

**REPUBLIC OF RWANDA**



**SPECIAL GUARANTEE FUND**

**P. O .Box 7359 KIGALI**

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**POLICIES AND PROCEDURES MANUAL  
FOR THE SPECIAL GUARANTEE FUND**

**February 2015**

## **ACRONYMS AND ABBREVIATIONS**

<b>BNR</b>	National Bank of Rwanda (Banki Nkuru y'u Rwanda)
<b>GAAP</b>	Generally Accepted Accounting Principles
<b>ICT</b>	Information Communication Technology
<b>ID</b>	Identity
<b>IFRSs</b>	International Financial Reporting Standards
<b>IT</b>	Information Technology
<b>MINECOFIN</b>	Ministry of Finance and Economic Planning
<b>MINICOM</b>	Ministry of Trade and Industry
<b>MoU</b>	Memorandum of Understanding
<b>PO</b>	Payment Order
<b>RRA</b>	Rwanda Revenue Authority
<b>SGF</b>	Special Guarantee Fund
<b>SOW</b>	Scope of Work

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## **PREFACE**

*The aim of this Policies and Procedures Manual is to provide the employees of the Special Guarantee Fund (SGF) with a single place where they can find out how the SGF and its structures operate, what is expected from them and what support they can expect. In the interest of brevity, an attempt has been made to include only that information which will be used under normal operating circumstances within the SGF. For special situations, it is recommended that the appropriate unit be contacted.*

*The material in this manual ranges from financial & accounting to non financial policies and procedures necessary for SGF to manage efficiently and effectively its operations. Many of the policies and procedures, particularly administrative policies and procedures, are subject to internally initiated changes. Additionally, exceptions to Administrative policies and procedures are allowable when the justification is documented and is processed for approval through the normal channels of your unit, including approval from the Unit of Administration and Finance with notification to the Director General.*

*I hope this document will contribute in concrete terms to the promotion of best practices, accountability, dedication and professionalism in the Special Guarantee Fund.*

**Dr. NZABONIKUZA Joseph**  
**Director General.**

## DEFINITION OF TERMS

- Accident:** Unfortunate incident that happens unexpectedly and unintentionally, typically resulting in damage or injury. For the purposes of this policy and procedure manuals, the focus shall be on road traffic accidents and damages as well accidents caused by animals.
- Assets:** Item of property owned by a person or company, regarded as having value and available to meet debts, commitments, or legacies.
- Award of Tender:** Decision made by the internal tender committee constituted in accordance with the requirements in section to the lowest evaluated bidder and within a specified financial amount.
- Bid:** Request to provide SGF with the specified goods, works or services or a combination thereof.
- Bidder:** Physical person or entity intending to participate or participating in procurement process.
- Bribery:** Act or practice of offering, giving, or taking a bribe. It is the act of giving a benefit (e.g., money) in order to influence the judgment or conduct of a person in a position of influence in a particular activity. Accepting a bribe also constitutes a crime.
- Claimant:** Person making a claim, especially in a lawsuit or for a state benefit.
- Compensation:** Money awarded to a claimant in recognition of loss, suffering, or injury.
- Contract:** Agreement between the purchaser and the supplier/provider transpiring from a bidding procedure undertaken according to the SGF procurement policy and guidelines and resulting from an award decision of the internal tender committee or any other appropriate authority.
- Corruption:** Offering, giving, receiving or soliciting, directly or indirectly of anything of value by a vendor and/or staff to influence the action of staff in the procurement process or contract execution.
- Fraud:** Intentional, false representation or concealment of a material fact by a vendor and/or staff for the purpose of inducing another to act up on it to his/her detriment or interest. It refers to a deception deliberately practiced in order to secure unfair or unlawful gain while causing monetary or non-monetary loss to SGF. It involves intentional deception when an employee or other party makes false statements, conceals or omits material facts.
- Gifts:** Material items offered by a vendor/supplier to employees in appreciation of the existing business relationship or the organization's performance and achievements.
- Guarantee Fund:** Sum of money managed by SGF and pledged as a contingent indemnity for loss.
- Integrated logistics Support (ILS):** Management function that provides funding, planning and controls to assure that the system meets the expected requirements. ILS is also

expected to make sure the price of the goods is reasonable and the product is of the required quality.

**International Financial Reporting Standards (IFRS):** Set of accounting standards developed by an independent, not-for-profit organization called the International Accounting Standards Board (IASB).

**Logistics:** Efficient flow and storage of goods from their point of origin to the point of consumption.

**Performance indicators:** Guidelines and quantitative or qualitative measures that shall be used to verify whether a job is being performed to meet or exceed expectations. They shall provide an indication of how well employees are doing with respect to the achievement of the agreed standards of performance.

**Prequalification:** Process of deriving a list of suppliers and service providers with financial and technical capacity required to respond to invitations to bid.

**Procurement process:** Requisition cycle which starts from request for purchasing, approval, acquisition and stops at receipt of goods and services and the payment cycle which starts from request for payment, invoice creation, approval, Purchase Order & Delivery matching, and stops. Once the payment(s) is/are made to the vendors, and the entire Purchase Order has been closed.

**Procurement:** Overall process of acquiring goods, civil works and services which includes all functions from the identification of needs, selection and solicitation of sources, preparation and award of a contract, and all phases of contract administration through the end of a services contract or the useful life of an asset.

**Property:** Anything that is owned by a person or entity. Property is divided into two types: "real property" which is any interest in land, real estate, growing plants or the improvements on it, and "personal property" (sometimes called "personality") which is everything else.

**Victim:** A person harmed, injured, or killed as a result of a crime, accident, or other event or action. In this policy and procedure manuals, accidents from automobiles and animals' injuries or accidents will be considered.

## **CHAPTER 0: GENERAL INTRODUCTION**

### **0.1 Background**

The Special Guarantee Fund (SGF) was established by the Law no 52/2011 of 14 December 2011 with the mission of compensating victims of damages caused by non insured and non identified automobiles and by specified wild animals. The SGF is a government agency affiliated to the Ministry of Finance and Economic Planning (MINECOFIN).

This manual is a statement outlining the principles and processes of activities within SGF towards achieving its mission and objectives. It intends to be flexible and easy to interpret and understand for SGF staff, external auditors and stakeholders while reflecting the vision of offering excellent services to customers .

This Manual shall be used across the SGF to guide the handling of financial functions and policies regarding SGF mission. It provides guidance on all procedures and reporting requirements. As the transactions of SGF evolve, diverse and increase, this Manual must remain relevant, therefore it is subject of periodic review for update.

### **0.2 Purpose of this Manual**

This manual outlines the financial and administrative procedures and policies of SGF. They are designed to ensure that:

- Lines and levels of authority are clearly defined, communicated and understood.
- Transactions are correctly recorded as required.
- The SGF's assets and income are safeguarded, accounted for and controlled.
- The SGF's expenditure and liabilities are incurred only when necessary and pursuant to the laws and regulations;
- The Administration issues are also accounted for.

### **0.3 Scope and Structure of the Manual**

#### **0.3.1 Scope**

Where its policies and procedures issues may not have been covered in this manual, SGF will refer to the provisions of the four Volumes of the Manual of Government policies and procedures: Financial Management and Accounting and any other guiding instructions to be provided by both the Board of Directors and the Directorate General.

### **0.3.2 Structure**

This manual is arranged in the following modules:

- *Module 1: Policies and Procedures for Compensation of Damages;*
- *Module 2: Financial and Accounting Policies and Procedures;*
- *Module 3: Legal Affairs Policies and Procedures;*
- *Module 4: Human Resources Policies and Procedures;*
- *Module 5: Information and Technology Policies and Procedures;*
- *Module 6: Public Relations and Communication Policies and Procedures;*
- *Module 7: Planning, Monitoring and Evaluation Policies and Procedures;*
- *Module 8: Policies and Procedures for Risk Management and Internal Control Systems;*
- *Module 9: Policies and Procedures for Procurement.*

The SGF Management will determine when to update this version. In this case, the Director of Administration and Finance will implement the changes and prepare the updated version for distribution to all copyholders. The updated version will indicate the date of issue and the date of coming into effect.

### **0.4 Mission of SGF**

SGF has the following mission:

- 1) To compensate victims of damages or injury caused by an automobile in situations when:
  - a) The automobile is not identified;
  - b) The civil liability is not covered by any compulsory insurance scheme for motor vehicles;
  - c) The automobile was stolen or taken away from the owner or driver or from any other person that has the right over it;
- 2) To compensate victims of damages caused by specified wild animals;
- 3) To help in covering medical expenses for people injured or incapacitated by accidents caused by automobiles or animals while waiting for the person responsible for civil liability to be identified;
- 4) To collect comprehensive data on non-insured automobiles from the insurance companies, the Rwanda Revenue Authority, Rwanda Utilities and Regulatory Agency, and different companies involved in transport companies in order to collaborate with the Rwanda National Police in devising measures to limit risks caused by these automobiles.;
- 5) To participate in accident prevention activities;

- 6) To take part in activities meant to assist and advise the victims of accidents mentioned in sub-paragraphs 1 and 2 of this article during their claim of compensation and thereafter.

### **0.5 Powers of SGF**

SGF is assigned with the following powers:

- Exercise control over insurance companies in relation to payment of insurance premiums for civil liability for motor vehicles;
- Sell by public auction automobiles which causes accidents in case after three months of notification the owner fails to reimburse the money paid out by SGF. When the money from such a public auction is less than the amount to be recovered, SGF shall have the right to file the case in courts of law in order to obtain the outstanding balance;
- Sell in public auction the wreckages of an automobile of which compensation has been paid;
- To request the company insuring the automobile involved in an accident to reimburse medical expenses as stipulated in sub-paragraph 3° of article 4 of this Law;
- To file a case in courts of law against any person, companies and organizations responsible for damage or injury caused by an animal when he/she failed to reimburse the amount of compensation paid by SGF after a month from the time of notification.

### **0.6 Supervising authority of SGF and its category**

A Prime Minister's Order determines the supervising authority of SGF and its category.

An agreement/contract shall be signed between the supervising authority of SGF and its decision-making organ through a performance contract indicating competence, rights and obligations of each party in order to help SGF to fulfil its mission (**Form of Institutional Performance Contract**). The agreement will be valid for a period equal to the term of office of members of the decision-making organ of SGF.

### **0.7 Organization and functioning of SGF**

SGF is comprised of the following management organs:

- 1) The Board of Directors; and,
- 2) The Directorate General.

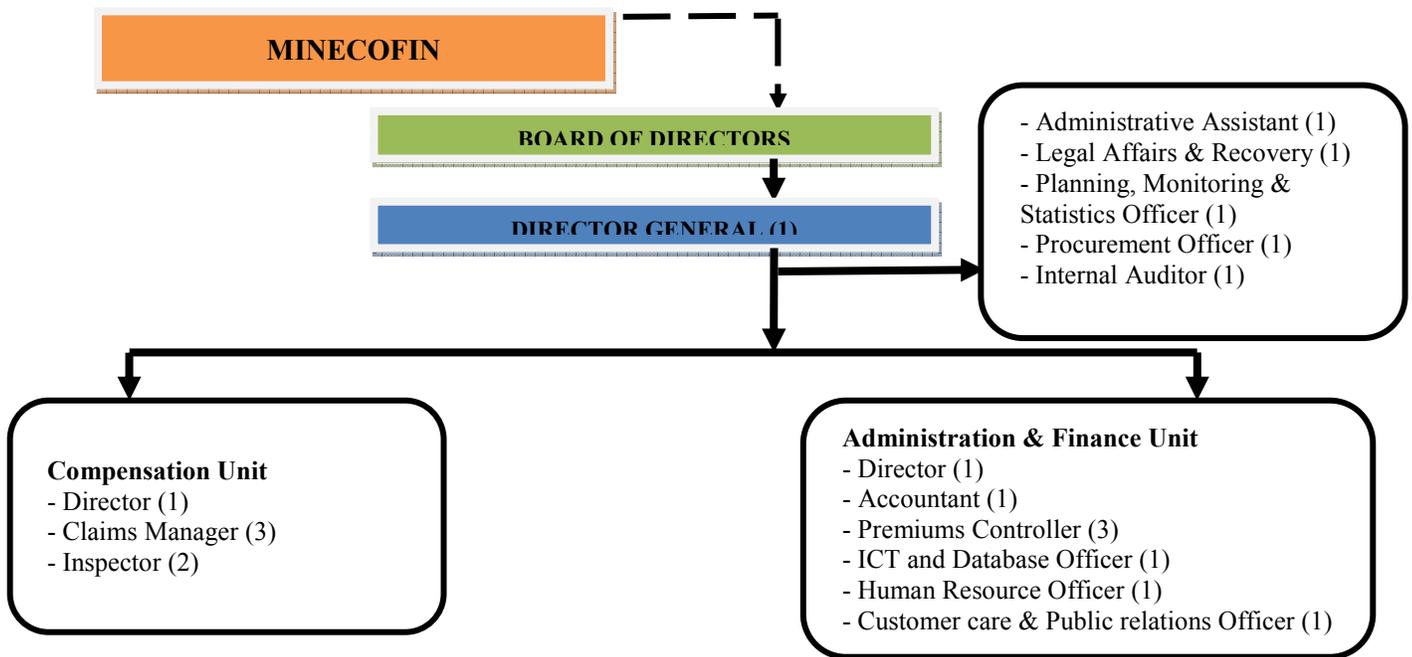
A Prime Minister's Order establishes other relevant organs of SGF.

The competence, responsibilities and functioning of the organs, number of members and term of office are determined by a Prime Minister's Order.

**Board of Directors of SGF**

The Board of Directors of SGF is the governing and decision-making organ. Its competence, responsibilities, functioning and the term of office of its members are determined by a Prime Minister’s Order. A Presidential Order appoints members of the Board of Directors including the Chairperson and the Deputy Chairperson. Members of the Board of Directors are appointed based on their competences and expertise. At least thirty per cent (30%) of members of the Board of Directors shall be females.

• **The current organizational structure of SGF**



**SGF activities**

The Coordination of the SGF activities is made through the following organs:

- a) **General Directorate:** This organ is composed by the Director General. He is responsible of the overall daily management of SGF activities, representing it to different stakeholders as well as ensuring proper management of SGF resources.
- b) **Management Committee Team (MCT):** Management Committee Team is established by the General Directorate service order. It is composed by Heads of Units and other responsible of key functions within SGF at the General Directorate consideration. The MCT meets on weekly basis.

- The agenda is communicated to participants by the Director General at least 1 day before the meeting. The decisions of the MCT are communicated to all staff for implementation or information.
- c) **Compensation Committee (CC):** The composition, mission and organization of this committee are determined by internal service memo of the General Directorate .
  - d) **Transaction Committee (TC):**The The composition, mission and organization of this committee is determined by internal service memo of the General Directorate.
  - e) **Internal Tender Committee (ITC):** Its organization is determined by the Ministerial order n°001/08/10/MIN of 15/01/2008 establishing regulations on public procurement and standard bidding documents, art.4 to 11. The agenda of the meeting is communicated to the participants at least 4 days before the meeting and they shall communicate their inputs.
  - f) **Internal Technical Meeting (ITM):** It is organized at least on weekly basis by each Director of Unit with the staff under her/his responsibilities to discuss technical and organizational issues within the unit. The minutes are submitted to the Director General with copies to the participants. Depending on the agenda, staff of other units may be invited to attend it or to be consulted. The agenda of the meeting is communicated to the participants at least 1 day before the meeting.
  - g) **General Staff Meeting (GSM):** this is a monthly meeting of all SGF staff, chaired by the Director General. The agenda of the meeting is communicated to the participants at least 2 days before the meeting.

Each Director of Unit and officers under the Directorate General should produce **weekly and monthly implementation reports** to the Director General in 2 a days' timeframe for weekly reports and a 5 days' timeframe for monthly reports. These reports inform the Director General of the progress in the implementation of business plan, other sporadic activities, challenges faced and potential risks, corrective measures and needed technical support.

**MODULE I:**

**POLICIES AND PROCEDURES FOR COMPENSATION  
OF DAMAGES**

## **POLICIES AND PROCEDURES FOR COMPENSATION OF DAMAGES**

In compensating victims of damages or injury caused by automobile and wild animals, helping in covering medical expenses for people injured-or incapacitated by accidents caused by automobiles or animals while waiting for the person responsible for civil liability to be identified, collecting comprehensive data on insurance for automobiles through insurance companies, the Rwanda Revenue Authority and other institutions, in order to know which automobiles are not insured in order to remove them from the road Traffic, participating in accident prevention activities and taking part in activities meant to assist and advise the above mentioned victims of the accidents when they claim compensation and thereafter.

Under this module, we will have two chapters; one dealing with handling of claims and another one on reporting procedures.

### **CHAPTER 1: HANDLING OF CLAIMS (RECEIVING, MANAGEMENT AND INSPECTION)**

#### **1.1 Receiving and orientation of the claim received**

A claimant who introduces his/her request for compensation must produce all required documents. The Compensation Unit must avail and update a list of required documents at the reception desk and on SGF website as well as at each district office from where SGF requests to forward that list to sector, cell and village levels. A claim will not be received for being processed unless some specified documents to support the claim are presented; after required documents may be submitted late.

The request can be made in 2 ways: by submitting hard copy of the claim file or online if officially authorized and in the prescribed way. Once the in-charge of reception analyses the file presented by the claimant and finds that all required documents are submitted , he/ she gives a unique number (code) to the file and in the soft and hard register of claims, the following information is recorded :

- The name of the claimant
- Date of the accident
- Type of accident ( non-insured, non-identified, wildlife, MSGH)
- Date of the reception
- Damages caused (death, injured, crops damages, property damages).
- Assigned claim code (number)
- The name of SGF staff who received the claim
- The missing documents if any

In case of missing documents in the claim file, the claimant receives, from the in charge of reception, a form outlining the missing documents.

The in charge of reception attributes a number to the claim which denotes the following information:

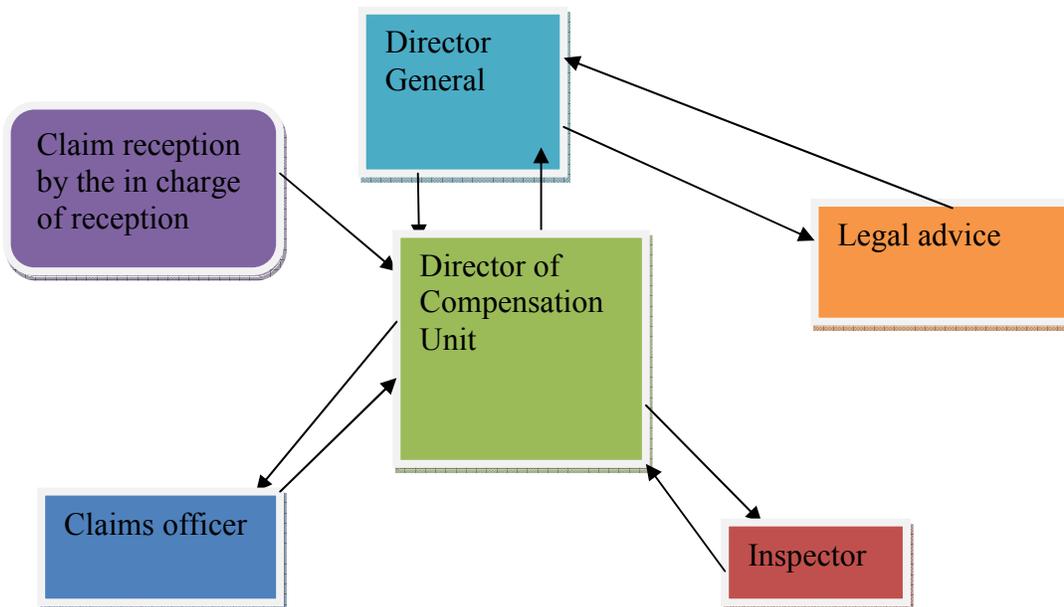
- (1) The number of accident recorded and the year of accident occurred
- (2) The number of the claim
- (3) Month and year of the accident

The claimant receives from the in charge of reception a form containing assigned claim code, document received, missing document if any. This form serves as a proof of reception and must be signed by the person who introduces the claim and the one who received him.

The in charge of reception fills in other forms aimed at having full identification of the victim or other focal persons.

After that the new file is transmitted to the Director of Compensation.

Before the decision is taken on a claim, it may be necessary to go through the steps summarized in the chart below:



## 1.2 Management and inspection of the claim

### SGF compensation requirements

In line with the above section 1.1, the table below summarizes the cause of accident, required actions and documents for victims in order to request compensation in SGF

Cause of accident	Actions to be taken by victim	Required documents for material damage	Required documents for body injury	Required documents for fatality
<b>Accident caused by automobiles</b>	<ol style="list-style-type: none"> <li>1. To inform immediately the police station of the area in which the accident occurred, if it is not possible he/she can do it within a period not exceeding seven (7) days;</li> <li>2. The victim shall complete requirements for compensation;</li> <li>3. The victim shall, within the period not exceeding two years from the date of accident, inform SGF</li> </ol>	<ol style="list-style-type: none"> <li>1. A letter requesting compensation to SGF by the claimant or a person designated by him,</li> <li>2. An accident statement made by Police</li> <li>3. Estimate of the cost of repairs; this estimate should be done by a recognized garage having a TIN number</li> <li>4. A copy of yellow card of the damaged vehicle,</li> <li>5. Photos of the damaged vehicle taken if possible on the scene of accident showing damages,</li> <li>6. If necessary, a document signed by the owner and counter-signed by the competent authority if the owner is not available to follow up his claim,</li> <li>7. written witnesses deposit</li> <li>8. Certificate of non-insurance from all insurance companies operating in Rwanda if the vehicle that</li> </ol>	<ol style="list-style-type: none"> <li>1. A letter requesting compensation to SGF by the claimant or a person designated by him,</li> <li>2. An accident statement made by traffic Police</li> <li>3. Medical legal expertise issued by a recognized government medical doctor,</li> <li>4. Birth certificate of the victim,</li> <li>5. Certificate of complete identity of the victim,</li> <li>6. Document certifying that the victim is still alive,</li> <li>7. If necessary, a document signed by the owner and counter-signed by the competent authority if the owner is not available to follow up his claim,</li> <li>8. written witnesses deposit</li> <li>9. Documents justifying incurred expenses if any,</li> <li>10. 2 photos of the victim</li> <li>11. Certificate of non-insurance from all</li> </ol>	<ol style="list-style-type: none"> <li>1. A letter requesting compensation to SGF by the claimant or a person designated by him,</li> <li>2. An accident statement made by traffic police</li> <li>3. -Death certificate issued by a recognized government medical doctor,</li> <li>4. Death certificate issued by authorities of the district where the victim was residing,</li> <li>5. Birth certificate of the victim,</li> <li>6. Certificate of complete identity of the victim,</li> <li>7. Certificate of complete identity of entitled</li> <li>8. Document certifying that the entitled are still alive with their passport photos,</li> <li>9. certificate of marriage of the husband or wife of the victim if he/she was married,</li> <li>10. Salary certificate of the victim if he /she was having a salary,</li> <li>11. If necessary, a</li> </ol>

		<p>caused the accident was not insured,</p> <p>9. Documents justifying incurred expenses if any,</p> <p>10. In case of a other properties,</p> <p>11. photo of the damaged property taken after the accident with details of damages,</p> <p>12. Title deed certifying that the building belongs to the claimant.</p>	<p>insurance companies operating in Rwanda if the vehicle that caused the accident was not insured.</p>	<p>document signed by the entitled and counter-signed by the competent authority if entitled is not available to follow up his claim,</p> <p>12. written witnesses deposit</p> <p>13. Documents justifying incurred expenses if any</p> <p>14. Certificate of non-insurance from all insurance companies operating in Rwanda if the vehicle that caused the accident was not insured.</p>
<p><b>Accident caused by animals</b></p>	<p>1. To inform immediately local authorities and the group which fill documents of damaged within the period not exceeding 7 days countable from the date of accident</p> <p>2. To inform the SGF within the period not exceeding two months from the date of the accident if damaged are thinks (materials, vegetables) and within two years if the accident caused the injured or the death.</p> <p>3. Must present all requirements</p>	<p>1 Letter requesting for compensation</p> <p>2.Statement explaining how the victim property was damaged by an animal;</p> <p>3. Photograph showing the damaged property;</p> <p>4. Certificate of ownership of the damaged property</p> <p>5. Statement of the testimonies made by witnesses interrogated by Cell authorities;</p> <p>6. Expert's report assessing the damaged property and its value;</p> <p>7. Power of attorney approved by competent authorities where the person requesting for compensation cannot personally follow up</p>	<p>1. A letter requesting compensation to SGF by the claimant or a person designated by him,</p> <p>2. Statement explaining how the victim was attacked by an animal ;</p> <p>3. Statement of the testimonies made by witnesses interrogated by the authorities of the Cell where the accident took place;</p> <p>3. Invoices for medical treatment, hospitalization, purchase of drugs, transportation in ambulance, physiotherapy, rehabilitation, appliances used, prostheses and transport to hospital to seek medical treatment,</p>	<p>1. Letter requesting for compensation addressed to the head of the compensation awarding department;</p> <p>2. Statement explaining how the victim was attacked by an animal;</p> <p>3. Statement of the testimonies made by witnesses interrogated by the authorities of the cell where the accident took place;</p> <p>4. Death certificate issued by a Government authorized doctor;</p> <p>5. Death certificate issued by competent authority;</p> <p>6. Birth certificate of the deceased;</p> <p>7. Full identify certificate of the deceased;</p> <p>8. Document</p>

		his or her case.	<p>4. Certificate issued by a Government authorized doctor;</p> <p>5. Birth certificate;</p> <p>6. Document certifying that he\she is alive;</p> <p>7. Full identity certificate;</p> <p>8. Salary certificate of the injured person or his\her former profession, where it is well known;</p> <p>9. Power of attorney approved by competent authorities where the persons requesting for compensation cannot personally follow up their case.</p>	<p>certifying that the rightful beneficiary is still alive;</p> <p>9. Full identity certificate for persons entitled to compensation;</p> <p>10. Marriage certificate of the spouse of the deceased that survived the latter.</p> <p>11. Invoices for medical treatment, hospitalization, purchase of drugs, transportation in ambulance, physiotherapy, rehabilitation, appliances used, prostheses and transport to hospital to seek medical treatment;</p> <p>12. Salary certificate of the deceased person or his\her former profession, where it is well known;</p> <p>13. Power of attorney approved by competent authorities where the persons requesting for compensation cannot personally follow up their case.</p>
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When the accident causes death, the SGF compensation is limited to his/her following relatives:

- Parents
- Brothers and sisters
- Legally recognized step-brothers or sisters
- Legally recognized wife or husband
- Legally recognized Children

### **1.3 Analysis of the Claim**

#### **Conditions for analysis**

- Except in case of force majeure, SGF will analyse claims when the claimant has reported the accident to the police within seven (7) days and who within a period of two (2) years from the date of the accident, makes a statement about it to SGF
- SGF will analyse the claim from a person injured or whose property has been damaged by an animal when he/she reported the accident to the police station of the area in which the event occurred within a period of seven (7) days and when he/she also reported the accident to SGF within a period not exceeding fifteen (15) working days for any damage made to plants and two (2) years for physical injuries.

#### **Procedure for analysis**

- Once the claim is received by the in charge of reception, it should be forwarded to the Director of Compensation Unit within three hours effective from receipt.
- The Director of Compensation analyses the file in the normal conditions within two days, but for urgent documents, it should be one day and designates the Claim manager who will analyse it thoroughly for SGF civil liability, suggesting investigation where needed, advice on other needed documents, preparation of other required documents and preparation of provision.
- The claim manager reports back in 2 working days and/or suggest investigation to the Director of Compensation Unit who nominates inspector for making the investigation if needed,
- It should be noted that all claims require investigation but when the person who caused the accident accepts his/her responsibilities and collaboration with SGF and on the basis of cost-benefit analysis, investigation may not be considered,
- When the inspector needs a mission order for carrying out the investigation, the director of compensation unit may request advice from DG who officially authorizes the mission or rejects it,
- The investigator shall submit a comprehensive report on the accident showing circumstances that led to the accident, interview eye to eye witnesses if any, different photos of the location where the accident took place, recommendations for action and points requiring further inspection and its estimated timeframe for additional tasks
- Once the mission is done, the investigation report is submitted to the permitting person within 5 working days necessary.
- When the information from inspector is different from the one in claim file, the SGF writes to the Police or prosecution organs requesting to produce PV Subsequent while the handling process of claim goes on.
- Director of compensation unity reports on the claims received in a summarized way to the Director General (DG) on weekly basis.

- Investigation and expert reports are attached to the claim file to be analysed by the Compensation Committee members in order to take a decision on SGF liability
- In case of rejection of the claim, and after approval of the decision by the DG, a rejection letter is prepared to the one who wrote the letter requesting compensation. In case the compensation committee decides to pay the victims, a proposal of settlement is prepared and analysed by members of the Transaction Committee.

#### **1.4 Use of second opinion report from experts**

For accidents which caused damages to the property and body injury whose value is equal or more than the threshold determined by management Meeting, SGF requests second opinion detailing the needed information from loss Assessors who may include Physician, automobile expert, Agronomist, Veterinary, etc.

The second opinion report must encompass at least the following information:

- Damages caused by accident
- Cost of repairing those damages
- Elements of first report (from expertise) which the Fund should not pay because it is not damaged by the accident;
- The conclusion of the report shows the position of the Expert which influences the decision to be taken by the SGF, either to repair, replace, or reinstate. However, SGF may reject the presented opinion if it is judged to irrelevant or subjective. In case of disagreement between SGF and claimant on second opinion, SGF requests the victim to agree on an expert whose opinion is conclusive provided that it is true and whose cost is equally shared between the two parties.

Claims with value below the threshold set by the Board of Directors, will not be given to loss assessor or Valuers. Instead, the SGF will analyse the market and come up with a proposal to present to the claimant.

## **CHAPTER 2: PAYMENT OF THE CLAIMS**

### **2.1 Payment or rejection of the claims**

The SGF will apply the Law N°26/2011 of 27/07/2011 on compensation for damages caused by animals determines and a Prime Minister's Order determining the rates, calculating method and criteria for determining compensation to the victim of damage caused by an animal.

The SGF has two committees in charge of claims compensation: the **Compensation Committee (CC)** and the **Transaction committee (TC)**. The CC is comprised of the Director of Compensation Unit, Claims managers, Inspectors, the Legal Affairs and one member appointed by the Director General. The role of the settlement committee is to decide on claims addressed to SGF.

The meetings of the CC are presided over by the Director of Compensation and are held on a weekly basis on a fixed day and hour agreed upon by all members. A list of claim files to be analysed must be available to CC's members a day before.

The required quorum is 3/5 of the committee members and the resolution on each point of discussion is taken on the basis of 2/3 of members present. The resolutions of the committee becomes valid when they are approved by the Director General.

The TC is headed by the Director of Administration and Finance who has the mission of checking, confirming the proposal of compensation payment and leading negotiation with claimants and is composed of Director of compensation Unity, Manager of the concerned claim, Legal Affairs and Recovery officer and one person appointed by the Director General. Before being presented to the claimant the proposal of the CC must be approved by the Director General which shall reach his/her office within 2 working days after the meeting. The report from the TC which must be submitted within 2 working days is approved by the Director General and subsequently the associated claim file is immediately processed for payment in accounting service.

The Accountant records the liability and prepares payment documents not later than 2 working days.

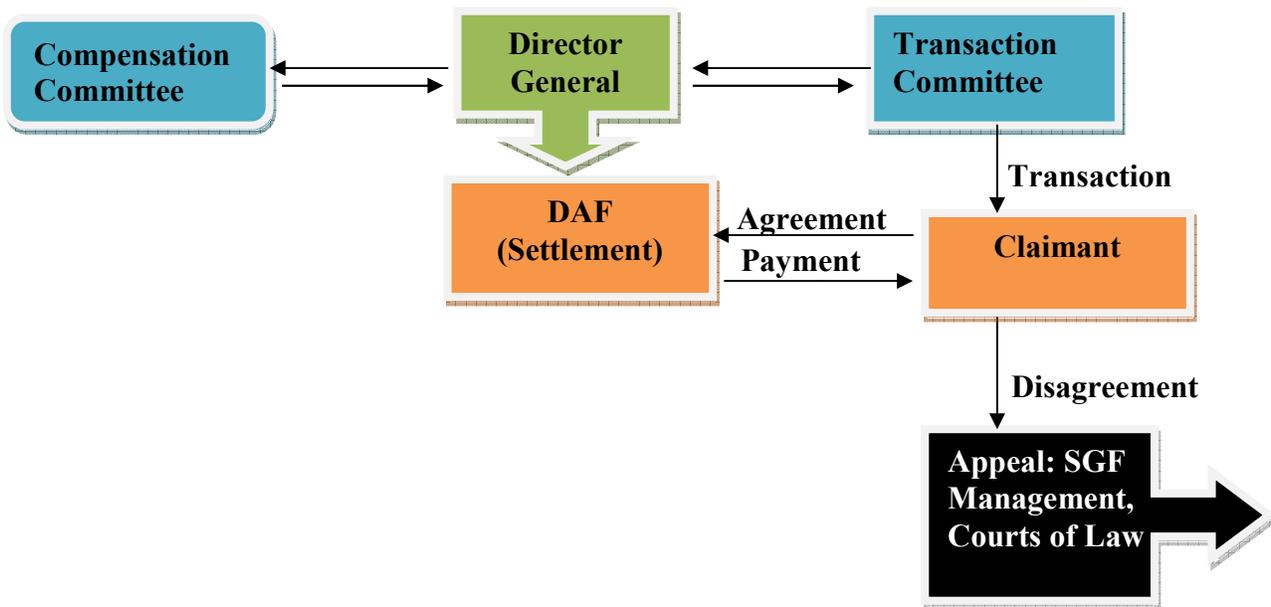
Payment is only made by transfer to the account of claimant. The Accountant, after paying the claimant, he/she stamps "paid" on all documents composing the claims file and submits their copies to the Director of the Compensation Unit for archiving.

In case it is a payment related to an accident caused by an uninsured motor vehicle, the file is immediately transmitted by the Director of Compensation Unit to the in charge of recovery.

## 2.2 Compensation to those with social security

In case the compensation paid by the agency in charge of social security is less than the one provided by SGF, the latter shall pay the balance as per the article 25 of the law n° 52/2011 of 14/12/2011 establishing the special guarantee fund for accidents and damages caused by automobiles and animals (SGF) and determining its mission, organization and functioning. The methodology of computing the above mentioned balance is determined by the Management.

### Claim Decision Making Network



## 2.3 Medical Services in Golden Hours (MSGH)

According to the Article 4 of the law N° 52/2011 of 14/12/2011 establishing the SGF and determining its mission, organisation and functioning, one of its mission is to help in covering medical expenses for people injured or incapacitated by accidents caused by automobiles or animals while waiting for the person responsible for civil liability to be identified.

In order to manage the scheme effectively and efficiently, the following procedure shall be applied:

The public hospital or clinic that receives the victim of road accident or damage caused by wild animals but without any other health insurance cover shall introduce the request for MSGH financial support for the patient or his/her representative who expresses a written need of financial support.

The request shall be accompanied by a form filled by the Hospital and that includes the following information:

- Complete address of the patient (Names, Identity card number, Province, District, Sector, cell, village and phone number)
- Complete address of the patient's family member or neighbour (Names, Identity card number, Province, District, Sector, cell, village and phone number)
- Date of admission in the public hospital/clinic
- Date of the accident
- Place of the accident/damage
- Plate number of the motor vehicle responsible of the accident (in case of accident caused by uninsured motor vehicle) and name of the wild animal responsible of damage
- Proof of declaration to the Police containing the name and telephone of the Police Officer who received the declaration
- Complete address of the people who transported the victim of accident to the hospital (Names, Identity card number, Province, District, Sector, cell, village, Phone numbers, email address)
- Health status of the patient after arrival to public hospital/clinic and information on any other illness that was found not related to the accident/damage
- Medical treatment provided to the patient and related cost
- Any other information deemed necessary.

After receiving the request, the SGF may proceed to on-site or off-site inspections in order to verify if the requests from the public hospital are genuine and getting other information deemed necessary from the victim. An inspection report is produced and submitted to the Director of Compensation Unit in one day following the visit, the later analyses it and proposes immediately to the MSGH claim manager the decision to be taken.

In one day after receiving the report, the MSGH claim manager shall produce a document called "MSGH financial support acceptance" that presents the commitment of SGF to cover medical expenses of that patient or a repudiation letter.

The medical support acceptance or repudiation letter must be approved by Director General before notifying the concerned public hospital/clinic.

The expenses covered are those incurred only for a defined scope of MSGH. In addition, the computation of all medical expenses shall be detailed and easy to understand. However, in case of doubtful information on medical treatment report, SGF may have recourse to experts in that field.

The staff in charge of MSGH should know health status of patients and their treatment, collect and report all necessary information on the responsible for civil liability and circumstances of accidents and/or damages through those who transported the patient to hospital/clinic, eyewitnesses of the accidents and any other useful information from various sources for further inspections.

Moreover, the public hospitals/clinics shall send through email progress reports on the health status of the patients and the medical treatment report on a monthly basis to enable progress monitoring by SGF.

In case the patient is referred/transferred to another hospital/clinic, SGF should be informed.

Again, in case the patient is discharged, SGF should be informed formally within five working days,

MSGH financial support is accepted under the following conditions:

- The patient was injured in road accident or by a wild animal on Rwandan boundaries in seven days ago in consideration of the vulnerable people with community medical insurance scheme (Mutuelles de santé) but unable to pay for themselves the balance when the bill goes beyond;
- The patient does not have any other public insurance cover;
- The patient or his/her representative (in case the patient is incapable of expressing this) has expressed financial support after the first two conditions are fulfilled;
- The cost for financial assistance does not exceed the one incurred for treating the patient for (1) month;
- The patient must be hospitalized and not yet discharged;
- The requested financial support does not exceed the one incurred up to the 1<sup>st</sup> public hospital/clinic where the patient is referred/transferred and within the above mentioned time span.

The SGF will maintain a soft and hard document of “requests for MSGH financial support” to safeguard all requests from public hospitals/clinics which include requests approved and those rejected by the SGF.

For an approved request, the SGF uses a pre-printed form and its copy bears the reception stamp of the public Hospital/clinic and must be kept in the MSGH financial support file for each patient under treatment and after discharge and in the Finance Department.

Every MSGH case must be attributed a number (code) which should contain 3 parts:

- The first part is for MSGH

- The second part represents the month and year of the reception of the request for financial support
- The third part is the acronym of the public Hospital/ Clinic

Example: For the request from CHUK, the number will be MS/01/2014/CHUK

Once the responsible for civil liability is identified, SGF management should write a formal letter to the liable person who requires immediate reimbursement of all incurred expenses or the all expenses to be incurred by SGF.

A copy of that letter should be sent to the hospital/clinic which treated the patient. The letter should be accompanied by all supporting documents. In case of persistent disagreement between SGF and the identified responsible for civil liability there should be recourse to competent courts of law for arbitration.

### **FILE NUMBERING**

Files are numbered depending on the type of the claim as follow:

#### **Files for accident caused by motor vehicles:**

Every file must be attributed a number (code) which should contain 4 following parts :

- The first part is RA (RA standing for "Road Accident")
- The second part is the ascending order number depending on the year of accident.
- The third part is the ascending order number depending on the cases received related to the same accident.
- The fourth part represents the month and year of the accident

e.g: RA 0012/001/122013

#### **Wild animal files:**

Every file must be attributed a number (code) which should contain 4 following parts :

- The first part is AD (AD standing for Animal Damage)
- The second part is the ascending order number depending on the year of accident.
- The third part is the ascending order number depending on the cases received related to the same accident.
- The fourth part represents the month and year of the accident

e.g: AD 0010/001/122014

#### **MSGH files**

Every MSGH file must be attributed a number (code) which should contain 3 parts:

- The first part is for MS (Medical Service)The second part represents the ascending order number, month and year of the reception of the request
- The third part is the acronym of the public Hospital/ Clinic

Example: For the request from CHUK, the number will be MS 001/01/2015/CHUK

## CHAPTER 3: INVESTIGATION

### 3.1 Procedures for carrying out an Investigation



- Clearly define the issue(s) in need of investigation.
- Consider the nature and likely scope of the investigation based on the issue(s) of concern.
- Decide how best to conduct the investigation - In many cases this can be a very simple/quick process. However, it will depend on the specific circumstances of the case e.g. whether the facts are disputed or clear and the seriousness of the matter. In other instances it may require the planned and systematic gathering of data, interviewing of relevant witnesses and analysing relevant documents, records, minutes, etc. to determine next steps.
- Consider what information you need to gather, from whom and how this will be obtained.
- Consider the timescales of the investigation. Taking into consideration, where appropriate, the need to conduct interviews, collate witness statements, gathering information and write and submit the investigation report etc.
- Identify if there are any potential barriers to obtaining information and how these can be addressed.
- If appropriate, identify any witnesses who could help with investigations, determining whether these should be interviewed or whether a written statement should be sought. Initial contact with a potential witness is often in the form of a telephone conversation to: explain the situation; check their potential relevance; seek their agreement to participate in the process etc.
- Consider other resources you may need during the investigations e.g. note taking, specialist advice/guidance, digital cameras, digital video recorder, tape recorders, GPS, portable scanners, etc. SGF should provide investigators with up-to-date relevant and appropriate tools.
- If appropriate, prepare interview plan(s) and consider the specific issues that need to be explored during these interviews.
- Prepare the questions you may wish to ask, ensuring that the questioning (open, closed and probing questions) is appropriate e.g. for obtaining information/facts, exploring feelings or opinions. Avoid using leading questions.
- If appropriate, provide regular updates to those involved.

- PLEASE NOTE: It may be necessary to continually consider the need to amend your plan depending on the findings throughout the investigation.
- Include any paperwork/information which will be needed to be seen or considered prior to the interview.
- Take appropriate steps to ensure the confidentiality of the investigation process.
- If applicable, notify the witness of their involvement in the investigations, so that they can attend any relevant meetings.
- Thank the interviewee for attending and make any necessary introductions (include an explanation of roles). Please note that there is no right of representation at the investigation stage of any procedure, however, SGF officials may use their discretion to agree to such requests if they wish.
- Confirm that it is a fact-finding meeting. It is important to remain objective.
- Explain the need for confidentiality/implications for breaching this e.g. potential impact on investigation if need be.
- Explain that notes will be taken throughout the interview. The investigator should determine whether notes should be formally shared/signed by the interviewee. Where shared, if the interviewee disagrees with an aspect of the record they will be able to annotate the notes before returning to the investigator.
- Confirm the area/issue around which the claimant or witness will be asked to comment.
- Explain that the evidence/information may be used in a subsequent formal hearing and that they may be required (or in the case of witnesses requested) to attend, depending on the outcome of the investigation.
- Check if interviewee has any questions regarding the process.
- Seek evidence/information using any prepared and supplementary questions.
- Check if the interviewee wishes to provide any further information or raise any questions before the interview concludes.
- Explain next steps and indicative timescales and that it may be necessary to hold additional interviews should further evidence arise.
- Request for imprest, if need be to spend during the investigation. The imprest shall be justified within 2 days after the investigation.

**If appropriate**

- Seek any relevant supporting information/evidence to substantiate information provided, e.g. photos, Maps, videos, GPS data, etc.

- Consider whether other documentation may be helpful for the investigation. For example: Medical reports, incident reports, minutes etc. Also consider any wider documentation that may feed into informing expectations etc.
- Should you identify any information that may warrant immediate action please raise this with the supervisor.
- After each interview forward the record, as appropriate, for signing, to the interviewee.
- If the interviewee disputes the accuracy of the record, asked them to: identify what is in dispute; offer their interpretation/recollections of the discussions by annotating the record provided, before signing and returning the record.
- In the case of witness statements gain the individual's consent to share this with other relevant parties.
- Maintain data of records of all evidence gathered.
- Ensure all documentation associated with the investigation is retained securely and only shared with discretion and confidentially. Tone/Style should be considered as all relevant information will be shared with key parties including the claimant and their representatives.
- PLEASE NOTE: In the case of hearing, the Chair of the panel shall usually provide the claimant and the sued with notes/records of the investigation and invite comments on these before the investigation is concluded. Bear in mind that your records may be used in a court of law.

SGF should plan at least once a year a training in investigation for its investigators to facilitate them acquire investigation skills.

### **3.2 Eligibility to conduct investigation**

The investigation is carried out by SGF inspectors. However, for the reason of better management of the claim, it can be conducted by any other SGF staff designated by the Director of compensation unit or the Director General. SGF can also ask other institutions to provide necessary information.

### **3.3 Investigation reports**

The inspector shall submit a written comprehensive report on the accident showing the circumstances that led to the accident. Interview of eye to eye witnesses if any, different photos of the location where the accident took place, recommendations for action and points requiring further inspection and its estimated timeframe for additional tasks are some of the content of the report. Reports from investigation are submitted to concerned authority.

### **3.4 Secrecy of information from investigation**

As the reports are kept in the claim files, the information in the reports are confidential. The disclosure of the content of the reports is sanctioned by the law. Where the information from inspector differs from the one contained in the claim file and can change the decision which will be taken, the SGF writes to the concerned organs requesting them to produce an additional statement (PV Subsequent).

## **MODULE II**

### **FINANCIAL & ACCOUNTING POLICIES AND PROCEDURES**

## CHAPTER 1: CHART OF ACCOUNTS

### 1.1 Purpose

The chart of accounts is designed to provide a matrix of accounts applicable to SGF accounting needs. It enables SGF to achieve the following:

- 1 To address the financial reporting requirements of the users as per their general purpose in financial statements;
- 2 To define chart of account classes and their attributes in a way to make them mutually exclusive and avoid confusion in transaction recording and reporting;
- 3 To design flexible chart of accounts that can accommodate future additions or any changes as far as possible.

### 1.2 Components of the SGF Chart of Accounts

1.2.1 As a minimum, the SGF Chart of Accounts comprises the following key segments to enable generation of financial information. This also entails that each account in the Chart of Accounts is classified as one of the following six account types:

- **Asset accounts:** these indicate different types of economic resources owned or controlled by the SGF as a result of past events and from which future economic benefits are expected to flow to SGF. They comprises of petty cash or cash in hand, cash in bank, investments, land, building, plant and equipment, inventory of disposable assets or wreckages, prepayments, intangible assets, accrued revenues/income receivables, accounts receivables and other receivable.
- **Liability accounts:** represent different types of present obligations of SGF arising from past events, the settlement of which is expected to result in an outflow from SGF of resources embodying economic events. These entail accounts payable, loans payable, bonds payable, accrued expenses, grants and revenues received in advance, employee benefits/ employee provisions and claims by the clients.
- **Revenue accounts or income:** Income or Revenues are gross inflows of economic benefits ( cash, receivable or other assets) during the period arising from SGF investments, its entitled receipts as per its mission or in the course of its extraneous activities when those inflows result in increases in equity, other than those relating to equity contributions from Government of Rwanda. In the context of SGF, these accounts shall report gross earnings namely sales of tender documents and disposals, premiums, service revenue and interests on investments.

- **Expense accounts:** expenses are decreases in economic benefits during the period in the form of outflows or depletions of assets or occurrences of liabilities that result in decreases in equity other than those relating to distributions for constitution of equity. Common examples are electricity and water, salaries, rentals, depreciation, doubtful accounts, interest, insurance, meeting expenses, legal fees, consultancy fees, bad debts, bank charges, etc
- **Contra-asset accounts:** They intend to offset the balance in another related account with which it is paired. In the context of SGF business operations, these accounts shall record accumulated depreciation of fixed assets, allowance for bad debts against receivable and any other receivables.
- **Equity accounts:** refer to the residual interest of the government of Rwanda in SGF which is the excess of the SGF assets over its liabilities. Before deduction of liabilities, they represent starting and additional capitals brought in by Government of Rwanda plus accumulated funds.

### **1.3 Description of SGF chart of accounts and its management**

1.3.1 The chart of accounts is a numbered list of the accounts that comprise SGF's general ledger. Its account numbering shall be made up with six-digits from which the four first digits indicate basic account of assets, liabilities, revenues, expenses, equity and contra-assets. The two last digits represent either source codes for revenues or object codes for expenditures and type of asset. This account numbering is designed as such to accommodate sufficiently any change as it may be deemed necessary. This account design is organized as follow:

- 100000- 1999000: Revenue accounts
- 200000- 299900: expense accounts
- 300000-399900: asset accounts
- 400000-499900: liability accounts
- 500000- 599900: equity accounts
- 600000-699900: contra-accounts

- 1.3.2 SGF shall use the chart of accounts attached as appendix **no1** to record and report each financial transaction in its accounting information system.
- 1.3.3 All transactions are classified and recorded in SGF's books under the above appropriate categories.
- 1.3.4 The installation of this chart of accounts will depend upon the structure of the accounting software in use. Meanwhile, the accounts update to the current SAGE Pastel Evolution

shall be requested in writing by the Accountant, reviewed and validated by the Director of Administration and Finance and approved by the Chief Budget Manager and the update process shall follow the documented guidance provided by the software supplier.

- 1.3.5 Any change to chart of accounts, either deletion or the opening of a new account, shall be processed through **accounts codes maintenance form** which is submitted to the Director of Administration and Finance or it is prepared by him/herself who submits to the Chief Budget Manager for approval or rejection within 5 working days after receiving the request. (See appendix **no2** for accounts codes maintenance form).
- 1.3.6 Where possible, the account codes may be changed by “exporting” the Chart of Accounts to Excel, making the changes then importing the worksheet back into the accounting software.

## **CHAPTER 2: BOOKS OF ACCOUNTS AND SUPPORTING DOCUMENTS**

### **2.1 Introduction**

- 2.1.1 Books of accounts include financial records such as purchase daybook, journals and ledger records which make up entity’s accounts. They record and keep the occurred financial transactions from which financial reports are extracted. In SGF, they comprise of books of primary (original) entry and books of secondary (final) entry. The first category includes petty cashbook, cashbook, voucher and journals which are used to record, on the basis of source document, daily financial (business) transactions before posting them to respective ledger accounts. The second category (books of secondary entry) contains a classified summary of all recorded transactions from Petty cashbook, Cash Book and Journal book and it involves general ledger accounts for assets, liabilities, expenses, revenues and equity. For the purpose of providing detailed financial transactions, debtor’s ledger book (receivable book) and suppliers ledger book (creditors’ book) may be held apart from general ledger as subsidiary (sub) ledger books.
- 2.1.2 The purpose of the General Ledger book is therefore to organize and summarize the individual transactions listed in all books of primary entry and sub-ledger books. Therefore, the general ledger book contains balances used to generate financial statements.
- 2.1.3 SGF Financial transaction involves any occurrence or activity such as purchase, receipts, payment which results in an inflow/outflow of its funds or has any effect on its assets and liabilities.

## **2.2 Functioning of books of accounts and assignment of responsibilities**

- 2.2.1 All cash transactions are first recorded, on daily basis, in the accounting information system cashbook by the Accountant. The record is later reviewed and posted to respective ledger accounts by the Director of Administration and Finance on at least weekly basis.
- 2.2.2 In addition to cash transactions, all petty cash transactions are first recorded in the accounting information system petty cashbook by the Accountant at the time when they are presented to him/her. The record is later reviewed and posted to respective ledger accounts by the Director of Administration and Finance on at least weekly basis.
- 2.2.3 For the purpose of preparing payment, a voucher is filled in the accounting information system by the Accountant to display bank account to be credited, narrative or description of the payment, the ledger account to be affected, the beneficiary, date, currency and amount to be paid. The record in the voucher is later reviewed and posted to ledger accounts by the Director of Administration and Finance.
- 2.2.4 All non-cash transactions are first recorded, in order of their occurrence and on daily basis, in the accounting information system journals book by the Accountant. This is later reviewed and posted to respective ledger accounts by the Director of Administration and Finance on at least weekly basis.
- 2.2.5 SGF debtor's sub-ledger book contains individual ledger accounts of debtors such as money disbursed for compensation on behalf of owners of uninsured automobiles that caused accident and accrued revenues (accrued interest revenue from cash fixed deposits, treasury bills and Treasury bonds, accrued premiums and accrued revenue from tourism activity 5% from RDB).
- 2.2.6 SGF Supplier/creditor sub-ledger book contains individual ledger accounts of suppliers or creditors to whom SGF owes money such as tax authority and those who directly supplied goods or rendered services to SGF.
- 2.2.7 Each financial transaction is recorded within books of accounts of the accounting information system in at least two different accounts, so that the total debits equals the total credits in the General Ledger, i.e. the accounts balance. The transaction is recorded as a "debit entry" (Dr) in one account, and a "credit entry" (Cr) in a second account in accordance with double entry principle. The debit entry will be recorded on the left-hand side of an account, and the credit entry will be recorded on the right-hand side of another account. This serves as a partial check that each and every transaction has been correctly recorded.

- 2.2.8 SGF Chief Budget Manager shall take all reasonable steps and precautions to guard against damage to, destruction of, or falsification of books of accounts and accounting records.
- 2.2.9 SGF Director of Administration and Finance is responsible for the financial management system maintenance and ensures that it meets the financial management and reporting needs of SGF.
- 2.2.10 SGF Accountant shall keep proper books of accounts or any accounting records and ensure that they are accurate and fully supported as well as protected. The accounting and financial records shall be kept for a period of ten years. However, the SGF Board of Directors may decide for a period less than ten years upon written proposal of the Chief Budget Manager.
- 2.2.11 Any automated system which SGF may use to record its financial transactions and produce accounting and financial reports in accordance with this manual shall require prior approval of the Board of Directors.
- 2.2.12 SGF has embarked on the process to automate its operations intended to ensure their efficiency and effectiveness. Thus, the books of accounts mentioned on section 2.1.1 above may be updated any time upon approval of the Board depending on the software in use.
- 2.2.13 Any reversal of financial transactions in ledger books shall be prior approved in written by the Chief Budget Manager or another person he/she may assign with this power.

## **CHAPTER 3: ACCOUNTING FRAMEWORK**

### **3.1 The enabling legal context**

- 3.1.1 The law establishing SGF (no52/2011 of 14/12/2011), the SGF compensation regulations (no26/2011 of 27/7/2011, no26/03 of 23/05/2012, etc.), the international financial reporting standards (IFRSs), public procurement law and regulations (no05/2013 of 13/02/2013, no 001/14/10/TC of 19/02/2014, etc..) provide the enabling legal and regulatory framework for the management and accounting for SGF finance and property.
- 3.1.2 As an autonomous entity, the authority to appropriate SGF finances solely rests with the Board of directors. As the Director General is the Chief Budget Manager, he has the responsibility and accountability to establish and maintain controls for managing SGF finance and property. The chief budget manager may delegate some of these

responsibilities to the director in charge of finance. To discharge this responsibility efficiently and effectively, the Director General is empowered to issue detailed instructions, on the advice of respective head of unit, which form part of regulations enabling better management of financial resources of SGF.

3.1.3 The appropriation of SGF finances is done through the approval of budget by Board of directors which constitutes annual finance law. This implies that the Chief Budget Manager has the responsibility to ensure that the budget is executed only on the approved SGF's programmes – in other words, the budgeted funds are expended as intended.

3.1.4 The Chief Budget Manager is required to ensure that expenditure incurred and revenues received are classified, accounted for and reported in the same way as they were budgeted. This is achieved through the preparation of financial statements using the same classification and format as the approved budget, and showing comparisons/variances between actual performance and budgets.

### **3.2 Assignment of financial responsibilities**

3.2.1 **Chief budget manager:** The Chief Budget Manager has the responsibility for financial accounting in SGF and is required to provide the Board of Directors with financial accountability in the prescribed periodic financial reports format. The overview of some of financial accounting responsibilities is set out as follows:

As the accounting officer, the chief budget manager has the responsibility to administer the budget of SGF. This implies the responsibility for the following accounting functional tasks in SGF:

- 1° To ensure compliance with the provisions of this Manual, laws and regulations.
- 2° To amend this Manual as appropriate from time to time, and to create the framework for its implementation, through suitable user training, the approval right being reserved to Board of directors;
- 3° To ensure proper books of accounts are kept for the recording of SGF's transactions, assets, liabilities, and to properly maintain the associated supporting documents.
- 4° To put in place and maintain sound internal control system and practices to ensure that the budget is not overspent, to safeguard SGF finances and property against misuse or any other irregularities.
- 5° To ensure that any expenditure is properly reviewed, authorised, recorded and reported.
- 6° To ensure the completeness of the revenue received and that such revenue is duly verified, recorded and reported.
- 7° To ensure the optimization of budget by increasing revenues and limiting expenditures to those budgeted for;

- 8° To ensure regular reconciliation of the bank accounts.
- 9° To furnish the Board of Directors with the prescribed monthly, quarterly and annual financial reports.
- 10° To ensure sufficient delegation of responsibility to the public officers under him/her to enhance operational efficiency.

3.2.2 **The Director of Administration and Finance:** this public officer plays the role of “Chief Financial Advisor” of SGF. Consequently, he/she provides the Director General with strategic and operational advices on SGF’s financial policies, strategy and practices, which include borrowing, revenue management, expenditure authorisation and management, liquidity management, assets management and liability management. In other words, He/she assist the Chief Budget Manager in releasing SGF finances management responsibilities. These responsibilities include:

- a) To ensure effective financial management of SGF, including the exercise of sound budgeting, budgetary control practices and reporting;
- b) To ensure the timely preparation and submission of financial reports;
- c) To oversee and coordinate the work of other finance officers under him/her to enhance operational efficiency and effectiveness.
- d) To ensure that no expenditure is incurred before it has been properly committed and authorized;
- e) To ensure proper updated books of accounts are maintained;
- f) To ensure that all accounting records, books, and other relevant documents are complete and securely protected and filed.
- g) To supervise the deposits into the SGF’s bank accounts;
- h) To ensure frequent checks against the occurrence of fraud, embezzlement or carelessness;
- i) To supervise payment process so that expenditure and other disbursements of SGF are made with proper authority;
- j) To prepare all financial statements and budget execution reports as required by this manual;
- k) To facilitate the audit process and ensure that the audit recommendations are implemented promptly;
- l) To ensure that all staff that have financial duties in their responsibilities get access to and are conversant with the provisions of this manual and other finance regulations.

3.2.3 **The Accountant:** The responsibilities assigned to this officer include:

- To ensure that payment package is complete, accurate and sufficiently supported before being processed.
- To ensure that vendors/Suppliers, customers, Staff and Sub-recipients’ cheques are prepared and paid on time.

- To keep proper updated books of accounts on daily basis;
- To prepare regular reconciliation of the bank accounts;
- To maintain petty cash ledger and review petty cash replenishment.
- To ensure that all cash at hand, cheques and payment orders are locked in a safe every time;
- To work closely with the in-charge of logistics on physical counting and proper maintenance of assets, stocks and property.
- To review stock count report on a monthly basis and report accordingly;
- To manage the asset register;
- To retrieve documents needed for reporting and audits;
- To ensure that soft copy and hard copy month end closing packages are filed properly and done within due dates
- To ensure that the financial information is processed accurately and reliable reports are generated timely;
- Perform systems analysis to identify any irregularities (such as wrong posting) and propose immediate corrective actions to the Head of Finance.

3.2.4 **The Internal Auditor:** On finance aspects, the role of this officer is to provide independent and objective analyses, appraisals, recommendations and evaluation of financial internal controls, risk management and governance processes to assist SGF Management in the effective discharge of its financial responsibilities. He/she discharges these responsibilities by:

- a) Participating, in an advisory capacity, in the planning, design, development, and implementation and modification phases of major information related systems to determine whether:
  - i.) Adequate controls are incorporated in the systems;
  - ii.) Adequate risk management techniques have been utilized;
  - iii.) Thorough systems testing is performed at appropriate stages;
  - iv.) Systems documentation is complete and accurate; and
  - v.) The intended purpose and objectives or the system implementation or modifications have been met.
- b) Conducting periodic follow-up reviews to evaluate the adequacy of Management's corrective actions until resolution of issues.
- c) Evaluating on quarterly basis the accuracy and reliability of the books of account, financial reports and suggest improvements through financial review/audit;
- d) Evaluating annually the overall effectiveness of the internal control environment and issue an opinion;
- e) Assisting in the investigation of significant suspected fraudulent activities within SGF and notify top management and the Board of the results;

3.2.5 **Premium controllers:** They ensure accuracy and completeness of premiums collected and remitted by insurance companies to SGF by conducting verification activities timely and report thereof.

### 3.3 Generally accepted accounting Principles

3.3.1 The SGF accounts are prepared using accounting policies designed to provide financial statements, which give a true and fair view of the SGF's state of financial affairs. The process of preparing accounts, which entails the measurement, aggregation, classification, and presentation of all relevant elements of the financial statements, necessitates selection of appropriate accounting policies to be applied. That selection is guided by the following generally accepted accounting principles:

1. **Double entry concept:** the accounts are prepared on *double entry* bookkeeping system. This means that a financial transaction gives rise to two equal and opposite book entries – one debit and the other credit.
2. **Going concern concept:** the accounts are prepared on a *going concern* basis, which means that the SGF is believed to exist in perpetuity.
3. **Prudence concept:** this concept makes sure that assets and income are not overstated and liabilities and expenses are not understated.
4. **Matching concept:** in the commercial environment this concept largely revolves around matching expenditure with the related revenue. However, in the context of SGF accounting where “service” to the population is the primary mission, coupled with the accrual basis of accounting, this concept revolves around matching the expenditure incurred during the accounting period to discharge directly or indirectly its mission with revenues earned in the same period. This implies that revenues shall be recognized in the period when they are earned while expenditures are recognized when incurred irrespective of time when the associated cash are received or paid out.
5. **Consistence concept:** this concept requires consistent treatment of like items and from period to period. For example, if an item were treated as capital expenditure in one period a similar item in another period should be treated likewise.
6. **Substance over form:** this concept requires that transactions are recognized with due regard to their substance rather than their form. For example, SGF may be using an asset such as Server machine which generates revenue on its behalf, but for which it does not hold written transfer of ownership. In this case, SGF recognizes this asset in its books of account based on economic benefit being gained from this equipment though it does not have official ownership.
7. **Accruals concept:** This requires recognition of transactions at the time they occur, whether or not related cash flows have taken place, thus accounting on “accrual basis”. The accrual basis of accounting is the backbone for the

recognition of assets and liabilities, and financial statements prepared on accrual basis of accounting provide more realistic information on SGF's assets and liabilities, overall financial position, impact of exchange rate fluctuations, and the full cost of goods/services consumed in a specific period whether paid or unpaid. In particular, accrual basis of accounting eliminates the issue of accounting for "arrears", which usually distorts budgetary allocations.

