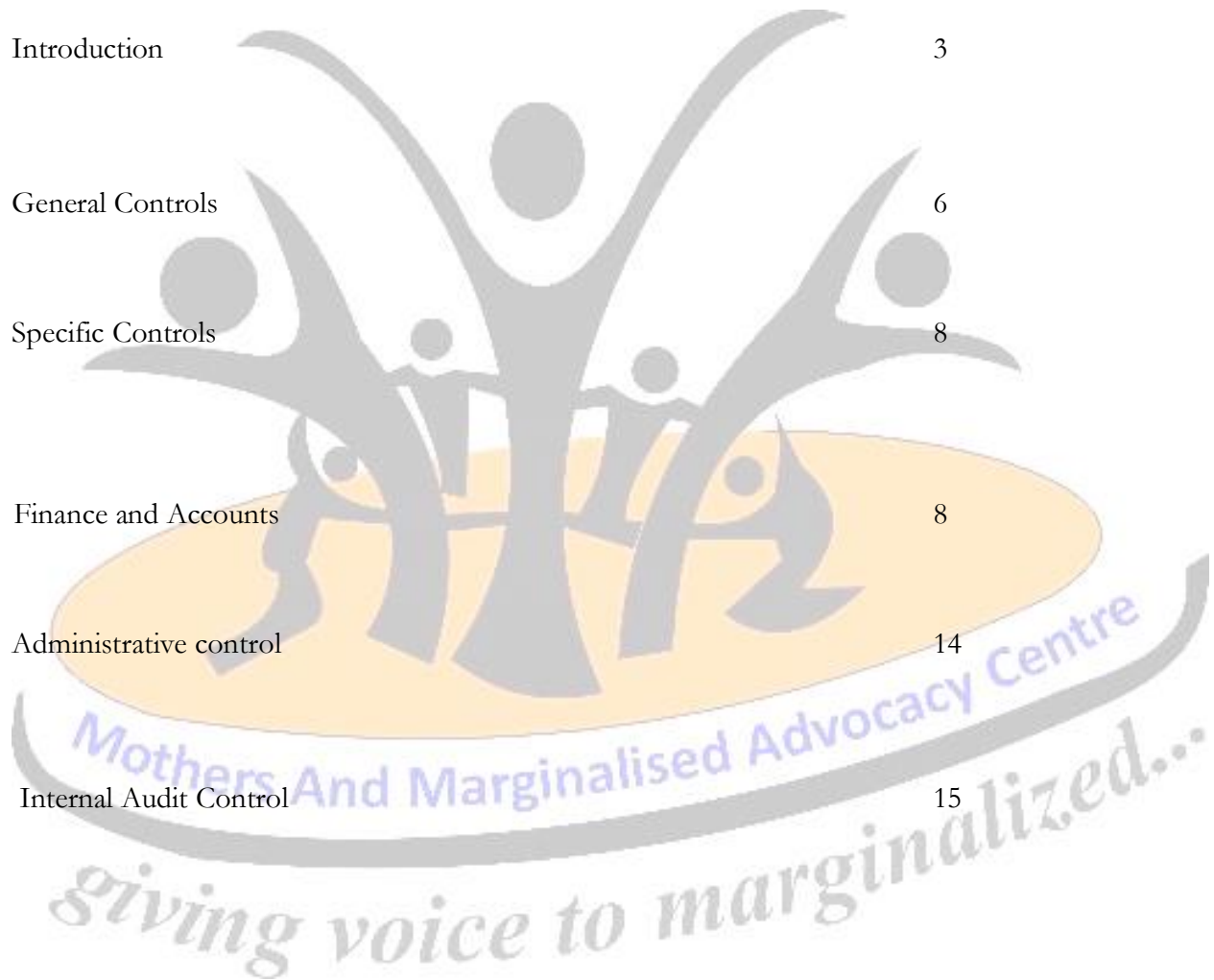




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Mothers And Marginalised Advocacy Centre
Giving voice to marginalized...

