



KAMUZU UNIVERSITY
OF HEALTH SCIENCES

FINANCIAL REGULATIONS

JUNE, 2023

Policy Name	Financial Regulations
Policy No.	RR/S.2E.1
Effective Date	To be decided by KUHeS Council
Last Review	
Next Review	To be decided by Council
Council Approval Date	31 August 2023
Stakeholders Subject to this Policy	Staff, students, consultants, vendors, contractors and/or any other parties with a business interest with the University.
Responsible Officer(s)	Procurement, Registry, ICT, Director of Finance and Investments Finance.
Responsible Office(s):	Vice Chancellor

4. TABLE OF CONTENTS

5. FOREWORD	i
6. PREFACE	ii
7. ACKNOWLEDGEMENTS	iii
8. LIST OF ABBREVIATIONS AND ACRONYMS	iv
9. DEFINITIONS	v
10. BACKGROUND AND SCOPE	1
11. THE RATIONALE FOR THE POLICY	1
12. KUHeS VISION	1
13. KUHeS MISSION	1
14. AIMS OF THE POLICY	2
15. OBJECTIVES OF THE POLICY	2
16. SECTION 1: INTRODUCTION	3
16.1 Financial Regulations	3
16.2 Objectives of Kamuzu University of Health Sciences	3
16.3 Operating Principles of the Council of the University	4
16.4 Functions and Powers of the Council	5
17. SECTION 2: FINANCIAL MANAGEMENT AND ACCOUNTING	
GUIDING PRINCIPLES FOR IMPLEMENTATION	11
17.1 Fundamental Principles	11
17.2 Financial Policy Implementation Guidelines	12
17.3 Performance of Functions and Management of the Affairs of the Kamuzu University of Health Sciences	13
18. SECTION 3: BUDGETING AND BUDGETARY CONTROL	17
18.1 Introduction	17
18.2 Budget	17
18.3 Budgetary Control	17

18.4	Budgetary Process	18
18.5	Revision of Budget Estimates	18
18.6	Classification of income and expenditure	18
18.7	Accountability	19
19.	SECTION 4: SOURCES AND APPLICATION OF FUNDS	19
19.1	Sources of Funds	19
19.2	Applications of Funds	21
20.	SECTION 5: REVENUE AND INCOME	21
20.1	Introduction	21
20.2	Revenue	21
20.3	Income	21
20.4	Responsibilities	22
20.5	Revenue and Income Collection, Documentation and Records	22
20.6	Physical Controls in the Cash Office	25
20.7	Physical controls over Cash	25
21.	SECTION 6: OPERATING EXPENDITURE	27
21.1	Budget Allocation	27
21.2	Authority to open bank accounts	27
21.3	Accountability	28
21.4	Provision of Funds	28
21.5	Responsibility	28
21.6	Authority of Expenditure	29
21.7	Approving Authority	29
21.8	Authority Schedule	32
21.9	Expenditure Accounting and Control	32
22.	SECTION 7: CAPITAL EXPENDITURE AND CONTROL OF FIXED ASSETS	34
22.1	Acquisition of Fixed Assets	34
22.2	Capital Work (If Applicable)	35
22.3	Control of Fixed Assets	36

22.4	Disposal of Fixed Assets	39
22.5	Assets acquired within an accounting year	39
23. SECTION 8: STORES MANAGEMENT AND CONTROL		
PROCEDURES		39
23.1	Introduction	39
23.2	Stores Records	39
23.3	Safe custody of Stores	39
23.4	Stores Ledger Kamuzu University of Health Sciences	40
24. SECTION 9: INVESTMENT AND CURRENT ASSETS POLICY		
24.1	Investments	40
24.2	Current Assets	41
25. SECTION 10: LIABILITIES.....		
25.1	Classification of Liabilities.....	47
26. SECTION 11: FUNDS OF THE KAMUZU UNIVERSITY OF HEALTH SCIENCES AND DONOR FUNDS		
26.1	Funds of the University.....	49
26.2	Regulations on Control and Uses of Funds from Loans, and Grants and Donations by Funders	51
26.3	Responsibility.....	51
26.4	Agreements for Grants, Donations and Loans	52
26.5	Inclusion of Donors Funds in the Capital Budget	52
26.6	Disbursement	53
27. SECTION 12: PROJECT ACCOUNTING		
27.1	Project Definition and Objectives.....	55
27.2	Planning and Control	56
27.3	Project Officer's Responsibilities	56
27.4	Financial Management	57
27.5	Budget Process.....	57
27.6	Systems Reviews and Internal Control Procedures	58
27.7	Cash Control.....	58

27.8	Cost effectiveness.....	59
27.9	Performance evaluation and Audit	59
27.10	Financial Statements	59
28.	SECTION 13: WRITE OFF OF ASSETS AND LOSSES	60
28.1	Types of losses	60
29.	SECTION 14: FINANCIAL REPORTS	66
29.1	Annual Accounts.....	66
29.2	Annual Reports	66
29.3	Performance Reports	67
29.4	Other Reports	68
30.	SECTION 15: FINANCE AND AUDIT COMMITTEE CHARTER	68
30.1	Purpose.....	68
30.2	Authority.....	69
30.3	Composition.....	70
30.4	Meetings	70
30.5	Responsibilities	70
30.6	Other Responsibilities	74
30.7	Reporting Responsibilities	74
	APPENDICES.....	76
	APPENDIX 1: Schedule of Authorisation on Recurrent Expenditure..	76
	APPENDIX 2: Schedule of Authorisation on Current Assets.....	78
	APPENDIX 3: Schedule of Authorisation on Fixed Assets.....	80
	APPENDIX 4: Schedule of Authorisation on Liabilities.....	83
	APPENDIX 5: Schedule of Adjustment and Write of Assets and Losses	84
	APPENDIX 6: Schedule of Format for Annual Reports.	86

5. FOREWORD

KUHeS is committed to ensuring that the public funds that it receives are utilised effectively and efficiently for their intended purpose, and that such funds are properly managed in accordance with all existing regulations, rules, and applicable laws.

These financial regulations are a translation of this commitment. This policy is a guide to all members of staff and other stakeholders on the financial regulations of the university.

I would like to thank all stakeholders who participated in the development of this policy.



Professor Francis Moto
Chairman of Council

6. PREFACE

As a public institution, the Kamuzu University of Health Sciences (KUHeS) is committed to achieve its objectives through efficient and effective execution of its educational programmes. The University seeks to have excellent financial management systems that enable it to effectively utilise its resources to realise optimal results in every field.

These regulations aim at guiding the conduct of all staff members in the university to ensure that various controls set by the Council are adhered to.

While the Council will ensure that an institution adheres to good public financial management principles, successful implementation of the policy requires unwavering commitment from all stakeholders. Therefore, the Council of the Kamuzu College of Health Sciences is delighted to be associated with these financial regulations and approves this document in its entirety.



Professor MacPherson Mallewa
Vice Chancellor

7. ACKNOWLEDGEMENTS

Special acknowledgement goes to the dedicated team composed of KUHeS Finance representatives for their tireless efforts in ensuring the compilation of this Financial Regulation Policy. The team comprised Mrs. Lydia Mbewe, Mr. Masauko Kachigamba, Mr. Genezio Mugawa, Mr. Samson Kalulu, Mr. Henry Chiwaya, Mr. George Namandwa, Mr. Mike Rashid and Mr. Palinji Mungoni. Finally, the University would like to acknowledge the valuable input of the Finance and Investment Committee of Council for their contribution to the policy.

8. LIST OF ABBREVIATIONS AND ACRONYMS

EFT	Electronic Funds Transfer
GAAP	Generally Accepted Accounting Practice
GoM	Government of Malawi
GRN	Goods Received Note
HoD	Head of Department
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
LPO	Local Purchase Order
MTEF	Medium Term Expenditure Framework
PAYE	Pay As You Earn
PDU	Procurement & Disposal Unit
PDO	Procurement and Disposal Officer
PFMA	Public Finance Management Act
DFI	Director of Finance and Investments
MRA	Malawi Revenue Authority
UR	University Registrar
VAT	Value Added Tax
WHT	Withholding Tax

9. DEFINITIONS

In these regulations, unless the context otherwise requires:

Accountable Officer	is an officer of the university who may approve of expenditure and be accountable for it. For the purpose of this Manual the Director of Finance and Investment and Executive Dean are accountable officers.
Accounting Officer	Means any person appointed in writing by the council and charged with the duty of accounting for any goods and/or services, with respect to which funds have been approved for expenditure.
Auditors	Independent auditors appointed by the University Council under KUHeS Statutes. Auditors include independent auditors appointed to carry out project audits at the donor's specific requirement.
Capital Budget	refers to the budget for the university's fixed assets procurement, construction, or improvement.
Capital Expenditure	is the expenditure incurred by a university for the acquisition, construction, or improvement of fixed assets.
Cash Value Items	Cash value items of stationery include all official receipts, local purchase order (LPO), and all items of stationery that are

	kept under lock and key (in safe and strong rooms).
Chairperson	Means the Chairperson of the Council as appointed in accordance with Section 9 of the Kamuzu University of Health Sciences Act, 2019.
Corporate Office	Means the Corporate Office of the Kamuzu University of Health Sciences and is situated in Blantyre.
Council	Means the Council of the University established and incorporated under Section 8 of the Kamuzu University of Health Sciences Act, 2019.
Director of Finance and Investments	An officer appointed by the Council under KUHeS Statutes and is under the special or general direction of the Finance Committee.
Executive Dean	Means an Executive Dean of a school appointed pursuant to Section 31 of the Kamuzu University of Health Sciences Act, 2019. This includes a person acting as an Executive Dean in his absence.
Finance Committee	Means the committee appointed by the Council under KUHeS Statute.
Income	This shall include all income, net proceeds from disposal of assets not meant for resale, interest from investments (deposits and government

	securities), and proceeds from miscellaneous items.
Internal Procurement and Disposal Committee	Internal Procurement and Disposal Committee refers to a committee constituted under Section 26 of the Public Procurement and Disposal Act, 2017.
Kamuzu University of Health Sciences	Kamuzu University of Health Sciences, established under Section 3 of the Kamuzu University of Health Sciences Act, 2019. Wherever possible, this combines the corporate office with schools.
Minister	refers to any minister specifically appointed to examine the affairs of Kamuzu University of Health Sciences.
Registrar	Means the Registrar of the University appointed under Section 22 of the Kamuzu University of Health Sciences Act, 2019. He is the head of administration of the corporate office.
Revenue	refers to income from fees, charges, dues, and other amounts payable by students and all revenue grants made by the Malawi government or by any other government, person, or organisation.
School	is within the University established pursuant to Section 30 of the Kamuzu University of Health Sciences Act, 2019.