### **3.4 Basis of accounting**

SGF uses the **accrual basis of accounting** in line with International Financial Reporting Standards (IFRS).

### **3.5 The internal control framework**

Management is obliged to implement suitable internal controls. Internal controls are processes designed to provide reasonable assurance regarding reliability of financial reporting, effectiveness and efficiency of operations, safeguarding SGF resources/assets at its disposal and compliance with applicable laws and regulations. The internal control framework is key to the implementation of the desired internal controls because it sets the "tone at the top" of the entity thus influencing the control consciousness and discipline of all the employees in SGF. The minimum guidelines for the desired control framework for SGF are as follows:

1° **Organisation structure:** As a minimum, SGF's organisational structure should ensure that the following responsibilities are performed by different individuals and that there is independent hierarchical **internal check** over the actions of those individuals:

- Authorisation of transactions;
- Record keeping for those transactions and payments for those transactions.

2° **Assignment of authority and responsibility:**

- Persons assigned financial management/accounting responsibilities should be delegated with commensurate authority to ensure that they are personally accountable.
- Job descriptions and responsibilities must be well defined in writing and communicated to the respective employees – who must acknowledge receipt in writing;
- Assigned authority limits as well as the consequences of non-compliance must be communicated to the respective employees and acknowledged in writing; and
- The responsibility for the operation of key internal financial controls such as bank account signatories and reconciliation must be clearly defined and communicated.

- 3° ***Integrity and ethical values:*** The effectiveness of internal financial controls depends directly on the integrity and ethical values of the employees who are responsible for creating and administering those controls. Therefore,
- The background of the prospective employees should be cross-checked prior to delegating to them responsibility for financial transactions;
  - Attention should be paid to Government regulations regarding prevention of conflicts of interest and expected standards of ethical and moral behaviour; and
  - The accounting officer and/or the administrative head of SGF required to visibly take appropriate disciplinary action when employee conduct fails to meet the specifications in this Manual or any other Government regulations relevant to financial management and accounting.
- 4° ***Commitment to competence and efficiency:*** It is incumbent to the employees to ensure that they possess the knowledge and skills essential to the performance of assigned responsibilities. Similarly, immediate supervisors are required to guide and mentor those employees under their supervision to ensure transfer of skills and performance sustainability should there be employee re-deployment or change of employment. On its part, SGF is committed to continuous skills development amongst its employees through formal training programmes and/or structured in-service refresher courses.
- 5° ***Management philosophy and operating style:*** Management’s philosophy and operating style affects the way SGF’s activities are managed. Therefore, SGF’s administrative head and/or its accounting officer are required to take the lead in complying with the provisions of this Manual.

### **3.6 General values and professional ethics of SGF**

The SGF requires all its employees to abide by the foregoing standards of ethical behavior in their dealings with suppliers, consultants, sub grantees, subcontractors, and the government. Employees of SGF should not solicit for any funds, gifts or any favors from a prospective vendor, sub grantee or any other business partner. Each staff is required to report any violations of these standards to the Chief Budget Manager and Board Finance Subcommittee. The Chief Budget Manager has the overall authority and oversight of all funds utilization.

## **CHAPTER 4. REVENUES AND DISBURSEMENT PROCEDURES**

### **4.1 Source of income**

4.1.1 The article 16 of the Law n° 52/2011 of 14/12/2011 establishing the special guarantee fund for accidents and damages caused by automobiles and animals (SGF) and determining its mission, organisation and functioning stipulates that the property of the SGF shall come from the following:

- ✓ *ten per cent (10%) of insurance premiums for automobiles.*
- ✓ *five percent (5%) of gross annual income that the organ in charge of tourism gains from tourism activities.*
- ✓ *income generating activities, deposits in banks or in capital markets, and any other sources following a decision of the Board of Directors upon proposal by the Director General;*
- ✓ *donations and bequests;*
- ✓ *loans granted to SGF upon approval by the Minister in charge of finance;*
- ✓ *the state budget allocations, when deemed necessary.*

The Ministerial Order N° 003/14/10/Tc of 24/10/2014 determines the Procedures for Declaration, Collection and Verification of Contributions to the Special Guarantee Fund for Accidents and Damages caused by Automobiles And Animals.

### **4.2 Recognition and measurement of insurance premium revenues**

4.2.1 These revenues are recognized in SGF books if the following criteria are met:

- It is probable that the economic benefits associated with legal requirement will flow to SGF. This probability shall be proved by signed declaration made by insurance company to SGF.
- The amount of premium revenues can be measured reliably. This is shown by the computation detail on signed declaration form which displays the computation basis of required percentage of insurance premium revenues.
- SGF continues to provide service of, in accordance with regulating law, compensating victim people for civil liability caused to them by automobiles.

4.2.2 Insurance premium revenues are measured at fair value of the amount of cash or cash equivalents received or receivable.

4.2.3 Any premium declaration made by insurance company shall be acknowledged by receipt stamp at reception desk before being forwarded to finance unit for accounting treatment.

### **4.3 Recognition and measurement of revenues from tourism**

4.3.1 Tourism contributions is recorded as revenue when both of the following conditions are satisfied:

- ✓ It is probable that the economic benefits associated with legal requirement will flow to SGF. The certainty level of collectability shall be enhanced by signed declaration made to SGF by government agency in charge of tourism management.
- ✓ The revenue amount corresponding to required percentage owed to SGF can be measured reliably. This is shown by the computation detail on signed declaration form which displays the computation basis of required percentage.
- ✓ SGF continues to provide service of, in accordance with regulating law, compensating victim people for civil liability caused to them by wild animals.

4.3.2 Revenues from tourism service are measured at fair value of the amount of cash or cash equivalents received or receivable.

4.3.3 Whenever the regulation requiring the Agency in charge of collecting receipts from tourism to submit periodic declarations detailing the computation basis of percentage owed to SGF, the Management of the later shall ensure that a Memorandum of understanding (MoU) binding the two parties is in place to provide SGF finance with assurance on the completeness of such a revenue.

4.3.4 Any declaration for revenue from tourism service which is submitted by Government collecting Agency shall be acknowledged by receipt stamp at SGF reception desk before being forwarded to finance unit for accounting treatment.

### **4.4 Recognition and measurement of interest revenues from cash term deposit in commercial banks or investment in treasury bills**

4.4.1 Revenue from income generating activities is recognized when both of the following conditions are satisfied:

- ✓ The revenues are earned; meaning that SGF has transferred its cash invested to contracting banks as per the agreed interest rate and it is kept in their bank accounts for at least one month.
- ✓ The receipt of these economic benefits (SGF receivable interests) associated with this investment is probable. The certainty level of collectability shall be reasonably enhanced by term deposit certificate or contract signed by contracting banks and their periodic published financial statements that display their performance as well as treasury bid document offered by Rwanda National Bank. In case of uncertain receivable interests

which shall be raised on the 30th day after the maturity date, SGF Accounting shall records a provision for receivable whose amount will depend on Management professional judgment.

- ✓ The periodic (practically monthly) accrued amount can be reasonably measured reliably based on agreed interest rate.

4.4.2 Interests revenues from cash term deposit in commercial banks and investment in Treasury Bills are measured at fair value of the amount of cash or cash equivalents received or receivable.

4.4.3 Interest realized and redeemed invested cashes shall be strictly transferred to SGF current account number opened in the contracting bank through payment order. SGF Management may choose to reinvest cash deposit which reaches the maturity date at the same rate as long as it judges this option as favorable.

4.4.4 SGF Accountant shall compute and records the proportional accrued interest revenue on monthly basis by passing the following entries:

Dr debtor/receivable  
    Cr Accrued interest revenue

To record the accrued revenue

Dr Bank account  
    Cr debtor/receivable

To record cash received and reduction or extinction of debt

Dr withholding tax on cash investment account.  
    Cr bank account

To recognize tax expense withheld and reduction movement on bank account

#### **4.5 Recognition and measurement of revenue from investment in Treasury Bonds**

4.5.1 These revenues are generally recognized in SGF books on accrual basis when the following criteria are satisfied:

- ✓ The revenues are earned; meaning that SGF has transferred its cash invested to Rwanda National Bank at the winning interest rate and it is kept in its bank account for at least one month.

- ✓ The receipt of these economic benefits (SGF receivable interests) associated with this investment is probable. The certainty level of collectability shall be reasonably enhanced by the non-default character of government. In case of uncertain receivable interests which shall be raised on the 30th day after the maturity date, SGF Accounting shall records a provision for receivable whose amount will depend on Management professional judgment.
- ✓ The periodic (practically monthly) accrued amount can be reasonably measured reliably based on agreed interest rate.

4.5.2 Interests revenues from investment in Treasury Bonds are measured at fair value of the amount of cash or cash equivalents received or receivable.

4.5.3 Interest realized and redeemed invested cashes shall be strictly transferred by the debtor to SGF current account number opened in National bank of Rwanda through payment order.

4.5.4 SGF Accountant shall compute and records the proportional accrued interest revenue on monthly basis by passing the following entries:

- ✓ To record the accrued revenue:
  - Dr debtor/receivable
  - Cr Accrued interest revenue
- ✓ To record cash received and reduction or extinction of debt:
  - Dr Bank account
  - Cr debtor/receivable

#### **4.6 Recognition and measurement of revenues from income generating activities or other activities**

4.6.1 These revenues are generally recognized in SGF books on accrual basis when the following criteria are met:

- ✓ The revenues are earned, i.e. SGF has delivered the product or has provided the service accompanied by the delivery note and invoice.
- ✓ The revenues are realizable; i.e. asset received is convertible to cash or receivable;
- ✓ The receipt of these economic benefits (SGF receivable revenue) associated with sale transaction is probable. The certainty level of collectability shall be reasonably enhanced by the contract, delivery note and timely regular payment of the debtor. In case of uncertain receivable revenue which shall be raised on the 30th day after the deadline date

for payment, SGF Accounting shall records a provision for receivable whose amount will depend on Management professional judgment.

- ✓ The revenue amount can be reasonably measured reliably and the associated cost can reasonably be determined.

4.6.2 Revenues are measured at fair value of the amount of cash or cash equivalents received or receivable.

4.6.3 These revenues shall not be received as cash by SGF staff.

#### **4.7 Recognition and measurement of bequests/donation**

4.7.1 These revenues are reasonably recognized on accrual basis when the following conditions are met:

- ✓ The receipt of these revenues associated with bequest or donation is probable. The certainty level of collectability shall be reasonably enhanced by the written commitment of donor.
- ✓ The amount can be reasonably measured reliably.

4.7.2 These revenues are measured at fair value of the amount of cash or cash equivalents received or receivable.

4. 8 No revenue shall be recognized in SGF books if the amount received is a loan.

#### **4.9 Revenue from Government budget allocation**

Revenue from Government budget allocation shall be recognized at the time of confirmation of the amount from budget allocation.

4.10 The Director of finance and administration is responsible of issuing procedures for carrying out verification of revenues by premiums controllers. These procedures shall be approved by the Director General to become integral part of this module.

#### **4.11 Payment procedures**

The following strategies will be applied while ensuring effective payment procedures:

4.11.1 All payments should be authorized by the Director General of the SGF. When an invoice is received, it should be matched with the purchase order and checked for calculations. Depending on the correctness, a payment voucher will be raised. The DAF should ensure that all procedures of procurement and payments are adhered to and that all supporting documents are attached before a payment voucher is sent to the Director General for final authorization.

4.11.2 Before any payment is made, the accountant shall ensure that there are sufficient funds on the bank account.

4.11.3 Payments should be posted promptly to the cash book and to the general ledger.

4.11.4 Paid vouchers represent essential supporting documents as well as evidence that the necessary approval was given and procedures were followed before payment and the voucher number is available for future reference.

4.11.5 Additional supporting documents required for such expenditure as workshop allowances, training allowances and field visits expenditures include:

- ✓ *workshop allowances* – signed attendance list showing the amount paid to each participant, names and Passport or Id. number of each participant;
- ✓ *training allowances*– name of training institute, rate per period and amount paid to the candidate, duration of the course and Passport or Id. number of the candidate; and
- ✓ *Field visits* – authorized signature of the field visit by the Director General, amount paid, name and Passport or Id. number of the traveller. It is recommended that the amount given to the officer as travel advance be accounted for on return.

4.11.6 All vouchers shall be filed sequentially and kept in a secure location. It is discouraged at all times to remove payment vouchers from their files and also from the office in which they are kept. If it is necessary for a payment voucher to be taken away, the person who displaces it shall sign in a register.

4.11.7 Individual vouchers will not be taken from their files. For additional safeguard, only a whole file shall be allowed to be taken.

4.11.8 To comply with effective financial regulations, payment vouchers shall be preserved for a period of six years, or until they are audited and/or in a court of laws until the case has been settled, if this is later than six years.

### **Cheques issuing procedures**

4.11.9 Cheques shall not be written until the payment voucher has been authorized.

4.11.10 A cheque shall be entered in the cashbook at the time it is signed.

4.11.11 A cheque shall not be drawn unless the cash book indicates that funds are available to meet it. It is illegal to make payments if funds are not available.

4.11.12 After cheques have been signed they shall be entered in the cheque register following their number order with columns in the register showing the name of the payee, the amount, date drawn, name and signature of person collecting it.

4.11.13 The drawn cheque should be sent for signing with the payment voucher and the supporting documents.

4.11.14 Authorization controls are designed to provide reasonable assurance that a transaction or event underlying it and procedures under which they are processed are authorized:

- ✓ All cheques should bear at least two signatures.
- ✓ Any cheque or payment order shall bear the signature of the Director of Administration and Finance Unit.

4.11.15 There will be a cheque request form that shall include the following information:

- ✓ Name of Payee
- ✓ Description
- ✓ Voucher number
- ✓ Cheque number
- ✓ Bank account number to indicate which account(s) the cheque are charged
- ✓ Authorized signatures
- ✓ Amount in figures and words and the signature of the person collecting the cheque.

4.11.16 Anyone signing a check must review and initial the supporting invoice or other documentation.

## **CHAPTER 5: RECEIVABLES & RECOVERY**

### **5.1 Receivables**

SGF receivables are reported on the Statement of financial position, and they comprise all debts owed to SGF even if they are not currently due. These include premiums receivable, Tourism receivable revenue, debts associated with compensation of uninsured cases and interests receivable from investments.

As SGF accounting framework operates under the accrual basis, the Accountant records account receivable transactions irrespective of any changes in cash. Account receivables are classified as current assets assuming that they are due within one year.

### **5.2 Recovery procedures for premiums receivable**

#### **5.2.1 A friendly reminder for payment**

Once the Insurance Company has declared collected premiums to SGF within the timeframe or has been notified of the unpaid arrears and that the payment is overdue for 7 days and beyond, the SGF director of finance and administration sends reminder emails on weekly basis to the debtor and copies the Director General. The step is necessary to ensure cooperation with Insurance Companies and to recognize that they may have forgotten, paid into the wrong bank account or other issue. However, this procedure does not preclude sanction for late payment of contributions provided for in article 13 of the ministerial order n° 003/14/10/TC of 24/10/2014 determining procedures for declaration, collection and verification of contributions to the Special Guarantee Fund.

#### **5.2.2 Transmission of formal letters of demand**

In the event that insurance companies have failed to pay within 30 days of delay, the director of finance and administration immediately prepares a recovery letter for Director General's signature and transmission. This practice shall continue on monthly basis up to the third month of delay.

#### **5.2.3 Filing the claim into Courts of law**

In case the insurance company fails to pay within three months of delay unless otherwise formally agreed by the two parties, the director of finance and administration submits a report of long outstanding debts (more than three months) to the Director General who approves it and

requests the Legal affairs and recovery Officer to file the cases into the Courts of law and ensure adequate monitoring for the purpose of reporting and decision making.

### **5.3 Recovery procedures for debts associated with compensation of uninsured cases**

5.3.1 Managing debt account entails that the in-charge of recovery undertakes the following 5 actions:

- Timely identification of the owner of automobile responsible of accident;
- Establishing the terms of reimbursement and enquiring the commitment of the debtor to reimburse;
- Monitoring reimbursement process
- Timely evaluation of impairments and reporting;
- Accelerate cash receipts through outsourcing the recovery service;

5.3.2 During the period of analyzing the uninsured case for compensation, the in-charge of recovery in collaboration with implementing agencies such as Rwanda National Police, National Identity Project, and Rwanda Revenue Authority among others undertakes simultaneously the process of finding the owner of uninsured automobile and ensures that he/she signs reimbursement contract or pays to avoid any delay. The Director General forwards to the In-charge of recovery any information contained in the reports on compensation process received on weekly basis from director of compensation in order to facilitate timely the tracking of debtors.

5.3.3 By the time SGF compensates the victim of accident caused by uninsured automobile, the accountant recognizes both receivable/debtor and provision for doubtful debts by debiting debtor and crediting provision for doubtful debt/receivable. The face-values continue only to appear in the books of account and notes to financial statements where the director of finance displays the account movement up to the authorization of write-off by the Board of Directors due to either the death of debtor, debtor's failure to reimburse for 12 successive months of arrears resulting from legally confirmed lack of financial means or written confirmation from local authorities accompanied by other necessary proofs. The write-off action is made by debiting provision for doubtful debts and crediting receivable/debt.

5.3.4 When the debtor reimburse, the accountant recognizes both the increase of cash and revenue by debiting bank account and crediting other revenue account. He/she recognizes at the same time the reduction and/or extinction of debt and provision by debiting provision for doubtful debts and crediting debt/receivable;

5.3.5 If the owner of uninsured automobile fails to comply with the terms of reimbursement contract due to different reasons and reaches arrears of twelve months, the director of finance

requests the Board of directors via Director General to write-off the debt from books of Account. However, the write-off does not exempt the debtor from being pursuit for a maximum period of 10 years at the end of which SGF Board of directors authorize debt extinction. To this effect, a separate register containing all written-off debtors shall be kept by the In-charge of recovery for purpose of further recovery.

5.3.6 The in-charge of recovery maintains a register where all recovery cases will be recorded with the following information:

- The responsible person for accident,
- Plate number of the vehicle,
- Yellow card number and photocopy of the vehicle,
- List of different people who owned the vehicle,
- The amount compensated to the victim,
- Date of notification to the owner of the vehicle,
- Date of payment reminder,
- Date on which the case was introduced to court of Law.

5.3.7 The In-charge of recovery must regularly monitor, collect information and timely report on monthly basis on seized automobiles and his/her report contain the following minimum information:

- The owner of seized vehicles and their full identification;
- Location of seized vehicles and their status;
- Sale price of vehicles and purchasers in case of public auction;
- Date of public auction;
- Recommendations of actions to be undertaken;

5.3.8 The Management informs the Board of Directors on status of recovery on quarterly basis and proposes some cases to be written off and extinct.

5.3.9 If the owner of the uninsured vehicle responsible of accident is not found, SGF continues to look after him/her for the purpose of recovering the paid amount and other associated expenses such as the cost of transmission of recovery letter, cost of searching the debtor, cost of Advocates, cost of case follow up in Courts, etc... After six months without being found, the case shall be filed in Court of Laws and the writing-off shall be undertaken after twelve months. In case the debtor is found before being pursuit in the Court and that he/she accepts to payback in installment, the later shall not exceed twelve months effective from the beginning date of reimbursement as per the signed contract.

5.3.10 If the debtor stops reimbursing SGF for a consecutive period of three months without any reason of force majeure agreed by SGF Management, the case shall be filed in Court of law.

## **5.4 Recovery procedures for tourism receivable revenue**

5.4.1 Unless there is a ministerial order governing declaration, collection and verification of revenues from tourism activity collected by Rwanda Development Board (RDB) on behalf of SGF, the Managements of both institutions agreed on the procedures for timely declaration, payment and verification of this source of revenue which shall be applied by SGF finance unit for financial reporting purpose.

On 30<sup>th</sup> June of each fiscal year, the director of finance and administration sends a courtesy email, with copy to Director General, reminding RDB to send its signed declaration accompanied with necessary attachments not later than the 15<sup>th</sup> day following end of year.

When RDB has failed to declare or to pay within the required timeframe, the Director of finance and administration shall continue sending reminders via emails on weekly basis up to 20 working days. After this period without positive effect, the director of finance and administration immediately prepares a recovery letter for Director General's signature and transmission. However, the Management may apply other means to ensure the declaration and payment is effective.

## **5.5 Bad debt**

5.4.1 The SGF authorizes a deduction for a bad debt if the following requirements are met:

- ✓ The debt was owing to the SGF at the end of the financial year,
- ✓ The debt became bad during the financial year, and
- ✓ The debt was included or is deemed to have been included in the SGF's income for that financial year or previous financial years.

5.4.2 The amount of the debtors which cannot be recovered is known as bad debt. At the end the accounting year, the amount of bad debt is shown as an expense in the Statement of financial performance and deducted from the debtors.

5.4.3 The double entry for recording the bad debt is:

Debit Bad debt account  
Credit Allowance for doubtful debts account

5.4.4 By the time a specific receivable account is **written off** as uncollectible, SGF debits allowance for Doubtful Accounts by the credit Accounts Receivable.

5.4.5 In case of recovery of an uncollectible Account/written-off receivable, the Accountant shall pass the following accounting entries:

To first recognize receivable:

- ✓ Dr Account receivable
- ✓ Cr Allowance for doubtful accounts

To recognize receipt of cash and deduction or extinction of debt

- ✓ Dr Bank account
- ✓ Cr Accounts receivable

## **CHAPTER 6: BANK AND CASH ACCOUNTS**

### **6.1 Introduction**

This chapter gives an overview of procedures for managing funds on SGF current and fixed Accounts opened at the National Bank of Rwanda and commercial & development banks, ensuring that any movement on the account meet approved requirements and account balances are accurately stated.

### **6.2 Bank accounts operations management**

6.2.1 All SGF bank accounts are kept in Rwandan Francs. Bank accounts denominated in foreign currencies are converted into local currency at official exchange rates issued by the National Bank of Rwanda and recorded in SGF ledgers.

6.2.2 Based on internal needs and circumstances, SGF is authorized to hold both current and fixed accounts in National Bank of Rwanda and in commercial & development banks. However, most of SGF financial transactions shall be done through the bank account held at National Bank of Rwanda. In addition, the opening and closure SGF's bank accounts shall be subject to prior authorization of Board of directors and validation of the Ministry of Finance and economic planning. In case of opening project account for a development partner based on partnership agreement, the later writes a letter to SGF requesting the opening of that special account which serves as supporting document to request an authorization from the Board of Directors and the Ministry of finance and economic planning. The authorization request letter for opening and closure of bank account shall contain convincing and valid reasons to be presented in the Management Meeting at least one month before notifying the Board of directors and Ministry of Finance and Economic Planning.

6.2.3 Any bank account opened by SGF must be in its name and in no case may any person operate an account in personal names purporting it to belong to SGF. Furthermore, no person may use SGF bank account to conduct personal affairs.

6.2.4 The SGF Chief Budget Manager must maintain updated hard & soft copy registers of bank accounts operated by SGF. The registers should contain information regarding:

- ✓ The name and number of the bank account;
- ✓ The purpose of the account;
- ✓ Date the account was opened;
- ✓ The banker and the branch, if applicable;
- ✓ The authorized account signatories, their specimen signatures and individual authority limits if applicable.

6.2.5 Except for prior written authorization of the Board of Directors, SGF accounts must not be overdrawn and the Chief Budget Manager should establish mechanisms to enforce this requirement. This exception would apply where a formal request for overdraft facilities has been submitted as set out in procedures regarding borrowing. The following mechanisms shall be enforced for preventing overdrafts on SGF accounts:

- ✓ Ensuring that the bank account has sufficient funds to cover all payment orders or cheques issued and expected direct debits.
- ✓ Regular reconciliation of the bank accounts at short intervals. The reconciliation should be reviewed and by a superior officer to the one performing the reconciliation.
- ✓ Minimizing the number of bank accounts to ease close monitoring and reconciliation;

6.2.6 No bank account should be closed until all transactions on that account have been cleared. Any balances standing on the account at the time of closure must be transferred to another bank account belonging to SGF or other account that may be designated by the Management Meeting.

6.2.7 Chequebooks and Payment order books must be kept in a cash safe under lock and key at all times. Cheque and payment order leaves must be used in the order of their serial numbers. Cancelled cheque and payment order leaves should be double crossed, marked “cancelled” and retained in the cheque book and payment order book respectively, and recorded in the cashbook as “cancelled”. It is prohibited to sign any blank cheque leaves or payment order leaves. Unless a chequebook or payment order book has been exhausted, a new one should never be used.

6.2.8 For each bank account, SGF should maintain a register containing the following information about issued cheques and payment orders: the cheque number, date of issue, amount, the person to whom it was issued (payee), the persons who signed it (authorized signatories), if hand delivered, the person to whom it was handed and the date of delivery.

### **6.3 Signatories**

6.3.1 The SGF will propose three (3) signatories for the bank accounts including the SGF Director General, the Director of Administration and Finance Unit and 1 other top Manager. Two joint signatures shall be required for the operations. To this effect, no person shall act as a signatory to SGF bank account without an appointment letter from Director General.

6.3.2 Specimens of their signatures shall be sent to the Banker and filed in the accounting section. Any change of one or the other signatory shall be notified within a period not exceeding one (1) day and new specimens will be sent to the banker to avoid any inconvenience.

6.3.3 The accountant or any other person who is entrusted with the keeping of the check book and or payment order book shall not be allowed to be a signatory.

6.3.4 The SGF will avoid mixing up SGF funds from different major sources of income. If, unintentionally happened, immediate corrective measures shall be taken.

6.3.5 Each major source of revenue should have a separate dedicated bank account. A register of all the bank accounts should be maintained and kept up to-date by the Accountant. It should have the following details:

- Name of account;
- Name of bank;
- Date the account was established;
- Currency;
- Account number;
- Interest/non-interest bearing;
- Source of funds and;
- Signatories and signing arrangements.

6.3.6 The SGF should maintain a cashbook for each of bank account. The cashbook should be debited with the deposits made into the bank account and credited with all the withdrawals from the bank account. The posting into the cashbook should be made on a daily basis to correspond this with the banking into the bank account. A Payment Voucher is the primary source of information for posting credit entries (payments) while the bank pay-in slip is the source of information for posting debits (receipts). Bank charges and other direct entries made by the bank are posted using journal vouchers.

## **6.4 Bank account reconciliation procedures**

6.4.1 A bank reconciliation is prepared every month to make sure that the Bank's records agree with the bank account balance in the SGF's general ledger. To do this, the Accountant prepares bank reconciliation statement at the end of the month and sends it not later than 5<sup>th</sup> day following end of month to the DAF for review and the later submits it by 10<sup>th</sup> day to Chief Budget Manager for approval. Accordingly, the bank reconciliation should be prepared immediately upon receipt of the bank statement, and any bank errors should be immediately resolved with the bank.

6.4.2 Bank reconciliation entails matching the entries in the cashbook maintained by the SGF with the corresponding entries in the associated statement of account (bank statement) issued by the banker. The bank reconciliation process shall:

1<sup>0</sup> Identify the transactions processed by the banker without the prior record in the cashbook. Such transactions include the following:

- ✓ Direct standing instructions of payment by banker on behalf of SGF;
- ✓ Bank charges, transfer charges, etc.
- ✓ Exchange differences arising on external remittances.
- ✓ Third party cheques/remittances made directly into the bank

2<sup>0</sup> Identify transactions entered into the SGF's cashbook, which the bank has not yet processed. Those include:

- ✓ Outstanding payment orders (PO) or cheques issued to third parties. Any un-presented cheques longer than three months are stale and should therefore be reversed.
- ✓ Cash/cheque deposited with SGF but not yet posted to the bank account. These will mainly comprise of deposits towards the end of month. Any dishonoured deposits should be reversed.

3<sup>0</sup> Identify any posting errors in the cashbook/bank statement. Such errors should be investigated and immediately rectified. In unusual circumstances, such errors may be due to irregularities such as fraud, in which case the matter would be brought to the immediate attention of the Chief Budget Manager for appropriate action.

4<sup>0</sup> To prevent the possibility of issuing cheques without sufficient cash cover.

In practice, the reconciliation of the two balances may be carried out in the following steps:

**Step 1:** The Accountant will tick off the items that appear in both the cashbook and the bank statement.

**Step 2:** The unticked items on the bank statement are entered into the bank columns of the cash book to bring it up to date.

**Step 3:** The bank columns of the cash book are now balanced to find the revised figure.

**Step 4:** The remaining unticked items from the cash book will be the timing differences.

**Step 5:** The timing differences are used to prepare the bank reconciliation statement.

6.4.3 If the bank charges on bank statements have not been recorded in the Cheque Journal, the Accountant shall prepare a journal entry to record them and then posted to the General Ledger.

**6.5 Petty cash account**

6.5.1 Besides bank accounts, the cashbook should have provision for petty cash accounts to record details of petty cash transactions. The in charge of petty cash is the custodian of the petty cash and must carry out a daily count of the cash at hand at the end of the working day, and reconcile the result with the cashbook record. The Accountant is required to perform surprise cash counts once per month and reconcile the result with the cashbook record. Any cash shortage or excess must be brought to the immediate attention of the Director General or his/her designate for appropriate decision. The cashbook/books of accounts would be then be updated as follows:

Dr	Cash shortages (expense a/c)	RWF XXX
Cr	Cash account	RWF XXX
Or		
Dr	Cash account	RWF XXX
Cr	Cash excess (other receipts)	RWF XXX

6.5.2 SGFs’ accounting policy with respect to petty cash provides that:

- ✓ Petty cash is operated on an imprest basis, which amounts to a float set by the Management.
- ✓ Petty cash payments are made only where authority has been given by the Director of Administration and Finance or the Director General in his/her absence;
- ✓ No cheques are cashed by employees out of petty cash; and
- ✓ Reimbursement is made only after accounting has been done for all petty cash drawn.

6.5.3 Petty cash is maintained to permit the office to pay minor amounts immediately without having to apply for a cheque voucher every time a small amount of money is required. Payments that are not covered by the tenders or any other abrupt payment for office management that can be settled on petty cash.

6.5.4 The total amount spent is accounted for using vouchers and receipts, where possible, but does not exceed the float amount.

6.5.5 The in charge of petty cash keeps petty cash securely locked up in the petty cash box at all times whenever she/he is not disbursing or replenishing the fund. In addition, she/he should not have access to the accounting records or the chequebook other than the Cash Requisition Forms and the petty cashbooks.

6.5.6 The Petty cashbooks will be reviewed periodically by the Accountant and the Director of Administration and Finance will at least once annually conduct surprise cash counts control to ensure funds are not misused and proper records are maintained. When this is done, he/she should count, while the in charge of petty cash is in attendance, the total monies on hand and the total amount of receipts in the petty cash box. The two amounts should equal. Any discrepancies should be discussed and resolved immediately.

## **6.6 Procedures over petty cash process**

6.6.1 For all payments made through the petty cash fund whose maximum amount for a single payment shall be fixed by the Management, the in charge of petty cash prepares a Cash Requisition Form.

6.6.2 The Director of Administration and Finance checks the Cash Requisition Form to confirm the accuracy of the details indicated, then signs it as evidence of approval.

6.6.3 The in charge of petty cash then makes the payment ensuring that the person receiving the money signs the Cash Requisition Form. The in charge of petty cash then files in numerical sequence with the supporting documents accompanied by cash receipt form signed by cash recipient;

6.6.4 The in charge of petty cash enters the Cash Requisition Form amount in the petty cash book and analyses it under the appropriate expense column.

6.6.5 The cheque voucher and supporting documents together with the cheque are presented to the Director of Administration and Finance who will then carry out another checks and sign his approval on the cheque voucher and submits it to Chief Budget Manager;

6.6.6 The cheque is signed by the cheque signatories and cashed by the in charge of petty cash or designate.

6.6.7 The amount paid out is posted to the petty cash book and filed in the respective petty cash box file.

6.6.8 The key to petty cash safe must be handed to the in charge of petty cash in exchange of a written acknowledgement thereof. A spare key should be securely kept by the director of finance and administration. It is prohibited to procure a triplicate key for any cash safe. Loss of a key to any cash safe must be reported immediately to DAF and the Director General who then arranges for the issuance of the spare key.

6.6.9 The spare key may only be issued for the purpose of extracting the contents of the safe if the original key has been lost, and in no circumstances may SGF money be kept in a safe for which the original key has been reported lost, except where the cash safe lock is replaced with a new one. The in charge of petty cash is required to carefully keep the cash safe key as its loss due to negligence may result in requiring him/her to replace the lock or the petty cash safe.

6.6.10 Replenishment of petty cash fund is subject to prior satisfactory accountability of the previous advances. Ratification of the accountability report, by the Director of Administration and Finance is prima-facie evidence of satisfactory accountability of the advance to which the report refers. The accountability report being satisfactory, the requisition shall be verified, signed by the DAF who submits it to Chief Budget Manager for replenishment approval.

6.6.11 At the same time of preparing petty cash replenish request, the Accountant shall establish a check and forward it to the DAF who signs it and submits it to Chief Budget Manager for approval.

## **CHAPTER 7: NON FINANCIAL ASSETS**

### **7.1 Purpose**

7.1.1 The purpose of these assets management procedures is to ensure that those responsible for acquiring, recording, inventorying, maintaining, and disposing of fixed assets (both capital and non-capital) understand and adhere to the rules, regulations and procedures governing such assets.

### **7.2 Asset management software**

7.2.1 SGF asset management software aims to avoid wasting time, effort, and cost of searching for and replacing lost or missing assets. The software enables SGF to track the assets they have, where they are, how much they cost, and more.

### **7.3 Stewardship responsibility**

7.3.1 SGF units are responsible for stewardship responsibility of all fixed assets under their control. This responsibility includes, but is not limited to:

- ✓ Basic safeguarding and physical security;
- ✓ Complying with SGF record-keeping;
- ✓ Maintaining fixed assets in good working condition;
- ✓ Using fixed assets safely and properly; and,
- ✓ Ensuring that appropriate insurance coverage is in place when required.

7.3.2 The SGF maintains a central record of fixed assets within the Administration and Finance Unit /Asset Management section.

7.3.3 The Director General, in liaison with the Director of Administration and Finance appoints an in-charge of Fixed Assets and Stock to report to the Director of Administration and Finance.

**7.3.4 Responsibilities of the Board of Directors**

- ✓ Overall steward;
- ✓ Make sure SGF has enough non-financial assets for its operations;
- ✓ Allow the acquisition of long life assets.

**7.3.5 Responsibilities of the Director General**

- ✓ Overall Steward;
- ✓ Plan for the acquisition of necessary non-financial assets to SGF;
- ✓ Review and sign non-financial assets reports;
- ✓ Report to the Board of Directors.

**7.3.6 Responsibilities of Administration and Finance Unit**

- ✓ To maintain the SGF's non-financial assets recording system
- ✓ To provide reports to the SGF Directorate General.
- ✓ To undertake, in conjunction with the in charge of Fixed Asset Management regular count and stock takes of inventory and ensure Stock-take sheets are signed by the In-charge of Fixed Assets and Stock. Complete Stock take of all capital assets are conducted on an annual cycle.
- ✓ To provide on-going training to appropriate staff on the maintenance of attractive assets carried out by them
- ✓ To carry out a sample check of attractive items maintained by Units and ensure their inclusion in stock take certificate.
- ✓ To provide two copies of a list of capital asset to the Units in December for their review and confirmation. The last Stock take date will be recorded against each asset. Units Directors are required to sign and return one copy to the Administration and Finance Unit, not later than 5 working days after the financial year ended 31 December. Any further additions, deletions and amendments should be included on the copy returned. This process is to facilitate the signing and return of the Management Representation statement to the Director General, as required for external audit purposes.

### **7.3.7 Responsibilities of the in-charge of Fixed Asset and consumable inventory**

The In-charge of Fixed Assets and Consumable inventory has the following responsibilities:

- ✓ To match assets received with a purchase requisition, purchase order and delivery advice.
- ✓ To ensure assets received are in good working order.
- ✓ To advise the Administration and Finance Unit not later than 14 days after every second month of details of assets transferred, written off or sold.
- ✓ To advise the Administration and Finance Unit fortnightly, within 5 working days on the serial number, location and custodian of all capital assets on the electronic list, and any capital assets received whether by transfer, purchase, donation or construction not on the electronic list provided.
- ✓ To ensure assets are readily available for stocktaking purposes and to assist with the stocktaking.
- ✓ To ensure that assets are readily identifiable and records are kept of unique identifying numbers.
- ✓ To ensure assets are adequately secured. The level of security required varies for each asset, depending on such factors as asset type, value, attractiveness and portability.
- ✓ On completion of an individual's service with the SGF, to ensure the return of all SGF items to the Unit/Office concerned.

### **7.4 Tagging and recording fixed assets in the software**

7.4.1 A record of assets is required to:

- ✓ Provide information to financial units on what assets are under their control and location
- ✓ Provide information for decision making purposes
- ✓ Provide information for external reporting purposes
- ✓ Enable to comply with statutory requirements.

7.4.2 The software helps in automatic tagging and recording of assets. Assets are tagged and recorded under the following categories:

- ✓ Building
- ✓ Infrastructure
- ✓ Land
- ✓ Motor vehicles
- ✓ Plant & Equipment
- ✓ Air conditioning
- ✓ Communications
- ✓ Electrical Instrument

- ✓ Furniture
- ✓ Information Technology (such as computing equipment)
- ✓ Office equipment
- ✓ Photographic Equipment

## **7.5 Physical inventory**

7.5.1 The automated property register should produce the following details:

- ✓ Acquisition date
- ✓ Description
- ✓ Make
- ✓ Serial number
- ✓ Location /assigned user
- ✓ Fund
- ✓ Unit acquisition cost
- ✓ Estimated life
- ✓ Condition
- ✓ Ultimate disposal (if applicable)

7.5.2 The DAF should make sure that physical inventory verification is done once a year to make sure all equipment and materials are accounted for and recorded accordingly. The results will be compared to the contents of the register of fixed assets. The Administration and Finance team will conduct the exercise. Any missing items will be taken note of and investigated accordingly. After completion of the verification exercise, the inventory log is updated and the copy signed by the in charge of Fixed Asset management and the DAF. These documents will be filed in the accounting office.

7.5.3 SGF should ensure that its real estate (buildings) are revalued by a professional valuer at intervals determined by the Management.

7.5.4 All fixed assets of the SGF should be tagged with a unique asset tag number according to the asset category. The labelling should be in indelible ink.

7.5.5 Maintenance and monitoring of maintenance and conservation of fixed assets shall be under the responsibility of the officer in charge of Fixed Assets. Any change to the equipment shall be immediately reported by the users. Once a year, the in charge of Fixed Assets will request to the Director of Administration and Finance to carry out maintenance and repair exercise to be done by a competent service provider.

## **7.6 Theft / destruction of a fixed assets**

- 7.6.1 When the in charge of Fixed Asset management discovers that the SGF asset has been stolen or destroyed, the SGF should take immediate action.
- 7.6.2 If the theft or destruction has occurred on the premises, the DAF should immediately after realizing the case report it to the Security Services Company. The Director General will contact the police if necessary.
- 7.6.3 If the theft or destruction has occurred off the premises, the Director General should notify the police and then inform the Security Services Company as soon as possible.
- 7.6.4 An SGF who realized the case should notify their immediate superior or the Director of your Unit then fill in the Asset Disposal Form and forward it to the In-charge of Fixed Assets.
- 7.6.5 The SGF should contact the insurance company. If an insurance claim is possible, fill in a Preliminary Insurance Report form.
- 7.6.6 The SGF should on the basis of budget estimations subscribe to appropriate insurance policies to cover the fixed assets and constantly monitor the expiry of these policies.

## **7.7 Movement of assets**

- 7.7.1 SGF ensures that assets acquired are not moved from one place to another or from one department to another, either for administrative purposes, permanent transfers or for any other reason without prior consultation with the Directorate of Administration and Finance.
- 7.7.2 The register of fixed assets is automatically updated as soon as there is transfer of property.

## **7.8 Depreciation of fixed assets**

- 7.8.1 For financial reporting purposes, the SGF assets are subject to depreciation each year until they no longer have any value.
- 7.8.2 Depreciation is automatically calculated on a straight-line basis to write off the cost or valuation of fixed assets over the expected useful lives at annual rates by the Administration and Finance Unit i.e. based on the purchase price of the item with

depreciation charged beginning in the month that the asset is placed in service. The Straight line depreciation method charges cost evenly throughout the useful life of a fixed asset.

7.8.3 Where a fixed asset is subject to partial or progress payments, depreciation will not commence until the payment cycle is complete and the Asset fully paid.

<b>ANNUAL DEPRECIATION RATES</b>	
<b>Item</b>	<b>Annual rate</b>
Land - (not depreciated)	0%
Works of art - (not depreciated)	0%
Buildings (based on remaining useful life)	1.67 - 2%
Furniture and fittings (based on remaining useful life)	10-20%
Equipment	25%
Intangibles	5%
Motor vehicles	15%
Library	20%
Computers & notebooks	33.33%
Other ICT equipment & accessories	33.33%
Network Infrastructure	10%
Servers	10%
Long Term IT Assets (Core Systems)	5%

7.8.4 The above depreciation rate shall be effective from the accounting period following the period of approval by Board of directors and shall be subject to change as may be deemed necessary by Management.

7.8.5 Fixed Assets remain in the Asset Management system even when their written-down value is zero, until disposed.

**Reporting of Depreciation**

7.8.6 Depreciation entries are generated for posting to the general ledger. This is carried out on annual basis.

## **7.9 Disposal of fixed assets**

### **Approval to dispose of fixed assets**

- 7.9.1 Fixed assets to be disposed-off by way of sale, auction or dumping requires prior approval in writing addressed by the Directorate General to the Board of Directors unless otherwise delegated by the Board Resolution
- 7.9.2 The value used in determining the level of approval needed is the written-down value of the item. Approval is required even when the written-down value has reached zero.

### **Methods of Disposal**

- 7.9.3 Assets may be disposed of by the following methods:
- ✓ Direct sale by the SGF externally
  - ✓ Sale by auction.
  - ✓ Disposal by scrapping or dumping if the asset has little or no resale value
  - ✓ Transfer to an external organization such as a charitable organization or SGF stakeholders;

### **Advertising**

- 7.9.4 When an asset is to be disposed by the SGF by sale, auction or transfer:
- ✓ The item should be advertised at a reasonable selling price recognising depreciation and market values. You may contact the Asset management or Purchasing Sections to determine depreciated values and current market prices.
  - ✓ If an item has been advertised for sale once or two occasions and fails to attract a buyer, the SGF may dispose of it by dumping.
  - ✓ Report the disposal as required.

### **Writing Off**

- 7.9.5 An annually list of fixed assets recommended for write off by the Director of Administration and Finance is submitted for validation to the Director General who sends it to the Board of Directors for approval.
- 7.9.6 A written request is required from the Director of Administration and Finance Unit to write off fixed assets to the Board of Directors. A response is expected in the last quarter of the financial year.

7.9.7 The DAF reports the write off to the In-charge of Fixed Assets and the Accountant to update the Asset Management Software.

### **Transfer**

7.9.8 All fixed assets purchased from funds administered by the SGF are the property of the SGF and can only be transferred to another organization when the following conditions are met:

- ✓ The Director of Administration and Finance Unit annually certifies that the asset is not required for use within the SGF by other members of staff in their professional duties and reports to the Director General.
- ✓ The Director General requested and received approval of the transfer from Board of directors.
- ✓ The Director General has negotiated an agreed price for the transfer with a counterpart at the other organization.

### **Reporting of disposal of Assets (Sale, Transfer and Asset Written Off)**

7.9.9 When a Unit has disposed an asset (whether by sale, auction, transfer or dumping), its Director should report to the In-charge of Fixed Assets and Stock. The In-charge of Fixed Assets and Stock prepares an annual report to the Administration and Finance Unit on all assets disposed of during the year.

### **Processing of disposal**

7.9.10 The In-charge of Fixed Assets and Stock will process the sale and assets written off bimonthly through the Disposal Processing and Write off processing function in the fixed asset system. The financial transactions on disposal of capital assets are generated by the fixed asset system for posting to the general ledger.

### **7.10 Management of consumables inventories**

7.10.1 SGF inventories are various kinds of office supplies; examples include stationery, computer consumables, ammunition, spare parts, etc. these inventories are usually budgeted to be consumed during the particular financial year but due to timing differences they remain in stock.

7.10.2 SGF maintains a system of inventory management that ensures:

- ✓ Avoidance of stock-outs to prevent disruption operational activities.
- ✓ Optimal inventories - to minimize funds tied-up.

- ✓ Sound internal controls to prevent loss through damage, deterioration, unauthorized use or pilferage.

7.10.3 Any purchase of consumables shall be made according to the needs and in conformity to the approved budget and with regard to procurement procedures.

7.10.4 The management of the stock shall be the responsibility of the officer in charge of Stock Management. She/he shall take care of their physical and theoretical management.

**Management procedure:**

7.10.5 The officer in charge of the stock shall receive all purchased items, and then:

- ✓ Examine them to ensure that they correspond to the descriptions defined on the purchase order;
- ✓ Count them to ascertain their quantities;
- ✓ Compare the price on the invoice or the delivery note with the one indicated on the purchase order;
- ✓ Sign the delivery note for the received quantity, with reservation note for any possible defects concerning the quality.

7.10.6 Any anomaly identified shall be reported to the hierarchical level for proper follow-up with the supplier for rectification of the defect noted.

**7.10.7** When delivered goods are damaged or below the expected standards, they shall be rejected and the supplier shall immediately be notified. All rejected goods shall be returned to the supplier in the same conditions they were received not later than 2 days after observing the anomaly.

**Use of stock cards and requisition voucher:**

7.10.8 Stock cards shall be kept to record movements of assets. They shall be regularly updated by the officer responsible for the management of the stock (supplies, consumables, or others). The stock card will contain the following information:

- ✓ Date of acquisition;
- ✓ Description of item;
- ✓ Number of the delivery note;
- ✓ Number of the purchase order / contract;
- ✓ Name of the supplier;

- ✓ Quantity received
- ✓ Quantity released;
- ✓ The value of the stock received and released as well as
- ✓ The remaining balance.
- ✓ In addition, the card should show the quantity levels at which replenishment should be prompted as well as the maximum quantity beyond which further procurement would be unduly tying funds.

7.10.9 The officer receiving goods from the stock shall sign for the reception of goods, the **requisition voucher**. The officer in charge of the stock shall use requisition vouchers to update the stock cards.

7.10.10 The stocks at hand should be independently counted and valued at least once in each month, in regular intervals. The results of the count should be reconciled with the corresponding records in the inventory cards. Any obsolete stocks should be identified and authority sought for its disposal. Only the Director General may give such authority.

7.10.11 At the end of every month, the in-charge of stock management will prepare and submit to her/his direct supervisor or other authorized person for control the **monthly stock management report**. This schedule should be annexed to the monthly financial reports issued by the Budget Agency to the Accountant General.

7.10.12 At the end every quarter and the year, the Director of Administrator and Finance shall coordinate the stock control exercise. Any variance noted shall be justified.

7.10.13 Any damaged, obsolete and unusable items shall be listed on a quarterly basis. The list shall be submitted to the Top Management level which will consult the internal tender committee for appropriate decision.

## **7.11 Receipt and acceptance**

### **Policy**

7.11.1 Control should be established over goods and services received as a basis for determining and recording the liability for goods and services received.

7.11.2 The physical receipt of all purchased goods should be the responsibility of receiving department or designated individual. The receiving person should inspect goods for conformity with specifications on purchase orders. Quantities should be verified by counting, weighting, or measuring. Receipt and acceptance of a shipment should be

documented on received report (or on a copy of the purchase order utilized for such purpose) with copies of the received reports being routed to the purchasing and accounting departments.

### **Procedures on inspection of all Goods and Services**

7.11.3 A receiving department or designed individual should inspect all goods received. Depending upon the specialization or technical knowledge needed to inspect the goods received, SGF should determine if it is practical for the receiving department to make the total detailed inspection of goods.

7.11.4 **Upon receipt of any item, the following immediate action should occur:**

- ✓ Check delivery note
- ✓ Remove the packing slip
- ✓ Get the purchase order.
- ✓ Compare the description of goods and quantity per the purchase order to the delivery not
- ✓ Examine goods for physical damage.
- ✓ Count or weigh items similarly packaged items may be counted on a test basis if deemed appropriate .If goods are of a high value SGF should count and test all goods upon the receipt
- ✓ Make an indication of the counts on the copy of the purchase order.
- ✓ Examine packages for exterior damage.
- ✓ Note on the delivery note any discrepancy (i.e. missing articles)
- ✓ Sign and date the delivery note
- ✓ Retain a copy of the delivery note.

### **Procedures: Preparation of a Rejection of Material Report**

7.11.5 Claims for return of goods in many companies are likely to be non-routine and infrequent. Furthermore, detection of goods to be returned may occur at various stages of company's operations (i.e. receiving, raw, material warehouse, production, finished goods inspection, or returns from customers). The first step should be to have the department detecting the improper goods prepare a materials rejection report (Figure 5-1)

This report should contain the following information and authorizations:

- ✓ Part number
- ✓ Description of part
- ✓ Department and person rejecting the part
- ✓ Quantity received and rejected

- ✓ Reason for rejection
- ✓ purchase order number
- ✓ Date received
- ✓ Vendor
- ✓ Authorization signature
  - Person in charge of department in which rejected goods are noted
  - Person who made the requisition , if this authorization is deemed necessary
  - Purchasing department

7.11.6 The materials rejection report should be pre-numbered so that it can subsequently be established that all transactions have been accounted for.

7.11.7 The purchasing department should be notified immediately about the rejected materials. Typically, the rejected goods should be sent to the shipping department with copy of materials rejection report. If the rejection of materials is unique, the department should wait for instructions from the purchasing department regarding disposition of the rejected materials.

## **7.12 Investment**

SGF funds not used in day to day operations should be invested to generate income. Such SGF investment is governed by the existing investment strategy and policy adopted by the Board of Directors to guide the Management in funds investment process.

7.12.1 For the purpose of improving the management of SGF investments, the Director General may appoint an Investment Committee.

7.12.2 The Board of Directors may designate portions of the net assets of SGF for specific purposes. SGF should invest available funds in order to maximize earnings and minimize risk. The changes in overall investment policy, specifying the update in needed liquidity of investments, in acceptable risk and expected returns, should be established by the Management and approved by the Board of Directors.

## **CHAPTER 8: POLICIES AND PROCEDURES FOR LIABILITIES MANAGEMENT**

### **8.1 PURPOSE OF POLICY**

This policy intends to provide SGF with treatment procedures of its financial obligations and the uncertainties expected to affect its ultimate value as well as their recognition, measurement and disclosure requirements.

### **8.2 SGF liabilities and their types**

8.2.1 SGF liabilities refer to its present obligations that arise from past events or transactions (e.g purchase of good or service, occurrence of accident caused by uninsured/non-identified automobiles or by wild animals, etc.), the settlement of which is expected to result in an outflow of resources embodying economic benefits ( e.g disbursement of cash/cash equivalent or other asset). Based on this description, there are three characteristics of liability:

- ✓ Existence of a present obligation to other entities or individuals;
- ✓ A requirement to give up resources embodying economic benefits at some future time;
- ✓ Previous occurrence of a transaction or event that created the liability.

These liabilities may be categorized depending on different factors such as expected timing of settlement (Long-term liabilities/non-current liabilities and short term liabilities/current liabilities), Source ( external liability/debt and internal liability/debt), degree of certainty of present obligation (provisions, payables, accruals). In any case, liabilities are to be classified according to their nature or type and, as a minimum, SGF liabilities are to be recorded under the first and third categories earlier mentioned.

8.2.2 Current liabilities are the one that are due or expected to be settled within 12 months of reporting date such as payables, accruals and provisions for claims compensation, whereas non-current liabilities are all liabilities other than current liabilities which may include long term borrowing.

### **8.3 Recognition and measurement of provisions**

8.3.1 Provisions are liabilities of uncertain timing or amount. These include SGF present obligation of compensating victims of accident caused by non-identified, stolen or uninsured automobiles and wild animals whose amount or timing is uncertain. SGF shall recognize provisions in its books of accounts when the following conditions/criteria are satisfied:

- ✓ SGF has a present obligation as a result of a past event (i.e the accident caused by non-identified/uninsured/stolen automobiles and wild animals has occurred and declared in SGF);

- ✓ It is probable that an outflow of resources embodying economic benefits of SGF will be required to settle the obligation (i.e the above accident was confirmed by Police statement or members of approving committee and possibly SGF inspectors);
- ✓ The amount of the provision can be reliably measured (i.e the amount of provision is an estimate or exact amount of liability resulting from different compensation components summed up);

A provision is probable when it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation.

8.3.2 The amount recognised as a provision shall be measured as the best estimate of the expenditure (reliable estimate) required to settle the present obligation at the reporting date. This best estimate is the amount that SGF would rationally pay to settle the obligation or to transfer it to a third party.

8.3.3 In compensating damages caused by non-identified/uninsured/stolen automobiles and wild animals, the following provisions are recorded in SGF books:

- ✓ Provisions for compensating human bodily injuries and fatality;
- ✓ Provisions for compensating material damages: automobile, plant, livestock, house and other property;
- ✓ Provisions for Medical services in golden hours (MSGH);
- ✓ Provisions for cases in courts of the law.

#### **8.4 Basis for estimating provisions**

8.4.1 When it is bodily damage that led to fatality, the claim Manager estimates provisions based on the following compensation components and in accordance with the governing regulation:

- ✓ The pecuniary financial loss determinable on the basis of earning income or Basic minimum wage (SMIG) of the victim, the remaining number of victim's years to reach retirement age and the required ceiling;
- ✓ Compensation for moral damage depending on the number of claimants to be compensated and on required ceiling;
- ✓ Refundable expenses: funeral fees, supported medial expense, transport fees for corpse, transport fees where deceased person has been taken to hospital before death, transport fees for first follow up of submitted case and transport fees paid on the day the compensation is awarded;

8.4.2 When it is bodily damage that led to disability, the claim Manager estimates provisions based on the following compensation components and in accordance with the governing regulation:

- ✓ The pecuniary financial loss for temporary disability;
- ✓ The pecuniary financial loss for permanent disability not exceeding and beyond 30%;
- ✓ The compensation for body dolorous or cost of pain;
- ✓ The compensation for body damages (aesthetic damage);
- ✓ Loss of chances of getting a spouse where applicable;
- ✓ Hindrance of working experience where applicable;
- ✓ Medical costs for medical treatment, admission to hospital, transport to hospital and, for the purchase of drugs, appliances, physiotherapy and prosthesis, and for transportation in ambulance and transport cost to refund the money spent once to follow up submitted claim in SGF and transport fees paid on the day compensation is awarded.

All the above components of provision are computed on the basis of earning income or Basic minimum wage (SMIG) of the victim, the number of period of disability, the rate of disability and the required ceiling and the number of claimants to be compensated and on required ceiling;

8.4.3 When it is material damage that affected automobile, plant, livestock and house & other property, the claim Manager estimates provisions based on the estimation of automobile expert, asset Assessor, Agronomist and Veterinary in accordance with the governing regulation. For this to become possible, the form to be filled in by expert shall be updated. In particular, the provision for plant compensation shall base on prices approved by the SGF Board. In case of mixed plantation, the average price shall apply.

8.4.4 For MSGH provision, the Claim Manager shall base on the claim declaration and its update from hospital and consider the following:

- ✓ Start with the total medical costs incurred which is highlighted in declaration form;
- ✓ Compute the daily average of medical costs incurred from the first day of medical treatment to declaration date times the number of days for patient recovery as per the physician/doctor judgment in order to find the total future medical costs (i.e Average x number of remaining days for recovery);
- ✓ Add the total future medical costs to the total medical costs incurred;
- ✓ For this to become possible, the claim declaration from hospital shall exhibits among others the starting date of treating patient, daily medical costs up to declaration date or its update later date and expected date for recovery as per doctor's judgment to serve as basis of provision computation;

8.4.5 For provisions of cases in Courts of law, the legal affairs officer shall base on the claimed amount filed in the court by claimant and update it whenever there is change in probability which affects positively or negatively the level of liability. The provision update shall consider the legal officer's periodic written opinion and Court's decision which shall constitute basis provisioning.

8.4.6 The in-charge of computing and updating provisions shall keep a matrix evidencing claim code, initial provision, decreased or increased provision and provision balance so as to enable verification of accuracy in accounting service or auditing. In addition, he/she shall highlight, on each claim file where applicable, different components of provision considered during provision computation.

8.4.7 Provisions shall be monitored every time and adjusted by the in-charge of provisioning , specifically when claim is paid, rejected or it has moved to another provision category and the probability of present obligation has changed in order to reflect the current best estimate. In addition, the first working day of the week, the head of compensation unit and the legal affairs officer send all recorded provisions in the previous week to the head of finance and accounting unit who reviews and forwards it within 2 days to the Accountant for immediate recognition in the book of account.

8.4.8 The Accountant shall pass the following accounting entries in books of accounts for treating provisions:

- ✓ To recognize liability and associated expense:
  - Dr Provision expense (use appropriate account type: statement of financial performance);
  - Cr provisions (use appropriate account type: statement of financial position);
- ✓ To release provision held and recognize reduction movement in cash:
  - Dr Provisions (use appropriate account type: statement of financial position);
  - Cr bank (statement of financial position);
- ✓ To cancel both unused provision and corresponding provision expense recorded after extinguishing liability:
  - Dr Provisions (use appropriate account type: statement of financial position);
  - Cr Provision expense (use appropriate account type: statement of financial performance);

In addition, the following entries shall be recorded in order to record the receivable resulting from compensation of damages caused by uninsured automobiles and a provision to cover the uncertainty of recovery:

- Dr Debtor/receivable (Statement of financial position);
- Cr provision for receivables (Contra-asset account);

8.4.9 A provision shall only be used as originally intended and any unused amounts should be reversed and not be utilised for other purposes since doing so would conceal the impact of two different events.

## **8.5 Recognition and measurement of other liabilities**

8.5.1 SGF liabilities other than provisions include borrowing debts, payables and accruals and they represent amounts it owed to other entities or individuals for goods or services received prior to the end of the reporting period. On one hand, Payables are amounts owed by SGF to others for goods or services invoiced and received.

The recognition of accounts payable shall normally occur when the goods or services are invoiced by supplier and received by SGF. They are initially recorded at fair value (invoice amount) and subsequently measured at amortised cost which equates to cost (for example, invoice amount less any part payment made).

On the other hand, accruals (accrued expenses) represent SGF liability resulting from goods or services received but not yet invoiced or formally agreed with supplier. They are recognised and recorded in the books of SGF at fair value (contract/purchase order amount) when goods or services have been received but have not been invoiced or formally agreed.

## **8.6 Treatment of contingent liabilities and commitments**

8.6.1 SGF contingent liabilities are:

- ✓ Possible obligations, whose existence will be confirmed only by the occurrence or non occurrence of uncertain future event(s) not wholly within its control; or
- ✓ Present obligations that are not recognised because the outflow of economic benefits or service potential is not probable; or
- ✓ Real present obligations that may not be recognised either because the “when” (timing) or because the amount (measurement) is not known.

For instance, these may include lawsuits where it is not probable that SGF will be found liable. They are not recognized in SGF books of account but are disclosed in note to financial statements and should be reviewed continuously by the in-charge to determine if the outflow of resources has become probable in order to record a provision.

8.6.2 SGF Commitments are not liabilities but are potential obligations to other entities or individuals that may become liabilities if and when performance under existing contracts, agreements or legislation occurs. They may be evidenced by agreements (such as a contract or a purchase order), or undertakings (such as a promise to provide support) to make future payments to other entities or individuals. They are not to be recognised in SGF statement of financial position, but they shall be disclosed in a Note to financial statements for financial reporting purposes.