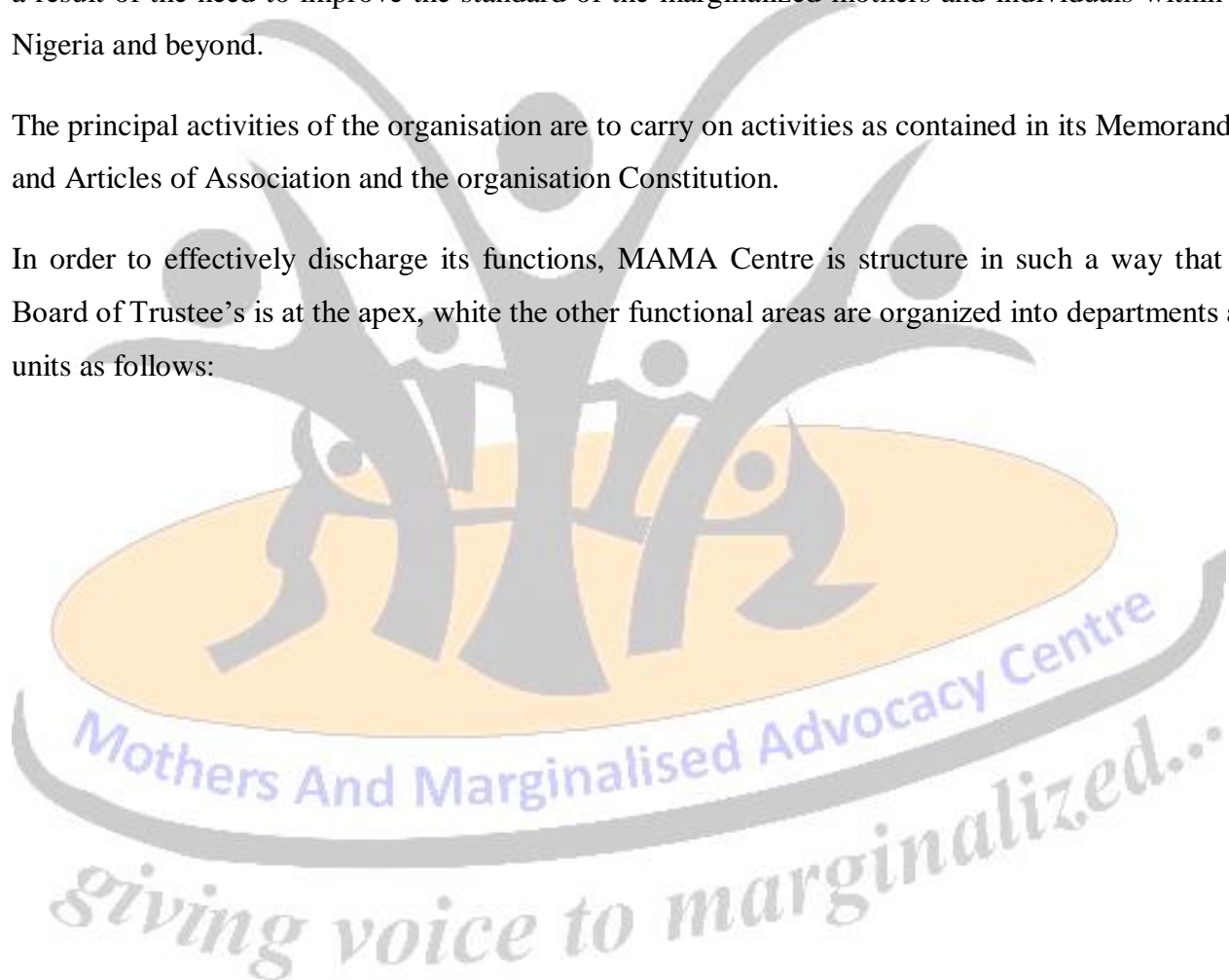
INTRODUCTION

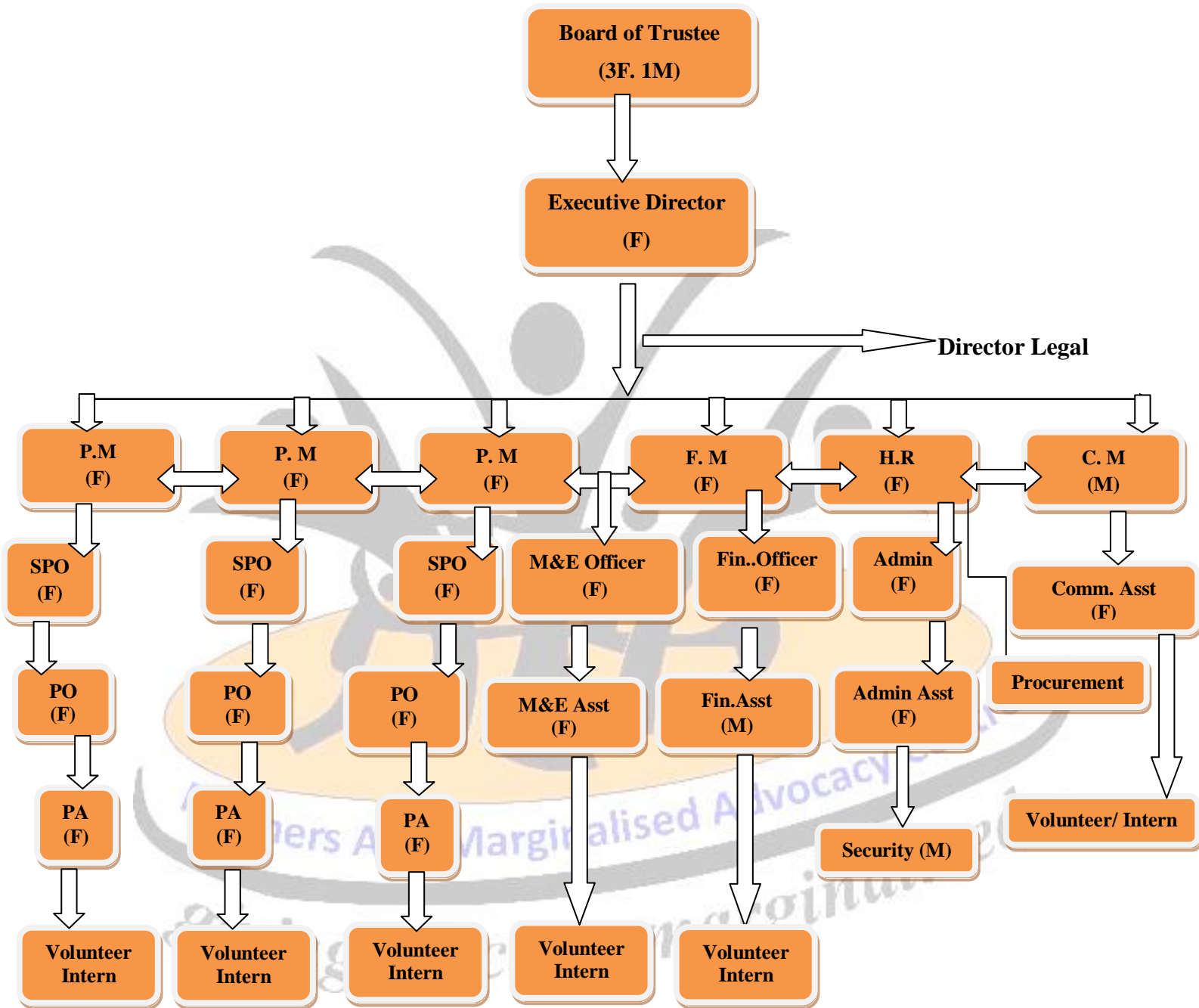
Mothers and Marginalised Advocacy (MAMA) Center was incorporated in Nigeria on the 5th November 2014 in Pursuant of the Provision contained in the Companies and Allied Matters Act 1990 with Registration Number CAC/IT/NO 73269.

The establishment of the Mothers and Marginalised Advocacy Center as an autonomous body was as a result of the need to improve the standard of the marginalized mothers and individuals within the Nigeria and beyond.

