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The COMESA Federation of National Associations

Women in Business (COMFWBFWB)

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**The COMESA Federation of National Associations of Women in Business (COMFWB)**

**DRAFT**

**FINANCIAL RULES**

***(September 2020)***

9-2019(BC-pm)

**PART A: FINANCIAL RULES**

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## PREAMBLE

**HAVING REGARD** to Article 15 (1)(e) of the COMFWB Charter empowering the COMFWB Board of Directorsto make Rules to regulate financial management of COMFWB;

**HAVING REGARD TO** Article 15(2) of the COMFWB Charter (“the Charter) empowering the Board of COMFWB to make Rules of Procedure subject to the approval of the General Assembly ;

## NOW, THEREFORE, COMFWB Board of Directors hereby adopts these Financial Rules, in the Arabic, English, Portuguese and French languages, all the languages being equally authentic.

## CHAPTER I

**GENERAL PROVISIONS**

#### **Rule 1**

**Title**

These Financial Rules shall be called the COMFWB Financial Rules (hereinafter referred as the “Rules”).

#### **Rule 2**

## Definitions

In these Rules unless the context provides otherwise:

**"Advance"** means cash payment given to a staff member to enable him discharge an approved obligation to a supplier;

**“Board”** means Board of COMFWBers as appointed under Article 12 of the Regulations of COMFWB;

**“Bureau of the Board ”** means Chairman, Vice-Chairman and Rapporteur elected in accordance with the Rules of Procedure of the meetings of the Board;

"**COMFWB**" means the The COMESA Federation of National Associations of Women in Business in Eastern and Southern Africa as established under Article 2 of the Charter;

**“Common Market”** means Common Market of Eastern and Southern Africa (COMESA) as established under Article 1 of the COMESA Treaty;

**"COMESA dollar"** means the Unit of Account of determined by the Council under Article 74 of the Treaty;

"Committee" means the Committee on Finance and Administration as constituted by the COMFWB Board under Rule;

**"Council"** means the COMESA Council of Ministers of the Common Market established by Article 7 of the COMESA Treaty;

**“Dependants**” means one registered dependant spouse and or a maximum of four registered dependant children as provided as defined in the COMFWB Staff Rules ;

**"Executive Director"** means the Executive Director of the COMFWB;

"Division***”*** means a Division or Department of COMFWB as provided for by Rule 13(2) of the COMFWB;

**“Excess expenditure”** means expenditure incurred without the authority provided for in these Rule*s;*

**“Financial Manual”** means manual containing set of detailed administrative and financial policies approved by the Board;

**"Imprest"** means a sum of money given to a staff member to make authorised disbursements;

 **“Intergovernmental Committee”** means the Intergovernmental Committee established by Article 17 of the Treaty;

“Member State” means a Member State of COMESA;

"Secretary General" means the Secretary General of the Common Market provided for by Article 17 of the COMESA Treaty;

“Sub-Committee” means the COMESA Sub-Committee on Audit and Budgetary Matters which reports to the COMESA Administrative and Budgetary Matters established under Article 15(1a) of the Treaty; and

 “Treaty” means the Treaty establishing the Common Market for Eastern and Southern Africa.

**Consulting services**” refer to services of a professional nature provided by consultants using their skills to study, design, organize, and manage projects, advise clients, and when required build their capacity.

“**disposal**” means the sale of stores whether excess, surplus, obsolete or salvage property by the Secretariat or under the authority of the Secretariat and includes the transfer by way of donation, abandonment or destruction of such stores or property;

**“Dispute”** means a disagreement concerning the legal rights and obligations of contracting parties which, if not settled by mutual agreement, must be referred to a neutral third party for resolution;

“**fraudulent practice**” includes a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Secretariat, and includes collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and deprive the Secretariat of the benefits of free and open competition;

“**Purchase description**” means the words used in a solicitation to describe the goods, services, consultants or works to be purchased and includes specifications attached to, or made part of, the solicitation;

“**works”** means the construction, repair, renovation or demolition of buildings, roads or other structures, installation of equipment and materials, decoration, as well as services incidental to works;

**Rule 3**

**Objective**

1. These Rules are the directives established by the Board to govern the financial administration of COMFWB.
2. These Rules shall be used by all officers who are directly or indirectly engaged in financial operations of COMFWB.

**Rule 4**

**Applicability**

These Rules together with the financial and administrative policies contained in the Financial Manual approved by the Board shall govern all financial administration and management of COMFWB.

#### **Rule 5**

## Standard of Conduct

All officers, directly or indirectly involved in the financial administration of COMFWB shall conduct themselves in a manner consistent with the highest professional, ethical and moral standards.

#### **Rule 6**

## Financial Reporting Framework

#### The Executive Director shall apply generally accepted financial reporting framework which together with other financial and management controls shall ensure that the financial transactions of COMFWB are carried out in a consistent and acceptable basis, and are properly accounted for in accordance with International Financial Reporting Standards(IFRS). Projects will follow the accounting requirements of their respective development partners and or Generally Acceptable Accounting Principles(GAAP).

####  The Executive Director, as Chief Accounting Officer of COMFWB shall be responsible to the Council through the Board for the proper administration of the funds of COMFWB, provided that the Executive Director may delegate any of the powers required to be performed under these Regulations.

