**Africa Center for project management**



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**Model Three**

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1. At times the donor may appoint a financial management agent to supervise the funds that are provided for a particular project. What are the functions of such an agency?

**Financial Management Agency:** is a financial firm, most of the time is an auditing firm that act as an intersection or a communication component between the donor and the beneficiary of the project. It handles all the budget issues, fund reallocation as well as receiving the external audit reports for their information and comments where necessary. They can sometimes be invited to the beneficiary planning meetings as an observer.

Its functions include:

1. **To advise both the Grant’s Donor and the Beneficiary:** As they are interrupting to both the donor and the beneficiary, they have an advantage of knowing both sides very well and study their ways of carrying out the objectives and realizing the desired goals, they provide useful advice to both parties based on the most realistic situations.
2. **To enhance Effectiveness:** It enhance the ability of both Donor and Beneficiary to succeed and produce the intended results during the grant agreement.
3. **To enhance Accountability:** It enhance the fact of being responsible for what both Donors and beneficiaries carry out in the daily activities and be able to give a satisfactory reason for it or degree for which things happen.
4. **To arrange for budgeting and funds flow:** while the fund flow records the movement of cash in and out of the beneficiary. It helps to provide both donor and beneficiary with a snapshot of how the organization is doing on a periodic basis. They are also involving in the [process](https://dictionary.cambridge.org/dictionary/english/process) of [calculating](https://dictionary.cambridge.org/dictionary/english/calculating) how much [money](https://dictionary.cambridge.org/dictionary/english/money) is received from the donor during a [particular](https://dictionary.cambridge.org/dictionary/english/particular) [period](https://dictionary.cambridge.org/dictionary/english/period) of [time](https://dictionary.cambridge.org/dictionary/english/time), and of how it will be spent by the beneficiary.
5. **To enhance information management:** It act as an information tool between the donor and the beneficiary, it tends to control what information should go to the donor or to the beneficiary in a manner of narrowing the communication to the most important details that has most impact on both sides.
6. Why are internal controls important in any organization?

**Internal Control:** An internal control is a procedure or policy put in place by management to safeguard assets, promote accountability, increase [efficiency](https://www.myaccountingcourse.com/accounting-dictionary/efficiency), and stop fraudulent behavior. In other words, an internal control is a process put in place to prevent employees from stealing assets or committing fraud. (Investopedia)

Important of Internal Controls are as below:

1. it minimizing opportunities for unintentional errors or intentional fraud that may harm the plan. Preventive controls, which are designed to discourage errors or fraud, help accomplish this objective.
2. By discovering small errors before they become big problems. A system that ensures proper authorization and recordation procedures for financial transactions. If any of this policies and procedures are broken, then measures are taken in the earlier stage as possible.

Developing and implementing IT governance design effectiveness and efficiency can be a multidirectional, interactive, iterative, and adaptive process.”   
― Robert E. Davis, MBA, CISA, CICA, [IT Auditing: IT Governance](https://www.goodreads.com/work/quotes/6419772)

1. Monitoring as well as evaluation are very important aspects in grants management. Substantiate the statement above, supported by examples and relevant scholarly literature
2. **Monitoring:** is to [watch](https://dictionary.cambridge.org/dictionary/english/watch) and [check](https://dictionary.cambridge.org/dictionary/english/check) a [situation](https://dictionary.cambridge.org/dictionary/english/situation) [carefully](https://dictionary.cambridge.org/dictionary/english/carefully) for a [period](https://dictionary.cambridge.org/dictionary/english/period) of [time](https://dictionary.cambridge.org/dictionary/english/time) in [order](https://dictionary.cambridge.org/dictionary/english/order) to [discover](https://dictionary.cambridge.org/dictionary/english/discover) something about it. (Cambridge Dictionary)
3. **Evaluation:** Is the [process](https://dictionary.cambridge.org/dictionary/english/process) of [judging](https://dictionary.cambridge.org/dictionary/english/judge) something's [quality](https://dictionary.cambridge.org/dictionary/english/quality), [importance](https://dictionary.cambridge.org/dictionary/english/importance), or [value](https://dictionary.cambridge.org/dictionary/english/value), or a [report](https://dictionary.cambridge.org/dictionary/english/report) that [includes](https://dictionary.cambridge.org/dictionary/english/include) this [information](https://dictionary.cambridge.org/dictionary/english/information). (Cambridge Dictionary)

Monitoring and evaluation are important because:

* it provides the only consolidated source of information showcasing project progress;
* it allows actors to learn from each other’s experiences, building on expertise and knowledge;
* it often generates (written) reports that contribute to transparency and accountability, and allows for lessons to be shared more easily;
* it reveals mistakes and offers paths for learning and improvements;
* it provides a basis for questioning and testing assumptions;
* it provides a means for agencies seeking to learn from their experiences and to incorporate them into policy and practice;
* it provides a way to assess the crucial link between implementers and beneficiaries on the ground and decision-makers;
* it adds to the retention and development of institutional memory;
* it provides a more robust basis for raising funds and influencing policy.

Source of Data

[Sport-in-development: a monitoring and evaluation manual](https://www.sportanddev.org/en/4?uNewsID=17)

[Sport and Community Development: a manual](https://www.sportanddev.org/en/4?uNewsID=136)

[www.spotanddev.org](http://www.Sportsanddev.og)

1. For important financial management in an organization, what type of system should be implemented?

The Domain “Financial Management System” which keep the day by day tally record it displays the day book, Profit and Loss Acc, Statistical Summary and Interest Information.