The principal activities of the organisation are to carry on activities as contained in its Memorandum and Articles of Association and the organisation Constitution.

In order to effectively discharge its functions, MAMA Centre is structure in such a way that the Board of Trustee's is at the apex, white the other functional areas are organized into departments and units as follows:





Key:

F - Female

M - Male

P.M – Program Manager

H.R – Human Resource

CM – Communication Manager

M&E- Monitoring and Evaluation

SPO – Senior Program Officer

PO – Program Officer

PA – Program Assistant

Vision

The Vision of MAMA is “a world where women are involved in decision making for sustained development”

Core Values: Equity, Equality, Supportive, Accountability, Responsive, Openness

The Internal Audit Focus

According to IAS (International Auditing Standard), Internal Control is a process effected by an entity, designed to provide reasonable assurance regarding the achievement of set goals and objectives it's key to the success of every organization.

Every organization operates on a specific platform that enables it to carry out or run its organizational activities within its environment effectively and efficiently. Running an effective system (i.e Internal Control system), helps an organization to deal with itself, staffs and its operations, customers or Clients. It is expedient that in setting up an Internal Control System, there is need to look and have an in-depth understanding of what ‘an Internal Control System is all about’.

Internal control is defined as the whole system of controls, financial or otherwise, established by the management in order to carry on the business of the organization in an orderly and efficient manner, ensure adherence to management's policies, safeguard the assets and secure as far as possible the completeness and accuracy of the records.

The scope of the internal audit activities covers the entire operations of MAMA Centre. However the Unit using risk-based plans has established the priorities of the internal audit activities which are consistent with the MAMA's goals. Based on this plan, the Audit programme has been drawn up focusing considerably on all the services offered as well as the financial requirements of MAMA Centre. In order to carry out the financial operation and accounting functions of MAMA Centre, relevant financial records or books of accounts are expected to be maintained. These services and relevant financial records are highlighted below:

Objectives of the Internal Control Process

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The main objectives of a documented control process manual is to prevent breakdown of laid down policies or misappropriation from occurring right from initiation and would save the company management a whole lot of resources in trying to detect and/ or effect corrective measures which normally cost a sizeable fortune. Also control process helps in the following areas as follows:

- a. Effectiveness & Efficiency of Operations
- b. Reliability of Financial Reporting
- c. Compliance with Laws & Regulations

We wish to emphasize also that MAMA Centre or the Trustee's should not under any circumstances override laid down controls because it will undermine and make nonsense to the whole essence to control procedures

In every organization some functions are inevitable as this will go a long way to prevent break down of laid down policies as set by management, these division of functional units are as follows:

- a. Finance and Accounts
- b. Administration.
- c. Internal control

It is paramount for a well fashioned internal control process for each of the functions of these functional units to operate properly.

Moreover, these controls have been classified into two namely general and specific recommendations.

General Controls

General controls are those put in place by the collective scrutiny of every responsible officer that concerns themselves with the effective and efficient running of the organization. These set of officers therefore design what seems to be the most appropriate manner in which the organizational activities are to be run. Every organization however designs what can suit their operations base on their activities. The following general controls are therefore suggested for the effective and efficient running of an organization:

