



UNIVERSITY OF NAIROBI

Document: **PROCEDURE FOR PROVISION OF FINANCIAL SERVICES**

College: **CORPORATE**

Doc. No... **UON/OP/60**

Date of Issue: **March 31, 2015**

Rev No: **06**

Issued By: **MANAGEMENT REPRESENTATIVE**

Authorized By: **DEPUTY VICE-CHANCELLOR (A&F)**

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0.1 DOCUMENT CHANGES

DATE	CLAUSE	AUTHORIZED BY
May 15, 2008		VC
July 29, 2009		VC
October 14, 2009	0.1 – Document changes	VC
March 21, 2011	0.2 Added DVC (A&F) in the distribution list 3. Added Quality Manual 4 Deleted acronyms and defined terms used 5 Rephrased the responsibilities 6.2 Deleted (v)	
March 25, 2014	1. Added section on Objective 4. References – changed University of Nairobi Act 1985 to Universities Act 2012; added UON/OP/25, UON/OP/26, UON/OP/69 5. Changed title to “ definitions of terms and acronyms ” and inserted table. 7.1c Replaced Ministry of Higher Education, Science and Technology and Ministry of Finance with relevant Education and Finance Ministry	VC
March 31, 2015	<ul style="list-style-type: none"> • 4.0 Added “CUE Guidelines and Standards” in the references • 8.0 added “Records of all the activities performed shall be maintained. 	VC

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0.2 DOCUMENT DISTRIBUTION

COPY NUMBER	COPY HOLDER
01 MASTER COPY	MR
02	VC
03	DVC (A&F)
04	FO

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1. PURPOSE:

The purpose of this procedure is to provide guidance in delivery of financial services in accordance with the international standards and practices within the local regulatory framework.

2. OBJECTIVE:

To ensure efficient delivery of financial services in the University

3. SCOPE:

This procedure covers the University Financial Management System and Statutory Reporting.

4. REFERENCES:

- a) Quality Manual
- b) State Corporations Act, Cap 446
- c) Public Audit Act 2003
- d) Public Procurement and Disposal Act-2005
- e) Public Procurement and Disposal Regulations-2006
- f) University of Nairobi Procurement and Disposal Manual
- g) UON/OP/25 – Procedure for Procurement of Goods and Services
- h) UON/OP/26 – Procedure for Disposal of Stores and Equipment
- i) UON/OP/69 – Procedure for Inspection and Acceptance of Goods and Services
- j) Universities Act – 2012 and Statutes
- k) International Financial Reporting Standard(IFRS)
- l) University of Nairobi Financial Regulations
- m) Government Circulars
- n) Management Circulars

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5. DEFINITION OF TERMS AND ACRONYMS:

Term	Acronym	Definition
International Financial Reporting Standards	IFRS	Principles-based Standards, Interpretations and the Framework adopted by the International Accounting Standards Board
Finance Officer	FO	Officer in charge of management of University finance and asset
Deputy Finance Officer	DFO	Deputy to the FO
Senior Accountants	SA	Operative officers in the various unit in Finance Department

6. RESPONSIBILITIES

The Finance Officer, Deputy Finance Officers and Senior Accountants shall be responsible for the implementation of the procedure.

7. METHOD

7.1 Budgetary Process

The Finance Officer shall:

- a) Ensure that all Colleges, Departments and Units submit their proposed budgets in accordance with the management and government guidelines
- b) Compile the budget and table it before the University Budget Committee and submit to the University Council for approval
- c) Ensure that the University proposed budget as approved by Council is forwarded to the relevant Education and Finance Ministry by the due date
- d) Receive the government approved budget before June of every year;
- e) Ensure Annual Estimates (Budget) are approved by the Council before the commencement of the financial year and
- f) Ensure compliance with the University policies on budgetary control throughout the financial year.

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7.2 Receipting and Recognition of Income

The Finance Officer shall ensure that: -

- a) Revenue due to the University of Nairobi is fully realized and recognized
- b) Revenue collected is accurately and expeditiously receipted
- c) Receipts are accurately classified and posted to the respective ledger accounts
- d) Cash collected is banked intact and promptly into a University bank account.

7.3 Payments

Finance Officer shall ensure that: -

- a) All payments are within the budgetary provisions and comply with University of Nairobi Financial Regulations
- b) Payment documents are received and recorded in Finance Officer's office
- c) The documents are verified for validity and approval before payment is effected
- d) Payment documents are recorded and distributed to various sections for further processing
- e) Staff Salaries and allowances are processed and paid on time
- f) Payments made are posted into the respective ledger accounts.

