implement a comprehensive budgeting system that incorporates feedback from stakeholders and supports the college's strategic priorities.
  - ii. Develop a robust financial planning process that takes into account both short-term and long-term goals.
    - Conduct regular financial assessments to evaluate short-term and long-term goals, identify potential financial challenges, and develop appropriate strategies to address them.
  - iii. Ensuring Transparency in Financial Operations.
    - Implement regular and comprehensive financial reporting practices that provide stakeholders with

a clear understanding of the College's financial position, performance, and expenditure patterns.

iv. Establishment of Mechanisms for Compliance and Risk Management.

- Conduct regular audits and assessments to identify potential areas of non-compliance and implement corrective actions.
- Establish a risk management framework that identifies, assesses, and mitigates financial risks to safeguard the college's financial well-being.



## 5.0 SUPPORTING PROCEDURE

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The following suggestions and guidelines are designed to support the execution of various financial duties while maintaining compliance with policy objectives.

- i. **Budget Development and Approval Process:** Detailing the step-by-step procedure for developing the annual budget, including the roles and responsibilities of different departments or units, the timeline for budget submission, review, and approval, as well as the criteria for budget allocation and adjustments.
- ii. **Procurement and Purchasing Guidelines:** Outlining the protocols for procurement and purchasing activities, including the process for obtaining necessary approvals, selecting vendors, managing contracts, and ensuring competitive pricing while adhering to ethical and legal procurement practices.
- iii. **Expense Reimbursement and Approval Procedures:** Defining the process for reimbursing business-related expenses incurred by employees, staff, or students, including the required documentation, approval hierarchy, and reimbursement timelines in line with the College's Financial Policies and Guidelines.
- iv. **Financial Reporting and Documentation Standards:** Establishing the requirements for regular financial reporting, including the preparation of financial statements, balance sheets, income statements,



and other relevant financial documents, as well as outlining the procedures for maintaining accurate and up-to-date financial records in compliance with accounting standards.

- v. Internal Controls and Audit Processes: Implementing internal control measures to safeguard financial assets and prevent fraud or misappropriation of funds, along with conducting periodic internal audits to assess the effectiveness of financial controls and identify any potential risks or discrepancies.
- vi. Investment and Asset Management Guidelines: Providing guidelines for managing the college's investments and assets, including the criteria for evaluating investment opportunities, risk management strategies, and procedures for tracking and evaluating the performance of investments to ensure alignment with the college's financial goals and risk tolerance.
- vii. Grant Management and Compliance Procedures: Outlining the process for managing grants and external funding, including grant application procedures, compliance requirements, and reporting obligations to ensure transparency and accountability in the utilization of grant funds.
- viii. Emergency Financial Management Protocol: Developing a contingency plan and emergency financial management protocol to address unforeseen financial challenges or crises, outlining the steps to be taken to mitigate financial risks and ensure the continuity of essential college operations during emergencies or unforeseen circumstances.

## 5.1. RISK MANAGEMENT

The College acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health.

The Council has overall responsibility for ensuring that there is a risk management strategy and a common approach to the management of risks throughout the College. This will be done through the development, implementation and embedding within the College of a formal, structured risk management process.

In line with this policy, the Council requires that the Risk Management Strategy and supporting procedures include:

- i. The adoption of common terminology in relation to the definition of risk and risk management;
- ii. The establishment of college-wide criteria for the measurement of risk, linking the threats arising with their potential impact and the likelihood of their occurrence;
- iii. A decision on the acceptable level of risk;
- iv. Detailed regular reviews at each unit to identify significant risks associated with the achievement of key objectives and other relevant areas;
- v. Development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question;
- vi. Maintenance of the necessary risk registers and risk action plans to ensure risks are properly managed;

- vii. Regular reporting to the finance committee of all risks above established
- viii. An annual report from the finance committee to the council giving assurance that risk has been properly managed;
- ix. An annual review of the implementation of risk management arrangements;
- x. An annual report from the internal audit unit on risk.

In line with this, a Risk Management Committee shall be set up to ensure that there are appropriate controls for managing the key risk areas. The risk areas covering financial management which have been identified as requiring adequate monitoring and assessment include:

- i. Funding
- ii. Potential future change in Government funding policy;
- iii. Infrastructure funding requiring commitments and financial inputs from the Government and the College;
- iv. Relationship with the National Health Insurance Scheme in respect of funding for patients at the College Medical facility;
- v. Crime
- vi. Maintenance backlog
- vii. Service breakdown - electricity, water etc.
- viii. Insurance adequacy
- ix. Student and related issues
- x. Collection of student fees
- xi. Insufficient student housing

### **5.1.1. PERFORMANCE REPORTS**

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Ensuring the preparation and submission of management reports to internal constituent units and external bodies like the GTEC, Ministry of Education and NAB.

The Finance Committee has the responsibility to develop, promulgate, monitor and revise the applicable policy. When additional guidance or interpretation of a specific policy is required, that committee should be consulted. The Office of the Head of Finance should be consulted when an issue arises which is not addressed by The Financial Management Policy and related policies.

### **5.2. BUDGET**

The budget refers to the Financial plan specific to a Atebubu College of Education.

#### **5.2.1 BUDGET OBJECTIVES**

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The Council will, from time to time, set budget objectives in line with the Strategic Plan of the College. These will help the Finance Officer in preparing more detailed financial plans for the College.

#### **5.2.2 RESOURCE ALLOCATION**

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Resources are allocated annually by the Council on the basis of the above objectives and on the recommendations of the Finance Committee.

The College's Finance Committee shall be responsible for the:

- i. review and formulation of strategic plans;

- ii. review of the College’s revenue collection activities;
- iii. co-ordination and consolidation of the budget;
- iv. monitoring and evaluation of budget performance; and
- v. report to the Council on matters relating to the budget.

### **5.2.3 BUDGET APPROVAL**

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- i. The Budget of the College shall be approved by the College Council upon the recommendations of the Finance Committee.
- ii. The Finance Officer must ensure that the approved budgets are communicated to Heads of Department/ Units as soon as possible following their approval by the Council.