## Rule 7

**Financial Year**

##### The financial year of COMFWB shall start on the 1st January and end on the 31stDecember of each year.

##### CHAPTER II

 **BUDGET**

#### **Rule 8**

**Preparation and Submission of Draft Budget**

1. The draft annual budget of COMFWB shall be prepared by the Executive Director. The Executive Director shall submit the draft budget to the Board for approval before presenting to Council through the Sub-Committee on Audit and Budget, the Committee on Administrative and Budgetary matters and the Intergovernmental Committee for approval.
2. The Board shall approve the utilisation of the subscriptions and any other funds collected by COMFWB and and include approved utilization in the main budget that shall be submitted to Council through the Sub-Committee on Audit and Budget, the Committee on Administrative and Budgetary matters and the Intergovernmental Committee.

#### **Rule 9**

**Contents of the Budget**

1. The draft regular budget shall show clearly the amount of money to be spent on each recurrent, capital and programme items as well as income for the financial period to which it relates and shall be expressed in COMESA dollars.
2. The budget for the utilisation of the fees collected shall contain the projected income and expenditure to be financed from the fees.

**Rule 10**

**Basis of the Budget**

The draft budget, including recurrent, capital and programme shall be prepared on the basis of the annual work programmes prepared on best estimated costs. The Executive Director shall annually call for the estimates of expenditure from heads of Divisions and/or Units and set out the dates by which the estimates should be submitted and the conditions governing their preparation.

#### **Rule 11**

 **Submission of Draft Estimates by Heads of Division**

1. Division and/or Unit heads shall submit to the Director Finance and Administration draft work programmes and cost estimates of their respective Divisions for the following financial year.
2. The estimates of staff costs and operational costs of COMFWB shall be prepared by the Finance and Administration Manager.

#### **Rule 12**

**Final Draft Budget**

1. On the basis of the work programmes and estimated costs submitted by the Division or Unit Heads, Director Finance and Administration shall prepare the initial draft budget which shall be examined at a meeting of the Division and/ or Unit heads under the Chairmanship of the Executive Director.
2. The Director Finance and Administration shall then prepare a draft budget to be approved by the Board and thereafter presented to the the Sub-Committee on Audit and Budget, the Committee on Administrative and Budgetary matters and the Intergovernmental Committee.

#### **Rule 13**

**Communication of Draft Budget**

 The draft budget shall be communicated to members of the Sub-Committee on Audit and Budgetary matters at least one month before the meeting of the Sub-Committee.

#### **Rule 14**

 **Draft Budget to Council**

The Chairperson of the Administrative and Budgetary Matters Committee shall present the draft budget to the Council for approval through the Intergovernmental Committee.

#### **Rule 15**

## Division of Draft Regular Budget

The draft regular budget shall be divided into Recurrent, Capital and Programme Budgets.

###### **Rule 16**

###### **Division of Recurrent Budget**

The Recurrent Budget shall be divided into budget items.

#### **Rule 17**

## Division of Capital Budget

The Capital budget shall be divided into budget items.

#### **Rule 18**

## Division of Programme Budget

The Programme budget shall be divided into budget items.

#### **Rule 19**

#### **Statements to accompany Draft Budget**

The draft budget shall be accompanied by-

1. a detailed statement of estimated expenditures provided under each budget item and for purposes of comparison, the appropriations for the previous and current financial years shall be indicated alongside the estimates for the next financial year;
2. a statement of estimated income presented under the appropriate headings; and
3. an explanatory statement shall be presented for new expenditures or for extension of activities already undertaken.

#### **Rule 20**

## Approval of Draft Budget

The Council shall examine the draft budget and approve a final budget for the following financial year.

#### **Rule 21**

**Supplementary Budget**

1. The Executive Director shall submit supplementary budget proposals, which shall not exceed [3%] of the actual budget in the following events-
	1. When the voting of additional money is so urgent that the provision cannot be delayed until the next annual budget is approved; or
	2. When the monies required cannot be found by the budget reallocation process.
2. In any year where Council or the Board of Diectors of COMFWB (in the case of financial autonomy of the institution) are not able to call a meeting to approve the budget of COMFWB, the Bureau of Council or the Bureau of the Board of Directors, which ever shall be applicable, on recommendation of the Executive Director and shall allow him/her to incur operational expenditure for a period of three months subject to the submission of a supplementary budget.

#### **Rule 22**

**Format of Supplementary Budget**

The Supplementary budget shall be in the same form as the annual budget. The Supplementary budget shall be presented to the Bureau of Council of Ministers or the Board of Directors of COMFWB (in the case of financial autonomy) for approval and shall be subsequently submitted through the Committee and the Intergovernmental Committee to the Council for ratification.

#### **Rule 23**

**Reallocation of Funds**

Reallocation of funds can be done from one budget item to another which, as a result of circumstances, could not have been foreseen when the budget was prepared and approved.

#### **Rule 24**

#### **Limits of Reallocations**

In any financial year, the Bureau of theBoard of Directors of COMFWB upon the recommendation of the Director ofFinance and Administration through the Executive Director is authorised to reallocate funds from one budget item to another up to COMESA Dollars 25,000 or fifteen percent of the budget item whichever is higher. Reallocation of funds of more than COMESA Dollars 25,000 or fifteen percent of the budget item whichever is higher shall be done under the approval of the Board All reallocations shall be reported to the Council of Ministers and the General Assembly.

