

PREMIUMTRUST** BANK LTD**

(FINANCE OPERATIONS PROCESS MANUAL)

PTB/COPS/FINOPS/22/0001
Version 1.0


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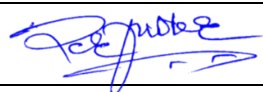

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Name	Title	Version	Signature & Date
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Akinjide Sogunle	Team Lead	1.0	 01/09/2022
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Change Control

Change Clause/Frequency

The contents of this document are subject to change control on a twenty-four (24) months review cycle.

1. PURPOSE

This process manual is aimed at the refined procedures to which transactions are consummated in Finance Operations as it pertinently affects the standard operating activities, performer, responsibility, timeline and priority

2. DEFINITIONS

This comprises of abbreviations and the full meanings

- COPS- Central Operations
- GH- Group Head
- CCO- Chief Compliance Officer
- COO- Chief Operating Officer
- MD/CEO- Managing Director/Chief Executive Officer
- BSM- Branch Service Manager
- GH- Group Head
- CBA- Core banking Application
- ED- Executive Director
- DH- Divisional Head
- FINOPS- Finance Operations
- ECC- Expense Committee Control
- EOD- End of Day
- PMG- People Management Group
- WHT- Withholding Tax
- VAT- Value Added Tax
- CAPEX- Capital Expenses
- OPEX- Operating Expenses
- MC- Managers Cheque
- GL- General Ledger

- PND- Post No Debit
- FTO- Funds Transfer Officer
- CEMP- Customer Experience Management Officer

2. APPLICABILITY & SCOPE

The process manual takes effect immediately it has been signed off and the scope covers all transactions captured in this process manual.

3. POLICY REQUIREMENTS

To ensure transactions are consummated according to the documented and signed off procedures as contained in the process manual.

4. ROLES & RESPONSIBILITIES

The drivers of the roles and responsibilities in this process manual are majorly Finance Operations staffs and Internal control officer(s)

ROLES	RESPONSIBILITIES
Finance Operations	Finance Operations Officers
Conduct Compliance and Monitoring	Conduct and Compliance Monitoring Officers

5. EXCEPTIONS

The exception handlings were clearly stated in the process manual especially in circumstances where automated process fails; roll back overrides.

	List Of Processes	Responsible Unit	Department
1.	Cash advance/Retirement	Payment	Finance Operations
2.	Expense Processing	Payment	Finance Operations
3.	Managers Cheques	Payment	Finance Operations
4.	Prepaid expenses	Payment	Finance Operations
5.	Prepaid rent amortisation	Funds Transfer	Finance Operations
6.	Unclaimed Items-Management of Unclaimed items	Funds Transfer	Finance Operations
7.	Bulk upload	Funds Transfer	Finance Operations
8.	Call over of transactions	Payment / Funds Transfer	Finance Operations

1.

Process Name	Cash Advance/Retirement				
Process Description	Staff request for cash advance and retirement				
Process Objective	To ensure an improved timely and seamless process that guarantees successful transaction from the point of staff request for cash advance.				
Process Ownership	Staff, Initiating Unit/Dept, Finance Operations.				
Benefit to Customer	Prompt/seamless processing of Cash advance request and retirement.				
Benefit to Bank	Monitoring and tracking of Cash advance requests.				
Key Controls	Maker-checker measures.				
Key Dependencies	CBA/email/portal etc				
Inputs	Cash advance request and other approval/supporting documents.				
	Standard Operating Procedures – Activities	Performer	Responsibility	Execution Timeline	Priority

1.	Staff initiates request for Cash advance via email/portal	Initiating staff/Unit	Benefitting Staff	1 minute	High
2.	Supervisor reviews and approves cash advance request via email/portal	Supervisor/Unit	Supervisor/Unit	1 minute	High
3.	GH/DH/ED reviews and approves cash advance request via email/portal	Approving Officer	Approving Officer (GH, DH or ED)	1 minute	High
4.	On or before 7 working days Cash Advance retirement to be initiated	Initiating staff/Unit	Benefitting Staff	1 minute	High
5.	Staff initiates request for Cash advance retirement on the predesigned form/portal	Initiating staff/Unit	Benefitting Staff	1 minute	High
6.	Supervisor reviews retirement amount and all supporting document on the form/portal for approval	Supervisor/Unit	Supervisor/Unit	1 minute	High
7.	Where Higher approval limit is required. Document is reviewed before approval	Approval Officer	Approving Officer (GH, DH or ED)	1 minute	High
8.	Cash Advance Retirement amount is reviewed by Finance expense officer state PL and SBU code to be debited	Finance Expense Officer	Finance Expense Officer	5 minutes	High