1. Accounts preparation and reporting system
2. Accounts reconciliation and modifications system.
3. Financial and management reporting system.
4. Internal control policies and procedures system
5. Internal control over financial reporting system
6. Financial Planning and Budget preparation system
7. Book keeping system.
8. Cash flow planning system.
9. Management reporting system.

Source of Data

GRID Consulting 2019

1. Enumerate the process of procurement for goods and services in an organization for project implementation

**Procurement:** The [process](https://dictionary.cambridge.org/dictionary/english/process) by which an [organization](https://dictionary.cambridge.org/dictionary/english/organization) [buys](https://dictionary.cambridge.org/dictionary/english/buy) the [products](https://dictionary.cambridge.org/dictionary/english/product) or [services](https://dictionary.cambridge.org/dictionary/english/service) it [needs](https://dictionary.cambridge.org/dictionary/english/needs) from other [organizations](https://dictionary.cambridge.org/dictionary/english/organization):

**Step 1: Conduct an internal needs analysis:** To begin, you’ll need to benchmark current performance and then identify needs and targets before developing a procurement strategy. This involves the collection of several different types of data.

**Step 2: Conduct an assessment of the supplier’s market**: In this step, the strategic procurement team identifies potential countries that are feasible sources of the required raw materials, components, finished goods or services. If there are specific requirements, it may limit the number of countries that are suitable. For instance, if one of the raw materials used by the organization can only be found in one country, then options are much narrower. For manufactured products, there will be a much wider range of potential countries from which to select. Services may be limited by the technological requirements of the organization.

**Step 3: Collect supplier information** It is important for an organization to select suppliers carefully. A supplier’s inability to meet selection criteria can result in significant losses for the organization. The business reputation and performance of the supplier must be evaluated, and financial statements, credit reports, and references must be checked carefully. If possible, the organization should arrange to inspect the supplier’s site and talk to other customers about their experiences with the supplier. The use of agents, who are familiar with the markets and stakeholders, can also be beneficial to this process.

**Step 4: Develop a sourcing/outsourcing strategy**: Based on the information gathered in the first three steps, an organization can develop a sourcing/outsourcing strategy. The following are examples of sourcing strategies: Direct purchase: Sending a Request for Proposal (RFP) or a Request for Quote (RFQ) to select suppliers. Acquisition: Purchasing from a desirable supplier. Strategic partnership: Entering into an agreement with a selected supplier

**Step 5: Implement the sourcing strategy**: Sourcing strategies that involve acquisition or strategic partnerships are major undertakings. In these cases, suppliers are likely to have the following characteristics: Involvement in activities core to the buyer, e.g. supply limited raw material for core product, access to highly confidential proprietary knowledge One of a limited number of available suppliers with specific equipment/ technology and skilled labour pool Part of the broader business strategy

**Step 6: Negotiate with suppliers and select the winning bid**: The strategic procurement team must evaluate responses from suppliers and apply its evaluation criteria.

**Step 7: Implement a transition plan or contractual supply chain improvements** Winning suppliers should be invited to participate in implementing improvements.

Source of Data

Original article: http://www.tradeready.ca/2017/fittskills-refresher/7-steps-of-a-strategic-procurement-process/

1. How are travel imp rests supposed to be treated?

**Imp rest:** Is a cash advance given to the organization’s employee for travelling purposes or for acquisition of goods, services or equipment for the project.

An imp rest is treated as Account Receivable by the organization, and the employee will be as a debtor to the organization until the imp rest is retired either in terms of receipt or cash.

In other word, it’s an accountable cash given to the employee during travel in which the employee is expected to account for or return cash. In most organization that use per diem rate policy, the imp rest will be accountable in terms of submitting evidence of travel such as boarding passes, Mileage log book, bus ticket, train ticket as well as submitting report on the activity.

In most strictly case, the travel imp rests are only given for the purpose of paying for employee travelling costs on official duties/missions. These costs include bus/air/Train Fare, Taxi, Accommodation and Meals & Incidents. Some organization they request the traveler to submit only accommodation receipt and other amount are accountable under allowance or ask the traveler to collect receipt with all costs associated with Meals, Taxi, Accommodation and Incidentals, they are accounting on receipts only.

1. Enumerate the disbursement procedure

The Accounts Payable Cash Disbursement Procedure explains practices for documenting, recording and issuing payments for purchasing transactions.

**The** **first step** in an account’s payable procedure, is properly recording the liability upon receipt of merchandise, using the purchase order estimates as a guideline. For accuracy and timeliness of data, a liability should be recorded as soon as the organization receives the purchased items. By necessity, this initial recording is usually an estimate and can be finalized when the actual invoice arrives. This is why a [Purchase Order](https://www.bizmanualz.com/general-purchasing-procedure) is so important for merchandise purchases. It documents the company’s understanding of how much each item will cost, per the vendor’s terms. This includes estimates for freight and any other charges.

**The second step** in an account’s payable procedure, takes place when the vendor’s invoice is received. At this point the actual liability is finalized, with any necessary adjustments to the item costs, freight, or other charges.

**The third step** involves the preparation, issuance of payment for the goods received, and subsequent filing of all paperwork for easy retrieval.

Source of Data

[www.bizmanualz.com](http://www.bizmanualz.com)

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