Finance Unit Policies and Standard Operating Procedures

The Finance Unit's policies and SOPs promote responsible financial management through transparent budgeting, diligent monitoring, and accountable procurement and reporting practices. These procedures support the centre's sustainability, effective resource allocation, and compliance with regulations, ensuring continued growth and impact in research, healthcare, and community outreach.

Policies of the Finance Unit

1. Adherence to Financial Regulations

- All financial activities must comply with national laws, organisational policies, and international accounting standards.
- The unit shall ensure proper documentation, segregation of duties, and internal controls to prevent fraud and misappropriation.

2. Transparent Budgeting and Resource Allocation

- The budgeting process shall be participatory, involving relevant stakeholders, and based on accurate needs assessments.
- Budget proposals must be reviewed and approved by the designated authority before they can be implemented.

3. Procurement and Payments

- Procurement must follow the centre's established procedures to ensure fairness, competitiveness, and value for money.
- Payments should be made only after verification of receipt of goods/services and proper documentation.

4. Financial Transparency and Accountability

- Financial reports shall be prepared regularly and shared with management and relevant stakeholders.
- All transactions must be recorded accurately, with supporting documentation, to facilitate audits and reviews.

Standard Operating Procedures (SOPs) for the Finance Unit

1. Budget Preparation and Monitoring SOP

Objective:

To develop, implement, and monitor the centre's budget effectively.

Steps:

1. Collect budget requests from departments based on their operational and project needs.
2. Consolidate requests into a comprehensive draft budget.
3. Review the draft with senior management and make any necessary revisions.
4. Obtain formal approval from the authorised authority.
5. Distribute budgets to departments and set expenditure limits.
6. Monitor actual expenditures against approved budgets on a monthly basis.
7. Generate variance reports and investigate discrepancies.
8. Adjust budgets, if necessary, with approval, to accommodate changing priorities.

2. Financial Transactions and Reporting SOP

Objective:

To ensure accurate recording and timely reporting of financial activities.

Steps:

1. Record all financial transactions (expenses, income, transfers) promptly in the financial management system.
2. Verify supporting documents (receipts, invoices, contracts) before recording.
3. Classify transactions according to budget categories.
4. Reconcile bank statements and financial records monthly.
5. Prepare financial reports (monthly, quarterly, annual) for management review.
6. Ensure reports comply with organisational and legal standards.

3. Procurement and Payments SOP

Objective:

To facilitate fair, transparent, and efficient procurement and payment processes.

Steps:

1. Identify procurement needs in consultation with relevant departments.
2. Issue tenders or requests for quotations (RFQs), ensuring a competitive bidding process.

3. Evaluate bids based on quality, price, and compliance.
4. Select suppliers and issue purchase orders.
5. Receive goods/services, verify quality and quantity.
6. Process payments only after validation of receipt and supporting documentation.
7. Maintain records of all procurement activities and payment transactions.
8. Conduct periodic supplier performance evaluations.

4. Financial Documentation and Audit SOP

Objective:

To maintain accurate records for accountability and auditing.

Steps:

1. Store all financial documents (receipts, invoices, contracts, reports) securely.
2. Ensure documentation is complete, properly filed, and easily retrievable.
3. Conduct internal audits quarterly to verify compliance and detect irregularities.
4. Prepare documentation and reports required for external audits.
5. Address audit findings promptly and implement corrective actions.

Approved by:

Fahal

Prof Ahmed Hassan Fahal
Director,
Mycetoma Research Center
University of Khartoum

31th March 2010
Update on 19th May 2024