9.	Finance Operations officer reviews Cash advance retirement items and relevant documents and debits the specified PL and SBU code passes all entries	Finance operations officers	Unit Head, Finance Operations	10 minutes	High
10.	Where Staff account has insufficient funds. FINOPS Officer will force debit Staff and regularize Cash Advance GL	Finance operations officers	Unit Head, Finance Operations	24 hours	High
Outputs		Quick availability of cash to staff to meet Operating Expenses			

2.

Process Name	EXPENSE PROCESSING
Process Description	End-to-end description of activities involved in the classification of Expense
Process Objective	Appropriate classification of expenditure incurred
Process Ownership	Staff, Initiating Unit/DEPT, Finance Operations.
Benefit to Customer	Prompt payment to vendors, suppliers, and Staff
Benefit to Bank	Ensure efficient and smooth operation of the business
Key Controls	Payment vouchers and supporting documents are checked to ensure compliance with payment and approval procedures Maker-checker measures.
Key Dependencies	<ul style="list-style-type: none"> Proper and Relevant sign off from Originating unit, Proper classification of Expenditure Proper Documentation of Transaction

Key Performance Measures		Appropriate classification of expense items, prompt payment to vendors & suppliers			
Inputs		Expense requests from departments on WIP portal(automated) or hard copy (manual) are processed and checked in compliance with management approval limit and Expenditure approval process			
S/N	Standard Operating Procedures - Activities	Performer	Responsibility	Execution Timeline	Priority
1	Operating Expense or CAPEX request is initiated on Internal Memo/ Expense Portal with relevant source documents	Originating unit e.g., PMG, Corporate Services, Technology	Originating officer	5 minutes	Low
2	Expense request moves to supervisor for approved limits	Initiating officer supervisor	Initiating officer supervisor and approving officer	5 minutes	Low
3	Expense request moves to Finance and Expense Committee Control (ECC) for concurrence	Initiating officer	Finance, ECC	10 minutes	Low
4	Finance Operations inputter reviews expense items and relevant documents, confirm amount and pass appropriate entries	Finance operations officers	Inputter, Finance Operations	5 minutes	High
5	After review and there is a deficiency in documentation, the inputter returns the expense back to the initiator with the reason clearly stated. The request moves back to the inputter after the correction is done.	Finance Operations officer	Inputter, Finance Operations	5 minutes	High

6	For items that have various number of expenses to be debited to Head office units and branches, FINOPS suspense account is debited while the expenses are manually uploaded and FINOPS suspense is credited	Finance Operations officer	inputter, Finance Operations	5 minutes	High
7	Finance authorizer review and approve, entries are automatically passed in CBA	Finance operations authorizer	Finance operations authorizer and CBA	10 minutes	High
8	Entries that do not impact in CBA after authorization are investigated, and correction made if any before treating again	Finance operations inputter	Finance operations authorizer and CBA	10 minutes	High
9	For payment to vendors that do not have an account with the bank, the NIP collection account is credited for further credit to ultimate beneficiary via any of the electronic platforms	Finance operations inputter	Finance operations authorizer and CBA	10 minutes	High
10	Review of previous day transaction and corrections when necessary	Finance operations officers	Unit Head, Finance Operations	30 minutes	High
Outputs		Payment to vendors for services rendered and to Staff			

3.