**Rule 25**

## Prohibition of Reallocation

Reallocation shall not be done to:

1. create a new budget line;
2. create a new post; or
3. alter any salary scale.

## Rule 26

**When Reallocation to be done**

All reallocations must be effected prior to incurring the expenditure in order to avoid excess expenditure.

#### **Rule 27**

#### **Excess Expenditure**

The Executive Director shall not incur excess expenditure.

## CHAPTER III

**DISBURSEMENT OF APPROPRIATIONS**

## Rule 28

**Obligations and Payments Limits**

Within the limits of the approved appropriations and subject to Rule 23, the Executive Director, may incur obligations and make payments for the purpose for which the funds were voted and up to the amounts so voted.

#### **Rule 29**

#### **Obligations**

Appropriations shall be available for obligations during the financial year for which they have been approved.

#### **Rule 30**

## Availability of Appropriations

Appropriations shall remain available following the end of the financial year to which they relate in so far as they are required to discharge obligations in respect of goods supplied and services rendered during the financial year, and for settlement of any other obligations of the financial year which have not yet been settled as per the provisions of the International Financial Reporting Standards (IFRS) and/or Generally Acceptable Accounting Principles (GAAP).

#### **Rule 31**

**Surrender of Appropriation**

1. The balance of any appropriation shall be surrendered after the liability has been settled.
2. Any unliquidated obligations of the financial year in question shall be transferred

 as an obligation against the reserve account.

#### **Rule 32**

##  Outstanding Obligations

1. An outstanding legal obligation shall be based on a contract, purchase order, agreement, or any other form of undertaking by COMFWB or by an authority recognised by COMFWB.
2. The obligation thus created must be supported by the appropriate document.
3. This obligation shall be carried as unliquidated during the period referred to in Rule 29, unless it has been previously liquidated.

#### **Rule 33**

**Responsibilities of the Executive Director**

The Executive Director shall be responsible to the Board for the management of the resources of COMFWB in accordance with these Rules and the internal controls established pursuant to Rule 66.

**Rule 34**

**Approval of Expenditure**

Proposals for incurring expenditure shall require approval by the Executive Director, or any authorised officer on certification as to the availability of funds by the Finance and Administration Manager.

**Rule 35**

**Approval of Imprest**

1. Heads of Divisions or Units may make request for imprest to meet normal expenditures expected during the running of activities outside the duty station.
2. This request shall be accompanied by a cost estimate of activities to be financed and shall require approval by the Executive Director, on the recommendation and certification as to the availability of funds by the Finance and Administration Manager.

**Rule 36**

**Unused Imprest**

1. Any unused imprest shall be submitted to the Director Finance and Administration within one (1) working day after return from the mission.
2. The Finance and Administration Manager shallbank the money on the same day or the following working day.

**Rule 37**

**Responsibility of Imprest holder**

1. The imprest holder shall within two (2) working days, after return from the mission, retire the imprest with accompanying documents to the Division of Finance and Administration.
2. Any shortfall of fund not accounted for shall be made good by the imprest holder from his/her salary.

**CHAPTER IV**

**INCOMES**

**Rule 38**

 **Sources of Income**

Financial resources of the Federation shall be derived from:

1. subscriptions payable by Members;
2. approved fees for services rendered by the COMFWB;
3. fines and penalties for non payment or late payment of membership fees;
4. budgetary allocation by COMESA Member States;
5. capital, loans, gifts, legacies, donations and income from fundraising activities of the Federation; and
6. any other miscellaneous Income that COMFWB may generate from publications, rent or consultancy services, amongst others.

**Rule 39**

**Member States Contributions**

1. COMFWB shall receive its contribution from the Secretariat on the basis of the approved budget and member states contributions.
2. Any unused contributions shall be transferred to the reserve of the Secretariat.

 **Rule 40**

 **Grants**

1. Grants refer to funds received from development partners with the approval of the Board to assist COMFWB carry out its mandate.
2. These funds are accounted for according to the grant agreements signed.

 **Rule 41**

**Fees**

Fees refer to funds payable to COMFWB in respect of Membership fees from COMFWB Chapters. The usage of the Membership fees shall be approvd by COMFWB Board. Any unutilised funds shall be transferred to the Reserve Fund of COMFWB.

 **Rule 42**

 **Fines and Penalties**

Fines and Penalties refer to funds which COMFWB charges its Chapters for non payment and late payment of Membeship Fees.

**Rule 43**

 **Miscellaneous Income**

Miscellaneous Income refers to proceeds from the renting of COMFWB's property, or from interests on loans accorded to personnel, or from other services rendered such as programmes, publications, consultancy and other services.

**Rule 44**

**Refunds of Expenditure from Previous Financial Year**

Funds representing refund of expenditures for the current financial year may be carried over to the credit of these accounts, but funds representing refund of expenditures relating to a previous financial year shall be carried over into the account of miscellaneous income.

 **Rule 45**

## Acceptance of Donations

The Executive Director may accept any donation to COMFWB, but when conditions are attached to such offers he or she shall seek the approval of the Board before acceptance.

**Rule 46**

#### **Monetary Donations**

Monetary donations accepted in respect of which no purpose is specified shall be considered as "grants" and shall be treated as Miscellaneous Income in the accounts.

 **Rule 47**

 **Official Receipts**

 All incomes of COMFWB shall be acknowledged by theDirector Finance and Administration who shall issue an official receipt supported by a bank advice slip. The official receipt shall be stamped and signed by the Division of Finance and Administration and shall be issued to the client.

