

**XYZ AND COMPANY.
CERTIFIED PUBLIC ACCOUNTANTS**

**FINANCE AND ADMINISTRATION
MANUAL**

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INTRODUCTION

The Administration Manual is the sole authoritative source of official administrative policies, procedures, guidelines and forms of the firm.

This Manual embodies the terms and conditions of service of ABC & Associates and shall apply to all staff of the firm except where they are at variance with the laws of Uganda or as otherwise provided in this Manual.

The board reserves the right to amend this manual or any part thereof as may be deemed necessary.

Any issues arising out of the interpretation or application of this Manual shall be referred to the Managing partner whose decision shall be final.

1.0 FINANCE.

1.1 Finance Policies & Plans.

The purpose of the financial policies & plans is to support the management and staff of XYZ in their use of the firm's resources and ensure value for money.

1.1.1 Accountant in charge of finance.

The firm Accountant is the senior financial manager of XYZ operations and reports to the Managing partner.

The responsibilities of the post are:

- i. To be in charge and have custody of all current and non-current assets of the firm and be responsible for the proper keeping of books of accounts.
- ii. To be responsible for preparing and presenting regular financial reports and for presenting the audited accounts to the Partners.
- iii. To prepare and present the annual budget estimates of the firm.

1.1.2 Financial Accountability

For proper tracking of all income to the firm, invoices shall be raised for all moneys received and such moneys shall also be receipted even if the client expresses no need of an invoice and/or receipt.

Timeliness in issuing invoices for our routine clients; this shall be done within **five (5) days** from the end of the month to which such an invoice relates.

Where clients pay in cheques, they will be banked latest by the following working day.

All expenditure shall be made upon raising a payment voucher. No staff will be given any money without a formal request through raising a payment voucher.

All monies advanced to staff shall be accounted for within **7 days** from completion of the task(s) for which such moneys were advanced. Where this is not done, unaccounted for funds shall be recovered from the concerned staff's salary.

In accounting for any moneys advanced, adequate supporting documentation shall be attached by staff e.g. receipts, invoices, etc. Further to this, there should be evidence that money was used for the purposes intended.

The Managing Partner will from time to time be doing an internal review to confirm compliance to these procedures.

1.2 Financial Reporting

The FAM will have the responsibility of preparing the Financial Statements for the Firm. A separate guide shall be developed to guide the preparation of the firm's financial statements

1.3 Non- current Assets.

The role of the Asset Management Supervisor within the Finance department is to manage fixed assets in regards to acquisition, relocation, disposal, calculation of depreciation and losses/gains on the sale of assets, and to allow the firm to comply with statutory requirements.

The firm maintains a central record of Non-current assets and their values within the Finance department. A centralised system of recording assets enables the Finance department to provide information to management.

1.3.1 Registration Code.

All non-current assets bear the firm's registration code, which allows them to be identified back to the non current asset inventory.

1.3.2 Depreciation.

The firm's non- current assets are depreciated by the Finance Department in line with the depreciation policy approved by the partners. For any assets, whose value is based on a market valuation, the firm will, from time to time, commission a competent valuer to assess the value of the asset.

1.4 PAYROLL MANAGEMENT.

1.4.1 Payment of salaries and wages.

The authority, to pay a salary or a wage to the firm's staff member, is the contract of appointment duly signed by both the appointing authority and the staff member. Salaries and wages are paid monthly in arrears.

The staff partner maintains a staff database containing all the personal details of every staff member. The accountant maintains the staff payroll containing each staff member's rate of pay and liability for statutory deductions, to which are added each month any additional allowances or deductions. The monthly payroll is prepared by the accountant and is authorized by the Finance manager. Each staff member is given a pay slip with their gross salary and the details of all the additions and deductions, that have been made to arrive at their net pay.

1.4.2 Changes to the pay roll.

The Accountant is notified by either the staff partner or the Finance Manager of any changes that must be made to the monthly payroll. The authority to stop payment to a staff member takes effect on the date indicated in a letter of dismissal, resignation, retirement, termination of services or suspension without or with part payment.

1.4.3 Storage of Payroll Info.

The payroll information is prepared and stored by the Finance Department in such a manner that a monthly return of remittance due to the National Social Security Fund (NSSF) of the NSSF contribution, deducted from staff and paid by the firm, is submitted on time.

The payroll information is prepared and stored in such a manner that a monthly return of remittance, due to the Uganda Revenue Authority for the PAYE deducted from the staff, is submitted on time.