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- a. Each unit should be headed by a capable hand(s) with requisite experience.
- b. All visitors must sign the movement register at the reception indicating clearly officer being sought for.
- c. MAMA Centre filing system should be centralized. Each department/branch/unit must compile file index and submit to internal control. This should be updated and updates forwarded to Internal Control on quarterly basis.
- d. All transaction files should be kept in securely locked cabinets and controlled by the Internal Audit department.
- e. Access to these files should be signed for on collection and inspected when returning by control.
- f. All incoming mails must pass through the office of the Executive Director's (ED) Secretary or the office secretary in the absence of Executive Director's.
- g. All incoming mails must be serially recorded in a register meant for such purpose daily.
- h. Such mails must be passed to the Executive Director within 15 minutes in Head office and 24 for Mails from Branch if any.
- i. The Executive Director would in turn minutes on the mails to the relevant in house officer for prompt actions.
- j. The Executive Director's Secretary must ensure that all minute mails get to the relevant places 10 Minutes and 48 Hours for Branches if any.
- k. All visitors to the Executive Director must fill the visitor form at the reception.
- l. The receptionist must pass properly completed forms to the Executive Director's Secretary at intervals of 5 minutes.
- m. The Executive Director's Secretary should in turn pass the visitors' forms to the ED also at interval of 5 minutes.
- n. All MAMA Centre visitors should not be kept more than 30 minutes in the organisation premises.
- o. All ED's incoming calls through MAMA Centre land line should be screened by the Secretary before been passed to the ED.
 - i. The ED's office should be securely locked whenever he is not in MAMA Centre premises.
 - ii. The ED's Secretary should monitor movement to / fro ED office during work hours.

Specific Controls

Specific controls are controls put in place deliberately by Trustee's to ensure that all resources (Financials) are properly managed and accounted for. This control helps the organization to monitor every movement of its finance or budget at every point in time. This controls include but not limited to the following finance and accounts, Administrative and internal control. We shall be looking at each of those controls separately.

Finance and Accounts Control

Finance and account controls deals with all controls that affect the organizations financial resources in the acquisition of properties, grants and incurring expenses, as necessary for the running of the organizational activities. These controls includes but not limited to the following: Books of Accounts, Cash and Cheque System, Payroll System, Purchase System, Non-Current Assets and Current Assets System, Management Accounts and Statutory Returns to Government Agencies and Bank Reconciliation System.

Books of Accounts

In order to carry out the financial and accounting functions of MAMA Centre, the following books of accounts shall be maintained:

a. Cash Books: Cashbooks to be maintained shall include:

- i. Main Cashbook: to record all monies received as inflows and payments other than petty cash payments as outflows.
- ii. Petty Expense Cashbook: to record all receipts and expenses for various projects/programs.

b. Sundry Creditors Analysis Book:

This book is used to analyze and record transactions, and recognize pending liabilities to external persons.

c. Memorandum Books:

These are non-ledger entry books that record events. Examples are:

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- i. Revenue/Grant collections/Treasury Register,
- ii. Lodgment Register,
- iii. Cash Control Register,
- iv. Revenue Analysis Book,
- v. Store Receipt/Issuance Register,
- vi. Safe Content Register,
- vii. VAT and WHT Register
- viii. Standard Journal Voucher Reference Register,

d. Ledger Accounts

- i. General Ledger. It is kept to give a periodic report of financial transactions in a summarized and properly classified form for all classes of assets, liabilities, income and expenditure.
- ii. Subsidiary Ledger. It is kept to record supporting detailed individual accounts maintained in the General Ledger; for example Sundry Creditors, Sundry Debtors, Imprest, Stock Ledger and Advances etc.

Forms of Books

The books of accounts listed above may be in the form of conventional bound books or loose sheets maintained manually and/or electronically.

Vouchers

A voucher includes the following:

- i. Payment Voucher
- ii. Journal Voucher
- iii. Pay-in-Slip/Treasury Receipt
- iv. Sundry Creditors' Analysis.

All entries/postings into the books of accounts shall be through duly approved vouchers.

- i. All Payment Vouchers shall have the approval of the payment attached to them.

- ii. All Journal Vouchers shall have relevant documents attached.