 **Rule 48**

 **Refunds**

 Any refund of fees or any other income arising from any payments to COMFWB shall be approved by the Bureau of the Board.

##  Rule 49

 **Controls over unused receipt books**

1. Register of Receipt Books shall be maintained by Finance Division to record receipting and issuing of receipt books.
2. These Books shall be kept securely under lock and key and shall be physically verified on a regular basis. No alterations shall be made on receipts.
3. All cancelled receipts shall not be detached from the receipt book and shall be marked “CANCELLED”.
4. All completed receipt books shall be kept by the Director Finance and Administration for safe custody.

 **Rule 50**

 **Additional Rules to Receipt Books**

1. Only one receipt book shall be in use at any one time, and a new book started only when the old is completed.
2. All documents recording revenue should be serially numbered and the issues subsequently controlled.

**Rule 51**

**Checks on Documents**

1. The Director Finance and Administration shall carry out regular spot checks on documents for any instance of manipulation of carbons, alteration of official receipts or damage to receipt books, which may indicate sign of irregularities.
2. The Director Finance and Administration is responsible for ensuring that all revenues and income due to COMFWB are collected and properly accounted for in accordance with the laid down rules, regulations, and procedures.

**Rule 52**

 **Disposal of Used Receipt Books**

1. Used receipt books should be securely stored for a period of seven years. Director Finance and Administration shall recommend to the Director for his/her approval to destroy these documents at the expiry of seven years period.
2. Unused books that become obsolete or which are damaged shall be destroyed once approval is obtained from the Director under the personal supervision of Finance Manager.

**CHAPTER V**

**RESERVE FUND**

#### **Rule 53**

## Establishment of Reserve Fund

 A reserve fund for COMFWB shall be established by the Board and shall be housed in the host country.

#### **Rule 54**

#### **Receipts into the Reserve Fund**

The Reserve Fund shall be credited with:

1. Payment of areas/ contributions from Members;
2. excess contributions of Members over the total expenditure of the COMFWB Secretariat;
3. interest earned from the investment of COMFWB’s funds;
4. monetary donations; and
5. proceeds from services rendered by COMFWB.

#### **Rule 55**

#### **Use of the Reserve Fund**

The Reserve Fund shall be used for the following specific purposes:

1. payment of recurrent expenditure at the beginning of the year, pending receipt of contributions from member States;
2. unbudgeted for but urgent and unforeseen expenditure, which cannot be deferred to the following financial year without adversely affecting the operations of COMFWB subject to the approval of the Bureau of Council or Bureau of COMFWB which ever is applicable;
3. incurrence of capital expenditure in respect of which covering policy has been previously approved by the Council;
4. payment of expenditure on approved supplementary budget; and
5. long and short term investment upon approval by the Board.

**Rule 56**

**Grants and their Recovery**

1. The Executive Director shall accept grants from the cooperating partners to finance the activities of COMFWB provided these grants are shown in the Financial Statements of COMFWB or in their respective projects accounts.
2. In any case where an Agreement with another institution provides for the provision of resources to another institution as a grant within the framework of a parent Agreement providing a grant to COMFWB, a Memorandum of Understanding will be concluded by the Executive Director with the recipient institution providing that the funds received by it will be utilized using accounting, procurement and administrative standards of COMFWB or internationally acceptable standards agreed between the parties.
3. Where an institution has received a grant from COMFWB and such institution fails to account for or utilise the funds as provided in paragraph 1 of this Rule, the Executive Director shall be entitled to withhold further release of any outstanding funds and to recover the funds that have not been properly applied.

**Rule 57**

**Disbursement of Funds**

1. the Division of Finance and Administration shall conduct a due diligence on a sub-grantee , prior to disbursement of funds which will cover sub-grantee governance structures, financial and risk management systems and general internal controls systems.Funds to the subgrantee willbe disbursed subject to the approval of the work plan and budget by COMFWB Bureau of the Board.
2. Implementing partners have the responsibility to administer the financial resources in accordance with sound financial management and accounting procedures as stipulated in the Memorandum of Understanding and/or implementation agreement.
3. COMFWB shall conduct its advisory and coordinating role regarding the overall role of financial management of the grant through its Finance and Administration Division. The Finance and Administration Division shall carryout assesments of the financial transactions and financial statements of implementing partners.
4. COMFWB shall also conduct external or inernal audits as may be necessary from time to time. The sub-grantee shall avail COMFWB or its auditors all reports and documents that may be necessary in order to fulfil its obligations to its funding partners. Financial accounting documents concerning activites financed by the grant must be kept by the receipient and/or implementing partner until for atleast seven years after the end of the programme.

**CHAPTER VI**

**BANKING**

## Rule 58

**Bank Accounts**

Subject to the approval of the Board, bank accounts in which funds shall be deposited, shall be opened and be under the custody of the Executive Director.

**Rule 59**

**Operation of the Bank Accounts**

1. The Director Finance and Administration shall obtain monthly statements of the accounts of COMFWB accompanied by copies of withdrawal orders and showing debits and credits.
2. Two signatures shall be required on all cheques and on all withdrawal orders.
3. The Executive Director shall recommend, from among the senior staff of COMFWB, bank signatories for the operation of the bank account*s.*
4. Private money shall not be paid into COMFWB bank accounts and no COMFWB money shall be paid in a private bank account.
5. All accounts of COMFWB shall be maintained in the host country, the Republic of Malawi. Any need to maintain an account outside the host country shall require justification and express approval by the Board.