7.4 Financial Advisory Services

- a) Financial advisory services are provided to Grants, Projects, and Units in accordance with Professional and other relevant guidelines.
- b) Financial advisory services are provided to Public Institutions including Public Universities, Colleges and other tertiary Institutions in accordance with Professional and other relevant guidelines.
- c) Financial advisory services are provided to Private Institutions including Private Universities, Colleges and Commercial entities in accordance with Professional, Commercial Standards and Practices.
- d) Financial advisory services are provided to Management with respect to Project evaluations, Cost effective, Revenue enhancement measures, and project implementation
- e) Financial advisory services are provided to Management with respect to new and continuing Income Generating Units (IGUs) in accordance with Financial and other Professional Standards and Practices.

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7.5 Treasury Management Services

The Finance Officer shall perform the duties of funds management with respect to:

- a) Determination of appropriate investment opportunities.
- b) Movement of funds to ensure cost effectiveness and maximization of returns of funds invested.
- c) Prioritization of investment projects and opportunities.
- d) Determination of viable capital project investment opportunities.
- e) Maximization of benefits arising from foreign transaction and dealings.

7.6 Financial Reports Accounts and Audit

The Finance Officer shall: -

- a) Ensure data is continuously captured and recorded into various books of accounts in compliance with the University of Nairobi financial regulations and IFRS
- b) Ensure management, statutory and other related reports are prepared as required from time to time
- c) Prepare the Annual Report and Accounts in accordance with respective regulatory provisions and
- d) Submit to Controller and Auditor General, the Accounts of the University within the period stipulated in the Universities Act and State Corporation Act.

8. RECORDS

8.1 Records of all the activities performed shall be maintained.

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9. APPENDIX:

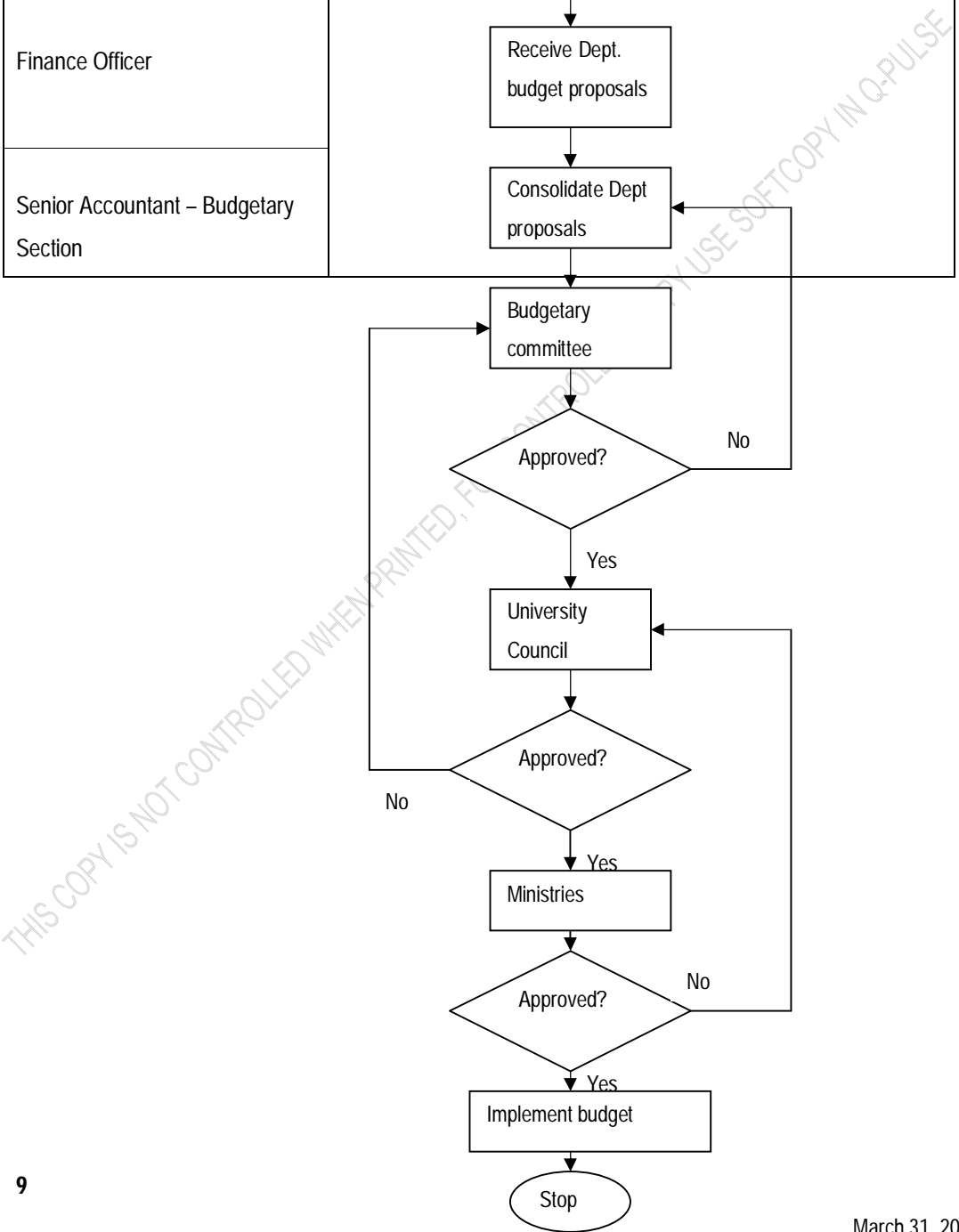
9.1 PROCESS MAP

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9.2 BUDGETARY PROCESS

RESPONSIBILITY	PROCESS FLOW
Finance Officer	<pre> graph TD Start([Start]) --> Receive[Receive Dept. budget proposals] Receive --> Consolidate[Consolidate Dept proposals] Consolidate --> Committee[Budgetary committee] Committee --> Approved1{Approved?} Approved1 -- No --> Consolidate Approved1 -- Yes --> Council[University Council] Council --> Approved2{Approved?} Approved2 -- No --> Committee Approved2 -- Yes --> Ministries[Ministries] Ministries --> Approved3{Approved?} Approved3 -- No --> Consolidate Approved3 -- Yes --> Implement[Implement budget] Implement --> Stop([Stop]) </pre>
Senior Accountant – Budgetary Section	