Senate	Means the Senate of the University established under Section 27 of the Malawi Kamuzu University of Health Sciences Act, 2019.
Senior Finance Officers	For the purpose of this manual shall include the Director of Finance and Investment, Finance Managers, Grants Finance Manager, and Investments Manager, unless otherwise specifically mentioned.
Staff regulations	refer to the staff manual, which includes staff Terms and Conditions of Service, and Code of Conduct.
Vice Chancellor	refers to the Vice Chancellor of the University, appointed under Section 20 of the Kamuzu University of Health Sciences Act, 2019. He is the Chief Executive Officer of the University Executive Deans.

10. BACKGROUND AND SCOPE

Kamuzu University of Health Sciences was established under the KUHeS Act of 2019. It was established by merging two colleges, the College of Medicine and Kamuzu College of Nursing.

The Financial Regulations are primarily aimed at providing the KUHeS, (which includes corporate offices and schools), with policies and guidelines for the administration of revenues due and collected and expenditure incurred, with the objective of promoting the financial discipline of staff at all levels. They also assist in ensuring that university resources are properly utilised to enable it to be in line with its mission and vision. Wherever a School becomes autonomous in terms of operation and accountability, special financial regulations may apply to that school only in the area(s) of exception.

11. THE RATIONALE FOR THE POLICY

These KUHeS Financial Regulations are a set of rules and policies that lay down the financial powers, authority, and responsibilities in an organisation with the aim of assisting in the regulation, monitoring, and controlling of financial transactions.

12. KUHeS VISION

A world-class university and centre of excellence in health education, research, and innovation.

13. KUHeS MISSION

To advance knowledge, professional competencies, skills, and innovations in health sciences through high-quality student-centered and innovative education and research that responds to and influences national and global policies, health, and development needs in an efficient, sustainable, and result-oriented manner.

14. AIMS OF THE POLICY

These Financial Regulations are to provide the Kamuzu University of Health Sciences with policies and guidelines for the administration of revenues due and collected, and expenditure incurred, with the objective of promoting financial discipline at all levels.

Thus, Financial Regulations are sets of rules, policies, procedures, and guidelines that lay down the powers, authority, and responsibility of officers to incur financial commitments and authorise payments, specifying their limits, and outlining the procedures to be followed.

15. OBJECTIVES OF THE POLICY

The Financial Regulations have been designed to:

- a. Provide means of administering the financial provisions as stipulated in Sections 36 to 40 of the Kamuzu University of Health Sciences Act, 2019.
- b. Harmonise and standardise their application throughout the University including Schools; and
- c. Facilitate effective controls, and therefore reduce the risk of error, fraud, and misappropriation of funds.

All those involved in finance whether directly or indirectly, in any manner whatsoever, must take cognisance of and strictly adhere to these regulations and procedures. Any questions regarding interpretation should be referred to the Director of Finance and Investment at Corporate office or respective school for clarification and guidance. Any departure from these regulations will constitute an act of misconduct.

16. SECTION 1: INTRODUCTION

The introduction addresses the following issues:

16.1 Financial Regulations

Financial regulations are a set of rules and policies that lay down the financial powers, authority, and responsibilities in an organization. Regulations assist in the regulation, monitoring, and control of financial transactions.

The Kamuzu University of Health Sciences Financial Regulations, as set herein, deal primarily with the Kamuzu University of Health Sciences (which includes the Corporate Office and Schools) procedures and regulations in the administration of revenues and expenditures, and are aimed at promoting the financial discipline of staff at all levels.

16.2 Objectives of Kamuzu University of Health Sciences

The Kamuzu University of Health Sciences was established under Section 3 of the Kamuzu University of Health Sciences Act, 2019. The Corporate Office is in Blantyre.

There are currently five schools within the university as per Section 30 of the Kamuzu University of Health Sciences Act, 2019, namely:

- a. School of Global and Public Health
- b. School of Maternal, Neonatal and Reproductive Health
- c. School of Nursing
- d. School of Life Sciences and Allied Health Professions
- e. School of Medicine and Oral Health

The objectives of the University are:

Generate knowledge and evidence that will influence policy for the advancement and development of better healthcare and related programmes at all levels.

Develop qualified and skilled human resources for health and related disciplines committed to addressing national health challenges, while contributing to the Global Health agenda.

Establish a conducive teaching and learning environment for health-related disciplines, wherein staff and students feel secure to work independently and collaboratively.

Provide opportunity of acquiring higher education to all persons without discrimination

Contribute towards national development through researched-based community outreach and engagement activities.

Promote and nurture a culture of entrepreneurship, invention and innovation in health service delivery

Develop partnerships with industries and other stakeholders for the generation, transfer, adoption, and application of health-related technologies.

Foster capacity for independent critical thinking and informed intellectual discourse among students.

16.3 Operating Principles of the Council of the University

The Council of Kamuzu University of Health Sciences has the following general operating principles (Section 8 of the Kamuzu University of Health Sciences Act, 2019):

- a. Suing and being sued in all courts;
- b. Acquiring by purchase, gifts, devise bequest, operation of law or otherwise, real or personal property wherever situated or any right or interest therein and holding the same in any capacity, including that of the trustee
- c. Granting, selling, mortgaging, hypothecating, alienating, assigning, or letting real or personal property; and

- d. Subject to this Act, doing or performing all such acts and things as a body corporate may by law do or perform, or such as are incidental or appertain to a body corporate.

16.4 Functions and Powers of the Council

The functions and powers of the Council of the University, as per Section 10 of the Kamuzu University of Health Sciences Act, 2019, are:

16.4.1 Functions of the Council

The functions of the council are:

- a. Govern, maintain, administer, dispose of, and save as hereinafter provided, to invest all or part of the property, money, assets, and rights of the university.
- b. Take such steps as they determine fit for the purpose of procuring and receiving contributions or raising money in a manner that it deems fit for the furtherance of the aim and objects of the university.
- c. Provide payment of scholarships, prizes, grants, and other payments to university students.
- d. After considering recommendations from the senate, determine, in consultation with the Minister, the fees to be charged to the student.
- e. Determine, in accordance with the procedure prescribed by the statutes, how individuals are to be awarded Honorary Degrees of the University.
- f. Decide, after consultation with the Vice-Chancellor, whether any donation, gift, grant, devise, bequest, or any other bounty to the university should be accepted.
- g. Select persons for entry into the university as students on the recommendation of a selection committee established by the Statutes and.

- h. On recommendation of Senate, adopt statutes of the university.

16.4.2 Powers of the Council

Powers of the University Council shall not be limited to:

- a. Enter into engagements and to accept obligations and liabilities.
- b. Demand and receive fees, subscriptions, deposits, fines, and other payments and to effect payments of any monetary obligations.
- c. Demand and receive fees, subscriptions, deposits, fines, and other payments and to effect payments of any monetary obligations.
- d. Borrow money on behalf of the University and for that purpose if it considers appropriate, to mortgage, or charge all or any part of the real property of the University, unless the conditions of any will, deed or gift or other similar instrument are thereby contravened, and to give such other security, whether upon real or personal property or otherwise, as it deems fit.
- e. Invest any moneys of the university, including any unapplied income, in such stocks, debentures, funds, shares, or other securities as the council may, from time to time determine, whether within or outside Malawi and to vary such investments from time to time by sale, re-investment, or otherwise.
- f. Sell, buy, exchange, lease, rent, grant or take on lease or rent, real or personal property or portions thereof on behalf of the university, and to acquire any easement over any property held by any person or to consent to any easement, whether public or private, over any property of the university.
- g. Undertaking and executing any trust, the undertaking whereof may seem desirable to the council for the attainment or fulfilment of any of the objects of the university and to hold, invest, manage, or distribute in furtherance of and in accordance with any trust

direction, discretion, obligation or permission, any property or income from any property held by it as Trustee subject to such trust.

- h. Enter into, vary, carry out, or cancel contracts on behalf of the university.
- i. Compound or compromise any action, suit, proceedings, or any debt or claim, and refer any matter to arbitrations.
- j. Maintain bank accounts, and cause proper books of accounts to be kept and audited for all sums of money received and expended by the university and for the assets and liabilities of the university in order to give a true and fair account of the state of affairs of the university and its transactions.
- k. On the recommendation of Senate, establish, institute, or discontinue schools, centers, institutes, or other academic departments or sections of the university, in accordance with the Act.
- l. Determine terms of service and general conditions relating to the employment of academic, administrative, technical, and support staff and to establish, disestablish, or otherwise make or discontinue financial provisions for appointments to such posts.
- m. Determine the salary scales and general rates of payment for all categories of staff appointed by the university and other persons commissioned to render services to the university, and to appoint and employ such persons, pay their salaries, wages, or fees and, subject to the provisions of the statutes, terminate the appointments.
- n. Provide schemes of insurance and pension for persons employed by the university and to subscribe to benevolent and other funds for the benefit of the employees and to make payments to appropriate beneficiaries, as it thinks fit.

- o. take such steps as it determines appropriate for furthering the objects and interests of the university by making provision for teaching and learning, research, printing, and publication of research and other works that may be issued by the university and for the welfare of the staff and students of the university.
- p. Call for reports from the vice chancellor or the Senate, and review the work of the university in light of the reports.
- q. Make provisions for payments to external examiners and other persons to whom it finds it fit to make payments to further the aim and objects of the university.
- r. Enter into agreements and other relationships with institutions or bodies, whether academic or otherwise, for such purposes as the Council, may determine, including the embodiment within the University of any other institution or body and taking over and assumption of the property, rights, privileges, and liabilities of other institutions of the body; and
- s. Establish such committees, as it may determine the necessary functions for any one of its committees or officials.

16.4.3 Structure of the Kamuzu University of Health Sciences

The Kamuzu University of Health Sciences Act 2019 describes the staff complement and the organisation structure as follows:

- a. The Kamuzu University of Health Sciences shall have staff complements, as approved by the appropriate committee, and a management system operating on commercial principles.
- b. The Kamuzu University of Health Sciences shall develop and adhere to an organisation and procedure manual, which shall specify, in detail, the organisational structure and responsibilities of the Council and the staff of the Kamuzu University of Health Sciences and the manner in which all activities are specified in the organisational and procedural manual.