1.5 CODE OF CONDUCT.

The finance function is an important area of XYZ's operational activity. All staff, involved in this, are required to follow the highest standards of professional behavior. Staff involved in financial activities must pay particular attention to the following requirements:

- i. Declaring whenever a conflict of interest currently exists or is likely to develop.
- ii. Reporting promptly all cases of suspected fraud or financial irregularity.
- iii. Ensuring the highest level of confidentiality about firm's financial information.
- iv. Ensuring the timely delivery of quality work.

1.6 FINANCIAL REPORTING FRAMEWORK & REPORT FORMATS.

The financial reports that are produced on a regular basis by the Finance Department are:-

- i. Quarterly financial reports, for submission to the partners, for the purpose of reviewing progress with the annual business plan and budget.

- ii. End-of-year financial statements for the statutory reporting of the firm's financial position and operating results for the year, to be submitted to Institute's members and stakeholders.

2.0 ADMINISTRATION.

2.1 RECORD MANAGEMENT.

The objective of the Records Management Policy is to establish a records management program in accordance with relevant legislative and regulatory requirements, standards and best practices to ensure that records are properly created, managed and maintained in the interests of corporate accountability, orderly administration and memory.

2.1.1 ACCOUNTABILITY.

To ensure proper accountability of the firm's income and expenditures, and all activities undertaken by the firm, all financial and non financial information shall be properly and promptly recorded by the Finance and Administration Manager (FAM) who will ensure that [at minimum], the following records are maintained;

- i. Invoice Book
- ii. Client's Master Register (Job monitoring book)
- iii. Payment vouchers.
- iv. Receipt books
- v. Cash book
- vi. File for bank and reconciliation statements.
- vii. A register for all incoming and outgoing mail.
- viii. A file for all staff issues and payroll
- ix. Tax file
- x. A register for all files in the registry.
- xi. HR Issues
- xii. Correspondences with ICPAU

2.1.2 STORAGE AND PRIVACY OF RECORDS.

All documents and stationery not in use shall be securely stored in the Registry. All files whether current (running) or closed shall be securely kept in the registry. The registry shall be under key and lock and non staff shall not be allowed access to the registry without prior permission.

No staff will be allowed to take out of office any client's file and/or any other documents, laptops and other portable items belonging to the firm unless they are to

be used/referred to in the course of performing the firm's duties and in which case approval from the Managing Partner shall be sought first.

2.1.3 Standardization

All staff shall strive at all times to standardize our operations. Our documents, our office layout, our brochures etc shall as much as possible reflect our corporate colours, fonts etc.

All proposals to clients shall bear the firm Logo and the client's logo in the document header.

All important documents like Trading License, Practicing certificates shall be properly framed and hanged strategically in office for everyone to see.

2.1.4 PERSONAL INFORMATION.

Personal information relating to people who are, or were, staff of the firm, or who were applicants for appointment to positions at the firm, is held by the Human Resources Offices.

2.1.4 MAIL MANAGEMENT.

All incoming and outgoing mail shall be recorded in the mails register.

All mails leaving the firm shall be at least in duplicate, one copy for the addressee and the other copy for the firm's records. The addressee shall acknowledge the firm's copy by signing and/or stamping on it clearing showing the date of receipt and then send it back.

Staff shall be encouraged to send mail in branded envelopes (printed on with the firm's logo and other particulars) when available.

Where possible, important documents like audit proposals and engagement letters shall be printed in colour.

2.1.5 DISPOSAL AND DESTRUCTION OF RECORDS.

Employees who wish to initiate the archiving and/or disposal of records are required to contact the Administrative Manager.

2.2 OFFICE PREMISES.

2.2.1 CLEANLINESS.

The nature of our business requires the highest degree of cleanliness. Thus, the office premises shall remain tidy at all times. Whereas the Office Assistant shall be responsible that the office is at all times tidy and very well arranged, it shall be the Finance and Administration Manager in charge of office cleanliness by ensuring that the Office Assistants do their work.

2.2.2 ACCESS TO OFFICE.

The official working hours shall be 8:00am to 5:00pm, Monday to Friday. Thus, the office shall remain open at all times during the working hours.

Depending on need, staff may be called upon to work on weekends. Office keys shall be entrusted to two staff namely; the Office Assistance and the Finance & Administration Manager. We shall avoid at all times, allowing non staff to have access to the office without our presence.

2.2.3 USE OF THE FIRM'S CONTROLLED STATIONERY.

Only authorised staff shall use the firm's controlled stationery such as receipt books, payment vouchers, invoices, branded envelopes, headed paper etc.

Serialised stationery such as invoices and receipts shall be strictly used and filed in the order of their serial numbers.

2.3 ATTENDANCE AND PUNCTUALITY.

All employees are expected to be punctual in reporting for work. Absenteeism places a burden on other employees and on the firm. In the rare circumstances when an employee cannot avoid being late to work or unable to work as scheduled, he/she should notify his/her supervisor as soon as possible in advance of anticipated absence.