Cash and Cheque System

- a. All cheque/cash receipts must be duly received on a pre-numbered receipts form by a delegated officer in operation.
- b. All cash and cheque must be recorded and accounted for.
- c. All cash/cheque collected by MAMA Centre accountant must be recorded in a cheque receipts Register before lodgment.
- d. Cash and cheques received should be banked the same day.
- e. All unbanked cash and cheques due to late receipt must be kept in a safe, securely locked in MAMA Centre premises and banked on the first day of the week if weekend
- f. There should be a monthly reconciliation of bank accounts, which must be signed by the Accountant and passed to the internal control officer for scrutiny.
- g. Internet banking facility should be subscribed for all bank accounts to verify all cheque lodgments. If MAMA Centre chooses to.
- h. Staff of MAMA Centre on official assignment is entitled to Cash Advance.
- i. The amount to be taken as Cash Advance will usually include airfares, accommodations, local transport, feeding etc.
- j. Cash advances should be approved by Finance Officer or a dedicated Manager.
- k. Cash advance should be retired on resumption to the office.
- l. All vouchers must be verified by the Internal control Officer before being keyed into the system.
- m. All transaction vouchers must be validated and keyed into the system within 48hours of conclusion of transaction, assignment or operation.
- n. An approved voucher passed by the internal control Officer must be support all cheque payment and payment vouchers.
- o. All cash and cheque payment voucher must be stamped “paid”. Evidence of which must be shown to the Internal control Officer.
- p. On no account must cash received be spent before being banked.

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- q. All payments and receipts vouchers must be properly filled serially, updated and passed to the internal control officer to confirm compliance.

Expenditure

- a. All capital expenditure should be approved by the Board.
- b. Any expenditure more than **#5,000,000.00** should be approved by the board.
- c. Any expenditure between **say e.g #1,000,000.00 and #2,000,000.00** not captured in the budget shall be approved by the Board.
- d. No individual can approve his own expenses.

Payroll System

- a. Detailed list of staff must be maintained in a register by the Human Resource department. On monthly basis indicating: 1) Name 2) Date of employment 3) Status 4) Date confirmed.
- b. The register must be updated periodically as the need may arise to cater for completion of employment contract engagement, completion of project retiring and new employees.
- c. All staff should open salary accounts with one of MAMA Centre's bankers.
- d. On no account should salaries or wages be paid by cash except on a special circumstance(s) and must be authorized by the Executive Director.
- e. Monthly payroll should be prepared by the Human Resource department.
- f. The monthly payroll should be prepared using a customized payroll software system, unless the existing accounting software has facility for such.
- g. The payroll should be crossed checked by the Internal Control Department. The cross checked payroll should be countersigned by the Head of Finance and Accounts before being passed to the Executive Director for final approval on or before 25th of every month for final approval.
- h. Hard copies of the monthly payroll must be maintained and kept by the Internal Control Department. on or before 25th of every month for final approval.

Purchase System

- a. All order forms must be authorized and approved before purchases are made.
- b. The goods inward must be properly examined by responsible officers for quality, quantity, condition and terms of supply.

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- c. The good/materials received note must be completed, evidence of which must be showed to the internal control officer before filling.
- d. There should be comparison of goods/materials received note with purchase orders for correctness.
- e. All payment vouchers must be accompanied by purchase order, supplier invoice and good received notes
- f. All payment for purchases must be cross checked and passed by the Internal control Officer.
- g. Proper lists must be open for all creditors and debtors showing their your owing (creditors) and their owing (debtors) status, theirs names, address, date and the running balance, where necessary.

Non-Current and Current Assets

- a. Acquisition of non-current and current assets must be authorized and approved by the Board.
- b. All non-current and current assets purchased must be accompanied by sufficient supporting documents to solidify ownership.
- c. Disposal and transfer of non-current and current assets must be authorized and approved by the Board.
- d. Proper books of accounting records must be maintained for MAMA Centre non-current and current assets.
- e. MAMA Centre Accountant should take inventories of MAMA Centre non-current and current assets monthly and pass the result to the Internal control Officer.
- f. On no account should MAMA Centre non-current and current assets be put into unauthorized usage.
- g. Correct amounts of depreciation should be charged on all non-current assets.
- h. Carrying value of any assets should be justified, authorized and approved by the account officers.
- i. Access to non-current and current assets should be by the authorized officers.

Management Accounts

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- a. Source documents must be prepared for all accounting transactions and operations.
- b. The source documents must be cross checked by a responsible officer.
- c. All source documents must be validated by the internal control department before being keyed in to the system.
- d. All bank accounts must be properly reconciled at the end of each month.
- e. Monthly financials must be prepared on or before the 15th day of the following month.
- f. Relevant schedules must be prepared along the monthly financial reports.
- g. The Head of Accounts must sign off on the monthly financial reports.
- h. Financial reports must be checked by the internal control department for scrutiny before being passed to the Executive Director.
- i. All actions stated above must be concluded latest on the 20th day of the following month.