**8.7** The following table for ordering office furniture or equipment serves as an example to distinguish commitments from liabilities and their respective accounting treatment:

Stage	Need identified	Quotes obtained	Order placed	Order accepted	Goods received	Payment made
<b>Classification</b>			Commitment	Commitment	Liability	
<b>Accounting treatment</b>	1.No recognition 2.No disclosure	1.No recognition 2.No disclosure	No recognition Note - disclosure	No recognition Note- disclosure	Recognition	Liability extinguished

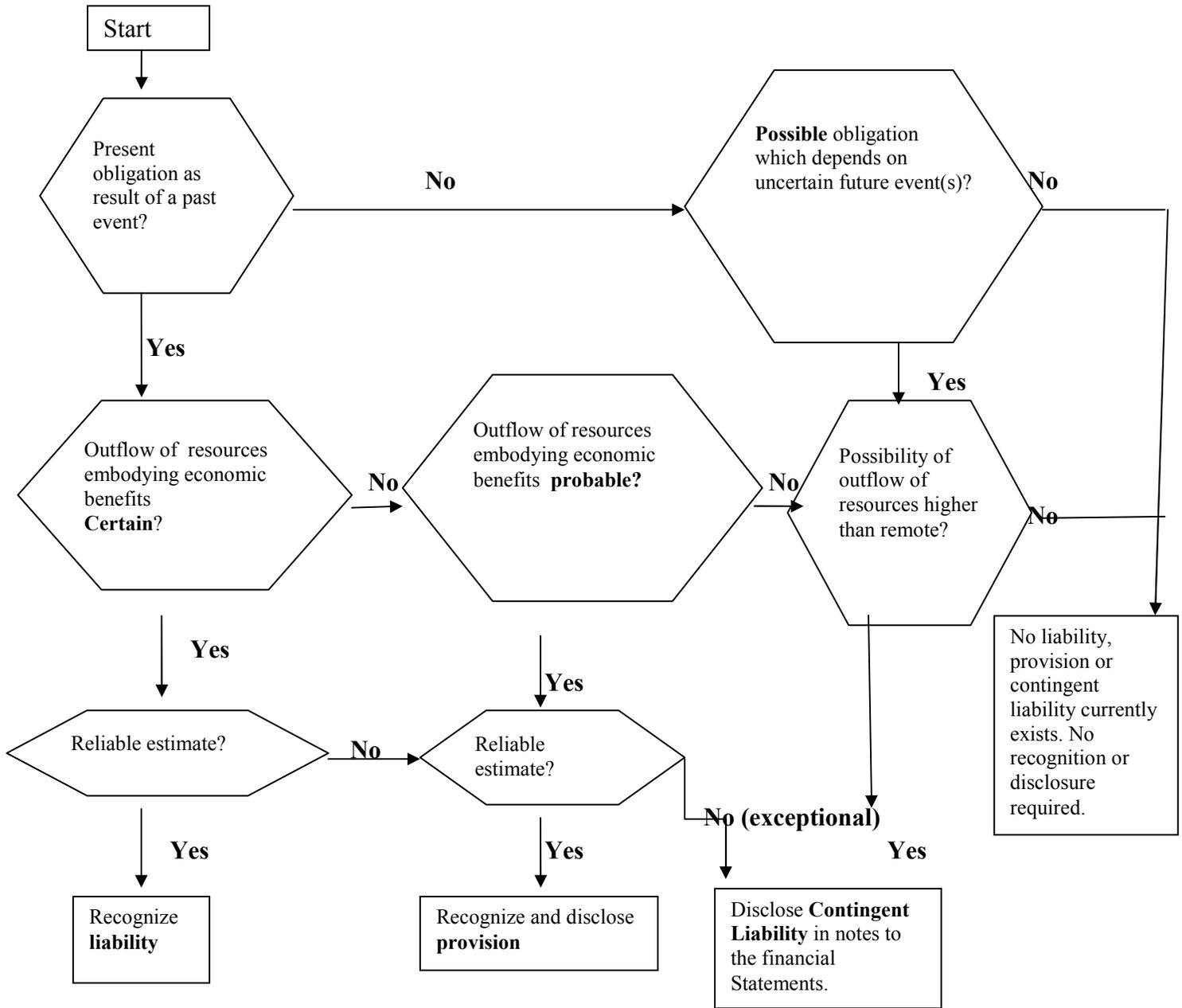
**8.8** Any borrowing by SGF as a government institution must have impact on the overall monetary policy implemented by the National Bank of Rwanda. Consequently, SGF may not conclude any loan agreement without prior technical consultations with BNR and approval of Board of Directors and the Ministry of Finance and Economic Planning.

**8.9** In case of borrowing need, SGF submits its approval requests to the Board of Directors and to the Ministry of Finance and Economic Planning at the time of the annual budget preparation process. The requests should contain information about the proposed loan amount, the prospect lender, the terms of the loan, the planned drawdown & repayment dates, and the purpose of the loan. Any proposed borrowing must be included in the relevant annual budget of SGF. This means that without the prior approval of the loan at the time the annual budget is duly approved, no borrowing can take place.

**8.10** SGF shall borrow for investment projects purposes, i.e it cannot borrow for the purpose of financing recurrent expenditure unless provided for by the Ministry of Finance and Economic Planning.

**8.11** No loan agreement shall be concluded by SGF where interest chargeable may be considered as distorting the market conditions by the National Bank of Rwanda.

**8.12** The following Liability Decision Tree shall be referred to by SGF to assist it in distinguish between liabilities, provisions and contingent liabilities.



## CHAPTER 9: FINANCIAL REPORTING

### 9.1 Purpose

The primary purpose of SGF financial statements is to provide useful financial information to facilitate managerial economic decision making regarding activities and to provide accountability to stakeholders. The financial information provided to stakeholders is about the SGF financial position, performance and changes in financial position (cash flow statement).

To be useful, financial statements should satisfy the following minimum qualities:

- ✓ **Relevance:** requires financial information to be capable of making a difference to the decision made by users (relevant to their needs) by helping them evaluate past, present or future events or confirming, or correcting, their past evaluations.
- ✓ **Faithful representation:** requires financial information to be complete, neutral and free from error in order to represent faithfully what it either purports to represent or could reasonably expected to represent.
- ✓ **Comparability:** requires the financial information to be comparable across periods and across entities. SGF shall apply the comparison of its financial information at least across two periods;
- ✓ **Understandability:** requires the financial information to be understandable by users with reasonable knowledge of business and economic activities. To achieve this quality, the SGF financial information shall be classified and presented clearly and concisely with adequate explanatory notes.
- ✓ **Timeliness:** requires financial information to be available to decision- makers in time such that it meets the deadline in order to be capable of influencing their decisions.
- ✓ **Verifiability:** requires financial information to represent faithfully the economic event or transaction it purports to represent such that knowledgeable and independent observers like auditors reach reasonably the same conclusion (faithful representation).

### 9.2 Required financial statements

9.2.1 The required financial statements in SGF are as follows:

- ✓ Monthly financial statements;
- ✓ Quarterly financial statements;
- ✓ Annual financial statements.

9.2.2 The monthly and quarterly financial statements are prepared by Accountant not later than 7<sup>th</sup> and 20<sup>th</sup> day following the end of month and quarter respectively and reviewed by Director of Finance & Administration before 10<sup>th</sup> and 25<sup>th</sup> day of the same month. The Chief Budget Manager approves the reports after due consideration and submits them to required users not later than the 15<sup>th</sup> day and 30<sup>th</sup> following end of month or quarter.

9.2.3 The SGF monthly and quarterly financial statements shall have the following minimum components as depicted in **appendix 20**:

- ✓ Background highlighting establishing SGF, its addresses and core business;
- ✓ Statement of financial performance;
- ✓ Statement of financial position;
- ✓ Budget execution report;
- ✓ Notes to the financial statements;
- ✓ Implementation status of audit recommendations, actions plan/performance contract, Board and/or Management decisions.

Attached with these appendices:

- ✓ Bank reconciliations;
- ✓ Trial balance;
- ✓ Cashbook.

9.2.4 The Accountant shall prepare the annual financial statements by 40<sup>th</sup> day for review by the director of finance and administration (DAF) not later than 50<sup>th</sup> day following year-end. The review being completed, the report is submitted by DAF to Chief Budget Manager for approval and transmission by 60<sup>th</sup> day following year-end. In addition, SGF Chief Budget Manager shall submit the audited financial statements after being approved by the Board to the National Bank of Rwanda as supervising authority and copy to Auditor General not later than 3 months following year-end.

9.2.5 The annual financial statements shall comprise of the following components which are displayed in **appendix no21**:

- ✓ Background highlighting establishing SGF, its addresses and core business;
- ✓ Statement of responsibilities;
- ✓ Statement of financial performance;
- ✓ Statement of financial position;
- ✓ Statement of cash flows;
- ✓ Statement of changes in equity;
- ✓ Notes to the financial statements including significant accounting policies;
- ✓ Budget execution report;
- ✓ Implementation status of audit recommendations, actions plan/performance contract, Board and/or Management decisions.

Attached with these appendices:

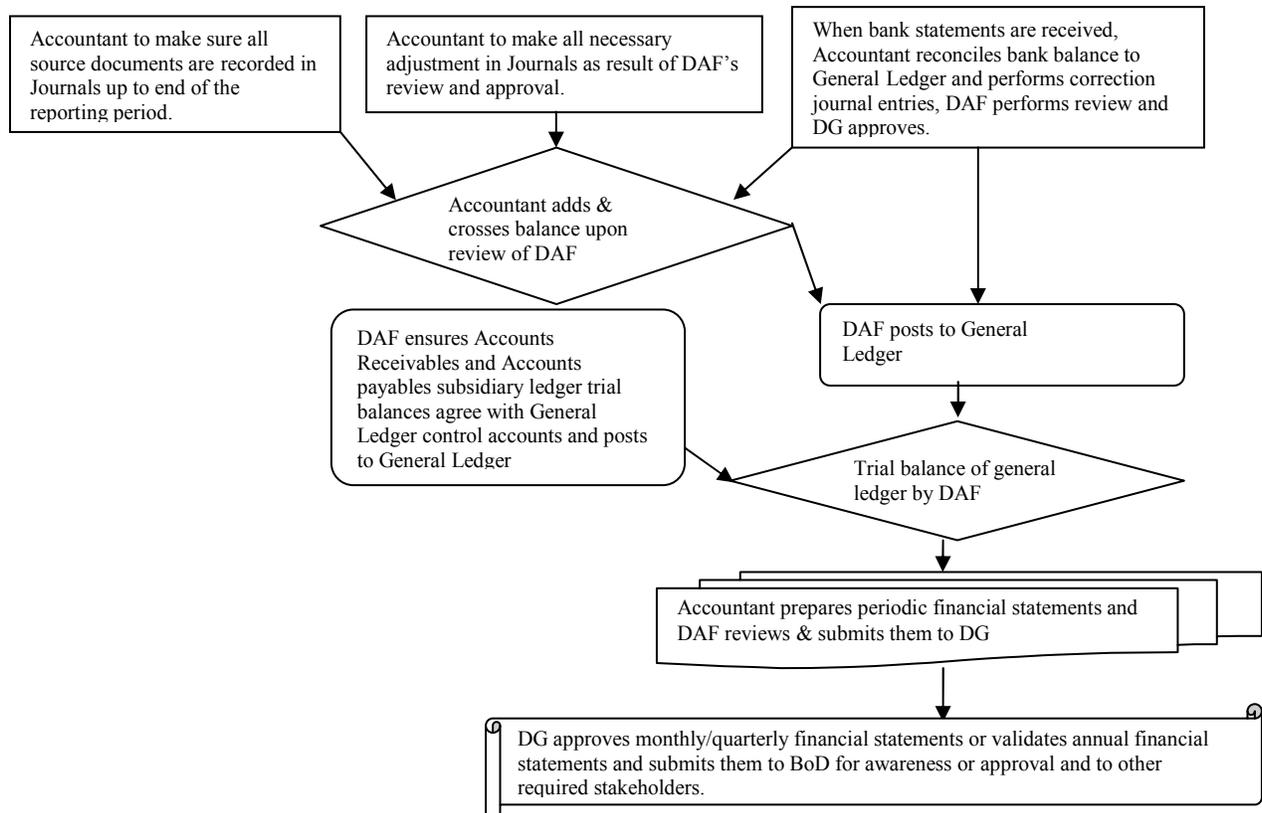
- ✓ Bank reconciliations;

- ✓ Trial balance;
- ✓ Cashbook;
- ✓ Petty cash certificate.

9.2.6 For the purpose of annual financial statements, the cut-off date for recording and reporting transactions incurred in the year ended in order to reflect true and fair view of financial affairs is the 15<sup>th</sup> day following year end. This will serve as extended period for finance department to be able to include revenue and payment transactions regarding previous financial year in the annual financial statements.

9.2.7 The Chief Budget Manager shall ensure accurate and safeguard of financial reporting by setting up and maintaining sound internal controls which maintain reliable reporting systems, safeguard assets, prevent and detect error and fraud and optimize the use of resources. Some of components of internal controls over financial reporting include budgeting, segregation of duties, safeguarding assets such as locking them up, locking up important documents which are accessible solely by authorized individuals such as cheques & cash, data protection back up, verifying document sequences, bank reconciliation, independent verification, performing the tasks an auditor would perform, etc.

9.2.8 The SGF recording, analyzing and summarizing financial data (financial reporting) for users’ decision making may be depicted in the flowchart below:



9.2.9 The Accountant prepares a budget to actual expense report concurrently with financial statements for DAF's review and approval of the Director General who submits them to the Board of Directors.

9.2.10 The periodic submitted financial statements shall be subject to internal audit review or audit within provided timeframe to enhance assurance over SGF financial reporting and the monthly review report shall be submitted to Management for quick improvement while the quarterly & annual review/audit report to the Investment and Audit Committee with copy to Director General.

9.2.11 Without prejudice to other articles of this manual, the SGF annual financial statements are audited by both the Office of the Auditor General for State Finances (OAG) and Independent external auditors who are accredited by the National Bank of Rwanda.

9.2.12 During the audit, the Director of Administration and Finance will ensure that adequate needed logistics are provided for the OAG/independent auditors to work in SGF offices.

**MODULE III:**  
**POLICIES AND PROCEDURES OF LEGAL AFFAIRS**

### III. LEGAL AFFAIRS MANAGEMENT

The Legal Advisor and Recovery is accountable for taking the day to day legal responsibilities and providing legal advice that includes all the aspects of the analysis, investigation and drafting process. He/she is responsible for providing support in discrete legal issues by advising the SGF, drafting undertakings and structuring remedies for the relevant issues. This professional may also be engaged in helping to analyse and collect evidence and schedule staff hearings. The responsibilities of the Legal Advisor and Recovery are as follows::

#### 3.1 Advising on different legal issues

- 3.1.1 The in charge of Legal Affairs and Recovery annually reviews relevant laws especially the SGF law and laws and regulations related to compensation in force in Rwanda (in that process paying particular attention to definitions contained in the Laws)
- 3.1.2 Any SGF in need of legal advice fills in the Request for Legal Opinion form in appendices and address it to the hierarchical supervisor of the in charge of Legal Affairs and Recovery
- 3.1.3 The in charge of Legal Affairs and Recovery receives requests for legal opinions from his Direct Supervisor as per the Request for Legal Opinion form in appendices.
- 3.1.4 Compensation files needing legal opinion should be complete and having a summary indicating the content
- 3.1.5 The in charge of Legal Affairs and Recovery provides legal advice on requests in compliance with the timeframe in writing using the forms for STATEMENT FOR LEGAL ADVICE in appendices.

	STEP	ACTION	RESPONSIBLE
1	Request for legal opinion	A request for legal opinion in writing including background information is prepared	Requesting Officer
2		A request for legal advice in writing including background information and a table format indicating the content of the file is received.	Legal Advisor & Recovery
3		Legal Affairs and Recovery provides legal advice on requests in compliance with the timeframe on the request and replies using the forms for STATEMENT FOR LEGAL ADVICE in appendices	Legal Advisor & Recovery

- 3.1.6 The in charge of Legal Affairs and Recovery must answer within a period not exceeding seven (7) working days from the date of receipt of the application of the legal opinion.
- 3.1.7 In case the in charge of Legal Affairs and Recovery does not provide the legal opinion within the period stipulated, the in charge of Legal Affairs and Recovery shall inform the SGF Director General of the reasons for delay and set a new timeframe for that issue.

- 3.1.8 The issue for which a legal opinion is required must be accompanied by all available supporting documents and a table format indicating the content of the file.

### **3.2 Legal opinion on contracts, MoUs and other briefing documents**

- 3.2.1 The legal opinion on contracts, MoU and other legal briefing documents is mandatory.
- 3.2.2 No SFG contract or MoU shall be signed before being reviewed by the in charge of Legal Affairs and Recovery or the Minister of Justice/Attorney General as provided by MINIJUST Instructions.
- 3.2.3 Classified Contracts shall not be required to pass through an open process but the requirement for legal analysis and opinion of Legal advisors of SGF, or the Attorney General, if the Director General of SGF so wishes, shall be mandatory.
- 3.2.4 SGF shall use the model contracts approved by the Ministry of Justice or an institution in charge public procurement depending on the type of the contract they intend to conclude.
- 3.2.5 While drafting Contracts, SGF shall include a dispute resolution clause using as the case may be, the amicable settlement, mediation, arbitration or litigation clause.
- 3.2.6 SGF national is required to use the amicable settlement clause for national contracts.
- 3.2.7 The in charge of Legal Affairs and Recovery checks whether the SGF contracts comply to MINIJUST instructions and procurement laws and regulations in force.
- 3.2.8 The in charge of Legal Affairs & Recovery shall review and give legal opinion on any internal or external contract valued at less than Five Hundred Million Rwandan Francs (500,000,000 Rwf) in order to ensure their compliance with national laws and in the interest of the State, without necessarily seeking consultation from the Minister of Justice/Attorney General.
- 3.2.9 The in charge of Legal Affairs & Recovery gives the legal opinion in writing stating that the contract is in compliance with the law and that it can therefore be signed. In case the contract needs to be amended before signature, he/she shall mention it.
- 3.2.10 The written legal opinion issued by the Legal Officer shall constitute contract document. The in charge of Legal Affairs & Recovery shall use the template of legal opinion provided by MINIJUST.
- 3.2.11 SGF shall seek a legal opinion from the Minister of Justice/Attorney General before signing any contract related to internal or external services valued from Five Hundred Million Rwandan francs (500,000,000 Rwf) and above.
- 3.2.12 The contracts for which a legal opinion is required must be accompanied by all available supporting documents and a table format indicating the content of the file.
- 3.2.13 The in charge of Legal Affairs & Recovery participates in contract negotiation together with the Director General, the Procurement Officer, the representative of the user Unit and any other Official invited by the Director General.
- 3.2.14 MINIJUST Representative participates mandatorily in negotiations on the contracts which the value is equal to or exceeds five hundred million Rwandan francs (500,000,000

- Rwf) on any investment agreements and partnerships, financing agreements and other contracts considered complex by the SGF.
- 3.2.15 SGF shall consult in writing the relevant Ministry, Institution or organ responsible for the activity concerned in the contract e.g. MINECOFIN, BNR, and RDB for complex and big investment.
- 3.2.16 International technical and legal experts for complex contracts may also be hired to participate in negotiations.
- 3.2.17 Negotiations between SGF and contractors outside Rwanda may be carried out through electronic means, like email, teleconference and other means. SGF Director General, or any other designated person pre-negotiates and coordinates all the negotiation processes until the negotiation teams face each other to have a consensus on the final copy of the contract or agreement.
- 3.2.18 All investment contracts have to be approved and monitored by Rwanda Development Board. All SGF investment contracts in which the Rwanda Development Board is involved have to be countersigned by it.
- 3.2.19 Every SGF contract, complex/big or small, on public procurement or on investment has to be periodically monitored and supervised. A report on the progress of the works has to be established and a copy of it has to be sent to the Minister of Justice/Attorney General.
- 3.2.20 SGF public procurement, investment or complex contracts for which the Ministry of Justice provided legal opinion as well as their amendments, a copy of them shall be sent to the Ministry of Justice, which is the depository of all agreements to which the Government or allied institutions are parties.
- 3.2.21 Small SGF contracts analysed by the in charge of Legal Affairs & Recovery shall be kept by the in charge of Legal Affairs & Recovery in his/her office. Those contracts have to be kept together with all relevant documents including the legal opinion authorizing the signature of those contracts.
- 3.2.22 The in charge of Legal Affairs & Recovery shall keep custody of:
- ✓ original contract and all amendments;
  - ✓ all related communication with the other party to the contract including electronic communication and internal and external correspondence;
  - ✓ minutes of meetings;
  - ✓ legal opinions provided by him/her and by the Minister of Justice/Attorney General, if applicable;
  - ✓ notes of phone conversations;
  - ✓ reports;
  - ✓ pictures, video films; pieces of evidence
  - ✓ proof of receipt of goods or reports
  - ✓ proof of payment.

<b>STEP</b>	<b>ACTION</b>	<b>RESPONSIBLE</b>
1	The Unit / Section in charge drafts the contract using the contracts template and pursuant to applicable laws and regulations	Compensation unit Procurement Officer Human Resource DAF
2	The in charge of Legal Affairs & Recovery receives the request for legal opinion form and the contract file	In charge of Legal Affairs & Recovery
3	The in charge of Legal Affairs & Recovery checks whether the value of the contract does not exceed Frw 500,000,000	The in charge of Legal Affairs & Recovery
4	The in charge of Legal Affairs & Recovery provides the legal opinion on contract	In charge of Legal Affairs & Recovery
5	The in charge of Legal Affairs & Recovery dispatches the Legal opinion and the contract	In charge of Legal Affairs & Recovery
6	For any contract above Five Hundred Million Rwandan francs (500,000,000 Rwf), SGF should seek legal opinion from MINIJUST, Attorney General	Director General  The in charge of Legal Affairs & Recovery
7	For complex contract, international MoU below	
8	The Director General of SGF shall abide by the legal opinion of the Minister of Justice/Attorney General as the chief legal advisor to the Government. In case The Director General is not satisfied with the legal opinion of the Minister of Justice/Attorney General, he/she shall inform the latter in writing, and a decision shall be taken before the contract is signed by concerned parties.	Director General  The in charge of Legal Affairs & Recovery

- 3.2.23 The in charge of Legal Affairs and Recovery must answer within a period not exceeding seven (7) working days from the date of receipt of the application of the legal opinion.
- 3.2.24 In case the in charge of Legal Affairs and Recovery does not provide the legal opinion within the period stipulated, the in charge of Legal Affairs and Recovery shall inform the SGF Director General of the reasons for delay and set a new timeframe for that issue.
- 3.2.25 The in charge of Legal Affairs and Recovery performs his/her duties so that there is minimum legal exposure and liability to SGF, keeps himself/herself updated with all the legal laws and regulations and takes good decisions based on judgment
- 3.2.26 The Head of Legal Affairs and Recovery is responsible for coordinating all matters pertaining to legal issues and ensures that such issues are handled and dealt with accordingly. Such issues include enhancing the sense of responsibility between the SGF and its customers.

### **3.3 Conducting legal analysis and research**

- 3.3.1 The in charge of Legal Affairs and Recovery first analyses the client's or the SGF matter
- 3.3.2 Does some desk legal research on the matter utilizing various resources and selecting the relevant material to analyse the legal information
- 3.3.3 Consigns the analysis and the research in a report
- 3.3.4 Provide high quality advice to the SGF or the client on the issues.
- 3.3.5 The in charge of Legal Affairs and Recovery uses excellent analytical, researching and drafting skills to formulate the best possible legal solution after analysing the legal problem in depth and takes decisions based on judgment.
- 3.3.6 The in charge of Legal Affairs and Recovery keeps himself/herself updated with all the legal laws and should be able to apply them in the given situation.
- 3.3.7 Compiling all legal instruments used on a day-to-day basis by different Units of the SGF, update them every financial year and dispatch them accordingly.

### **3.4 Assisting in reviewing legal instruments**

- 3.4.1 The in charge of Legal Affairs and Recovery reviews the legal material and instruments of SGF if need be and provides legal advice on how to improve the SGF legal instruments
- 3.4.2 The in charge of Legal Affairs and Recovery identifies important issues to be sorted out on a priority basis and requests for technical opinions or advice from the members of the staff.
- 3.4.3 The law is the fundamental basis on which the SGF policies, processes and procedures are built. It is therefore, inevitable that changes will be needed to match with the ever growing and changing world. In this regard the Head of Legal Affairs and Recovery has a responsibility for ensuring that the law is amended and improved to ensure that it remains as an up to date and viable basis for the proper operation of the SGF. Officers who demonstrate the ability to think through legal issues and who otherwise have the initiative to put their suggested improvements in writing are of a considerable value to the SGF and are to be commended for their efforts. Changes may be proposed at any time by report and recommendation made through any controlling officer or directly to the Director of Administration and Finance.

### **3.5 Settlement of disputes and cases in courts of law**

- 3.5.1 The in charge of Legal Affairs and Recovery will provide the much needed legal assistance while dealing litigations, contracts dispute resolution and guide SGF on taking an appropriate decision.
- 3.5.2 “*Ad-hoc*” arbitration is not allowed in Contracts and SGF is not allowed to apply any international arbitration clause except clauses relating to Kigali International Arbitration Centre (KIAC).

- 3.5.3 The in charge of Legal Affairs and Recovery participates in any litigation involving SGF as PRO HAC VICE Attorney of the SGF pursuant to the laws and regulations.
- 3.5.4 The in charge of Legal Affairs and Recovery shall advise the SGF through its Director General on any matters regarding legal questions that could affect the operation and well-being of SGF to protect the SGF from litigation or unnecessary liability.
- 3.5.5 The in charge of Legal Affairs and Recovery keeps himself/herself updated with all the legal laws and should be able to apply them in the given situation.
- 3.5.6 All courts cases from outside involving SGF received at the reception must be forwarded to the Directorate General marked VERY URGENT
- 3.5.7 The Director General must send a copy of the case to the in charge of Legal Affairs and Recovery ASAP indicating the level of urgency for his/her consideration.
- 3.5.8 The in charge of Legal Affairs and Recovery requests for a file, a document, pieces of evidence to be sent in a court of law in writing mentioning the level of urgency. A copy of this request should be addressed to the Director General.
- 3.5.9 If the in charge of Legal Affairs and Recovery requests a file, a document or evidence to be presented in a court of law, he/she should receive it ASAP depending on the level of urgency.
- 3.5.10 Delays in transmission of these documents of pieces of evidence should be explained in writing to the line Supervisor with a copy to the Director General.
- 3.5.11 The in charge of Legal Affairs and Recovery takes good decisions based on judgment

	<b>STEP</b>	<b>ACTION</b>	<b>RESPONSIBLE</b>
1	Dispute settlement & court cases	Dispute / court case arrives at SGF	Reception
2		Reception records and forwards to Directorate General	Reception
3		Director General forwards to the in charge of Legal Affairs and Recovery ASAP	Directorate General
4		The in charge of Legal Affairs and Recovery requests for a file, a document, pieces of evidence to be sent in a court of law in writing mentioning the level of urgency	The In charge of Legal Affairs and Recovery
5		The Unit in question sends the original file, document, pieces of evidence to the in charge of legal affairs and recovery. The file must contain a list of contents, a brief summary of the case and	Less than 48 hours
6		The in charge of Legal Affairs & Recovery puts his legal opinion of the file	The In charge of Legal Affairs and Recovery
7		Delays in transmission are explained	Delaying officer
8		The in charge of Legal Affairs and Recovery takes good decisions based on judgment	The In charge of Legal Affairs and Recovery
9		SGF send the file to Court	Directorate General

### **3.6 Interpreting the Law, Seeking Guidance and Making Decisions**

When faced with a difficult legal question or problem in the normal course of their duties, the SGF Legal Affairs and Recovery is expected to-

- 3.6.1 To First study the relevant law (in that process paying particular attention to definitions contained in that Law) and thereafter and in the following order-
- 3.6.2 If having followed that process, an answer to the problem is not found then the problem is to be referred to the in charge of Legal Affairs and Recovery.
- 3.6.3 In the event that a decision cannot be made within that Unit, the matter is to be referred to the Director General of SGF.

### **3.7 Reporting**

	<b>Reporting time</b>	<b>To</b>
<b>1</b>	Progress reports	Attorney General
<b>2</b>	Weekly report	Director General
<b>3</b>	Monthly report	Director General
<b>4</b>	Quarterly report	Director General MINIJUST/ Attorney General
<b>5</b>	Annual Report	Director General

**MODULE IV:**

**POLICIES AND PROCEDURES FOR HUMAN RESOURCE  
MANAGEMENT**

## HUMAN RESOURCE MANAGEMENT: SCOPE OF THE MODULE

SGF recognizes that its employees and leaders are its most valuable asset which enables it to deliver successfully on its mission. In turn, it is committed to ensuring a sound working environment, a strong leadership, more open, fair, flexible and caring management style so that staff will be motivated, developed and managed in a way that they can and will give of their best to support its missions.

To achieve these commitments, these human resource management procedures were built upon the following principles and values:

PRINCIPLES	VALUES
Transparency and being accountable	<ul style="list-style-type: none"> <li>• Openness: to communicate, consult and provide information timely;</li> </ul>
Managing for performance	<ul style="list-style-type: none"> <li>• Excellence and timely service: to deliver high quality of service,</li> <li>• Leadership : to set the direction,</li> <li>• Expertise : to develop necessary skills and apply them in a professional manner;</li> <li>• Effectiveness : to achieve objectives,</li> <li>• Efficiency : to achieve value for money,</li> <li>• Propriety : to ensure proper use of public funds,</li> <li>• Teamwork and innovation,</li> <li>• Trust and care</li> <li>• Encouragement</li> </ul>
Developing our culture of service	<ul style="list-style-type: none"> <li>• Commitment : To give our best</li> <li>• Integrity : To be impartial and ethical</li> <li>• Courtesy : To treat others decently</li> <li>• Responsiveness : To react to problems or claims and changing circumstances,</li> </ul>
Living within our means	<ul style="list-style-type: none"> <li>• Foresight : To forecast and plan ahead within available resources;</li> <li>• Partnership: To complement other government entities and private sector;</li> </ul>

In short, this Module gives in details how human resources management procedures are handled with SGF and it helps to improve and maximize effectiveness of human resource function.

These policies and procedures have been formulated in line with the Rwandan Labour Laws and best practice, management principles and values that require that the Internal Rules and Regulations should be transparent, fair, objective, explainable and consistent.

**This module is concerned with policies and procedures on the following:**

- Manpower planning (turnover, staff retention, succession planning, etc.)
- Recruitment (Appointment, Selection procedures, probation, etc.)
- Training and development (training needs assessment, training policy, training plan/budget, etc.)
- Performance management (Motivation, performance appraisal, promotion, guidance and supervision, addressing poor performance, etc.)
- Staff remuneration (Pay strategy, reward for performance, etc.)
- Staff relations (Securing staff commitment, resolving disputes, addressing grievance, welfare, etc.)
- Termination and benefits

After the development of these key components of Human resource management, they should be a cross-cutting part concerning Human resource information management system.

## **ROLES AND RESPONSIBILITIES**

### **1. The Director General**

The Director General is responsible for the following duties:

- Execute the decisions of the Board of Directors;
- Prepare the Administrative, accounts, budget and financial documents for a clean and transparent management and submits them to the Board of Directors for Study
- Prepare the budget proposal of the SGF and submits it to the Board of Directors for Study
- Prepare the term and annual reports of the SGF and make them approved by the Board of Directors
- Coordinate all services in order to ensure the interaction and collaboration at all levels
- To ensure that the structures of the SGF deliver a quality service
- Organize and lead the meeting of the management Committee as well as others assigned to him in accordance with the statutes and the internal regulations
- Make proposals of Budget adjustments, management plan and staff plan to the Board of Directors in accordance to the financial objectives
- To make contact with reinsurance companies to ensure of covering big risks in automobile
- To take minutes of the Board of Directors meetings
- To represent the SGF in its activities with partners, users of its services or to other administrative and judiciary institutions.

### **Administrative Assistant to the Director General**

- To manage the secretariat and produce the documents of the Director General's Office: reports, minutes, correspondences etc...
- Record documents, mails to the Director General's Office and make comments on them.
- Keep an updated filing of all documents
- Make the requirements for the Director General's office as well as for the Secretariat and make a requisition;
- Organize the program of the Director General, serve as the reporter of meetings organized by the General Directorate make the follow up of the resolutions from those meetings
- Arrange appointments for the Director General with the clients or with partners of the SGF
- Prepare different important documents for holding a meeting of the Board of Directors and ensure that they are transmitted in time to the Administrators
- Make the necessary preparations for a meeting of the staff of the SGF with the Management
- Make the registration and management of electronic messages received or sent by the SGF
- Make the distribution of documents or tasks to different services
- Make the analysis of documents, memos and other information forwarded to the Director General's Office by Departments and attach to them your comment before transmission
- Carry out any other assignment entrusted to her by her superior.

### **In charge of legal Affairs and Recovery**

- Advise the Directorate General and other different services on legal issues
- Make proposal of the Lawyer to be assigned the cases lodged in the courts;
- Follow up the timeframe of court proceedings and make sure that the Fund has been effectively and adequately defended
- Read the lawyer's defence and make necessary remarks.
- Suggest eventual enquiries that can help the lawyers in their defence;
- Analyze the judgments made and make an eventual follow up;
- Make the follow up of sinister cases under her management and ensure their systematic filled.
- Make technical back up for cases under her management and keep them updated;
- Update record expenses made on each sinister case under her management.
- Ensure the best filing of elements constituting the sinister cases under her management;
- To make a regular inventory of all cases of appeal and plan the order of their execution

- Make the follow up of the management plan of the referred cases.
- Carry out any other task assigned to him by his/her superior.

#### **Procurement Officer**

- To prepare the annual procurement plan ;
- To prepare the DAO of tenders, (tender documents);
- To be the Secretary of the Tender Committee;;
- To support different units to put together the procurement document;
- To publish and distribute the procurement documents
- To receive and keep the proposals of bidders in a secure place;
- To participate to the opening and evaluation meetings of bids;
- To prepare the notification letters of tenders awarded;
- To prepare reports of awarded tenders;
- To file the documents of procurement;
- To make a follow up of appropriate execution of contracts in collaboration with the beneficiary units.
- To provide all information and documentation required by Rwanda Public Procurement Authority;
- Make the follow up of all orders made;
- To make periodic reports.

#### **Planning, Monitoring & Statistics Officer**

- Elaborate the SGF action and strategic plans and performance contract within a standard format and collect data resourceful for planning.
- Elaborate an M&E framework and a comprehensive Monitoring and Evaluation plan with baselines for performance appraisal and collect data resourceful for Monitoring and Evaluation.
- Monitor the implementation of the strategic and action plans and performance contract on a regular basis.
- Implement M&E policies and strategies and ensure quality and accountability of M&E.
- Collect, analyse, present and report on indicators as per agreed M&E framework and carry out budget execution reviews to compare budget and actual cost during the implementation of the strategic and action plans and performance contract.
- Produce monthly, quarterly, mid-term and annual progress reports and ensure that M&E findings, relevant learning and recommendations are documented, disseminated to staff and channelled into future decision-making processes and monitor the implementation of the decisions taken in management committee meeting thereof.

- Ensure the standards & systems used to deliver quality and accountable services and monitoring reports including information on levels of compliance achieved against standards and indicators.
- Search, collect, analyse, present, interpret and report statistical data on SGF's activities and forecast trends for the future.
- Process information by using statistical and database software to produce regular and ad hoc reports and ensure that the database on SGF activities contains necessary information and is regularly updated.

### **Internal audit**

- Apply government internal audit policies in conducting internal audit and modify them where the circumstances of SGF make it necessary;
- Develop a flexible annual audit plan using appropriate risk-based audit methodology, including any risks or control concerns identified by management, and submit that plan to the Board for review and approval. Prepare a time budget that is complementary to the implementation of the audit plan.
- Implement the approved annual audit plan, including, and as appropriate, any special tasks or projects requested by top management or Supervisory Board;
- Issue quarterly reports to the Supervisory Board summarizing results of audit activities and provide information on the status and results of the annual audit plan and the sufficiency of the Internal Audit's resources;
- Participate, in an advisory capacity, in the planning, design, development, and implementation and modification phases of major information related systems to determine whether:
  - ✓ Adequate controls are incorporated in the systems;
  - ✓ Adequate risk management techniques have been utilized;
  - ✓ Thorough systems testing is performed at appropriate stages;
  - ✓ Systems documentation is complete and accurate; and
  - ✓ The intended purpose and objectives or the system implementation or modifications have been met.
- Issue an audit report to management and any other relevant parties at the conclusion of each audit;
- Conduct periodic follow-up reviews to evaluate the adequacy of Management's corrective actions until resolution of issues. Issue periodic reports to top management and the Supervisory Board summarizing results of audit activities, and summarizing the status of follow-up activities;
- Evaluate regularly the accuracy and reliability of the financial reports and suggest improvements in the presentation and disclosures;

- Evaluate annually the overall effectiveness of the internal control environment and issue an opinion;
- Keep the Supervisory Board and top management informed of emerging trends and successful practices in internal auditing;
- Assist in the investigation of significant suspected fraudulent activities within SGF and notify top management and the Supervisory Board of the results;
- Establish a quality assurance program to give assurance on the operation of internal audit;
- Coordinate with, and assess the scope of other control and monitoring functions and review activities (such as external reviews and independent audit, risk management, security offices, and legal offices);
- Assist the Supervisory Board in any other way in connection with the discharge of its duties and responsibilities.

### **Director of the Compensation Unit**

- To implement the activity program of the service;
- To plan , coordinate, organize and supervise the work of employees under his supervision;
- To receive and orient any mail addressed to the unit;
- To provide quality service to the users and other partners;
- To ensure the follow up of cases involving the SGF and make sure that it's well defended;
- To conceive the strategic plan projects, the budget of the action plan for the management office;
- To convince the management meetings regarding the action plan or the evaluation of their execution;
- To produce periodic reports of the Action Plan;
- To keep discipline and good climate among the employees of the unit;
- To make a request of necessary means to execute the budget
- To proceed to the evaluation of the employees in his unit.
- To receive at the second level and listen to the complaints of clients and seek solutions to their problems;
- To support the employees under her/his supervision in the execution of their attributions;
- To propose appropriate strategies to reduce the cases of the SGF;
- To carry out any other task assigned to her by his superior;
- To elaborate the action plan of the unit.

### **Claim's Managers**

- Coordinate the management of sinister files and produce activities reports within the unit;
- To transmit mails to the address of the beneficiaries to the third party and other partners of the fund in the framework of the management of sinister cases;
- Manage cases of victims attacked by the National Park animals;
- Technically analyse elements and document in the files of sinister and establish the eventual responsibility of the SGF
- Suggest resolutions to be taken on the sinister cases accepted;
- To update the sinister cases until their closure: reserve, payments done, record all elements contained in the files etc.
- Follow up the trend of sinister cases and their filing;
- Eventually participate to required investigations on the sinister cases;
- To explain and direct beneficiaries of compensation and other partners as regards sinister case and inform them about the development of their files;
- To report to the officer in charge of appeals any sinister case in connection with a non-insured vehicle as he/she receives it and transmit it to him as soon as it is closed;
- Request any expertise and necessary investigation and make a follow up of their development by giving required information for the smooth carrying out of investigations;
- To update the record of expenses made on each sinister case under her management;
- Carry out any other task assigned to him by his superiors

### **Inspector Officer**

- Carry out and make proposal of necessary investigations on the accidents and damages;
- Examining the accidents and/or damages scene and gathering evidence;
- Examining vehicles and vehicle parts in collaboration with automobile expert in case of road accidents;
- Investigate on the fraudulent cases as regards elements and documents in order to inform decision makers;
- Creating plans of the scene and making time and distance studies;
- Working out vehicle speed through the amount of crush damage;
- Checking recorded tachograph information on vehicles like lorries or coaches;
- Gaining technical information from vehicle manufacturers;
- Producing verbal and written reports;
- Acting as an expert witness;
- Carry out any other task assigned to him by his superiors.

### **Director of Administration & Finance Unit**

- Coordinate and supervise the unit activities;
- Make sure that financial management and personnel policies are implemented;
- Audit documents from technical services and send them to the accountants for recording;
- Verify if recorded data were made on the basis of the draft of each transaction;
- Prepare and audit the balance of the monthly audit;
- Make the reconciliation of credit and debit accounts;
- Prepare the quarterly, semester and annual financial report;
- Provide statistics and information required;
- Make to hold regular meetings with the staff under her/his supervision;
- Support and assist the staff under her/his supervision
- Produce regular reports of activities of the Unit that are a component of the global report of the SGF;
- Make the proposal of investment plan and the investment of money;
- Update the accounts of insurers;
- Supervise the audit of premium collected from insurance companies for outstanding debts;
- Evaluation of employees under his/her supervision; Coordinate all the activities related to the budget preparation, to the strategic plan, the action plan and to ensure the regularity of their execution;
- Update the list of debtors and propose adequate measures of recovering outstanding debts;
- Make the reconciliation of their accounts;
- Keep the discipline within the institution and respect of the procedure manual and the internal regulations;

### **Accountant**

- Establish on a daily basis the situation of the treasury;
- Approve jointly with the Director of Unit the petty cash;
- Prepare to the Directorate and his hierarchy superior the important payments to make per week;
- Prepare checks and payment orders for documents which are ready for payment;
- Analyse the bank slips( verify the balance shown with the movements on the accounts: deposits and withdrawals) ;
- Make the proposal of expenditures plan in accordance with the funds available in the treasury;
- Clear the honoured and the unpaid checks;

- Make the proposal of an efficient investment plan; Collect necessary data for the elaboration of the budget forecast to other services;
- Participate in the activities of the budget preparation,
- Evaluate the costs of planned activities;
- Participate in the execution of the budget;
- Make a regular follow up of the budget execution, analyse the budget and make regular report;
- Collect regularly the budget statistics;
- Make the payment of all payment orders
- Verify the conformity and coherence of documents sent for payment;
- Compile recent statistics regarding payment operations;
- Record and file the payment documents;
- Receive, verify and keep all documents related to expenses;
- Keep all books of accounts;
- Approve the petty cash expenses jointly with the Director of Administration and Finance(DAF);
- Make the reconciliation of Accounts;
- Update the depreciation table
- Make different operations on the accounts
- Be regularly informed on the situation of accounts and inform in return the Directorate General;
- Make the reconciliation of bank accounts

### **In charge of ICT**

- Manage the information network;
- Manage the data base
- Manage on a daily basis the safety of data
- Update the functioning of the users
- Assist the users of the data base in case of problems
- Proceed to the regular inspection of ITC equipment in order to avoid eventual breaking down
- Plan the supply of ICT stationery and equipment
- Repair the breakdown of equipment
- Make the follow up of ITC application in the delivery of services;
- Provide a technical assistance needed by any employee
- Make the security control of the software data and that of the Materials
- Train and follow up the staff using the new programs
- Update the website of the Fund whenever necessary

- Keep the maintenance of the ICT equipments of the SGF
- Elaborate and transmit regular activities reports
- Collect data and information from all services of the SGF in order to put in place necessary statistics
- Manage the statistical data of the general trend of the SGF

### **Human Resource & Logistics Officer**

- Ensure that the staff achieve high levels of expected results and propose solutions to manage cases of poor performance;
- Propose the recruitment of the necessary staff Prepare the recruitment files;
- Keep the discipline of the personnel in accordance with the internal regulations;
- Verify the conformity of application for leave with the annual planning before their signatures;
- Supervise the execution of the law in force
- Timely preparation of monthly salaries
- Prepare all the other benefit lists of the personnel (against the value of the leave, allowances for missions within the country, final balance etc.);
- Ensure the application of the social legislation as regards labour;
- Make the proposal of the personnel training and make follow up of its execution after its approval;
- Play the role of a liaison officer between employees and the employer as regards the complaints of the staff;
- Make a proposal of staff meetings and their agenda;
- Suggest the improvement of the working conditions and the well-being of the employees;
- Ensure the filing of books and documents of the SGF and make their follow up from the borrowers.
- Management Stationery and fixed assets,
- Ensure the good maintenance of furniture and technical equipment;
- Make the inventory of goods; propose and organize their acquisition;
- Conceive requisition forms; and make the follow up of their delivery;
- Inform the Administration on the situation of offices or any other material damaged;
- Make the monthly report of stock

### **Premium controller**

- Audit all monthly declarations of premium received from the insurance Companies;
- Keep the regularity of premium declarations received in accordance with the law, and propose penalties to the SGF;

- Audit the conformity, legality and accuracy of all accounts documents of insurers related the premium deposited to the SGF;
- Make sure that accounts operations made by the insurers are in conformity with their declaration of premium received; and taken as regards each difference found out;
- Propose the audit plan of premiums to the insurance companies;
- Advise the administration on the strategies to be put in place for the optimization of income;
- Make provisional reports of audit of premium received by the insurance companies on behalf of the SGF;
- Participate to prior negotiations to the elaboration of final reports;
- Audit the clearing of rights found out and make the collection of outstanding debt on the contrary;
- Make regular report to his superiors.

## **Public relations & Customer care**

### **Customer care**

- Receive clients,
- Register the documents they bring and give them all other necessary information;
- Open claim files and give them internal serial number;
- Direct clients and other partners of the SGF;
- Answer telephone calls and give requested information;
- Carry out any other service assigned to him by his superiors;

### **Public relations**

- Be the focal point between the SGF and Partner Institutions;
- Make a follow up of activities and external programs to the SGF but needing its intervention make a proposal to the assistance of accident victims and other partners of the Fund;
- Write and disseminate in the written press information on the SGF activities;
- Make sure that the press covers meetings, workshop seminars, national and international conferences organized by the SGF or to which the SGF is associated;
- Elaborate programs and strategies of communication in order to keep the public informed of the activities of the SGF;
- Receive visitors and distinguished guests of the SGF and make necessary arrangements regarding their accommodation and transport, whenever it is necessary
- Receive the complaints of the people and direct them to the competent services;
- Make regular reports to his superiors;

## CHAPTER 1: HUMAN RESOURCE PLANNING PROCESS

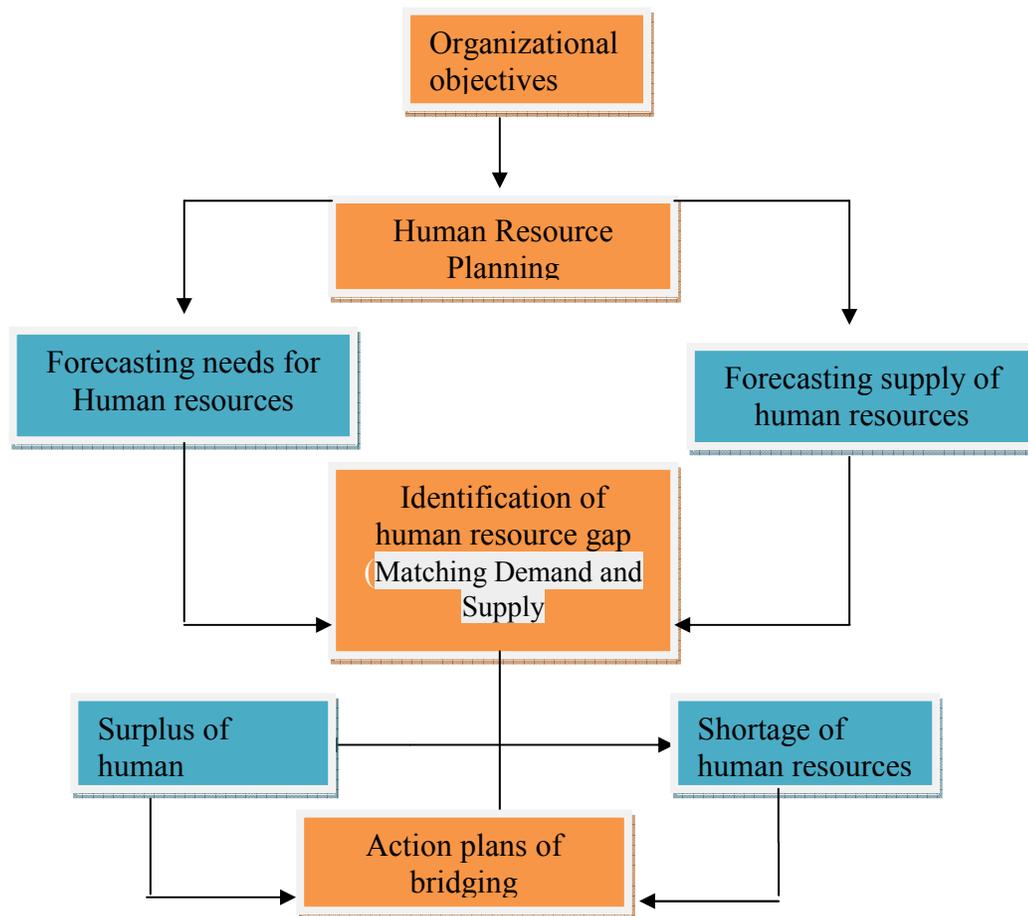
The overall objective of human resource planning is to ensure adequate match between employees and jobs and at the same time by preventing manpower shortages or surpluses. The key elements of human resource planning process include labour demand forecast, present labour supply analysis and balancing unit’s labour demand and supply.

### 1.1 The process description

The process of human resource planning entails:

- Conducting need assessment;
- Analysing the labour market demand and supply;
- Defining the ways of attracting and retaining people with required competence;
- Setting up how to improve efficient and effective use of personnel, and
- Setting up how to develop well-trained and flexible employees.

### Flow chart of human resource planning



## **Description of the diagram above**

### **1. Assessing Human Resources**

The assessment of HR begins with environmental analysis, under which the external political, economic, environmental and technological factors (PEST analysis) and internal (objectives, resources and structure) are analysed to assess the currently available HR inventory level. After the analysis of external and internal forces of SGF, it will be easier for the HR Officer to find out the internal strengths as well as weakness SGF in one hand and opportunities and threats on the other. Moreover, it includes an inventory of the workers and skills already available within SGF and a comprehensive job analysis.

### **2. Demand Forecasting**

HR forecasting is the process of estimating demand for and supply of HR in an organization. Demand forecasting is a process of determining future needs for HR in terms of quantity and quality. It is done to meet the future personnel requirements of the organization to achieve the desired level of output. SGF future human resource needs are estimated with the help of the organization's current human resource situation and analysis of SGF plans and procedures.

The in charge of Human Resource will perform a year-by-year analysis for every significant level and type.

### **3. Supply Forecasting**

SGF supply of manpower given the analysis of current resource and future availability of human resource estimates the future sources of HR that are likely to be available from within and outside SGF.

Internal source includes promotion, transfer, job enlargement and enrichment, whereas external source includes recruitment of fresh candidates who are capable of performing well in the organization.

### **4. Matching Demand and Supply**

It is another step of human resource planning. It is concerned with bringing the forecast of future demand and supply of HR. The matching process refers to bring demand and supply in an equilibrium position so that shortages and over staffing position will be solved. In case of shortages SGF has to hire more required number of employees.

Conversely, in the case of over staffing SGF has to reduce the level of existing employment.

## **5. Action Plan:**

SGF HR plan is executed through the designation of different HR activities. The major activities which are required to execute the HR plan are recruitment, selection, placement, training and development, socialization etc. Finally, this step is followed by control and evaluation of performance of HR to check whether the HR planning matches the HR objectives and policies. The in charge of HR will update this action plan according to change in time and conditions.

### **1.2 Job analysis**

Job analysis is the determination of the tasks which comprise the job and of the skills, knowledge, abilities and responsibilities required of the worker for a successful performance and which differentiate one job from all others.

By the time a new vacancy or post is created, the function or unit in need of employee in consultation with the in-charge of human resource management undertakes analysis of new post to determine if the nature and scope or duties of the job have changed in one way or another.

Any changes or requirements are taken into account when determining whether or not the recruitment should take place or the position is to be replaced.

The director where the vacancy arises must submit to the in-charge of human resource management a recruitment request which in turn is submitted to the Management for review and approval. The request provides details of the post, justifies why the post is necessary and it should be accompanied by a draft of job description and person specification.

### **1.3 Job description**

Job description is a statement describing the job in such terms as its title, location, duties, working conditions and hazards. In other words, it tells us what is to be done and how it is to be done and why.

The following information should be covered in the job description:

- Job main purpose;
- Key role of the job;
- Key accountability
- Reporting lines
- Job level or grade.

### **1.4 Person specification**

The person specification is derived from job description and sets out criteria for selection. The Supervisor or Director where the post arises prepares the person/personnel specification by identifying the minimum acceptable standards required from candidates which may include knowledge, skills, qualifications, experience, personal qualities and any other relevant requirements necessary to perform duties of the post effectively.

## **CHAPTER 2: RECRUITMENT**

### **2.1 Purpose of recruitment procedures**

The recruitment procedures of SGF aim at ensuring that vacant posts are obtained by competent candidates and that the recruitment process is conducted in fair, objective and transparent manner.

In this regard, recruitment procedures within SGF must be followed without bias or favor but with respect to the national gender policy; the only criteria being competence and merit of candidates. Further, SGF adheres to the policy of equal employment opportunity to all staff members and job applicants, regardless of gender, religion, colour, political affiliation, origin, ethnicity or race or family status.

### **2.2 Process description**

During the recruitment process of staff, candidates are hired through the following stages:

- Advertising,
- Screening of potential candidates;
- Written and oral tests or one of them;
- Selecting candidates based on best overall results of tests and
- Appointment of the best candidate.

### **2.3 Conditions for recruitment**

Recruitment in SGF is undertaken if and only if:

- The vacant post is on the approved organizational structure or otherwise approved by the Board of directors;
- The vacant post has been budgeted for.

### **2.4 Requirements for being integrated in SGF**

For candidate to be integrated in SGF, he/she must fulfill all the following requirements:

- To be Rwandan;
- To have successfully succeeded in the provided tests;
- To have fulfilled the determined personal profile;
- To be at least eighteen (18) years old;
- Not to have been definitively sentenced to a term of imprisonment equal to or exceeding six (6) months;
- Not to have been dismissed definitively from public service;
- Not to appear on black list of public service;

- Not to be prosecuted for the crime of genocide;
- Not to have been sentenced for the crime of genocide or genocide ideology and other related offenses.
- Other requirements as may be deemed necessary by Management or Board of Directors.

## **2.5 Selection procedures**

### **2.5.1 Recruitment committee**

- All recruitments are carried out by SGF recruitment committee which is headed by the in-charge of human resource management and supervised by the director of finance & administration and which is appointed by the Management. This is to eliminate bias and ensure that the best candidates are hired.
- It has a mandate equal to the duration of recruitment process and it is composed with 5 staff from multi-disciplinary background depending on the requirement of vacant post;
- The minimum quorum required for recruitment committee to hold meeting is at least 3/5 of present members of the committee and recommendations are valid when voted by 3/5 of members present at the meeting;
- It is assigned with the following mission:
  - Review of terms of recruitment and advise for improvement;
  - Screening the profiles of potential candidates and proceed to their short-listing;
  - Re-evaluate the submitted appeals from candidates and recommend on the way forward;
  - Report in writing to the director general within 1 working day effective from the date of its meeting;

### **2.5.2 Advertisement**

The advertisement of vacant posts aims at obtaining a large number of candidates who meet required criteria. To ensure opportunity equality, all posts are advertised as widely as possible internally and/or externally.

SGF should advertise its vacant posts on its website, in at least 2 local newspapers of wide readership and on radio if possible. In case the vacancy recruited for requires the specialty not found in Rwanda, the vacancy will also be advertised in the regional and international media to attract experts to apply for it.

The most important items in a job advertisement are Job title, the job description, job specification, application procedures/contact information and closing date of receiving application documents. A copy of the notice/ announcement shall be reserved to the Ministry of public service and labor and the Public Service Commission.

### **2.5.3 Job application procedures**

To apply for vacant posts, candidates shall fill the appropriate form available on the website of the SGF and at its head office.

A job applicant shall submit the job application form filled as hard copy or online to SGF within a period not exceeding five (5) working days, from the date of announcement of the posts . The application form shall be accompanied by a photocopy of the required degree/ To whom it may concern and a photocopy of the identity card. The notified documents of the above together with other required documents such as detailed curriculum vitae, one passport photo, a criminal record and medical record are only submitted by successful candidate(s) and they are presented before effective appointment referring to the Presidential order N0 46/01 of 29/07/2011 governing modalities for the recruitment, appointment and nomination of public servants.

However, these provisions shall change upon amendment of this Presidential order above.

Where there are no applicants for the announced post, the Director General shall communicate it to the Board of directors in order to examine ways of getting the required personnel for the position.

### **2.5.4 Short-listing**

Short-listing is performed in a period not exceeding five (5) working days from the deadline of the submission of application file by the recruitment committee to prevent any bias or discrimination. Accordingly, before the test, SGF shall publish a list of candidates selected for the test and those who are not and the reasons thereof. The list shall be published at the notice board of SGF and on its website. The short-listing shall be referred to the Presidential order N0 46/01 of 29/07/2011 governing modalities for the recruitment, appointment and nomination of public servants. However, these provisions shall change upon amendment of this Presidential order above.

### **2.5.5 Examination processes**

Management shall publish announcement via SMS, e-mails, SGF website and notice board which states the date, time and venue from where the tests shall be conducted. A candidate shall

be required to present his/her original national identity card before he/she is permitted to sit for the test. The test shall be conducted on a working day and during working hours.

The Management shall select SGF staff and/or hire outside professionals to prepare, conduct and mark tests. A candidate shall sit for a written test and oral interview or for an interview only.

All exams shall be marked out of a hundred (100%) on the basis of 50% on written test and 50% on oral test. Examiners for all tests must be knowledgeable in matters regarding the vacant post.

The panel for oral test must be composed of at least three (3) members.

- **Written exam:** The written test shall be held within three (3) working days from the date of the announcement of the list of eligible candidates. No candidate shall write his/her name on the answer sheet. Codes shall be used instead of names and they shall be kept by SGF. The codes and names of candidates shall be matched after the marking of the tests. The practical test shall be classified in this category. If deemed necessary, the test may be done separately.

The written examinations' marks shall be published through SGF website and notice board within 10 days from the date of the examination. Candidates who get 25/50 will be invited for the oral interview. However, all candidates who passed written exam are encouraged by communicating through SMS and e-mails to see their results.

- **Oral test:** All candidates who have obtained at least 25/50 marks in written test shall be invited for the oral interview within 3 working days after the publication of the written exam results. Interviews are conducted to examine the candidate's own abilities, competencies, attitudes, motivation, personality and preferences.

If any candidate appeals against the written results, the oral test shall be conducted after the termination of the appeal. Audio- video recordings shall be made while the interview is being conducted.

After conducting interview, the recruitment committee shall proceed to obtain factual information about prospective employee and opinions about character, qualification and suitability for post. To achieve it, the referees indicated in the application form shall be contacted and the obtained information shall be kept confidential. The referees provided must include recent employers where applicable and academic lecturers or teachers.

The oral test results shall be published in a period not exceeding one (1) working day from the last date on which the test was conducted. The results obtained by the candidates shall be posted on the notice board of SGF and on its website and those who passed the oral exam are encouraged by communication through SMS and e-mail to see their results.

- **Appeal after interview:** A candidate who is not satisfied with the selection process or the results obtained shall appeal on the first degree to the Management in a period not exceeding three (3) days from the date of the announcement of the results, and shall reserve a copy to the Board of directors and Public Service Commission. If it is evident that there is an error in summation of marks, the examiners shall immediately correct it.

If the error is related to the marking procedures, Management shall request the examiner to review the award of marks appropriately. The Management to which the appeal is submitted shall give its ruling on the appeal in three (3) working days from the date of the reception of the appeal.

If the candidate is not satisfied with the ruling provided, he/she shall appeal on the second degree to the Public Service Commission in three (3) working days from the date of receipt of the response from SGF.

A written test or an oral test shall not be conducted if there is any candidate who appealed on the second instance which is the Public Service Commission, and has not yet been provided with any response for such an appeal.

- **Keeping of recruitment records:** All records on each step of selection process including audio-video, exam papers, references and interview assessment records are kept safely and they are retained for at least 6 months after the selection process was conducted. Similarly, SGF shall keep for a period of 6 months a list of successful candidates who passed the tests but were not effectively appointed and a copy of the same list shall be submitted to the Ministry in charge of Public Service. The list shall be used in case the appointed employee leaves the post within that period.
- **Passing exams:** A candidate shall be assumed to have passed if he/she obtains at least 70% of marks in all tests. If no candidate obtains such a mark, the post shall be re-announced and other tests shall be organized. If two candidates obtain equal marks on one given post and in case one of the candidates is a person with disabilities, the latter shall be given the priority. If two candidates with disabilities obtain equal marks on the same vacant post, the experience shall be taken into consideration. If they have the same experience, the principle of gender equality shall be considered.
- **Submission of recruitment report:** After conducting and marking exams, SGF shall submit a report to the Public Service Commission within a period not exceeding seven (7) working days. The report shall include the following:
  1. A list of posts announced and the number of applicants;

2. A list of candidates who were selected and those who were not and the motivation as to their non selection;
3. Names of candidates who sat for all the tests and their respective marks obtained;
4. Copies of questions given and their answers in all tests;
5. The venue where tests were conducted, date and time;
6. Names and signatures of persons who conducted and marked the tests, their professions and academic qualifications;
7. Audio visual recordings made during oral tests;
8. All documents required for a successful candidate,

### **2.5.6 Appointment of selected candidates**

After that the candidate (s) has fulfilled the essential conditions for the post, the Director General recommends to the Board of directors the appointment of successful candidate (s) who is at execution or technical and professional levels in Public Administration and who is governed by general statutes for Rwanda public service.

If the vacant posts are of managerial nature, SGF shall submit the files of successful candidates to the Minister in charge of Public Service for cabinet approval process.

- **Appointment of staff under employment contract:** Based on justified temporary business of SGF and subject to prior approval by the Board of directors, SGF may employ staff under employment contract. The recruitment of these staffs follow the same step and under the same conditions as for permanent staffs. But, they are appointed by SGF Management and before the date of their job commencement, they sign employment contract with the Director General which outlines the terms and conditions of employment.

### **2.5.7 Induction & orientation**

#### **2.5.7.1 Process purpose**

The effective integration of new staff in SGF is one of its major engagements and it aims at ensuring that the staff is provided with necessary support during induction and orientation period and that the staff has adequate skills and knowledge necessary to implement his/her duties. It is the responsibility of direct supervisor to receive, welcome and inform the new staff about the nature of SGF operations, its core mission and vision, its values and strategic objectives. The in-charge of human resource management, under the supervision of director of Finance and administration, is responsible of ensuring that the induction is completed in an organized and consistent manner to permit new staff to adapt quickly and effectively to the new working environment.

During induction process, the new staff will gain at least the following information:

- SGF mission, vision, strategy and core values;
- Job requirements and terms and conditions of employment;
- Policies and procedures manual;
- Performance appraisal process,
- SGF health and safety system;
- Employee relations.

### **2.5.7.2 Process description**

- The in-charge of human resource management in collaboration with heads of units ensures that the entity induction policy and program are prepared;
- The in-charge of human resource management receives new staffs on the first day and provides them with relevant information for personal records and general terms and conditions of employment;
- The in-charge of human resource management supported by heads of units welcomes and introduces all new staff to colleagues;
- New employees take oath in presence of the Board of directors or Management when delegated by Board of directors.
- The heads of units and the in-charge of human resource management meet with employees to clarify duties and expectations, discuss goals and determine professional development needs.