#### **Rule 60**

## Handling of Funds on Receipt

1. An official receipt shall be issued on the date of receipt for all funds received.
2. Only officers duly designated by the Executive Director shall be authorised to issue such receipts.
3. The amounts received shall be entered into the accounts on the date of receipt.
4. The Director Finance and Administration shall be responsible for checking the received amounts against his accounting books and the daily receipts***.***
5. All amounts received shall be deposited in full in an approved bank account on the first working day following the date of payment.
6. All funds not yet deposited in approved bank accounts shall be kept in the official safe and banked immediately on the next working day.
7. The Director Finance and Administration shall prepare bank reconciliations monthly within two weeks after the end of the month.

**CHAPTER VII**

**INVESTMENT OF FUNDS**

**Rule 61**

**Short Term and Long Term Investment**

1. The Executive Director, upon approval of the Board, may effect short term investment of funds which are not required for the immediate needs of COMFWB.
2. The long term investment of funds which are not required for the immediate needs of COMFWB shall require Board approval.

#### **Rule 62**

## Interest from Investment

The interest from investment shall be reflected in the miscellaneous income account.

#### **Rule 63**

**Securities**

All securities shall be deposited either in the custody of duly appointed bankers, which have been approved by the Board, or in safe deposit vaults maintained by a recognised financial institution.

**CHAPTER VIII**

#### **Rule 64**

#### **LOSS OF CASH AND ASSETS**

1. Any loss of cash or asset shall be immediately brought to the attention of the Executive Director who shall take the necessary measures towards holding an investigation and, if necessary, have recourse to the local police for help in the investigation and subsequent measures that may be taken.
2. Funds owed to COMFWB shall not be written off without the authorisation of the Board

**CHAPTER IX**

**INTERNAL CONTROLS**

#### **Rule 65**

#### **Financial Administration and Budgetary Controls**

The Executive Director shall:

1. establish detailed implementation procedures in order to ensure effective financial administration and budgetary control;
2. take care that all payments are made on the basis of supporting vouchers and other documents, which ensure that the services of goods have been received and that payments have not previously been made;
3. designate employees authorised to receive funds to incur obligations and make payments in the name of COMFWB;
4. follow these Rules in the day to day financial operations of the organisation; and
5. maintain an effective internal system of financial control to ensure:
6. the regularity of the receipts, custody and disposal of all funds and other financial resources of COMFWB;
7. the conformity of obligations and expenditure with the approved budget;
8. the economic use and safeguard of the resources of COMFWB;
9. adherence to policie*s****;***
10. completeness and accuracy of records; and
11. adequate precautions are taken to safeguard important records.

**CHAPTER X**

#### **CONTRACTS AND PURCHASES**

#### **Rule 66**

#### **Authorised officers**

The Executive Director may incur commitments relating to the purchase, the rent, or the sale of services, supplies, material or other necessary articles in the name of COMFWB.

#### **Rule 67**

## Limitations on Contracts and Purchases

1. Contracts or purchases up to COMESA Dollars $7,500 (Seven thousand five hundred USD equivalent) shall be authorised by the Director Finance and Administration .

1. Contracts or purchases of a value of over COMESA Dollars $20,000 (twenty thousand) shall be authorised by the Executive Director.
2. Purchases of a value exceeding COM Dollar 20 000(Twenty thousand USD equivalent) but less than COMESA Dollars $30,000 (thirty thousand USD equivalent) shall be approved by the Executive Director upon recommendation by the Procurement Committee under the Cairperson of the Director of Finance and Administration .
3. Contracts or purchases of over COMESA Dollars 30,000 (thirty thousand) and a value of up to COMESA Dollars 50,000 (fifty thousand) shall be authorised by the Bureau of the Board on recommendation of the Procurement Committee of COMFWB through theExecutive Director.
4. Contracts or purchases of a value exceeding COMESA Dollars 50,000 (fifty thousand) but less than COMESA Dollars 200,000 (two hundred thousand) shall be authorised by the Board of COMFWBExecutive Director upon recommendation of the Purchase Committee.
5. Contracts or purchases of over COMESA Dollars 200,000 (two hundred thousand) but less than COMESA Dollars 1,000,000 (One million) shall be considered and approved by the Contracts Committee through open tender within COMESA region.
6. Contracts or purchases in excess of COMESA Dollars 1,000,000(one million) are to be made through open international tender, shall be considered and approved by the Contract Committee provided that tenders from within the COMESA shall be accorded a 10 per cent preference.
7. Evaluation reports relating to paragraphs 5 and 6 of this rule shall be considered by the Contracts Committee of which will recommend to the Secretary General for approval.

**Rule 68**

## Procurement Committee

1. The Procurement Committee of COMFWB is hereby established.
2. The Procurement Committee shall be composed of the Director Finance and Administration as Chairperson, Procurement Officer or equivalent as Secretary and other officers co-opted as necessary. The Legal Manager shall be ex-officio member of the Procurement Committee.
3. The responsibility of the Procurement Committee shall be to make recommendations to the Executive Director and the Bureau of the Board on acquisitions and contracts which involve supplies or contracts of a value exceeding COMESA Dollars 30,000 (thirty thousand) and not exceeding COMESA Dollars 50,000 (fifty thousand).