Process Name		Managers Cheques			
Process Description		Issuance of MC to vendors who do not maintain account with us for services rendered.			
Process Objective		Prompt issuance of manager's cheques to vendors for services rendered.			
Process Ownership		Unit Head, Finance Operations			
Benefit to Customer		Prompt payment to vendors and suppliers.			
Benefit to Bank		Ensure efficient and smooth operation of the business			
Key Controls		<ul style="list-style-type: none"> • Maker-checker measures. • Cheques issued serially and registered in the cheque register • The suspense ledger for MC issuance must be zero at close of business each day to ensure all cheques are issued correctly • The MCs are locked in a till box and securely kept in the safe. • The safe has combination lock known to only senior officers of the unit. • MCs picked up must be signed for in the cheque register 			
Key Dependencies		<ul style="list-style-type: none"> • Cheque printer for final output • Relevant Documentation and approval of requesting units • CBA 			
Key Performance Measures		<ul style="list-style-type: none"> • Prompt issuance of MCs • Adequate record of MCS issued • Safe keeping of issued MCs, and MC booklets. 			
Inputs		Request from units			
	Standard Operating Procedures – Activities	Performer	Responsibility	Execution Timeline	Priority
1.	FINOPS FT Staff Prints the MC through the cheque printer.	Finance operations officers	Unit Head, Finance Operations	10 minutes	High
2.	Records the MC in the cheque register and cheque stubs and delivers to requesting unit	Finance operations officers	Unit Head, Finance Operations	5 minutes	High
3.	Receives mail for confirmation of MCS with detail check on the instrument	Finance operations officers	Unit Head, Finance Operations	15 minutes	High

4.	Instructs the dealing branch to debit the head office inter branch account with the corresponding value	Finance operations officers	Unit Head, Finance Operations	10 minutes	High
5.	Ensures MCs presented to other banks, and received via clearing system, are uploaded via XNETT and processed.	Finance operations officers	Unit Head, Finance Operations	5 minutes	High
Outputs		Issuance of MC to requesting units			

4.

Process Name	Prepaid Expense
Process Description	The bank makes prepayments for situations like bills for insurance premiums, subscription, advert permits, etc. which are meant for a future period. Hence the cost will be spread over the period covered.
Process Objective	To ensure that an expense is appropriately charged in period for which they accrue.
Process Ownership	Unit Head, Finance Operations
Benefit to Customer	Reduce default in payment
Benefit to Bank	To ensure that the appropriate expense is charged in period for which they accrue to forestall any negative write back to the books by external auditors.
Key Controls	<ul style="list-style-type: none"> Maintenance of prepaid expense schedule. Reconciliation of monthly balances on prepaid expense schedule and general ledger
Key Dependencies	<ul style="list-style-type: none"> CBA Microsoft Tools
Key Performance Measures	<ul style="list-style-type: none"> Expense is charged to the appropriate ledger(s) and within the period for which they accrue. Balance on GL and schedule is same at month end. No negative writes back to the bank's expense by external auditors
Inputs	Bills of payment

	Standard Operating Procedures – Activities	Performer	Responsibility	Execution Timeline	Priority
1.	Ensures that all documents are complete and appropriate approval for payment is in place.	Finance operations officers	Unit Head, Finance Operations	5 minutes	High
2.	Posts relevant amount to the appropriate ledger.	Finance operations officers	Unit Head, Finance Operations	5 minutes	High
3.	Maintains and update an excel formatted prepaid expense schedule.	Finance operations officers	Unit Head, Finance Operations	5 minutes	High
4.	Sends the maintained excel schedule for upload or sets standing order for monthly amortization before the end of the month	Finance operations officers	Unit Head, Finance Operations	Before Month End	High
5.	Reconciles the general ledger and schedule	Finance operations officers	Unit Head, Finance Operations	1 hour	High
Outputs		Amortization of other expenses apart from rent			

5.

Process Name	Prepaid rent amortization
Process Description	Monthly amortization of rent paid on all leased branches of the bank
Process Objective	To ensure that rent payment before its actual tenor are recognized in the month in which they occur as indicated on contract agreement
Process Ownership	Unit Head, Finance Operations
Benefit to Customer	Prompt payment of rent on all leased branches
Benefit to Bank	To ensure that the appropriate rent expense is charged to the branches monthly and forestall any write back to our books by external auditors.
Key Controls	<ul style="list-style-type: none"> Maintenance of rent schedule of all leased branches. Reconciliation of monthly balances on schedule and general ledger.