### **2.5.7.3 Taking oath**

- Before commencing their duties and responsibilities, new employees take oath in the following words:

*“I, .....solemnly swear to the Nation that I shall:*

- 1. remain loyal to the Republic of Rwanda;*
- 2. uphold the Constitution and other laws;*
- 3. respect Government institutions;*
- 4. diligently fulfill the responsibilities entrusted to me and respect rights of all service beneficiaries;*
- 5. be honest in my functions and keep the professional secrecy.*

*Should I fail to honour this oath, may I face the rigours of the Law.  
So help me God”.*

- However, if the new employee took oath at the time of commencing his/her duties in another public entity, he/she shall not be required to take oath again unless he/she is appointed as senior official.
- New employees shall take oath by holding the National Flag with his/her left hand while raising the right hand with a stretched palm.
- New employees with disability which does not enable them to comply with the above oath taking modality shall be made to wear the flag.

### **2.5.8 Probation period**

- The probation period starts on the new employees' commencement date and runs for six (6) months extendable once for another six months. In the last month of probation period, immediate supervisor shall evaluate the performance of new subordinate in terms of his/her professional capacities, moral qualities and behaviour.
- New staff under the probation period shall enjoy the same basic rights as any staff who successfully completed the probation period;
- When a new staff successfully completes the probation period, the Board of directors shall immediately notify him/her in writing that his/her appointment is confirmed.
- If the probation proves that new staff is incompetent, he/she shall be automatically removed from office by the Board of directors on the request of Director General. However, the Board of directors may order to retake the probation for a period not exceeding six (6) months due to clear and convincing reasons.

#### **2.5.8.1 Appeal against a decision about probation**

- A new staff who is not satisfied with the performance assessment may appeal in writing, at first instance, to the Management, in a period not exceeding five (5) working days after being notified of the decision taken against him/her. The Management must decide on the appeal in a period not exceeding fifteen (15) working days from the receipt of the appeal.
- If a new staff is not satisfied with the decision taken, he/she may appeal in writing, in the last instance, to the Public Service Commission within five (5) working days from the notification of the response. The Public Service Commission shall respond in a period not exceeding thirty (30) days from the receipt of the appeal.

## **CHAPTER 3: PERFORMANCE MANAGEMENT**

Performance management is an agreement-based interactive control model. Its operational core is in the ability of the agreement parties to find the appropriate balance between the available resources and the results to be attained with them. The basic idea of performance management in operations is to balance resources and targets on the one hand and efficiency and quality on the other as well as possible and to ensure that the desired effects are cost-efficiently achieved. It is through this process that organizations are able to create and sustain a workplace environment that:

- ✓ Values continuous improvement
- ✓ Adapts well to change
- ✓ Strives to attain ambitious goals
- ✓ Encourages creativity
- ✓ Promotes learning and professional development
- ✓ Is engaging and rewarding for employees

### **3.1. The Purpose of Performance management**

The purpose of performance management is to improve overall productivity and effectiveness by maximizing individual performance and potential which leads to maximization of organizational performance by improving productivity and effectiveness.

### **3.2. Performance management cycle:**

#### **3.2.1. Performance planning:**

At the beginning of the performance management cycle, it is important to review with employees their performance expectations, including both the behaviours employees are expected to exhibit and the results they are expected to achieve during the upcoming year. Behaviours are important because they reflect how an employee goes about getting the job done, how the individual supports the team, communicates, mentors others and so forth.

Each plan for the coming year should focus on the following areas:

- a) Clarify the expectations and standards for the job
  - what's expected of someone in this role?
  - what standards must be maintained?
  
- b) Set performance goals
  - What will the employee strive to achieve in the coming year?

c) Set development goals

- What knowledge/skills will the employee work to develop or enhance in the coming year

### **3.2.2. Ongoing or day-to-day guidance, supervision and feedback**

During the performance management process, both behavioural and results expectations should have been set. Performance in both of these areas should be discussed and feedback provided on an ongoing basis throughout the rating period. In addition to providing feedback whenever exceptional or ineffective performance is observed, providing periodic feedback about day-to-day accomplishments and contributions is also very valuable.

Day-to-day guidance and supervision is necessary to provide direction and feedback to staff. It reinforces the annual performance appraisal and assists the staff who is not performing well.

### **3.2.3. Mid-term Performance review/check-in**

This is concerned with having a “progress review” conversation after six months counted from the beginning of the fiscal year in order to identify successes and needed improvements in each of the following areas:

- Meeting expectations and standards;
- Achieving performance goals and
- Achieving development goals

### **3.2.4. Formal performance review and appraisal**

Performance appraisals regularly record an assessment of an employee's performance, potential and development needs. The appraisal is an opportunity to take an overall view of work content, loads and volumes, to look back on what has been achieved during the reporting period and agree objectives for the next year.

### **3.2.5. Motivation**

#### **Rewarding**

Award and recognition systems form part of human resource management. They provide for monetary and non-monetary awards in recognition of meritorious performance and other noteworthy accomplishments.

### **3.2.6. Addressing poor performance**

Poor performers need to be appropriately handled to ensure they will not persist in their adverse performance, and will give of their best to the civil service. Management must take action to

tackle such performers; otherwise there may be an adverse effect on the morale of staff who are performing satisfactorily.

### **3.3. Performance management process description**

#### **3.3.1. Performance planning**

3.3.1.1 The performance contract for every SGF staff shall be based on the annual action plan and SGF performance contract mainly extracted from the strategic plan. This should be done after matching the action plan with roles and responsibilities of each staff to define key deliverables and set targets to be achieved within a specific timeframe.

3.3.1.2 After consultation and agreement with his/her supervisor, they shall sign performance contracts whereby the original is kept by the human resource officer in the staff file, one copy is kept by the supervisor and another copy kept by the staff him/herself. The signing of performance contract shall be done at the beginning of each fiscal year no later than July 31 of every year. However, new staff that is under probation is only concerned with signing performance contracts for probation period.

3.3.1.3 The signing of the performance contract and its evaluation within SGF shall be done in public in front of the following panels for the purpose of enhancing transparency and objectivity. The composition and functioning of the panel shall be set up annually by internal instruction of Director General.

At the end of performance appraisal, each panel shall submit a summarized report to the Director General not later than 3 working days effective from appraisal completion date.

3.3.1.4 The performance contracts shall indicate the outputs, performance indicators, baselines, targets, activities to deliver outputs and the timeframe to achieve the expected results.

3.3.1.5 After the expiry of the deadline for the signing of performance contracts, the head of the Institution shall approve the report thereto and transmit it to the Minister in charge of Public Service within the time fixed by this Order.

The report shall include:

- ✓ The total number of permanent staff members who shall sign performance contracts;
- ✓ The total number of staff members who have signed performance contracts and the date of signature;
- ✓ The total number of staff members who have not signed performance contract and the main reasons for each failing to sign.

### **3.3.2. Ongoing or day-to-day guidance, supervision and feedback**

The supervisor of 1<sup>st</sup> hierarchical level should undertake an ongoing guidance, supervision and feedback to ensure that the staff under his/her supervision is delivering the expected results or not so as to help the latter to be on track and/or help him/her to overcome challenges faced.

### **3.3.3. Mid-term performance review/check-in**

The supervisor shall conduct mid-term performance reviews to see targets levels attained compared to annual targets and address cases of poor performance. The aim of this mid-term performance review is to know to what extent the staff is delivering the expected results, challenges faced and provide the way forward. This review helps the staff to improve where weaknesses have been observed during the first six months of the fiscal year under review.

### **3.3.4. Formal performance review and appraisal**

The functions of the evaluating panel mentioned in 3.3.1. paragraph 3 and/or the supervisor shall be the following:

- ✓ Analyze, harmonize, and determine the results to be achieved by staff under their responsibility in light of the objectives of the administrative unit;
- ✓ Ensure monitoring and respect for different stages for analysis, signature, and evaluation of Staff's performance contracts under his/her responsibility;
- ✓ Evaluate objectively the performance contracts of personnel under their responsibility, respecting the criteria and procedures in order to develop the strengths of each, to recognize his efforts and help to correct any given shortcoming.

In addition, the evaluating panel shall do the following functions:

- ✓ Assess objectively the performance contracts sent to him by the first level;
- ✓ Confirm or refute the assessment sent by the first level both for numerical score and comments.
- ✓ Comment in sufficient detail reasons for the reversal of the numerical score and assessment done by the first level.

The performance appraisal of the staff shall be done on individual basis after a twelve month (12) work period, starting from July to June.

The basis for performance appraisal shall be the targets set and the timeframe. Each result attained a Staff shall be evaluated in accordance to a five-level scale and shall be recorded as a score expressed in figures which shall total to fifteen (15) points as follows:

- **Level 1:** a staff who attains results that are higher than what was expected from him/her within the timeframe shall be graded with 15 points;

- **Level 2:** a Staff who attains expected results shall be given marks between 12 and 14 points. However, in case a staff didn't respect the timeframe, the awarded marks shall be close to lower limit whereas in case he/she respected the timeframe the awarded marks shall be the upper limit;
- **Level 3:** a Staff who attains expected results with difficulty shall be given marks between 8 and 11 points. In this case, difficulty is considered when the staff attained the expected results far from the timeframe despite required resources availed for him/her but has been officially warned (in writing) by his/her direct supervisor for lack of commitment and/or negligence and poor performance and probable signs of failure to deliver without willingness to improve.
- **Level 4:** a Staff who attains results that are below the expected results, he/she shall be given marks that are between 4 and 7 points. In this case, the staff shall be awarded marks close to the upper limit when he/she officially communicated (in writing) to his/her supervisor about challenges faced and about possible signs for failure to deliver with clear reasons. However, there should be recognition from the supervisor that reasons provided by the staff are valid. Again, the staff shall be awarded marks close to the lower limit when he/she attained results below the expected results without officially communicating (in writing) to his/her supervisor about challenges faced and despite required resources availed for him/her but has been officially warned (in writing) by his/her direct supervisor for lack of commitment and/or negligence and poor performance and probable signs of failure to deliver without willingness to improve.
- **Level 5:** a Staff who does not attain any result or his/her result is very low compared to what was expected, he/she shall be given between 0 and 3 points. In this case, the staff shall be awarded marks between 0 and 3 if and only if he/she has been officially warned (in writing) by his/her supervisor about lack of commitment and/or negligence and poor performance and probable signs of failure to deliver without willingness to improve. However, the staff shall be awarded marks close to the upper limit when the attained result is below the expected result but the staff officially communicated (in writing) to his/her supervisor about challenges faced and about possible signs for failure to deliver with clear reasons. However, there should be recognition from the supervisor that reasons provided by the staff are valid. Again, the staff shall be awarded marks close to the lower limit when he/she attained results below the expected results without officially communicating (in writing) to his/her supervisor about challenges faced and despite required resources availed for him/her but has been officially warned (in writing) by his/her direct supervisor for lack of commitment and/or negligence and poor performance and probable signs of failure to deliver without willingness to improve.

The rating of conduct/behaviour appraisal shall follow scores expressed in figures as follows:

**Level 1:** the Staff who shows exceptional skills and conduct shall score (5) points.

**Level 2:** the Staff who shows desired skills and conduct shall score (4) points.

Level 3: the Staff who shows desired skills and conduct but with some difficulties shall score (3) points

**Level 4:** the Staff who shows inadequate conduct shall score (2) points.

**Level 5:** the Staff who shows unacceptable conduct shall score (1) point or zero (0).

The overall score shall be 100; 70% of which shall represent the score of the results attained and 30% the score of conduct at work.

The grading of appraised staff shall be done in a descending order of overall scores given during the appraisal of their performances. It shall be done as follows:

- ✓ The first group called “Indashyikirwa ” shall be comprised of Public Servants whose score is equal to or higher than 80 %;
- ✓ The second group called “Inkomezamihigo” shall include Public Servants whose score ranges from 70 % but less than 80 %;
- ✓ The third group shall include Public Servants whose score ranges from 60 % but lower than 70%;
- ✓ The fourth group shall include Public Servants whose score ranges less than 60 %.

During annual performance contracts appraisal, members of the panel analyse performance contracts of each staff within a specified period of time. After analysis and comments made on the contract performance of each employee, the panel invites him/her to communicate the results of analysis and evaluation and to provide possible explanations. The results of analysis and evaluation are recorded on the appropriate form which shall be signed by the staff and the supervisor after mutual agreement.

The staff shall be informed of the basis of comments, notes attributed to him/her during performance appraisal. He/she countersigns the completed form after the phrase "read and approved ". Any staff dissatisfied with his/her assessment may express disagreement on the performance appraisal form before it is transmitted to the next organ.

Regarding the evaluation of performance contracts, the performance appraisal for a new SGF staff shall be conducted after six (6) months of probation. The performance appraisal of a staff who has been confirmed, is done in July of the following year.

Every year, the human resource officer prepares a list of “**Indashyikirwa**” and sends it to the Minister in charge of Public Service for publication.

The general report of performance appraisal for SGF staff shall be produced by the Human resource Officer, approved and signed by the Director General and sent to the Minister in charge of Public Service not later than 15<sup>th</sup> August of every year.

### **3.3.5. Rewarding and Motivation**

#### **3.3.5.1. Policy purpose**

It is the commitment of SGF to provide a better working environment that recognizes performance and provides incentives and rewards for the purpose of acknowledging employees' contribution towards SGF performance, triggering motivation, attracting better staff and stimulating SGF overall performance.

#### **3.3.5.2 Types of rewards and compensations**

- ✓ Work compensation and benefits;
- ✓ Performance bonus and recognition;
- ✓ Loyalty bonus;
- ✓ Promotion.

##### **3.3.5.2.1 Work compensation and benefits**

###### **3.3.5.2.1.1 Monthly salary**

The law regulating public service salary structure provides details on the gradating structure of all jobs within public service. SGF provides its employees with monthly salary composed of basic salary, housing allowance and transport allowance in accordance with that law. The Human resource officer bears responsibility of preparing monthly salary earlier to ensure that it is deposited into employees' bank accounts not later than 25<sup>th</sup> day of each month.

In addition, SGF participates in catering for health insurance and retirement & professional hazard of its employees in accordance with governing law. To this effect, the Human resource officer shall liaise with Rwanda Social Security Board (RSSB) and/or Rwanda Revenue Authority (RRA) to ensure these contributions together with other withheld statutory deductions are paid timely.

###### **3.3.5.2.1.2 Incremental education allowance**

SGF recognizes that its performance is dependent on the quality and commitment of its employees and that the competent/highly qualified employees are to be attracted and motivated to secure maximum returns expected by SGF to deliver to its mission.

In this regard, an incremental education allowance may be paid on monthly basis by SGF to the confirmed employees who are governed by General Statutes of public service to guarantee their

motivation. The eligible qualifications, amounts and modalities of this allowance shall be determined by Board of Directors.

### **3.3.5.2.2 Performance bonus and recognition**

#### **3.3.5.2.2.1 Conditions for offering performance bonuses**

The SGF performance bonus is only payable subject to the following conditions:

- ✓ The employee has met the targets at 70% and above in his performance contracts;
- ✓ The employee has worked for 12 months;
- ✓ SGF has sufficient funds available to pay out performance bonuses. In case of insufficient funds as it shall be determined by the Management, the employees will not be entitled to performance bonuses.

3.3.5.2.2.2 In accordance with the Prime Minister's Order N°121/03 of 08/09/2010 establishing the procedure of performance appraisal and promotion of public servants, SGF provides its best performing employees with gratification resulting from their annual performance. The annual performance gratification is calculated basing on the annual basic salary as follows:

- ✓ 5% for employee who has obtained marks which are equal to or above 80%;
- ✓ 3% for employee who has obtained marks equal to or above 70% but less than 80%;

#### **3.3.5.2.2.3 Special gratification/bonus**

SGF staff, other than a director of unit or Director General, who has obtained overall marks higher than other employees in the following criteria shall be granted a special gratification equivalent to his/her one month gross salary accompanied with a recognition letter and other benefits which may be deemed necessary by Management.

- ✓ Having obtained 80% and above marks on annual performance appraisal;
- ✓ Having demonstrated ability to communicate adequately and timely;
- ✓ Having displayed team work spirit and exemplary behaviour;
- ✓ Good records of punctuality;
- ✓ Good sense of customer care;
- ✓ Having proven innovative actions during the year;

The Management is responsible for designing the process of selecting the above best employee of the year.

#### **3.3.5.2.3 Loyalty bonus**

SGF recognizes loyal employees for having stayed longer with it. Thus, an employee who works with SGF for ten (10) years shall be entitled to a bonus equivalent to his one month of net salary and the same reward is awarded each subsequent five (5) years. After 20 years the employee is entitled to a bonus of 2 months of net salary and 3 months after 30 years etc....

#### **3.3.5.2.4 Promotion**

The horizontal grade promotion occurs when an employee is promoted to a step immediately above his current post. He gets a basic salary applied to the grade promotion which he accesses.

The grade promotion is open to any SGF employee who:

- ✓ Has completed three (3) years of service at the same level in SGF;
- ✓ Has scored marks that places him/her in the first, second or third performance group during the three (3) consecutive years but has not been ranked in the third performance group during two (2) consecutive years on the same level;
- ✓ Has not been punished with a second degree disciplinary sanction during the last three years provided for in the Law on General Statutes for Rwandan Public Service.
- ✓ If the conditions mentioned above are not fulfilled, the employee shall be promoted the following year provided that he/she fulfils the above requirements.

## **CHAPTER 4: TRAINING AND DEVELOPMENT**

### **4.1 Purpose of the process**

The purpose of this policy is to develop staffs with adequate knowledge, skills, abilities and attitudes necessary to enable them to improve their individual and overall performance. It also intends to link training and development program to the achievement of SGF strategic mission.

### **4.2 Process description**

Employees and their supervisors are both responsible for identifying their development needs which are adequate for better performance. Supervisors assess the need for training and development required on the basis of the objectives set in their unit action plans and the potential performance gaps in achieving those objectives. The training needs are always driven by SGF's needs to deliver to its mission and demand & supply of skills in the market.

The supervisors and employees agree on individual development plan and ensure that the staff undertakes the agreed training program. The training undertaken should be in line with the duties and responsibilities of staff to enable him/her deliver toward the expectations.

### **4.3 Training and development scenario**

The direct supervisor analyses carefully the unit's needs and consider a variety of solutions based on the problems. If the problem is lack of knowledge/skills and training & development is the most adequate solution to address the issue, then the direct supervisor determines the number of staff that requires training and development interventions. Then the direct supervisor in

consultation with the in-charge of human resource management assesses the right form of training and development for respective staff.

#### **4.4 Preparing training plan**

When the direct supervisor decides on the training adequate for his/her staff, this training is put in the Unit's training plan which is later consolidated into entity' training plan. Training is prioritized based the impact it has on the unit's capacity to achieve its priorities and objectives.

After collecting unit's training plan, the supervisors and the in-charge of human resource management gather on the invitation of director of Finance & administration which chairs the meeting to review and agree on the consolidated training plan to be presented and approved in Management meeting.

#### **4.5 Staff development committee (SDC)**

SGF has set up Staff development Committee with the purpose of providing guidance and advice on long term training and development of staff in transparent and objective manner, i.e any training or capacity development that holds for above 3 months.

The Committee which is composed of 5 members is nominated by Management and is chaired by the In-charge of human resource management. It convenes on quarterly basis and whenever needed when 3/5 members are present.

For short term training, requests are approved by Director General or Head of unit in charge of administration.

##### **4.5.1 Duties and responsibilities of SDC**

Staff development Committee has the following responsibilities:

- Review all long term training needs forwarded by Management and provides it with priority recommendations within 3 working days after holding the meeting;
- Review the Management request on SGF capacity building plan and provides recommendations within 3 working days for improvement accordingly;
- Review the monitoring & evaluation report on capacity building implementation forwarded by Management and provide it with measures for improvement within 3 working days;

#### **4.5.2 Criteria for training needs selection**

The following criteria are used by staff development committee (SDC) to select candidate for capacity building:

- ✓ The training is relevant to the job of unit to enable it deliver to its targets and objectives or future projects;
- ✓ The training cost was budgeted for;
- ✓ The staff in need of long term capacity building support has worked with SGF for a period of at least one year unless it is a specific training which was identified as a pre-requisite for new staff to deliver to the appointed post;
- ✓ The staff requesting sponsorship does not have another one from Government or SGF;

#### **4.5.3 Process description**

- ✓ For staff internal training not exceeding 5 working days and whose cost does not implicate SGF finance, the request is initiated by the training beneficiary who submits it to his/her direct supervisor and the later sends it to the head of unit in charge of administration , with a copy to the in-charge of human resource management, for approval. In all circumstances, the request must be submitted at least in 2 working days before the training commencement and the approving organ should provide the feedback in at least 1 working day before the commencement date.
- ✓ For staff internal training exceeding 5 working days and whose cost does not implicate SGF finance, the request is initiated by the training beneficiary who submits it to his/her direct supervisor and the later sends it to the Director General, with a copy to the in-charge of human resource management and the head of unit thereof, for approval. The request must be submitted at least in 2 working days before the training commencement and the Director General should provide the feedback in at least 1 working day before the commencement date.
- ✓ For any staff internal training of either long or short term which commits SGF finance, the request is initiated by the training beneficiary who submits it to his/her direct supervisor and the later sends it to the Director General, with a copy to the in-charge of human resource management and the head of unit thereof, for approval. The request must be submitted at least in 2 working days before the training commencement and the Director General should provide the feedback in at least 1 working day before the commencement date.
- ✓ For internal training for head of Unit, irrespective of whether or not it requires SGF payment and for any duration, the request is submitted by the beneficiary to the Director General for approval in at least 5 working days before the beginning of training and the approval is received in 1 working day before the departure date.

- ✓ For internal training sponsored by other entities, the request/letter is directly submitted to the Director General who authorizes the training beneficiary.
- ✓ For internal training for Director General which runs for more than 5 working days, he/she should inform the Board of directors. However, In case the internal professional training for Director General requires him/her to follow the training for more than 30 calendars days successively, there should be prior authorization from Board of directors whose request is submitted in at least 10 working days before departure date.
- ✓ For long term internal training of staff, i.e. more than 3 months, The SDC submits the recommendations to the Management via Director General for final decision. However, the long term internal training sponsorship for head of unit is processed to Board of directors for approval by Director General within 1 month before the commencement date of training unless the training does not require him/her to leave the job during the period of training.

## **CHAPTER 5: INTERNSHIP PROGRAM**

### **5.1 Purpose of this policy**

SGF is committed to contributing to national skills development by facilitating students and graduates to acquire practical skills via internship program. It is the bridge between school and workforce which enables interns to acquire work experience.

### **5.2 Process description**

SGF, in collaboration with other entities such as the government organ in charge of internship program management and higher learning institutions or students themselves, promotes excellence in skills development of workforce by providing practical skills to graduates, best performing graduates and university student. The following are the internship schemes available in SGF:

- ✓ Internship program for interns from higher learning institutions;
- ✓ Internship program for graduates in partnership with the government organ in charge of internship program management;
- ✓ Internship program for best performing graduates in partnership with higher learning institutions.

### **5.3 Internship**

#### **5.3.1 Internship program for interns from higher learning institutions**

SGF is committed to equipping students from higher learning institutions with practical skills necessary to enable them apply theories learned in class. This is in line with the requirement of higher learning institutions which consider this step of internship as a partial fulfillment of academic requirement for the award of a given degree and it is as well in line with the national program on human resource development which expects students to complete the undertaken academic program with knowledge and skills that meet the needs of labor market. In this respect, SGF may receive internship application of students from different recognized universities which recommend them in written and determine the duration of internship.

##### **5.3.1.1 Process description**

- ✓ Upon the reception of student application clearly indicating the type of internship and the needed areas of practical skills accompanied by recommendation letter from his/her university, the in-charge of human resource management collaborates with respective director to identify and recommend within 5 working days the selected candidate and

hosting unit as well as daily mentor. The selection of candidate is based on the available practical skills to offer, desks and other necessary resources. The selection recommendation report is submitted in 3 working days after the selection date by the unit head in charge of administration to the Director General who notifies the decision, in written, to the candidate within 3 working days;

- ✓ The mentor staff provides the intern with daily supervision or advice and submits on monthly basis the supervision report to his/her direct supervisor/head of unit who synthesizes, in turn, the report on monthly basis and submits it to the director general with copies to the in-charge of human resource management and his/her respective director.
- ✓ During the last week of internship completion, the head of hosting unit collaborates with the in-charge of human resource management to evaluate the intern based on the standards provided within university evaluation forms and award the marks.

The responsibility of intern includes:

- ✓ To comply with internal rules, regulations, procedures and policies applied in SGF and hosting university as well as national regulations governing internship program;
- ✓ To perform timely the duties assigned by his/her mentor and head of unit;
- ✓ To submit at the end of internship the report to the respective university with a copy the director general indicating his/her achievements and recommendations for SGF improvement.

### **5.3.2 Internship program for graduates in partnership with the government organ in charge of internship program management**

In this program, SGF is committed to contributing to the national human resource development through the promotion of youth employment by facilitating young graduates to acquire practical skills needed in national, regional and international labor markets.

#### **5.3.2.1 Process description**

- ✓ Considering the hosting capacity and needed academic specialization of SGF, the in-charge of human resource management in collaboration with heads of units recommends the number of interns needed, their academic background, the hosting unit and mentor to the director general who submits the request to the government organ in charge of internship program management. The recommendation of the in-charge of human resource management should be accompanied with supervision plan and expected results and the request letter of director general shall provide for the expected top-up (facilitation fee) to be paid to interns.

- ✓ The in-charge of human resource management ensures the follow up of the request on weekly basis and updates the director general and the director in charge of administration thereof through outlook email or other recommended communication channel.
- ✓ Upon the reception of intern, the head of hosting unit drafts the performance contract and submits it to the director general who signs it with interns before commencement of assignment.
- ✓ The mentor staff provides the intern with daily supervision and/or advice and submits on monthly basis the supervision report to his/her direct supervisor/head of unit who synthesizes, in turn, the report on monthly basis and submits it to the director general with copies to the in-charge of human resource management and his/her respective director.
- ✓ During the last week of internship completion (not exceeding the period provided within related government policy), the head of hosting unit submits to the director general the supervision report on internship indicating the achievements, encountered challenges and recommendations and makes copies to the in-charge of human resource management and his/her respective director.

The responsibility of intern includes:

- ✓ To comply with internal rules, regulations, procedures and policies applied in SGF and hosting university as well as national regulations governing internship program;
- ✓ To perform timely the duties assigned by his/her mentor and head of unit;
- ✓ To submit at the end of internship the report indicating his/her achievements, challenges and recommendations for SGF improvement to the director general with copies to the head of hosting unit, the in-charge of human resource management and head of unit in charge of administration.

### **5.3.3 Internship program for best performing graduates in partnership with higher learning institutions.**

In its commitment toward supporting national human resource management development through capacity building, SGF is particularly devoted to encouraging academic performance and behavior competition by facilitating best performing graduates in their strive to acquire practical skills.

#### **5.3.1.1 Process description**

- ✓ Considering the hosting capacity and needed academic specialization of SGF, the in-charge of human resource management in collaboration with heads of units recommends the number of best performing interns needed who have completed at least bachelor

degree, their academic specialization, the hosting units and mentors to the director general who submits the request to the hosting university. The recommendation of the in-charge of human resource management should be accompanied with supervision plan and expected results and should indicate the minimum level of acceptable standard of behavior and academic performance. The request letter of director general shall indicate among others the minimum level of acceptable standard of behavior and academic performance of best performing graduates.

- ✓ The in-charge of human resource management ensures the follow up of the request on weekly basis and updates the director general and the director in charge of administration thereof through outlook email or other recommended communication channel.
- ✓ Upon the reception of intern, the head of hosting unit drafts the performance contract and submits it to the director general who signs it with interns before commencement date of internship assignment.
- ✓ The mentor staff provides the intern with daily supervision and/or advice and submits on monthly basis the supervision report to his/her direct supervisor/head of unit who synthesizes, in turn, the report on monthly basis and submits it to the director general with copies to the in-charge of human resource management and his/her respective director.
- ✓ Throughout twelve months (12), SGF pays at least Rwf100, 000 net increasable with tax of monthly facilitation fee to the intern to help him/her meet some needs such as transport facilitation, eating and communication during internship.
- ✓ During the last week of internship completion (not exceeding twelve months), the head of hosting unit submits to the director general the supervision report on internship indicating the achievements, encountered challenges and recommendations and makes copies to the in-charge of human resource management and his/her respective director.

The responsibility of intern includes:

- ✓ To comply with internal rules, regulations, procedures and policies applied in SGF and hosting university as well as national regulations governing internship program;
- ✓ To perform timely the duties assigned by his/her mentor and head of unit;
- ✓ To submit at the end of internship the report indicating his/her achievements, challenges and recommendations for SGF improvement to the director general with copies to the head of hosting unit, the in-charge of human resource management and head of unit in charge of administration.

## **CHAPTER 6: TERMS & CONDITIONS OF EMPLOYMENT**

SGF intends to provide employment terms and conditions and a working environment that positions it as one of the best employers. As a law abiding employer, SGF and all its employees are duty bound to recognize, uphold and apply Rwanda's employment laws and the public service statute through employees' contracts of employment.

### **6.1 Working hours**

The number of official working hours will be 45 hours per week unless specified otherwise in the Letter of Appointment. However, staff should be aware that they will be expected to work outside the official hours to meet client demands in order to enable SGF to achieve its objectives. Working hours: 7:00 am –5:00 pm with a Lunch break: 12:00 am-1:00 pm . However, employees can work on a flexible time basis with prior approval of the Management.

### **6.2 Working patterns**

The Director of Administration and Finance will advise the Director General of changes to be made to staff deployment and working hours including options of: part-time; job sharing; flexi-time systems – permitting employees to work flexible hours of day and/or week, around an agreed core time when staff must be on duty, as long as they meet stated daily/weekly working hours; and ad hoc 'contracting-out' for services and skills on a need be basis.

### **6.3 Activity Report**

At the end of each month, all staff are required to complete and submit to their immediate manager the SGF Activity Report providing details of work, official travel, leave etc. The manager signs and forwards these reports to the Director of Administration and Finance.

### **6.4 Networking with other organizations**

The nature of work at SGF may call for linkages and networking with other organizations. SGF employees can therefore be called upon to provide either services or advice to these collaborating organisations. Payment for such services will be the property of SGF. Where an employee may be called upon to provide assistance in their private capacity, approval must first be obtained in writing from the Director General. Any infraction of this regulation is subject to sanctions under the Disciplinary Policy.

### **6.5 Employees' loyalty to SGF**

Employees are expected to be loyal to the organization at all times while employed by the SGF. Where an activity or units may be in conflict with the SGF interests, the employee will refrain from such activities. Where employees are unclear about possible conflicts, they should approach their respective Director of Unit or the Director General for clarification.

## **6.6 Protection of SGFs property and interest**

Employees are expected to protect the interests of SGF at all times and should not cause damage to the property or reputation of the organization. Employees should also avoid any action that may be seen to be undesirable, or bring the organization, or its name, into disrepute. Where damage is caused by carelessness, negligence or malicious acts, the employee will be held liable, and will meet the cost of damage, as determined by the Director General, in keeping with the Disciplinary Policy.

## **6.7 Insurance**

Medical insurance, SGF will provide medical cover to its employees pursuant the laws and regulations in force.

### **✓ Air travel insurance**

Air travel insurance is provided for employees travelling on official business and will include medical evacuation in case of emergencies.

## **6.8 Leave**

### **✓ Annual leave entitlement**

All employees will be entitled to 24 working days for each completed year of service. Annual leave entitlement is earned at the rate of 1.5 days per month. SGF encourages all its employees to take their leave in the year earned and not to carry it forward. Employees are expected to accumulate leave entitlement before they apply for leave. However, they may utilize up to half of their leave entitlement in advance provided that the employee's service is expected to continue for a period long enough to cover leave taken and with the approval of the Director of Unit, or the Director General. At the beginning of each year, every employee shall indicate, on a prescribed form, his/her leave plans. This form shall then be submitted to the Director of Administration and Finance. Employees will be required to complete a Leave Application Form covering all absences from the workplace. Leave will be taken subject to operational requirements and only with prior approval of the Director of Unit. Approval for leave will be recorded on the Leave Application Form. The heads of department will be responsible for submitting the form to the Administration and Finance Department for record basis.

### **✓ Public holidays**

The employee is entitled to all public and statutory holidays of the country in which he/she is working at that time, and will take them at full remuneration.

✓ **Sick leave**

Absence due to illness must be reported to the immediate supervisor as soon as possible. Continuous absence for three days or more will require a medical certificate issued by a recognized medical practitioner. The medical certificate will indicate first day of illness and the date on which the employee is expected to return to work. All sick leave will be recorded and signed by the immediate supervisor at the end of the period of absence on the Leave Application Form with copies forwarded to the Director of Administration and Finance. An employee on sick leave is entitled to full pay for the first month (30 days) and for a further 2 months (60 days) at half pay. If, after the three months, the employee has not recovered he or she may be asked to utilise accrued leave days or proceed on unpaid leave. If the employee has served for more than one year, the Director General may use his/her discretion to extend sick leave at full pay to three months. Should the period of illness exceed six months, the member of staff will be entitled to the provisions of the Disability Insurance.

✓ **Maternity leave**

An employee will be entitled to 3 months maternity leave on full pay as long as she has completed one year of continuous service. An employee with less than one year of continuous service on the date maternity leave falls due, shall be given her unused accrued annual leave entitlement and, on request, the balance of maternity leave will be taken as leave without pay for up to a total of 3 months. If an employee takes maternity leave during her probation period, the probation period will be extended by the period taken for maternity leave. The employee will be expected to go on maternity leave a minimum of 5 days before the expected date of delivery. Extension of maternity leave can be considered where serious complications occur and medical documentation is produced, or for non-pregnancy related illnesses.

✓ **Bereavement leave**

There are two separate entitlements to bereavement leave after six months' employment:

- On the death of an immediate family member, the SGF shall provide for up to four days' paid leave. This can be taken at any time and for any purpose genuinely relating to the death. "Immediate family members" are the employee's spouse or partner, parent, child, sibling, grandparent, grandchild or the spouse's parent. Where there is more than one bereavement, the employee is entitled to four days' bereavement leave in respect of each death.
- In the event of a death outside the immediate family that causes a person to suffer bereavement, up to two day's paid leave may be taken if the SGF accepts that the employee has suffered bereavement. In considering whether a bereavement has occurred, SGF should take into consideration:
  - how close the association was between the employee and the other person
  - whether the employee is responsible for any aspects of the ceremonies around the death

- whether the employee has any cultural responsibilities they need to fulfil in respect of the death.

✓ **Study/Sabbatical leave**

SGF recognizes that employees may need to undergo further training to enhance their professional and operational competence. In such cases the Director General may approve sabbatical/study leave. The heads of department together with the Director of Administration and Finance will evaluate benefits for both SGF and employee against both financial and opportunity cost implications, and advise the Director General accordingly. Employees will be encouraged to source their own funding. The leave will only be approved after funding has been secured. Only employees with more than three years of service will qualify for study/sabbatical leave.

✓ **Compensatory leave**

Due to frequent absences from family and loved ones in the case of official travel, SGF will allow an employee one compensatory leave day for every ten (10) days travelled. This leave can only be taken up in the year in which it is earned and will only be carried forward where it is earned at the end of the year.

## **6.9 Absence**

Absence from work must be authorised in advance by the employee's immediate supervisor. In cases of emergency (e.g. sickness or injury), the immediate supervisor should be informed of circumstances at the earliest practicable time. It is the responsibility of the Directors of Units to monitor and control the level of absenteeism in their department. Absence for more than 5 days but less than 10 days without notification to the Director of Unit or the Director of Administration and Finance will be a major offence and is liable to punishment pursuant to the laws and regulations in force. Failure to notify the Director of Unit or the Director of Administration and Finance of absence from duty on a working day will require justification and may be considered unsatisfactory conduct. Absence for more than fifteen (15) consecutive working days without notification will be deemed to be desertion and the employee will be liable to disciplinary action which could result in termination of employment.

✓ **Absence reporting**

Employees will be required to complete a Leave Application Form return from unauthorized absence. Directors of Units and supervisors are required to record all incidents of lateness and/or absenteeism. Each department will submit a monthly absence record to the Director of Administration and Finance. The Director of Administration and Finance will compile Monthly Absence Reports, to be reviewed by the Director General and Heads of Department. Unauthorized absence for a day or more will be deducted from the annual leave entitlement.

Where problems of lateness and absenteeism persist, the Director of Administration and Finance will take corrective action through counselling, training and/or instituting disciplinary procedures.

## **CHAPTER 7: CODE OF CONDUCT**

### **Policy**

An employee who commits an offence is subject to disciplinary action depending on the nature of the offence. Disciplinary action will be taken in cases where good reasons and clear evidence exists. It is the policy of SGF that disciplinary action should be:

- ✓ Appropriate to the nature of the offence that has been committed;
- ✓ Consistent with set precedence, within the provisions of the Personnel Policies; fair, since in all disciplinary cases employees will be allowed to make their representations and will have the right to appeal, after the disciplinary decision has been conveyed to them.

It is the responsibility of the Director of Unit to ensure all employees (contract and temporary) conduct themselves in accordance with SGF procedures and expectations. Where an employee fails to adhere to SGF procedures or expectations, the Director of Unit or immediate supervisor will take necessary disciplinary action to rectify the situation, record measures/decisions taken and send a copy to the Director of Administration and Finance.

Where a supervisor or heads of department is unsure of procedure, the Director of Administration and Finance will provide guidance on the appropriate measures.

### **7.1 Nature of offences**

There are three types of offences: minor, major and gross misconduct. In some cases, the boundary between these categories is not clearly defined and the Director General may be asked for guidance. Any precedents established in this manner will be used to update the categorisation of offences. Each offence will be dealt with as specified in these procedures.

#### ➤ **Minor offences**

Punishment for minor offences ranges from caution to warning (oral or written).

Examples of minor offences include, but are not limited to, the following: continued lateness to work; absence from duty for not more than 5 days without permission:

- ✓ Idling and loitering during working hours;
- ✓ Avoiding work on account of feigned sickness;
- ✓ Misuse of telephone;
- ✓ Pecuniary embarrassment.

➤ **Major offences**

Punishment for major offences ranges from severe reprimand to dismissal/termination of appointment or even prosecution in a court of law. Examples of major offences include, but are not limited to the following:

- ✓ Absence from work for a period of more than 5 days but not more than 10 days without permission or acceptable excuse;
- ✓ Entering into unpaid employment/occupations which in the view of the management may not be in SGFs interest;
- ✓ Failure to obtain approval in writing before providing professional assistance in a private capacity;
- ✓ Breach of standing regulations;
- ✓ Repetition of minor offences;
- ✓ Sexual harassment;
- ✓ Contravention of traffic laws while using organization vehicles;
- ✓ Misuse of organization vehicles e.g. using organization vehicle without authorization; and permitting non-SGF personnel to drive the organization's vehicles.

➤ **Gross misconduct offences**

Punishment for gross misconduct offences may result in summary dismissal or even prosecution in a court of law. Examples of gross misconduct offences include, but are not limited to: absence from work for a period of more than 10 days without permission; repetition of major offences; wilful neglect to perform official duties or to carelessly and improperly perform any work which is in one's line of duty:

- ✓ Insubordination;
- ✓ Wilful misuse/damage of the organization's property;
- ✓ Physical violence on self or other employees.

➤ **Counselling**

The first stage of the disciplinary process is counselling. Where circumstances indicate that there is no need to resort to the formal procedures, the supervisor should talk the matter over with the employee. If it becomes obvious the matter is more serious, discussions should be adjourned and the formal disciplinary procedure invoked.

## **7.2 Formal disciplinary process**

### ➤ **Oral warning**

The immediate supervisor will issue an oral warning in respect of the first instance of minor offences or of any failure to reach minimum standards of conduct or performance on the job, or for breach of SGF's rules and less serious offences. The supervisor shall note any oral warnings in his/her diary for future reference.

### ➤ **Show Cause Letter**

The formal disciplinary procedure starts with a Show Cause Letter. The employee will be informed by the appropriate supervisor, in writing, of the nature of the complaint/allegation.

### ➤ **Procedure**

In all instances of disciplinary cases i.e. minor, major, gross misconduct, the following procedure will be used:

- ✓ The employee will be issued a Show Cause Letter citing the nature of the offence and requiring him/her to show cause why disciplinary action should not be organized.
- ✓ The employee shall within 2 working days of receipt of the Show Cause Letter: state his/her defence in writing, or state in writing that he/she reserves his defence for personal hearing. Depending on the nature of offence, the period of 2 working days can be extended to 5 working days to enable the employee complete his/her explanation. An interview will be arranged no later than 3 working days after receipt of the written statement, and the date of interview will be set by mutual agreement. An employee who opts to be heard in person shall be heard by an ad hoc Disciplinary committee as follows:
- ✓ For the Director General, the case will be heard by the Board of Directors; For heads of departments, the case will be heard by the Director General and an ad hoc committee of the Board; and For all other staff, the case will be heard by the Director of Administration and Finance, the Director of Unit concerned and another Director of Unit or his/her nominated representative. During the hearing of the case, the employee: will be permitted to call any employee of his choice as a witness to the case; and/or may be accompanied by a fellow worker who was present at the time when the offence was allegedly committed. The disciplinary committee will examine the recordings of the hearing and the decision communicated to the employee within 5 days. If the explanation is acceptable, the employee will be so advised.

### ➤ **Punishment**

In the event that the explanation is not acceptable, punishment will be meted out to the employee. Punishment will include, but not be limited to: written warning; withholding of

bonus payments; recovery of days of absence from salary resignation; suspension; summary dismissal; and/or prosecution.

➤ **Written warning**

If the explanation is not acceptable to the supervisor or the Director of the Unit judging the case, this shall be so stated in a warning letter to the employee, copied to the Director of Administration and Finance. The employee is required to signify in writing that he/she has read and understood contents of the letter. A warning letter shall be in force for 3 months. First written warning shall be applied in case of repetition of an offence for which an oral warning has been given. Second written warning shall be given to an employee who has committed a minor offence repeatedly over a period of time. Third written and final warning will be issued when the employee commits the same or another offence of similar severity, during the period when a second warning is still in force. If the offence is repeated or failure is not corrected by the employee, disciplinary action will take the form of a final warning initiated by the supervisor through the Director of Administration and Finance and issued by the Director General. Before a final warning is given to an employee, the reasons contemplated will be made known to the employee in writing, and she/he will be provided with opportunity to answer within a reasonable period of time.

➤ **Suspension**

This formal disciplinary punishment will be applied to gross misconduct offences. On suspension, an employee will earn no salary; neither will he or she draw any benefits or allowances from

➤ **Summary dismissal**

In the event of failure to heed a final written warning, an employee will be advised that he/she may face summary dismissal. A note detailing the facts of the case and giving reasons for recommended dismissal will be sent to the individual and a copy placed in his/her personnel file. The employee will be provided with an opportunity to answer within 3 working days.

➤ **Criminal proceedings**

In the event that criminal proceedings are organised against an employee for offences, which do not directly relate to SGF, the organisation may interdict or suspend the employee. However, no dismissal action of such an employee, upon grounds involved in the criminal charge, will be taken by SGF, until the conclusion of such criminal proceedings.

➤ **Disciplinary records**

All records of disciplinary action will be filed in the employee’s personnel file. The disciplinary records lapse after the period stated on the Warning Form if there has been no recurrence of the offence. Lapsed disciplinary records will not be removed from employee’s personnel file. Once a disciplinary measure has lost effectiveness, records may only be used to identify historical patterns in misconduct.

**7.3 Grievance Procedures**

Every employee is entitled to have his/her grievances heard, using the procedure below. The Director of Administration and Finance will act as a mediator in the grievance process.

- An employee will first report the grievance to his/her immediate supervisor who will attempt to resolve it, unless the immediate supervisor is involved in the grievance. In such cases, the grievance will go to the next highest supervisor, and so on, up to a supervisor who is not involved in the grievance.
- The grievance should be reported in writing. The supervisor will address the issue in writing within three working days, with copies to the Director of Administration and Finance (for filing in the employee’s personal file). If the matter is not resolved to the satisfaction of the employee, the employee may appeal in writing to the Director General to intervene and to make a decision in writing. If the matter is not resolved to the satisfaction of the employee or the grievance involves the Director General, the employee may present the matter to the Chairman of the Board in writing. The decision of the Board is final.

**CHAPTER 8: TERMINATION OF EMPLOYMENT**

**8.1 Resignation**

Employees in professional grades who intend to resign must give 1 month’ written notice. The period of notice may be waived by mutual agreement between the Director General and the employee.

**8.2 Termination of employment by SGF**

Employees will be notified of termination of employment by SGF in writing. The Director General will sign notice of termination. Where full notice is not given, payment of gross salary will be made in lieu of the period of notice which cannot be serviced, except in cases of summary dismissal.

**•Summary dismissal**

Employees whose termination is through summary dismissal will not be entitled to payment of any benefits. Only the days worked by the dismissed employee will be paid.

### **8.3 Retirement**

The normal retirement age is at 60 years and an employee's services shall terminate on attainment of this age or earlier where an independent medical opinion confirms that the employee is in poor health or otherwise unfit to work. An employee's services may be terminated under early retirement rule on medical grounds, inefficiency and poor performance. Where it has been determined that an employee's service is still needed beyond this age, the SGF shall draw up an agreement contract with the employee. Such contract, will qualify for a gratuity at the agreed rate on expiry of his contract

#### **•Administration**

The Director of Administration and Finance will complete a Termination Report Form. This form has been developed to ensure all termination administration procedures are conducted. All employees leaving the employment of SGF, for whatever reason, must complete a Certificate of Clearance which certifies that the employee has: completed all reports and other documents, and other tasks, which are necessary for the smooth transfer of responsibilities; cleared outstanding financial obligations to SGF; and returned all SGF documents, equipment and any other property of SGF to the appropriate persons.

**MODULE V:**

**INFORMATION AND TECHNOLOGY POLICIES AND  
PROCEDURES**

## **INTRODUCTION**

1. The purpose of this IT Policy is to ensure the effective protection and proper usage of the computer systems within SGF. The IT investment of SGF is considerable, and the dependency on computer technology in the delivery of SGF services is high. The IT Policy will assist in maintaining systems at operational level. Contraventions of the IT
2. Policy could seriously disrupt the operation of SGF and any breaches will be treated seriously.
3. SGF will be proactive in providing a range of computing and communication facilities and infrastructure for use by staff.
4. ICT Officer and Unit Directors (Administration and finance unit & Compensation Unit) are responsible for ensuring adherence to the IT Policy within their units, overseen by Director General.

## **CHAPTER 1: COMPUTER SYSTEMS**

SGF makes extensive use of various computer systems in its day-to-day activities. It is necessary for all users to follow a minimum set of standard procedures and guidelines to enable these computer systems and users thereof to operate at optimum level.

### **1.1 Network**

- Network management, administration and maintenance within SGF are the responsibility of the ICT Officer. Access to and usage of the Servers is restricted to authorized staff.
- LAN equipment, hubs, bridges, repeaters, routers, switches will be kept in secure and air-conditioned hub rooms. Hub rooms will be kept locked at all times. Access to hub rooms will be restricted to ICT Officer only. Other staff and contractors requiring access to hub rooms will notify the ICT Officer in advance so that the necessary supervision can be arranged.
- All servers will be kept securely in locked room. The servers will be fitted with UPS's that also condition the power supply. All hubs, bridges, repeaters, routers, switches and other critical network equipment will also be fitted with UPS's. In the event of a mains power failure, the UPS's will have sufficient power to keep the network and servers running until the generator take over. All UPS's will be tested periodically.
- Privately owned equipment belonging to staff is not to be connected to the networks without authorization from ICT Officer. Hardware (PCs, Laptops, Notebooks, Printers, Modems, etc.)

- The requirement for IT equipment will normally be identified within the context of an IT strategy for SGF and more specifically within a planned programme of computer system replacement.
- The installation, configuration and maintenance of computer equipment are the responsibility of the ICT Officer.
- Computer equipment registers will be maintained by the ICT officer to ensure full tracking of equipment.
- The ICT Officer will liaise with in charge of logistic to ensure adequate insurance cover for computer equipment. The ICT Officer will ensure staffs are aware of any restrictions and limitations.
- Requirements for new hardware should be discussed in advance with the ICT Officer and beneficiary services to assess the detailed specification.
- The deployment of new equipment or re-deployment of existing equipment is undertaken by the ICT Officer after consultation with concerned Unit Directors.
- The relocation of hardware within or out of SGF premises should be discussed with the ICT Officer in advance to ensure good reason for relocation, determine the most appropriate means of relocation and to ensure computer equipment registers and insurance policies are updated.
- The security and safekeeping of portable and other equipment used out with SGF offices is the responsibility of the member of staff using it.
- All members of staff are responsible for the proper usage, care and cleanliness of the computer equipment they use. Staff should ensure the cleanliness of their machines.
- Problems with hardware should be reported to the ICT Officer.

## **1.2 Software and application**

- The requirement for IT equipment will normally be identified within the context of an IT strategy for SGF and more specifically within a planned software upgrade programme.
- The installation, configuration and support of all software and software applications used within SGF are the responsibility of the ICT Officer.
- Software, including screensavers, must not be installed by users without prior authorization from the ICT Officer. This includes programs downloaded from the Internet.
- SGF will treat the installation of unlicensed software by users as a serious breach of the IT Policy.
- Software license registers will be maintained by the ICT Officer to ensure compliance with legislation.

- Software disks will be kept securely by the ICT Officer.
- Requirements for new software/applications should be discussed in advance with the ICT Officer and Beneficiary services to assess the detailed specification and implications.
- Problems with software should be reported to the ICT Officer.
- Requests for modifications, enhancements and upgrades of existing software applications should be discussed with the ICT Officer and beneficiary services.

### **1.3 Data/Electronic Information**

- Data Management should be in accordance with the data management policies and procedures of SGF.
- SGF staffs are responsible for security of data stored in their computers.
- The individual user is responsible to their line manager for the quality of the computer data they have personally processed.
- All information/data held on the institution's systems is deemed the property of SGF.

### **1.4 Back up Policy**

- The ICT Officer is responsible for ensuring the implementation of an effective back-up strategy for server held, software and data.
- Full backups are performed nightly on Monday, Tuesday, Wednesday, Thursday, and Friday. If for maintenance reasons, backups are not performed on Friday, they shall be done on Saturday or Sunday.
- Users of networked desktop PCs/laptops should avoid storing data on their local hard drives only. Data so stored may be lost if a problem develops with the PC, and the ICT Officer may not be able to assist in its recovery. Data should be also stored within the server file directory (folder) structure used by users.
- Remote and laptop/notebook PC users must ensure they back up their data regularly. The ICT Officer will provide advice and assistance.
- ICT Officer shall backup systems using a default schedule of weekly full backups and subsequent differential incremental backups prior to the next full backup
- Full backups will back up all files specified within a system's backup policy, regardless of when they were last modified or backed up. Differential-incremental backups will back up all files that have changes since the last successful incremental or full backup.
- The frequency and extent of backups must be in accordance with the importance of the information and the acceptable risk as determined by the data owner. A preferred method of backup is disk-to-disk backup

- Backups must be periodically tested to ensure that they are recoverable. This period shall be set according to the 6 criticality of the data backed up and the frequency of its change.
- The backup medium must be of a type, which will remain readable and be accessible for the length of time for which the backups are to be retained. If the technology for reading a current backup medium is being decommissioned, the backups must either be copied to a new medium, or external arrangements must be made for reading the backups prior to decommissioning the technology.
- The physical and logical security of the backup media must be at least equivalent to the security required for the access to the data on the server itself.

### **1.5 Anti-Virus Protection**

- The ICT Officer is responsible for the implementation of an effective virus security strategy. All machines networked and standalone will have up-to-date anti-virus protection.
- The installation of anti-virus software on all machines is the responsibility of the ICT Officer.
- The ICT Officer will ensure the upgrade of the anti-virus software on networked computers.
- Remote users and users of portable machines will be assisted in the upgrade of anti-virus software in accordance with specified mechanisms agreed with the ICT Officer, e.g. Internet updates
- Staff should virus-scan all media (including floppy disks, zip disks and CDs) before first use. The ICT Officer will provide assistance and training where required.
- On detection of a virus staff should notify the ICT Officer who will provide assistance.
- Under no circumstances should staff attempt to disable or interfere with the virus scanning software.

### **1.6 Printer Policy**

- Printers are to be used for documents that are relevant to the day-to-day conduct of SGF business. Printers should not be used to print large personal documents.
- Staff should Make efforts to limit paper usage by taking advantage of duplex printing (i.e. double-sided 4printing) features offered by some printers and other optimization features (e.g. printing six PowerPoint slides per page versus only one per page).
- If printing a job in excess of 25 pages, the user is pleased to be at the printer to collect it when it comes out to ensure adequate paper supply for the job and that the output tray is

not overfull (i.e. User may need to remove some of the output before the print job is finished).

- Staff should avoid printing e-mail messages. Instead, they should use the folders and archiving functionality in the e-mail application to organize and view their messages.
- Avoid re-using paper in laser printers, as this can lead to paper jams and other problems with the machine
- Staff are strongly encouraged to avoid printing in colour when monochrome (black) can do.
- If Staff encounter a physical problem with the printer (paper jam, out of toner, etc.) and are not “trained” in how to fix the problem, staff are requested to report the problem to ICT Officer.

## **CHAPTER 2: COMPUTER USERS**

Users are responsible for all transactions occurring during the use of their user ID and/or password. Computer accounts and passwords must not be shared with anyone under any circumstances unless the ICT Officer specifically approves an exception.

### **2.1 Health & Safety**

- Health and safety with regards to computer equipment and computer work stations should be managed within the context of the general and any specific Health & Safety policies and procedures within SGF.
- Unit Directors are responsible for ensuring health & safety legislation and procedures with regards to computer equipment within their Units.
- Equipment should be physically protected from security threats and environmental hazards to prevent loss or damage. SGF will put in place a fire-extinguisher system.
- The ICT Officer will keep abreast of IT-related legislation and advise accordingly.

### **2.2 Training**

It is the responsibility of Unit Directors to ensure appropriate computer training for their staff is identified. The ICT Officer can advise on computer-related training issues.

### **2.3 User Accounts**

- Human Resource Officer should notify the ICT Officer of new members of staff in advance to allow the creation of network and e-mail accounts and system permissions.
- Human Resource Officer should notify the ICT Officer of the departure of staff to allow the deletion of network and email accounts.

## **2.4 Passwords**

- The ICT Officer will ensure passwording is part of the security strategy of the SGF IT system.
- Users should change their passwords when prompted by the system in the case of networked machines or on a regular basis for standalone machines.
- Staff are responsible for the security of their password which they should not divulge, even to colleagues.
- Problems with passwords should be reported to the ICT Officer.

## **2.5 System Usage**

- Users should ensure their computers are fully shut down and turned off at end of day.
- Computers should be locked or shut down when left unattended for any significant period of time.
- With regards to file management, Unit Directors will determine the top-level folders/directories and associated permissions for their Unit and inform the ICT Officer. The ICT Officer will create or modify the folders accordingly.
- Within their respective top-level folders, staff should create sub-folders in accordance with their own Unit guidelines but cannot create new top-level folders.

## **2.6 Server Specific Security**

This section applies to Windows, UNIX, Linux and Novell servers.

- The operating system will be kept up to date and patched on a regular basis.
- Servers will be checked daily for viruses.
- Servers will be locked in a secure room.
- Where appropriate the server console feature will be activated.
- Remote management passwords will be different to the Admin/Administrator/root password.
- Users possessing Admin/Administrator/root rights will be limited to trained members of the I.T. staff only.
- Use of the Admin/Administrator/root accounts will be kept to a minimum.
- Assigning security equivalences that give one user the same access rights as another user will be avoided where possible.
- Users' access to data and applications will be limited by the access control features.
- Intruder detection and lockout will be enabled.
- The system auditing facilities will be enabled.

- Users must logout or lock their workstations when they leave their workstation for any length of time.
- All unused workstations must be switched off outside working hours.
- All accounts will be assigned a password of a minimum of 8 characters.
- Users will change their passwords every 60 days.
- Unique passwords will be used.
- The number of grace logins will be limited to 3.
- The number of concurrent connections will be limited to 1
- Network login time restrictions will be enforced preventing users from logging in to the network outside normal working hours.

### **CHAPTER 3: E-MAIL / INTERNET**

Voice mail, email, and Internet usage assigned to an employee's computer or telephone are solely for the purpose of conducting SGF business.

#### **3.1 E-Mail**

- The SGF e-mail system is a core business application. It should not be used for political, business or commercial purposes not related to SGF.
- The SGF e-mail system must not be used to send illegal or inappropriate material.
- Every user of Internet shall respect the international cyber-law (no unauthorized actions, sites such as racist sites, etc...).
- Limited personal use of email is permitted. Unit Directors should ensure there is no abuse of this privilege.
- Global distribution lists should be used appropriately Email to all staff (spamming) should be used only when appropriate.
- Staff should minimize the number of messages in their email in-box to ensure maximum efficiency of the delivery system. Folders should be set up and messages filed accordingly.
- Staff should utilize the archiving facility within the Email system in accordance with current guidelines.
- Confidential material sent by e-mail should be so marked but sent only with caution.
- Any e-mail from unknown or non-named senders or that are in any other way 'suspicious', that is, with a general subject not relating to a sent e-mail, with or without an attachment should not be opened and should be deleted from the Inbox and Deleted Items folders. If a

suspicious e-mail has been opened by mistake DO NOT OPEN ANY ATTACHMENT; close and delete

- SGF retains the right to access and view all Emails sent and received by the SGF Email system. This right is exercised solely through the ICT Officer on the written instructions of Director General.

### **3.2 Internet**

- Access to the Internet is provided for business purposes. Limited personal use is permitted and is to be restricted to lunch breaks and periods out with working time.
- Staff should not make inappropriate use of their access to the Internet. They must not use SGF systems to access pornographic, illegal or other improper material.
- Staff should not subscribe to chat rooms, dating agencies, messaging services or other on-line subscription Internet sites unless they pertain to work duties.
- Programs, including screensavers, must not be downloaded from the Internet without authorization from the ICT Officer.
- SGF retains the right to monitor Internet usage by staff. This right is exercised solely through the ICT Officer and, where relating to a specific member of staff, only on instructions from Director General.
- Abuse of Internet access will be dealt with severely relative to seriousness. Minor abuse will lead to removal of the privilege of access from an individual's workstation.
- Use of Facebook or other social networks in the office should be before 8am and after 4pm.
- Use of YouTube or other video-sharing websites in the office should be before 8am and after 4pm.

### **Contravention of the it policy**

- Staff should be aware of their responsibilities under the Data Protection, Computer Misuse, the Copyright and other ICT regulations. The ICT Officer and Head of Legal Affairs and Recovery will provide guidance where required.
- Contravention of the SGF IT Policy or any act of deliberate sabotage to SGF computer systems may be considered a disciplinary offense.

## **CHAPTER 4: STAFF LAPTOP**

- SGF has decided to allow staff who have not joined its programme for the cost sharing of computer, to use laptop computers inside and outside its premises in order to enhance, enrich, and facilitate their professional obligations, administrative duties as well as communications. The SGF's laptops are to be used as a productivity tool for SGF-related business, skills enhancement, research, and communications. Staff members may use the SGF's laptops for limited personal purposes subject to this policy.
- Staff members shall exercise appropriate professional judgment and common sense when using the SGF's laptop computers.
- All laptops and related equipment and accessories are SGF property and are provided to the staff members for a period of time as deemed appropriate by SGF or as long as they still being in SGF's employees.
- As a condition of their use of the SGF laptop computers, staff members must comply with and agree to all of the following:
- Prior to being issued one of the laptop computers, staff members will sign the Laptop Acceptance Form and agree to all outlined policies.
- Staff members should NOT attempt to install software or hardware or change the system configuration including network settings without prior consultation with ICT Officer.
- Staff members are expected to protect laptops from damage and theft.
- Each staff member is monetarily responsible for any hardware damage that occurs in circumstances irrelevant to SGF duties.
- Staff members will not be held responsible for computer problems resulting from regular business-related use; however, staff members will be held personally responsible for any problems caused by their negligence as deemed the SGF's administration.
- Staff members will provide access to any laptop computer, equipment, and/or accessories they have been assigned upon SGF request.

### **4.1 General Laptops use Rules**

- If you have important data on the laptop, you must back it up on your network folder as a safety precaution against hard drive failure (contact ICT Officer to have access to the file server). The seconds that it takes to create a backup are well worth the frustration if/when the computer hard disk fails. Since the laptop's keyboard and touch pad are permanently attached to the rest of the system, make sure that your hands are clean before using them. Because hand lotion is a major contributing factor to dirt and dust, please make sure your hands are free from lotion before using the computer.

- It is costly to change a laptop keyboard and/or touch pad that has been damaged by excessive dirt.
- Do not place drinks or food in close proximity to your laptop.
- Extreme temperatures or sudden changes in temperature can damage a laptop. You should NOT leave a laptop in an unattended vehicle.
- When using the laptop, keep it on a flat, solid surface so that air can circulate through it. For example, using the laptop while it is directly on a bed can cause damage due to overheating. 1
- ALWAYS keep your laptop plugged into the supplied surge protector when it is plugged in or charging.

#### **4.2 How to Avoid Laptop Computer Theft**

- Due to size and portability, laptop computers are especially vulnerable to theft. Staff members should follow the rules set out below. A staff member will be held personally responsible for any SGF's laptop computers, equipment, and/or accessories that are stolen during the time they have been assigned to that staff member. Below are some tips on how to protect your laptop from being stolen.
- Do not leave a laptop in an unlocked vehicle, even if the vehicle is in your driveway or garage.
- Never leave it in plain sight.
- Be aware of the damage extreme temperature can cause to computers.
- Carry your laptop in a nondescript carrying case or bag when traveling.
- Do not leave a meeting or conference room without your laptop. Take it with you.
- Never check a laptop as luggage at the airport.
- Lock the laptop in your office during off-hours or in a locked cabinet or desk when possible.
- If a theft does occur, notify within 24 hours, the SGF administration.