**Rule 69**

**Contracts Committee**

1. The Contracts Committee is hereby established.
2. The Contracts Committee shall be composed of :
3. Three persons being representative of three members of the Bureau of the Board;
4. A representative of the Host Country;
5. The Executive Director;
6. The Legal Counsel as an ex-officio member;
7. The Director of Finance and Administration as Secretary;
8. The responsibility of the Committee shall be to examine and approve contracts of a value exceeding COM Dollar 50 000 (fifty thousand).
9. The Legal Counsel and the Director of Finance and Administration shall have no voting rights.

## CHAPTER XI

## APPROVAL OF OBLIGATIONS AND PAYMENTS

#### **Rule 70**

## Approval by Designated Officers

1. Only those officers of COMFWB designated by the Executive Director as approving officers may approve obligations and payments.
2. An approving officer shall verify that no previous payment has been made on that item and that the payment documents do not have irregularities.
3. approving officer shall not approve any payment if any information known to Her/him will bar such payment
4. The Director Finance and Administration may only register commitments of payments in the accounts when obligations of payment have been approved by the relevant designated officers.

**Rule 71**

#### **Payments**

1. All payments shall be made by cheque or bank transfers except where otherwise approved by the Executive Director.
2. Payments shall be made on the basis of duly certified vouchers and such supporting documents indicating that goods have been received or services in question have actually been rendered in accordance to specifications.
3. In the event that advance payment is required, payment shall only be made upon production of a written request of such advance payment by the supplier.

1. Payments shall be recorded into accounts as of the date the payment is made.

**Rule 72**

## Receipts

Receipts shall be obtained for all transactions.

**CHAPTER XII**

## RECEIPT OF SUPPLIES AND EQUIPMENT

## Rule 73

**Inspection of Supplies and Equipment**

1. All supplies, equipment, and other property received by COMFWB shall be immediately inspected to ensure that their condition is satisfactory and in accordance with the terms of the related purchase contract.
2. A Goods Received Note shall be prepared on all items received, and the items shall be immediately entered in the appropriate stores ledger and property records.
3. An acceptance committee shall be established by the Executive Director for the purpose above.

## Rule 74

**Issue of Supplies and Equipment**

1. Supplies, equipment and other property shall be issued only to authorised employees. The procedure for distribution of supplies, equipment and other property shall be as follows:
2. Supplies and equipment shall be issued on the basis of a Requisition and Store Form;
3. Employees of COMFWB to whom such supplies and equipment are issued shall acknowledge receipt thereof by signing the Store Form.

1. A copy of the signed Form shall be retained by the store and the original kept by the recipient.

## Rule 75

**Return of Supplies and Equipment**

Procedure for the return of supplies and equipment to the store shall be as follows:

1. All supplies and equipment to be returned to the store and recorded in the books;
2. The employee in charge of the store shall examine all supplies and equipment returned, prepare a report indicating in particular all flaws or damages that are not due to normal wear and tear, furnish a copy of the report to the employee returning the property, and retain the original in the store.

## Rule 76

## Requisition of Goods or Services

1. Stores shall deliver supplies, equipment or other goods and general services only on Requisition and Issue Voucher Form.
2. The Requisition and Issue Voucher Forms shall be signed by heads of divisions.

**CHAPTER XIII**

## PROPERTY RECORDS

#### **Rule 77**

## Maintenance of Records

A complete and accurate record of supplies, equipment and other property purchased, received, delivered, sold or otherwise disposed of and remaining on hand shall be maintained by the Director Finance and Administration on behalf of the Executive Director.

**Rule 78**

**Board of Survey**

1. The Executive Director shall appoint a Board of Survey to carry out stock taking and a physical inventory of assets.
2. The Board of Survey shall be composed of one officer from Legal, one officer from the Finance Division and two more officers to be co-opted from other divisions.
3. The Board of Survey shall submit its report to the Executive Director who shall submit to the Board for consideration and approval.
4. The following action shall be taken upon receipt of the report:
5. If any shortage appears, an in-depth investigation shall be undertaken to determine those responsible and disciplinary action taken against any wrongdoers by the Executive Director;
6. If those responsible for the shortage are not identified or are found not responsible, the Board may authorise that the losses be written off; and
7. If there is property either damaged or which cannot be put to use, approval shall be given by the Executive Director for its write off and disposal.

#### **Rule 79**

#### **Report of Board of Survey**

The Board of Survey Report shall provide information on each item of stock and property surveyed, such as:

1. stock/asset number;
2. description of stock/asset;
3. serial number where applicable;
4. quantity;
5. total value and the value of each item in COMESA dollars;
6. state of stock/assets; and
7. recommendations thereon.

## Rule 80

## Sale of Property

The sale of supplies, equipment, or other property declared obsolete or unserviceable shall be made by the Finance and Administration Division after competitive bidding; provided that competitive bidding shall not be necessary where:

1. it is preferable, in the interest of COMFWB to sell the items at a fixed unit price; and
2. the destruction of such supplies, equipment or other property is more economical, or is required by law or by the nature of the property concerned.

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## Rule 81

## Cash Sales

1. Goods belonging to COMFWB shall be sold for cash and must be paid for upon or before delivery.
2. The proceeds from the sale of such property shall be recognised as revenue.