### **5.2.4 REVISED BUDGETS**

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During the year, the Finance Officer is responsible for submitting revised budgets (where applicable) to the Finance Committee for consideration and submission to the Council for approval, and thereafter communicating the revised budgetary position to the Heads of Departments/Units.

## **5.3. CAPITAL PROJECTS**

The capital project includes all expenditure on land, buildings, equipment, and furniture and associated costs, whether or not they are funded from capital grants. The capital projects will be approved by the Council on the recommendation of the Development Committee and the Finance Committee. The finance committee will appraise formally, before approval, all

major capital expenditures including non-building projects, equipment etc., to conform to best practice.

In considering these major capital programmes, the College must satisfy itself that:

- i. the project is consistent with the strategic objectives of the College.
- ii. Finance committee shall fully cost projects ( including VAT and any other taxes), and its potential impact on College accounts
- iii. any restrictions or requirements that will result from the use of external funding have been taken into account;
- iv. the project conforms to best practice on tendering and procurement and complies with the Public Procurement Act, 2003 (Act 663) as amended and all other relevant legislation.
- v. Where projects are externally funded and financial and investment assessments have already been undertaken, the College may be able to “fast-track” such cases but nonetheless projects must meet the criteria with regard to institutional plans.
- vi. Upon the completion of a capital expenditure project, a final report must be submitted to Development and Finance Committees regarding analysis of actual expenditure against budget.
- vii. The Finance Officer will also establish procedures for providing regular statements concerning capital expenditure to the Development Committee and
- viii. Finance Committees for monitoring purposes.

## 5.4. SIGNATORIES TO THE COLLEGE ACCOUNTS.

- i. All cheques drawn on behalf of the College must be signed in the form approved by the Finance Committee.
- ii. All requests for the creation of authorized signatories must be in the prescribed format.
- iii. In accepting the role of an authorized signatory, the individuals concerned must familiarize themselves with The Financial Management Policy and ensure compliance thereto.
- iv. The use in The Financial Management Policy of the term “authorized signatory” shall encompass electronic as well as written signatures. The term “electronic signature” means data in electronic form which are attached to or logically associated with other electronic data and which serve as a method of authentication. Electronic signatures must only be used in such circumstances and for such transactions as have been approved in advance by the Finance officer.
- v. All such electronic signatures shall take such form and technical specification as required by the Finance Officer. In all cases, electronic signatures must be:
  - a. uniquely linked to the signatory;
  - b. capable of identifying the signatory;
  - c. applied using means that the signatory can maintain under his or her sole control;
  - d. linked to the data to which it relates in such a manner that any subsequent change of the data is detectable.

- vi. Employees are reminded that the misuse of electronic signatures, including using the signature of another person, is forbidden with regard to electronic signatures as it is for written signatures. In both cases, misuse shall lead to disciplinary action and a report to the Police.
- vii. It is forbidden for a member of staff to apply another person's signature, whether written or electronic, even if this is done at their request. In such cases, both persons are at fault and may face disciplinary and / or criminal sanctions.

#### **5.4.1.ENDORSEMENT**

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- i. All cheques must be restrictively endorsed to the College immediately upon receipt.
- ii. The endorsement must include "For Deposit Only to Atebubu College of Education". Frequency of Deposit
- iii. To safeguard cash and to ensure the timely and proper posting of accounts, cash receipts must be deposited intact on the day of receipt at the bank or for deposit in the College finance Office.

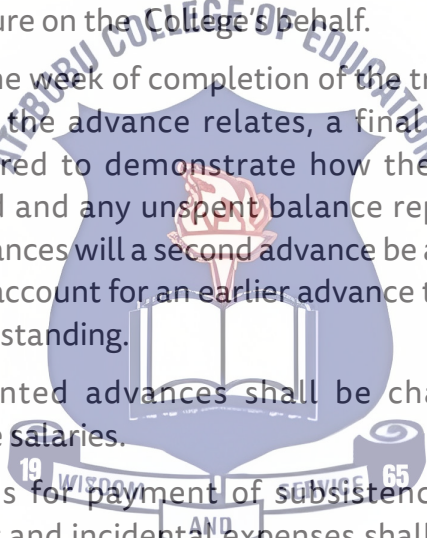
#### **5.4.2.PAYMENTS**

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The Finance Officer is responsible for deciding the most appropriate method of payments.

- i. All payments will normally be made by cheques
- ii. Payments will only be made by the Finance Officer against invoices that have been matched to Purchase Orders and Stores Received Advice.



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- iii. The College's purchasing and payments procedures are in place to enable the majority of goods and services to be procured through the creditor payments system without employees having to incur any personal expense. However, on some occasions, employee may incur expenses, most often in relation to travel, and are entitled to reimbursement.
- iv. Where such expenditure by employees is planned, the Finance Officer and the Principal may approve cash advances to employees who are going to incur expenditure on the College's behalf.
- v. Within one week of completion of the travel or project to which the advance relates, a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final account for an earlier advance to an individual is still outstanding.
- vi. Unaccounted advances shall be charged against employee salaries.
- vii. All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed on a form approved by the Finance Officer.
- viii. Payment of approved allowances for members of the Council will be based on standard amounts for each individual, but only reasonable expenses can be reimbursed.
- ix. Claims by employees must be authorized by the principal. The certification shall be taken to mean that:
- journeys were authorized;

- b. the expenses were properly and necessarily incurred;
  - c. the allowances are properly payable by the College;
  - d. consideration has been given to value for money in choosing the mode of transport.
- x. Travel and subsistence reimbursement claims must be made on College claim forms or other forms or means approved by the Finance Officer. Rates of reimbursement are set by the Finance Committee.

## **5.5. ANNUAL CLOSINGS/ FINANCIAL STATEMENT**

### **5.5.1 THE FINANCE OFFICER IS RESPONSIBLE FOR:**

- a. Establishing the annual financial closing and related audit with the Auditor General;
- b. Establishing all closing schedules to ensure that the financial statements are completed by the end of the third month after the year ends.
- c. Preparing the financial statements in accordance with Generally Accepted Accounting Principles.

