Welcome

Making the most of your money:

Helping NGO’s plan and control their finances in uncertain times
Logistics

➢ You are muted, so you will need to unmute yourself if you want to speak

➢ The format of the webinar will be for the panel to first present and then we will cover Q&A afterwards, but please do post your questions in the question channel throughout the presentation

➢ The presentation will be recorded and we will share that by email

Please open a browser or get your phone out.
How To

Click here to unmute and ask a question (Red is muted)

Click here to “raise your hand” with an issue

Click here to Open the Questions tab

Type your question here and then hit “send” to submit
You can click “Help” and then click “Sound Check” to make sure everything is working OR
Click “Sound Check here”

If you cannot get your computer audio to work; you can try to call-in number and use your phone instead.

These two menus will let you know which microphone and speakers you are using (headphones or computer setup); the green bars will move if they are working correctly.

When you are ready to speak, make sure this icon is green; red means you are muted.
www.menti.com

Access code – 23 28 83
What is Financial Management?

Financial Management entails planning, organizing, controlling and monitoring the financial resources of an organization to achieve objectives.
Top Ten Reasons for Good Financial Management in uncertain times

1. To be accountable to the people who give us money
2. To be accountable to the communities we work with
3. To be able to produce financial statements for regulatory bodies
4. To minimise fraud, theft and abuse of resources
5. To enable staff to make better decisions on the use of funds
6. To achieve the objectives of the organization
7. To enhance the credibility of the organization
8. To strengthen the fundraising efforts
9. To get better value for our money
10. To plan for the future and become more financially secure
Financial planning

Robert Poccia
Humentum Associate, Senegal
Financial Planning → Strategic Planning

❖ Financial planning must be led by strategic planning
  • Organization Leadership
  • Funder / Prime
  • Community
  • Government

❖ Changes in scope or strategy
  • New guidance from funder
  • Maintain status quo
  • Sustainability
  • Rethink the strategy
  • Any additional funding
  • Cash Flow as well as Budget
Budget Tips

❖ Once the strategic direction is well-understood:
  • Identify cost efficiencies
  • In-kind economies (staff time, goods)
  • Shift/add new costs required by technology
    • Activity Cost shifting: Mentorships, online meetings
    • Labor costs associated with the platform change

❖ Keep an eye on indirect costs

❖ Project extensions

❖ Don’t lose sight of core principles
  • Program Objective
  • Deliverables
  • Value for money
Accounting Records & Financial Monitoring

Nazir Kurfi
Humentum Associate, Nigeria
Proper Accounting Records

❖ What?
  • Supporting Documents
  • Books of Accounts

❖ Why?
  • Management Information
    • Financial statements – Project performance
  • Support management decisions
  • Budget monitoring & Future Planning
  • Accountability & Transparency
    • Accountability to donors, stakeholders & Board
  • Legal & statutory requirements
  • Enhance organizational credibility
Uncertain Times: Challenges

- Difficulty in obtaining adequate supporting documents during emergency responses/lock downs
- Limited options for vendors/suppliers selections
- Increased cost of operations/high inflation
- Over dependence on e-transactions
- Increased risk of fraud, misappropriation and internet scams
Uncertain Times → Proper, accurate & adequate documentation!

❖ Review/update operational policies & manuals where necessary (Delegation of authority, use of e-forms, in-lieu of receipt, etc.)

❖ Document & keep email trails – payment request, vendor negotiations, procurement analysis, payment approvals, etc.

❖ Record and document online meetings, trainings including attendance list.
Uncertain Times ➔ Proper, accurate & adequate documentation! (cont’d)

- Deploy and/or maintain real time accounting system
- Proper e-filling system
- Secured and reliable online documents repository/database
- Documentation of donor waivers, authority to incur extra-budgetary costs, budget variations, etc.
- Documentation of any relevant statutory and/or regulatory circulars (e.g. social distancing guidelines, compulsory use of masks by each staff, lockdown circulars, etc.)
- Properly document staff time during lockdown and working from home
Uncertain Times ➔ Accurate, timely financial monitoring & reporting

❖ Real time accounting & reporting
  • Monthly/bi-monthly Cash flow forecast
  • Budget monitoring reports
  • Variance analysis reports
  • Bank reconciliations
  • Cash reconciliations & spot checks
  • Advance reconciliations
  • Inventory reconciliations & spot checks, etc.
Internal Controls

Diana Isiye
Humentum Associate, Kenya
Vulnerabilities

- Data security and cyber threats
- Stakeholder reporting
- Procedures and processes
- Third parties onboarding & monitoring
- Staff concerns
- Emerging fraud schemes
Internal controls

❖ Review of your key internal controls
  • Redesign controls but don’t lose out key elements
  • Risk management framework

❖ Staggering activities

❖ Emerging fraud schemes
  • Fraud types:
    • Cyber enabled frauds - such as phishing schemes, identity theft, mandate fraud
    • Payment fraud e.g. false invoices, change of bank details, false float justification
    • Procurement e.g. false suppliers
Emerging fraud schemes

**Prevent**
- Increasing awareness
- Authorization matrix
- Segregation of duties
- Clarity of roles

**Detect**
- Reporting mechanisms
- Management reviews, surprise checks
- Analysis, Reconciliations, audit trail

**Respond**
- Respond remotely to the furthest extent possible
Internal controls

❖ Communication

• External stakeholders, donors, partners, auditors
• Staff awareness and motivation
• Tone at the top

❖ Monitoring

• Triangulation and localisation
• Increase frequency
Any questions ???
Thank You

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