The sub-clauses quoted above ensure that the Kamuzu University of Health Sciences shall have a small number of key staff with specific emphasis on core activities, as specified in the organisation chart below.

17. SECTION 2: FINANCIAL MANAGEMENT AND ACCOUNTING

GUIDING PRINCIPLES FOR IMPLEMENTATION

17.1 Fundamental Principles

The Fundamental Principles for KUHeS Finance are adapted from the International Federation of Accountants (IFAC) code of ethics, which stipulates that to achieve the objectives of the accountancy profession, professional accountants must observe the following fundamental principles:

a. Integrity

Professional accountants should be straightforward and honest.

b. Objectivity

Professional accountants should be fair and not allow prejudice or bias, conflict of interest, or the influence of others to override objectivity.

c. Professional Competence and Due Care

Professional accountants should perform their work with due care, competence, and diligence, and have a continuing duty to maintain professional knowledge and skills at the level required to ensure that the employer receives the advantage of competent professional service based on up-to-date developments in practice, legislation, and techniques.

d. Confidentiality

Professional accountants should respect the confidentiality of information acquired during the course of performing professional services and should not use or disclose any such information without proper and specific authority or unless there is a legal or professional right or duty to disclose.

e. Professional Behavior

Professional accountants should act in a manner consistent with the reputation of the profession and refrain from any conduct that might bring discredit to the profession.

f. **Technical Standards**

Professional accountants should carry out their work in accordance with relevant technical and professional standards. They also have a duty to carry out with care and skill the instructions of the employer insofar as they are compatible with the requirements of integrity and objectivity.

17.2 Financial Policy Implementation Guidelines

The University shall be guided by the following:

- a. The Kamuzu University of Health Sciences Financial Regulations have been issued with the authority of the Council and may be amended from time to time, as the Council may direct.
- b. These Financial Regulations are to provide the Kamuzu University of Health Sciences with policies and guidelines for the administration of revenues due and collected, and expenditure incurred, with the objective of promoting financial discipline at all levels.
- c. Thus, Financial Regulations are sets of rules, policies, procedures, and guidelines that lay down the powers, authority, and responsibility of officers to incur financial commitments and authorise payments, specifying their limits, and outlining the procedures to be followed.
- d. The Financial Regulations have been designed to:
 - i. Provide means of administering the financial provisions as stipulated in Sections 36 to 40 of the Kamuzu University of Health Sciences Act, 2019.
 - ii. Harmonise and standardise their application throughout the University including Schools; and

- iii. Facilitate effective controls, and therefore reduce the risk of error, fraud, and misappropriation of funds.
- e. All those involved in finance whether directly or indirectly, in any manner whatsoever, must take cognizance of and strictly adhere to these regulations and procedures. Any questions regarding interpretation should be referred to the Director of Finance and Investment at Corporate office or respective school for clarification and guidance.
- f. Any departure from these regulations shall constitute an act of misconduct.

17.3 Performance of Functions and Management of the Affairs of the Kamuzu University of Health Sciences

The functions of the Kamuzu University of Health Sciences and the management of the operations of the Kamuzu University of Health Sciences are vested as follows:

17.3.1 The University Council

The Council of the Kamuzu University of Health Sciences is the governing body and is responsible for the management and administration of the university and its property, revenues, and general control over all affairs of the university, as follows:

- a. Management of day-to-day operations of the Kamuzu University of Health Sciences activities;
- b. management of the funds, property, and business of Kamuzu University of Health Sciences;
- c. administration, organisation and control of other officers and staff of Kamuzu University of Health Sciences; and
- d. Effective administration and implementation of the provisions of the Kamuzu University of Health Sciences Act, 2019.

17.3.2 The Vice Chancellor

The Vice Chancellor of the University is the Chief Executive Officer of the University and is appointed by the Council [under Section 20(1) of the Kamuzu University of Health Sciences Act, 2019].

17.3.3 Deputy Vice Chancellor

The terms and conditions of employment of the DVC - Finance shall, subject to the KUHeS Act and the Statutes, be as determined from time to time, by the Council.

17.3.4 The University Registrar

The University Registrar is the Head of the administration under the Vice Chancellor, and he is the custodian of all the records of the university. He was appointed by the Council (under Section 22 of the Kamuzu University of Health Sciences Act, 2019).

17.3.5 Executive Deans of Schools

The Executive Dean shall be the Head of the school and as an academic leader shall be responsible for the pursuit of the strategic plan and Business Plan of the University; the Dean shall have managerial authority over the school exercised for the benefit of the school; Pursuant to Part II Section 5 (i) of the Act, the Executive Dean shall position the school to attain the aim and objectives of the university through teaching and learning, research, consultancy, and community engagement.

The Executive Dean, in consultation with the Academic Deputy Vice Chancellor, is responsible for:

- a. Overall planning, development, review of academic programmes and obtaining the necessary approval of the School Board and Senate.
- b. Implementation and delivery of all programmes including examinations.

- c. Ensuring programme accreditation and professional international standards.
- d. Setting standards for students' selection in the school.
- e. Building a culture of continuous improvement in students' experience and engagement through quality learning and teaching.

17.3.6 The Director of Finance and Investments

The Director of Finance and Investments is the fiscal officer and treasurer of the university and is appointed by the council. His functions are stipulated in the KUHeS Act of 2019 and its statutes.

17.3.7 Delegation of Financial Powers

The Council shall delegate any of the financial powers and functions to a Finance Committee established under Statutes of the Kamuzu University of Health Sciences Act, 2019, who may in turn delegate to the Director of Finance and Investment.

17.3.8 Distribution and Amendment

- a. The Director of Finance and Investment is responsible for ensuring that all officers, including those in respective schools charged with accounting or finance duties, have available to them a copy of these regulations and that they fully understand them.
- b. Regulations may be amended occasionally, as circumstances may require, by circulars issued by the corporate office following the approval of the Council of the University.

17.3.9 Financial Accounting and Control

Financial accounting and control measures shall take the following into account:

a. Books of Accounts

According to Section 78(1) of the Public Finance Management Act, 2003, the Kamuzu University of Health Sciences and its

respective schools shall keep proper books of accounts and other records relating to its accounts as described in the accounting manual and shall ensure that all monies received are properly accounted for and all payments are properly authorised and correctly made, and adequate control is maintained over its property and over the incurring of liabilities by the Kamuzu University of Health Sciences. The books of accounts include general ledgers, accounts payables, accounts receivables, cash books, journals, operational books such as purchases and sales journals, inventory accounts, and any other book of account management may think fit.

b. Audit

The accounts of the Kamuzu University of Health Sciences, including its schools, shall be audited at the end of each financial year by independent auditors who are to be appointed by the Council (Section 37 of the Kamuzu University of Health Sciences Act, 2019) or such bodies may be delegated.

c. Accounting Manual

To ensure that the above legal requirements are adhered to, the Director of Finance and Investment shall implement an Accounting Manual containing accounting procedures, a description of books of accounts, charts of accounts, other subsidiary accounting records, and instruction for the accurate upkeep of books of accounts. The Accounting Manual will also prescribe financial statements and performance reports prepared by Kamuzu University of Health Sciences and its Schools from time to time.

d. Reconciliation

Reconciliation of the main books of accounts with subsidiary records and bank statements of all bank accounts shall be

carried out on a regular basis and, in any case, at least once every month.

18. SECTION 3: BUDGETING AND BUDGETARY CONTROL

18.1 Introduction

Budget is a plan of actions expressed in monetary terms. This acts as a yardstick for control purposes by comparing actuals against planned activities, supported with reasons of any arising differences.

18.2 Budget

A Budget is a plan of action expressed in monetary terms to achieve specific objectives. Thus, it is a management tool for control. It is imperative that management at all levels of the Kamuzu University of Health Sciences should prepare a budget within three months, as specifically mentioned in the accounting manual for presentation to the Council for approval. The Budget shall be in the form of estimates of income and expenditure for the following year. The Director of Finance and Investments shall prepare the budget within three months. The budgets shall be consolidated by the Director of Finance and Investment within three months before the end of the financial year submit to the Minister and to the Secretary of the Treasury a performance and management plan, including projected financial statements for the following financial year. Revised and supplementary (if necessary) estimates of the current year may then be submitted together with the next year's estimates to the Council for approval within the aforementioned period.

18.3 Budgetary Control

Budgetary control is a process whereby financial performance in terms of income, expenditure, profit, etc., is monitored in comparison with targets set in the budget, and corrective actions are taken to improve performance. The Finance Committee, through the Director of Finance and Investment, is responsible for controlling expenditure from budgetary allocations.

18.4 Budgetary Process

The following shall constitute the budgetary process:

- a. The Director of Finance and Investment shall initiate the budget exercise by issuing a circular memorandum together with guidelines to all senior management and Executive Deans of the Schools involved in the budget process to prepare their budget requirements in line with the attached guidelines.
- b. Based on the budget guidelines, their own experience, and considering realistic funding needs to meet various items of expenditure, the Executive Dean and senior management shall facilitate budget holders to consider and endorse the draft estimates. Budget holders shall then submit the budgets to the Director of Finance and Investment for review and consolidation.
- c. The Director of Finance and Investment shall be responsible for sending the consolidated budget to the Vice Chancellor for review. Thereafter, the budget shall be sent to the Finance Committee of the Council for review and recommendation to the council for final approval.
- d. A detailed procedure and format for the preparation of budgets are provided in the Accounting Manual.

18.5 Revision of Budget Estimates

Management at both the corporate office and schools shall ensure that the actual expenditure with respect to each item should be within the approved budget. However, the Director of Finance and Investment may sanction the review of the total budget, including those in schools subject to subsequent approval by the Council. Expenditure on new items (not included in the budget) shall not be incurred without prior approval of the council.

18.6 Classification of income and expenditure

All income realised or expenditure incurred during a financial year must be accounted for or charged against approved items of budget

allocation for each school or unit, respectively. No income or expenditure can be accounted for or charged against the allocated item unless it falls within the scope and budget period for which a provision has been made in the approved budget. Any items falling outside the budget period shall be accounted for as deferred items or prior-period items.

18.7 Accountability

The Director of Finance and Investment shall ensure that the financial authority delegated to him by Kamuzu University of Health Sciences is used properly by following strict rules and procedures. Budget holders should ensure that expenditure budget estimates are not exceeded without authority.