## CHAPTER XIV

**ACCOUNTS AND FINANCIAL STATEMENTS**

#### **Rule 82**

**Maintenance of Accurate and Proper Records**

The Director shall maintain correct, accurate and complete documents and records for the recording of all the financial transactions of COMFWB. These records shall include inter alia-

1. Cash Books;
2. Journal and ledgers;
3. Cheque Book and Cheque Registers;
4. Assets Register;
5. Chart of Accounts;
6. Inventory Reports; and
7. Store Ledgers.

#### **Rule 83**

## International Financial Reporting Standards

The accounts of COMFWB shall be maintained and presented in COMESA Dollars according to International Financial Reporting Standards or other Generally Accepted Accounting Practices approved by the Board.

## Rule 84

## Financial Statements

Audited financial statements shall be submitted by the Director to the Council by June every year or at other such intervals as the Council may direct.

The financial statements shall include:

* 1. the income and expenditure statement;
	2. the financial position showing assets and liabilities of the COMFWB provided that the assets shall include both the Fixed and Current Assets whilst the liabilities shall include both the long term and current liabilities;
	3. the movement of cash flows;
	4. the original budget appropriation clearly explaining the details of each item in the budget;
	5. any other necessary statement;
	6. a summary of investments; and
	7. Such other schedules as may be required.

## Rule 85

## Exchange of Currencies

1. The Executive Director shall adopt the exchange rates between the COMESA Dollars and other currencies.
2. When the COMESA Dollars are exchanged into any other currency, the amount taken into account shall be the amount actually obtained. When any currency is disbursed from a local currency account in the name of COMFWB, the cost in COMESA Dollars shall be debited at the rate of exchange adopted in paragraph(1) of the Rule; and
3. When payment is made from an account maintained by the COMFWB in COMESA Dollars, the actual cost in COMESA Dollars shall be debited to the account in the books of COMFWB.
4. At the closing of the accounts for the financial period, any gain or loss on exchange shall be carried into the income and expenditure account.

#### **Rule 86**

## External Auditors

1. The Executive Director shall submit the financial statements for the financial year to the External Auditors in accordance with the instructions of Council within four (4) months after the end of the financial year
2. The Council shall appoint the External Auditors as provided for in Article 169 of the Treaty to audit the accounts of COMFWB.

.**Rule 87**

**Other Statements**

The External Auditors shall also be provided with:

1. A Summary statement of supplies, equipment and other property;
2. Details of losses of cash, stores and other assets written off; and
3. Such other statements as they may require.

**Rule 88**

**Conduct of External Audit**

1. The External Auditors shall conduct the audit in conformity with generally accepted International Auditing Standards and subject to any special directions of the Board. The qualified auditors shall;
2. determine their own procedure; and
3. submit the report of the audit to the Executive Director.
4. The report of the External Auditors together with the audited financial statements shall be submitted by the Executive Director through the Sub-Committee on Audit and Budget, the Committee and Inter-governmental Committee to the Council, in accordance with any directions given by the Council.

##  Rule 89

**Retention and Destruction of Records**

1. Subject to the policy adopted by Council regarding the retention and destruction of records, the accounts and financial records shall be retained for a period of not less than 10 years.
2. The accounting and other financial records shall be retained for such period as may be determined by the Council in consultation with the Internal/External Auditors.

**CHAPTER XV**

**INTERNAL AUDIT**

#### **Rule 90**

####  **Internal Audit Services**

1. The Internal Audit Services shall, inter alia, review and make comments and recommendations on activities, transactions, projects and programmes having financial implications as to the:
2. regularity of the receipts, custody, disposal, accounting and reporting of all funds and other financial resources of the organisation and the effectiveness of internal controls;
3. conformity of obligations and expenditures;
4. economic use of the resources of the organisation; and
5. conformity of all activities and transactions with the Rules.

#### The Internal Audit Services shall perform its functions in accordance to its Audit Charter, Policy and Practice contained in the Internal Audit Manual.

**CHAPTER XVI**

**MISCELLANEOUS PROVISIONS**

**Rule 91**

**Employment of Temporary Personnel**

The employment of temporary personnel shall be in accordance with COMFWB Staff Rules and COMFWB Procurement Rules.

**Rule 92**

**Ex Gratia Payments**

The Executive Director may on the advice of the Director Finance and Administration , make ex-gratia payments as she or he deems necessary in the the interest of COMFWB, provided that each amount does not exceed 20% of the annual basic salary that was being received by the deceased staff and that statements on such payment shall be submitted to the Board.

**Rule 93**

**Official Travel**

1. Subject to:
2. the relevant provisions of the Staff Rules and Regulations;
3. the approved Work Plan;
4. availability of the budget;
5. relevance of travel to COMFWB mission; and
6. general requirement that the travel will not adversely affect the overall work of COMFWB.
7. An officer shall prepare an Aide Memoire which will be recommended by the Head of the Division or Units and approved by the Executive Director.
8. In case of the Executive Director, the Mission Request Form shall be approved by the Director Finance and Administration.
9. The officer shall then fill the “Travel Authorisation Form” in two copies, which shall be approved by the Executive Director before the travel can be undertaken. The purpose of the mission together with the mode of funding shall be clearly specified.
10. The ticket for the travel shall be arranged by the Division of Finance and Administration through the normal procurement procedure.
11. Mission reports shall be prepared after each travel on official mission.
12. Official returning from mission has to retire the Daily Subsistence Allowance within 10 days from return of the mission. Failure to do so may result in deduction of the whole amount from salary.
13. Imprest for the purpose of making authorised disbursement during official travel may be made to officials who shall make use of such imprests only for the purpose for which the imprests were authorised and shall be held personally responsible and financially liable for the proper management and safekeeping of the cash so advanced. This imprest shall be retired under Rule 36 and 37.
14. The official to who imprest advances are issued shall render accounts as required by the Financial Rules/ Financial Manual or any other implementation procedure issued by the Executive Director.
15. In addition to advances specified in these Rules, the Executive Director may make such other cash advances as may be permitted by the COMFWB Staff Rules.