Key Dependencies		<ul style="list-style-type: none"> Rental Amount paid for each branch MS Tools 			
Key Performance Measures		<ul style="list-style-type: none"> Rent expense is charged to the appropriate branch Balance on general ledger and schedule is same at month end. No write back to the rent expense by external auditors 			
Inputs		Demand notice from landlord with all relevant documents.			
	Standard Operating Procedures – Activities	Performer	Responsibility	Execution Timeline	Priority
1.	Posts to relevant ledger account including the withholding tax	Finance operations officers	Unit Head, Finance Operations	5 minutes	High
2.	Updates the rent schedule for new rental payment	Finance operations officers	Unit Head, Finance Operations	5 minutes	High
3.	Prepares an amortized prepaid expenses schedule or sets standing order for monthly amortization.	Finance operations officers	Unit Head, Finance Operations	2 hours	High
4.	Reconciles balance on general ledger and schedule at month end.	Finance operations officers	Unit Head, Finance Operations	1 hour	High
5.	Provides for renewal of rent when notification is not received from Corporate Services unit.	Finance operations officers	Unit Head, Finance Operations	30 minutes	High
6.	Reverses the amount debited upon receipt of notification if different from new rent amount	Finance operations officers	Unit Head, Finance Operations	15 minutes	High
Outputs		Amortization of rent expenses			

6.

Process Name		Unclaimed Items- Management of Unclaimed items			
Process Description		This includes the process where the balances of unclaimed items stayed unsettled for 185 days are being moved to Head Office. It also involves the process of making payments on those classes of unclaimed items after the balance might have been moved from branches to Head Office, under the custody of Finance operations.			
Process Objective		The process aims at automating the movement of unclaimed items from branches' accounts into the unclaimed items account in Head Office, using the age analysis; and at the attainment of 185 days.			
Process Ownership		The owners of the process are BSM, Compliance and FINOPS.			
Benefit to Customer		Proper protection and accountability of customer's funds via centralization of unclaimed items			
Benefit to Bank		Proper accountability of Unclaimed funds as it relates to long outstanding status. The automation also reduces error rate			
Key Controls		Automation of the process of fund movement to Head office and approval levels for payment of unclaimed items from head office.			
Key Dependencies		The major dependency of this process is FLEXCUBE			
Key Performance Measures		Quick turnaround time and error rate.			
Inputs		Customer's instruction and stale instrument.			
	Activities	Performer	Responsibility	Execution Timeline	Priority
	Pre-conditions: The major pre-condition is that system recognizes as stale, all items issued/lodged and remain unpaid for 185 days. System flags such as stale and automatically moves the balances from branches to unclaimed items account – under the purview of Finance Operations				
1.	During COB of the 185 th day of each unrepresented or unclaimed items, system moves the balance to unclaimed items account in Head Office, under the custody of Finance Operations <u>ACCOUNT ENTRIES:</u> DR: Branch's MC Account	FLEXCUBE – Core Banking Team	Core Banking Team		High

	CR: Unclaimed items Account				
2.	Customer presents request of repurchase/demand on unclaimed items to the CEMP. NOTE: If MC; Original MC issued must be presented alongside the request	CEMP	BSM	1 Min	High
3.	CEMP registers the request, validates customer as account holder, verifies signature and, If MC CEMP also validate that the MC was issued from the presented account as at the date of MC. He then passes same to SM for approval	CEMP	BSM	2 Min	High
4.	BSM receives and review the instruction to validate all the checks and signs off.	BSM	BSM	2Min	High
5.	BSM forwards customer's request to FINOPS, with a copy to Compliance and the responsible RSM, for their information	BSM	BSM	2Min	High
6.	FINOPS reviews the request. If okay, FINOPS debit Unclaimed items ledger and credit the branch's suspense account. Head of FINOPS then communicate status to the BSM. PND to be replaced on ledger. <u>ACCOUNT ENTRIES:</u>	FINOPS	Head, FINOPS	5 Mins	High

	DR: Unclaimed items Account CR: Branch Intercompany account				
7.	FINOPS update the Central account by deleting claimed item from the list.	FINOPS	Head, FINOPS	5 mins	High
8.	BSM minutes the transaction to UT who in turns, would debit the branch Intercompany account and credit customer's account – where the transaction emanated from. <u>ACCOUNT ENTRIES:</u> DR: Branch Intercompany account CR: Customer's Account	FTO/BSM	BSM	2 Mins	High
9.	Outputs	Customer's account is credited for unclaimed item amount.			