19. SECTION 4: SOURCES AND APPLICATION OF FUNDS

19.1 Sources of Funds

The sources of funds for the Kamuzu University of Health Sciences are in two categories: (a) from its own activities and (b) from other sources outside the Kamuzu University of Health Sciences, including government subventions, grants, and donations.

19.1.1 Sources from Internal Activities

The following shall constitute sources for internal activities:

- a. Income from fees includes fees from students' financial contributions and tuition fees from external students.
- b. Income from Investments

The Kamuzu University of Health Sciences is empowered by Section 11 (3) (d) of the Kamuzu University of Health Sciences Act, 2019, and Section 75 (1) of the Public Finance Management Act, 2003, to invest money not immediately required for the performance of its functions in short-term deposits with any bank or financial institution in Malawi. Therefore, interest earned as income through these types of investments is a source of funds.

- c. Kamuzu University of Health Sciences is entitled to sell the assets to which it has titles and use the funds. The sales of Kamuzu University of Health Sciences' assets shall not be done without the councils' prior approval (see **Appendix 5**). All money received from such proceeds shall promptly be deposited in the Kamuzu University of Health Sciences account.
- d. Indulge in self-initiated activities which may include:
- Hiring of equipment
 - Hiring of halls
 - Hiring of vehicles
 - Letting of property
 - Interest on staff advances
 - Research and Consultancy fees, etc.
 - Income from other income generating activities.
- e. Receive fees, charges, dues, and other amounts payable by local and foreign students.

19.1.2 Other Sources of Funds

The following shall constitute other sources of funding:

a. Government Funding

Government finances capital and operating accounts through the relevant budget line.

b. Donations, Grants and Borrowings

Other sources of funds are grants, and donations.

The Kamuzu University of Health Sciences may also:

- i. Accepts grants and donations for specific projects from any source in or outside Malawi.

- ii. With prior approval of the Minister to borrow such amounts as they may require the performance of its functions (Sections 72 and 73 of the Public Finance Management Act, 2003 and Section 39 of the Kamuzu University of Health Sciences Act, 2019).
- iii. KUHeS may also access temporary bank overdrafts upon approval by the University Management.

19.2 Applications of Funds

The funds of the University may be used to:

- a. meet operating expenditure as approved by the Kamuzu University of Health Sciences.
- b. procure fixed assets as per the approved capital expenditure budget.
- c. invest funds not immediately required for use on short term basis.
- d. repay loans, and short-term debts legitimately contracted into by the University.

20. SECTION 5: REVENUE AND INCOME

20.1 Introduction

Revenue and Income shall be administered effectively and efficiently so that the Kamuzu University of Health Sciences can meet its requirements in discharging its functions defined in Section 5 of the Kamuzu University of Health Sciences Act, 2019.

20.2 Revenue

Revenue is defined as fees, charges, dues, and other amounts receivable and all revenue grants made by the Malawi government or by any other government, person, or organisation.

20.3 Income

For the purpose of these regulations, income shall include net proceeds obtained from the disposal of assets (including fixed assets) not meant for resale or earnings through the rendering of services or earnings from investments. In the context of this regulation, income shall include the following.

- a. Interest received on deposits
- b. Net proceeds from sale of assets not meant for resale
- c. The net proceeds from the sale of miscellaneous items, including damaged or unwanted office materials.
- d. Monies received from Income-generating activities.

20.4 Responsibilities

The following shall constitute responsibilities for the Director of Finance and Investments:

- a. The Director of Finance and Investments is responsible for ensuring that all revenues and income due to the Kamuzu University of Health Sciences are collected and properly accounted for in accordance with the laid down statutes, rules, regulations, and procedures.
- b. The Director of Finance and Investments is directly responsible for supervising the functions related to accounting for all revenue and income accrued and collected and reconciliation of all bank accounts.
- c. Management shall be responsible for determining disposal value and the method of disposal of various assets (including fixed assets, materials, and miscellaneous items). An Internal Procurement and Disposal Committee will be required to certify if items can be disposed of. This will be approved by the council.

20.5 Revenue and Income Collection, Documentation and Records

- a. All revenue and income shall be received in cash, checks, bank-certified checks, and online transfers. Official receipts from

Kamuzu University of Health Sciences must be issued for all payments made by the payer.

- b. For all international transactions, the mode of payment shall only be online transfers, letters of credit, or bank drafts.
- c. All revenue income must be banked on the same day or the following business day. All monies in custody at the Kamuzu University of Health Sciences must at all times be under adequate security. Therefore, a safe double-locking system is recommended. All deposits should be verified by the following day by the Finance Manager to ensure that all deposits have been duly deposited in the Kamuzu University of Health Sciences' account.
- d. Under no circumstances, cash from revenue or income should be used to meet the expenditures of any nature.
- e. Strict control should be exercised over receipt, stocking, and issues of revenue and income receipts. The Finance Manager shall be the custodian of all revenue receipts and shall issue them to the cashier upon the signing of a register.
- f. All basic documents such as receipts, pay-in-slips, and bank statements, etc. recording revenue and income collected and banked must be prepared in accordance with the following general principles:
 - i. Every transaction must be documented at the time it takes place
 - ii. All documents must be signed and dated in indelible ink;
 - iii. The documents must show the essential details of the transaction in such a manner as to make their meaning clear and unambiguous.
- g. The following rules apply to all entries on prime documents:

- i. Forms shall be completed in all respects, and all the information required on the form will be shown.
- ii. All valuable documents shall be signed by an authorised person, except a cash receipt, where cashiers or persons designated alone are authorised to sign.
- iii. Alterations to the prime documents shall not be provided. Any spoiled document will be cancelled and left in the books.
- iv. As a precaution, responsible officers (e.g., cashiers) are required to go through each form or receipt in books issued to them to ensure that they are complete, colours and sequences are in the correct order, and numbers are printed and not hand embossed. Any discrepancies should be reported to the Finance Manager or immediate supervisors.
- v. Where possible, only one book of a type should be used at any one time in a department or office, and a new book started only when the old is completed.
- vi. All documents recording revenue will be serially numbered and the issues subsequently controlled.
- vii. Used Book copies of prime documents should be securely stored after an external audit for seven years. The Director of Finance and Investments shall recommend to the Vice Chancellor for his approval to destroy these documents.
- viii. Unused prime documents that become obsolete or damaged should be destroyed after the Director of Finance and Investments seeks approval from the Vice Chancellor.
- ix. The Director of Finance and Investments should carry out regular spot checks on documents for any instance of manipulation of carbon, alteration to receipts, or damage to receipt books, which may indicate any irregularities.

- x. The Director of Finance and Investments shall conduct spot checks to ensure that the above controls are adhered to.

20.6 Physical Controls in the Cash Office

The following physical security measures shall be in place where the cash office is located within the Accounts Office:

- a. Have well secured burglar bars.
- b. The cashier's office shall be separated from the public space by cashier cubicles with grills.
- c. Have a separate entry to cashier cubicles through the main Accounts Office to which only personnel authorised by the Director of Finance and Investments shall be permitted to enter.

It is the responsibility of the cashier to ensure that, at the end of each working day, they check cubicles for any monies that may have been mixed with other papers.

20.7 Physical controls over Cash

The following shall constitute physical controls over cash:

20.7.1 Cash offices

Cash offices shall hold restricted cash at a time in accordance with the imprest system or activity cash requirements at a particular time approved by the management (see **Appendix 2**. However Schools should come up with their own depending on the operational activities different from this **Appendix 2** threshold).

20.7.2 Safes, cash boxes and strong rooms

- a. Wherever necessary, every safe, which is utilised for the purpose of storing cash, must be securely fixed to the wall of the building in which it is situated. In addition, safes shall contain a double-locking facility. Keys shall be maintained by two separate officers who must be present each time the safe is opened or locked.

- b. The cash boxes will be bolted to an immovable object. The Finance Manager or a designated person in the Accounts Office must hold these keys.
- c. The Director of Finance and Investments will hold duplicate keys in sealed envelopes for all safes and maintain a register of all key holders.
- d. The loss of a key belonging to any safe, cash box, or strong room shall be reported without delay to the Director of Finance and Investments, and to the police. His or her superior shall arrange for a safe, cash box, or strong room to be opened in the presence of suitable witnesses, and the contents verified. The contents found shall be properly recorded and signed by the persons present.
- e. Any loss must be reported to the Director of Finance and Investments and to the police.
- f. Where lost keys relate to the cash box, immediate measures should be taken to replace it.
- g. Where lost keys relate to a safe or strong room, it will be necessary for the wards of the locks to be changed. This should be arranged using a duplicate keyholder.
- h. Costs of new keys and ward changes are recoverable from the officer responsible for the loss, unless proved otherwise.

20.7.3 Inward Cash and Cheques

All uncertified bank cheques received from a payer without having sought prior approval from the Director of Finance and Investments shall be deposited immediately.

Goods or services shall not be released or performed until the cheques have been cleared by the bank or the funds have been received electronically.

A payment to pay either in cash or banker's cheques or drafts shall immediately be demanded on all returned cheques with "refer to the drawer."

21. SECTION 6: OPERATING EXPENDITURE

21.1 Budget Allocation

The following shall constitute the budgetary allocations :

- a. The approved annual operating budget shall be based on cost centers and departments at the Corporate Office and schools.
- b. Kamuzu University of Health Sciences has the following common cost centers applicable to the Corporate Office and campus:
 - i. Vice Chancellor
 - ii. Deputy Vice Chancellor
 - iii. Registrar
 - iv. Director of Finance and Investment
 - v. Director of Student Affairs
 - vi. Librarian
- c. The Schools under the Kamuzu University of Health Sciences have common departments according to their academic activities. These are:
 - i. Research
 - ii. Heads of Department
- d. School administration; in addition to the above common departments, each school has unique departments according to its scope of activities.

21.2 Authority to open bank accounts

The Director of Finance and Investments, under the authority of the Vice Chancellor, shall be responsible for opening of bank accounts of the university. No unauthorised persons shall be responsible for

opening a bank account without the prior authority of the above-mentioned person.

21.3 Accountability

The Accounting officers, which are the Director of Finance and Investments and all persons under his authority, shall be responsible for budget allocation and accountable for ensuring that expenditure does not exceed budget estimates.