**CHAPTER XVII**

**Fixed asset management**

**Rule94**

**Security of Assets**

1. COMFWB shall be responsible for ensuring that its buildings and assets are adequately insured with a reliable insurance company.
2. The Finance and Administration Division shall be responsible for keeping a fixed asset register of all fixed assets belonging to COMFWB. This register should always be up-to-date. There shall be an inventory list of assets in all the offices of COMFWB. This list of assets should be reconciled at least half yearly.
3. The title deeds to the fixed assets shall be kept with the Registrar of COMFWB. The Registrar of COMFWB should also make sure that the insurance policies reflect adequately the value of the assets and the risk covered.
4. The Finance and Administration Division is responsible for ensuring that there is sufficient security of the premises and fixed assets of COMFWB. Any loss of an asset shall be communicated in writing to the Director with a copy to the Registrar of COMFWB. Upon consultation with the Director, the Registrar shall report the matter to the police and the insurance company.

**Rule 95**

**Pool Vehicles**

1. All vehicles owned by COMFWB, except those provided for the Director shall form a pool of vehicles administered by the Finance and Administration Division.
2. Pool vehicles shall be used for official purposes only. Any other usage shall be authorized in writing by the Director.
3. Vehicle registration documents shall be kept in a locked place by the Registrar of COMFWB.
4. The Finance and Administration Division shall ensure that all vehicles owned by COMFWB are insured and kept in good running condition.
5. Misuse of vehicles of COMFWB, including any damage or loss attributable to a staff member’s negligence or carelessness, shall constitute a serious disciplinary offence.
6. COMFWB shall in no way be liable for any fines, charges or other offences committed by a staff member due to negligence and carelessness.
7. At the end of every working day, keys to all pool vehicles must be handed over to the Finance and Administration Division. Any keys not handed over shall be investigated unless it is known that the vehicle is out of town.

**Rule 96**

**Log Books**

1. A logbook must be maintained for every pool vehicle of COMFWB and details of every journey must be recorded. The log book shall be kept in the vehicle by the driver and the use of any vehicle without completing the log book shall constitute an act of misconduct under the COMFWB COMESA Staff Rules.
2. The exact details of the starting point, destination, date and purpose of each trip shall be recorded in the logbook.
3. The Finance and Administration Division shall check the logbooks on a weekly basis for reasonableness of the kilometres recorded. This check must be evidenced by initialling and dating the logbook.

**Rule 97**

**Fuel Consumption**

1. Each Driver shall be responsible for filling up COMFWB’s vehicle under his charge, with fuel, oil, water/cooler and all other necessary lubricants.
2. The Administration Section shall be responsible for maintaining a fuel book for vehicles.
3. The Administration Section shall be responsible for monitoring the fuel consumption of each vehicle.

 **Rule 98**

**Accident/Incident Procedure**

1. A staff member driving the vehicle of COMFWB which is involved in an accident/incident must report the accident to the police if:
	1. damage has been suffered by either or all parties involved in the accident; or
	2. anyone is injured.
2. In case a staff member driving a vehicle of COMFWB is involved in an accident which was caused by the negligence of the staff member, any insurance excess payable by COMFWB will be charged to the staff member.

**Rule 99**

# **Fleet Management**

1. Unless attached to senior officials, COMFWB vehicles shall be used for official business only.
2. Unauthorised persons shall not be allowed to travel in COMFWB vehicles.
3. When a COMFWB vehicle is involved in an accident, the officer managing the vehicles shall-
4. inform the insurance company;
5. complete a motor vehicle accident report, not later than the following day of the accident;
6. obtain copies of the police report on the accident;
7. advise the Disciplinary Committee whether or not disciplinary action shall be imposed on the driver; and
8. arrange for the assessment of the damage.

(e)The driver of a COMFWB vehicle or any other officer shall not accept liability or come into agreement with a third party in case of an accident without the approval of the Director and the Legal Manager.

#### **Rule 100**

**Amplification of Rules**

These Rules may be amplified by implementation procedures and administrative instructions issued by the Director. In the event of conflict between the Rules and any other such procedures and instruction, the Rules shall prevail.

## Rule 101

## Liability

1. Every official of COMFWB shall be responsible to the Director for the regularity of actions taken by him in the course of his official duties.
2. Any official who takes action contrary to these rules or to the implementation procedures or instructions issued in terms thereof may be held personally responsible and liable for financial and other measures as necessary for the consequences of his action.

**Rule 102**

**Amendment of Rules**

hese Rules may be reviewed or amended by the General Assembly.

**Rule 103**

**Entry into Force**

These Financial Rules or any amendments thereto shall take effect upon approval of Council.