#### **4.3 Laptop Policy acceptance form**

The acceptance form can have the following content:

*"I understand that all laptop computers, equipment, and/or accessories the SGF has provided to me are the property of SGF. I agree to all of the terms in the SGF Staff Laptop Policy; Network access policy, Internet policy and other ICT related policies. I will return the equipment to the SGF in the same condition in which it was provided to me. I understand that I am personally responsible for any damage to or loss of any laptop computer and/or related*

*equipment and accessories. In case of damage or loss caused by my fault or negligence, I will replace or pay the full cost of replacement of the damaged or lost equipment with equipment of equal value and functionality subject to the approval of the SGF administration.*

*I will not install any additional software or change the configuration of the equipment in any way without prior consultation ICT Officer. I will not allow any other individuals to use any laptop computer and/or related equipment and accessories that have been provided to me by SGF.*

*I understand that a violation of the terms and conditions set out in the policy will result in the restriction and/or termination of my use of the SGF's laptop computers, equipment, and/or accessories and may result in further discipline up to and including other administrative and/or legal action.*

*Names* \_\_\_\_\_

*Unit* \_\_\_\_\_

*Position* \_\_\_\_\_

*Signature* \_\_\_\_\_

*Date* \_\_\_\_\_

*Laptop Computer characteristics (+list of accessories)"*

## **II. BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN**

The objective of a disaster recovery plan is to ensure that SGF can respond to a disaster or other emergency that affects information systems and minimize the effect on the operation of the SGF business. This Disaster Recovery Plan captures, in a single repository, all of the information that describes SGF's ability to withstand a disaster as well as the processes that must be followed to achieve disaster recovery.

A disaster can be caused by man or nature and results in SGF's IT services not being able to perform all or some of their regular roles and responsibilities for a period of time.

The following events can result in a disaster, requiring this Disaster Recovery document to be activated:

- ✓ Fire
- ✓ Flood
- ✓ Power Outage
- ✓ War
- ✓ Theft
- ✓ Terrorist Attack

Note that in the event of a disaster the first priority of SGF is to prevent the loss of life. Before any secondary measures are undertaken, SGF will ensure that all employees, and any other individuals on the organization's premises, are safe and secure.

After all individuals have been brought to safety, the next goal will be to enact the steps outlined

in this plan to bring back to business-as-usual as quickly as possible. This includes:

- ✓ Preventing the loss of the organization's resources such as hardware, data and physical IT assets
- ✓ Minimizing downtime related to IT
- ✓ Keeping the business running in the event of a disaster

This Disaster Recovery Plan document will also detail how this document is to be maintained and tested.

## **1. Scope**

The Disaster Recovery Plan takes all of the following areas into consideration:

- ✓ Network Infrastructure
- ✓ Servers Infrastructure
- ✓ Telephony System
- ✓ Data Storage and Backup Systems
- ✓ Data Output Devices
- ✓ End-user Computers
- ✓ Organizational Software Systems
- ✓ Database Systems
- ✓ IT Documentation

This Disaster Recovery Plan does not take into consideration any non-IT, personnel, Human Resources and real estate related disasters.

## **2. Disaster Recovery Teams & Responsibilities**

In the event of a disaster, different groups will be required to assist the ICT Officer in his/her effort to restore normal functionality to the employees . The different staff and their responsibilities are as follows:

- ✓ Director General
- ✓ Director of Administration and Finance Unit
- ✓ ICT Officer
- ✓ Logistic Officer
- ✓ Communications Officer

### **Director General**

The Director General is responsible for making all decisions related to the Disaster Recovery efforts. His/her primary role will be to guide the disaster recovery process and all other

individuals involved in the disaster recovery process will report to Director General in the event that a disaster occurs at SGF.

### **Role and Responsibilities**

- ✓ Make the determination that a disaster has occurred and trigger the Data Recovery Plan and related processes.
- ✓ Initiate the Data Recovery Call Tree.
- ✓ Be the single point of contact for and oversee all of the Data Recovery Teams.
- ✓ Organize and chair regular meetings of the Data Recovery Team leads throughout the disaster.

### **Director of Administration and Finance Unit**

He/she will be responsible for ensuring that all of SGF's finances are dealt with in an appropriate and timely manner in the event of a disaster. He/she will ensure that there is money available for necessary expenses that may result from a disaster as well as expenses from normal day-to-day business functions.

### **Role & Responsibilities**

- ✓ Ensure there is sufficient cash on-hand or accessible to deal with small-scale expenses caused by the disaster. These can include paying for new equipment, repairs for primary facilities, etc.
- ✓ Communicate with banking partners to obtain any materials such as checks, bank books etc. that may need to be replaced as a result of the disaster

### **ICT Officer**

ICT Officer will oversee the entire disaster recovery process. He/she will be the first Officer that will need to take action in the event of a disaster. He/she will evaluate the disaster and will determine what steps need to be taken to get the SGF back to business as usual.

He/she will be responsible for assessing damage specific to any network infrastructure and for provisioning data and voice network connectivity including WAN, LAN, and any telephony connections internally within the SGF as well as telephony and data connections with the outside world. ICT Officer will be primarily responsible for providing baseline network functionality and may request the assistance as required.

He/she will be also responsible for ensuring that all applications operates as required to meet business objectives in the event of and during a disaster.

### **Role & Responsibilities**

- ✓ Determine the magnitude and class of the disaster
- ✓ Determine what systems and processes have been affected by the disaster
- ✓ Communicate the disaster to Director General and Director of Administration & Finance
- ✓ Determine what first steps need to be taken
- ✓ Keep the management team on track
- ✓ Create a detailed report of all the steps undertaken in the disaster recovery process
- ✓ Install and implement any tools, hardware, software and systems required in the standby facility
- ✓ Install and implement any tools, hardware, software and systems required in the primary facility
- ✓ Notify the relevant parties once the disaster is over and normal business functionality has been restored

### **Logistic Officer**

His/her primary role will be to provide employees with the tools they need to perform their roles as quickly and efficiently as possible.

### **Role & Responsibilities**

- ✓ Maintain lists of all essential supplies that will be required in the event of a disaster
- ✓ Ensure that these supplies are provisioned appropriately in the event of a disaster
- ✓ Ensure sufficient spare computers and laptops are on hand so that work is not significantly disrupted in a disaster
- ✓ Ensure sufficient computer and laptop related supplies such as cables, modems, mice, printers and other equipment are on hand so that work is not significantly disrupted in a disaster
- ✓ Ensure that all employees that request a computer/laptop and other related supplies are provisioned in an appropriate timeframe
- ✓ If insufficient computers/laptops or related supplies are not available she/he will prioritize distribution in the manner and order that has the least business impact

### **Communication Officer**

He/she is responsible for all communication during a disaster. Specifically, he/she will communicate with SGF's employees, clients, and partners and even the media if required.

### **Role & Responsibilities**

Communicate the occurrence of a disaster and the impact of that disaster to all employees, authorities, SGF's partners, media contacts and SGF customers as required.

#### **4. Disaster Recovery Call Tree**

In a disaster recovery or business continuity emergency, time is of the essence so SGF will make use of a Call Tree to ensure that appropriate individuals are contacted in a timely manner.

- ✓ ICT officer will be the first to be contacted;
- ✓ ICT Officer calls Director General and Director of Administration & Finance Unit;
- ✓ Administration & Finance Unit calls Communications and Logistic Officers;
- ✓ Communications Officer calls all concerned staff.

#### **5. Data and Backups**

All backed up data will be kept on DVD and external Hard disk.

#### **6. Communicating During a Disaster**

In the event of a disaster SGF will need to communicate with various parties to inform them of the effects on the business, surrounding areas and timelines. The Communications Officer will be responsible for contacting all of stakeholders.

##### **Communicating with the Authorities**

The Communications Officer's first priority will be to ensure that the appropriate authorities have been notified of the disaster, providing the following information:

- ✓ The location of the disaster
- ✓ The nature of the disaster
- ✓ The magnitude of the disaster
- ✓ The impact of the disaster
- ✓ Assistance required in overcoming the disaster
- ✓ Anticipated timelines

##### **Communicating with Employees**

The Communications Officer's second priority will be to ensure that the entire SGF has been notified of the disaster. The best and/or most practical means of contacting all of the employees will be used with preference on the following methods (in order):

- ✓ E-mail (via SGF e-mail where that system still functions)
- ✓ E-mail (via personal e-mail)
- ✓ Telephone to employee mobile phone number

The employees will need to be informed of the following:

- ✓ Whether it is safe for them to come into the office

- ✓ Where they should go if they cannot come into the office
- ✓ Which services are still available to them
- ✓ Work expectations of them during the disaster

### **Communicating with SGF Clients**

After all of the SGF's employees have been informed of the disaster, the Communications Officer will be responsible for informing clients of the disaster and the impact that it will have on the following:

- ✓ Anticipated impact on service offerings
- ✓ Anticipated impact on the information related to claim files
- ✓ Anticipated timelines

### **Communicating with the Media**

After all of the SGF's employees have been informed of the disaster, the Communications Officer will be responsible for informing media outlets of the disaster, providing the following information:

- ✓ An official statement regarding the disaster
- ✓ The magnitude of the disaster
- ✓ The impact of the disaster
- ✓ Anticipated timelines

## **7. Dealing with a Disaster**

If a disaster occurs in SGF, the first priority is to ensure that all employees are safe and accounted for. After this, steps must be taken to mitigate any further damage to the facility and to reduce the impact of the disaster.

Regardless of the category that the disaster falls into, dealing with a disaster can be broken down into the following steps:

- ✓ Disaster identification and declaration
- ✓ Data Recovery Plan activation
- ✓ Communicating the disaster
- ✓ Assessment of current and prevention of further damage
- ✓ Establish IT operations
- ✓ Repair and rebuilding of primary facility

### **Disaster Identification and Declaration**

Since it is almost impossible to predict when and how a disaster might occur, SGF must be

prepared to find out about disasters from a variety of possible avenues. These can include:

- ✓ First hand observation
- ✓ System Alarms and Network Monitors
- ✓ Environmental and Security Alarms in the Primary Facility
- ✓ Security staff
- ✓ End users
- ✓ 3rd Party Vendors
- ✓ Media reports

Once the Director General has determined that a disaster had occurred, s/he must officially declare that the SGF is in an official state of disaster. It is during this phase that the Director of Administration & Finance Unit must ensure that anyone that was in the SGF premises at the time of the disaster has been accounted for and evacuated to safety according to evacuation Policy if any.

While employees are being brought to safety, the Director General will instruct the Communications Officer to begin contacting the Authorities, Partners and all employees that a disaster has occurred.

### **Data Recovery Plan Activation**

Once the Director General has formally declared that a disaster has occurred the Director of Administration & Finance will initiate the activation of the Data Recovery Plan by triggering the Disaster Recovery Call Tree.

The following information will be provided in the calls:

- ✓ That a disaster has occurred
- ✓ The nature of the disaster (if known)
- ✓ The initial estimation of the magnitude of the disaster (if known)
- ✓ The initial estimation of the impact of the disaster (if known)
- ✓ The initial estimation of the expected duration of the disaster (if known)
- ✓ Actions that have been taken to this point
- ✓ Actions that are to be taken prior to the meeting of management
- ✓ Any other pertinent information

### **Communicating the Disaster**

Refer to the “Communicating During a Disaster” section of this document.

### **Assessment of Current and Prevention of Further Damage**

Before any employees can enter the SGF premises after a disaster, appropriate authorities must first ensure that the premises are safe to enter.

During review of the relevant areas, named team to evaluate the damages must assess any areas where further damage can be prevented and take the necessary means to protect SGF assets. Any necessary repairs or preventative measures must be taken to protect the installations; these costs must first be approved by the Director General.

### **Standby Facility Activation**

The Standby Installation will be formally activated when the Director General determines that the nature of the disaster is such that the primary installation is no longer sufficiently functional or operational to sustain normal business operations.

Once this determination has been made, ICT officer will be commissioned to bring the Standby Installation to functional status after which the Director General will convene a meeting of the various concerned staff to assess next steps. These next steps will include:

- ✓ Determination of impacted systems
- ✓ Recovery measures required
- ✓ Assignment of responsibilities
- ✓ Schedule for recovery
- ✓ Determination of further actions to be taken

### **Restoring IT Functionality**

Refer to the “Restoring IT Functionality” section of this document.

### **Repair & Rebuilding of Primary Facility**

Before the SGF can return operations to Primary Facilities, those facilities must be returned to an operable condition. The tasks required to achieve that will be variable depending on the magnitude and severity of the damage. Specific tasks will be determined and assigned only after the damage to Primary Facilities has been assessed.

### **Restoring IT Functionality**

Should a disaster actually occur and SGF needs to exercise this plan, this section will be referred to frequently as it will contain all of the information that describes the manner in which the information system will be recovered.

### **Plan Testing & Maintenance**

While efforts will be made initially to construct this Data Recovery Plan is as complete and accurate a manner as possible, it is essentially impossible to address all possible problems at any one time. Additionally, over time the Disaster Recovery needs of SGF will change. As a result of these two factors this plan will need to be tested on a periodic basis to discover errors and omissions and will need to be maintained to address them.

### **Maintenance**

The Data Recovery Plan will be updated annually or any time a major system update or upgrade is performed, whichever is more often. ICT Officer will be responsible for updating the entire document.

Maintenance of the plan will include (but is not limited to) the following:

- ✓ Ensuring that call trees are up to date
- ✓ Reviewing the plan to ensure that all of the instructions are still relevant to the SGF
- ✓ Making any major changes and revisions in the plan to reflect SGF changes and goals
- ✓ Ensuring that the plan meets any requirements specified in new laws
- ✓ Other specific maintenance goals

### **Testing**

SGF is committed to ensuring that this Data Recovery Plan is functional. The Data Recovery Plan should be tested every year in order to ensure that it is still effective.

**MODULE VI:**

**PUBLIC RELATIONS AND COMMUNICATION POLICIES AND  
PROCEDURES**

## CHAPTER 1: COMMUNICATION

The purpose of this chapter is to establish guidelines and requirements for describing relevant internal and external communications between the SGF and its stakeholders to promote effectiveness and efficiency that enables SGF achieve its strategic objectives.

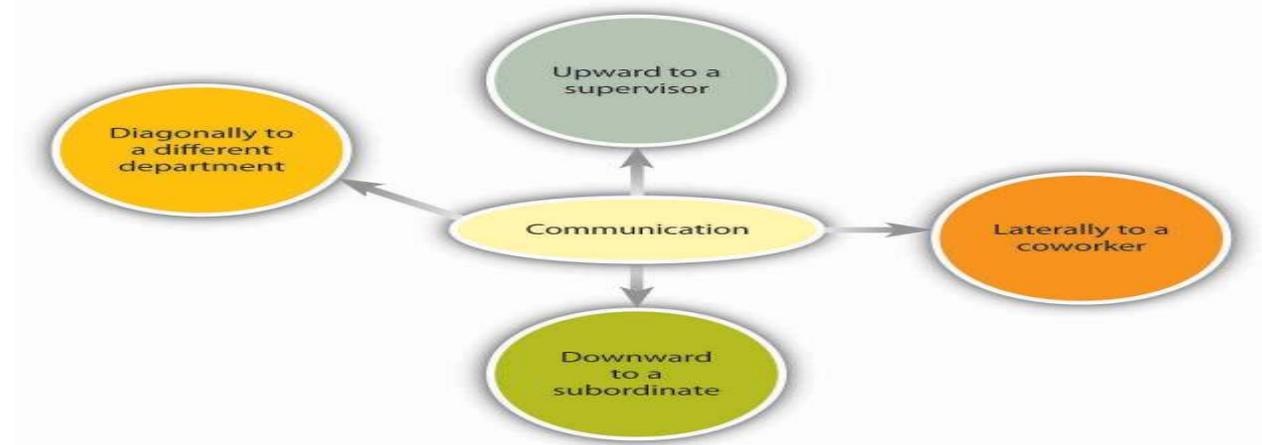
In general, there are four forms of internal communication activity within SGF:

- ✓ Work: the communication that is needed for the employees to be able to perform their daily duties;
- ✓ News and current situation: information about the current situation must always be available both concerning internal and external events that can have an impact on SGF;
- ✓ Control and change: information about SGF objectives, plans, guidelines, regulations, etc.
- ✓ Value and culture: the communication that concerns the attitudes of SGF, ethics and the stance on corporate responsibility and environmental issues.

### 1.1 INTERNAL COMMUNICATION PROCESS

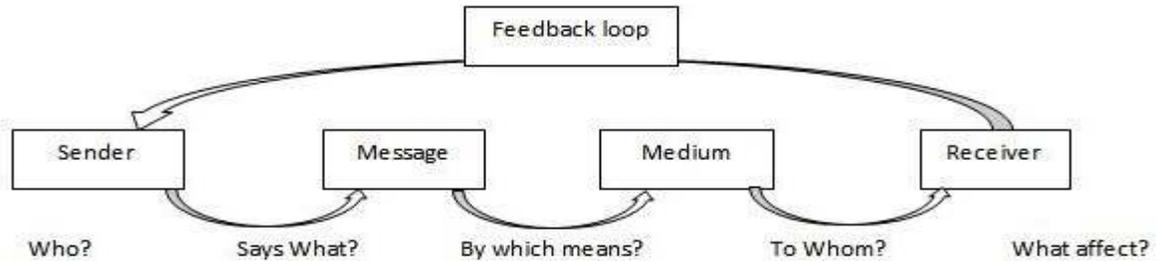
Responsibility and accountability for internal communications within SGF is built under the following principles:

- ✓ Communication should be succinct, timely and relevant to the audience;
- ✓ There should be a clear statement of purpose in what is communicated e.g. for action, information or comment;
- ✓ All staff should be open but explicit about which issues are confidential and to who and which are professionally sensitive;
- ✓ The internal communication aims to reinforce SGF staff's commitment to its standards;
- ✓ The communication shall be upward (from subordinate to supervisor), downward (from supervisor to subordinate), lateral (from staff to staff) and diagonal (from unit to another unit) as shown on the diagram below:



### SGF basic model of internal communication

Below is a diagram showing the basic model of communication in SGF:



The model displays the way the transmitter, via a medium (channel), sends a message to the recipient. The message has certain effects on the recipient that reacts to this by giving feedback to the transmitter. For instance, could be that the Management or the in-charge of information are the transmitters, the channels are intranet, oral meetings, etc. and the employees are the recipients that can give feedback. The message is however not always received as wished for due to misinterpretation by receivers or the ambiguity of the message.

Internal communication to be able to reach out effectively, the SGF has to create linkages between the different internal channels which are oral, written and electronic mediums. For this regard, it is the responsibility of the Management of SGF to ensure update of these communication policies and procedures as well as their effective implementation between and within the various levels of responsibility and functions (i.e., units, areas of operation, staff, etc).

Mainly there are three channels that SGF uses for spreading information which are Oral, Written and Electronic.

- ✓ **Oral channels/mediums** are a fundamental prerequisite for the continuous development at a workplace because of the oral contacts. Examples of these are planned informal meetings, conferences, seminars etc. The oral dialogue has clear advantages since it deals with direct contact and has great possibilities for exchange of ideas. Also everyone's opinion can be heard and everyone can ask questions.
- ✓ **Written channels/mediums** regards printed information on paper or other materials. For example this can be presentations, reports, newsletters, etc. The advantages with these channels are that the reader can go back to the information again if he/she has forgotten something and that they can reach the receiver in several different places. If the material is written, to correct the risk for misinterpretation also decreases. On the other hand these

channels reduce the possibilities for either-way communication and dialogue. These facts make these channels best suited for presentation of facts and documentation but on the contrary not in the purpose of fostering two-way communication.

- ✓ **Electronic channels/mediums** are for example e-mail, Intranet, video conference, TV, CD-ROM, databases, video, radio, movie etc. The channels among these which enable dialogue are called interactive mediums. The important factors regarding these channels are that the responsible people must have enough knowledge concerning the technical aspects and that the channels have to be integrated with the other channels in an appropriate way.

Oral channel of internal communication is commonly used during meetings to resolve issues, coordinate activities and/or transmit information to the concerned individual (s) through, units' meetings, staff meetings, management meetings, Board meetings, oral communications for day-to-day operations (among staff, between staff and supervisor (s), and communication between the SGF staff and customers, etc). In addition, telephone conversation is another medium of internal communication within SGF that is sometimes useful to transmit or request for information.

#### **Units' meetings**

- ✓ Except in case of urgency, units meetings are timetabled at least one (1) working day before so that everyone knows what to expect and when;
- ✓ Unit meeting is held once (1) per week and/or whenever deemed necessary;
- ✓ The Director of unit/Supervisor invites the participants in writing and/or orally and inform the participants about the meeting agenda at least one (1) working day before the start of the meeting;
- ✓ The Director of unit/Supervisor chairs the meeting and nominates the note taker/secretary to the meeting right before the start of the meeting;
- ✓ Participants freely expresses their views and opinions on issues discussed in relation to the meeting agenda during the meeting;
- ✓ The participants review the draft of minutes of the meeting produced by the note taker to make corrections where necessary before transmission to the chairperson of the meeting for final review;
- ✓ Meeting resolutions are forwarded to participants and/or relevant audience not later than one (1) after the end of the meeting and
- ✓ The minutes of meetings are signed by participants, then signed by the chairperson of the meeting and approved thereafter not later than three (3) working days after the meeting and

- ✓ The minutes of meetings, any action notes arising from them, and required follow up need to be documented, held on file (either paper based or electronic as appropriate) and forwarded to participants and/or relevant audience just after approval and signing.

### **Staff meetings**

- ✓ Except in case of urgency, staff meetings are timetabled at least one (1) week before so that everyone knows what to expect and when;
- ✓ Staff meeting is held once (1) per month and/or whenever deemed necessary;
- ✓ The Director General or any other person empowered by him/her invites the participants in writing and/or orally and inform the participants about the meeting agenda at least one (1) week before the start of the meeting;
- ✓ The Director General or any other person empowered by him/her chairs the meeting and nominates the note taker/secretary to the meeting right before the start of the meeting;
- ✓ Participants freely expresses their views and opinions on issues discussed in relation to the meeting agenda during the meeting;
- ✓ The participants review the draft of minutes of the meeting produced by the meeting secretary to make corrections where necessary before transmission to the chairperson of the meeting for final review;
- ✓ Meeting resolutions are forwarded to participants and/or relevant audience not later than one (1) day after the end of the meeting and
- ✓ The minutes of meetings are signed by the Secretary and the chairperson of the meeting not later than three (3) days after the meeting and
- ✓ The minutes of meetings, any action notes arising from them, and required follow up need to be documented, held on file (either paper based or electronic as appropriate) and forwarded to all staff just after approval and signing of the minutes of the meeting.

### **Management meetings**

- ✓ Except in case of urgency, management meetings are timetabled at least one (1) day before so that everyone knows what to expect and when;
- ✓ Unit's meeting is held once (1) per week and/or whenever deemed necessary;
- ✓ The Director General invites the participants in writing and/or orally and inform the participants about the meeting agenda at least one (1) day before the start of the meeting;
- ✓ The Director General chairs the meeting and nominates the note taker/secretary to the meeting right before the start of the meeting;
- ✓ Participants freely expresses their views and opinions on issues discussed in relation to the meeting agenda during the meeting;
- ✓ The participants review the draft of minutes of the meeting produced by the note taker to make corrections where necessary before transmission to the chairperson of the meeting for final review;
- ✓ Meeting resolutions are forwarded to participants and/or relevant audience not later than one (1) day after the end of the meeting and

- ✓ The minutes of meetings are signed by participants, then signed by the chairperson of the meeting and approved thereafter not later than three (3) days after the meeting;
- ✓ The minutes of meetings, any action notes arising from them, and required follow up need to be documented, held on file (either paper based or electronic as appropriate) and forwarded to participants and/or relevant audience just after approval and signing of the minutes of the meeting.

### **Board meetings**

- ✓ Board meetings are timetabled at least one (1) week before so that everyone knows what to expect and when;
- ✓ Documents to be used during the Board meeting are availed at least four (4) days before the meeting;
- ✓ The Board members review the draft of minutes of the meeting to make corrections where necessary before transmission to the chairperson of the meeting for final review;
- ✓ Meeting resolutions are forwarded to participants and/or relevant audience not later than one (1) day after the end of the meeting;
- ✓ The minutes of meetings are signed by Board members, then signed by the chairperson of the Board of Directors and approved thereafter and
- ✓ The minutes of Board meetings, any action notes arising from them, and required follow up need to be documented, held on file (either paper based or electronic as appropriate) and communicated to the SGF staff.

### **Oral channel for day-to-day operations**

Oral channel for day-to-day operations is obvious and done regularly for effective coordination of activities, information gathering, consultation and etc to ease friendly working environment and promote team work, good staff relations and regular interactions within SGF.

### **Written channels**

Written channels within SGF are mainly printed reports (activities reports, progress reports, audit reports, compensation & transaction committee reports, financial statements reports, field visits reports, official mission reports, etc), printed minutes of meetings, printed or handwritten memos, information and announcements published on the notice board, etc.

Writing provides a relatively permanent record of the information and it also allows the sender to prepare a message carefully at a convenient time of his/her choosing, and allows the receiver to read it at his or her convenience and prepare a carefully worded reply.

Even though the written channel is increasingly disappearing as the SGF is quickly adopting the electronic document management system (EDMS) and other electronic channels, however, they

are still used in some cases. Following are policies and procedures of written channels within SGF:

- ✓ Any written channels used within SGF shall be other than the one incorporated in EDMS and/or other electronic channels and communication tools used within SGF and shall be deemed necessary and approved by the Management;
- ✓ While using written channels, the information shall be short and concise;
- ✓ Every staff that uses written channels to communicate ensures that he/she writes down his/her full names, job position, the name and job position of the receiver, date, the subject and writer’s signature;
- ✓ The receiver provides inform the sender that the information has been received and he/she provides feedback;
- ✓ Both the sender and receiver file the record of the information and/or message.

Here below is a summarized comparison between the use of written and verbal communication within the SGF:

Use Written Communication When:	Use Verbal Communication When:
conveying facts	conveying emotion and feelings
the message needs to become part of a permanent file	the message does not need to be permanent
there is little time urgency	there is time urgency
you do not need immediate feedback	you need immediate feedback
the ideas are complicated	the ideas are simple or can be made simple with explanations

### Electronic channels

- ✓ Within the business, Intranets are in place that enables information to be shared to facilitate communication across the business. The Intranet is as follows a local SGF network that the employees within SGF have access to. In other words the Intranet is the SGF’s own Internet on the existing Internet that only SGF staff has access to. Since the information is available on the Intranet everyone within the SGF can access this updated information at the same time. The Intranet is gradually becoming the primary arena to distribute information internally. To quickly be able to reach relevant information is a prerequisite in the effort of the SGF staff to be able to make fast decisions, be effective

and service minded and therefore become an important competitive weapon for the company. An example of intranet currently operating at SGF is the EDMS which is used for internal memo, stock requisition; transport requisition; leave application and etc.

- ✓ Internet shall be used for E-mail as an important communications service. It shall be used to send electronic text messages among SGF staff and between SGF staff and other stakeholders. Pictures, documents and other files are sent as email attachments. Emails may be Cc to multiple email addresses.
- ✓ Telephone conversation is an informal electronic channel used for regular operations usually from long distance and/or when other channels are not useful or inefficient for gathering information, for providing clarification, for consultation, quick guidance from supervisors to subordinates, quick reaction, etc.
- ✓ SMS is an informal electronic communication channel to be used in case of communicating/reminding a particular work to be done as soon as possible /issue to be addressed urgently, in case of communicating an unexpected event that occurred which in turn led to unavailability of the staff and/or changes affecting the work, etc.

### **Policies, roles and responsibilities related to E-mail**

Employees are encouraged to use email where appropriate in the conduct of SGF business; Email accounts on SGF's server are provided for all SGF employees. Because email is the primary way the SGF will communicate important information, employees are responsible to check for new email messages frequently during working hours.

Email related to SGF business is recognized as official correspondence. Whether printed or not, it is subject to the same policies, rules, and procedures, and must be treated in the same manner as any SGF correspondence sent or received in printed format.

Documents attached to email messages sent or received in the course of conducting SGF business must be retained in accordance with the records management procedures and retention schedules applicable to such attachments;

Employees are prohibited from deleting any email messages, with the following exceptions:

- ✓ Unsolicited email advertisements, etc. (Spam)
- ✓ Personal correspondence not related to SGF business.
- ✓ Routine correspondence such as but not restricted to: announcements and general mailings such as newsletters, press releases, etc.
- ✓ System generated messages indicating that the person has either accepted or declined attendance at a meeting.

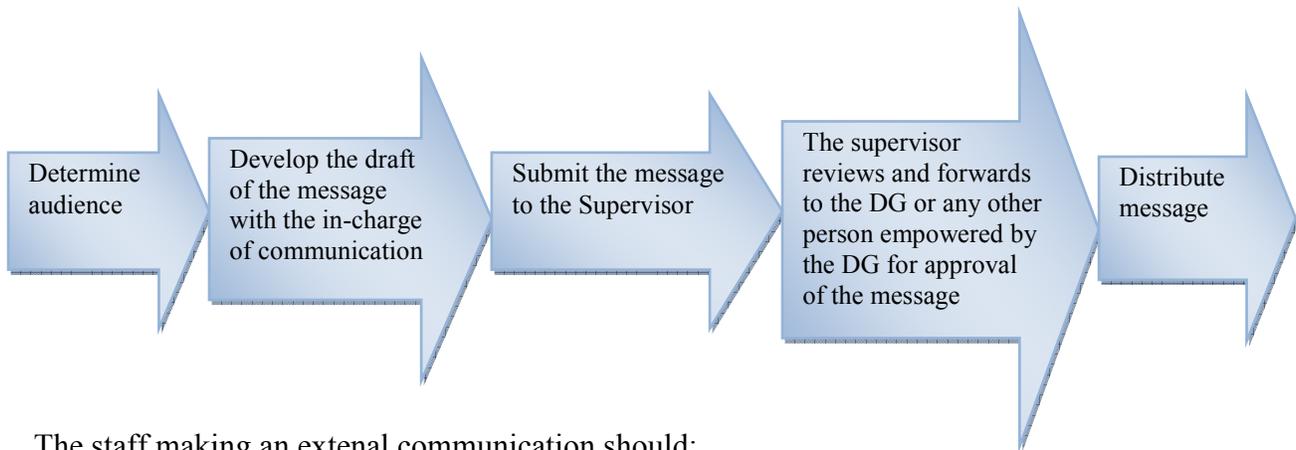
- ✓ Messages that are, according to the applicable records retention schedules, due to be purged.

Employees are responsible for proper management of their emails. This includes messages sent and received.

## 1.2 EXTERNAL COMMUNICATION PROCESS DESCRIPTION

SGF must be open to providing individuals, groups, agencies and other organizations with communication and receiving it from them. All such communications should be documented (i.e., written down), recorded (i.e., filed for future reference), and responded to promptly and appropriately.

**IDENTIFY → DRAFT → CONSULT → SUBMIT → DELIVER**



The staff making an external communication should:

- ✓ Determine audience to ensure the audience receives the message;
- ✓ Develop the draft message with the in-charge of communication: The draft of the message is produced together with the in-charge of communication that ensures that it is clear and easy to be understood by the target audience;
- ✓ Submit the draft of the message to the supervisor: The supervisor is supposed to review the message (edit the content, the grammar, punctuation, flow, etc). Note that, once the approver receives the message it is imperative that the communication is reviewed in a timely and efficient manner;
- ✓ The supervisor reviews and forwards to DG or any other person empowered by the DG for approval of the message: The approver will either approve the communication for distribution or send it back to the person who drafted the message for further editing;
- ✓ Distribute the message: The message is distributed to the target audience.

Following is a non exhaustive list of medium through which SGF for external communication:

### **1) SGF internet website**

The SGF website serves as the official SGF publication, and will be readily available to staff, other stakeholders and the general public.

- Information to be published is validated and/or approved by the Director General or any other person empowered by the latter.
- After approval and/or validation of information to be published to SGF website, the in-charge of communication ensures the publication is done on time. However, the in-charge of communication may have recourse to the in-charge of IT and/or the webmaster for support.

### **2) Other websites of a wide readership**

SGF may prefer to publish information through other websites of a wider readership. However, information to be published shall be validated and/or approved by the Director General or any other person empowered by the latter. The in-charge of communication shall ensure that the publication is done timely, appropriately and accurately.

### **3) Social media**

It is the media for social interaction, using highly accessible and scalable publishing techniques. Websites include, but is not limited to, Facebook, Twitter, LinkedIn, Foursquare, YouTube, Flickr, etc.

- ✓ Information to be posted and/or published on social media is validated and/or approved by the Director General or any other person empowered by the latter.
- ✓ The in-charge of communication publishes information and monitors that the information published and/or posted on social media; tracks reactions and comments from the public and he/she forwards comments to the concerned SGF staff that provides feedback. Again, the feedback to be provided must be approved by the Director General and/or any other empowered by the latter.

### **4) Advertising**

The in-charge of communication and public relations is responsible for SGF related advertising, which includes, but is not limited to broadcast, print, outdoor, online and interactive advertising, etc.

However, advertising shall be approved and/or validated by the Director General and/or any other person empowered by the latter.

### **5) Pull ups, Billboards and/or Banners**

Pull ups, Billboards and/or banners are used to communicate to a large target audience in roundabouts, at SGF offices, in converging points and/or most frequented areas, etc.

## **6) SGF Notice board and other postings**

The SGF notice board and other postings are used to publish information such as announcements (communiqué), notices, etc. SGF shall have a notice board at the main offices and each communiqué and/or notice shall be signed and stamped by the Director General or any other person empowered by the latter.

## **7) SGF's annual reports and other published documents**

- ✓ The SGF's annual reports and other published documents must be approved by the Board of Directors or by the Director General;
- ✓ The published annual reports and/or documents must bear the SGF logo, SGF stamp and signature (s) of the approver for the purpose of authenticity.

## **8) Brochures, Leaflets and/or stickers**

Information contained on brochures, leaflets and/or stickers shall be reviewed and approved by the Director General or any other person empowered by the him/her.

## **9) Toll free/hotline**

A 'hot-line' telephone number is used for customers' complaints, requests for information and clarification, etc.

The in-charge of responding to phone calls records the following information:

- ✓ Full names of the caller;
- ✓ Full address of the caller (Province, district, sector, cell and village);
- ✓ Claim file number (in case the caller has reported his/her claim to SGF);
- ✓ Date and time of call;
- ✓ Caller's phone number;
- ✓ Brief description of complaint/request for information and/or clarification and
- ✓ Any other information deemed necessary.

The in-charge of responding to phone calls produces daily, weekly, monthly, quarterly and annual reports on received calls. He is also responsible to direct complaints, requests for information and/or clarification to the relevant staff as soon as possible and he/she shall monitor whether the feedback has been provided. He keeps a call register and ensures that there are both soft and hard copies of received phone calls records.

## **10) Badges and/or Service cards**

Badges and/or service cards often containing insignia and/or logo of the SGF are used to indicate the staff names and position in the organization. Badges always contain a photo of the staff whereas service cards do not contain a photo of the staff.

### **11) Newspapers, Magazines and/or papers**

Newspapers and magazines are commonly used to communicate articles in the news media, announcements and/or advertisements, etc whereas papers are used as a medium to publish some articles and particular subjects.

- ✓ The information to be published in newspapers, magazines and/or papers shall be reviewed and approved by the Director General or any other person empowered by him/her before publication.
- ✓ The in-charge of communication ensures the publication of articles, announcements and/or advertisements in newspapers, magazines, etc timely and accurately.

### **12) Television and/or Radio**

Televisions and/or radios are often used for talk shows and/or town meetings; broadcast and/or diffusion of emissions and/or TV/Radio programmes on SGF activities, mission and other particular issues, sketches on SGF mission and activities, etc. This medium is very interactive and has a high probability of reaching a big number of target audiences. In addition, this medium is also useful for announcements and/or advertisements on SGF mission and activities, prevention of accidents, etc.

- ✓ Information to be channelled through television and/or radio is reviewed and approved by the Director General and shall be accurate and reliable;
- ✓ Talk shows and/or town meetings are headed by the management of SGF;
- ✓ For diffusion of emissions and/or TV/Radio programmes, persons to be addressed to by the media are the Director General or any other person empowered by him/her such as the Directors of Units.

### **13) Videos and/or video conferences**

Videoconferencing (VC) is the conduct of a videoconference (also known as a video conference or video teleconference) by a set of telecommunication technologies which allow two or more locations to communicate by simultaneous two-way video and audio transmissions. It has also been called 'visual collaboration' and is a type of groupware whereas videos are used to display information, news, recorded emissions and/or broadcasts, etc. Videos and/or video conferences are used by SGF when deemed necessary after approval by the Director General or any other person empowered by him/her.

### **14) Exhibitions**

Exhibitions are usually done through an organized presentation and display of a selection of Products and/or services temporarily and usually scheduled to open and close on specific dates, and usually open to the public. SGF may also take an opportunity for exhibition through national trade fair (trade show, trade exhibition) commonly called expo Rwanda whereby a lot of traders industries and businesses exhibit their products and/or services to the public including nationals and foreigners.

### **15) Meetings, conferences, workshops, trainings and/or Seminars**

Meetings, conferences, workshops, trainings and/or seminars are part of formal medium used to address the target audience through official invitation to attend the former. They are more interactive and consultative.

### **16) Reports to government on compliance and other matters**

Reports to government on compliance and other matters are part of formal medium used to comply with reporting requirements such as financial reports, audit reports, etc. Policies and procedures for these reports must be in accordance with existing policies, procedures, regulations and instructions for reporting.

### **17) Road show and/or walk**

Road show and/or walk are used whereby a group of people travels to different places to entertain people or to advertise something. This is supported by materials such as banners, T-shirts containing a particular message, etc.

### **18) Campaigns**

Campaigns are defined as series of coordinated activities such as public speaking and demonstrating, designed to achieve a particular goal (social, political, etc goal). SGF may prefer to use this medium for prevention of accidents and frauds, awareness of SGF activities and mission, etc. Campaigns are composed by a mix of different communications medium.

### **19) Field visits**

Field visits are organized by SGF to go to the ground (place of accidents and/or damages) to observe a particular accident/damage that occurred such as road accident and/or wild animals' damages and interact with local population and witnesses in order to collect information related to accidents and/or damages, etc.

### **20) Press releases**

A press release, news release, media release, press statement or video release is a written or recorded communication directed at members of the news media for the purpose of announcing something ostensibly newsworthy. SGF may prefer to use this medium communicate to the media. This is also an effective way of communicating information which is supposed to reach a particular target audience and the general public.

### **21) Official or Formal letters/Corporate letters**

Formal letters/corporate letters are part of official correspondences between SGF and other organizations either public or private. They very useful and must be signed or approved by the Director General or any other staff empowered by the latter and they must bear SGF stamp. In addition, formal letters must have SGF logo and full SGF address (name of SGF in full, website, email, and postal code; Fax and office phone number.

## **22) Talk and/or respond to the press (media)**

In some cases, SGF may be invited by the media to respond to particular questions and/or issues raised. In these cases, SGF is represented by its spokesperson who is the Director General or any other staff delegated or empowered him/her to speak on behalf of SGF.

## **23) SGF spokesperson**

A person that speaks on behalf of the institution. That person is the Director General or any other staff empowered by him/her to speak on behalf of SGF to address the public.

## **24) Brand image**

- The in-charge of communication develops branding standards related to the SGF, which includes, but is not limited to, the name, logo, slogan, colours, fonts and visual representation of the SGF.
- Under the guidance of the Director General, he/she will develop branded items related to the SGF business.
- The Board of Directors approves changes to the College logo, brand and slogan before it is utilized.

## **CHAPTER 2. PUBLIC RELATIONS POLICIES AND RPOCEDURES**

### **2.1. INTRODUCTION**

The purpose of public relations policies and procedures is to have a two-way communication which is balanced (symmetric) and a mutual understanding and/or adjustment between SGF and its stakeholders leading to identifying, building, and sustaining mutually beneficial relationships and managing SGF's reputation. This involves building good relations with SGF's various publics by obtaining favourable publicity, building up a good corporate image, and handling or heading off unfavourable rumours, stories, and events.

Public relations is the management function that identifies, establishes, and maintains mutually beneficial relationships between an organization and the various publics on whom its success or failure depends. All SGF stakeholders can either help or hinder your organization's mission. The function of public relations is to manage the relationships between these stakeholders and the organization.

**PUBLIC RELATION INVOLVES-**

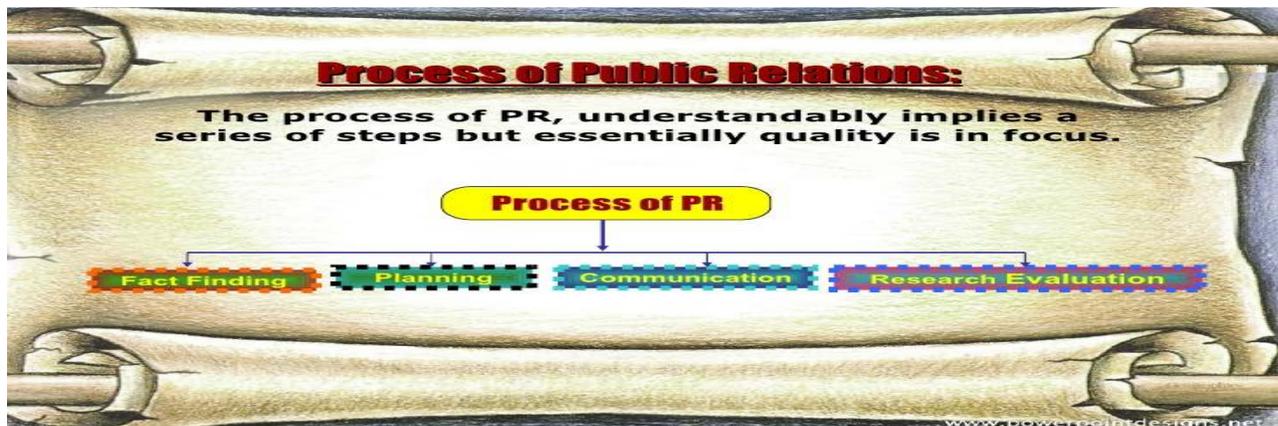
1. Evaluation of public attitudes and opinions.
2. Formulation and implementation of an organization's procedures and policy regarding communication with its publics.
3. Coordination of communications programs.
4. Developing rapport and good-will through a two way communication process.
5. Fostering a positive relationship between an organization and its public constituents.

- ✓ The in-charge of Public relations shall help SGF make better policies and services, and communicate more effectively with all of their publics.
- ✓ He/she ensures that SGF’s publics are “heard,” and that everything SGF does, as far as possible, is in their publics’ best interest.

**2.1 PUBLIC RELATIONS PROCESS DESCRIPTION**

Creation and maintenance of a good public reputation is a complex and ongoing process. Without an effective PR, it is very difficult to reach the attention of the target audience and much less to influence their opinion and decisions. But when the relationship with the target group is finally established, it needs to be maintained in order to keep it on a high level. The process works similar to the interpersonal relationships. When two people lose contact, they pretty much disappear from each other lives no matter how close they used to be. And the same happens with the target audience if the established relationship is not maintained.

Here below is the process of public relations:



### **Fact finding**

- ✓ The in-charge of public relations must understand corporate objectives and know various publics.
- ✓ He/she has to find out the problems and challenges, strengths and weaknesses of the organization by personal as well as collective efforts.

### **Planning**

There are at least four primary reasons for planning public relations programmes:

- ✓ To estimate costs and man-hours involved;
- ✓ To decide priorities among multitude of operations;
- ✓ To set targets for public relations operations and
- ✓ To consider the feasibility of carrying out the intended objectives according to available resources.

#### **2.3.3. Communication**

One of the most important human innovations in the new millennium is the increasing speed in information transfer. In essence, innovation in information transfer is bringing organizations closer to stakeholders who will ultimately utilize the information of relevance to them.

#### **2.3.4. Research and evaluation**

Research and evaluation will undoubtedly strengthen the public relations profession. Research in public relations is not a separate subject. The whole purpose of fact finding and planning will go haywire (stop working properly) unless the research and evaluation objectives are kept constantly in view. Those are the very essence of successful public relations activities.

For research and evaluation purposes, the in-charge of public relations and communication performs the following:

- ✓ Monitor the performance of public relations and communication on a regular basis basing on key public relations and communication performance indicators (KPIs);
- ✓ Produce progress reports on public relations and communication monthly, quarterly, in mid-term and at the end of the year;
- ✓ Review targets and/or benchmarks set for public relations and communication operations to be measured to identify their meaning and clear definitions in mid-term and at the end of the year;
- ✓ Set the context for standardized measures of Public Relations activities to determine return on investment (ROI) of public relations and communications such as awareness of SGF mission and activities, public access to information related to SGF (through SGF website and/or other websites), volume of media coverage of emissions/broadcasts on SGF mission and activities, level of reached target audience, level of perception of the

public about SGF, relevance of SGF programs towards the population, intensity of interest, level of engagement in actions for accidents and fraud prevention; customer satisfaction in good service delivery and etc;

- ✓ Assure that the measures used to gauge public relations effectiveness are valid;
- ✓ Set up prototype questions and sub-questions and responses categories;
- ✓ Choose the appropriate data collection method (quantitative and/or qualitative methods) to be used for public relations measures;
- ✓ Collect, analyse, tabulate and interpret data;
- ✓ Produce reports on findings and recommend the management for future corrective and/or preventive actions to achieve public relations and communication objectives.

In order to build a relationship with the target audience and maintain it on a high level, the SGF use a variety of tools and techniques. Some of the most common ones include:

- **Newspapers**

Though broadcast media have become the prominent influence in our society, newspapers retains a powerful position. Through newspapers many information of public relations are able to reach many external publics of an organization.

- **Radio**

Radio is primarily a medium of news and entertainment with commentaries, talk shows, advertising and debate. This is also another good public relations tool. For this the ways to reach the target audience are:

- ✓ Through news and information;
- ✓ Through entertainment programmes;
- ✓ Through the feature programmes;
- ✓ etc

- **Television**

Television is now the most pervasive and the most influential medium of mass communication. TV has impact and realism is welcomed everywhere and is readily available as a publicity medium, advertising, etc.

- **Magazines**

Magazines are important medium for services/products news; feature stories and pictorial publicity which afforded space to tell a complete story are particularly suitable for service publicity articles.

- **Films**

The film is a very powerful medium of public relations, as a medium of communication, research, entertainment, etc.

- ✓ It has greater impact because of its powerful appeal to eye, ear and senses;
- ✓ It has effective learning aid on account of auditory and visual qualities;
- ✓ It has accurate reproduction of objects and events;
- ✓ It has clarity;
- ✓ It has long life-span and measurability of circulation and effectiveness statistically.

Films and documentaries will later be put on DVDs and CDs, or converted into web streaming and web-casting materials to be posted on the SGF website. In some cases, the material can be used directly by TV networks.

- **Attendance at public events.**

In order to attract public attention and keep it engaged with a particular organization or an individual, SGF take an advantage of every public event and the opportunity to speak publicly. This enables to directly reach the public attending the event and indirectly, a much larger audience.

- **Press releases.**

Information that is communicated as a part of the regular TV or/and radio programme, newspapers, magazines and other types of mainstream media achieves a much bigger impact than advertisements. This is due to the fact that most people consider such information more trustworthy and meaningful than paid advertisements. Press release is therefore one of the oldest and most effective public relations tools.

- **Newsletters**

Sending newsletters, relevant information about the organization or/and its products/services - directly to the target audience is also a common method to create and maintain a strong relationship with the public. Newsletters are also a common marketing strategy but SGF use it to share news and general information that may be of interest to the target audience rather than merely promoting products/services.

- **Blogging**

To reach the online audience, SGF uses the digital forms of press releases and newsletters but SGF shall also use a variety of other tools such as blogging. It allows SGF to create and maintain a relationship with the target audience as well as establish a two-way communication. In any case, posting information on specific SGF issues, business, or topics of interest must receive approval from the SGF's Director General prior to posting on any blog.

- **Social media marketing**

Like its name suggests, it is used primarily by the marketing industry. Social media networks, however, are also utilized by a growing number of institutions/organizations to establish a direct communication with the public, customers and other target groups.

- **Press conferences and interviews**

Meetings organized for the purposes of distributing information to the media and answering questions from reporters. Press conferences are led by the SGF management or any other appointed press liaison.

- **Memorandum of understanding (MoU)**

MoU describes a bilateral or multilateral agreement between two or more parties. It expresses a convergence of will between the parties, indicating an intended common line of action. It is often used in cases where parties either do not imply a legal commitment or in situations where the parties cannot create a legally enforceable agreement. It is a more formal alternative to a gentlemen's agreement.

- **Suggestion box**

A suggestion box is a device used for obtaining additional comments, questions, and requests. The box is used for collecting slips of paper with input from SGF customers, etc. Suggestion boxes may also exist internally, within an organization, such as means for garnering employee inputs.

- **Complaints register**

The complaints register serves to collect different questions and/or requests from customers generally in case of dissatisfaction and/or requests which in return are directed to concerned services within SGF in order to solve them or to provide feedback.

## **2.4. Summarized roles played by the in-charge of public relations in SGF**

### **2.4.1. Advocate**

The in-charge of public relations advocates for the SGF. He/she must focus all energy on building an organization that will be deemed a good corporate citizen. He/she is the mouthpiece for management and in political circles known as the press secretary.

### **2.4.2. Communicator**

The in-charge of public relations crafts communications policies and oversees the development of all statements and news releases for the SGF. Note that communications must be clear, concise and relevant to the audience.

### **2.4.3. Problem solver**

It is the job of the in-charge of public relations to put the best face on news and information that could embarrass or malign the SGF's reputation. He/she will be called upon to polish mundane (very ordinary and therefore not interesting) information into platinum data that gives SGF more credit than would ordinarily be due to routine accomplishments.

### **2.4.4. Opinion master**

The in-charge of public relations directs all outreach efforts. He/she is responsible for media placements and coordinating SGF functions and the efforts of executives. It is his/her responsibility to determine the executive appropriate for each situation and ensure that the person has approved information and statements in hand.

## **2.5. Uses of public relations**

### **2.5.1. Customer complaints and redressal**

- ✓ It is an opportunity to cement relations with customer
- ✓ Very important in the service and hospitality

### **2.5.2. Combating rumours/falsehoods**

- ✓ Confront and disclose facts in leading media
- ✓ Give positive side of the story
- ✓ Capitalize on rumour to your benefit
- ✓ Rumour can be dismissed as ridiculous.

The appropriate use of public relations is a very important component of the entire communications mix of the SGF.

## **2.6. Detailed responsibilities of the in-charge of public relations and communication**

The in-charge of public relations and communication:

- ✓ Monitors public opinion regarding an organization and particular issues;
- ✓ Develops and implements communication strategies for an organization and advises the management on communication issues and strategies;
- ✓ Plans public relations programs, including the preparation of cost budgets;
- ✓ Presents arguments on behalf of an organization to government, other organizations and special interest groups;
- ✓ Responds to enquiries from the public, media and other organizations;
- ✓ Arranges interviews with journalists, prepares and distributes media releases, and liaise with and make statements to the media;
- ✓ Writes edits and arranges production of newsletters, in-house magazines, pamphlets and brochures;

- ✓ Assists with preparing organizational documents such as annual reports, corporate profiles and submissions;
- ✓ Writes speeches, prepares visual aids and make public presentations;
- ✓ Overseas production of visual, audio and electronic material, including managing the SGF website;
- ✓ Organizes special events such as conferences, visits, exhibitions, etc;
- ✓ Conducts internal communication courses, workshops and media training;
- ✓ Develops risk assessments and implement crisis management plans to ensure SGF's reputation is maintained;
- ✓ Plans, develops and manages brand identity;
- ✓ Organizes and manages events, exhibitions, conferences and service launch;
- ✓ Procure sponsorship deals;

## **CHAPTER 3: COURIER AND TELEPHONE MANAGEMENT**

### **3.1 Courier Management**

Each official courier/document submitted to or sent by the SGF or bearing its stamp must be signed by the Director General or his official. This stamp should be kept only by the Administrative Assistant of the Director General.

In any circumstance, the SGF couriers should be initiated from the department and confirmed by the Director of Unit before it is signed by the Director General. The aforementioned courier shall have its reference number.

Each courier to be transmitted shall be registered in the registry (out) before it is released by the receptionist. One copy of the courier shall be filed by the Administrative Assistant who will register it and send a copy of it the initiator. Documents of Board of Directors of SGF are recorded as SGF couriers.

### **3.2 Fax and couriers Management**

Each fax received by SGF follows the same channel of received or sent couriers after being registered by the Administrative Assistant. The same procedure is used for electronic couriers. The receptionist keeps a copy of each fax and mail and registers them using the appropriate software.

### **Information and communications**

- Administrative information systems that provide necessary information to the appropriate people, at the necessary level of detail, on a timely basis
- Channels for employees to communicate suspected improprieties upstream through other than a direct supervisor.

### **3.3 Public Representation**

Employees are not allowed to:

- Make oral or written public statements about national, local, legal or other matters as the Organization's representatives without prior approval from the Director General. If SGF wishes to make such public statements, an officially delegated person shall be nominated. Staff members who wish to make such statements shall make it clear that they are expressing their personal views, and definitely not those of the Organization.

### **3.4 Confidentiality**

All staff members are required to maintain strict confidentiality. Information on the Organisation's business deals, negotiations, customers, correspondence, structure, policies, procedures, etc., are the property of the Organisation, and therefore no staff member is allowed to disclose any such information. Any internal communication within the organisation or between the organisation and its legal advisers, customers, or business partners is strictly confidential and shall not be disclosed either orally or in writing to third parties. Thus, members of staff shall take every precaution to protect the confidentiality of customer information and their transactions.

No member of staff shall during, or upon and after termination of employment (except in the proper course of his/her duty or with the Organisation's consent), divulge or make use of any secrets, copyright material, and correspondence. No staff shall in any way use information so obtained for financial gain.

### **3.5 Information not for External Communication**

The Public Relations and Communications officer of SGF shall make available factual information when requested by staff, customers and all stakeholders, with the exception of following information:

- ✓ Any information provided in confidence to officers and employees
- ✓ Any information related to an issue before the courts that could place the organizations in an unfavourable position
- ✓ Minutes on proceedings or discussions about any closed Board, Committee or management meeting

- ✓ Any information or data held in the personnel files of employees pertaining to salaries, benefits or performance and any information provided by an employee in confidence to the Organization.

### **3.6 Staff Communications**

The objectives of the Staff Communications policy are to:

- ✓ Communicate the SGF strategy and vision, mission and goals
- ✓ Ensure that all employees are made aware of the operational policies and procedures that affect them
- ✓ Ensure that employees are well informed on all matters affecting them and also on the organizational business
- ✓ Encourage feedback regarding the work environment from staff
- ✓ Respond to matters arising from staff meetings, discussion forums, attitudes surveys, individual correspondence, etc.

It is the expectation of the Public Relations and Communications Officer of SGF that the internal communications system is designed and administered in a manner that it:

- ✓ Provides accurate, relevant and timely information relative to each employee's responsibilities, enabling them to fulfil the Organization's expectations about 'Quality Service';
- ✓ Supports the development and maintenance of an open, co-operative and innovative organizational culture
- ✓ Effectively communicates appreciation and recognition by Board and Management of individual and collective initiatives of staff contributions to the success and strength of the SGF.
- ✓ Encourages all staff to communicate ideas and concerns with assurance that they shall be accepted in a positive and supportive manner.

**MODULES VII:**

**PLANNING, MONITORING & EVALUATION**

## CHAPTER 1: PLANNING

### 1.1 Detailed definitions of key terms

**Action planning:** Mechanism of setting out detailed set of actions needed and resources needed (physical and non physical resources) to reach expected results within a specific timeframe.

**Activity:** Actions taken or work performed through the use of inputs to produce specific outputs. An indicator must be S.M.A.R.T. (Specific, Measurable, Achievable, Realistic and Time bound) and are limited to impact, outcome and output.

**Baseline:** is the information you have about the situation before you do anything, that is information at the beginning or immediately prior to the intervention also called “the starting point” which answers to the question “Where are we now or today?”

**Budget:** A budget is a financial plan that translates strategic and action plans into financial terms, it shows money that will need to be spent to get your planned activities done (expenditure) and money that will need to be generated to cover the costs of getting the work done (income). It is an estimate, or informed guess, about what you will need in monetary terms to do your work.

**Effectiveness:** Evaluation criteria which aims to measure the extent to which intended results (impact, outcomes and outputs) were achieved or are likely to be achieved. It also emphasizes on the extent to which a plan/program/intervention has achieved its objectives under normal conditions in a real-life setting.

**Efficacy:** the extent to which an intervention produces the expected results under ideal conditions in a controlled environment.

**Efficiency:** Evaluation criteria which aims to measure how economically inputs are converted into results.

**Evaluation:** It is the rigorous, scientifically-based collection of information about program/intervention activities, characteristics, and outcomes that determine the merit or worth of the program/intervention. Evaluation studies provide credible information for use in improving programs/interventions, identifying lessons learned, and informing decisions about future resource allocation. Evaluation is used to ensure that the direction chosen is correct, and that the right mix of strategies and resources were used to get there. It can typically be formative (helping to develop learning and understanding within stakeholders) or summative (i.e. indicating the degree of achievement). It typically focuses on outcomes and impacts and their relationship with outputs.

**External factors:** These include assumptions and risks which are defined as conditions which could affect positively or negatively the progress of the plan/project but which are not under control of the management. An assumption is a positive statement of a

condition that must be met for the plan's objectives to be achieved whereas a risk is a negative statement of a condition that might prevent the plan objectives from being achieved.

**Findings:** Factual statements based on evidence from one or more evaluations.

**Gantt chart:** It is a useful tool for planning and scheduling a project and a plan which allows the assessment of how long a project/plan should take, determine the resources needed, and lay out the order in which tasks need to be carried out. It is useful in managing the dependencies between tasks.

**Goal/Impact:** A longer-term improvement a result of achieving specific outcomes. In addition, goal or impact is improvements of the situation in terms of social and economic benefits which respond to identified development needs of the target population under a long term vision.

**Goal:** A specific end result desired or expected to occur as a consequence, at least in part, of an intervention or activity. In other words, goals are long-term aims that expected to be accomplished. Goals are nebulous and you can't definitively say you have accomplished one whereas the success of an objective can easily be measured.

**Inputs:** refer to the human and financial resources, time, physical facilities, equipment, etc, that are needed to implement a strategy or a plan.

**Lessons learned:** generalizations based on evaluation experiences with programs, interventions or policies that abstract from the specific circumstances to broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome and impact.

**Logical framework (Logframe):** is a management tool used to improve the design of interventions which involves identifying strategic elements (inputs, outputs, activities, outcomes, impact) and their causal relationships, indicators, and the assumptions and risks that may influence success and failure. It thus facilitates planning, execution, monitoring and evaluation of an intervention.

**M&E plan:** It is a comprehensive narrative document on all M&E activities which describes the key M&E questions to be addressed such as what indicators are to be measured; how, how often, from where and the indicator data that will be collected; baselines, targets, and assumptions; how the data will be analysed or interpreted; how or how often reports on the indicators will be developed and distributed.

**M&E system:** is comprised of people, processes, procedures, structures and infrastructure linked together and working to make collection, storage, processing and use of data for organization/program/project improvement possible. The M&E system is mainly built on a Logical framework having clearly defined Objectively Verifiable Indicators (OVIs) and Means of Verification (MOV), tools for data collection, database for data storage and management, guidelines and plan for data collection and data analysis and finally reporting system for reflection and learning.

**Means of verification:** Indicate where and in what form information on the achievement of objectives and results can be found.

**Medium Term Expenditure Framework (MTEF):** It is an annual rolling three year-expenditure planning which sets out the medium-term expenditure priorities and hard budget constraints against which sector plans can be developed and refined. MTEF also contains outcome criteria for the purpose of performance monitoring. MTEF together with the annual Budget Framework Paper provides the basis for annual budget planning.

**Monitoring:** Routine tracking and reporting of priority information about a plan/program/project, its inputs and intended outputs, outcomes and impacts. It is used to ensure that what has been planned is going forward as intended and within the resources allocated. Monitoring is an integral part of day-to-day operational management to assess progress against objectives.

**Objective:** It is a concrete attainment which you plan to do or achieve that can be achieved by following a certain number of steps.

**Outcome/Purpose:** short-term and medium-term effect of an intervention's outputs or in other words a result of achievement of particular outputs, such as change in knowledge, attitudes, beliefs, behaviours, changes in living conditions, etc.

**Output:** refer to the direct physical results from the development intervention which is within the direct control of the implementer and which also refers to the direct physical results of using the inputs.

**Performance indicator:** a quantitative or qualitative variable that provides a valid and reliable way to measure achievement, assess performance in other words indicators are means to measure changes connected to an intervention. Indicators are means of determining progress towards results through the collection of data that show whether there has been a positive, negative or neutral change. Examples quantitative indicators are number, percent, amount, ratio, proportion, rate, etc whereas examples of qualitatively indicators are level of perception, level of satisfaction, degree of change, level of improvement, level of confidence, etc.

**Planning:** Planning is a systematic process of establishing needs and then working out the best way to meet the needs, within a strategic framework that enables you to identify priorities and determines your operational principles and set activities to be implemented within specific timeframes, determined resources to meet the needs. It is to be noted that planning is only useful if people are committed to implementation. It is the role of the leadership in the organization to make sure that the planning is useful and gets implemented. Planning focuses on "Who does implement or achieve? What? When? How? To which extent to achieve/how many/how much expected/desired results? and by which means (Money, equipment, facilities, etc)?"

**Pre-conditions:** Conditions that have to be met before the project/plan can commence i.e. start with activities.

**Problem Analysis:** A structured investigation of the negative aspects of a situation in order to establish causes and their effects.

**Problem Tree:** A diagrammatic representation of a negative situation, showing a cause effect relations.

**Project:** is a series of activities aimed at bringing about clearly specified objectives within a defined time-period and with a defined budget.