The Annual Financial Statement includes:

- a. A Statement of Financial Position at the end of the year;
- b. A Statement of Income and Expenditure for the year;
- c. Notes to give details of specified items in those accounts

The financial statements shall be subject to annual audit by the external auditors as appointed by the Auditor General.

## 5.6. REPORTING TO OUTSIDE AGENCIES

- i. The Finance Officer is responsible for the timely preparation, approval and submission of all required financial reports, including interim and final financial reports required under grant and contract agreements.
- ii. The Financial Accounting System is the source for preparation of all required financial reports.
- iii. Any financial information included in reports to any third party, either directly or by reference, must be approved by the Finance Officer prior to distribution.

External and internal auditors shall have authority to:

- a. access College premises at reasonable time;
- b. access all assets, records, documents and correspondence relating to any financial and other transactions of the College;
- c. require and receive such explanations as are necessary concerning any matter under examination;
- d. require any employee of the College to account for cash, stores or any other College property under his or her control;
- e. Access records belonging to third parties, such as contractors, when required.
- iv. All auditors should respect the confidentiality of information to which they have access in the course of their work.
- v. All the activities within the responsibility of Council are included in the audit remit.

- vi. If any issue arises that pertains to or is suspected to involve irregularities or fraudulent activities related to cash, inventory, or other assets of the College, or if there are suspicions of any irregularity in the College's operations, notification shall be provided to both the Finance Officer and the principal. They will then initiate an investigation, involving the Internal Auditor, and take appropriate measures as deemed necessary.

### 5.6.1. EVENTS AFTER REPORTING DATE

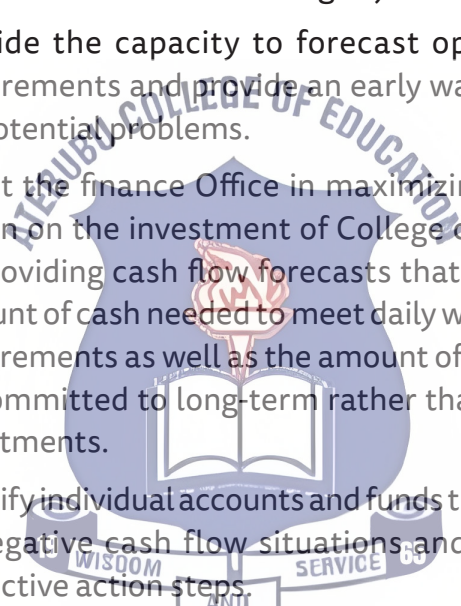
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In finance and accounting, events after the reporting date refer to events or transactions that occur between the end of the reporting period (the date of the financial statements) and the date when the financial statements are authorized for issue. These events are also known as post-balance sheet events or subsequent events. They can be classified into two categories: adjusting events and non-adjusting events.

- a. **Adjustable Events:** Those that provide evidence of conditions that existed at the reporting date. These are adjusting events after the reporting date. The adjustment shall be made in the Accumulated Fund after the balance brought forward.
- b. **Non-Adjustable Events:** Those that are indicative of conditions that arose after the reporting date and do not require any adjustment.

## 5.7 CASH MANAGEMENT

- i. The governing Council of the College may invest the funds of the College that are not required for immediate use as it considers appropriate.

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- ii. The finance committee is responsible for the College's cash management system.
  - iii. The Finance Officer is responsible for the College's investment activities carried out in accordance with the policy established by the finance Committee.
  - iv. The finance Committee is responsible for developing, implementing, and maintaining a cash management system that meets the following objectives:
    - a. Provide the capacity to forecast operating cash requirements and provide an early warning system for potential problems.
    - b. Assist the finance Office in maximizing the rate of return on the investment of College cash balances by providing cash flow forecasts that establish the amount of cash needed to meet daily working capital requirements as well as the amount of cash that can be committed to long-term rather than short-term investments.
    - c. Identify individual accounts and funds that contribute to negative cash flow situations and recommend corrective action steps.
    - d. Establish and maintain appropriate corporate banking relationships to provide for the receipt and disbursement of all College funds.
  - v. The financier Office will report on the performance of the Investments at each meeting of the Investment Committee.

### 5.7.1 PLACE OF DEPOSIT

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- i. Cash must be deposited with the finance Office or at designated Banks.
- ii. Cash must be physically be protected through the use of vaults, locked cash drawers, cash registers, locked metal boxes, etc.

### 5.7.2 SEPARATION OF DUTIES

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Accountability for the handling of cash must be assigned to a specific individual or individuals and there must be a clear separation of duties between the individual(s) receiving cash and the individual(s) responsible for maintaining the accounting records.

### 5.7.3.PRIVATE USE OF BALANCES

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All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous expenses or be paid into the petty cash float. Personal or other cheques must not be cashed out of money received on behalf of the College.

## 5.8.INVENTORY MANAGEMENT

Inventory management involves the planning, monitoring, and control of the College’s inventory to ensure it is efficiently utilized, and costs associated with holding and replenishing inventory are minimized. Effective inventory management is crucial for the College to meet the institutional demand, avoid stockouts or overstock situations, and optimize working capital. Here are key elements and best practices in inventory management:

- i. The principal is responsible for establishing adequate arrangements for the custody and control of stores and for ensuring that such stores are adequately protected against loss and misuse. The systems used for stores accounting in must have the approval of the Finance Officer.
- ii. Principal is responsible for ensuring that annual inspections and stock checks are carried out. Stores of a hazardous nature must be subject to appropriate security and health and safety checks.
- iii. Stocks which require valuation in the statement of financial position must go through stock-taking procedures approved by the Finance Officer.
- iv. Stock-taking must take place at least once a year and where continuous stock records are not maintained this must be at 31st December each year.
- v. The stock figure must be produced by carrying out a full stock count by a nominated officer, or by maintaining continuous stock records which have been undertaken on a cyclical basis.
- vi. Such counts will be subject to audit checks. The Finance Officer must approve any method other than that outlined above, of valuing stock.
- vii. Stock must be reconciled to the College's financial records.
- viii. If an item of stock is still usable but no longer required by the holding Unit then it should be offered to other similar Units before disposal takes place. Other alternatives should be considered such as charity donations prior to disposal.