Statutory Returns to Government Agencies

Pay As You Earn (PAYE)

This deal with an amount of money (Tax at Source) deducted at source by MAMA Centre on behalf of the Tax Authority before making payment to the employees. The following are therefore necessary for MAMA:

- a. Correct amount of P.A.Y.E should be deducted from employees' monthly pay based on relevant provisions of the Federal Inland Revenue Services.
- b. Deducted P.A.Y.E must be remitted to the Jurisdiction of the relevant Tax authority on or before the 21st day of the following month of payment of salaries and wages.
- c. P.A.Y.E computations must be crosschecked and passed by the Internal Control Department before remittance.
- d. All other statutory returns to government agencies and regulatory authorities should be done at most two days earlier to deadline.
- e. MAMA Centre should register for PAYE scheme if its workforce is more than five permanent staff to enable them generate taxpayer identification number (TIN).

Pension Fund Deduction Remittance

This deals with the contribution made by both the employer and the employees for the benefit of the employees at retirement time.

Computations must be cross checked and passed by internal control before remittance, Remittance must be done before or on 15th day of the month following month of deduction. There is a need to register with a PFA.

CAC Annual Returns

This should be cross checked and passed by internal control and should be ready upon completion of annual Audited Financial statements every year.

Administrative Controls

Administrative controls deals with the control put in place by management for the day to day running of MAMA Centre activities in achieving the organization's objective. This is inevitable for an organization who wants to see its goals coming to reality. The following are therefore some of the administrative controls

- a. There shall be a Unit which will be responsible for Administrative matters and having as it heads an Administrative Officer.
- b. The Unit will be responsible for all administrative issues which includes but not limited to Security, Cleanliness, Maintenance of the office and Branches and other relevant matters associated with office complex, Purchase and utilization of Stationeries and disposables, Periodicals, logistics, Fuelling and Maintenance of Official vehicles, Maintenance and updating of Staff files.
- c. The Administrative Officer would maintain registers for both incoming and outgoing mails. The register should be maintained in such a way as to ensure accountability.
- d. All Incoming mails received by the Administrative Officer must be registered in the Incoming mails Register and forwarded to the Executive Director who will refer it to appropriate staff of relevant Units for necessary action.

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- e. All outgoing mails whether to a Unit or outside the organization must be registered in such a way as to ensure accountability.

Internal Audit and Control

Internal control as earlier defined in the introduction deals with those deliberate controls put in place by the management not only to keep proper records but to protect these records and its properties. The following are some of the controls as stated below:

- a. The unit should be involved in the day to day running of the organization.
- b. The Internal Control Department should report directly to the Executive Director and /or Board of Trustee's as applicable.
- c. The unit must ensure that all officers adhere strictly by laid down control policies.
- d. The units should carry out periodic review of general operating environment and recommend improvement where necessary to management.
- e. The control unit must carry out random review of operation/activities accounts at least every two months.
- f. Other transaction or operational processing files must be reviewed at random at least once a month by a control staff.
- g. The head of department should carry out surprise review into any selected area of MAMA Centre operations.
- h. The head should also carry out audit review into any areas of activities/operations at the prompt of the Board from time to time.
- i. The head of units must be involved in all review into past and present activities' transaction review.
- j. The units must ensure that all statutory returns are rendered as and when due.
- k. The units must produce ad-hoc/interim reports to the Board on any exceptions noted in the course of the work.
- l. A monthly/quarterly internal audit report should be prepared and discussed with management.

From the foregoing discussion we therefore put before the management of MAMA Centre to

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consider these control measures as this will go a long way not only to help in the improvement and running of the organization but to safe guard its records and properties of the organization.

However, these controls are necessary for every organization irrespective of the industries it operate from or belong to, and as such management can still streamline these controls as considered appropriate.