Qualitative data can provide an understanding of social situations and interaction, as well as people's values, perceptions, motivations and reactions.

**Qualitative data:** data collected using qualitative methods, such as interviews, focus groups, observation, and key informant interviews.

Quantitative data are measured on a numerical scale, can be analysed using statistical methods, and can be displayed using tables, charts, histograms and graphs.

**Quantitative data:** data collected using quantitative methods, such as surveys, etc.

**Relevance:** Evaluation criteria which aims to measure the extent to which activities and outputs are consistent with the overall goal and the attainment of the objectives. It also aims to measure the extent to which activities and outputs of the plan/programme are consistent with the intended impacts and effects.

**Results based management (RBM):** a management strategy focusing on performance and achievement of outputs, outcomes and impacts.

**Results chain:** The causal sequence for a development intervention that stipulates the necessary sequence to achieve desired results beginning with inputs, moving through activities and outputs, and culminating in individual outcomes and those that influence outcomes, goal/impacts and feedback. It is based on a theory of change, including underlying assumptions.

**Results framework or matrix:** It explains how results are to be achieved, including causal relationships and underlying assumptions and risks. The results framework reflects strategic level thinking across an entire organization.

**Results:** the outputs, outcomes, or impacts (intended or unintended, positive and/or negative) of an intervention.

**Stakeholder:** is any person, group or institution that has an interest in the activities of an institution or any other person or institution who may affect or may be affected by institutional activities and the achievement of its goals.

**Strategic planning:** Mechanism to help clarify an organization's mission and objectives as well as prioritize the actions needed to accomplish them. In detail, it is seen as an overall approach, based on an understanding of the broader context in which an organization functions, its own strengths and weaknesses, opportunities and threats, political and economic factors, socio-cultural factors, technological and environmental factors, legal factors, its stakeholders, available resources and the

problem being attempting to address. In few words, a strategy gives a framework within which to work, it clarifies what you are trying to achieve and the approach you intend to use.

**Sustainability:** Evaluation criteria which aims to measure whether the benefits of performed activities or achieved results are likely to continue.

**Target:** Specifies a particular value that an indicator should reach by a specific period of time which is expressed in figures.

**Work Breakdown structure (WBS):** It is a planning tool which serves for subdivision of project/plan deliverables into smaller and more manageable components until the work and deliverables are defined to the work package level. The WBS sets out the activities, sub-activities and tasks required to achieve outputs/sub-outputs.

## **1.2 Purpose of the SGF policies and procedures of planning, monitoring and evaluation**

This module intends to detail clear policies and procedures of planning, monitoring and evaluation to ensure proper, participatory and consultative planning processes and coherent, timely and results-based monitoring and evaluation processes within SGF. This module will also serve as a handbook to demystify planning, monitoring and evaluation processes as cross-cutting processes for each results-oriented institution, SGF included.

## **1.3 PLANNING PROCESS DESCRIPTION**

### **1.3.1 STRATEGIC PLANNING PROCESS DESCRIPTION**

#### **1.3.1.1 General introduction**

The SGF strategic planning process shall be participatory and consultative from the beginning to the end to ensure that all stakeholders have sufficiently consulted and contributed to its development. In this regard, the management of SGF shall organize consultative meetings, workshops, seminars and retreats at the convenience of SGF and its stakeholders (both internal and external) whereby the latter shall be invited at different stages of strategic planning process.

The strategic planning process shall start at least six (6) months before the end of the preceding strategic plan. It is to be noted that, the preparation of the SGF strategic plan shall be budgeted for in the fiscal year in which it is going to be prepared.

The following are the strategic planning stages:

### **1.3.1.2 Statement of mission, vision and core values**

At the beginning of the process, the management of SGF and its stakeholders shall reconsider and clarify the mission, vision and core values of SGF in order to align them to MDGs, Vision 2020, EDPRS, Resolutions of the National Leadership Retreat and the National Dialogue, Presidential Promises, Investment Strategies, National Capacity Building strategies, etc to establish the contribution of SGF to the achievement of national goals or in other words the role of SGF in national development.

### **1.3.1.3 Situational analysis**

This stage is comprised with the following:

- 1) Overview of the previous strategic plan and its current implementation status in order to have a look at historical data related to past achievements, challenges faced and lessons learnt in the past. In this regard, high performance levels recorded, shortcomings and gaps are shared among the SGF management and stakeholders through a consultative meeting organized by the management of SGF.
- 2) An inclusive, consultative and participatory meeting or workshop on the analysis of SGF Strengths, Weaknesses, Opportunities and Threats (SWOT analysis) shall be organized in order to brainstorm on areas that need improvement. In addition, a careful analysis of Political, Economic, Social, Technological, Environmental (ecological), Legal and administrative factors (PESTEL analysis) shall be performed for further adjustments and future improvement. However, when deemed necessary, the management of SGF shall invite some specialists in specific areas to provide inputs in different discussions.

Both SWOT and PESTEL analyses shall not be useful without involving both internal and external stakeholders through an open and interactive dialogue. However, the in-charge of planning shall facilitate the discussion and brainstorming and act as note taker. In this regard, the in-charge of planning, monitoring and evaluation shall avail power point presentations and other documents useful for brainstorming and discussions.

### **1.3.1.4 Stakeholders analysis**

This stage is concerned with determining expectations of people who may affect or may be affected by SGF activities and the achievement of SGF goals. This analysis implies the sharing of SGF expectations and stakeholders' expectations in order to integrate them into the planning

process. This is done through open and interactive discussions between the management of SGF and SGF stakeholders.

#### **1.3.1.5 Identification of strategic issues**

Through consultation with stakeholders at all levels, critical challenges and strategic issues faced and expected to be faced in the future are identified and agreed upon between SGF and its stakeholders. In addition, the main risk factors with a high level of likelihood are identified and considered in strategic planning process.

#### **1.3.1.6 Identification of strategies and alternatives to address potential strategic issues**

At this stage, the management of SGF and SGF stakeholders shall propose the way forward to overcome challenges faced in the past period and strategic orientation to address strategic issues, agree on through consultation overall goals and objectives to be achieved and key interventions to achieve those goals and objectives to ensure that strategies and alternatives are discussed and agreed upon.

#### **1.3.1.7 Prioritization of strategies and alternatives**

At this stage, even if all proposed strategies and alternatives may be good, however, they do not have the same degree of importance or they cannot work simultaneously. For this regard, through consultation, the management of SGF and all stakeholders shall prioritize strategies and alternatives by taking into consideration national priorities, SGF priorities and SGF projected resources (human and financial resources, time, equipment, physical facilities, etc).

#### **1.3.1.8 Formulation of strategic goals and objectives**

At this stage, through consultation with stakeholders at all levels, strategic goals, objectives, impacts, outcomes and outputs in alignment with national goals and objectives are formulated and shared. The in-charge of planning, monitoring and evaluation ensures that formulated goals and objectives are S.M.A.R.T and spelt in a properly so that they are clear and easy to be understood by all stakeholders especially those who will implement actions to be undertaken to achieve them. In addition, for each goal, objective, impact, outcome and output the management of SGF and stakeholders take into consideration potential external factors that may affect positively (assumptions) and/or negatively (risks) the achievement of each of the former.

#### **1.3.1.9 Development of the strategic plan implementation matrix**

At this stage, after agreeing on formulated goals and objectives, the in-charge of planning shall elaborate a detailed plan for implementation of the strategic plan. The implementation matrix shall be for a period between 3 to 5 years and shall spell out details on the following information:

- ✓ Goals;
- ✓ Objectives;
- ✓ Expected outcomes;
- ✓ Expected outputs;
- ✓ Strategic interventions/key activities;
- ✓ Outcomes and Outputs indicators;
- ✓ Timeframes and
- ✓ Implementing actors.

The information above is spelt out in a chronological order from the beginning to the end of the strategic plan implementation matrix whereby for each year, there shall be detailed logical sequence and schedule of information stated above.

#### **1.3.1.10 Budget forecasting/Budget Projections**

At this stage, the costs (expenditures) and sources of finance (income) of implementing the strategic plan are predicted and forecasted to enable resource allocation throughout the duration of the strategic plan. After consultation between SGF and its stakeholders, a 3 year budget or MTEF sets out 3 years rolling revenue and expenditure budgeting plans for the SGF. This document is elaborated by the Director of Finance under the supervision of the Director General who acts as Chief Budget Manager of SGF to ensure that macro-economic projections (inflation, interest rate, foreign exchange rate, etc) and accounting and finance standards are taken into account during the preparation of the document on budget forecasts. It is to be noted that each of the strategic interventions is budgeted for in local currency (Rwandan Franc).

#### **1.3.1.11 Development of Monitoring and Evaluation framework**

At this stage, after consultation with all stakeholders and after agreeing on key performance indicators to enable the measurement of intended results and targets to be achieved for the implementation of the strategic plan of SGF, the in charge of Monitoring and Evaluation shall elaborate a comprehensive Monitoring and Evaluation framework which is comprised with the following:

- ✓ Outcomes;
- ✓ Outputs;
- ✓ Performance indicators;
- ✓ Baseline data;
- ✓ Targets for each year;
- ✓ Data sources;
- ✓ Data collection methods;
- ✓ Responsible persons for data collection;
- ✓ Responsible persons for reporting;

- ✓ Reporting frequency;
- ✓ Means/sources of verification and
- ✓ External factors (Assumptions and risks).

The monitoring and evaluation framework aims at improving current and future management of results (outputs, outcomes and impact) whereby its helps assessing performance by establishing links between the past, the present and future actions.

#### **1.3.1.12 Approval of the strategic plan**

The SGF strategic plan shall be approved by the Board of Directors, then distributed to all stakeholders and published on SGF website.

#### **1.3.1.13 Amendment to the strategic plan**

After analysis and acceptance of the Board of Directors, any amendment to be made to the strategic plan resulting from changes in Government strategic orientations and policies, significant changes locally, regionally or globally as well as any other changes shall be done in line with strategic planning processes detailed above.

### **1.3.2 ACTION PLANNING**

#### **1.3.2.1. PURPOSE OF ACTION PLANNING**

The action plan serves as the best estimate of what will happen in the future period of one (1) year, but must be modified on an ongoing basis to take account of what actually happens during implementation. The logical framework, activities and resource and budget schedules must therefore be periodically reviewed, refined, and updated based on experience.

The SGF action planning process shall be inclusive, participatory and consultative from the beginning to the end to ensure that the staff were sufficiently consulted and actively contributed to its development. The action plan shall directly relate to the strategic plan under implementation.

#### **1.3.2.2. ACTION PLANNING PROCESS DESCRIPTION**

##### **1.3.2.2.1. General introduction**

The management of SGF shall organize consultative meetings and/or workshops with staff in order to brainstorm and identify priorities for the coming year by consulting national and SGF

strategic documents, identifying gaps and weaknesses in past historical data, identifying needs in human resource and needs in human resource capacity development to implement the forthcoming plan; and other resources (financial and material resources, time, etc) needed to implement the next action plan and incorporating other priority-setting processes which are among others Presidential promises, cabinet decisions, national dialogue recommendations, leadership retreat recommendations, recommendations of the SGF Board of Directors, recommendations of the Audit Committee, SGF strategic plan, decisions of the management committee meetings and etc.

It is worth noting that action planning process must take into consideration procurement planning and logistics, Human resource planning and recruitment, human resource capacity development planning, communications planning and risk management planning as they are very critical to prepare a proper action plan.

#### **1.3.2.2.2. Stages and timelines of planning process within the SGF**

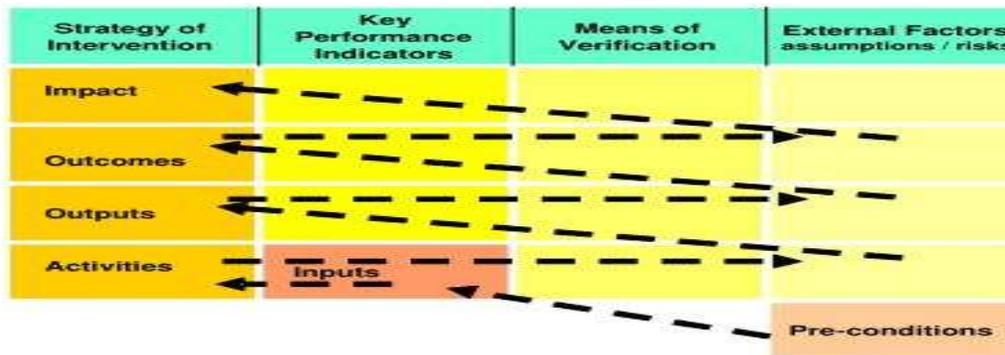
- 1) In line with the national planning calendar, action planning process starts from the last month of the 1<sup>st</sup> quarter throughout the 2<sup>nd</sup> quarter (October to December) whereby planning consultations are conducted between the staff and their supervisors after guidelines from the management of SGF. It is worth noting that, at this stage; the staff discusses with their supervisor(s) on expectations about the future at SGF and intended individual and future achievements and needs in the staff's capacity development.
- 2) During the 3<sup>rd</sup> quarter, January to March, further planning consultations are held to inform priorities and then budget consultations starts thereafter. At this stage, the supervisors discuss with the staff under their supervision about strategic orientations of the SGF and staff individual goals in order to establish a clear linkage in-between. Hence, a shared vision and mission, individual action plans are merged into a unit action plan. The individual action plans and units' action plans shall define activities and tasks to be performed; activities sequencing; activities scheduling (estimation of activities duration); activities costing (estimation of the cost of activities) and intended results and their achievement deadlines (target dates).
- 3) During the 4<sup>th</sup> quarter, not later than May, the SGF annual action plan is drafted by the in-charge of planning following the consolidation of all activities extracted from units' action plans. The in-charge of planning also ensures that the units' action plans are written properly and ensures that activities to be performed and results to be achieved are S.M.A.R.T and well sequenced, scheduled and budgeted for.

The SGF action plan shall be in form of a table containing information on the following:

- ✓ Expected outcomes;
- ✓ Expected outputs;
- ✓ Activities to deliver outputs;
- ✓ Outputs indicators;
- ✓ Baseline data
- ✓ Targets
- ✓ Timeframes;
- ✓ Implementing actors and
- ✓ Budget.

4) The in-charge of Planning elaborates a logical framework which spells out a detailed results framework that has four (4) rows and four (4) columns and which shall accompany the action plan. The logical framework shall be reviewed by the management and approved by the Board of Directors together with the action plan. The logical framework is comprised with the following information:

**Figure 1: Logical framework**



The logical framework above has the following meaning:

The VERTICAL LOGIC of the Log frame identifies what the project intends to do (strategy of intervention) and shows the causal relationship between the different levels of the objective system (column 1) and the assumptions and risks (column 4) that are beyond the control of project/plan management.

- ✓ If inputs / means are provided, AND the preconditions fulfilled, THEN activities can be undertaken;
- ✓ If activities are undertaken, AND the assumptions hold true, THEN outputs will be produced;
- ✓ If outputs are produced, AND the assumptions hold true, THEN outcomes will be achieved;

- ✓ If outcomes are achieved, AND the assumptions hold true, THEN the project/plan contributes to the development objective (impact).

EXTERNAL FACTORS refer to conditions which can influence the progress or success of the project, but over which project management has no direct control. Risks are negative statements about what might go wrong, whereas assumptions are positive statements about the conditions that need to be met if the project is to stay on track. Understanding and analyzing these assumptions is an important part of the planning process in order to improve wherever possible the robustness of the project design.

THE HORIZONTAL LOGIC serves for measuring and reporting the achievement of objectives, relevant indicators (column 2) and the corresponding means of verification (columns 3) need to be identified at different levels. The logical link between indicators and objectives (column) is referred to as the logical framework approach's horizontal logic.

- 5) The SGF annual action plan is approved by the Board of Directors not later than June 30<sup>th</sup> of each year.
- 6) Performance contracts "IMIHIGO" of SGF are extracted from the annual action plan whereby the management of SGF, after consulting strategic documents and priorities for the following year, decides the key outputs to be achieved which in return becomes the SGF performance contract for the following year.
- 7) The SGF performance contract is signed between the Chairperson of the Board and the Minister of the line Ministry or Head of the supervising Authority. The format of SGF performance contract shall be in line with the one used at national level as long as SGF is still a public institution.
- 8) The in-charge of planning elaborates the draft of SGF performance contract and submits it to the management of SGF for review before being signed by both the Director General of SGF and Chairperson of the Board and the Head of the supervising Authority. In addition, the management of SGF, after consulting strategic documents and priorities for the following year, decides the key outputs to be achieved which in return are integrated in the single action plan of the line Ministry or Supervising Authority to be approved by the latter.

After approval by the last supervising authority, the SGF performance contract and annual action plan are distributed to all stakeholders and published on SGF website. Note that, performance contract of each staff are aligned to SGF performance contract and annual action plan.

- 9) The annual action plan is reviewed by the management of SGF and the staff after the first six (6) months of implementation in order to make necessary adjustments as some planned actions may have not been performed and expected results thereof not achieved due to various reasons and challenges. This review is done in a plenary session to help rescheduling and sequencing planned actions that have not been implemented which are to be implemented during the next six (6) months in order to achieve expected results. The action plan review also facilitates the review of the budget and the procurement plan. The reviewed action plan is approved by the Board of Directors.

## **CHAPTER 2: MONITORING AND EVALUATION PROCESSES**

Each monitoring and evaluation activity has a purpose. SGF places great importance on monitoring and evaluation because, when done and used correctly, they strengthen the basis for managing for results, foster learning and knowledge generation in the organization as well as the broader development, and support the public accountability of SGF.

### **2.1 MONITORING**

#### **2.1.1 PURPOSE OF MONITORING AND GENERAL INTRODUCTION**

##### **1.4.1.1.1. PURPOSE OF MONITORING**

In any case, the SGF management wants to keep track of how the strategic plan, annual action plan and performance contract are progressing in terms of delivery of results and the management of risks, implementation of activities, expenditure and resources use. This is achieved through ‘monitoring’, which is the systematic and continuous collection, analysis and use of management information to support effective decision-making.

##### **1.4.1.1.2. GENERAL INTRODUCTION**

The SGF monitoring process is continuous and supported by gathering timely information on the implementation status of SGF strategic plan, annual action plan and performance contract to ensure that what has been planned is going forward as intended and within the resources allocated.

##### **1.4.1.2. MONITORING PROCESS**

The monitoring process entails the following:

- 1) The in-charge of monitoring develops a monitoring plan which guides him/her throughout the year. This plan is aligned to the annual action plan, performance contract of SGF and the single action plan of the line Ministry or the supervising authority. The monitoring plan which is preferably in form of a table contains the information on the following:

- ✓ Expected output;

- ✓ Output indicators;
- ✓ Baseline data;
- ✓ Target;
- ✓ Activities to deliver output;
- ✓ Implementing actor and
- ✓ Budget.

2) For all indicators, the in-charge of monitoring elaborates an indicator matrix/datasheet in form of table which contains the following information for each indicator to facilitate data collection:

- ✓ Definition of indicator and its unit of measurement;
- ✓ Methods of calculation of the indicator;
- ✓ Data source;
- ✓ Data collection method;
- ✓ Person responsible of data collection;
- ✓ Frequency and cost to collect data;
- ✓ Person responsible for data analysis;
- ✓ Person responsible for reporting;
- ✓ Frequency to report on the data and
- ✓ Data user.

3) The in-charge of monitoring collects and analyzes data on implementation status of the strategic plan, action plan and performance contract of SGF whereby he/she compares the data collected with past historical data (baseline data) and compares the actual levels of achievement with targets and actual cost with budget. In addition, the in-charge of monitoring analyzes reasons behind variances and delays in the implementation of planned activities and achievement of expected results, variances in cost and variances in schedule. For this regard, the in-charge of monitoring consults different reports from units and/or staff and other source documents to collect data on actual performance levels.

4) The in-charge of monitoring produces monthly, quarterly, mid-year and annual reports on the implementation status of the strategic plan, action plan, performance contract of SGF and the single action plan. However, the management of SGF ensures that the existing reporting system and requirements enable the collection of accurate and reliable data, timely monitoring and progress reporting.

The progress monitoring reports are mainly structured as follows:

- ✓ Executive summary;
- ✓ General introduction to the report;
- ✓ Implementation status matrix;
- ✓ Challenges and way forward and
- ✓ Recommendations and conclusion.

The big part of progress monitoring reports is the implementation status matrix which is in form of table which spells out the following information:

- ✓ Outcome;
- ✓ Output;
- ✓ Performance indicator and baseline data;
- ✓ Target and actual results;
- ✓ Brief description on attained results;
- ✓ Planned activities to deliver output;
- ✓ Responsible for implementation;
- ✓ Budget and actual cost;
- ✓ Challenges faced and
- ✓ Way forward.

It is to be noted that in order to facilitate the readers of the implementation status matrix, the in-charge of monitoring uses traffic lights indicators of progress also called performance color codes to clearly highlight the actual levels of achievement as follows:

**GREEN:** Achieved/On track indicates that either the target has been achieved or activities have been completed to a satisfactory level;

**YELLOW:** Partially achieved/Warning indicates that the target has not been achieved to a satisfactory level; but that it is still possible to achieve the target if appropriate actions are taken;

**RED:** Not achieved/Off track indicates that the target was not achieved or is unlikely to be achieved even with concerted action, either because of internal mismanagement or outside factors.

5) The in-charge of monitoring prepares power point presentations and/or avails documents on the implementation status of the strategic plan, action plan, performance contract and single action plan to be presented to management of SGF every month and to the Board of Directors every quarter, after mid-term and at the end of the year for decision-making purposes.

6) The in-charge of monitoring ensures that monitoring findings, relevant learning and recommendations are documented, disseminated to staff, channelled into future decision-making processes by the management of SGF and he/she monitors the implementation of the decisions taken in the management committee meetings in relation to the implementation of the strategic plan, action plan, performance contract and single action plan.

## **2.2 EVALUATION**

### **2.2.1 PURPOSE OF EVALUATION AND GENERAL INTRODUCTION**

#### **2.2.1.1. PURPOSE OF EVALUATION**

The rationale of evaluation policies and procedures within SGF is to help ascertain the degree of achievement or value with regard to the objectives of SGF. In addition, evaluation policies and procedures shall help gaining insight into prior or existing interventions and enable reflection and assist SGF management and Board of Directors in the identification of future change.

#### **2.2.1.2. GENERAL INTRODUCTION**

An Evidence-based evaluation within SGF shall be supported by more focus on data sources such as progress monitoring reports, activities reports and other source documents which disclose accurate and reliable information about SGF performed activities and attained results.

The credibility and quality of each evaluation are based on the robustness of its analysis; one consideration in this regard is the importance of ensuring a clear evidence trail. In order to delineate the evidence trail, evaluation reports shall contain cross-references to the pertinent sections and paragraphs in the document to help readers easily identify the findings that led to a particular recommendation and the analysis that led to a particular conclusion.

The key principles underpinning the approach to evaluation are the following:

- **Impartiality** of the evaluation process from the programming and implementation functions;
- **Credibility** of the evaluation, through use of appropriately skilled and the transparency of the evaluation process, including wide dissemination of results;
- **Participation of both internal and external stakeholders** in the evaluation process, to ensure different perspectives and views are taken into account; and
- **Usefulness** of the evaluation findings and recommendations, through timely presentation of relevant, clear and concise information to decision makers.

#### **2.2.2. EVALUATION PROCESS DESCRIPTION**

The SGF mid-term evaluation process shall start one month after the end of the last six months of the ongoing fiscal year whereas the final evaluation starts one month after the end of the fiscal year. The evaluation process shall be systematic (carried out using planned and ordered procedures) and budgeted for.

1) The in-charge of evaluation elaborates an evaluation plan before the beginning of the implementation of the strategic plan, action plan and performance contract. The evaluation plan is part of strategic plan and should be reviewed by the management of SGF every year before the approval of the action plan and performance contract. The evaluation plan is in form of a table which spells out the following information:

- ✓ Evaluation Question (e.g. what is the % level of claims settled in total claims outstanding?);
- ✓ Evaluation Sub-question (e.g. how many claims received? how many claims backlog? how many claims settled i.e. compensated and rejected)?;
- ✓ Type of question (e.g. descriptive, normative, cause-effect, etc.);
- ✓ Design (e.g. correlation, time series, longitudinal study, etc.);
- ✓ Indicator (e.g. SGF key performance indicators, etc.);
- ✓ Data source (e.g. activities reports, financial statements, etc.);
- ✓ Data collection instrument (e.g. review of official records, questionnaires, focus group interviews, longitudinal study defined as a [correlational](#) research study that involves repeated observations of the same variables over long periods of time, etc.);
- ✓ Frequency to collect data and
- ✓ Sampling method (probabilistic sampling which includes simple random sampling, stratified random sampling and cluster sampling and non-probabilistic sampling which includes quota sampling, purposive sampling, systematic sampling, snow ball sampling and double sampling).

The key evaluation questions shall be formulated with the main focus on the following evaluation criteria:

- ✚ **Relevance** which answers to the question whether objectives and goals match the problems or needs that are being addressed?
- ✚ **Efficiency** which answers to the question whether results have been delivered in a timely and cost-effective manner. The efficiency criterion concerns how well the various activities transformed the available resources into the intended outputs (sometimes referred to as results), in terms of quantity, quality and timeliness.
- ✚ **Effectiveness** which answers to the questions on the extent to which the intervention achieve its objectives and the supportive factors and obstacles encountered during the implementation.
- ✚ **Sustainability** which answers to the question on the extent to which there are lasting benefits after the intervention is completed.
- ✚ **Impact** which answers to the question on what happened as a result of expected outputs and outcomes. This may include intended and unintended positive and negative effects.

For the above evaluation criteria, there is a table contains the following information for each criterion:

- ✓ Key questions;
- ✓ Specific sub-questions;
- ✓ Data sources;
- ✓ Data collection methods/tools;
- ✓ Performance indicators and
- ✓ Methods for data analysis.

2) The Director General delegates an evaluation committee composed by at least 5 multidisciplinary members. However, among the members there should be the following staff:

- ✓ The in-charge of Planning, Monitoring and Evaluation;
- ✓ The Directors of Units;
- ✓ Legal affairs and
- ✓ The in-charge of human resource.

However, if deemed necessary, SGF can hire external evaluators or may request the Internal Auditor for facilitation and advisory within the scope of internal audit consulting activities.

The Director General shall ensure that the SGF evaluation committee is sufficiently trained to build its capacity and enable its members with relevant skills and knowledge in evaluation. A policy related to building the capacity of SGF evaluation committee shall be prepared apart and shall be approved by the Board of Directors.

3) The evaluation committee prepares an Inception Report which contains the following:

- ✓ The scope of evaluation;
- ✓ The context of evaluation;
- ✓ An evaluation matrix that displays for each of the evaluation criteria the questions and sub-questions that the evaluation will answer, and for each question;
- ✓ The data that will be collected to inform each question;
- ✓ The methods that will be used to collect that data;
- ✓ Theory or Assumptions about how each data element will contribute to understanding the development results, attribution, contribution, process, implementation and so forth;
- ✓ The rationale for data collection, analysis and reporting methodologies selected and
- ✓ Implementation plan for the evaluation including performance indicators to be collected to respond to evaluation questions, data methods to be used and frequency for data collection, reporting requirements, expertise required, work-plan and time-schedule, etc.

4) The evaluation committee, at a minimum, ensures that the evaluation methods detailed in the evaluators' inception report respond to each of the following questions:

- ✓ What evidence is needed to address the evaluation questions?
- ✓ What data collection method(s) will be used to address the evaluation criteria and questions?
- ✓ Why were these methods selected? Are allocated resources sufficient?
- ✓ Who will collect the data?
- ✓ What is the framework for sampling?
- ✓ What is the rationale for the framework?
- ✓ How will the SGF staff and other stakeholders be involved?
- ✓ What data management systems will be used? That is, what are the planned logistics, including the procedures, timing, and physical infrastructure that will be used for gathering and handling data?
- ✓ How will the information collected be analyzed and the findings interpreted and reported?
- ✓ What methodological issues need to be considered to ensure quality?

5) The evaluation committee elaborates an evaluation design which details a step-by-step work plan that specifies the methods the evaluation will use to collect the information needed to address the evaluation criteria and answer the evaluation questions, analyze the data, interpret the findings and report the results. In addition, the evaluation methods should be selected for their rigor in producing empirically based evidence to address the evaluation criteria and respond to the evaluation questions. Furthermore, the evaluation committee reviews whether the key evaluation questions are formulated with focus on the evaluation criteria and whether they address causal-effect relationship.

6) The evaluation committee proceeds with data collection for each evaluation question and sub-questions through revising different data sources (progress monitoring reports and other source documents) under pre-defined data collection methods. However, the data to be collected and the methods for collecting the data will be determined by the evidence needed to address the evaluation questions; the analyses that will be used to translate the data into meaningful findings in response to the evaluation questions; and judgments about what data are feasible to collect given constraints of time and resources. For this regard, Performance indicators are useful but sometimes have limitations as indicators only indicate; they do not explain. Indicators will not likely address the full range of questions the evaluation seeks to address. For example, indicators provide a measure of what progress has been made. They do not explain why that progress was made or what factors contributed to the progress. SGF evaluation shall generally make use of a mix of other data sources, collected through multiple methods, to give meaning to what performance indicators tell us about the initiative. For the reasons above, primary data

(consisting of information evaluators observe or collect directly from stakeholders about their first-hand experience with the initiative) and secondary data (consisting of primary data that was collected, compiled and published by someone else) shall be collected.

7) The evaluation committee confirms whether the actual levels of achievements are accurate and reliable compared to expected results. This stage is also called “benchmarking” which involves the use of performance indicators and targets against which performance or achievements are assessed. The evaluation committee also, to the extent possible, benchmarks results against the indicators and targets contained in the results measurement matrix of the SGF strategic plan. At this stage, the evaluation committee also highlights variances and delays in achievement of results with explanations thereof. However, in order to validate achieved results, the use of triangulation (consisting of the application and combination of several research methodologies in the study of the same phenomenon) is appropriate as it is better to use a mix of methods (both quantitative and qualitative) to collect data rather than relying on one source or one piece of evidence.

8) The evaluation committee proceeds with attribution (consisting of confirming that attained results and performed activities result from efforts of someone or something) and counterfactuals (consisting of expressing that what has not been achieved but could, would, or might be achieved under different conditions) whereby the “before and after” assessment is employed to attribute effects to a particular intervention as sometimes we may attribute success or failure to a particular result achievement without taking into consideration factors that influenced the achievement of that result. This stage serves to justify achieved results.

9) The evaluation committee performs data analysis which is done systematically by organizing and classifying the information collected, tabulating it, summarizing it, and comparing the results with other appropriate information to extract useful information that responds to the evaluation questions and fulfils the purposes of the evaluation. This process is mainly made of discovering facts from a body of evidence by systematically coding and collating the data collected, ensuring its accuracy, conducting any statistical analyses, and translating the data into usable formats or units of analysis related to each evaluation question. At this stage, the data analysis and synthesis must proceed from an *ANALYSIS PLAN* that should be built into the evaluation design and work plan detailed in the inception report. The analysis plan is an essential evaluation tool that maps how the information collected will be organized, classified, inter-related, compared and displayed relative to the evaluation questions, including what will be done to integrate multiple sources, especially those that provide data in narrative form, and any statistical methods that will be used to integrate or present the data (calculations, sums, percentages, cost analysis and so forth). Possible challenges and limitations of the data analysis should be described. The analysis plan should be written in conjunction with selecting data collection methods and instruments rather than afterward.

10) The evaluation committee interprets findings in order to give meaning to the evaluation findings derived from the analysis. It extracts from the summation and synthesis of information derived from facts, statements, opinions, and documents and turns findings from the data into judgments about development results (conclusions). On the basis of those conclusions, recommendations for future actions will be made. Interpretation is the effort of figuring out what the findings mean, making sense of the evidence gathered in an evaluation and its practical applications towards development effectiveness.

11) The evaluation committee draws conclusions which are reasoned judgments based on a synthesis of empirical findings or factual statements corresponding to specific circumstances. Conclusions are not findings; they are interpretations that give meaning to the findings. Conclusions are considered valid and credible when they are directly linked to the evidence and can be justified on the basis of appropriate methods of analysis and synthesis to summarize findings.

12) The evaluation committee formulates recommendations which are evidence-based proposals for action aimed at evaluation users. Recommendations should be based on conclusions. However, forming recommendations is a distinct element of evaluation that requires information beyond what is necessary to form conclusions. Recommendations should be formulated in a way that will facilitate the development of a management response each recommendation should clearly identify its target group and stipulate the recommended action and rationale.

13) The evaluation committee formulates lessons learned from an evaluation which comprise the new knowledge gained from the particular circumstance (initiative, context outcomes and even evaluation methods) that is applicable to and useful in other similar contexts. Frequently, lessons highlight strengths or weaknesses in preparation, design and implementation that affect performance, outcome and impact.

14) The evaluation committee prepares a draft evaluation report for which the management and concerned staff are required to provide comments to evaluation findings and recommendations within a predefined period in the evaluation plan.

15) After agreeing on comments provided by the management and concerned staff and findings and recommendations of the evaluation report, the evaluation committee produces a final report to be presented to the Board of Directors for approval.

### 2.2.3. ILLUSTRATION OF RATING OF EVALUATION CRITERIA

The rating of relevance, efficiency, effectiveness, sustainability and impact is composed by a four-point rating scale from 0 to 3 which varies based on the level of actual results compared to target whereby rates of 0 and 1 are equivalent to under performance and poor performance respectively whereas rates of 2 and 3 are equivalent to good performance and over performance respectively.

Rating values for each evaluation criterion are described as follows:

#### 1) RELEVANCE

- **Highly relevant**, corresponding to the rating value 3
- **Relevant**, corresponding to the rating value 2
- **Partly relevant**, corresponding to the rating value 1
- **Irrelevant**, corresponding to the rating value 0

#### 2) EFFICIENCY

- **Highly efficient**, corresponding to the rating value 3
- **Efficient**, corresponding to the rating value 2
- **Less efficient**, corresponding to the rating value 1
- **Inefficient**, corresponding to the rating value 0

#### 3) EFFECTIVENESS

- **Highly effective**, corresponding to the rating value 3
- **Effective**, corresponding to the rating value 2
- **Less effective**, corresponding to the rating value 1
- **Ineffective**, corresponding to the rating value 0

#### 4) SUSTAINABILITY

- **Most likely**, corresponding to the rating value 3
- **Likely**, corresponding to the rating value 2
- **Less likely**, corresponding to the rating value 1
- **Unlikely**, corresponding to the rating value 0

#### 5) IMPACT

- **Highly satisfactory**, corresponding to the value 3
- **Satisfactory**, corresponding to the value 2
- **Less satisfactory**, corresponding to the value 1
- **Unsatisfactory**, corresponding to the value 0

The evaluation criteria have the respective weights:

- Relevance should have a % weight of 10;

- Effectiveness should have a % weight of 30;
- Efficiency should have a % weight of 30;
- Sustainability should have a % weight of 10 and
- Impact should have a % weight of 20.

The weighted rating is obtained by multiplying the rating value by weight of each criterion and the overall rating for each evaluation question is obtained by adding up weighted ratings for each criterion:

$$3*10\% = 30\% = 0.30$$

$$2*30\% = 60\% = 0.60$$

$$3*30\% = 90\% = 0.90$$

$$2*10\% = 20\% = 0.20$$

$$3*20\% = 60\% = 0.60$$

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$$\text{Overall average weighted score} = 0.30+0.60+0.90+0.20+0.60 = 2.6$$

## 6) OVERALL RATING

**a) Highly successful:** The overall weighted average is greater than 2.7. This rating is given to projects whose achievements exceed expectations and that have a high probability that the outcome and impact will be achieved sustainably and efficiently over the life of the project/plan; that the project/plan remains relevant; and that no significant, unintended, negative effects will occur.

**b) Successful:** The overall weighted average falls between 1.6 and less than 2.7. Even though the outcome may not have been completely achieved or some negative results may have occurred that prevent a rating of highly successful, no major shortfall has taken place and the expected outcome and impact will, on the whole, be achieved sustainably over the life of the project/plan. The project/plan remains relevant and its implementation and operations are efficient. Any negative effects are small in relation to the gains under the project/plan.

**c) Partly Successful:** The overall weighted average falls between 0.8 and less than 1.6. Even though the evaluation anticipates a significant shortfall in achieving the design outcome and impact and may consider full sustainability unlikely, it expects that some components of the project/plan will achieve major results, for example, equivalent to at least half the level originally expected.

**d) Unsuccessful:** The overall weighted average is less than 0.8. In this case, the evaluation considers that the project/plan is a technical (minimal achievement of outcome) and/or economic failure. Any facilities are expected to operate at a low level of installed capacity or at high cost, necessitating a large subsidy. Negative effects may be apparent.

**MODULE VIII:**  
**RISK MANAGEMENT, INTERNAL CONTROL SYSTEMS AND**  
**GOVERNANCE**

## **CHAPTER 1: RISK MANAGEMENT**

### **1.1 SGF Risk Management Policy Statement**

This policy sets out SGF’s vision on risk management (RM) and defines the risk management principles and guidelines with which SGF needs to comply. SGF is committed to successfully execute its strategy and successful execution of units is at the heart of it. SGF takes risks inherent to its strategy in order to achieve its objectives and to deliver operational excellence for all stakeholders. SGF aims to have a common, formalized and systematic approach for managing units risk across the SGF. SGF also encourages units to apply best-practice techniques, share knowledge and experience, and increase transparency on the key risks to the extent possible. This approach increases units risk awareness, ensures the appropriate management of units risks as part of the daily management activities, and makes the division risk profiles transparent.

SGF recognizes that managing risks is part of good corporate governance and RM will, together with other Governance, Risk and Compliance (GRC) initiatives, support compliance with the applicable corporate governance requirements. This RM Policy is based on good practices and accepted governance codes. This policy and related manual set out the risk management objectives and minimum requirements for the SGF units. It is applicable to all of SGF’s units. Management is expected to manage risks structurally in accordance with this policy and the related manual.

#### **Main principles**

The main principles of SGF’s risk management are:

- RM is aligned with and embedded within SGF’s strategy and its Units, and focuses on identifying and managing risks within the different units.
- SGF managers at all levels are responsible for implementing and executing risk management within their respective areas.
- Key roles, responsibilities, and authority relating to risk management are clearly defined and communicated within the organization.
- SGF bodies (e.g. Board of Directors, Audit Committee, etc.) have appropriate transparency and visibility into the organization’s risk management practices to discharge their responsibilities.
- A common risk definition and risk-related language is used consistently throughout the organization. This common Risk Management Policy and related manual is used throughout the organization to manage risks.

## **1.2 Risk appetite**

SGF aims to be risk aware, but not overly risk averse. This means that SGF should be constantly aware of where potential risks and opportunities may be within a unit. SGF will aim to actively avoid risks that could:

- Negatively affect the safety of all relevant stakeholders;
- Negatively affects our(SGF's) reputation;
- Lead to laws or regulations being breached;
- Endanger the future existence of the SGF; or
- Endanger a sustainable profit.

Management at appropriate SGF's level will establish risk responses as required to achieve the SGF objectives. The responses must be within units risk tolerance levels, which are formulated and regularly updated by the Directorate General. The risk appetite and risk tolerance levels of the units must be in line with the SGF Group risk appetite.

## **1.3 Risk management procedures Roles and responsibilities**

Risk management is primarily the responsibility of line management unit managers and all (staff) functions involved in Unit. Specific responsibilities for applying, supporting, and auditing the risk management process are detailed here.

### ***SGF's Board and Audit Committee***

- Review and approve the Risk Management Policy and related manual insofar as it is consistent with SGF's corporate objectives.
- Review and approve the corporate risk appetite and risk tolerance.
- Review the portfolio of risks in consideration with the corporate risk tolerance.
- Oversee the appropriate application of the Risk Management Policy and its related procedures within the units.
- Formulate the corporate risk appetite and risk tolerance; review and approve the Unit risk tolerance statements.
- Determine, communicate and support SGF's units risk management approach to the units.
- Review units risk reporting critically and provide feedback to the units.
- Ensure that the appropriate structure, processes, and competences are in place across SGF in order to address the requirements set out in this RM policy and related manual.

### ***Director General***

- Review and approve the SGF Risk Management Policy and the related manual.
- Formulate and update risk tolerance levels in every Unit;
- Communicate roles, responsibilities, and authority relating to risk management

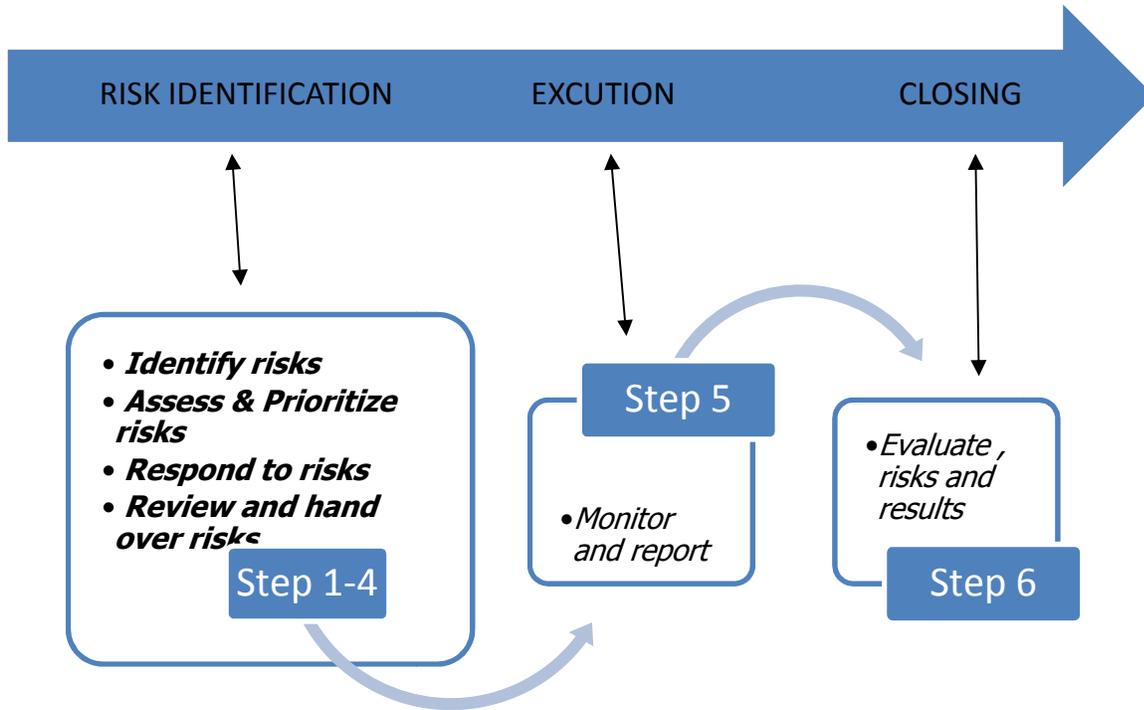
- Review the quality of risk management within the units;
- Coordinate & facilitate the Risk Management;
- Report to the Board of the situation of the risks in SGF.

***Units Directors***

- Make sure Risk Management is in place within the units including adequate RM staffing.
- Make sure that the Units Risk Manual meets the requirements as described in this (Group) Risk Management Policy and related manual.
- Implement the RM Policy and related Units Risk Manual within the units.
- Develop and review the unit's risk appetite and related risk tolerance in line with the corporate risk tolerance.
- Ensure (units) risks are identified, assessed, managed and reported as described in this RM Policy and the related Units Risk Manuals and procedures.
- Design and maintain an appropriate organization to facilitate the application of the RM Policy and the related Units Risk Manuals and procedures.

***The in charge of Risk Management***

- Implement and maintain the Units Risk Manual in line with the SGF Risk Management Policy and manual and related procedures.
- Support and train the units' business units in their use of the risk management activities.
- Maintain risk management communication within the units.
- Facilitate and participate in the units RM process.
- Report the status of the risk management implementation within the units to the Director General
- Participate in the Risk Council meetings.



**Escalate on risk and evaluate the RM process**

**1.1 Escalate on risks:**

The SGF risks will be evaluated on a continuous basis as part of standard SGF management activities and during the monthly SGF performance reviews.

However, for some emerging risks/events, immediate action may be required. These are the events / risks which have a significant impact on the SGF objectives and are likely to cause a significant deviation in the SGF results/profit. These instances should be escalated to management to ensure they remain informed and involved in a timely manner.

**1.2 Risk Management Evaluation:**

The RM process itself, including the use of this Risk Management, manual and all other related policies and procedures, are subject to an evaluation process as well. This can be organized by the RM officer, but it will also be part of the regular *Risk Council* meetings organized and facilitated by the Director General.

All SGF Staff must attend these Risk Councils. The Director General will be based on the input and/or specific requests from the DRM, define the agenda for the Risk Council meetings. RM officer will also perform (on-site) evaluations on the (implementation of the) risk management process. Findings and observations made during these on-site evaluations will be communicated to the Directors of Units and will also be used as input for the Risk Council meetings.

## CHAPTER 2: FRAUD MANAGEMENT

There is an important difference between frauds and errors. Frauds are illegal acts that benefit an individual or group by an intentional false representation of facts. Errors are a mistaken belief of fact which may also benefit an individual or group, although inadvertently. The important difference is intent.

### 2.1 Three Types of Fraud

- asset misappropriation,
- corruption and
- Financial statement fraud.

2.1.1 Asset misappropriation frauds are schemes in which an employee steals or exploits its organization's resources. Examples of asset misappropriation are stealing cash before or after it's been recorded, making a fictitious expense reimbursement claim and/or stealing non-cash assets of the organization.

2.1.2 Financial statements frauds are schemes that involve omitting or intentionally misstating information in SGF's financial reports. This can be in the form of fictitious revenues, hidden liabilities or inflated assets.

2.1.3 Corruption schemes happen when employees use their influence in business transactions for their own benefit while violating their duty to the employer. Examples of corruption are bribery, extortion and conflict of interest.

2.1.4 Check the facts if you discover a questionable transaction. If the transaction is questionable because documentation is missing, attempt to locate the documentation. If the problem is one of mysterious payments to an individual or group, investigate the reasons behind those payments. Never discuss your concerns until you have done everything you can to find a reasonable explanation for the questionable items.

**2.1.5 Once a rumour begins, it is difficult to stop, even if the rumour is false.** If you have attempted to confirm or disprove a fraud and you still believe that a fraud has been committed, talk to your supervisor about your suspicions. Explain the steps you have taken to dispel your concerns. Provide documentation of your attempts and the results of your investigation. Provide hard proof if it is available. If your supervisor is the suspect, take your concerns to the next level of authority, i.e., the Board Chairperson. If you are the supervisor of the suspect and someone brings this type of concern to you, be sure to double check the accuracy of the information. If, after double checking, you still have

questions, you have the authority (as the supervisor) to ask directly for an explanation without implying illegal activity. If you are satisfied with the answer, inform the individual who first brought their concerns to you. They have probably spent many hours trying to resolve the issue. Then, create a procedure to ensure that, as a supervisor, you will be aware of future transactions of a similar nature. If, as a supervisor, you are not satisfied with the suspected employee's answer, inform the next level of authority, i.e., the Director General, who should also double check the information. If fraud is still suspected, the Director General should inform the Board of Directors.

## **2.2 What Happens When Fraud is found**

- The Director General should investigate the matter further
- If a prima facie case is thought to exist to continue with their investigation;
- The Director General should invoke any disciplinary procedures contained in the contract of employment should the person be a staff member;
- Lay a complaint with the National Police;
- If necessary, commission an independent expert investigation;
- In the case of fraud, require a search for written evidence of the possible fraudulent action to determine the likelihood or not of such evidence;
- Seek legal advice; or v
- Inform the Board of Directors / BNR / Bank Manager / RDB / MINIJUST or any other authority

2.2.1 Once all available evidence is obtained the Director General shall consult the Board Chairperson. The Board Chairperson may, if they consider it necessary, seek legal or other advice as to what further action should be taken.

2.2.2 If a case is considered to exist the Director General or a person designated by him shall, unless another course of action is more appropriate:

- Inform the person in writing of the allegation that has been received and request a meeting with them at which their representative or representatives are invited to be present.
- Meet with the person who is the subject of the allegation of theft or fraud and their representatives to explain the complaint against them.
- Obtain a verbal or preferably a written response (all verbal responses must be recorded as minutes of that meeting, and the accuracy of those minutes should be attested by all persons present).

- Advise the person in writing of the processes to be involved from this point on

- 2.2.3 The Board of Directors of the SGF will decide if the Prosecution or the Rwanda National Police should become involved or whether the auditors should be brought in to determine the magnitude of the loss. Once the extent of the loss or fraud is determined and the charge is justifiable, the Board of Directors of the SGF will determine the legal action to take, if any.
- 2.2.4 The SGF recognises that supposed or actual instances of theft or fraud can affect the rights and reputation of the person or persons implicated. All matters related to the case shall remain strictly confidential with all written information kept secure. Should any delegated staff member or any other staff member improperly disclose information the Director General shall consider if that person or persons are in breach of confidence and if further action is required. Any action the Director General considers must be in terms of the applicable conditions contained in their contract of employment and the SGF code of ethics or code of responsibility by which the staff member is bound.
- 2.2.5 The SGF affirms that any allegation of theft or fraud must be subject to due process, equity and fairness. Should a case be deemed to be answerable then the due process of the law shall apply to the person or persons implicated.
- 2.2.6 Any intimation or written statement made on behalf of the SGF and related to any instance of supposed or actual theft or fraud shall be made by the Board Chairperson who shall do so after consultation with the Director General and if considered appropriate after taking expert advice.

## **2.3 Fraud Prevention**

### **2.3.1 Know Your Employees**

Fraud perpetrators often display behavioural traits that can indicate the intention to commit fraud. Observing and listening to employees can help you identify potential fraud risk. It is important for management to be involved with their employees and take time to get to know them. Often, an attitude change can clue you in to a risk. This can also reveal internal issues that need to be addressed. For example, if an employee feels a lack of appreciation, this could lead him or her to commit fraud as a way of revenge. Any attitude change should cause you to pay close attention to that employee. This may not only minimize a loss from fraud, but can make SGF a better, more efficient place with happier employees.

Listening to employees may also reveal other clues. Consider an employee who has worked for your company for 15 years that is now working 65 hours a week instead of 40

because two co-workers were laid off. A discussion with the employee reveals that in addition to his new, heavier workload, his brother lost his job and his family has moved into the employee's house. This could be a signal of a potential fraud risk. Very often and unfortunately, it's the employee you least expect that commits the crime. It is imperative to know your employees and engage them in conversation.

### **2.3.2 Make Employees Aware/Set Up Reporting System**

Awareness affects all employees. Everyone within SGF should be aware of the fraud risk policy including types of fraud and the consequences associated with them. Those who are planning to commit fraud will know that management is watching and will hopefully be deterred by this. Honest employees who are not tempted to commit fraud will also be made aware of possible signs of fraud or theft. These employees are assets in the fight against fraud.

Since many employees are hesitant to report incidents to their employers, consider setting up an anonymous reporting system. Employees can report fraudulent activity through a website keeping their identity safe or by using a tip hotline.

### **2.3.3 Implement Internal Controls**

Internal controls are the plans and/or programs implemented to safeguard your company's assets, ensure the integrity of its accounting records, and deter and detect fraud and theft. Segregation of duties is an important component of internal control that can reduce the risk of fraud from occurring.

Documentation is another internal control that can help reduce fraud.

In addition, make sure all checks, purchase orders and invoices are numbered consecutively.

Internal control programs should be monitored and revised on a consistent basis to ensure they are effective and current with technological and other advances.

SGF should ensure that:

- The physical resources are kept secure and accounted for.
- The financial systems are designed to prevent and detect the occurrence of fraud.
- Staff members who are formally delegated responsibility for the custody of physical and financial resources are proven competent to carry out such responsibilities and that such persons are held accountable for the proper execution of their responsibilities.
- All staff members are aware of their responsibility to immediately inform the Director General should they suspect or become aware of any improper or

fraudulent actions by staff, suppliers, contractors, insurance companies employees or other persons associated with the SGF.

#### **2.3.4 Rotate employees**

It is also a good idea to rotate employees to various jobs where possible. This may reveal fraudulent activity as it allows a second employee to review the activities of the first.

#### **2.3.5 Hire Experts**

Certified Fraud Examiners (CFE), Certified Public Accountants (CPA) and CPAs who are certified in Financial Forensics (CFF) can help you in establishing antifraud policies and procedures. These professionals can provide a wide range of services from complete internal control audits and forensic analysis to general and basic consultations.

#### **2.3.6 Live the SGF Culture**

A positive work environment can prevent employee fraud and theft. There should be a clear organizational structure, written policies and procedures and fair employment practices. An open-door policy can also provide a great fraud prevention system as it gives employees open lines of communication with management. The Director General and Directors should lead by example and hold every employee accountable for their actions, regardless of position.

### **2.4 Fraud Detection**

In addition to prevention strategies, SGF should also have detection methods in place and make them visible to the employees. The visibility of these controls acts as one of the best deterrents to fraudulent behaviour. It is important to continuously monitor and update your fraud detection strategies to ensure they are effective. Detection plans usually occur during the regularly scheduled business day. These plans take external information into consideration to link with internal data. The results of your fraud detection plans should enhance your prevention controls. It is important to document your fraud detection strategies including the individuals or teams responsible for each task. Once the final fraud detection plan has been finalized, all employees should be made aware of the plan and how it will be implemented. Communicating this to employees is a prevention method in itself. Knowing the company is watching and will take disciplinary action can hinder employees' plans to commit fraud.

## **CHAPTER 3: INTERNAL CONTROL SYSTEMS**

### **3.1 The internal control framework**

3.1.1 Internal controls include all instruction, organization structure, policies and procedures which:

- maintain reliable reporting systems;
- safeguard assets
- prevent and detect error and fraud; and
- optimize the use of resources.

### **3.1.2 SGF Effective systems of internal control should have**

- Determination of Validity
- Control of Documents
- Check for Accuracy
- Record in Appropriate Journals
- Check for Completeness
- Investigation of Unprocessed
- Segregation of Duties
- Performance of Monthly Reconciliations
- Timely Investigation of Differences
- Safeguarding of All Accounting Records

3.1.3 The best way to prevent fraud, theft and errors is to develop a strong set of internal controls and to enforce them. Some employees feel that internal controls are procedures imposed by employers and auditors to make sure they are not making mistakes or stealing assets. Effective internal controls are actually designed to protect both the employee and employer. For example, assume the same employee was responsible for receiving cash, recording receipts, making up the deposit and reconciling the bank account. If some cash accidentally went missing, it would be difficult for that employee, even though totally innocent, to prove that he or she was not responsible for the loss. Proper safeguarding of assets and segregation of duties would help prevent such a situation.

3.1.4 The SGF is obliged to implement suitable internal controls. Internal controls are processes designed to provide reasonable assurance regarding reliability of financial

reporting, effectiveness and efficiency of operations, safeguarding the SGF resources/assets at its disposal and compliance with applicable laws and regulations. The internal control framework is key to the implementation of the desired internal controls because it sets the “tone at the top” of the entity thus influencing the control consciousness and discipline of all the employees in the SGF.

3.1.5 **Organisation structure:** As a minimum, the SGF’s organisational structure should ensure that the following responsibilities are performed by different individuals and that there is independent hierarchical **internal check** over the actions of those individuals:

- Authorisation of transactions;
- Execution of those transactions (including direct dealings with suppliers; price negotiation, confirmation of delivery etc.);
- Record keeping for those transactions; and
- Payments for those transactions.

3.1.6 **Assignment of authority and responsibility:**

- Persons assigned financial management/accounting responsibilities should be delegated with commensurate authority to ensure that they are personally accountable.
- Job descriptions and responsibilities must be well defined in writing and communicated to the respective employees – who must acknowledge receipt in writing;
- Assigned authority limits as well as the consequences of non-compliance must be communicated to the respective employees and acknowledged in writing; and
- The responsibility for the operation of key internal financial controls such as bank account signatories and reconciliation must be clearly defined and communicated.

3.1.7 **Integrity and ethical values:** The effectiveness of internal financial controls depends directly on the integrity and ethical values of the employees who are responsible for creating and administering those controls. Therefore,

- The background of the prospective employees should be cross-checked prior to delegating to them responsibility for financial transactions;
- Attention should be paid to Government regulations regarding prevention of conflicts of interest and expected standards of ethical and moral behaviour; and
- The Director General is required to visibly take appropriate disciplinary action when employee conduct fails to meet the specifications in this Manual or any other Government regulations relevant to financial management and accounting.

- 3.1.8 **Commitment to competence and efficiency:** It is incumbent to the employees to ensure that they possess the knowledge and skills essential to the performance of assigned responsibilities. Similarly, immediate supervisors are required to guide and mentor those employees under their supervision to ensure transfer of skills and performance sustainability should there be employee re-deployment or change of employment. On its part, the SGF is committed to continuous skills development amongst its employees through formal training programmes and/or structured in-service refresher courses.
- 3.1.9 **Management philosophy and operating style:** Management's philosophy and operating style affects the way the SGF's activities are managed. Therefore, the SGF top managers are required to take the lead in complying with the provisions of this Manual.
- 3.1.10 **Budget:** The budget is the financial plan for the year. If it is carefully done and well thought out, it is a useful tool. If it is not, then it can be a waste of time and effort. The budget matches planned expenditures for the upcoming year with the revenues that the SGF expects to receive during the same year. It also shows the months when revenue can be expected compared to the months when expenditures will be made. This helps the Director General of the SGF to plan the cash flow. A properly prepared budget is useful for several reasons:
- it shows the priorities for the SGF spending and makes sure that the minimum services are provided;
  - it prevents the misuse of the SGF funds;
  - it helps with long term plans by allowing the Board to build or use its Surplus funds; and
  - it helps the Board control the operating activities of the SGF.
- A budget should be used as a tool and as a guide. Budgets are "best guesses" when they are prepared, and cannot be "carved in stone". On the other hand, budgets should be used to control expenditures that are controllable. If actual expenditures are greater than budgeted expenditures after the first eight months of operations, it may be necessary to postpone non-essential expenditures in order to come in on budget for the year.
- 3.1.11 **Segregation of Duties** Effective internal control can be created by separating the responsibility for keeping assets from the responsibility for recording assets, i.e., one person is responsible for receiving and caring for the asset and another person is responsible for recording the receipt and disposition of the asset.
- 3.1.12 **A control-conscious environment is also necessary.** It is an environment *that* supports ethical values and business practices. Management is responsible for "setting the tone" for their areas and encouraging the highest levels of integrity and ethical behaviour, as well as exhibiting leadership behaviour that promotes internal control and accountability.

The following steps are examples of this leadership behaviour:

- Communicate to employees that fraud and conflicts of interest will not be tolerated.
- Communicate to employees that SGF policies and procedures are important and will be followed.
- Make employees fully aware of their responsibilities, including internal controls.
- Monitor the internal controls system on an on-going basis.

3.1.13 **Safeguard Assets** Many assets can be protected simply by locking them up. Desk drawers, file cabinets and office doors should all be locked at the end of every day.

3.1.14 **Lock Up Important Documents:** Everyone recognizes computers and cash as valuable assets. However, some documents can be just as important and equally valuable. Cheques and payroll information should be kept out of sight of the general public and out of sight of unauthorized employees as well. These documents should be accessible only to the individuals who will be working with them.

When important or accountable documents are not being used, they should be locked away. An accountable document is one for which the sequence of numbers used must be verified and accounted for, e.g., cheques, receipts.

3.1.15 **Data Protection Backup** Back up for Data is important for the SGF. Once a document has been produced, a back-up system utilizing data safeguarding is necessary. Data will be backed up utilizing back up discs and data travellers to ensure safekeeping of documents.

3.1.16 **Verify Document Sequences** Confirm that each document in a numbered series is accounted for. For example, review the cheque listing and the cheques available to ensure that every cheque no longer available has been recorded and is valid. Keep all copies of any cheque that has been voided. Investigate if a cheque is missing and has not been recorded.

3.1.17 **Bank Reconciliation** Reconciling the bank statement with the G/L balance provides an effective check of the SGF records against the records of the bank. Bank reconciliations are also important because of the difference in time between what is recorded by the SGF and what is recorded by the bank.

3.1.18 **Independent Verification** It is not practical for an individual to check their own work. They have been too involved in performing the work to sit back and take a fresh look. A quick independent and objective review by someone else can assist in determining how an employee is performing as well as locating and correcting errors.

3.1.19 **Perform the Tasks an Auditor Would Perform** Doing some of the work that an auditor would perform is also an effective way of double-checking work for accuracy. It is important to remain independent and objective and to analyse the work and not the

individual. Some audit procedures which would be useful under these circumstances are as follows:

- ensure that bank reconciliations actually agree to the general ledger bank account. Scrutinize the reconciliations for any unusual or long outstanding items;
- ensure that trial balance totals of subsidiary ledgers agree with the corresponding general ledger control accounts. Scan the trial balances for any unusual or extraordinary balances;
- scan all general ledger balances for reasonableness and compare them to budget amounts;
- scan journal entries to see that they have been properly approved, documented and posted;
- make sure the general ledger balances!

### **3.2 INTERNAL AUDIT POLICIES AND PROCEDURES**

#### **Overview**

In accordance with the commitment of Government of Rwanda, the Special Guarantee Fund (SGF) aims at achieving the highest standards of accountability and transparency in public financial management as highlighted in its strategic plan. This goal will be achieved by Special Guarantee Fund through the compliance with laws, regulations, instructions and resolutions, the efficient & effective management of public resources and accountability thereof. In addition, for the purpose of obtaining independent and objective assurance on the achievements, the internal audit undertakes evaluation through the provision of assurance and consulting services.

In order to add value and improve SGF's operations, the function of internal auditing needs to be understood and supported by other functions such as administration & finance, claim compensation, etc. to enable it evaluate and improve timely the risk management, control and governance processes.