- ix. A Board of Survey shall have the responsibility for the disposal of written off and unusable items of stock.
- x. Once disposal has been agreed upon, the item should be removed from the physical stock location and counted to compare with the quantity held in the stock management and any adjustments to the quantity accounted for.
- xi. The stock item should then be disposed of in accordance with the laid down procedure including the procedures for disposing of hazardous substances and chemicals.
- xii. For future reference and auditing purposes the Head of Stores should retain documentation of all types of disposals of stocks.

## 5.9. TRAVELS

### 5.9.1 OVERSEAS TRAVEL

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- i. All arrangements for overseas travel must be in accordance with the Atebubu College of Education International Travel Policy. Any approvals required must be obtained in advance of committing the College to those arrangements or confirmation of any travel bookings.
- ii. Where spouses, partners or other persons unconnected with the College intend to participate in a trip, this must be clearly identified in advance. In these circumstances, the College will not arrange or pay for the travel but will re-imburse the individual for the business portion of the cost.



## 5.9.2 LOCAL TRAVEL AND SUBSISTENCE

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The following conditions apply to travel and subsistence expenses:

- i. Only actual expenditure incurred on College business will be reimbursed, in accordance with the rates set by the Finance Committee.
- ii. Supporting vouchers for the cost of accommodation, food and other items of expenditure must be produced.
- iii. Where a claim is made for use of an employee's vehicle the vehicle must be adequately insured.
- iv. Subsistence expenses will only be paid where the employee is required to be away from their normal place of work.
- v. Employees cannot be reimbursed for the cost of travel between home and normal place of work other than in exceptional circumstances unless the principal gives prior written consent.
- vi. Expense claims for employees' own mobile telephone calls and rental costs are not normally reimbursable.
- vii. No one shall authorize reimbursement of his or her own expenses. Claims should, be approved by the principal
- viii. Requests for advances must be made on Atebubu College of Education Accountable Impress forms giving details of dates and places to be visited and a breakdown of the advance required. Claimants must submit full documentation promptly.
- ix. Accounting for the claims against advances must be completed within one week of the return from the trip.

## 5.10 INTERNAL AUDIT

- i. The prime responsibility of the Internal Audit Unit is to provide Council, the Principal and the other managers of the College with assurance on the adequacy and effectiveness of the internal control system, including risk management and governance. It also seeks to ensure that propriety, efficiency, economy and effectiveness are achieved in all areas of the College's activity.
- ii. Responsibility for internal control remains fully with management. The Internal Audit Unit should provide 'reasonable assurance' on the effectiveness of the internal controls being implemented to provide guarantees against material errors, loss or fraud.
- iii. The Internal Audit Unit may also provide advice, especially before new or revised systems are to be introduced, subject to the need to maintain their independence.
- iv. The Internal Audit is required to report periodically to the College Audit Committee through the principal on the work of the Unit and to give an opinion on the status and reliability of internal controls within the College.
- v. The head of Internal Audit is to ensure that the College's accounting procedures and internal control systems are audited and report submitted in accordance with the provisions of the Internal Audit Agency Act, 2003 (Act 565) and standards, guidelines and instructions issued by the Internal Audit Agency Board in line with the Act.
- vi. The Auditor General is responsible for the external audit of the accounts of the College.

- vii. The primary role of external audit is to report on the College's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds.
- viii. The External Auditors will audit the College's books of account and report on the College's annual financial statements to the Finance Committee and the Council of the College at the meetings which consider and approve these. They will in their report:
- Express whether, in their judgment, the financial statements accurately represent the balances at the year-end and the income and expenditure for the corresponding year, providing a true and fair view.
  - Indicate if, in all significant respects, funds utilized by the College from various sources for specific purposes have been appropriately allocated to those purposes and, when applicable, effectively managed in adherence to applicable legislation.

### **5.10.1 COLLEGE AUDIT COMMITTEE**

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The Audit Committee is a high-level corporate governance committee.

### **5.10.2 ESTABLISHMENT OF AUDIT COMMITTEE**

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There is established by this PFM Act, an Audit Committee that shall serve a particular covered entity or any other covered entities in a sector.

### 5.10.3 COMPOSITION OF AUDIT COMMITTEE

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- i. An Audit Committee consists of five members.
- ii. The majority of members of an Audit Committee shall be independent members.
- iii. The Internal Audit Agency and the Institute of Chartered Accountants, Ghana shall nominate the majority of members from among persons who do not work in the covered entity to which the Audit Committee relates and two other members shall be nominated by the Principal Account Holder.
- iv. The chairperson of an Audit Committee shall be elected from among the independent members of the Committee.
- v. Without limiting subsection (2), an Audit Committee may, in the performance of its functions under this Act, co-opt a senior management personnel to serve on the Audit Committee.
- vi. The Principal Account Holder shall appoint the chairperson and members of an Audit Committee.

### 5.10.4 ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

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#### Mandatory Roles and Responsibilities

An Audit Committee shall ensure that the head of a Atebubu College of Education,

- (a) pursues the implementation of any recommendation contained in:
  - i. an internal audit report;

- ii. Parliament's decision on the Auditor-General's report;
  - iii. Auditor-General's Management letter and
  - iv. The report of an internal monitoring particularly, in relation to financial matters raised; and
- (b) prepares an annual statement showing the status of implementation of any recommendation contained in
- i. an internal audit report;
  - ii. Parliament's decision on the Audit-General's report;
  - iii. Auditor-General's management letter;
  - iv. the report on financial matters raised in an internal monitoring unit of a covered entity, and
  - v. any other related directive of Parliament.