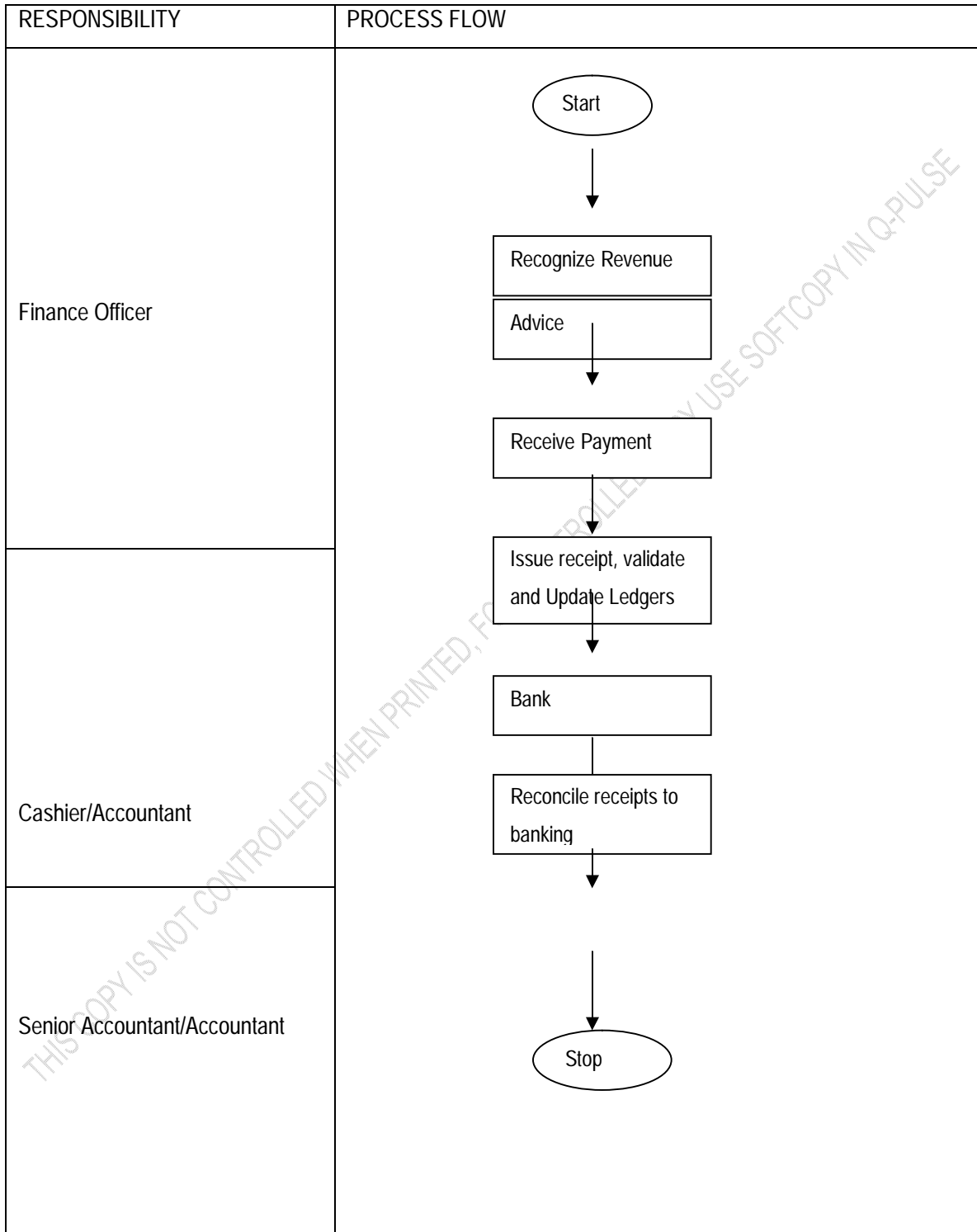


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Finance Officer	
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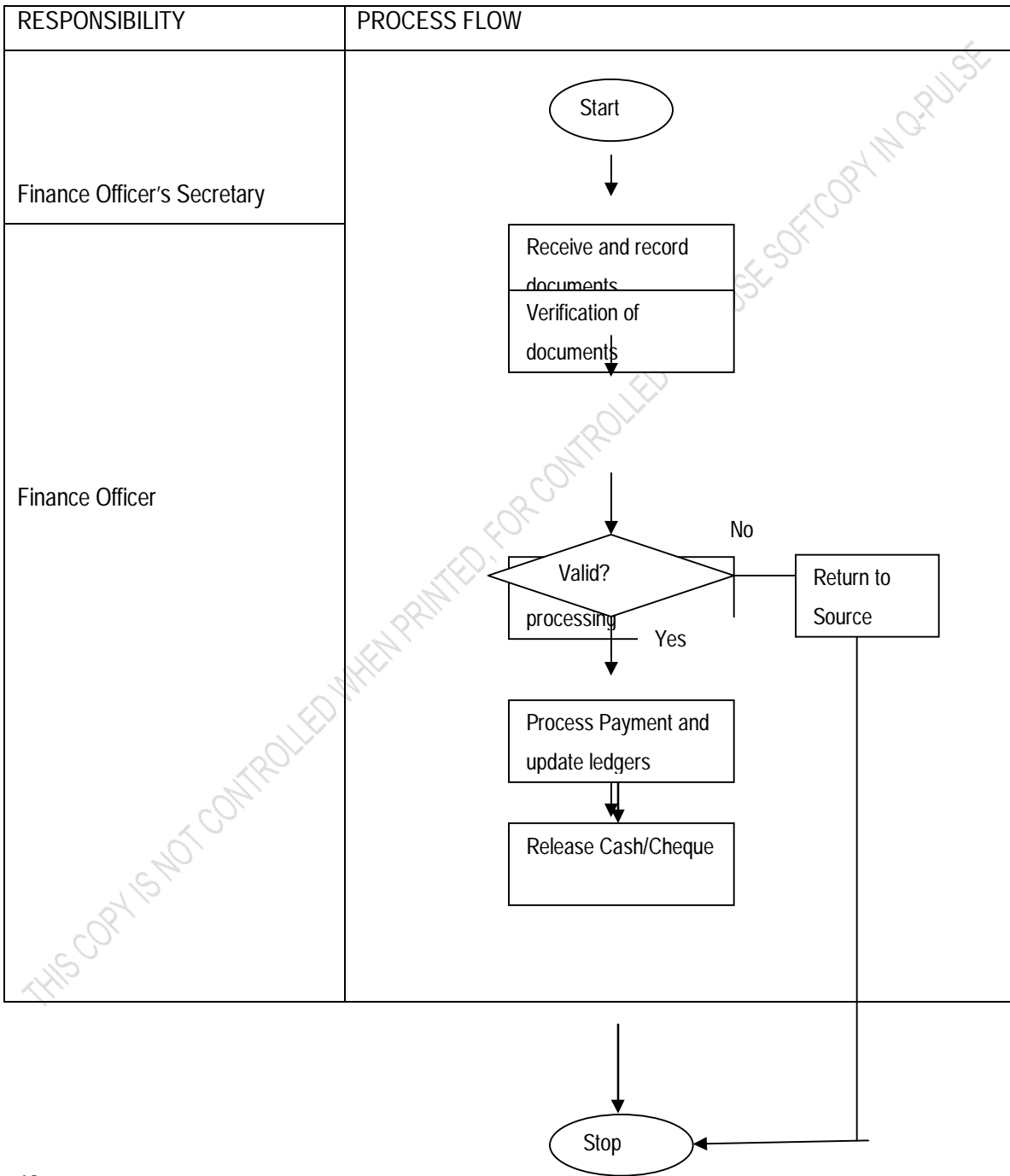
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9.3 RECEIPTING AND RECOGNITION INCOME



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9.4 PAYMENTS



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Senior Accountant/Accountants	
Cashier	

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