It is in this regard that this internal audit policy and procedures manual is set out within SGF to ensure a common understanding for all staff which aims at yielding service improvement. This document is a SGF's customized summary from the Government of Rwanda Internal Audit Procedures Manual which is also based on the international standards for the professional practice of Internal Auditing (IIA) issued by the Institute of Internal Auditors.

The purpose of customizing this procedure Manual is to make it suit SGF circumstances and to regulate the activities of internal auditing as well as its relationship with other services.

### **3.2.1. GENERAL PROVISIONS**

#### **3.2.1. 1. MISSION OF SGF INTERNAL AUDIT FUNCTION**

The Internal Audit function's mission is to independently examine and evaluate Special Guarantee Fund activities under the aspects of internal controls, risk management and governance processes as a service to the operational staff, Management and the Board of directors.

Internal Audit's objectives are to provide analyses, appraisals, recommendations, and evaluation of internal controls, risk management and governance processes to assist members of the Special Guarantee Fund in the effective discharge of their responsibilities.

#### **3.2.1. 2. GOAL**

To accomplish the audit mission, the Internal Audit function must:

- Develop an Audit Universe;
- Prepare audit plan and annual audit schedule to systematically complete the audit universe;
- Perform scheduled audits, and report results to the Board of directors and senior management;
- Perform follow-up reviews of audit recommendations.

#### **3.2.1.3 MEANING OF INTERNAL AUDITING**

According to Institute of Internal Auditors, Internal auditing is “an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.”

From the above definition the following key words are explained as:

**-independent assurance and consulting activities:** the internal auditor carries out two types of activities, the assurance activities and consulting activities and internal auditors are required by the standard to be independent of the activities they audit , independent in planning audit and time of implementing audit plan, independent in collecting and evaluating any kind of evidence as deemed necessary for audit, independent to report the results of the audit without interference or influence from any person and they should not audit controls that they designed or a process they were previously responsible.

- **Objective activities:** the objectivity of internal auditor is a mental attitude which internal auditors should maintain while performing engagements. The internal auditor should have an

impartial, un-biased attitude and avoid conflict of interest situations, as that would prejudice his/her ability to perform the duties objectively.

The Internal audit's core role with regard to risk management within the entity is to provide objective assurance to the Board of Directors on the effectiveness of the entity's risk management activities to help ensure key business risks are being managed appropriately and that the system of internal control is operating effectively to manage those risks at acceptable level.

- **Assurance activities or services:** An assurance service is an independent professional service that improves the quality of information for decision makers. Such services are valued by decision makers (Board of Directors) because the assurance provider (internal auditor) is independent and perceived as being unbiased with respect to the information examined. The assurance services provided by an internal auditor increases the reliability and relevance of information used by Board as a basis for decision making. These services/ activities include: financial audit or review, performance audit and other audits of activities, assessment of effectiveness of internal controls systems, recommending measures to strengthen internal controls, governance and risk management, monitoring the implementation of audit recommendations and reporting on the status thereof.

- **Consulting activities or services:** They are Advisory and related entity service activities, the nature and scope of which are agreed with the entity (especially Management), that are intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation, research service and training.

- **Audit uses a systematic and disciplined approach:** audit applies a systematic approach since it must be planned and it is also subject to disciplined approach as it is carried out by complying with code of ethics and audit standards.

- **Evaluation and improve the effectiveness of risk management, control, and governance processes:** Internal Auditor is required to evaluate and improve the effectiveness of risk management, controls and governance processes within the organization. However, all these three processes must be designed and implemented by the Management and the role of internal auditor comes in to evaluate their effectiveness to provide reasonable assurance (not absolute since control cannot be effective 100%) that objectives will be achieved. In this context, risk should be apprehended as any obstacle, challenge, threat or event that can prevent or threaten the organization from achieving its objectives whereas control is any solution/action from leaders/managers to prevent or manage risk.

### **3.2.2. Purpose, authority and responsibility of internal audit**

#### **3.2.2.1 Purpose**

The main purpose of internal auditing is to ensure that operations of the organization are conducted according to the highest standards by providing independent objective assurance and consulting services through a systematic, disciplined approach to help the organization accomplish its objectives.

#### **3.2.2.2 Authority**

The internal audit is authorized to:

- ✓ Have unrestricted and unlimited access to records, personnel, all functions, and property that is appropriate to achieve their engagement objectives.
- ✓ Have full and free access to the Top management, audit committee, including private meetings.
- ✓ Have freedom to determine the scope of work, select subjects, allocate resources, set frequencies, determine engagement resources, and apply the techniques required to accomplish audit objectives.
- ✓ Obtain the necessary assistance from units and employees of SGF where it performs audits, as well as other specialized services from within or outside SGF.
- ✓ The internal audit is not authorized to:
  - ✓ Perform any operational duties for SGF.
  - ✓ Initiate or approve accounting transactions external to the internal audit service.
  - ✓ Formulate or implement policies, procedures, systems or processes external to the internal audit service.
  - ✓ Direct the activities of any SGF employee except external service providers working with the internal audit service.

#### **3.2.2.3 Responsibility of internal audit**

The internal audit has responsibility to:

- a) Apply government internal audit policies in conducting internal audit and modify them where the circumstances of SGF make it necessary;
- b) Develop a flexible annual audit plan using appropriate risk-based audit methodology, including any risks or control concerns identified by management, and submit that plan to the

Board for review and approval. Prepare a time budget that is complementary to the implementation of the audit plan.

- c) Implement the approved annual audit plan, including, and as appropriate, any special tasks or projects requested by top management or Supervisory Board;
- d) Issue quarterly reports to the Supervisory Board summarizing results of audit activities and provide information on the status and results of the annual audit plan and the sufficiency of the Internal Audit's resources;
- e) Participate, in an advisory capacity, in the planning, design, development, and implementation and modification phases of major information related systems to determine whether:
  - ✓ Adequate controls are incorporated in the systems;
  - ✓ Adequate risk management techniques have been utilized;
  - ✓ Thorough systems testing is performed at appropriate stages;
  - ✓ Systems documentation is complete and accurate; and
  - ✓ The intended purpose and objectives of the system implementation or modifications have been met.
- f) Issue an audit report to management and any other relevant parties at the conclusion of each audit;
- g) Conduct periodic follow-up reviews to evaluate the adequacy of Management's corrective actions until resolution of issues. Issue periodic reports to top management and the Supervisory Board summarizing results of audit activities, and summarizing the status of follow-up activities;
- h) Evaluate regularly the accuracy and reliability of the financial reports and suggest improvements in the presentation and disclosures;
- i) Evaluate annually the overall effectiveness of the internal control environment and issue an opinion;
- j) Keep the Supervisory Board and top management informed of emerging trends and successful practices in internal auditing;
- k) Assist in the investigation of significant suspected fraudulent activities within SGF and notify top management and the Supervisory Board of the results;
- l) Establish a quality assurance program to give assurance on the operation of internal audit;
- m) Coordinate with, and assess the scope of other control and monitoring functions and review activities (such as external reviews and independent audit, risk management, security offices, and legal offices);
- n) Assist the Supervisory Board in any other way in connection with the discharge of its duties and responsibilities.

### **3.2.3. Coordination with the Office of the Auditor General and supervision by the Office of Government Chief internal auditor.**

The Office of the Auditor General was established in the 2003 Constitution of the Republic of Rwanda as an independent institution with the responsibility to audit the use and management of government finances and property.

Auditors from the Office of the Auditor General may rely on the work done by internal audit service with respect to the appraisal of the internal control systems.

Consequently, the Auditor General is entitled to copies of all internal audit reports on request. The Government Chief internal auditor and SGF internal Auditor should coordinate activities with the Auditor General and other providers of assurance and consulting services to ensure proper audit coverage and to minimize duplication of effort.

The Office of the Government Chief Internal Auditor based in MINECOFIN has the overall responsibility to:

- (i) Supervise and co-ordinate the internal audit function in SGF and provide technical support to the audit Service at SGF;
- (ii) Formulate and disseminate internal audit regulations, policies, guidelines, audit methodology, Code of conduct & ethics, and their dissemination to the internal auditor in SGF;
- (iii) Arrange appropriate continuous professional development for SGF internal auditor;
- (iv) Develop and maintain a quality assurance and improvement program; and
- (v) Initiate preventive and corrective measures to improve quality of Public Financial Management etc.

### **3.2.4. Audit Universe and audit services of internal auditor**

#### **3.2.4.1 Audit Universe**

The Audit universe for internal auditing is constituted by all activities or processes of Special Guarantee Fund.

#### **3.2.4.2 Audit services of internal auditor**

Internal Audit provides two types of services, namely assurance services and consulting services/activities.

### **Assurance services**

Internal audit provides an objective examination of evidence for the purpose of providing an independent assurance on governance, risk management, and control processes for Special Guarantee Fund by conducting the following types of audits:

- a) Financial Review:** To provide reasonable on the correctness, entirety, legitimacy, and regularity of financial reports and transactions as well as the soundness of underlying internal controls and accounting records.
- b) Compliance Audit:** To verify adherence to laws, regulations, policies, standards, and prescribed procedures.
- c) Performance Audit:** To assess the degree of economy, effectiveness and efficiency of SGF's operations as deemed feasible. The emphasis is put on the assessment of both SGF's inputs and outputs.
- d) Systems Audit:** To evaluate the design and operation of systems including internal control, financial controls, accounting systems, IT Systems, etc.
- e) Forensic Audit:** To consider specific cases of suspected irregularities such as fraud, theft, embezzlement, or mismanagement of public funds as deemed feasible.
- f) IT Audits** - Reviews of computer-based systems focusing on data security, disaster recovery, and effective use of resources as deemed feasible.

### **Consulting/Advisory services ( activities)**

Internal audit will also provide advisory services to assist management to meet SGF's objectives. Examples of such services include facilitation, training, research services on prospective issues facing SGF and assisting in improving risk management, internal control and governance structures. The nature, scope and objective of advisory services must be agreed with management.

### **3.2.5. Nature of work of internal auditing**

The internal auditor's work is about risk, internal controls and governance.

#### **a. Risk**

Internal auditor helps SGF manage risk by:

- Identifying and evaluating significant exposures of risk in order to provide independent and objective assurance to top management and the Board on the adequacy and effectiveness of the risk management processes in SGF.
- Contributing to improvement of risk management through recommendations.

- Monitoring and evaluating the risk management system.

The internal audit must satisfy itself that SGF’s risk management processes address the five key objectives that assist in determining the overall adequacy and effectiveness of risk management processes:

- ✓ Risk arising from SGF’s strategies and activities are identified and prioritized;
- ✓ Management have determined the level of risk acceptable to SGF including the acceptance of risk designed to accomplish SGF’s strategic plans;
- ✓ Risk mitigation activities are designed and implemented to reduce or otherwise manage risks that were determined to be acceptable to the management;
- ✓ Ongoing monitoring activities are conducted to periodically reassess risk and the effectiveness of controls to manage risk;
- ✓ The management receives periodic reports of the risk management process.

#### **b. Controls**

Internal audit helps SGF maintain effective control by:

- Evaluating the adequacy, effectiveness and efficiency of controls.
- Promoting the continuous improvement of the system and the controls.

The internal audit uses the internal control questionnaire for government entities to assess the components of the COSO internal control model at SGF and the aforementioned components include :

**(i) The control environment** that sets the tone of the organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure. Control environment factors include the integrity, ethical values and competence , management’s philosophy and operating style, delegation of authority and responsibility, human resources policies;

**(ii) Risk assessment** which is the identification and analysis of relevant risks that threaten the achievement of objectives; it forms the basis for determining how the risks should be managed.

**(iii) Control activities** which entail the specific controls put in place in SGF. The following are the examples of such controls: procedures for transaction authorization, transaction verification, segregation of duties, spending ceilings, system access passwords, tendering processes, bank reconciliation, monthly review of budget execution reports, “imigiho” performance reviews, etc.

There are also inherent control activities in ICT systems and software applications such as the computerized accounting system which include ICT network stability, system security such as firewalls, physical access controls, passwords, data backup procedures, technical support and

system maintenance procedures, robustness and reliability of the accounting system, integrity of data processing, data input and output controls, etc.

**(iv) Information and communication:** this entails the reliability and timeliness of reported information, the frequency of internal communication regarding the need and objectives effective internal controls in SGF, and the effectiveness of the mode of communication and reporting practices in SGF.

**(v) Monitoring:** this entails how well management monitors the implementation of controls over time. Continuous monitoring helps to identify poorly designed or ineffective controls. Monitoring should include the attention paid to reported weaknesses and the speed at which corrective measures are implemented.

### **c. Governance**

The Internal Auditor helps SGF assess and make recommendations for improving the governance in its accomplishment of the following objectives

- Promoting appropriate ethics and values within SGF.
- Ensuring effective SGF performance management and accountability.
- Effectively communicating risk and control information to appropriate areas of SGF.
- Effectively coordinating the activities of and communicating information among the board, external and internal auditors.

## **3.2.6. CODE OF ETHICS, INDEPENDENCE AND OBJECTIVITY**

### **a. Code of ethics**

The SGF Internal Audit function has adopted the IIA's Code of ethics through the adoption of government of Rwanda internal audit procedures Manual. The provisions of the Code set forth the standards of professional behavior:

- ✓ Internal auditor has an obligation to exercise honesty, objectivity, and diligence in the performance of his/her duties and responsibilities.
- ✓ Internal auditor, in holding the trust of SGF, shall exhibit loyalty in all matters pertaining to the affairs of SGF or to everyone he/she may be rendering a service. However, internal auditor shall not knowingly be a party to any illegal or improper activity.
- ✓ Internal auditor shall refrain from entering into any activity which may be in conflict with the interest of SGF or which would prejudice his/her ability to carry out objectively his/her duties and responsibilities.

- ✓ Internal auditor shall not accept a fee or gift from an employee, a customer/stakeholder, or his/her supervisor without the knowledge and consent of his/her senior management unless it is of very low value such as pen, calendar, pencil, etc.
- ✓ Internal auditor shall be prudent in the use of information acquired in the course of his/her duties. He/she shall not use confidential information for any personal gain nor in a manner, which would be detrimental to the welfare of SGF.
- ✓ Internal auditor, in expressing an opinion, shall use all reasonable care to obtain sufficient factual evidence to warrant such expression. In his/her reporting, internal auditor shall reveal material facts to him/her, which, if not revealed, could either distort the report of the results of operations under review or conceal unlawful practice.
- ✓ Internal auditor shall continually strive for improvement in the proficiency and effectiveness of his/her service.
- ✓ Internal auditor shall abide by the bylaws and uphold the objectives of the Institute of Internal Auditors. In the practice of his/her profession, he/she shall be ever mindful of his/her obligation to maintain the high standard of competence, morality, and dignity which the institution of internal auditors and the government of Rwanda have established.

The Internal Auditor must also abide with the Code of Ethics for Rwanda Government Internal Auditors, particularly where it is stated that the behavior of internal auditor must be guided by integrity, objectivity, professional competence and confidentiality.

#### **b. Independence and objectivity**

Independence and objectivity are very essential to internal auditing and internal auditor must be objective while the internal audit activity must be independent; therefore, Internal Audit shall be independent of the activities audited and shall have no direct responsibility or authority over activities reviewed. Internal Auditor should not develop and install procedures, prepare records, or engage in activities that would normally be reviewed by Internal Audit.

Recommendations to improve internal controls, compliance with established policy, and increase efficiency are included in the written audit report, which is given to management for review and implementation.

Any illegal activity or the legality that is questioned by the auditor (e.g. conflict of interest, embezzlement, or theft) shall be reported to the appropriate institutional administrator or Director General immediately upon discovery by the auditor.

In performance of his/her functions, internal auditor should have neither direct responsibility for, nor authority over, any of the activities and operations reviewed.

Management is responsible for establishing and maintaining controls to discourage the perpetration of fraud. Internal Audit is responsible for examining and evaluating the adequacy and the effectiveness of management's actions to fulfill this obligation.

Internal Auditor should be able to identify indicators that fraud might have been committed. However, Internal Auditor is not expected to have the knowledge equivalent to a person whose primary responsibility is to detect and investigate fraud.

Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected. Further, it is recognized that the performance of audits and other reviews may include the assistance of other professionals with specific expertise.

In other words, as far as SGF internal audit unit independence is concerned, SGF Head of internal audit/internal auditor must report administratively to the Director General and functionally to the Investment & Audit Committee (Board of directors).

The Head of internal audit/internal auditor is hired, evaluated, retained and terminated by the Audit Committee/Board of directors in coordination with SGF Top Management.

The aforesaid independence shall be practically manifested in the following:

- **Independence in programming audit work:** the internal audit unit and the internal auditors have full control over the selection, nature, and timing of their audit programs and procedures. In addition, they are free from any influence regarding their audit plans and work plans. They freely determine when to audit a particular process. However, Head of internal audit/internal auditor should consider including requests from audit committee, and management in the audit plan for areas with significant risk.

- **Independence in investigations:** the internal audit unit is free to collect and evaluate all the evidence as it deems necessary for the audit. The internal auditor's choice and accessibility to necessary information for audit is free from any interference, except where the information is restricted in the public interest.

- **Independence from operations:** internal auditor must have no direct operational responsibility or authority over any of the activities they audit. They are independent of the day-to-day financial management and accounting activities. Accordingly, they do not design or install systems or managerial procedures, or prepare accounting records, or engage in any other operational activity for which they would normally have the responsibility to audit except in an advisory capacity.

- **Independence in reporting:** the internal audit free to report the results of the audit without interference or influence from any person, whether from within or outside the SGF.

- **Advisory services:** Internal Auditor should not audit controls that he/she designed or a process he/she was previously responsible for, for a period of at least one year.

SGF internal auditor must report to the Office of the Government Chief Internal Auditor and Board of directors any instance of impairment of independence of their function.

Internal audit independence may be impaired (damaged, weakened) by restriction of access to sources of information, actions or persuasion designed to influence the conduct, scope of an audit, or the content of an audit report, previous employment in area being audited, unless a suitable period (at least one year) has elapsed since the auditor's involvement; personal relationships, particularly with the staff of other departments; personal bias against Top Management or other officer whether due to ideological differences, personality conflict etc; financial interest by the auditor personally or indirectly through family members; pressure to improperly limit or modify the scope of an audit probably with preconceived audit conclusions; interference in audit sampling; for example: instructions are given to examine and/or not to bother with specific transactions; unreasonable deadlines for the completion of the audit tests or to issue the audit report; external influence over the assignment, appointment, compensation, and promotion of the auditor; ability to overrule or to inappropriately influence the auditor's judgment as to the appropriate content of the audit report; bribes or significant gifts, promised or actual, to the auditor by entrepreneurs. These include promises for employment for self or relatives of the auditor; threats, perceived or actual, to the personal security of the auditor, especially where embezzlement or other form of misappropriation of entity resources is suspected; assignments with little impact on internal auditor's professional independence.

The independence of the internal audit activity might be impaired if the internal audit unit is organizationally located under an operational department e.g. Finance; the reports of the internal auditor are subject to the prior approval of Top Management before being released; the internal auditor serves SGF in management or operational capacity; the internal auditor's recruitment, performance appraisal, promotion and dismissal is influenced by Top Management; the internal auditor is not readily accessible to those charged with governance; the internal auditor is unable to conduct audits and report findings, opinions, and conclusions objectively without fear of reprisal.

However, the following consulting services are considered to bear insignificant impact on the internal auditor's professional independence: being a member of a technical committee of whatever description solely as a technical expert in nonvoting capacity to render technical advice based on "auditors' knowledge; providing tools and methodologies, such as "best practices" in governance and internal control; providing training to other entity personnel.

### **3.2.7 RISK ASSESSMENT, STRATEGIC AND ANNUAL WORK PLANS**

SGF Internal audit shall adopt a “Risk based audit” in carrying out audit activities in order to ensure the limited resources available are directed to areas of greater risk (i.e prioritizing areas of greater risks for audit) that can prevent SGF to achieve its objectives. This implies that in waiting for the set up of a formal risk management process by SGF Management, each audit plan (strategic and annual audit plan) shall result from a **risk assessment** which is the overall process of identifying, analyzing and evaluating relevant risks to the achievement of SGF objectives and determining the appropriate response. In other words, it is the **identification, analysis and evaluation** of what could go wrong and how to address it. This risk assessment pursues the following 6 steps:

**a. Identification of audit universe** (budget lines, departments, programs, systems, assets, resources , processes, new activities, new organizations, new programs and changes, etc. within SGF or its Units that are within internal audit potential scope). Top Management should be consulted and budgets, strategic and operational plans reviewed to identify key SGF objectives.

**b. Grouping of Audit Universe** into Manageable auditable Units. These units formed shall be likely to produce meaningful findings for top management and that would be of such size and scope that an audit engagement could be practically conducted within a reasonable timeframe or cycle of coverage.

**c. Risk Assessment of Manageable Auditable Units.** Each auditable unit is assessed and ranked based on its importance (weight) to the achievement of the SGF’s objectives, its complexity in terms of ensuring that intended outcomes are achieved, and its sensitivity in terms of the public or the intended beneficiaries. To assess the risks in each auditable unit, the following 4 steps shall be pursued:

**\* Understanding SGF processes and their objectives;**

**\* Identifying SGF strategic, financial, operational, regulatory and reputational risks** at both an entity wide and operational level. Risks whether from external or internal sources are categorized using a suitable risk model, especially **form no 7** of Rwanda government chief internal audit. Information on risks may be obtain by interviewing Top Management , consulting external audit, reviewing recent audit reports, planning documents or by consulting other relevant stakeholders.

**\* Risk analysis.** For inherent risk assessment, risks are identified and assessed before considering the controls Management has put place whereas for residual risk assessment, controls to mitigate the risks are mapped and their effectiveness considered in determining the residual risk rating based on management’s perception and the internal auditor’s professional judgment.

In other words, risk analysis is the systematic use of information to identify the sources and to estimate the extent of the risk. As stated in ISO 31010, it consists of determining the consequences and their probabilities for identified risk events, taking into account the presence (or not) and the effectiveness of any existing controls. The consequences and their probabilities are then combined to determine a level of risk.

\* **Risk Evaluation:** risk evaluation is the process of evaluating the significance of the risk and assessing the likelihood of its occurrence. With risk evaluation, management becomes aware of the actions which need to be undertaken and their relative priority or urgency. As defined in ISO 31010, it involves comparing estimated levels of risk with risk criteria defined when the context was established, in order to determine the significance of the level and type of risk.

In order to analyze the risks in SGF and arrive at a consensus of the risk rating, the internal auditor shall use **form no8** of government chief internal auditor.

Risks shall be assessed as **high, medium** or **low** where:

- **High** means that a fundamental objective is not met or there is a critical weakness in controls which may have a potentially critical negative impact involving loss of material assets, reputation, critical financial information, or ability to comply with the most important laws, policies, or procedures;
- **Medium** shows that an important objective is not met or there is a significant weakness in controls which may have a potentially significant negative impact on the unit's assets, financial information, or ability to comply with important laws, policies, or procedures.
- **Low** illustrates that objectives are mostly met but further enhancement of the control environment is possible. Resolution would help improve controls and avoid problems in the unit's operations.

Overall risk ratings can be classified as lower, moderate and higher risks and the internal audit shall use the model exhibited in **form no9** of government chief internal auditor.

**d. Three Year Strategic Audit Plan:** Basing on the result of risk assessment, the head of internal auditor/ internal auditor in collaboration with Management shall develop a three year rolling strategic audit plan which shall be approved by the Board of directors through its Investment & Audit Committee. This strategic planning is the process of identifying the key audit strategic direction of the internal audit for a three-year period. The plan should take into account the following factors: existing controls, expertise of management, historical problems, interval since the last audit review, conditions found during recent reviews, adherence to the budget, complexity of operations and technology, overall effectiveness and efficiency of operations

Other considerations for selecting assignments include: audits requested by Management and BoD, emerging issues, high monetary value, follow up audit (on high risk recommendations). SGF Internal Auditor may refer to the **form 10** of government internal audit in preparing a three year strategic rolling audit plan.

**e. prioritization of audit assignments in Annual risk based audit plan** which are proposed audit assignments for areas of higher or moderate risk and which can be performed with the available resources and the available audit resources. The annual audit plan should contains the following minimum information: name of the entity and audit area, risk assessment rating, objective of the assignment, quarter or month assignment will be performed, estimated number of man-days required based on the size and complexity of the area to be audited. The **form 11** of government chief internal audit should be referred to by SGF internal audit in preparing annual risk-based audit plan.

**f. Present audit plans for approval:** Head of internal auditor/internal auditor shall submit audit plans to the Top Management for review and Investment & Audit Committee for approval by 31st July of each fiscal year and should send a copy of the approved audit plan to the Director General and to the Government Chief Internal Auditor.

### **3.2.8. Resources planning and changes to annual audit plan**

Once the annual plan is approved, resource plans should be developed to ensure available resource are optimally utilized. The **Form 34** of Office of Government Chief Internal Auditor (Resource calendar or Chronogram) should be prepared showing the scheduling of resources and projects and allocated man days. The resource plan shall also show where Internal Auditor plans to rely on the work of other auditors for certain aspects of the internal audit responsibilities.

The Head of Internal Auditor/Internal Auditor must notify and obtain the Investment & Audit Committee's approval for all changes to the annual audit plan. This approval must be obtained prior to any audit work. The only exception to this process would be the immediate investigation of criminal or fraudulent activity where Internal Auditor shall notify the investment and audit Committee concurrently upon starting the investigative work. Where necessary, the Investment & Audit Committee shall request technical support from the Government Chief Internal Auditor for investigating fraudulent activities. Where necessary, the internal auditor may review the annual audit plan after six month.

Should an area or somebody request an audit, the request must be transmitted to the Chairperson of Investment & Audit Committee who in consultation with Internal Auditor will determine the merits of the request.

Note that there are **three** levels of planning: **strategic planning**, **annual work planning** and **audit engagement planning**. The annual audit plan (AAP) is based on identified audit areas

resulting from the strategic planning, while the audit engagement plan sets the activities per audit engagement identified in the annual audit plan.

### **3.2.9. The Audit Process and audit engagement planning**

The Audit process is divided into four phases, namely: audit engagement planning, audit execution, audit reporting, and audit follow - up.

Audit engagement planning is the third stage of planning, after strategic planning and annual audit planning, which involves the listing down of audit activities per audit engagement based on the annual audit plan. A key aim in planning an audit should be to complete the audit in the least time necessary, without compromising its quality.

The steps involved in Audit Engagement Planning include the following: (i) document understanding of the program or project objectives and operations, (ii) determine the audit objective, scope and criteria, (iii) determine the resource required for the audit, (iv) develop the audit plan and audit program;

#### **3.2.9.1 Notification letter**

The Head of internal auditor/internal auditor sends an “**audit notification letter**” to the Director General and makes a copy to the head of unit to be audited. This notification letter informs the auditee of internal auditor’s intention to conduct an audit and must reach the General direction or unit to be audited at least seven (7) working days ahead of the commencement of the audit.

For forensic audits, the length of prior notice will depend on the circumstances of the specific case and the surprise cash count is an exception.

The notification letter should show the date of starting the audit, the type of audit, the key documents to be provided for audit. It should also outline the respective roles and responsibilities of internal auditor and SGF Management during the course of an audit, and an overview of the audit process and the broad timeframes for key milestones of the assignment. Internal Auditor may refer to the **form 12** and **form 14** of Office of Government Chief Internal Auditor in preparing the notification letter.

The notification letter should be accompanied by a **request for audit information** showing the time when the information is required and the auditor should maintain an **information request monitoring** based on **form 15** of Office of Government Chief internal Auditor and update it on receipt of the requested information.

In the event that the information flow is persistently ineffective, the Internal Auditor should inform Top Management accordingly on the impact of the delays on the reporting deadline and if

no solution is obtained, this should be notified to the Chairperson of Investment & Audit Committee.

### **3.2.9.2 Opening meeting**

When preparing for audit assignment execution, the Internal Auditor has to hold an **opening meeting** with the audited unit, in the presence of Director General where necessary, to establish a mutual understanding of the following audit planning matters: (i) The scope and objectives of the intended audit and the roles of each party towards the achievement of those objectives, (ii) Any specific “value addition” audit coverage that may be requested by Top Management and Unit staff, (iii) The status of previous audit recommendations, (iv) Information requirements and timelines for providing the information, (v) The major deliverables from the audit and the persons to whom they will be addressed to, (vi) The projected timetable for the audit, (vii) The key contact persons for the audit and the communication methods, and (viii) other matter as deemed appropriate;

At the opening meeting, internal auditor:

- explains the role of internal audit and emphasizes that the main objective is to provide constructive help and advice to the management;
- discusses and agrees the scope and objectives of the audit – making it clear that he/she welcomes any questions and also the views and suggestions of management;
- discusses the timing of the audit – and any difficulties which could arise from it such as absence of key personnel, etc... and he/she needs to beware of the danger of management raising timing difficulties as a way of having the audit postponed;
- sets out the procedures that will be adopted for confirming audit findings, discussing the draft report and issuing the final report;
- makes it clear that he/she will need access to all relevant files and documents;

Internal auditor should ensure that the opening meeting is conducted in a friendly and positive atmosphere. At the end of the opening meeting the head of internal audit/internal auditor must ensure that minutes of the meeting are prepared showing the date of the meeting, the persons in attendance, the matters discussed including the conclusions reached and be kept on the current audit file as part of the working papers for the audit.

Where the audit relates to IT system and as long as these skills are not available in the internal audit, the Internal Auditor must plan to outsource or co-source this service from outside providers.

In planning audit engagement, the Internal Auditor shall also prepare an “**audit work program or audit program**” which contains the audit objective, the step by step audit procedures to

accomplish the audit objective, and the specified timeframe. This document is a guideline for action during the execution phase of the audit and it sets out the detailed audit procedures for cost effective collection of evidence. In preparing it, the internal auditor may use the **form 25** of Office of Government Chief Internal Auditor.

### **3.2.9.3 Audit sampling**

Sampling is one of procedures to enhance efficiency in auditing where the internal auditor may test less than 100 percent of a population and use the results to conclude about the entire population. In doing so, the internal auditor may use judgment (judgment sampling) or statistical reliable estimates (statistical sampling). During the initial evaluation of the system (assessing the nature, appropriateness and extent of controls in place), judgment is particularly applied when a decision could be made to include an item or a group of items in the testing. Judgment also comes into the identification of those key controls which need to be tested. It is also important when it comes to deciding on the size and method of selection of items for testing. Thus, Judgmental/Non-statistical sampling has to be applied by the internal auditor when he/she wants to use his or her own experience and knowledge to determine the sample size and the items to be tested and all these under the circumstance that the results are needed quickly and needed to confirm a condition rather than being needed to project the mathematical accuracy of the conclusions.

Statistical sampling, on the other hand, tends to remove bias in selecting items for sampling allowing reliable estimates to be made. However, even with statistical sampling auditor needs to use judgment to decide on how reliable estimates need to be of the whole population.

To decide on the sample size, many factors may be considered, but in general the following should apply:

- Higher sample size when adopting a substantive approach (when we cannot rely on the internal controls in the system);
- To a limited extent, the higher the size of population of transactions or properties from which the sample is chosen, the higher the sample size;
- Lower sample size when relying on the system to prevent or detect errors;
- Lower sample size where the auditor assesses that the risk of error or loss is low.

Audit sampling involves the following stages: deciding on the sampling approach, determining the sample size, testing the selected items and evaluating the results of the tests.

### **3.2.10. AUDIT ASSIGNMENT PERFORMANCE (AUDIT ASSIGNMENT EXECUTION)**

Performing the engagement is the process of collecting, analyzing, interpreting and documenting information on matters related to the audit objectives and scope. The objective of performing

engagement is to obtain sufficient, competent, relevant, and useful information/audit evidence to provide a sound basis for audit findings, audit opinion and recommendations.

The audit evidence gathered may be categorized (types) as **physical, documentary, testimonial and analytical** and is obtained by using various procedures:

**i) Physical evidence** - Physical evidence is obtained by direct inspection or observation of people, property or events. Inspection of tangible assets provides reliable audit evidence about their existence, but not necessarily as to their ownership or value.

**ii.) Documentary evidence** - Documentary evidence consists of information that exists in some permanent form such as letters, contracts, accounting records, invoices, and management information on performance. It may be internal, external or a combination of both. The source of documentary evidence affects its reliability.

**iii.) Testimonial evidence** - Testimonial evidence is obtained through inquiries, interviews, or questionnaires. Inquiry and confirmation consists of seeking information from knowledgeable persons inside or outside the organization. Testimonial evidence is less persuasive and may not always be conclusive and should be supported by other forms of information where possible.

**iv.) Analytical evidence** - Analytical evidence arises from the application of analytical review procedures which focus on: (1) relationships between financial and or statistical data; (2) comparison with previous years, and (3) comparison with budget, management information, etc. Conclusions are based on examining data for consistencies, inconsistencies, cause-effect relationships etc. Unusual analytical results are investigated.

**The following substantive procedures** may be carried out to collect audit evidence:

**i.) Vouching:** testing recorded amounts by examining supporting documents to determine whether they represent an actual transaction.

**ii.) Tracing:** following a document through its processing cycles to the accounting records to determine whether all transactions have been recorded.

**iii.) Re-computation:** verifying the mathematical accuracy of figures. The value of this procedure is limited as the reliability of the evidence obtained depends on the validity of the underlying input.

**iv.) Scanning:** searching for obvious exceptions in a large quantity of data.

The Internal Auditor should record relevant information to support the audit results. The working papers should contain sufficient information to allow an experienced auditor having no previous connection with the audit to ascertain from them the evidence that supports the audit's findings.

Each working paper should:

- ✓ identify the assignment and describe the contents or purpose of the working paper;
- ✓ bear the initials of the auditor performing the work and the date prepared;
- ✓ contain an index or reference number and cross-referenced related working papers as appropriate;
- ✓ explain any tick marks (in red or green ink) used;
- ✓ Clearly identify the source(s) of data and personnel who provided the information and dates;
- ✓ be clear, concise and understandable, not requiring supplementary oral explanation;
- ✓ the specific audit objective, timing, extent and nature of tests;
- ✓ have a description of the related risks identified;
- ✓ have a description of the population tested and extent of sampling; and
- ✓ have clear findings, conclusions reached and indicate any limitations.

The audit findings obtained in the course of audit should contain the elements of **criteria, condition, risks and recommendations** implicitly cited and every audit issue will be rated as **High, Medium or Low** based on the following criteria.

- **High:** a fundamental objective is not met or there is a critical weakness in controls;
- **Medium:** an important objective is not met or there is a significant weakness in controls;
- **Low:** objectives are mostly met but further enhancement of the control environment is possible.

### **3.2.10.1 Exit meeting**

At the end of the audit visits, a “discussion version” of the report with key findings noted during the audit is prepared and an “**exit meeting**” is arranged with the concerned staff of audited Unit and where necessary together with Top Management to present the issues.

#### **3.2.10.1.1 Purpose**

The purpose of an exit meeting with the auditee is to develop a mutual understanding of the content of the draft report and of any other audit concerns that are not set out in the report. It is intended to avoid any misunderstandings or misinterpretations of fact by providing the opportunity for the auditee to clarify specific items and to express views on the significant audit concerns, recommendations and other information presented in the draft report. This meeting

should also serve as an opportunity to develop a feeling that the report is offered in a spirit of working together to improve the way things are being done.

### **3.2.10.1.2 Timing and Attendees**

The Head of Internal Auditor/Internal Auditor should contact auditee to determine a suitable time and location for the exit meeting. Attendees should include anyone who may be able to object to the validity of the report's contents and anyone having responsibility for the area or the situation needing corrective action - whether or not they personally would take the action or would be affected by the action.

### **3.2.10.1.3 Tone at the meeting and discussion**

The Internal auditor has to be prepared for the possibility of conflict when presenting the concerns in the audit report and all circumstances he/she should ensure that the discussion is carried out in an open and courteous climate. To encourage the avoidance of confrontation during the exit meeting, the internal auditor should be polite throughout the meeting and avoid the use of non-personal phrases like starting a sentence by "you" when disagreeing, make efforts to get on common ground, and avoid backing the auditee into "a corner". The discussion topics at each exit meeting will vary depending upon the specific audit concerns identified and who is attending the meeting. At a minimum, the internal auditor should:

- ✓ summarize the audit including what was done (objectives, scope, procedures);
- ✓ give justification for used approach when ascertaining findings, conclusions and recommendations from the audit;
- ✓ outline the risks identified;
- ✓ outline the significant audit concerns and the recommendations for dealing with the associated risk;
- ✓ indicate the significant audit concerns which have already been corrected, and
- ✓ refer to any less significant concerns identified in the audit.

As the "exit meeting" is an additional opportunity to the Internal Auditor to confirm the audit findings particularly with top management or unit staff, the internal auditor should be willing to accept wording changes or other suggested revisions that auditee believes are appropriate - as long as the changes do not alter the audit opinion or the focus of the significant audit concern or corrective action.

Besides the key audit issues, the "exit meeting" should cover the tentative timetable for the issuance of the draft audit report and what the concerned unit's staff or Top Management would be expected to do after the receipt of the draft report – that is to provide the written comments on the report and submit them to the auditor within the prescribed timeframe.

The minutes of the "exit meeting" should be kept on the administration section of the audit file and this exit meeting marks the end of audit fieldwork.

A copy of the “discussion version” should be filed on the administration section of the audit file and each audit issue raised therein should be cross-referenced to the supporting audit working papers.

### **3.2.11. FUNCTION ORGANISATION AND REPORTING STRUCTURE.**

#### **a. Function/Unit organization**

The SGF Internal Audit function consists of one auditing staff position that is internal auditor and head of internal audit at the same time. He/she is responsible for managing internal audit activity to ensure that it adds value to SGF. See 2.3 for detail on his/her responsibility.

#### **b. Reporting structure**

Apart from reporting administratively to the Director General and functionally to the Investment & Audit Committee (Board of directors), SGF Head of internal audit/internal auditor is also accountable to the Office of Government Chief Internal Auditor.

Administrative reporting refers to the day-to-day facilitation of operations of the internal audit unit and typically includes: budgeting and management accounting; human resource administration, including personnel evaluations and compensation; internal communications and information flows; and administration of the internal audit activity’s policies and procedures.

On the other hand, functional reporting to the Audit Committee/ Board of directors encompasses: approving the internal audit plans; receiving communications from the Head of Internal Audit (HIA) /internal auditor on the results of the internal audit activities or other matters that the HIA/internal auditor deems necessary, including private meetings with the Board of directors without management present, as well as annual confirmation of the internal audit activity’s organizational independence; approving all decisions regarding the performance evaluation, appointment, or removal of the HIA/Internal auditor; and making appropriate inquiries of management and the HIA/internal auditor to determine whether there is audit scope or budgetary limitations that impede the ability of the internal audit activity to execute its responsibilities.

On a quarterly basis, the head of internal audit/internal auditor shall prepare a consolidated report to be submitted to the Investment & Audit Committee at least five (5) days prior to the meeting with a copy to the GCIA and the Director General. This quarterly consolidated report shall be in a summary form indicating: audit assignments carried out during the period; key audit findings, recommendations since issuance of the last audit committee report; status of the implementation of agreed actions; recommendations in previous reports on which corrective action has not been completed; recommendations on which agreement could not be reached with management, or where requested information or assistance was denied; areas of the organization’s environment that pose the highest risk; and Significant changes to the annual audit plan.

The internal audit report for a specific assignment shall be prepared in the following structure using the Internal Audit Report Templates of the Office of Government Chief Internal Auditor: submission letter; Cover page indicating the audit title, and date of the audit report and auditor or audit team; executive summary and/or opinion; table of contents; introduction covering audit objectives, scope and methodology; detailed audit findings and recommendations (areas of best practice and areas of improvement; Conclusion; Annexes.

Soon after the “exit meeting” the internal auditor shall prepare then “**draft version**” of the audit report taking into account of explanations provided in the “exit meeting” and which draft version contains audit conclusions, opinions and recommendations. This draft report should be sent to the top management for formal comment within **15 working days** after completing the audit tests ( i.e 5 calendar days within which a closing meeting will be held with Top management to discuss audit draft report, 5 working days after the closing meeting for receiving written management comments and 5 working days after receiving management comments for issuing final audit report).

The transmittal letter of draft report requesting for a closing meeting with Top management within 5 calendar days to discuss the report should be signed by head of Internal Auditor and the Minutes from this meeting should be prepared and filed on the administration section of the audit file and its content cross-referenced to the supporting audit working papers. Note that the auditee may request changes to the wording, in which the Internal Audit will try to accommodate the request as long as the finding and recommendation’s objective is not altered.

In the event that the comments have not been received by the deadline, the auditor should send a reminder to the top management and extend the deadline for further 3 working days. The reminder letter should state clearly that after the 3 days the report would be issued in final form even if the Management comments are not received. If the right person is not available to give comments due to extraneous circumstances, the Head of internal audit/internal auditor should determine how much time to give to the auditee before issuing the report as final.

The final version of audit report shall be sent to the investment & audit committee/Board of directors with a copy to the Director General & to the head of audited Unit and to the Government Chief Internal Auditor. A copy of the final report shall be filed on the administration section of the audit file, on individual electronic folder and its content cross-referenced to the corresponding paragraphs of the draft report and Management comments. The final audit report that must be marked “**confidential**” should be accompanied with the Management corrective action plan for addressing each recommendation which displays the responsible person and the deadline to serve as the basis for audit monitoring.

Internal auditor will express opinions on the following and they should be based on the severity and number of audit findings:

- *Individual reports or processes audited*: **i. Satisfactory** (to mean that the controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed, although some enhancements may have been recommended); **ii. Needs Improvement** (to mean a number of some findings are significant, however controls evaluated are adequate and appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met); **iii. Unsatisfactory** ( to mean that findings indicate significant control weaknesses and the need for urgent remedial action; Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met).

- *Overall internal control systems (annually)*: **i. inadequate Internal Control System** (Findings indicate significant control weaknesses and the need for urgent remedial action, Where corrective action has not yet started, the current remedial action is not, at the time of the audit, sufficient or sufficiently progressing to address the severity of the control weaknesses identified); **ii. Adequate Internal Control System Subject to Reservations** (a number of some findings are significant. Where action is in progress to address these findings and other issues known to management, these actions will be at too early a stage to allow a satisfactory audit opinion to be given); **iii. Adequate Internal Control System** (Findings indicate that on the whole, controls are satisfactory, although some enhancements may have been recommended).

- *Financial reviews*: **i. Unqualified opinion** (the auditor shall use the statement that “nothing has come to our attention to cause us to believe that the financial reporting controls are inadequate or the financial reports of the entity are not reliable; **ii. Except for opinion** ( the internal auditor has noted some findings that need management attention impact. After stating the findings concerned, the internal auditor states that “Except for the effect of the findings mentioned above, nothing has come to our attention to cause us to believe that the financial reporting controls are inadequate or the financial reports of the entity are not reliable); **iii. Adverse opinion** ( the internal auditor shall state the specific adverse findings observed and state that “Due to the above mentioned findings, we believe that the entity XXX’s financial reporting controls need substantial improvement to meet the entity’s financial reporting objectives”).The alternative to expressing an opinion is to formally disclaim an opinion.

As the effectiveness of internal audit depends on the quality and timeliness of the report it produces, the internal auditor’s report must therefore be accurate, objective, clear, concise, constructive, complete, and timely.

### **3.2.12. Audit filing**

In managing audit activities, internal auditor must maintain two kinds of audit files: Current working paper files (CWPF) and Permanent audit file (PAF).

For every audit engagement a current working paper file (CWPF) should be maintained and this current file should be partitioned into several sections separated specifically by designed hard

paper dividers pre-printed with the content of the respective sections. The following illustrates the audit file partitioning:

**Section A:** Administration and Reporting (final report, Management comments, draft report, discussion version, Other correspondence with the auditee);

**Section B:** Audit planning (audit planning memorandum, audit programs, audit objective and criteria form, terms of reference);

**Section C:** Assessment of entity level controls (internal control questionnaires, business process analysis forms, assessment of internal control design);

**Section D:** Project risk assessment (risk control matrix);

**Section E:** Assessment of IT systems (understanding the IT control environment, assessing IT general controls and application controls);

**Section F- Z:** Supporting documentation based on scope of the engagement and for each audit area (completed audit program, tests of control, substantive tests).

Current working files containing work done in respect of forensic audits should be marked “Strictly confidential” and kept under the direct control of the GCIA or SGF Internal Auditor as appropriate.

On the other hand, the permanent audit file (PAF) contains information that should be relevant to the current and future audits. Documents may include organizational charts, circulars, relevant regulations and manuals or policies, entity’s strategic plans, latest corrective action plan, entity wide risk assessment, contracts and correspondence of continuing interest to future audits, minutes of important meetings, previous financial statements and auditor’s report thereon, MoU).

Every working paper should be assigned a unique reference number which serves as an “identity” of the working paper. A working paper reference consists of:

- 1) the capital letter representing the section of the audit file where the working paper is to be filed;
- 2) a numeric index. Working papers should be assigned numeric indexes in serial ascending order (0, 1, 2, 3, etc) at the same time as working papers are being prepared and filed. Thus, the series of complete working paper references found in section A of the audit file would be: A0 (“lead”/control sheet), A1, A2, A3, etc.

If a working paper consisted of several pages, the references should be done in a manner that clearly shows the total number of the pages in the working paper. Thus, if A1 consisted of ten (10) pages, its references would be as follows: A1: 1/10, A1: 2/10, A1: 3/10, etc up to A1: 10/10.

Working papers should be cross-referenced to facilitate understanding and information retrieval.

Cross-referencing means indicating (on a working paper) the location (on another working paper) where the supporting information is found. For example, assuming that A1 above is a final audit report and on its page A1: 2/10 it states issues whose details are found on working paper numbered C4, the cross references would be as follows:

- On A1: 2/10 will be market C4 against (usually on the left margin) the issue referred to – meaning that the reported issue is detained on C4; and
- On C4 will be market A1: 2/10 against (usually on the right margin) the issue – meaning that the issue is carried forward to page 2/10 of the audit report (A1).

As a general principle, working papers should build upwards from source data to the final audit report and all their cross-references should be in red ink to make them noticeable.

### **3.2.13. Final provisions**

Where audit issues may not have been covered in these internal audit policies and procedures, the internal auditor should draft internal instruction which is reviewed by the Chief Budget Manager and approved by the Audit Committee in order to become integral part of these internal audit policies. Where gaps exist in SGF internal audit policies, the provisions of Rwanda Government internal audit procedures manual shall apply.

## **CHAPTER 4: GOVERNANCE OF SGF**

### **4.1 purpose of the policy**

SGF Governance is the system by which it is directed and controlled. It is concerned with structures and processes for decision-making, accountability, control and behavior at the top of SGF. These include the establishment of policies, practices or strategic orientations and continuous monitoring of their proper implementation by the members of the governing body of SGF, i.e Board of directors.

The purpose of this policy is to design Board primary duty, responsibilities, appointment, composition, compensation, terms of office, competences and its meetings.

### **4.2 Board primary duty and responsibilities**

In accordance with article 9 of the law No 52/2011 of 14/12/2014 establishing SGF, its mission, organization and functioning, the Board of Directors of SGF is the governing and decision-making organ. Its primary duty is to promote the best interests of SGF through overseeing the Management's business and affairs. In doing so, the directors must consider the interests of the

Government of Rwanda which has appointed them to represent it and of the whole public being served by SGF.

In discharging their obligations, Board members are vested with the following responsibilities:

- ✓ To participate in developing SGF general policy and monitor its implementation;
- ✓ To determine the general vision of SGF and ensure its implementation;
- ✓ To approve SGF's strategic plan, annual budget, action plan and their implementation;
- ✓ To approve annual financial statements for the previous financial year;
- ✓ To adopt the staff statutes, their emoluments, the internal rules, procedures manual and the organizational structure for SGF;
- ✓ To determine the job descriptions of SGF employees, set related terms and conditions of employment and appoint staff members other than Heads of units based on the recommendation of the Director General;
- ✓ To evaluate the performance of SGF based on its action plan and budget;
- ✓ To decide on giving away or selling movable or immovable property of SGF;
- ✓ To approve the annual activity report of SGF before its submission to the supervisory authority.

#### **4.3 Nomination and Terms of office**

Pursuant to article 9 of the law No 52/2011 of 14/12/2014 establishing SGF, its mission, organization and functioning, members of SGF Board of directors shall be appointed based on their competence and expertise by a Presidential Order for a term of three (3) years renewable only once, except for the Director General. The same Order appoints the chairperson and the deputy chairperson.

At least thirty per cent (30%) of members of the Board of Directors shall be females.

#### **4.4 Competences and functioning of Board of directors**

Its competence and functioning and the term of office of its members shall be determined by a Prime Minister's Order as prescribed by article 9 of the law No 52/2011 of 14/12/2014 establishing SGF.

#### **4.5 Composition and structure**

The SGF Board shall consist of seven (7) members excluding the Director General serving as Secretary to the meeting and who are all independent from executive team. The Board elects sub-committees members to devote sufficient time to discharge its responsibilities appropriately. These may include Audit, investment & risk management committee to oversee SGF financial affairs and Human resource management & remuneration committee.

#### **4.6 Convening Board meetings**

The ordinary meeting of the SGF Board of directors shall be held at least on quarterly basis upon invitation by the Chairperson or the Vice Chairperson where the Chairperson is absent.

The extraordinary meeting shall be convened whenever necessary in writing by the Chairperson or the Vice Chairperson where the Chairperson is absent, upon their own initiative or upon proposal by the supervising authority or, by two thirds (2/3) of the members of the SGF Board or by the Director General of SGF. The transmission of invitation is performed via emails by the Director General on behalf of Board chair.

The meeting of the SGF Board is convened through a written notification at least seven (7) days before the date of the meeting except if all members accept an emergency notification. The notification must also state the time, date, location and agenda of the meeting.

#### **4.7 Holding of the SGF Board meeting**

The required quorum for the Board meeting shall be at least four (4) members excluding the Director General.

The Board meeting shall be chaired by the Chairperson or the Vice Chairperson in case of absence of the Chairperson. In the absence of the Chairperson and the Vice Chairperson, the meeting shall be chaired by the eldest member and deputized by the youngest.

Items to be considered by SGF Board in the first quarter of the year shall include approval of the activity report and the use of property in the previous year.

Items to be considered in the third quarter shall include the draft annual budget and the plan of action for the following year.

#### **4.8 Incompatibilities with the membership of the Board of Directors**

The members of SGF Board of Directors shall not be allowed to perform any remunerated activity in SGF. They shall also not be allowed, whether individually or through companies in which they hold shares, to bid for tenders of SGF.

In extension, the membership of the SGF Board shall be incompatible with the following activities:

- ✓ being associated with, holding a managerial post or a senior office in insurance companies in three (3) years preceding his/her appointment to SGF Board;
- ✓ having served as SGF manager for three (3) years preceding his/her appointment to SGF Board;
- ✓ carrying out any activity whatsoever likely to hamper the functioning of SGF.

#### **4.9 Compensation of Board members**

SGF Board members shall be compensated in accordance with article 5 of Presidential Order N°24/01 of 30/04/2013 establishing sitting allowances for Board Members within National Commissions, Special Organs, National Councils and Public Institutions.

#### **4.10 Reasons for termination of Board membership**

The SGF Board member shall terminate his/her duties due to the following reasons:

- ✓ end of his/her term of office;
- ✓ resignation in writing;
- ✓ incapacity due to physical or mental illness as certified by an authorized medical doctor;
- ✓ irrevocable sentence to a term of imprisonment equal to or exceeding six months (6) with no suspension of sentence;
- ✓ three (3) consecutive absences from the Board meetings within period of one (1) year with no valid reasons;
- ✓ in the event that he/she no longer meets the requirements considered for his/her appointment to the SGF Board;
- ✓ display of conduct incompatible with his/her duties;
- ✓ hampering the smooth functioning of SGF;
- ✓ when he/she is guilty of the crime of genocide or genocide ideology;
- ✓ death.

#### **4.11 Duties, organization and functioning of SGF Audit, investment and risk management Committee.**

The duties, organization and functioning of SGF Audit, investment and risk management Committee are governed by the following government framework:

1. Ministerial Order N°002/09/10/GP/A of 12/02/2009 on Internal Controls and Establishing Internal Audit;
2. The Ministerial instructions n° 004/09/10/min of 01/10/2009 for the establishment of the audit committees in public entities, local government entities and autonomous and semi autonomous public entities,
3. Government of Rwanda audit committee Charter of 2011.
4. Government of Rwanda Audit Committee Handbook of October 2013.

**MODULE IX:**

**POLICIES AND PROCEDURES FOR PUBLIC PROCUREMENT**

## **CHAPTER 1: PROCUREMENT PROCEDURES**

### **1.1 Introduction**

This part is intended to give advice and assistance to procurement staff and Internal tender committee to help them carry out their procurement responsibilities, and explains in more detail how specific aspects of procurement should be handled in line with the Rwanda Public Procurement regulations and instructions.

Procurement policies and procedures describe the system put in place by SGF management to ensure that funds are used to procure appropriate commodities and services employing transparent and competitive mechanisms. The management of the Special Guarantee Fund commits itself to undertaking all procurement of equipment, office material and services in a way that shall promote transparency, accountability, equity, fairness and competition as stipulated by the Rwanda Public Procurement regulations and instructions.

The SGF management has to comply with the law governing procurement process in Rwanda. However, this module does not concern the following:

- Recruitment of lawyers dealing with compensation processes
- Different experts such as Expert Automobile, Physicians etc. that are involved in compensation processes
- Cash investment
- Debt recovery
- Acquisition of land
- Media related services
- Transport for staff out of Kigali

### **1.2 Appointment of the Internal tender committee**

The Director General shall appoint an internal tender committee (ITC) according to the laws and regulations governing the public procurement. The responsibilities of the ITC are determined by the laws and regulations governing the public procurement.

#### **1.2.1 The Role of the Chairperson of the internal tender committee**

The Chairperson of the internal tender committee shall preside over the meetings of committee and will guide the Secretary in setting up the agenda. The Chairperson will ensure that the performance of the internal tender committee is in accordance with the requirements of the laws and regulations of public procurement.

He/ she will also ensure that tendering process is carried out in a way that does not breach transparency and the organizational reputation.

The Chairperson of the internal tender committee may choose to co-opt technical officers to the internal tender committee proceedings to guide the committee in understanding the technical aspects of the evaluation report on ad hoc basis. The co-opted advisors do not have voting rights.

### **1.2.2 The Role of the Secretary**

The Secretary of the internal tender committee is assigned with the following:

- Liaise with the chairperson to plan and hold the meetings of the committee.
- Ensure that the agenda, submissions and any other information for distribution to members is done within reasonable time;
- Record minutes of the meetings;
- Keep all records related to the tenders.
- Contract management & monitoring
- Liaise with the user service to prepare handover / delivery report after contract execution
- Draft the Procurement Plan assisted by user units.
- Ensure that every procurement requisition is in line with the approved procurement plan.
- Undertake market research and computation of market prices for common user items
- Prepare bidding documents
- Prepare Invitation to bid (adverts)
- Recommend appropriate procurement strategy and method
- Communicate and avail to the heads of unit and tender committee the procurement execution status on monthly basis
- Develop a procurement strategy

### **1.2.3 The Role of the User Unit/Service**

The User Unit/Service shall bear the responsibility of identifying the procurement needs, planning and budgeting, and initiating procurement requisitions in line with the approved Procurement Plan.

In supporting the procurement function, the User Unit/Service shall:

- Liaise with the procurement officer throughout the procurement process.
- Initiate procurement requisitions.
- Propose statement of requirements (technical specifications, bills of quantities, drawings, and terms of reference).

## **1.4 Management of the procurement proceedings**

### **1.4.1 Record of Procurement Proceedings**

SGF has to keep record of the procurement proceedings containing the tender information in accordance with the requirements of the laws and regulations of public procurement.

### **1.4.2 E-Public Procurement**

SGF ICT shall be used in accordance with the public procurement law and regulations.

### **1.4.3 The procurement plan**

The Special Guarantee Fund, before one month of the next fiscal year, shall produce the annual procurement plans indicating the objectives to be achieved in accordance with procurement regulation. During the procurement planning process, the SGF shall ensure that there is sufficient budget allocation and shall respect regulations governing budget execution. The procurement plan shall include:

- A detailed breakdown of activities of works, services, or supplies to be procured.
- A schedule of procurement requirements in order of priority.
- Procurement method likely to be used for each tender.
- Likely time required for each stage in the procurement cycle.

The procurement plan shall be regularly updated and revised in accordance with the SGF budget revision and public procurement laws and regulations.

Each time there is a change on procurement plan, a consultative staff meeting will be held before the validation of this by the Director General.

### **1.4.5 Responsibility for the Preparation of Procurement Plan**

The Procurement Officer shall assume the overall responsibility to coordinate the drafting of procurement plan supported by the internal tender committee, Directors of Units, and Users of the respective units.

### **1.4.6 Procurement Plan Preparation Process**

The suggested steps in preparing a procurement plan shall include the following:

- Determine Unit's work plans /programs.
- Carry out a Needs Assessment/Review to determine the procurement requirements.
- Determine purpose of the procurement and its timing.
- Involve and consult key stakeholders.
- Carry out market research for prices, source of supply, and type of supply, market, etc.
- Make clear specifications/TOR/SOW of requirement.
- Apply appropriate procurement methods.
- A meeting of all staff to discuss on the procurement plan before to be approved by the Director General.

## **1.5 Market survey**

Before launching any solicitations for tendering services, the Procurement Officer shall gather prices on common user items using market research survey method. The higher prices for items shall constitute the basis for determination of the estimated cost of items for budgeting purposes.

### **1.5.1 Categorization of Requirements**

The procurement officer shall ensure that requirements are aggregated taking into consideration:

- The need to group together items of similar nature.
- The items which shall be subjected to the same procurement method.
- Items subject to the same conditions of contract.
- Potential savings in transaction cost.
- The aggregation of items may be based on a financial year or any other agreeable period of time.

### **1.5.2 Bidding documents**

#### **Application & Use of Standard Bidding Document**

SGF shall use Standard Bidding Document (SBD) for all procurements provided by Rwanda Public Procurement Authority. SGF may deviate from the use of SBD when using shopping and single source procurement methods or when judges to be necessary.

#### **Terms of Reference**

Terms of Reference (TOR) shall define the work required and respective responsibilities of a contractor either to design the equipment to be procured or to provide services.

Adequate and clear TOR is imperative for an understanding of the assignment, which minimizes any risk of ambiguities during the preparation of solicitation documents, negotiations and execution of services. TOR shall include:

- a) Background information on the project to be executed or service to be procured;
- b) Objectives of the assignment;
- c) Scope of Work/Services, consistent with the budget.
- d) Key Tasks to be undertaken;
- e) Deliverables (i.e., output) that must be submitted for approval;
- f) Period of performance and the review/approval time required;
- g) Selection criteria, qualifications and performance or other standards the contractor must fulfill.
- h) Provisions for monitoring and evaluation of performance; and
- i) If applicable, a detailed list of all inputs and services which will be provided to the contractor by SGF or any other person in order to perform the contract.

## **1.6. Awarding of contracts**

### **1.6.1 Publication of the Award Offer and negotiations**

The Director General shall communicate an award to the winning bidder in writing. However all procurement using local shopping and request for quotations is exempt from this requirement.

Contract negotiations for goods shall be restricted to terms and conditions namely delivery terms, payment terms. Negotiations on price and technical specifications are not permitted.

In acquisition of consultancy service, SGF may negotiate all aspects on the technical and financial proposals.

All negotiations are conducted by Internal Tender Committee, after consulting the concerns user services.

### **1.6.2 Preparation and Signing of Contracts**

The contract shall be prepared by the procurement officer and revised by the legal advisor. The Director General of SGF shall sign the contracts when the requirements for contract signature have been met.

### **1.6.3 Contract Amendments**

Once a contract subject to prior review has been awarded and signed, it is allowed to amend provisions in one of two situations:

1. Contract provisions dictate modification; or
2. In furtherance to the execution of an original contract, additional related goods, civil works or services are to be rendered by the same entity.

All amendments must be requested by the legal advisor, procurement officer, heads of unit or the user service citing the revised contract provision(s), the original provision(s) and the affected specifications, statement of works or TOR; and submitted for review by ITC through Procurement officer and then approved by the Director General,.

## **CHAPTER 2: CONTRACT MANAGEMENT AND MONITORING**

### **2.1 Contract Management**

Contract management is the process which ensures that both parties to a contract fully meet their respective obligations in order to efficiently and effectively deliver the objectives required from either party in the contract.

- **Contract Management Structure**

The Procurement Officer will take responsibility for contract management from the beginning to the end. The Procurement Officer shall track and manage the clauses, terms, conditions, commitments and milestones throughout the life of its contracts to maximize business benefits and minimize associated risks.

Contract management includes monitoring performance (i.e., quality standards, delivery), effecting acceptance and payment, initiating amendments and orderly resolution of any disputes that may arise in the overall process.

Further, contract management ensures that all residual obligations, such as warranties, guarantees and after sales of services and support are clearly defined in terms of responsibility, liability, procedures and timeframes.

Other stakeholders in the contract management process include:

- a) Director General of SGF
- b) Internal Tender Committee
- c) Provider/Contractor
- d) User Unit

#### **Responsibility of the User Unit**

The responsibilities of the user Unit include:

- a) Reporting any issue related to the execution of the contract
- b) Proposal to amend the contract.
- c) Proposal to terminate contract.

#### **Responsibility of a Provider /Contractor**

The responsibilities of a Contractor include the following:

- Deliver the required terms of the contract in agreed time frame.
- Deliver service to TOR.
- Delivering goods to specification.

- Meeting user requirements.

### **Responsibility of the Procurement Officer**

The responsibilities of the procurement officer include the following:

- Monitoring progress of work to ensure milestones agreed are achieved.
- Submitting Reports to Director General of the SGF.
- Assess quality, quantity and cost of service.
- Assess timeliness of service.
- Supervising and evaluation of contracts.
- Issue certificates for contract performance.
- Meets performance/delivery obligations.
- Submits required documentation.
- Adequate cost, quality and time control.
- Issue variations and change orders.
- Proposal to amend the contract.
- Proposal to terminate contract.
- Reports on progress or completion of contract.
- Manage hand over and acceptance procedure

### **Responsibility of the Director General and DAF**

The Director General and DAF are responsible for the following in as much as the management of procurement contracts within SGF is concerned:

- Approving the need for the service (contract management).
- Approving the contract management budget.
- Overall implementation of the contract.
- Monitoring payments.
- Authorizing payment.