### **Advisory Roles of the Audit Committee**

- i. Providing advice on sound, transparent and reliable financial management practices.
  - ii. Ensuring the risk management process is comprehensive and effective.
  - iii. Helping achieve organization-wide strong and effective internal controls in the covered entity.
- i. Ensuring the internal auditors' access to the audit committee, encouraging communication beyond scheduled committee meetings.
  - ii. Reviewing internal audit plans, charter and assessment reports
  - iii. Follow up on significant issues, investigation, and disciplinary actions.

- iv. Reviewing audit report for assurance on efficiency, effectiveness and economy
- v. Ensuring the development, approval and update of the code of conduct.

### **Authority of the Audit Committee**

The Audit Committee shall, in the discharge of its roles and responsibilities, be authorised and entitled to the following:

- i. Unrestricted access to management, employees and all relevant records, books, vouchers and other documents relating to the audit report of the covered entity under discussion.
- ii. Obtain professional advice from relevant government organizations, when necessary.
- iii. Authorize investigations into any matters within its scope of responsibility.
- iv. Resolve any disagreements between management and the internal auditor.

### **Role of Internal Auditor at Audit Committee Meetings**

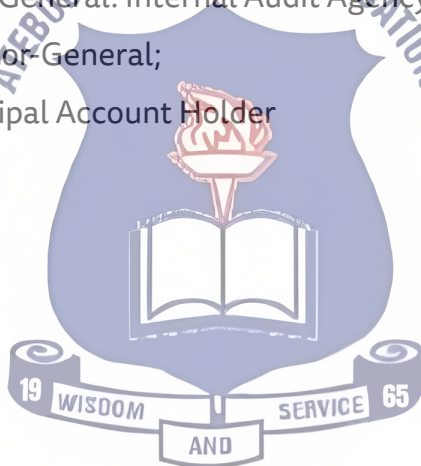
- i. The Internal Auditor shall perform the following functions at Audit Committee Meetings;
- ii. Present Audit Reports.
- iii. Provide explanation to issues contained in the report.
- iv. Provide guidance to the Committee on risk, internal controls, governance and other issues that come before the Committee.

## 5.10.5 AUDIT COMMITTEE REPORTING

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Further to the reporting requirements under Section 88 (1b) and 88 (2c) of the Public Financial Management Act, 2016 (Act 921) the Audit Committee shall annually submit a report on its activities to the under listed;

- i. The Office of the President;
- ii. Parliament
- iii. The Minister for Finance
- iv. Sector Minister;
- v. Director-General. Internal Audit Agency
- vi. The Auditor-General;
- vii. The Principal Account Holder



# 6.0 STAKEHOLDERS

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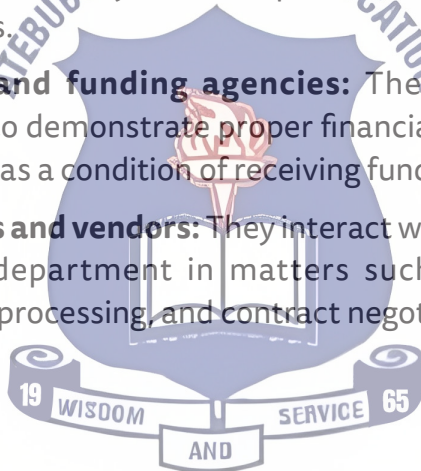
## 6.1 INTERNAL STAKEHOLDERS

- i. College Management Team:** They are responsible for overseeing the development and implementation of Financial Management Policies and ensuring compliance with relevant regulations and standards.
- ii. Finance Committee:** They play a key role in implementing financial management policies, including budgeting, accounting, and financial reporting.
- iii. Department heads:** They may be involved in budget planning and decision-making related to resource allocation within their departments.
- iv. Procurement Unit:** They ensure that purchases are made in accordance with financial policies and procedures and that appropriate controls are in place to prevent fraud or misuse of funds.
- v. Internal auditors:** They assess the effectiveness of financial management processes and controls, identify areas of risk or non-compliance, and make recommendations for improvement.



## 6.2 EXTERNAL STAKEHOLDERS

1. **Regulatory bodies or government agencies:** They set financial regulations and standards that colleges must comply with and may conduct audits or reviews to ensure compliance.
2. **Accrediting bodies:** They may require colleges to demonstrate sound financial management practices as part of the accreditation process.
3. **External auditors:** They conduct independent audits of the college's financial statements to provide assurance on their accuracy and compliance with accounting standards.
4. **Donors and funding agencies:** They may require colleges to demonstrate proper financial management practices as a condition of receiving funding or grants.
5. **Suppliers and vendors:** They interact with the college's finance department in matters such as invoicing, payment processing, and contract negotiation.



# 7.0 MONITORING AND EVALUATION

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The monitoring and evaluation of this policy shall be overseen by the following:

- i. **Central Management**- Governing Council
- ii. **Middle Management** - College Management
- iii. **Lower Management**- Heads of Department



## 8.0 RESPONSIBILITY FOR IMPLEMENTATION

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The overall responsibility for the implementation of the Financial Management Policy is vested in the College Governing Council.

The College Principal and Academic Board shall be responsible for the day-to-day administration and implementation of this policy.



## 9.0 RESPONSIBILITY FOR MONITORING AND COMPLIANCE

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The College Principal, the Academic Board shall be delegated to ensure the compliance, monitoring and evaluation of the effectiveness of the policy.