21.4 Provision of Funds

The University of Malawi and the Schools shall allocate funds based on the functions performed or to be performed. Separate Bank accounts may be retained in the following functional areas:

- a. General Operational Account (Operational and capital amounts)
- b. Operating Account from internal generated funds
- c. Salaries and Wages
- d. Donor funds (special account)

Operational expenses shall be handled by the Director of Finance and Investments in accordance with the Financial Regulations, and within the respective budget allocations for each expenditure item. Funds shall periodically be transferred from the General Bank Account to the respective bank accounts.

21.5 Responsibility

The following guidelines shall apply:

- a. The Director of Finance and Investment and Staff, who have been delegated responsibility for university expenditure, are called Accounting Officers.
- b. It is the responsibility of Accounting Officers to:
 - i. Safeguard funds retained for expenditure;

- ii. Ensure that funds approved by the Council are applied for the intended purpose;
- iii. Ensure that funds secured from funding agencies are utilised for the purpose for which the funds are intended and that all the conditions attached to the funding are met;
- iv. Ensure that expenditure does not exceed approved budget estimates;
- v. Manage and control funds effectively so that wastage of funds is avoided.

21.6 Authority of Expenditure

The following authority of expenditure guidelines shall apply:

- a. The general authority to incur expenditure from university funds is provided through the budget duly approved and/or ratified by the Council.
- b. No expenditure shall be made out of funds of the university unless that expenditure is part of the expenditure approved by the Council under the budget for the financial year in which the expenditure is to be incurred or in the revised budget for the year.

21.7 Approving Authority

The following approving authority guidelines shall apply:

21.7.1 Personnel Emoluments

All expenses related to personnel emoluments shall be approved by the University Registrar and authorized for payment by the Director of Finance in accordance with the standing conditions of service applicable at that time. The letter of appointment signed by the appropriate authority shall be issued before the officer has reported and accepted terms of employment. Any personal emolument, adjustment, salary increase, promotion, demotion, suspension, dismissal, and other

benefits shall be supported by an authenticated letter by the appropriate authority.

21.7.2 Staff Leave Passages

All staff leave shall be approved by the Executive Dean on the recommendation of the Head of each Department.

21.7.3 Staff Recruitment, Repatriation and Training

The University Council has the overall responsibility of approving staff establishment and employment conditions. Once a person has been recruited, proper procedures should be in place to ensure that new employees are included on the payroll in line with staff and conditions of service. All costs related to staff recruitment, repatriation, and training should be allocated to the budget, and expenditures should be within the budget. Expenditures related to staff recruitment, repatriation, and training shall be authorised by the Director of Finance and Investment.

21.7.4 Utilities

All utilities provided to the university shall be approved by the Director of Finance and Investment, provided they meet the necessary requirements.

21.7.5 Repairs and maintenance

The following repairs and maintenance shall be taken into account:

21.7.5.1 Motor Vehicles

The administration of motor vehicle repairs and maintenance shall be approved by the Campus Manager/Executive Dean upon being satisfied that the repairs will be undertaken by authorized dealers or approved garages. **Appendix 1** provides the detailed limits for each staff member's authority.

21.7.5.2 Equipment

All equipment repairs and maintenance shall be approved on the same basis as Motor Vehicles upon being satisfied that the repairs will be undertaken by authorised dealers or approved maintenance workshops. **Appendix 1** provides the detailed limits for each staff member's authority.

21.7.5.3 Buildings

Building repairs and maintenance shall only be approved by the Director of Finance and Investment or appropriate delegated authority when the Internal Procurement and Disposal Committee has evaluated the quotations from the approved panel of approved contractors.

21.7.6 Travelling Expenses

All travel requests shall be approved by the Director of Finance and Investments. Therefore, appropriate forms shall be filled for leaving the duty station. Where travelling requires a vehicle, if the approval has been given, the control remains in the head of the unit to ensure that the vehicle is used for official purposes by properly licensed and authorised personnel. Fuel shall be regularly monitored based on the average kilometers per litre. The performance of a vehicle in terms of expected average running kilometers per litre can be obtained from franchise dealers. When a car is aging, a test drive by authorised dealers may provide the best average kilometers per litre.

The mileage covered and fuel used shall be recorded in logbooks for all travels using official vehicles. On a monthly basis, the average kilometers per litre shall be determined. Disciplinary action shall be taken by any driver with excess fuel consumption. It is the duty of Accounting Officers to control fuel costs.

21.7.7 Insurance expenses

All vehicles, buildings, and other assets shall be adequately insured against all possible risks. Guidelines on insurance matters will be provided to Accounting Officers annually by the Director of Finance and Investments.

21.8 Authority Schedule

An Authority Schedule showing financial powers and Authority limits is given in **Appendices 1,2, 3 and 4.**

21.9 Expenditure Accounting and Control

The following expenditure accounting control measures shall apply:

21.9.1 General Responsibility for making Payment

The following shall guide the general responsibility for making payment:

- a. Any person making payments without proper authority shall be held responsible for the payment.
- b. Any accounting staff making payments will be held responsible for the losses arising from negligence and misconduct.
- c. Every person responsible for handling and/or signing a payment voucher, thereby certifying the accuracy of every detail therein, shall be personally and pecuniary responsible for any errors or losses that may arise from such payment.

21.9.2 Payments

The following payments shall apply:

- a. Every payment must be supported by a payment voucher;
- b. Authorizing a payment voucher is vested in the Director of Finance and Investment. The authority of any other person to authorize payment vouchers must be given in writing by the Director of Finance and Investments.
- c. The payment voucher must be completed in all respects, detailing the authority and coding of the expenditure, or full description of the expenditure or reason for payment and the quotation of the number of bills or invoices and Local Purchase Order (LPO) to ensure the correct identification of the payment.
- d. All alterations to the particulars given in the vouchers must be signed in full by the authorizing person.

- e. Original invoices, bills, statements, etc. relating to the payment must be attached to the original payment voucher, except where the volume, size, or weight of such attachments will be filed separately and suitably cross-referenced.
- f. Certification of:
 - i. Authentication of receipt of goods or services-“Stores Receipt Voucher”
 - ii. Indication of fulfilment of specified conditions governing the payment.
 - iii. Indemnity to be endorsed on the invoices.
- g. Accounting officers when certifying vouchers must exercise the greatest care to ensure that the vouchers they sign are in accordance with the above requirements. They shall be held responsible in the event of an improper payment being made in consequence of an incorrect certification.
- h. Used and unused vouchers must be afforded the maximum security to prevent abuses,
- i. The Cashier must satisfy himself/herself that the person claiming the payment is in fact the person authorised to receive it or the authorised representative nominated by the payee. Authority of the payee to a representative nominee shall be attached to the original payment voucher to which it relates.
- j. As far as possible, all payments will be by crossed cheque and it should be prepared in a manner that makes the possibility of subsequent alterations or additions difficult. The opening of a Cheque shall be made upon the signed written request of the payee.
- k. A replacement cheque in respect of a cheque lost before presentation to the bank will not be issued until its non-

presentation to the bank has been authenticated and the bank has been instructed to stop the payment of the cheque.

- l. Payments made on copy invoices or bills shall be indemnified by the payee. The indemnity certificate shall require the payee to make the full value of the payment good in the event of double or fraudulent payment being evident.
- m. The persons who authorises irregular payments such as:
 - i. Double payments;
 - ii. Payments for goods or services not received; and
 - iii. Unrecoverable overpayment, etc., shall be made personally responsible for the losses suffered by the university as a result of such irregular payments.
- n. Immediately after payment is made against a voucher, the paying officer shall stamp the voucher and all its supporting documents as "Paid" and indicating the date of payment. If a payment is made by cheque the relevant cheque number, it shall also be endorsed on the face of the voucher.

22. SECTION 7: CAPITAL EXPENDITURE AND CONTROL OF FIXED ASSETS

22.1 Acquisition of Fixed Assets

The following the acquisition of fixed assets shall apply:

- a. The acquisition of all fixed assets, depending on the class and limits in value specified in **Appendix 3**, shall be undertaken by the Kamuzu University of Health Sciences' Internal Procurement and Disposal Committee.
- b. All Capital Expenditure shall be within the approved annual budget. Capital expenditure beyond the approved budget to be procured shall be incurred only upon approval by the Council.

- c. The specific limits of power and Authority of Fixed assets are given in **Appendix 3**. However, the procedures given for operational expenditure purchases (Section 6 par. 6.6.1.) shall apply to all procurement of fixed assets.
- d. The expenditure authorisation process is similar to the one described for operating expenditure.

22.2 Capital Work (If Applicable)

The following the capital works shall apply:

- a. On the initiation of a Capital Project, a Work In progress (CWP) account will be opened with a budget holder identified as responsible for expenditure. The budget holder will implement the project and raise any necessary purchase requisition after verifying the budget by the Director of Finance and Investments.
- b. The Director of Finance and Investment will monitor the expenditure on capital projects. If expenditure on a capital project or any component of a project exceeds the authorised budget, or the latest estimates exceed the budgeted completion costs, a new proposal must be resubmitted to the Council for approval. In case of projects, the approval shall be by the funder through appropriate procedures as contained in agreements such as Memorandum of Understanding (MOU).
- c. The Director of Finance and Investment will prepare quarterly reports setting out details of capital expenditure against the budget, and the likely projected results of each project will be submitted to the council; when a project is completed, the budget holder will raise a Completion Advice in triplicate. The form will be sent to the Director of Finance and investment, who will:
 - i. Check the completeness of the relevant cost ledger records.
 - ii. Code items covered by the completion advice and enter appropriate descriptions, categories, types, and periods.

- iii. Return the top copy to the budget holder and send the second copy to the Fixed Assets Accountant (FAA), updating the fixed assets register. Thereafter, the FAA will prepare a journal voucher to transfer costs to fixed assets or expense accounts in accordance with Internal Financial Reporting Standards.
- iv. Send a third copy to the accountant who will use it in preparing a journal voucher, transferring costs to fixed assets or expense accounts where appropriate.
- v. The expenditure authorisation process for capital expenditure invoices, completion certificates, etc., will be identical to that described for recurrent expenditure.

22.3 Control of Fixed Assets

The following control of fixed assets shall apply:

- a. It shall be the responsibility of the Director of Finance and Investment to ensure safe custody and proper upkeep of all assets of the Kamuzu University of Health Sciences at all levels, namely corporations, schools and campuses, units, and schools. In addition, the approved insurer must ensure all valuable assets.
- b. The Director of Finance and Investments is responsible for maintaining a fixed asset register. The fixed assets register (including works in progress) shall have the following information:
 - Name of the asset category.
 - Asset code and asset number (for motor vehicles; make, year of manufacture, registration number, chassis and engine numbers, motor vehicle identification number) should be recorded.
 - Location.