7.

Process Name	Bulk Upload
Process Description	This is a means by which multiple entries are posted by uploading a single file. Thousands of entries are made to impact the Core banking application within a few minutes.
Process Objective	To ensure multiple entries are posted to CBA within few minutes.
Process Ownership	Unit Head, Finance Operations
Benefit to Customer	Quick receipt of payment
Benefit to Bank	To ensure that internal and external customers entries are treated with speed.
Key Controls	<ul style="list-style-type: none"> • Upload file from initiator must be approved by supervisor. • Upload file is not altered during upload.

	<ul style="list-style-type: none"> Processed report is sent to originating Unit to confirm proper capturing of Upload file. 				
Key Dependencies	<ul style="list-style-type: none"> Availability of functional Premium Trust FLEXCUBE Upload Server MS Tools 				
Key Performance Measures	<ul style="list-style-type: none"> All entries with unrestricted accounts hit CBA within same day. Successful processed confirmation on CBA 				
Inputs	Bills of payment				
	Standard Operating Procedures – Activities	Performer	Responsibility	Execution Timeline	Priority
1.	Initiating Officer sends upload request to Bulk Upload officer in DEUPLOAD file format with Supervisor in copy	Initiating Officer	Initiating Officer	30 minutes	High
2.	Supervisor of Initiating Officer reviews upload file and approves the Upload	Supervisor of Initiating Officer	Supervisor of Initiating Officer	60 minutes	High
3.	FINOPS Staff reviews the upload file, run micro on excel file sheets, check for errors and currency mix up. Then the file is then pushed for authorisation to supervisors' queue	Finance Operations officers	Finance Operations officers	60 minutes	High
4.	FINOPS Supervisor reviews the uploaded file on CBA and approves	Finance Operations Supervisor	Finance Operations Supervisor	30 minutes	High
5.	FINOPS Staff checks for filed entries to ensure correct processing via a menu of the CBA	Finance Operations Supervisor	Finance Operations Supervisor	1 hour	High
Outputs		All entries in upload file to hit CBA			

8.

Process Name		Calling Over of Transactions			
Process Description		Checking of processed vouchers (posted and approved) documentation to ensure it conforms with the vouchers' requirement and comparing the coding/documentation against the call over report sheet.			
Process Objective		To ensure accuracy in posting as required by the management			
Process Ownership		Unit Head, Finance Operations			
Benefit to Customer		Prompt and correct payment to customers			
Benefit to Bank		Ledger balance devoid of errors			
Key Controls		<ul style="list-style-type: none"> • Spooling of call over report sheets at EOD. • Proper documentation of processed vouchers • Proper checking of processed vouchers after posting 			
Key Dependencies		Originating documents and approval Call over journal in soft copies.			
Key Performance Measures		<ul style="list-style-type: none"> • Proper journal/documentation as required by the voucher • Proper posting is done into respective ledgers and/or customers' account 			
Inputs		Incoming vouchers by mail or expense portal. Call over report sheet in soft copy and saved on an excel sheet.			
	Standard Operating Procedures – Activities	Performer	Responsibility	Execution Timeline	Priority
1.	Inputter is required to check posted entries as summarized in the call-over report sheet.	Finance operations officers	Unit Head, Finance Operations	5 minutes	High
2.	Inputter should go through call-over report sheet and vouchers to review, accuracy, Correctness and appropriate treatment in the following areas: 1) Amount 2) Coding of Account/ledger 3) Narration	Finance operations officers	Unit Head, Finance Operations	30 minutes	High

	4) Date 5) Currency 6) Dr/Cr indicator				
3.	Final report and recording of observations after calling over transactions.	Finance operations officers	Unit Head, Finance Operations	5 minutes	High
4.	Corrections of wrong postings noted during call over exercise using journal.	Finance operations officers	Unit Head, Finance Operations	5 minutes	High
Outputs		Appropriate posting is done into respective account.			