### 9.1 APPROVAL BODY

The College Governing Council

### 9.2 INITIATING BODY

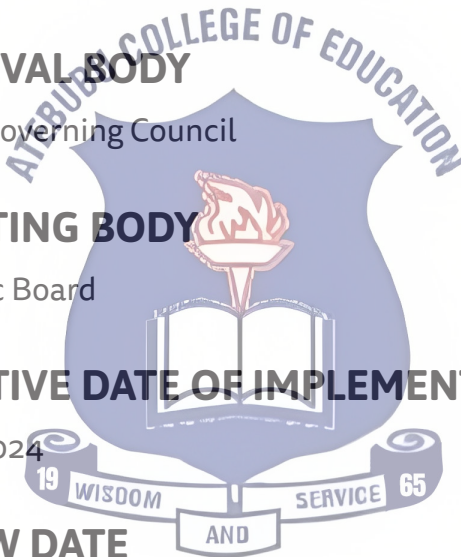
The Academic Board

### 9.3 EFFECTIVE DATE OF IMPLEMENTATION

1st January, 2024

### 9.4 REVIEW DATE

Three (3) years from the effective date (January, 2024 to January, 2027)



## 10.0 RELATED LEGISLATION

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Colleges of Education Act 2012 Act (847)

### 10.1 RELATED POLICY AND OTHER DOCUMENTS:

Harmonized Statutes for Colleges of Education

Harmonized Scheme of Service for Colleges of Education

Harmonized Condition of Service for Colleges of Education

### 10.2 OWNER / SPONSOR

College Governing Council

### 10.3 AUTHOR

Academic Board



# 11.0 FURTHER INFORMATION

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Contact the College Principal for any further information regarding this policy document as and when necessary:

## The Principal

Atebubu College of Education

P. O. Box 29

Atebubu

Bono East Region

[principal@atecoe.edu.gh](mailto:principal@atecoe.edu.gh)



## 12.0 SOCIAL MEDIA HANDLES

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The following are the official social media handles of the College:

- i. Facebook-Atebubu College of Education
- ii. X-@atecoe\_official
- iii. Instagram-@atecoe\_official
- iv. YouTube-@Atebubu College of Education
- v. WhatsApp-line-0200288320



# ANNEXES

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## FINANCIAL GOVERNANCE STRUCTURE

### A. COLLEGE GOVERNING COUNCIL

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The Council oversees the management and administration of the College, with its main financial duties being:

- i. Collaborate with relevant bodies to develop the College's strategic vision, mission, long-term academic and business plans, and key performance indicators.
- ii. Establish the authority limits governing the financial use of the College.
- iii. Supervise and oversee the College's property, funds, and investments, including the authority to sell, buy, exchange, lease, and accept leases for such property on behalf of the College.
- iv. Secure loans on behalf of the College and utilize the College's property as collateral.
- v. Exercise control over the College's finances, addressing any financial questions arising from the administration or policy execution of the College or the fulfilment of Trust obligations requiring the College's involvement.
- vi. Monitor the distribution of funds available to the College, with recurrent grants typically provided as block grants unless otherwise decided by the Council. These funds are



allocated for the College's central activities, for which it holds full responsibility, and for the general income of its Units.

- vii. Annually decide on the necessary spending for capital and revenue investments, property maintenance, and human resources to conduct the College's business, and allocate funds for these purposes.
- viii. Ensure that management adhere to Government approved fees for students.
- ix. Ensure the College adheres to the Government's audit code of practice.
- x. Approve the annual financial statements.
- xi. Approve and authorize the opening and closing of bank accounts.

## **B. COLLEGE PRINCIPAL**

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The principal as the head of the College shall:

- i. Hold responsibility for steering the overall growth and advancement of the College under the guidance of the Council, exercising comprehensive authority over academic, financial, and administrative oversight.
- ii. Annually present to the Council a statement outlining the financial and human resource requirements deemed essential for the efficient operation of the College.
- iii. Seek approval for the management of budgets and resources, operating within the parameters endorsed by the Council.

- iv. Provide advice to the Council and Academic Board on issues influencing the policy, finance, governance, and administration of the College.
- v. Grant approval for all accounting procedures and financial records, ensuring these procedures prioritize integrity, accountability, and compliance with guidance from both internal and external auditors.
- vi. When necessary, provide justifications for any financial matters of the College to the Public Accounts Committee of Parliament.
- vii. Ensure adherence to the Public Procurement Act, 2003 (Act 663)

## COMMITTEE STRUCTURE

The College Governing Council holds the ultimate accountability for managing the financial aspects of the College. The primary committees responsible for handling financial affairs are outlined below, and these committees are answerable to the College Governing Council.

## FINANCE COMMITTEE

This committee manages the College's finances and assets in alignment with its mandate:

- A. In carrying out this responsibility, the Committee will offer guidance to the Council on:**
  - i. The financial well-being and solvency of the College;
  - ii. Protection of the College's assets;
  - iii. Financial strategy;

- iv. Medium-term financial projections and the yearly budget;
- v. Financial matters arising from the annual financial statements;
- vi. The creation and dissolution of subsidiary companies and trusts affiliated with the College;
- vii. The development of finance and resource objectives within the College's operational activities.

**B. The Committee is also granted the authority to:**

- i. Evaluate and oversee the overall financial performance of the College;
- ii. Guarantee that the College adheres to the annual financial plan sanctioned by the Council;
- iii. Establish an effective framework for financial management;
- iv. Implement efficient procedures for procurement and contract approval
- v. Ensure funds are utilized in compliance with the laws of Ghana and the regulations of the College or any corresponding obligations from other funding entities
- vi. Review and assess the financial performance of the Students' Representative Council and the College's subsidiary companies and trusts
- vii. Open and close bank accounts on behalf of the College, following the College's requirements, subject to subsequent approval by the Council.
- viii. All executive decisions concerning borrowing, investment or financing (within policy parameters) shall

be delegated to the Finance Officer who will prepare procedures including an appropriate reporting system. All borrowing shall be undertaken in the name of the College.

- ix. Details of bank mandates and of authorized signatories and limits shall be provided for in the procedures which are available internally to the Finance Directorate. Details of bank mandates and of authorized signatories shall be approved by the Finance committee
- x. Officers responsible for committing, certifying, or authorizing the receipt/ disbursement of funds shall judiciously and honestly carry out their duties in the best interest of the College. For this and other control reasons, two signatures are required on all cheques drawn on the Atebubu College of Education-controlled bank accounts.