- Depreciation method and rate, depreciation provision.
 - Details of asset procurement, transfer, and disposal with dates, values, local Purchas orders, store receipt vouchers, store issue vouchers, supplier details, payment details, and asset current status.
 - Revaluation amounts, Date of Revaluation, and disclosure of revaluer and revaluation method used
 - Cumulative totals of original/re-valued costs, depreciation, impairment losses, and net book value at the end of at least end of each quarter.
- c. In every office, a list of fixed assets (inventory) is updated at the end of each quarter and signed by both the Occupant/Officer – In-Charge and FAA. Similarly, lists of all fixed assets in residential buildings falling under each of the Kamuzu University of Health Sciences offices shall be kept updated by the person responsible. Each office shall have an inventory of the assets signed by the office occupier and verified by FAA.
- d. All fixed assets shall be classified as tangible assets under the following categories:
- Land
 - Buildings
 - Motor Vehicles
 - Plant and Machinery
 - Furniture, fixtures and fittings
 - Office machinery and equipment
 - Computer Equipment
 - Cafeteria Equipment

Each tangible asset shall be given a unique asset number or identification number that reflects the budget holder/department for control purposes.

- e. Physical verification of assets shall be undertaken, and reconciliation of the same shall be done with the certified fixed assets lists and Fixed Assets Register at least once in every financial year. The Director of Finance and Investment shall provide the guidelines and the necessary forms for this exercise. The asset verification sheets should also indicate the general physical condition of the assets, the asset status to enable the management know the repair and rehabilitation needs, and take appropriate decisions either to improve the physical condition of assets or for disposal.
- f. Revaluation of fixed assets, such as land and buildings, may be undertaken every three years with the approval of the council. Whenever there are significant changes in asset values, management shall consider the need for revaluation and seek a decision from the council.
- g. Every movement of fixed assets from one office to another or from one user to another shall be effected only on the strength of a Fixed Asset Accountant who will issue Movement Order/Form and authorised by Campus manager/Dean of students and copied to the head of security. In a case where an employee ceases to work with the university, the person shall sign a staff clearance form that shall have a section of surrender of university assets to ensure proper surrender of those assets.
- h. Spare keys for buildings, motor vehicles, etc., shall be deposited in sealed safes with the Transporter Officer/Estate Development Officer or other designated senior staff members for custody in the safe. These keys shall be physically verified once every month by senior officials designated by the Director of Finance and Investment as the case may be. After verification, the keys should

be re-deposited in sealed safes. The officials should certify in the 'register of verification of keys' that the keys were all intact and found in order.

22.4 Disposal of Fixed Assets

The following disposal of fixed Assets guidelines shall apply:

- a. Disposal of all fixed assets shall be by sale, donation, or destruction with approval, with reference to **Appendix 5**.
- b. All disposals, including the mode of such disposal, shall be in line with the Public and Disposal Act-Depreciating Policy.

Fixed assets shall be depreciated based on depreciation policy stipulated in the Accounting Manual.

22.5 Assets acquired within an accounting year

All assets acquired within an accounting year shall be depreciated using the applicable full rate for the year of acquisition.

23. SECTION 8: STORES MANAGEMENT AND CONTROL PROCEDURES

23.1 Introduction

The key activities of the stores of Kamuzu University of Health Sciences are to receive, store, and release stocks.

The Kamuzu University of Health Sciences stores are responsible for receiving storage and issuance of goods, which shall be categorised accordingly, and the list of categories shall be categorised from time to time.

23.2 Stores Records

Stores records shall be maintained in the stores of Kamuzu University of Health Sciences.

23.3 Safe custody of Stores

All stored goods must have secured doors and windows, and keys should only be held by nominated staff members.

23.4 Stores Ledger Kamuzu University of Health Sciences

Stores Ledger shall be maintained according to Procurement and Stores Manual.

24. SECTION 9: INVESTMENT AND CURRENT ASSETS POLICY

24.1 Investments

24.1.1 Definition of investment

Investment in this context means the employment of resources (financial or otherwise) in areas considered to be outside the normal operations of the Kamuzu University of Health Sciences for the purpose of earning a return that would otherwise not be earned had the resources remaining idle.

24.1.2 Investment Policy

The investment policy of the university shall be guided by Section 11 (3) (d) of the Kamuzu University of Health Sciences Act, 2019; Section 75 of the Public Finance Management Act, 2003; and any relevant statutes and policies of the university.

24.1.3 Policy Objectives

The investment policy objectives are:

- a. To maximise return on the investments commensurate with the risk taken.
- b. To minimise risk to the university arising from the investment.
- c. To maintain a healthy liquidity position of the university.

24.1.4 Types of Investments

The types of investments shall include but not limited to the following:

- a. Money market investments (deposits and placements with financial institutions, such as Bonds, Notes, Treasury Bills, etc.)

- b. Listed and unlisted equities.
- c. Commercial Property.
- d. Start-up companies.
- e. Spin-out companies from research.

24.1.5 Recommendations

The following are recommended to be the approving authorities and their limits for investments of resources at Kamuzu University of Health Sciences:

24.1.5.1 Short Term Investments

Short-term investments for a period of not less than one month but not more than 12 months shall be as follows:

- a. Bank deposits as stated in **Appendix 2**
- b. Other Current Investments as stated in **Appendix 2**.

24.1.5.2 Long Term Investments

Appendix 3 presents the long-term investments for a period of more than 12 months as stated in **Appendix 3**.

24.2 Current Assets

24.2.1 Bank Accounts

24.2.1.1 Type of Bank Accounts

The following bank accounts are generally required for the University operations:

- a. General operating accounts for capital and operations account with a commercial bank shall each month maintain an amount equivalent to the budget to cater for all expenses except salaries, which will have its own account.
- b. Salaries account with a commercial bank where funding for each month's gross wage bill is deposited and paid to staff members.
- c. Separate accounts for funding received from each funder.

- d. The Investment Fixed Deposit Bank accounts for the excess funds shall be deposited. This will serve several purposes, among others, to generate interest and portfolio investment diversification as one way of spreading risk.

24.2.1.2 Signatories

The following shall be the signatories of the bank accounts

a. Directorate of Finance and Investments

- Director of Finance and Investment
- Deputy Director of Finance and Investment
- Finance Manager
- Finance Officer

b. Administration Department

- Vice Chancellor
- Deputy Vice Chancellor
- Registrar
- Executive Dean
- Project Investigator
- Campus Manager

24.2.1.3 Security of Cheques

Cheque books for the operation of bank accounts will only be obtained from banks by authorised persons. The security of cheques shall be strictly observed as follows:

- a. Cheque books must be kept under lock and key when not in use.
- b. The accountant will maintain a record of receipts of cheques from banks and issue them to the cashier in a register. All issues to the cashier should be acknowledged by signing the register.

- c. In the event of a cheque being lost, whether the cheque is unused or has already been issued by the Accounting Officer, must immediately issue a stop order to the bank after verifying the non-presentation of the cheque.
- d. All cheques drawn with respect to payment for goods supplied or services rendered by third parties should be crossed "ACCOUNT PAYEE ONLY" and issued to an authorised person by obtaining signatures in the dispatch register.
- e. Open checks may be issued to university staff. Acknowledgement of the check is handed over by signing the dispatch register.
- f. Every cheque drawn upon the university, including the schools' account, shall be properly prepared in accordance with the relevant date given on the authenticated payment document concerned and shall be completed in such a manner as:
 - i. To hinder improper alteration.
 - ii. To facilitate it being linked to the payments voucher to which it relates.

24.2.1.4 Stale/Dishonoured Cheques

The following shall apply:

a. Stale Cheques

All checks issued by the university which are not presented to the bank within six months after the issue shall be treated as stale cheques and shall be credited to a stale cheques account and debited to the bank account. Fresh cheques shall be issued based on the request made by the claimant after issuing a stop-payment order.

b. Dishonoured Cheques

All checks received by the university shall be deposited in a bank account on a daily basis. Cheques that have been dishonoured

shall be debited back to the debtors' accounts and credited to the bank account. Fresh cheques with banker acceptance or bank drafts shall be obtained in place of dishonoured cheques.

24.2.1.5 Control of Inward Cheques

The following shall apply:

- a. An inward cheque register, bank drafts, and cash received through the post or through another medium of delivery must be maintained. An acknowledgement receipt will be issued and entered against the appropriate entry in the register.
- b. Third party and post-dated cheques shall not be accepted.
- c. Every official receipt issued in acknowledgement of the cheque, or bank draft will be cross-referenced to such cheques, drafts, etc.
- d. All receipts must be banked immediately, and latest by the following day of such receipts.

24.2.1.6 Electronic Funds Transfer (EFT)

The University may process payments, using the EFT method. Similar to cheques and bank letters, the signing mandate will be maintained, that is, two signatories will have to sign electronically for the transaction to be concluded. It will be expected that after the EFT payment, proof of payment shall be provided to the receiving party.

24.2.1.7 Suppliers' Bank Accounts

The Director of Finance and Investments shall collect bank details of suppliers/payees on a designated form for electronic payments or bank letters. The form shall be filed for recording and reference purposes.

24.2.1.8 Bank Reconciliation

Accountants will be required to prepare bank reconciliation statements for all university bank accounts at the end of each month.

24.2.2 Staff Loans

All requests for staff loans will be dealt with as per published staff regulations.

24.2.3 Staff Imprest

Staff imprests may be provided to staff to meet travel expenditures. Sundry purchases of materials/services in cash only if it is established that such an expenditure or purchase cannot be made against payment by cheque.

All travel-related imprests shall be approved by the University Registrar, Director of Finance and Investments, or Executive Dean and Director of Finance and Investment, as may be the case.

All such imprests shall be retired within fourteen days after the return from the official duty, unless approved in writing. The imprest given in the form of an imprest float should be accounted for as and when the request for replenishment is made.

If the outstanding imprest is not cleared within the stipulated time, the entire amount shall be recovered from the salary of the concerned employee, and the employee shall be liable for disciplinary action.

24.2.4 Prepayments, Deposits and Advance to Suppliers

The following shall apply:

- c. Prepayments, deposits for utilities, and advances to suppliers shall only be made as per terms of contract, if any, or as per generally accepted commercial practices.
- d. All such payments shall be approved by the Director of Finance and Investment.
- e. All such payments shall be properly accounted for and duly adjusted at the time of the settlement of accounts.
- f. Accounting Officers shall regularly reconcile these accounts and prepare statements showing outstanding amounts and their status at the end of each month.