2.3.1 WORKING HOURS.

The working hours shall be from 8.00 am - 5.00 pm with one hour of lunch break. However, XYZ reserves the right to schedule work according to its demands.

2.4 APPEARANCE.

All employees are expected to present a clean, neat and smart appearance. Each employee is expected to dress and groom himself/herself according to the requirements of each one's position and accepted social standards.

2.5 EMPLOYEE ASSISTANCE PROGRAMME.

XYZ cares about the well-being of its employees and recognizes that a variety of personal problems can disrupt their personal and work lives. While many employees solve their problems either on their own or with the help of family and friends, sometimes employees need professional assistance and advice.

XYZ Provides confidential access to professional counseling services for help in confronting personal problems such as alcohol and other substance abuse, marital and family difficulties, financial and legal troubles, and emotional distress.

2.6 COMMUNICATION POLICY.

Communication within the firm shall ensure that all employees are well informed on all matters affecting them and the business and that they effectively contribute ideas relating to the improvement of the operations and work environment.

Employees have a right to express their opinion on any situation or issue concerning their area of responsibility and overall workplace environment. This right of expression entitles them to be heard without fear of recrimination or reprisal.

3.0 OPERATIONS

This section shall cover mostly the technical parts in the firm's course of offering its services to clients.

3.1 General Work Behaviour.

Every employee shall be required to discharge all reasonable duties broadly falling within his/her role and duties as specified in the job description. Every employee shall comply with all lawful instructions given to him/her.

3.2 Audit & Review Engagements.

All engagements of any form; Both audit and review engagements shall be properly planned and executed in line with the regulatory framework governing audit and review engagements. Audit engagements shall be risk-based and thus a risk assessment and part of the overall audit strategy in respect of any engagement shall be first properly before commencing on the actual audit/review work.

The successful business operation and reputation of the firm is built upon the principles of fair dealing and ethical conduct of employees. The firm's reputation, for integrity and excellence, requires careful observance of all applicable laws and regulations in Uganda, as well as regard for the highest standards of conduct and personal integrity.

3.1 CLIENTS.

3.1.1 AUDIT CLIENTS.

These are clients to which the firm offers end of year statutory audit(s). These audits shall be properly planned and executed in a timely manner and in line with the regulatory framework on audit. To perform effective audits and/or reviews;

- i. There shall be an audit plan, audit program and risk assessment write-ups in preparation for any audit/review engagement.
- ii. The plan shall form among other things the audit strategy to adopt for the engagement and the task/component allocation (job administration structure).
- iii. The audit program shall state the specific areas to test as arising from the risk assessment and then the possible tests to be carried out.
- iv. All audit evidence shall be corrected and filed promptly in an audit file.
- v. Every audit/review case shall have an independent audit file.
- vi. All work performed during an audit/review shall be subject to independent review either by the partner or any other person designated by the partner.
- vii. The partner reserves the right to perform an independent review even if another staff has done the review as he (the partner) has retain the ultimate responsibility for the work performed and the report issued.

3.1.2 Tax Clients

The firm offers monthly tax administration services to tax clients. These clients shall be treated with utmost care and due diligence as there are tight deadlines for filing returns (especially the monthly VAT & PAYE returns). The tax Manager shall oversee the administration of tax returns for all tax clients.

The process of return filing shall start as early as the first of the month for the previous month as the deadline for filing is **15th of the Month**. The Tax Manager shall ensure that by 15th of the month, all returns for tax clients are filed without fail. If for any good cause, the Tax Manager, anticipates that return(s) for any given tax client shall not be filed in time, he will cause to be written a notification to URA

requesting for an extension of filing the respective return(s). This is in line with the tax legislation.

4.0 QUALITY CONTROL

XYZ shall maintain a top notch quality practice in all services. This will be based on the fact that in the service industry, satisfaction of clients requires high quality standards.

4.1 QUALITY ASSURANCE DEPARTMENT

With the fact that XYZ must give a service with the highest quality, there shall be a fully fledged Quality Assurance Department headed by the Quality Assurance Manager (QAM) who will be one of the firm's Partners. The QAM will ensure that all services are of the highest quality and that nothing interrupts the XYZ's brand in the market.

4.2 Review of work.

Before producing a final piece of work, it shall be reviewed by at least one person who will be other than the one who prepared such work/document being reviewed. A person carrying out the review shall exercise due care and responsibility and do their best to read through the whole document to their satisfaction.

The prime objective of review of audit files shall be to ensure that audit tests were carried out in accordance with the audit program designed at commencement of the engagement.