## **ENTITY TENDER COMMITTEE**

- i. Scrutinizes procurement plans to guarantee alignment with the College's objectives and operations;
- ii. Validates the acceptable cost range for items to be procured and aligns them with the available funds within the approved budget;
- iii. Reviews procurement schedules and specifications, ensuring strict adherence to the stipulations of the Public Procurement Act, 2003 (Act 663);
- iv. Secures the necessary concurrent approval from the relevant Tender Review Board, based on the applicable threshold outlined in the Third Schedule to the Public

Procurement Act, 2003 (Act 663), before contract awards;

- v. Streamlines contract administration, ensuring compliance with all reporting requirements mandated by the Procurement Act, 2003 (Act 663);
- vi. Oversees the disposal of stores and equipment in accordance with the Procurement Act, 2003 (Act 663).

## **OFFICERS WITH SPECIAL FINANCIAL RESPONSIBILITIES**

### **A. FINANCE OFFICER**

The day-to-day financial administration of the College is controlled by the Finance officer, who shall, under the principal, be responsible for the financial business of the College and for such other business as Council may prescribe.

The specific responsibilities of the Finance Officer are described throughout this Financial Regulation and include the following:

- i. preparing annual capital and revenue financial plans;
- ii. calling for and receiving moneys due the College and making the authorized payments on behalf of the College;
- iii. Ensuring that proper books of accounts and records of the properties of the College are kept in a manner and form required by Financial law
- iv. preparing accounts and management information monitoring and controlling income and expenditure against financial plans and all financial operations;

- v. preparing the College's annual accounts and other financial statements, and accounts which the College is required to submitting same to other authorities;
- vi. ensuring that the College maintains satisfactory financial systems;
- vii. providing professional advice on all matters relating to financial policies and procedures;
- viii. liaising with internal and external auditors in order to achieve efficient processes and effective internal control processes.
- ix. The Finance Officer will report to the Finance Committee on the activities of the Treasury operations and on the exercise of treasury powers delegated to him/her.
- x. The Finance Officer with the authorization of the principal may open or close bank accounts with the College's bankers. All requests to the College's bankers to open or close a bank account shall be in writing and signed by both the Finance Officer and the principal.
- xi. The Finance Officer shall inform the Finance Committee whenever an account has been opened or closed.
- xii. All bank accounts shall be in the name of the College.
- xiii. A summary of all bank accounts must be reported annually.
- xiv. The Finance Officer is responsible for ensuring that College bank accounts are regularly reconciled, and that there are adequate procedures to ensure security Signatories to bank accounts

## **B. INTERNAL AUDITOR**

The Internal Audit shall:

- i. assure Management regarding the establishment and continuous operation of efficient and effective financial control systems within the College;
- ii. have responsibility of ensuring that Risk Management policies are complied with and ensure that a regular review of the processes are maintained by management;
- iii. conduct periodic staff, departmental and management audits and submit reports to the principal
- iv. liaise with External Auditors and ensure that appropriate action is taken on reported audit findings;
- v. submit periodic audit reports on the activities of the college to the principal
- vi. generally, be responsible for ensuring that the College complies with the state legislations.

## **BUDGET GUIDELINE**

The various departments and Units will prepare their budgets in line with the Budget Guidelines issued by the Finance committee. Prior to the preparation of their budgets, briefings shall be organized by the Budget Officer to discuss issues relating to the budgets.

## **BUDGET PREPARATION**

Each year, in advance of the financial year to which they refer, The Finance Committee will determine the priorities for expenditure taking into account available funds and the strategic priorities of the College. The Budget Officer will

prepare the budgets, both revenue and capital, on this basis, for consideration by the Finance Committee, before submission to the Council.

In preparing the budget there shall be allocation for scholarship for brilliant but needy to enhance their potentials in achieving their goals in the college.

These budgets should include:

- i. Revenue budget;
- ii. Capital budget;
- iii. Monthly cash flow forecast;

## ACCOUNTING GUIDELINES

- i. The Accounting Guidelines are the specific principles, bases, conventions, rules and practices adopted in preparing and presenting financial statements in the College. The Accounting Guidelines clarify how the relevant accounting standards apply to individual transactions and balances.
- ii. The Council is responsible for accounting for the College's financial activity.
- iii. The accounting guidelines on which the financial statements of the College are produced should be in accordance with applicable accounting standards and consistent with the requirements to present a true and fair view.
- iv. The constraints that the College should take into account in judging the appropriateness of accounting policies to its particular circumstances are:



- a. the need to balance the four objectives (relevance, reliability, comparability and understandability); and
- b. the need to balance the cost of providing information with the likely benefit of such information to users of the financial statements.
- v. No changes shall be made to the accounting guidelines except by the authority of the Finance officer with approval from the Finance Committee.
- vi. The financial statements will be prepared under the historical cost convention, except where stated otherwise.
- vii. The financial statements shall be prepared in accordance with generally accepted accounting principles. The Accounts submitted by the College shall be in accordance with the guideline. The Financial Statements for the Atebubu College of Education shall include:
  - a. A Statement of Financial Position showing the assets and liabilities at the end of the year;
  - b. a Statement of Financial Performance for the year;
  - c. The accounting guidelines and explanatory notes that form part of the accounts.

## INCOME

- i. Income is recognized to the extent that it is probable that the economic benefits will flow to the College and the revenue can be reliably measured.
- ii. Income is also recognized when cash or services associated with the transaction flow to the College. For cash transactions, the income is recognized on receipt of payments. For other transactions, income is recognized

when it is earned by law or contract (e.g., goods or service are supplied by the College).

- iii. Government appropriations, grants and donations are recognized as income in the financial year in which they are received.
- iv. Academic and Residential Facility User fees charged are applicable to one academic and financial year and are recognized in that year.
- v. Returns from college investments (farms etc. ) may be recognized as income.
- vi. Interest Income: Income is recognized as interest accrued.
- vii. Rendering of services: Income, involving the rendering of services, is recognized to the extent the service has been provided and it is probable and can be reliably measured. Where the contract outcome cannot be measured reliably, income is recognized only to the extent that expenses incurred are eligible to be recovered.
- viii. The Colleges endowments fund which is generated from its operations such as farms etc. may be recognized as income.
- ix. Philanthropic donations from individuals, corporations, and foundations may be recognized as income.
- x. Auxiliary Enterprises such as bookstores, cafeterias, housing facilities, and recreational service.