24.2.5 Petty Cash Imprest

The following shall apply:

- a. To facilitate the payment of small and minor incidentals, the university shall administer a petty cash float on an imprest system.
- b. The imprest will not be used for bulk purchases or major operational expenses. All operational expenses shall be in accordance with the Financial Regulations.
- c. The imprest system will operate on a revolving account basis by compiling replenishment sheets; that should be approved by the Director of Finance and Investment. Replenishment will be made by presenting a voucher supported by original documents, such as invoices and cash sales.
- d. Payment from Petty Cash Imprest will be effected by the authorisation of Petty Cash Vouchers by the Director of Finance and Investment or Accountant in accordance with the limits in **Appendix 2** and duly signed by the recipient of the cash.
- e. The Cashier will maintain a Petty Cash Book to record Petty Cashier payments and recoupment transactions.
- f. The petty cash imprest holder should ensure that, at any given time, the imprest cash balance and paid voucher amounts should be equal to the full imprest amount.
- g. The cash float (imprest) will be provided as per **Appendix 2**.

24.2.6 Stock of Stationery and Other Materials

The following shall apply:

- g. The accountant shall be the custodian and be responsible for distribution to other Accounting Officers, of all cash value books (accountable documents) such as receipts, local purchase orders (LPO), payment vouchers, petty cash vouchers, Stores Receipt Voucher (SRN), stores issue voucher, etc.

- h. The Stores Officer will be responsible for the stock control of all other stationery and office materials procured in bulk.
- i. All Accounting Officers should exercise proper stock control. The SRV shall be prepared for all goods received from the suppliers before the goods are taken into stock.
- j. The SRV should indicate the name and address of the supplier, LPO number and date, delivery order number, date, description of goods, quality, price, total value, condition of goods when received (goods, damaged, etc.), signature of the official who checked and accepted the goods, and the signature of the storekeeper.
- k. All issues should be supported by proper requisition and issue notes. Based on the SRVs and SIV, a proper stock register or ledger shall be maintained at all locations where stocks are held. A responsible official other than the storekeeper shall conduct a physical verification of all goods at the end of each month, and a report should be submitted to the Director of Finance and Investment. Any shortages or discrepancies in stock revealed during the physical count shall be investigated. Based on such investigations, appropriate action shall be taken by the Director of Finance and Investment.

25. SECTION 10: LIABILITIES

25.1 Classification of Liabilities

Sections 72 and 73 of the Public Finance Management Act, 2003, and Section 39 of the Kamuzu University of Health Sciences Act, 2019, govern an undertaking to borrow money and other financial obligations.

Liabilities fall into three main categories: short-term (current liabilities), medium-, and long-term liabilities.

25.1.1 Short Term Liabilities (Current Liabilities)

Short-term liabilities are normally due and payable within one year of the fiscal period and occur in the normal course of the business, such as bank overdrafts, accruals, or credits offered by suppliers on goods and services purchased from them. The University is obliged to honour them within one fiscal year.

Any liabilities that stretch beyond one year may be classified as loans, although they do not have legal requirement(s), but the university is obliged to honour them. It is normal that liabilities occur at the initiation of a normal business transaction and should be treated in the accounts without much complexity.

25.1.2 Medium and Long-Term Liabilities (Loans)

Loan liabilities are in two forms. These are Medium and Long-Term Liabilities, respectively. Medium- and Long-Term Liabilities are normally liabilities that have a legal agreement with a series of covenants, to which the borrower is required to abide, as an obligation during the operating and servicing of the loan. These are commonly known as loans. Section 10.2, below details the processes which shall be followed for treatment, accuracy and accountability of loans.

Medium-term liabilities mature within two to five years, and long-term liabilities have maturity periods longer than five years.

25.1.2.1 Authorisation and Accountability of Medium Term and Long Term Liabilities

The Council is the only board authorised to obtain any external liabilities, whether medium- or long-term, on behalf of the Kamuzu University of Health Sciences. The Director of Finance and Investments shall be the only person of Kamuzu University of Health Sciences required to process any form of liability, as detailed below. The approval of the Council with prior approval of the Minister responsible for Finance should be sought before medium- and long-term liability transactions are entered into.

25.1.2.2 Processing Long Term and Medium-Term Liabilities (Loans)

Before any long-term or medium-term liability is taken, the Director of Finance and Investments shall prepare and submit through the Vice Chancellor a request stating the purpose of the liability, source from which the liability (loan) can be secured, rate of interest, repayment period, and other terms and conditions attached to it.

Liabilities shall require approval as per the limits of authorisation set in **Appendix 4**.

26. SECTION 11: FUNDS OF THE KAMUZU UNIVERSITY OF HEALTH SCIENCES AND DONOR FUNDS

26.1 Funds of the University

The funds of the Kamuzu University of Health Sciences consist of the following:

26.1.1 Sources from Internal Activities

- a. Income from fees includes fees from students' financial contributions and tuition from external students.
- b. Income from Investments

The Kamuzu University of Health Sciences is empowered by Section 11 (2) (a) of the Kamuzu University of Health Sciences Act, 2019, and Section 75 (1) of the Public Finance Management Act, 2003, to invest money not immediately required for the performance of its functions in short-term deposits with any bank or financial institution in Malawi. Therefore, interest earned as income through these types of investments is a source of funds.

- c. Kamuzu University of Health Sciences is entitled to sell the assets to which it has titles and makes use of funds. The sales of Kamuzu University of Health Sciences' assets shall not be done without the councils' prior approval (see **Appendix 5**). All monies

received from such proceeds shall promptly be deposited in the Kamuzu University of Health Sciences account.

d. Indulge in self-initiated activities which may include:

- Hiring of Equipment
- Hiring of Halls
- Hiring of Vehicles
- Letting of property
- Interest on staff advances and other investment instruments
- Consultancy and service fees etc.

e. Receive fees, charges, dues, and other amounts payable by local and foreign students.

26.1.2 Other Sources of Funds

Other sources of funds shall include:

26.1.2.1 Government Funding

- a. Government finances capital and operating accounts through the budget line under Ministry of Education.
- b. Government sponsored students through the Students Loan Board.

26.1.2.2 Funders

Other sources of funding include grants and donations. Kamuzu University of Health Sciences may also have:

- a. Accept Grants and Donations for specific projects from any source in or outside Malawi.
- b. With prior approval of the Minister to borrow such amounts as they may be required for the performance of its functions (Public Finance Management Act, 2022 and Section 39 of the Kamuzu University of Health Sciences Act, 2019).

26.2 Regulations on Control and Uses of Funds from Loans, and Grants and Donations by Funders

The following regulations on the control and use of funds from loans and grants and donations by funders:

26.2.1 Loans

Kamuzu University of Health Sciences may obtain financing from loans (medium- and long-term liabilities).

26.2.2 Grants and Donations

Kamuzu University of Health Sciences shall receive grants and donations from donors to finance its functions. For general guidance, the regulations below (Section 11.4) shall apply to loans from international donors.

The following regulations shall apply with respect to funds provided to the Kamuzu University of Health Sciences by Donors of whatever nature.

- a. Funds should be utilised only for specific purposes for which the assistance is provided and per grant or donation.
- b. Expenditure should be within the allocations (budget) provided for each category in the grant or donation agreement. The funds should not be reallocated unless approved by the funding body.
- c. Procurement of goods and employment of consultants shall be made according to procurement guidelines, if any, provided by or as per the general terms and conditions, or specific terms and conditions from the funding body.

26.3 Responsibility

The following shall apply:

- a. Irrespective of the form of the funding instrument, it is therefore necessary to have a lawyer scrutinise the instruments carefully prior to their execution.

- b. It is the responsibility of the Director of Finance and Investments to ensure that all sums are expended only for the purpose for which provision is made in the budget.
- c. The management of funds granted or donated shall be handled by the Director of Finance and Investments or any officers requested to do so.

26.4 Agreements for Grants, Donations and Loans

The following shall apply:

- a. Negotiations by the Kamuzu University of Health Sciences and other parties for external resources will normally culminate in one of the following agreements:
 - Grants or Donations, Contracts or Loans;
 - Memorandum of Understanding; and
 - Exchange of letters that constitute an agreement.
- b. Agreement governing the legal relationship between Kamuzu University of Health Sciences and the Funder will normally contain the amount of financial provision, terms and conditions, rules and covenants to be adhered to by both parties, category of expenditure, and proportions to be financed by each party.
- c. Negotiations for obtaining loans shall be made by the University Council only, as it has the legal status to enter into such agreements, because such loans may require security. Under the Kamuzu University of Health Sciences Act (2019), all assets are owned by the council. Agreement governing the legal relationship between Kamuzu University of Health Sciences and the lender will normally contain the amount of financial provision, terms and conditions, rules, and covenants to be adhered to by both parties.

26.5 Inclusion of Donors Funds in the Capital Budget

The following shall apply:

- a. The Kamuzu University of Health Sciences shall include in its capital budget, estimated project costs incurred during the financial year, and the amounts to be financed from retained revenues and from external funders.
- b. Where there are two or more Funding agencies financing a project. The Director of Finance and Investment shall assess if it is right to open separate bank accounts and separate accounting for each Funder so as to enable monitoring of fund utilisation by the respective funding agencies.

26.6 Disbursement

The mode of disbursement of grant and loan funds is normally defined in the respective agreements, and will generally assume one or more of the following mechanisms:

- a. Direct disbursement- where payments are made to the suppliers of goods and services by the funder or financier;
- b. Reimbursement: Kamuzu University of Health Sciences pays for goods and services supplied and subsequently applies for reimbursement from the Funder or financier;
- c. Cash advances to the Kamuzu University of Health Sciences by the Funder or financier.

26.6.1 Direct Disbursement

The Director of Finance and Investments and officers delegated by him/her to assist with this matter must ensure that:

- a. Projects have been provided for and are included in the relevant budget.
- b. Procurement procedures are in accordance with conditions stipulated in the Funding agreement.
- c. Invoices related to goods and services were reviewed for accuracy and completeness. In addition, ensure that the goods and

services are of satisfactory quality and have been delivered or completed in a timely manner.

- d. Invoices for payment by the funder or financier are duly endorsed by the Project Manager or authorised officers.
- e. Ensure that the Funder or financier makes payments as requested by the Kamuzu University of Health Sciences.