### **Component s of Contract Management Plan**

- General contract and strategy information (definitions, roles/responsibility, scope, provisions).
- Policies and procedures.
- Preparation of contract schedule (Time).
- Preparation of contract budget (Cost).
- Establish quality plan (Quality).
- Establish priorities: Time, cost and quality.

## **2.2 Payment Terms**

In the case of goods, payment should correspond to agreed-upon delivery terms.

### **Advance and Progress Payments**

- Except where normal commercial practice or the interests of SGF so require, no contract or purchase order shall be made on behalf of a supplier requiring an advance payment(s) for goods or the performance of contractual services. If an advance payment is agreed to, all reasons therefore shall be documented.
- If the contract calls for an advance payment exceeding Rwf 3,000,000, the supplier shall be asked to provide a bank guarantee (valid for the duration of the contract) or certified cheque. The advance payment, in all cases, should not exceed 20 percent of the total contract amount. Examples of activities that may justify an advance payment are mobilization costs (civil works), start-up costs (services); or design costs.

## **2.3 Breach and Termination of Contract**

### **Breach of Contract**

- Suppliers are liable for any material breach of their contractual obligations. A material breach is defined as a situation when the SGF is deprived of significant value reasonably expected from the contract.
- If a Supplier materially breaches an obligation(s), the Procurement Officer through the DG should provide written notice to the Supplier, with a copy to the internal tender committee, allowing the Supplier a commercially reasonable period of time to cure the defect. In the event that the Supplier fails to cure the alleged breach, the Procurement Officer must inform the internal tender committee and the DG.

### **Termination of Contract**

Procurement Officer submits recommendation to the Director General proposing termination of contract when:

- There is a material breach of the entire contract and the breach has not been cured or waived; or,
- The agreement allows cancellation for the breach.

## **2.4 Transparency**

To enhance transparency, all contract awards should be posted on SGF's website. Notice of awards should indicate the following:

- Brief description of the contract;
- Contract amount;
- Date of contract;

- Name of the supplier; and
- The executing agency.

## **CHAPTER 3. PROCUREMENT RECORDS**

### **3.1 Records**

Procurement officer is responsible for ensuring the overall maintenance and proper custody of all procurement records. The original procurement records must not leave the office premises without the written authority of the DAF. The procurement records should be kept for a minimum of 10 years.

### **3.2 Preparation of Contract Agreement**

- Review supporting documents and prepare contract documentation (in duplicate) for endorsement by the Legal Advisor, Director General or designate;
- The successful bidder will sign his/her contract at least within 15 working days after the publication of bidding results;
- Send contract documentation to respective staff for endorsement by contractor/agency;
- Give documentation to the accountant for filling (pending payment) until completion of services.

### **3.3 Receipt and verification of quantity and quality of goods**

- Verify quantity of goods delivered against LPO;
- Sign vendor's delivery note and give the delivery note and invoice to the procurement officer;
- Consult the person who requisitioned for the items to verify quality of goods delivered against specifications provided and confirm where they should be stored.
- Notify vendor of discrepancies (if any);
- Process payment of the right items delivered.

The RPPA user guide shall be referred to, on issues not explicitly mentioned in this manual.

The complete set of Procurement contracts are to be forwarded to the in charge of Legal Affairs & Recovery for archiving as per the MINIJUST ministerial instructions No612/08.11 of 16/04/2014 setting up modalities for drafting, negotiating, requesting for opinion, signing and managing contracts.

## **APPENDICES**

## APPENDIX 1: SGF CHART OF ACCOUNTS

This Chart of accounts exhibits account code, account name, account description, account classification, account normal balance and financial statement.

Account reference code/no	account name/title	account description	account normal balance	Type of financial statement
100000-199900	REVENUES/INCOME	Income or Revenues are gross inflows of economic benefits ( cash, receivable or other assets) during the period arising from SGF investments, its entitled receipts as per its mission or in the course of its extraneous activities when those inflows result in increases in equity, other than those relating to equity contributions from Government of Rwanda.	Credit balance	Statement of financial performance.
100010	Premium revenues	They disclose premium revenues collected by insurance companies for civil liability and remitted to SGF in accordance with applying law. This account shall be credited during declaration by the debit of account receivable.	Credit balance	Statement of financial performance.
100020	Revenues from tourism	They disclose a percentage of revenues from tourism activities collected by Government of Rwanda and remitted to SGF in accordance with applying law. This account shall be credited during declaration by the debit of the respective account receivable.	Credit balance	Statement of financial performance.
100030	Interest revenues from cash term deposits.	They disclose interests received or interests receivable during the period from cash term deposits in financial institutions in accordance with parties' agreement. This account shall be credited on monthly basis with accrued revenues by the debit of the respective account receivable.	Credit balance.	Statement of financial performance.
100040	Interest revenues from Treasury bills.	They disclose interests received or interests receivable during the period from Treasury bills in Government of Rwanda in accordance with bidding result. This account shall be credited on monthly basis with accrued revenues by the debit of the respective account receivable.	Credit balance.	Statement of financial performance.
100050	Interest revenues	They disclose interests received or interests	Credit	Statement of

Account reference code/no	account name/title	account description	account normal balance	Type of financial statement
	from treasury bonds	receivable during the period from Treasury bonds in different entities in accordance with bidding result. This account shall be credited on monthly basis with accrued revenues by the debit of the respective account receivable.	balance.	financial performance.
100060	Other revenues	This account represents proceeds from sale of tender documents and other revenues such as fine interest resulting from Court of law decision in favour of SGF during the period. It is credited by the debit of bank account used to deposit.	Credit balance	Statement of financial performance
100070	Gain on Assets disposal	This account embodies the positive difference (proceeds from sale of fixed assets are greater than carrying amount or residual value) between the proceeds from sale of fixed assets and net carrying amount of fixed assets being disposed-off upon the completion of their useful life or due to lower productivity in their later life. This account together with the fixed asset( acquisition cost) are credited by the debit of accumulated depreciation and bank account or petty cash account (i.e Dr accumulated depreciation, Dr bank or petty cash accounts, Cr accumulated depreciation, Cr Gain on asset disposal)	Credit balance	Statement of financial performance.
100080	Other revenues from owners of uninsured automobiles (RECOURS)	This represents the cash recovered from owners of uninsured automobiles that caused accidents and who are liable to SGF as per the law. The account is credited by the debit of bank account when effectively paid in.	Credit balance	Statement of financial performance.
200000-299900	Expense accounts	They are decreases in economic benefits during the period in the form of outflows or reduction of assets or occurrences of liabilities that result in decreases in equity other than those relating to distributions for constitution of equity.	Debit balance	Statement of financial performance.
200010	Salary account	This accounts for fixed amount of money or compensation paid to an employees by SGF in return for work performed. This amount includes basic salary and allowances. The account is debited by the credit of net salary payable account, RSSB payable account and RAMA payable, PAYE payable and Withheld advance.	Debit balance	Statement of financial performance.

Account reference code/no	account name/title	account description	account normal balance	Type of financial statement
200011	Basic salary account	This is a sub-account of salary account which is debited by the credit of net salary payable account, RSSB payable account and RAMA payable, PAYE payable and withheld advance.	Debit balance	Statement of financial performance.
200012	Transport allowance account	This is one of allowances embedded in salary which is debited by the credit of salary payable account, RSSB payable account and PAYE payable and withheld advance.	Debit balance	Statement of financial performance.
200013	Housing allowance account.	This is one of allowances embedded in salary which is debited by the credit of net salary payable account, RSSB payable account and RAMA payable, PAYE payable and withheld advance.	Debit balance	Statement of financial performance.
200014	Staff bonus& other benefits account.	This includes money paid to SGF employees for bonus and other monetary benefits such as allowance for internal tender committee, etc. It is debited by the credit of staff payable (net), PAYE payable.	Debit balance	Statement of financial performance.
200015	SGF contribution to employees' RSSB account	This represents the SGF participation to the employees' contribution in social security (RSSB) as required by the law. It is debited by the credit of RSSB payable account.	Debit balance	Statement of financial performance.
200016	SGF contribution to employees' RAMA account	This represents the SGF participation to the employees' contribution in medical insurance (RAMA) as required by the law. It is debited by the credit of RAMA payable.	Debit balance	Statement of financial performance.
200020	Stationary and printing consumables account.	This includes items needed for handling office function such as papers, pens, pencils, envelopes, binder clips, staples, makers, cartridges, etc...It is debited on the basis of invoice and approved delivery note by the credit of supplier account (net), withholding tax payable and Value added tax (VAT) payable.	Debit balance	Statement of financial performance.
200030	Beverages, tea, coffee etc account	This includes soft drinks, tea, coffee, milk, etc... designed to maintain staff welfare. It is debited on the basis of invoice and approved delivery note by the credit of supplier account (net), withholding tax payable and Value added tax (VAT) payable.	Debit balance	Statement of financial performance.

Account reference code/no	account name/title	account description	account normal balance	Type of financial statement
200040	Maintenance and cleaning of premises account.	This represents cost of keeping office clean such as soaps, vim, air freshener, cleaners cost etc... and secured (guarding). It is debited on the basis of invoice and approved delivery note by the credit of supplier account (net), withholding tax payable and Value added tax (VAT) payable.	Debit balance	Statement of financial performance.
200050	Water & electricity cost account.	This accounts for cost of water and electricity. It is debited by the credit of supplier account.	Debit balance	Statement of financial performance.
200060	Postage and courier account	This deals with cost of maintaining post office box (PO Box) and cost of transmitting & receiving couriers. It is debited by the credit of supplier account (net), tax accounts payable.	Debit balance	Statement of financial performance.
200070	Fax & Telephone account	It accounts for airtimes provided to employees to facilitate their communication and the cost of fax as well as toll free cost. It is debited by the credit of supplier account.	Debit balance	Statement of financial performance.
200080	Internet cost account.	It deals with cost for accessing on monthly basis internet connection other than cabling and annual subscription costs. It is debited by the credit of supplier account (net), tax accounts payable.	Debit balance	Statement of financial performance.
200090	Bank charges account.	It covers all charges and fees levied on SGF bank accounts by respective bank institutions. It is debited by the credit of respective bank account.	Debit balance	Statement of financial performance.
200100	Withholding tax on cash investment account.	It covers taxes withheld and levied on SGF received interests from cash investment by respective debtor's institutions. It is debited by the credit of respective debtor's bank account.	Debit balance	Statement of financial performance.
200110	Adverts& announcements account.	This deals with cost of adverting and announcing within Media channels. It is debited by the credit of supplier account (net), respective prepaid expense, tax accounts payable.	Debit balance	Statement of financial performance.
200120	Meeting costs account	It covers expenses incurred by Board members and SGF staff in respect of meeting. These include sitting allowance of Board members and consumption made during the meeting.	Debit balance	Statement of financial performance.

Account reference code/no	account name/title	account description	account normal balance	Type of financial statement
		It is debited by the credit of supplier account (net), tax accounts payable.		
200130	Translation costs account.	This caters for expense incurred for translation service received by SGF. It is debited by the credit of supplier account (net), tax accounts payable.	Debit balance	Statement of financial performance.
200140	Legal fees account	It covers expenses incurred by SGF to pay Advocates' fees, Copy of Court's decision, statements of witnesses and claim fees. It is debited by the credit of supplier account (net), tax accounts payable.	Debit balance	Statement of financial performance.
200150	Consultancy (experts) account.	This covers expenses incurred by SGF to pay Auditors' fees, automobile and immovable asset assessors, second opinion Doctors and other consultancy fees. It is debited by the credit of supplier account (net), tax accounts payable.	Debit balance	Statement of financial performance.
200160	Technical assistance account.	This represents expenses incurred for repairing fixed assets other than ICT assets. It is debited by the credit of supplier account (net), tax accounts payable.	Debit balance	Statement of financial performance.
200170	Contractual personnel account	It covers all salary and top-up costs for contractual personnel and interns. It is debited by the credit of salary payable account (net), tax accounts payable.	Debit balance	Statement of financial performance.
200180	Transport account	It accounts for transportation costs incurred within and abroad the boundaries of Rwanda by SGF employees, support man-power and Board members for service purpose of SGF.  It is debited by the credit of supplier account (net), tax accounts payable.	Debit balance	Statement of financial performance.
200190	Mission per diem account	It covers accommodation, subsistence, investigation fees, per diem, mileage fees for top officials and other associated charges incurred by SGF for authorized internal and abroad service missions. The account is debited by the credit of supplier account (net), tax accounts payable.	Debit balance	Statement of financial performance.
200200	Lump sum allowance	It represents the monthly lump sum payments to SGF directors and other staff acting as director to help them cover maintenance and running costs of	Debit balance	Statement of financial

Account reference code/no	account name/title	account description	account normal balance	Type of financial statement
	account.	provided transport facilities. The account is debited by the credit of lump sum payable account (net), tax accounts payable.		performance.
200210	ICT maintenance account	It accounts for maintenance expenses to keep ICT equipments clean and secured such as anti-virus, ICT spare (parts) cost excluding cartridges, computer's cost, and other associated maintenance cost. The account is debited by the credit of supplier account (net), tax accounts payable.	Debit balance	Statement of financial performance.
200220	Rent cost account	It covers monthly expensed amount from rent prepayment of SGF office. The account is debited by the credit of prepayments account.	Debit balance	Statement of financial performance.
200230	Compensation expense-automobiles' damages account.	This account covers the amount for compensating victims from accident caused by automobiles as per the governing law. It is debited by the credit of Technical provision-automobiles or judicial provision-automobiles account during the period of provisioning or bank account in case of less than due provision. It is credited to cancel excess compensation expense by the debit of technical provision-automobiles or judicial provision-automobiles to cancel excess provision.	Debit balance	Statement of financial performance.
200240	Compensation expense – wild animals' damages account.	It covers the amount for compensating victims from accident caused by wild animals as per the governing law. It is debited by the credit of Technical provision-wild animals or judicial provision-wild animals account during the period of provisioning or bank account in case of less than due provision. It is credited to cancel excess compensation expense by the debit of technical provision-wild animals or judicial provision-wild animals to cancel excess provision.	Debit balance	Statement of financial performance.
200250	Compensation expense - MSGH	This account covers the amount for compensating victims in respect of MSGH program. It is debited by the credit of Technical provision-MSGH account during the period of provisioning or bank account in case of less than due provision. It is credited to cancel excess MSGH compensation expense by the debit of technical provision-MSGH to cancel excess provision.	Debit balance	Statement of financial performance.

Account reference code/no	account name/title	account description	account normal balance	Type of financial statement
200260	Team building, entertainment account	It covers sport subscription fees and sport wears of SGF employees to enable them entertaining and developing tem spirit to impact on better health and overall performance. The account is debited by the credit of supplier account (net), tax accounts payable.	Debit balance	Statement of financial performance.
200270	Capacity building account	This account represents expenses incurred to build skills and competencies of SGF employees which include short and long term training, cost of SGF books for staff use as well as associated cost. It is debited by the credit of supplier account (net), tax accounts payable.	Debit balance	Statement of financial performance.
200280	Social responsibilities and membership account.	It covers all SGF contributions in respect of membership in other organizations and social activities. The account is debited by the credit of supplier account (net), tax accounts payable.	Debit balance	Statement of financial performance.
200290	Depreciation account	It covers the annual expensed amount from depreciated cost of fixed assets. In other word, depreciation represents the allocation of the fixed assets cost over the number of years for which the assets will be in use (useful life).  The account is debited by the credit of accumulated depreciation.	Debit balance	Statement of financial performance.
200300	Bad debt expense account	It accounts for the amount of debt found to be unrecoverable. It is debited by the credit of provision for debts.	Debit balance	Statement of financial performance.
200310	Insurance account	It accounts for insurance expense for noncurrent assets of SGF. The account is debited by the credit of prepayments account.	Debit balance	Statement of financial performance.
200320	Journals and newspapers subscription account	The account records the periodic expensed amount from prepayments – journal/newspapers account. It is debited by the credit of prepayments– journal/newspapers account.	Debit balance	Statement of financial performance.
200330	Terminal benefits account	It covers the amount owed to dismissed or resigned employees in respect of terminal benefits. The account is debited by the credit of staff payable and tax payable.	Debit balance	Statement of financial performance.

Account reference code/no	account name/title	account description	account normal balance	Type of financial statement
200340	Other emergencies and expenses account	This account covers other expenses that do not belong in either of the above expense categories. It is debited by the credit of supplier account (net), tax accounts payable.	Debit balance	Statement of financial performance.
200350	Surplus/deficit account	This is a temporary account used during closing entry to reset the balances of the temporary accounts (revenues and expenses accounts) to zero to begin the next accounting period. To achieve this purpose, the revenue (debit entry) and expense (credit entry) accounts are closed by transferring their balances to the Surplus/deficit account. The later is then closed ( debit net income or credit net loss) by transferring its balance to Accumulated fund account.	Debit and credit balance	Temporary in Statement of financial performance.
300000-399900	Assets accounts	They indicate different types of economic resources owned or controlled by SGF as a result of past events and from which future economic benefits are expected to flow to SGF.	Debit balance	Statement of financial position
300010	Noncurrent assets	They are assets which are not easily convertible to cash or not expected to become cash within the next accounting period (one year).	Debit balance	Statement of financial position.
300011	Office equipment, furniture and fittings	These are assets which are expected to serve SGF in providing service to stakeholders (including claimants) for more than one accounting period and whose useful economic life is used up (worn out) or consumed (depreciated) in each accounting period due to their use or obsolescence in order to generate revenue. They are presented in statement of financial position under the category of property, plant and equipment (PPE) and they include chairs, tables, partitions, filing cabinets, bookcases, etc. They are <b>debited</b> when they are purchased by the <b>credit</b> of supplier account and tax accounts payable. In turn, they are <b>credited</b> when they are disposed-off by the <b>debit</b> of respective accumulated depreciation.	Debit balance	Statement of financial position.
300012	ICT equipment, software and others	These assets are ICT items which are expected to serve SGF in providing service to stakeholders (including claimants) for more than one accounting period and whose useful economic life is used up	Debit balance	Statement of financial position.

Account reference code/no	account name/title	account description	account normal balance	Type of financial statement
		(worn out) or consumed (depreciated) in each accounting period due to their use or obsolescence in order to generate revenue. They include computer equipment, claim & accounting software, printers, Server, scanners, etc. The account is <b>debited</b> at the time of purchase by the <b>credit</b> of supplier account and tax accounts payable. In turn, it is <b>credited</b> when they are disposed-off or reduced by the <b>debit</b> of respective accumulated depreciation.		
300013	Payroll advance	It accounts for advance provided to SGF staff in terms of laptop provided in the framework of cost sharing scheme for SGF service or contributions made by SGF, on behalf of its staff, to other entities which are withheld from payroll, etc. The account is debited by the credit of ICT equipment asset. It is credited during reimbursement by the debit of withheld payroll advance.	Debit balance	Statement of financial position.
300014	Long term investments- Treasury Bonds	This represents marketable long-term (three years and above) debt security contracts which give SGF right to receive semi-annually or annually fixed interests due to the amount lent to bond issuers and which oblige them to pay due principle and remaining interests at maturity date. The account is debited by the credit of bank account at investment date. In contrast, It is credited by the debit of bank account at maturity date to receive back the investment and to recognize end of debt.	Debit balance	Statement of financial position.
300020	Current assets	They cover assets which are cash and/or easily convertible to cash or expected to become cash within the next accounting period (one year).	Debit balance	
300021	Bank account	This represents cash holds by SGF on its different financial institutions. It is debited when it receives debtor's payment or deposit by the credit of respective debtor accounts or revenue account, etc. It is credited during payment or transfer by the debit of respective liability, asset or expense accounts.	Debit balance	Statement of financial position.
300030	Petty cash	This account represents small amount of cash holds by SGF in its safe for discharging low value payment within the required ceiling. It is debited	Debit balance	Statement of financial position.

Account reference code/no	account name/title	account description	account normal balance	Type of financial statement
		when it receives cash from bank or return on imprest. On the other hand, it is credited during payment by the debit of respective expense or liability accounts.		
300031	Investment in Treasury bills	This account covers short-term (equal or less than one year) debt security contract which give SGF right to receive fixed interests due to the amount lent to Rwanda government and which oblige it to pay due principle and interests at maturity date. The account is debited by the credit of bank account at investment date. In turn, It is credited by the debit of bank account at maturity date to receive back the investment and to recognize end of debt.	Debit balance	Statement of financial position.
300032	Premiums receivable	This account covers declared premiums from insurance companies during the period whose associated cash is not yet received by SGF as required by the governing law. It includes also arrears of premiums discovered during premiums verification. It is debited during declaration by the credit of premiums revenue. It is credited by the debit of bank account when insurance companies pay.	Debit balance	Statement of financial position.
300033	Tourism revenue receivable	The account represents declared revenue from tourism activities during the period whose associated cash is not yet received by SGF as required by the governing law. It is debited during declaration by the credit of premiums revenue. It is credited by the debit of bank account when Collecting government agency pays.	Debit balance	Statement of financial position.
300034	Uninsured compensation debtors	It covers recoverable money paid by SGF in accordance with the governing law, on behalf of uninsured automobiles' owners, to compensate victims of accident. The account is debited by the credit of provision for uninsured debtors by the time of compensating victims. It is credited by the debit of provision for uninsured debtors when debtors pay.	Debit balance	Statement of financial position.
300035	Prepayments account	The account records payments made by SGF during the accounting period whose associated service or product is not yet received. These include insurance	Debit balance	Statement of financial position.

Account reference code/no	account name/title	account description	account normal balance	Type of financial statement
		fee, annual subscription fees, office rent payment, etc. It is debited by the credit of supplier account (net) and tax payable accounts when invoice is received. It is proportionally credited by the debit of respective expense accounts when the associated service or product is received.		
400000-499900	Liability accounts	These represent different types of present obligations of SGF arising from past events, the settlement of which is expected to result in an outflow from SGF of resources embodying economic events.	Credit balance	Statement of financial position.
400010	Long term liability accounts	They include present obligations of SGF arising from past events which are expected to be settled in more than one accounting period.	Credit balance	Statement of financial position
400020	Short term liability accounts	They represent present obligations of SGF arising from past events which are expected to be settled within one accounting period.	Credit balance	Statement of financial position
400021	Technical provision- automobiles	They represent estimated amount that SGF expects to pay in terms of compensating victims of damages caused by automobiles, as required by the governing law, whose timing or amount to settle this liability is uncertain. This entails that this provision is to be recognized when SGF finds that it has present obligation (i.e to compensate) in accordance with the law and as confirmed by the National Police and that the timing or amount for compensation is uncertain. The account is credited by the debit of compensation expense- automobiles during the period of declaration. It is debited by the credit of bank account during payment or compensation expense- automobiles in case of reversing excess provision.	Credit balance	Statement of financial position
400022	Technical provision- wild animals	They represent estimated amount that SGF expects to pay in terms of compensating victims of damages caused by wild animals, as required by the governing law, whose timing or amount to settle this liability is uncertain. This entails that this provision is to be recognized when SGF finds that it has present obligation (i.e to compensate) in accordance with the law and as confirmed by the	Credit balance	Statement of financial position

Account reference code/no	account name/title	account description	account normal balance	Type of financial statement
		National Police and that the timing or amount for compensation is uncertain. The account is credited by the debit of compensation expense- wild animals during the period of declaration. It is debited by the credit of bank account during payment or compensation expense- wild animals in case of reversing excess provision.		
400023	Technical provision-MSGH	They represent estimated amount that SGF expects to pay in terms of compensating victims of damages caused by automobiles or wild animals, as required by the governing law, whose timing or amount to settle this liability is uncertain. This assumes that this provision is to be recognized when SGF finds that it has present obligation (i.e to compensate) in accordance with the law and as confirmed by the National Police and that the timing or amount for compensation is uncertain. The account is credited by the debit of compensation expense- MSGH during the period of declaration. It is debited by the credit of bank account during payment or compensation expense- MSGH in case of reversing excess provision.	Credit balance	Statement of financial position
400024	Judicial provision-automobiles	They represent estimated amount that SGF expects to pay in terms of compensating victims of damages caused by automobiles in case the claim becomes successful in Court of law whose timing or amount to settle this liability is uncertain. This provision is recognized if the victim has filed claim against SGF into the Court of law, if SGF has present obligation (i.e to compensate) in accordance with the law and as confirmed by the National Police and if the timing or amount for compensation is uncertain. The account is credited by the debit of compensation expense- Judicial during the period of filing claim in Court. It is debited by the credit of bank account during payment or compensation expense- Judicial in case of reversing excess provision.	Credit balance	Statement of financial position
400025	Salary payable	This account records SGF employees' salary expense incurred whose associated cash is not yet paid out at the reporting date.	Credit balance	Statement of financial position

Account reference code/no	account name/title	account description	account normal balance	Type of financial statement
400026	RSSB payable	It covers contributions of employees and their employer payable to RSSB whose associated cash is not yet paid out by SGF at the reporting date.	Credit balance	Statement of financial position
400027	RAMA payable	It covers contributions of employees and their employer payable to RAMA whose associated cash is not yet paid out by SGF at the reporting date.	Credit balance	Statement of financial position
400028	PAYE payable	It covers taxes on employees' earnings which are withheld by SGF, but whose associated cash is not yet paid out.	Credit balance	Statement of financial position
400029	Withheld advance	This account records the amount withheld from employees' salary to recover the contributions made in advance by SGF on behalf its employees such as in laptop cost sharing scheme. It is credited by the debit of salary accounts. It is debited by the credit of payroll advance to record the recovery of payroll advance.	Credit balance	Statement of financial position
400030	VAT Payable	It records the amount of VAT taxes withheld from supplier's payment whose associated cash is not yet paid out. The account is credited by the debit of respective expense or asset account. It is debited by the credit of bank account.	Credit balance	Statement of financial position
400031	Withholding tax Payable	It records the amount of withholding taxes withheld from supplier's payment whose associated cash is not yet paid out. The account is credited by the debit of respective expense or asset account. It is debited by the credit of bank account during payment.	Credit balance	Statement of financial position
400032	Supplier account	This account covers the net amount owed by SGF to supplier in accordance with governing law and contract. The account is credited by the debit of respective expense or asset account. It is debited by the credit of bank account during payment.	Credit balance	Statement of financial position
400033	Provision for staff bonus	It represents estimated amount that SGF expects to pay in terms of compensation for performance, as required by the governing policy, whose timing or amount to settle this liability is uncertain. This entails that this provision is recognized on the basis of provided conditions. The account is credited by	Credit balance	Statement of financial position

Account reference code/no	account name/title	account description	account normal balance	Type of financial statement
		the debit of staff bonus. It is debited by the credit of bank account during payment or staff bonus in case of reversing excess provision.		
500000-599900	Equity accounts	These represent residual interest in the assets of the entity after deducting all its liabilities. Before deduction of liabilities, they represent starting and additional capitals brought in by Government of Rwanda plus accumulated funds.	Credit balance	Statement of financial position and statement of equity
500010	Government of Rwanda	This covers the initial capital brought in by the Government of Rwanda to carry out SGF mission. It is credited by the debit of bank account during capital increase. It is debited by the credit of surplus/deficit revenue account in case of incurred loss or dissolution.	Credit balance	Statement of financial position and statement of equity
500020	Accumulated fund	The account accumulates the surplus or deficit financial revenue of each accounting period. It is credited by the debit of surplus/deficit revenue account at the end of accounting period where there is surplus revenue. It is debited by the credit of surplus/deficit revenue in case of loss as annual financial performance.	Credit balance	Statement of financial position and statement of equity
600000-699900	Contra- asset accounts	These accounts intend to offset the balance in another related account with which it is paired. In the context of SGF business operations, these accounts shall record accumulated depreciation of fixed assets, allowance for bad debts against receivable and any other receivables.	Credit balance	None
600010	Accumulated depreciation	It accumulates the annual depreciations to offset them from the balance of fixed assets until fully depreciated. The account is credited by the debit of depreciation expense account at the end of the year. It is debited by the credit of the respective fixed asset account at the time of disposal.	Credit balance	None
600020	Provision for uninsured debtors	It covers the uncertainty of recovery of debts from the responsible of uninsured automobiles that caused accident to third parties who have been compensated by SGF. The account is credited by the debit of uninsured debtors account during payment. It is debited by the credit of uninsured	Credit balance	None

Account reference code/no	account name/title	account description	account normal balance	Type of financial statement
		debtors account in case the debtors reimburse.		

**APPENDIX 2: SPECIAL GUARANTEE FUND FINANCIAL REPORT FORMAT**

Budget categories	REPORTING PERIOD	Total Units budget	Expenditure for a period (dates)	cumulative	Budget less cumulative
<b>INCOME</b>					
	.....(Rfws)	.....(Rfws)	.....(Rfws)	.....(Rfws)	.....(Rfws)
<b>Sources</b>	.....(Rfws)	.....(Rfws)	.....(Rfws)	.....(Rfws)	.....(Rfws)
<b>Total Income</b>	.....(Rfws)	.....(Rfws)	..... (Rfws)	.....(Rfws)	.....(Rfws)
<b>EXPENSES</b>					
<b>Item from approved budget</b>	.....(Rfws)	.....(Rfws)	.....(Rfws)	.....(Rfws)	.....(Rfws)
<b>Total expenses</b>	.....(Rfws)	.....(Rfws)	.....(Rfws)	.....(Rfws)	.....(Rfws)

Current cash balance.....Rfws

Date.....

Signature.....

**APPENDIX 3: ACCOUNTS CODES MAINTENANCE FORM**

Date: .....			
Purpose of amendment: .....			
ACCOUNT CODE (A)	TYPE (B)	DESCRIPTION (C)	UPDATE (D)
Requestor's signature: .....			
<b>REVIEW &amp; SIGNATURE (E)</b>		<b>DECISION AND SIGNATURE (F)</b>	
Date	.....	Date	.....
Position of reviewer (validation or rejection)	.....	Decision (approval or rejection)	.....
Reason	.....	Reason	.....
Signature	.....	Signature and stamp	.....
<b>TITLE OF FORM : ACCOUNT CODE MAINTENANCE FORM</b>			
<b>COMPLETED BY:</b> Accountant or DAF			
<b>PURPOSE OF THE FORM:</b> To document proposal and account code details for amendment of either deletion or opening of an account			
<b>KEY INSTRUCTIONS</b>			
A. The Accountant enters account code details (name and code).			
B. The Accountant indicates whether the account is an item of statement of financial position, statement of financial performance or statement of equity.			
C. The Accountant enters the account code description.			
D. The Accountant enters the account code update type, i.e. whether account code type are being added, deleted or amended.			
E. The Director of Administration and Finance reviews, signs and dates the form to validate or reject the request;			

F. The Chief Budget Manager approves or rejects the request. Once the request is approved, the DAF effects the changes in the computerized ledger system guided by the IT officer or software supplier where required.

**APPENDIX 4: BANK RECONCILIATION STATEMENT**

**Bank reconciliation statement**

**SPECIAL GUARANTEE FUND**

Name of the Bank: .....

Bank account No: .....

S. No	Particulars	Amount (Rwf)
1	Balance as per the <i>cash book</i>	.....
2	Add, Cheques issued but not presented to the bank for payment (enclose list of cheques giving cheque No., date and amount)	.....
3	Add, Amounts credited by the bank but not appeared in the Cash Book, e.g., cheques, cash directly deposited in the bank, interest credited, etc.	.....
4	Less, Cheques/drafts received and remitted to the bank but not credited pending realisation	.....
5	Less, Amounts debited by the bank but not appeared in the cash book, e.g., bank charges, interest on overdrafts, service tax, income tax, etc.	.....
6	Other differences: omissions, errors, etc. (+)	.....
7	Balance as per the <i>bank statement</i>	.....
		.....

**APPENDIX 5: CLAIM DECLARATION FORMAT**

**Client details**

Client name

Claim number

Client address

District:
Sector:
Cell

Date of birth

Date of accident

Claim number *if applicable*



Date of accident	Where the accident took place	type of service received, e.g. physio, Doctor, pharmacy, etc.	Amount claimed	Proof of Investigation report	Cause of accident(Animal or Automobile)

**Authorisation**

I

Confirm that the items above, relate to these expenses are not for any pre accident or unrelated medical condition, or any other purpose.

Signature of client, parent or guardian

Print name

Date



**APPENDIX 7: STOCK TAKE CERTIFICATE**

**SPECIAL GUARANTEE  
FUND**

**Financial Year .....**

**Stocktaking Certificate**

A stock take has been undertaken by me in conjunction with the Administration and Finance Unit.

I certify to the existence of the assets on the attached list.  
Unless otherwise indicated on the list, all assets are in good order and condition.

Signed: \_\_\_\_\_

(In-charge of Fixed Assets and Stock)

Name: \_\_\_\_\_

Date: \_\_/\_\_/\_\_\_\_

**APPENDIX 8: REQUISITION FORM**

REPUBLIC OF RWANDA  
 SPECIAL GUARANTEE FUND  
 B.P 7359, KIGALI

*REQUISITION FORM NO...../20....*

<b>Item</b>	<b>Requisitioned Quantity</b>	<b>Detailed Descriptions / specifications of requisitioned goods or services</b>

Prepared by:  
 Director of Requisitioning Unit

Approved by:  
 DAF

Date:

Date:

RESERVED FOR THE INTERNAL TENDER COMMITTEE

<i>Received on</i> .....	<i>Addressed on</i> .....	<i>ITC decision</i>	<i>Bid evaluation report</i> <i>No.....</i>	<i>Submitted for preparation of the Purchase order on</i> .....
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**APPENDIX 10: TEMPORARY ABSENCE FORM**

REPUBLIC OF RWANDA  
SPECIAL GUARANTEE FUND  
B.P 7359, KIGALI

**TEMPORARY ABSENCE FROM WORK FORM**

**NAME:** .....

**POSITION:** .....

**DATE** .....

**REASON FOR ABSENCE:** .....

**DEPARTURE TIME** .....

**EXPECTED RETURN TIME** .....

**SUPERVISOR's VALIDATION (insert name, date and signature)**

**HUMAN RESOURCE's VALIDATION (insert name, date and signature)**

**DAF's APPROVAL (insert name, date and signature)**

**APPENDIX 11: PETTY CASH VOUCHER**

SPECIAL GUARANTEE FUND  <b>PETTY CASH VOUCHER</b>  Requester: .....				
Date	Account	Particulars	Receipt No	Amount
Amount in Rwandan Francs:			<b>TOTAL</b>	
Checked by: .....		Recipient Signature: .....		
Approved by: .....		Date paid: ...../...../.....		

**APPENDIX 12: REQUEST FOR LEGAL OPINION FORM**



Request for Legal Opinion

<b>To: LEGAL AFFAIRS &amp; RECOVERY</b>		<b>Date:</b> /    /
<b>Brief Description of Request</b>		
<b>Time frame on which advice is required</b>	<input type="checkbox"/> Urgent: Specify reasons for urgency (24 – 48 hours)	
	<input type="checkbox"/> Semi-urgent: Specify reasons for urgency (1 – 3 weeks)	
	<input type="checkbox"/> Normal. Specify any relevant timeframes	
	Any other reason	
<b>Name and title of Contact Person</b> for purpose of this request		<b>Authorised by:</b>  _____ Director General / Director / Manager Signature

<b>A</b>	<b>Background</b>
<b>B</b>	<b>Issues that require legal opinion / advice</b>
<b>C</b>	<b>List all supporting documentation and references to be included with request.</b>
	<b>Date opinion to be provided ...../...../.....</b>



**5. Precedents from the Supreme Court relevant to the subject matter if any**

**6.The legal opinion**

- **I issue the following legal opinion on the procurement process or any other process used to tender the contract or any other fact that could impact on the signing of this Agreement**
  - .....
  - .....
- **I have amended the draft agreement on the following provisions :**
  - .....
  - .....
- **I recommend the following amendments to the draft agreement:**
  - .....
  - .....
  - .....
- **I recommend enacting provisions on the following:**
  - .....
  - .....
  - .....

**7.recommendation**

In view of the above; I recommend the following way forward: (please indicate the appropriate way forward among these)

- Cancellation of the tender process
- Review of the draft contract
- Proceed and sign
- Send for review to MINJUST especially on the following provisions (giving reasons for requesting special attention of MINJUST):
  - .....
  - .....
  - .....

**Legal Officer's Name, date and Signature**

**APPENDIX 14: INVESTMENT CONTROL LOG**

<b>SPECIAL GUARANTEE FUND</b>						
<b>Investment control log</b>						
<b>Purchases</b>						
<b>Investment Number</b>	<b>Description</b>	<b>Authorization Date</b>	<b>Amount</b>	<b>Broker Agent</b>	<b>Trade Date</b>	<b>Sale Date</b>

**APPENDIX 15: INVESTMENT PURCHASE / SALE AUTHORIZATION FORM**

<b>SPECIAL GUARANTEE FUND</b>	<b>Number</b> _____	
<b>Investment Purchases/ sale authorization form</b>		
<b>Date</b> _____	<b>Investment Number</b> _____	
Investment Type .....		
Investment Description .....		
Amount: purchase: .....Sale : .....		
Expected Trade date: .....		
Expected settlement date: .....		
Broker/Agent : .....		
Commission: .....		
Other expenses: .....		
Safekeeping Arrangements: .....		
.....		
<u>Signature</u>	<u>Title</u>	<u>Date</u>
Prepared by: .....		
Authorization		
Three copies of this form should be prepared , with distribution as follows		
Original investment		
Copy # 1– attached to transfer request		
Copy # 2– retained by preparer		
Copy # 3– numerical sequence file maintained with the investment control log		

**APPENDIX 16: MATERIALS REJECTED REPORT**

<b>SPECIAL GUARANTEE FUND</b>	
<b>Materials Rejected Report</b>	
<b>Materials Rejected Report</b>	
<b>Responsibility: Supervisor</b>	
<b>Name of vendor</b>	<b>H:</b> .....
<b>Description</b>	<b>B:</b> .....
<b>Cat/ Part #</b>	<b>A:</b> .....
<b>Department</b>	<b>C:</b> .....
<b>Quantity Received</b>	<b>D:</b> .....
<b>Reason for Rejection</b>	<b>EA:</b> .....
	.....
	.....
<b>Signature:</b>	.....

**APPENDIX 17: DISPOSAL FORM**

<b>SPECIAL GUARANTEE FUND</b>			
<b>Disposal form</b>			
<b>Company</b> _____			
Tag # of property	Reason for disposal	_____	_____
disposal	_____	_____	_____
<b>Description</b> _____			
Year of Acquisition _____			
Original cost	_____ (a)	Tax Basis	_____ (d)
Accumulated Depreciation	_____ (b)	Tax Accumulated Depreciation	_____ (e)
Net book value	_____ (a-b)	Tax Net book value	_____ (d-e)
Proceeds /Scrap value	_____ (c)	Proceeds /Scrap value	_____ (f)
Book (Gain) Loss	_____ ( a-b-c)	Book (Gain) Loss	_____ ( a-b-c)
*Net of disposal costs			
_____			
(Authorization signature)			
_____			
(Title)			
_____			
(Date)			

**APPENDIX 18: IT HELP DESK FORM**

IT HELP DESK FORM

Date : ...../...../.....

Staff full name :

Staff phone extension :

Staff computer name & Serial No

Nature of request or problem :

Time of declaration :

Estimated repair time :

It Diagnostic :

It solution :

Time and date issue resolved :

Staff feedback :

Staff signature



Supervisor Signature



IT Manager Signature



**APPENDIX 19: PROPOSED SGF KEY PERFORMANCE INDICATORS**

#	Indicator	Methods of calculation	Data source	Data collection method	Who will collect data?	Frequency & cost to collect	Who will analyze and report data?	Who will use the data?
1	% share of investment revenues financing the budget	(investment revenues/total budget)*100	Financial records	Document review	Accountant	Annually	Director of Finance and Accountant	MINECOFIN, BNR and SGF
2	% increase of SGF invested assets.	$(FY_n - FY_{n-1})/FY_{n-1} * 100$	Financial record	Document review	Finance	Quarterly and annually	Director of Finance and Accountant	MINECOFIN, BNR and SGF
3	% increase in ROI (Return on investment)	(Gain from investment - Cost of investment)/Cost of investment*100	Financial statements Statistics from Finance department	Document review	Accountant	Quarterly	Director of Finance and Accountant	MINECOFIN, BNR and SGF
4	% of claims settled in total claims received	Claims settled (claims paid plus rejected) /Total claims received (including claims outstanding plus new claims declared)*100	Compensation Unit reports	Document review	Claims managers	Monthly and quarterly	Claims managers	SGF
5	Net surplus/deficit	Revenues-Expenses	Financial statement statistics	Document review	Accountant	Annually	Accountant	SGF
6	Customer/Client satisfaction rate	Number of respondents who stated they were "SATISFIED" in the CS survey/Total number of respondents	Customer/Client satisfaction survey	Surveys and questionnaires	Customer care + Statistics	Ad hoc	Statistics Officer and Customer care Officer	SGF
7	Liquidity ratio	Liquid assets/Current liabilities	Financial statements Statistics	Document review	Accountant	Annually and quarterly	Accountant	MINECOFIN, SGF and BNR

#	Indicator	Methods of calculation	Data source	Data collection method	Who will collect data?	Frequency & cost to collect	Who will analyze and report data?	Who will use the data?
8	Solvency ratio	Total assets/Total liabilities	Financial statements Statistics	Document review	Accountant	Annually and quarterly	Accountant	MINECOFIN, BNR and SGF
10	Claims rejection ratio	(Number of claims rejected/Number of claims received)*100	Compensation Unit reports	Document review	Claims managers	Monthly	Claims managers	SGF
11	Claims compensation ratio	(Number of claims paid/Number of claims received)*100	Compensation Unit reports	Document review	Claims managers	Monthly	Claims managers	SGF
12	Ratio of claims rejected to claims paid	(Claims rejected/claims paid)*100	Compensation Unit reports	Document review	Claims managers	Monthly	Claims managers	SGF
13	Complaints ratio	(Number of complaints registered/Total number of claims)*100	Compensation Unit reports	Document review	Claims managers	Monthly	M&E Officer	SGF
14	Number of online services	Count	IT service records	Observation and interview	IT Officer	Annually	M&E Officer	SGF
15	% /number of required reports submitted timely or in line with original timetable	(Number of reports submitted timely/Number of reports submitted)*100	SGF records	Observation, interviews and document review	Concerned departments	Monthly, quarterly and annually	IT Officer, Customer care and Claims managers	SGF, MINECOFIN and BNR.
16	% of awarded tenders	(Awarded tenders/Total planned tenders)*100	Procurement reports	Document review	Procurement Officer	Quarterly	Procurement Officer	SGF and RPPA
17	Procurement plan implementation timeliness (%)	(Tenders awarded on schedule/Total planned tenders)*100	Procurement reports	Document review	Procurement Officer	Quarterly	Procurement Officer	SGF and RPPA
18	% implementation of performance contracts	(Achieved/Expected or planned)*100	Quarterly and annual performance	Document review, observation	M&E Officer	Quarterly and annually	M&E Officer	SGF , MINECOFIN and Office of

#	Indicator	Methods of calculation	Data source	Data collection method	Who will collect data?	Frequency & cost to collect	Who will analyze and report data?	Who will use the data?
			contracts implementation reports	and interviews				the Prime Minister.
19	% implementation of the action plan	(Targets Achieved/Planned or expected)*100	Quarterly and annual reports	Document review	Planning and M&E Officer	Quarterly and annually	Planning and M&E Officer	SGF
20	% action plan implementation timeliness (on time delivery of expected results)	(Targets achieved timely/expected targets)*100	Monthly , quarterly and annual action plan implementation reports	Document review, observation and interviews	M&E Officer	Quarterly and annually	M&E Officer	SGF
21	% performance contracts implementation timeliness (on time delivery)	(Targets achieved timely/expected targets)*100	Quarterly and annual performance contracts implementation reports	Document review, observation and interviews	M&E Officer	Quarterly and annually	M&E Officer	SGF, MINECOFIN and Office of the Prime Minister.
22	Proportion of investigations conducted	Investigations conducted/claims to be investigated	Inspection reports	Document review	Inspectors	Monthly, quarterly and annually	Inspectors	SGF
23	Proportion of frauds	Number of frauds found/Number of claims received by SGF	Compensation Unit reports	Document review	Claims Managers and Inspectors	Monthly, quarterly and annually	Inspectors	SGF, RNP and Office of the Prosecution
24	% implementation of the audit plan	(Targets achieved/planned)*100	Internal Audit records	Interviews and document review	Internal Auditor	Quarterly and annually	Internal Auditor	SGF
25	% implementation of audit recommendations	(Recommendations accepted by the management/Recommendations implemented)*100	Audit recommendations implementation	Document review, interviews and observation	Internal Auditor	Quarterly and annually	Internal Auditor	SGF, MINECOFIN and Office of the Prime

#	Indicator	Methods of calculation	Data source	Data collection method	Who will collect data?	Frequency & cost to collect	Who will analyze and report data?	Who will use the data?
			reports					Minister.
26	Number of insurance companies audited in the total insurance companies to be audited	Count	Insurance premiums audit reports	Document review, interviews and observations	Premiums Auditors	Annually	Premiums Auditors	SGF
27	% level of money recovered in total outstanding amount to be recovered.	(Amount recovered/Outstanding amount)*100	Recovery service	Document review	Legal affairs and recovery Officer	Monthly, quarterly and annually	Legal affairs and recovery Officer	SGF
28	% decrease in cases in courts	$(FY_n - FY_{n-1})/FY_{n-1} * 100$	Legal affairs	Document review	Legal affairs and recovery Officer	Monthly, quarterly and annually	Legal affairs and recovery Officer	SGF
29	% implementation of the communication plan	(Achieved / Targets)*100	Communication plan implementation status reports	Document review, interview and observation	In-charge of communication	Monthly, quarterly and annually	In-charge of communication	SGF
30	Employee Turnover rate (ET rate) and/or Staff retention rate	(Number of staff remained/Total number of staff)*100 and/or (Number of staff that left/Total number of staff)*100	Human resource Officer	Document review	Human Resource Officer	Annually	Human Resource Officer	SGF
31	Effectiveness	(Actual output/Expected output)*100	M&E reports	Document review	In-charge of M&E	Monthly, Quarterly, Mid-yearly and annually	In-charge of M&E	SGF
32	Efficiency	(Inputs actually used/Inputs planned to be used)*100	M&E reports	Document review	In-charge of M&E	Mid-yearly and annually	In-charge of M&E	SGF

#	Indicator	Methods of calculation	Data source	Data collection method	Who will collect data?	Frequency & cost to collect	Who will analyze and report data?	Who will use the data?
33	Productivity	(Outputs produced/Inputs used)*100	M&E reports	Document review	M&E Officer	Mid-year and annually	M&E Officer	SGF
34	% of staff trained	(Trained/planned)*100	Human Resource Officer records	Document review	Human Resource Officer	Quarterly and annually	Human Resource Officer	SGF
35	% trainings attended	(Trainings attended/trainings planned)*100	Human resource Officer records	Document review, observation and interviews	Human resource Officer	Quarterly and annually	Human Resource	SGF
36	% of claims settled within less than or equal to 30 days	(Claims settled within less than or equal to 30 days/Claims settled)*100	Accounting	Document review	Accountant	Monthly, quarterly and annually	Accountant	SGF
37	Proportion des prises en charge des dossiers MSGH	Nombre de prise en charge des dossiers MSGH/ Nombre total des dossiers MSGH declares	Compensation Unit reports	Document review	Compensation Unit	Monthly, quarterly and annually	Compensation Unit	SGF
38	Propotion des dossiers MSGH payés	Nombre des dossiers MSGH payés/ Nombre total des dossiers MSGH declares	Compensation Unit reports	Document review	Compensation Unit	Monthly, quarterly and annually	Compensation Unit	SGF
39	Proportion des dossiers MSGH rejetés	Nombre des dossiers MSGH rejetés/ Nombre de dossiers MSGH declares	Compensation Unit reports	Document review	Compensation Unit	Monthly, quarterly and annually	Compensation Unit	SGF
40	Ratio des dossiers MSGH rejetés aux dossiers MSGH payés	Nombre de dossiers MSGH rejetés/Nombre de dossiers MSGH payés	Compensation Unit reports	Document review	Compensation Unit	Monthly, quarterly and annually	Compensation Unit	SGF
41	Nombre d'assureurs trouvés/Nombre de dossiers de dossiers	Nombre d'assureurs trouvés/Nombre de dossiers MSGH déclarés	Compensation Unit reports	Document review	Compensation Unit	Monthly, quarterly and annually	Compensation Unit	SGF

#	Indicator	Methods of calculation	Data source	Data collection method	Who will collect data?	Frequency & cost to collect	Who will analyze and report data?	Who will use the data?
	MSGH declarés							
42	% change in claims outstanding	$(FY_n - FY_{n-1})/FY_{n-1} * 100$	Compensation Unit reports	Document review	Compensation	Quarterly and annually	Compensation Unit	SGF
43	% change in outstanding debts	$(FY_n - FY_{n-1})/FY_{n-1} * 100$	Accounting records	Document review	Accounting	Annually	Accounting	SGF
44	% change in frauds found in claims received by SGF	$(FY_n - FY_{n-1})/FY_{n-1} * 100$	Compensation Unit reports	Document review	Compensation Unit	Monthly, quarterly and annually	Compensation Unit	SGF, RNP and the Office of Prosecution.
45	% of vulnerable victims of accidents assisted and advocated	$(\text{Number of vulnerable victims of accidents assisted and advocated} / \text{Total number of vulnerable victims}) * 100$	Compensation Unit reports	Document review, interviews and observation	Compensation Unit	Quarterly and annually	Compensation Unit	SGF
46	% change in legal costs	$(FY_n - FY_{n-1})/FY_{n-1} * 100$	Compensation Unit reports and Financial & budget reports	Document review	Legal affairs and Recovery Officer	Monthly, quarterly and annual reports	Legal affairs and Recovery Officer	SGF

Where:

FY<sub>n</sub> means current financial year;

FY<sub>n-1</sub> means previous financial year;

% means percent;

\* means multiply;

/ means divide and

- means minus

## **Works cited**

- a) Law no 52/2011 of 14 December 2011 establishing the special guarantee fund for accidents caused by automobiles and animals and determining its mission organization and functioning;
- b) Presidential order no 31/01 of 25/08/2013 on compensation for personal injury due to accident caused by motor vehicles;
- c) Ministerial order no 18/2012/MINICOM of 27/07/2012 determining the modalities of transfer of 5% of gross annual income that the organ in charge of tourism gains from tourism activities to the special guarantee fund (SGF);
- d) The Ministerial Order N° 003/14/10/Tc of 24/10/2014 determining the Procedures for Declaration, Collection and Verification of Contributions to the Special Guarantee Fund for Accidents and Damages caused by Automobiles And Animals.
- e) Law modifying and completing the Law N\_12\_2007\_of\_27\_03\_2007\_on\_Public\_Procurement
- f) MINISTERIAL ORDER N° 001/14/10/TC .OF.19/02/2014.ESTABLISHING REGULATIONS ON PUBLIC PROCUREMENT, STANDARD BIDDING DOCUMENTS AND STANDARD CONTRACTS
- g) Prime Minister's Order N°121/03 of 08/09/2010 establishing the procedure of performance appraisal and promotion of public servants
- a) Manuel des procédures administratives, comptables et financières pour Fonds de garantie Avril 2013 ;
- b) Mandatory Liability Insurance Guarantee Fund (France),2013;
- c) Policyholders' Compensation Fund Kenya 2013;
- d) Kenya – Work Injury Benefits Act 2013;
- e) Existing policies;
- f) Existing strategies;
- g) Other relevant reports.

**APPENDIX 20: MONTHLY/QUARTERLY FINANCIAL STATEMENTS**

**Special Guarantee Fund**

**Financial statements for the month/quarter ended .....**

**1. SGF Background**

Special Guarantee Fund (SGF) was constituted by the law N° 52/2011 of 14/12/2011 establishing it and determining its mission, organisation and functioning. It was established with additional mission of compensating victims of damages caused wild animals to replace former Automobile Guarantee Fund (AGF) which created by the repealed law n° 04/2002 of 19/01/2002. SGF has legal personality and enjoy administrative and financial autonomy and i is domiciled in Kigali, Rwanda.

The address of its registered office is:

PO Box  
7359 Kigali

**E-mail :** [info@ikigega.rw](mailto:info@ikigega.rw)

**Website:** [www.ikigega.rw](http://www.ikigega.rw)

**Core activities**

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

**2. Statement of financial performance for the month/quarter ended .....**

Description	Notes	Current period	Previous period
<b>1. REVENUES</b>			
<b>TOTAL REVENUES (A)</b>			
<b>2. EXPENSES</b>			
<b>TOTAL EXPENSES (B)</b>			
<b>Surplus/deficit ( C=A-B)</b>			

Prepared by Accountant: .....Reviewed by DAF:.....  
Approved by DG:.....

**3. Statement of (month or first/second, etc) quarter financial position as at.....**

Description	Notes	Current period	Previous period
<b>1. ASSETS</b>			
1.1 Non-current Assets			
1.2 Current assets			
Total Assets			
<b>2. LIABILITIES</b>			
2.1 Non current liabilities			
2.2 Current liabilities			
Total liabilities			
<b>3. Equity</b>			
Total equity			
Total equity and liabilities			

Prepared by Accountant: ..... Reviewed by DAF:.....

Approved by DG:.....

**4. Budget execution report for the month/quarter ended .....**

Budget line	Approved budget	Realized budget	Balance	Execution %	Observation
1. Revenues					
Total revenues (A)					
2. Expenditures					
Total expenditures (B)					
Balance (A-B)					

Prepared by Accountant: ..... Reviewed by DAF:.....

Approved by DG:.....

**5. Implementation status of audit recommendations, actions plan/performance contract, Board and/or Management decisions.**

**5.1 Implementation status of audit recommendations**

**5.2 Implementation status of actions plan/performance contract**

**5.3 Implementation status of Board and/or Management decisions.**

**6. Notes to the financial statements**

**6.1 Significant accounting policies**

**a) Basis of preparation**

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the requirements of SGF policies and procedures manual approved on 20<sup>th</sup> February 2015.

The Financial Statements have been prepared on accrual basis of accounting, except where stated otherwise.

**b) Reporting entity**

The financial statements are for Special Guarantee Fund

Presentation Currency. The financial statements are reported in Rwanda Francs, being the currency of legal tender in Rwanda.

**c) Revenue (explain each source of revenue)**

**d) Expenditures ( explain each category of expenditure as presented in statement of financial performance).**

**e) Fixed assets (explain the treatment of each category of fixed assets)**

**f) Cash (explain each category of cash)**

**g) Receivables (explain each category of receivables);**

**h) Liabilities (explain each category of liabilities);**

**i) Translation of foreign currencies**

**j) etc..**

**6.2 Disclosure of financial statements**

**APPENDICES:**

- Bank reconciliation
- Trial balance
- Cashbook

## APPENDIX N.21: ANNUAL FINANCIAL STATEMENTS

### Special Guarantee Fund

Financial statements for year ended .....

#### 1. SGF Background

Special Guarantee Fund (SGF) was constituted by the law N° 52/2011 of 14/12/2011 establishing it and determining its mission, organisation and functioning. It was established with additional mission of compensating victims of damages caused wild animals to replace former Automobile Guarantee Fund (AGF) which created by the repealed law n° 04/2002 of 19/01/2002. SGF has legal personality and enjoy administrative and financial autonomy and i is domiciled in Kigali, Rwanda.

The address of its registered office is:

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**E-mail :** [info@ikigega.rw](mailto:info@ikigega.rw)

**Website:** [www.ikigega.rw](http://www.ikigega.rw)

#### Core activities

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#### 2. Statement of responsibilities

Article 20 of the law N° 52/2011 of 14/12/2011 establishing SGF requires the Director General to submit to the supervising authority within three (3) months following the closure of the financial year the annual financial report after its approval by the Board of Directors in accordance with laws governing management of State finance and property. This requirement is also reinforced by section 9.2.4 of finance & accounting module of SGF policies and procedures manual which was approved on 20<sup>th</sup> February 2015. Its section 9.2.7 further stipulates that the Chief Budget Manager shall ensure accurate and safeguard of financial reporting by setting up and maintaining sound internal controls which warrant the following:

- Maintain reliable reporting systems;
- Safeguard assets;
- Prevent and detect error – fraud;
- Optimize the use of resources.

The Chief Budget Manager accepts responsibility for the annual financial statements, which have been prepared using the "accrual basis" of accounting.

These financial statements have been extracted from the accounting records of SGF and the information provided is accurate and complete in all material respects.

In the opinion of the Chief Budget Manager, the financial statements give a true and fair view of the state of the financial affairs of SGF. The Chief Budget Manager further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, ensuring adequate systems of internal financial control and safeguarding the assets of SGF.

**Signature:** \_\_\_\_\_

**Name:** \_\_\_\_\_  
**[Chief Budget Manager]**

**Date:** \_\_\_\_\_

**3. Statement of financial performance for year ended .....**

Description	Notes	Current period	Previous period
1. REVENUES			
TOTAL REVENUES (A)			
2. EXPENSES			
TOTAL EXPENSES (B)			
Surplus/deficit ( C=A-B)			

Prepared by Accountant: .....Reviewed by DAF:.....

Approved by DG:.....

**4. Statement of annual financial position as at.....**

Description	Notes	Current period	Previous period
<b>1. ASSETS</b>			
1.1 Non-current Assets			
1.2 Current assets			
<b>Total Assets</b>			
<b>2. LIABILITIES</b>			
2.1 Non current liabilities			
2.2 Current liabilities			
<b>Total liabilities</b>			
<b>3. Equity</b>			
<b>Total equity</b>			
<b>Total equity and liabilities</b>			

Prepared by Accountant: .....Reviewed by DAF:.....

Approved by DG:.....

**5. SGF Statement of cash flows for year ended .....**

Description	Notes	Current period	Previous period
<b>1. Operating activities</b>			
<b>Net cash from operating activities</b>			
<b>2. Investing activities</b>			
<b>Net cash from investing activities</b>			
<b>3. Financing activities</b>			
<b>Net cash from financing activities</b>			
<b>Increase/decrease in cash and cash equivalents</b>			
<b>Movement in cash and cash equivalents</b>			
Cash and cash equivalents as at 1 <sup>st</sup> July.....			
Increase/decrease in cash and cash equivalents during the year			
Cash and cash equivalents as at the 30 <sup>th</sup> June .....			

Prepared by Accountant: .....Reviewed by DAF:.....

Approved by DG:.....

6. SGF Statement of changes in equity for the year ended .....

Description	Notes	Capital Frw	Retained earnings/surplus Frw	Total Frw
1. Year ended 30 <sup>th</sup> June .....(previous year )				
At 1 <sup>st</sup> July.....(opening balance for above year)				
Prior year adjustments				
Surplus/(deficit) for the year				
Balance as at 30 <sup>th</sup> June ..( previous year )				
2. Year ended 30 <sup>th</sup> June.....(current reporting year)				
At 1 <sup>st</sup> July ....(previous year)				
Prior year adjustments				
Surplus/(deficit) for the year				
Balance as at 30 <sup>th</sup> June .....(current year)				

Prepared by Accountant: .....Reviewed by DAF:.....

Approved by DG:.....

**7. Notes to the financial statements**

**7.1 Significant accounting policies**

**a) Basis of preparation**

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the requirements of SGF policies and procedures manual approved on 20<sup>th</sup> February 2015.

The Financial Statements have been prepared on accrual basis of accounting, except where stated otherwise.

**b) Reporting entity**

The financial statements are for Special Guarantee Fund

**Presentation Currency**

The financial statements are reported in Rwanda Francs, being the currency of legal tender in Rwanda.

c) Revenue (explain each source of revenue)

d) Expenditures ( explain each category of expenditure as presented in statement of financial performance).

e) Fixed assets (explain the treatment of each category of fixed assets)

f) Cash (explain each category of cash)

g) Receivables (explain each category of receivables);

h) Liabilities (explain each category of liabilities);

i) Translation of foreign currencies

j) Prior year adjustments

k) etc...

**7.2 Disclosure of financial statements**

**8. Budget execution report for the year ended .....**

Budget line	Approved budget	Realized budget	Balance	Execution %	Observation
1. Revenues					
Total revenues (A)					
2. Expenditures					
Total expenditures (B)					
Balance (A-B)					

Prepared by Accountant: ..... Reviewed by DAF:.....

Approved by DG:.....

**9. Implementation status of audit recommendations, actions plan/performance contract, Board and/or Management decisions.**

**9.1 Implementation status of audit recommendations**

**9.2 Implementation status of actions plan/performance contract**

**9.3 Implementation status of Board and/or Management decisions.**

**APPENDICES:**

- Bank reconciliation
- Trial balance
- Cashbooks
- Petty cash certificate

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1. Prime Minister's Order N°121/03 of 08/09/2010 establishing the procedure of performance appraisal and promotion of public servants.
2. Law N° 86/2013 of 11/09/2013 establishing the general statutes for public service;
3. Manual of Government Policies and Procedures: Financial Management & Accounting, Rwanda 2006.
4. I F R S pocket guide 2012, accessed from [www.pwcinform.com](http://www.pwcinform.com)
5. Ministerial Order N° 003/14/10/TC of 24/10/2014 determining procedures for declaration, collection and verification of contributions to the Special Guarantee Fund for accidents and damages caused by automobiles and animals;
6. Law N° 50/2008 of 09/09/2008 determining the procedure for disposal of state private assets;
7. Organic Law N° 37/2006 of 12/09/2006 on state finances and property;
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10. Law N°05/2013 of 13/02/2013 modifying and completing the Law n°12/2007 of 27/03/2007 on Public Procurement.
11. Law n°12/2007 of 27/03/2007 on Public Procurement.
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