## EXPENDITURE

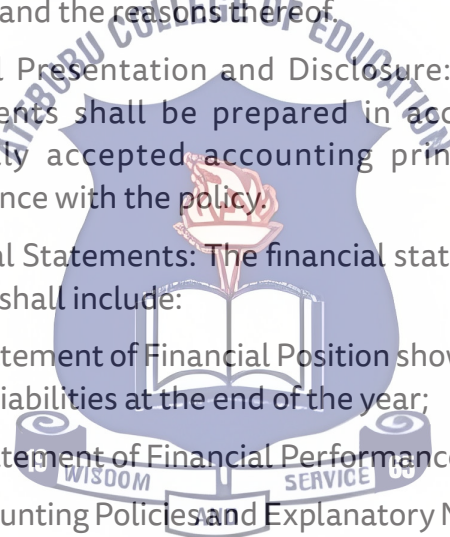
Expenditures are payments made in respect of financial transactions by the College and liabilities incurred in relation to the reporting period for goods and services received from vendors.

- i. The College recognizes expenditure when goods or services from suppliers are delivered to the College. Expenditure is also recognized when an obligation has occurred.
- ii. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, form part of the cost of that asset.
- iii. Research costs
- iv. Endowment asset investments

## REPORTING REQUIREMENTS

### RESPONSIBILITIES

- i. It is the responsibility of the Finance Officer to prepare the financial statements of the College. The financial statements shall cover all transactions and events of the College that utilize budgetary allocations from the College's Funds.
- ii. Reporting Period: The financial year of the College shall extend from the first day of January until the thirty-first day of December. The annual financial statements shall be prepared and submitted on or before the 31st of March in the following year to the Auditor-General for audit.

- 
- iii. Reporting Currency: The consolidated financial statements are presented in Ghana Cedis, which is the College's functional and presentation currency.
  - iv. Disclosure of Accounting Policies: The policies used in the preparation of the accounts should be the Generally Accepted Accounting Principles and in accordance with Section 38(1 and 2) of the Financial Administration Act, 2003 (Act 654). The policies used for the preparation of the accounts shall be disclosed in the notes to the accounts as well as any significant departures from the policies and the reasons thereof.
  - v. General Presentation and Disclosure: The financial statements shall be prepared in accordance with generally accepted accounting principles and in compliance with the policy.
  - vi. Financial Statements: The financial statements for the College shall include:
    - a. a Statement of Financial Position showing the assets and liabilities at the end of the year;
    - b. a Statement of Financial Performance for the year;
    - c. Accounting Policies and Explanatory Notes that form part of the accounts
  - vii. The Statement of Financial Position presents the College's financial position at a specific point in time. The adopted format provides how detailed sub-classifications are to be presented and what information is to be disclosed on the face of the Statement of Financial Position or in the notes in addition to the minimum requirements.
  - viii. The following items, as a minimum, have to be presented on the face of the Statement of Financial Position:

- a. Assets
- b. Liabilities
- c. Net Assets
- d. Financing which is made up of:
  1. General Reserve Fund
  2. Endowment Funds Assets

## ASSETS

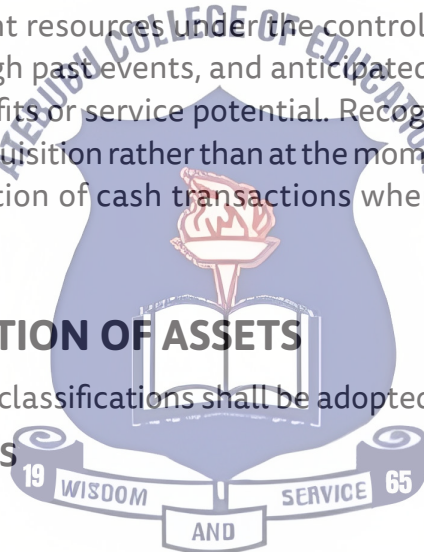
Assets represent resources under the control of the College, acquired through past events, and anticipated to yield future economic benefits or service potential. Recognition of assets occurs upon acquisition rather than at the moment of payment, with the exception of cash transactions where both actions coincide.

## CLASSIFICATION OF ASSETS

The following classifications shall be adopted under Assets:

### FIXED ASSETS

- a. Land
- b. Buildings
- c. Furniture and Equipment (by type)
- d. Vehicles (by types)
- e. Information Technology Assets (Hardware and Software)
- f. Biological Assets



## **LONG TERM INVESTMENT**

### **CURRENT ASSETS**

- a. Inventories
- b. Accounts Receivable (by type)
- c. Prepayments (by type)
- d. Student Fees Receivable
- e. Short-term Investments
- f. Cash at Bank and Cash Equivalents
- g. Other Current Assets

### **LIABILITIES**

Liabilities are obligations or debts that a College owes to external parties. They represent claims against a College's assets.

### **CLASSIFICATIONS OF THE COLLEGE LIABILITIES**

The following classifications shall be adopted under Liabilities:

- a. Liabilities in excess of one year
- b. Borrowings
- c. Suppliers' Invoice Payable and Accrued Expenses
- d. Student Deposits
- e. Provisions for Employee Entitlements
- f. Other Provisions
- g. Contingent Liabilities

## NET ASSETS

Net Assets is the difference between the total value of all assets and the total value of all liabilities.

The Composition of Net Assets includes:

- a. Accumulated Fund (Surplus/Deficit)
- b. Deferred Capital Grants
- c. General Reserve Fund
- d. Endowment Funds
- e. Expendable
- f. Restricted funds designated for specific College activities
  - i. Special Research Funds
  - ii. Employees Housing Loan Scheme Fund
  - iii. Research and Awards Fund