26.6.2 Reimbursement claims

If expenditure is initially met by the Kamuzu University of Health Sciences, the Director of Finance and Investments and officers delegated by him or her to assist with this matter must ensure that:

- a. projects have been provided for and are included in the relevant budget;
- b. funds to support the initial expenditure by the Kamuzu University of Health Sciences are available to cover project requirements;
- c. procurement procedures agree with conditions stipulated in the agreement;
- d. They reviewed invoices for goods and services for accuracy and completeness. Additionally, goods and services are of satisfactory quality and have been delivered or completed in a timely fashion;
- e. purchases are properly accounted for;
- f. they recommend authorised officers to approve invoices for payment by the Funder or financier;
- g. They complete a statement of expenditure in the format stipulated in the funding agreement and submit the claim to the funder or financier. Copies of supporting documentation should be retained for subsequent examination by independent auditors;
- h. The funder or financier reimburses the Kamuzu University of Health Sciences with the amount claimed.

26.6.3 Cash advances

The following shall apply:

- a. When the Kamuzu University of Health Sciences or a School receives cash in advance for development projects and programmes, which have been agreed upon, the Director of Finance and Investments shall make appropriate arrangements for such funds to be deposited in the Kamuzu University of Health Sciences' special account specifically opened for development activities as required by the Funder.
- b. The Director of Finance and Investments shall also furnish the Funder or financier with monthly statements of accounts for projects or programmes to support cash advances received and any balances in the accounts.
- c. Some Funders or financiers may require Kamuzu University of Health Sciences to use special accounts. These revolving accounts are funded by either the full or a portion of the cost of the project or programme.
- d. Whenever special accounts are used, Kamuzu University of Health Sciences will make payments from the account to contractors, suppliers, and others when payments are due.
- e. When funds are disbursed in part, the lender will open special accounts upon receipt of a withdrawal application, supporting documentation from Kamuzu University of Health Sciences.

27. SECTION 12: PROJECT ACCOUNTING

27.1 Project Definition and Objectives

The definition of a project in this manual shall mean any programme or project that involves construction, consultancy services, research work, capacity building, etc. Individual programs shall be known as projects. Under normal circumstances, all projects shall go through their life cycle. All parties concerned shall know the life cycle of each project.

The life cycle of the project shall begin at the identification stage, where all objectives of the project shall be properly defined by the leadership of the project team. A project may be subcontracted or carried out internally. When a project is carried out internally, there shall be required to have a project officer who has the responsibility to draw up plans to execute the project according to plans drawn on the appraisal stage and signing of the project.

27.2 Planning and Control

The Project Officer shall be responsible for planning and allocating resources to the project. The Project Officer shall have overall control of the project. He shall ensure that all the resources deployed in the project are controlled according to the plans. He shall also be responsible for all financial management in collaboration with the Finance Manager of the School or Kamuzu University of Health Sciences. The project officer shall ensure that funds awarded by the research funder are sufficient to meet the financial commitments required under the award.

27.3 Project Officer's Responsibilities

The Project Officer shall have the mandate to organise all the project activities. He shall have the sole responsibility to report the progress of the work achieved and also inform the Director of Finance and Investments or Executive Dean of any problems faced in the project implementation, including financial constraints related to the outstanding activities to be carried out without delay. Research Officers are responsible to heads of units to ensure that they comply with funding agency regulations and that research and expenditure are undertaken in compliance with the terms and conditions of each award funder. The unit has procedures in place to manage compliance with research terms and conditions on different awards and to maintain an adequate audit trail.

27.4 Financial Management

In any project, financial management is very important, as all activities are measured in monetary terms. It is recommended that for any meaningful programme to be successful, the question of financial management shall be important, and this starts with the budget.

27.5 Budget Process

Every project within the Kamuzu University of Health Sciences, including schools, shall have a budget based on the project document explaining in detail the assumptions used to arrive at the budget and the activities to be undertaken, including the project period to be covered.

All underfunded projects shall be budgeted separately and incorporated later in the consolidated budget of the Kamuzu University of Health Sciences to be forwarded to the government. Individual projects shall be shown as notes on the consolidated budget.

It is the responsibility of the Director of Finance and Investments and Executive Deans to ensure that donor-funded projects have been sanctioned by the Funder before being put in the consolidated annual budget.

In the revision of a budget, a closer look at each project activity shall be reviewed to ensure that there is high certainty to complete them with allocated funds. Any signs of shortfalls in any activity shall be determined. No additional funds may be sourced outside the overall project funds unless the funding has been identified, and there is high certainty that it will be funded. Such measures shall be enforced to ensure that Kamuzu University of Health Sciences does not overspend time on each project.

No expenditure shall be incurred on any unbudgeted activity without prior approval of the Vice Chancellor. The rule shall be exempted where a specific Funder requires a certain programme or an activity of a

programme in an urgent manner whose funding has been confirmed, for example, conducting an audit.

27.6 Systems Reviews and Internal Control Procedures

It shall be the responsibility of management to ensure that the implemented system is consistent with the financial management systems of the project or organisation. This system shall be presented in accordance with the accounting manual or financial standard operating procedures required by the funder.

The financial system shall be flexible to accommodate requirements of the various Funders.

The 'accrual concept' governs the recognition and recording of all transactions. In the case that another method of accounting is followed, say on the insistence of a Funder, the Director of Finance and Investments shall reconcile and harmonise the various methods.

The Executive Deans through the Director of Finance and Investments shall ensure that there are adequate internal controls as prescribed in the accounting manual to safeguard the assets and transactions from any errors, fraudulent activities, or malpractice.

The internal control system should accommodate any additional controls that might be requested by the funders.

The internal control system shall be documented and made available to all concerned parties.

Management shall ensure that all internal control procedures are strictly followed by project implementers and reviewed regularly.

27.7 Cash Control

All Projects Officers shall be allocated cash requirements according to the cash budget request, which is submitted for each period with details on how the cash will be utilised.

Where project funding shall be required on a replenishment basis, all requests shall state the cash required to be replenished according to the project-specific financial guidelines on how the requests should be submitted. Some projects require an audited statement supporting any replenishment. The audit shall be carried out in a manner consistent with the financial guidelines and the report should be attached to the replenishment claim.

27.8 Cost effectiveness

Management shall be responsible for all financial disciplines to ensure cost-effectiveness in incurring expenditures.

It shall be the responsibility of the Executive Deans, Director of Finance and Investments, and Project Officers to ensure that expenditures are cost effective by using sound financial management control procedures and that all project bank accounts are not overdrawn.

27.9 Performance evaluation and Audit

All projects shall be evaluated and audited regularly based on the Project Agreement financial management procedure requirements. In the absence of standard procedures, all projects shall be evaluated and audited regularly, as required by the Kamuzu University of Health Sciences Financial Regulations in this manual. The team to carry out the evaluation should be independent auditors, as may be appointed from time to time. They shall include professionals specialised in their field of competencies, such as accountants and professional valuers. The auditors assess the achievements of the project as set out in the project objectives. Performance is both quantitative and qualitative, as set in the standards.

27.10 Financial Statements

The organisation shall be required to produce financial statements as required by the Kamuzu University of Health Sciences Act, 2019 and the Public Finance Management Act. Special Financial Statements

required by funders for their funded projects shall be produced in line with specific Funder presentation formats.

28. SECTION 13: WRITE OFF OF ASSETS AND LOSSES

28.1 Types of losses

The following shall be followed:

28.1.1 Losses include:

- a. Actual loss or destruction; damage to fixed assets (other than normal wear and tear); or failure to account for the disposal of public money, stamps, securities, or properties.
- b. Non-collection of any moneys due to the Kamuzu University of Health Sciences.
- c. Unauthorised payments and stores issues.

28.1.2 Authority for write-offs

The following shall be followed:

- a. Approvals for write-offs shall be done by relevant senior offices following the levels of approvals stipulated in **Appendix 5**.
- b. These powers shall be exercised personally and shall not be delegated without seeking the relevant authority.
- c. These losses and any other losses not covered in the above paragraphs may only be written off with the Council's specific authority, as indicated in **Appendix 5**.

28.1.3 Losses Register

All losses shall be recorded in the register. The register should show:

- a. date of occurrence and the nature of the loss
- b. Gross amount of the loss
- c. Person responsible for and causes of loss
- d. Action taken

- e. Total recoveries effected
- f. Date of write-off where appropriate
- g. Person authorizing the write-off.

28.1.4 Handling of Losses

The following shall apply:

- a. In the discovery of any defalcation or loss due to any cause, investigation proceedings must be started immediately, and a report made to the Accounting Officer.
- b. Where a loss occurs due to theft, fraud, or corrupt practices by any other person, whether a staff member or not, the matter shall be immediately reported to the Director Finance and Investment or his representative and the police for immediate investigations to start.
- c. On receipt of the report the Accounting Officer will give instructions regarding any other action which appears to him or her to be necessary. All losses shall be written off as per **Appendix 5**.
- d. It should be noted that when a loss involves a liability to a third-party invoice, repayment should be made as soon as the liability has been firmly established, provided that there is no reason to suspect that the third party had any responsibility for the loss, and payment should await the results of the investigation of the loss.
- e. If it appears that the loss does not fall within his or her powers of write-off, the accounting officer will make a similar report to his or her superior or the Council, as the case may be.
- f. The Accounting Officer may authorise write-offs only after satisfying himself or herself that all necessary steps have been taken to remedy defects revealed by the occurrence, and if a

satisfactory explanation has been provided, which would be fair and reasonable to accept.

- g. If the Accounting Officer considers that any employee appears to have caused a pecuniary loss then s/he should request an explanation from the employee within a stated time detailing why they should not make good the loss in whole or part.
- h. Should no explanation be received, then the Accounting Officer must:
 - i. Review the employee's general conduct, financial circumstances, and any past actions taken against him/her.
 - ii. Decide whether the employee should make good the loss
 - iii. Any employee who is dissatisfied with the decision to repay a loss should appeal to the Registrar within 30 days. If they are not satisfied with the Registrar's decision, they may appeal to the DVC through the Registrar. If he is not satisfied with the DVC's decision, he may appeal to the Council through the DVC, whose decision shall be final.

28.1.5 Disposal of obsolete and old Documents, Unserviceable and Written off Stores/Materials etc.

- a. These include the following:
 - i. Administrative files and records.
 - ii. Audited financial accounting records, and files and documents,
 - iii. Accountable documents that are no longer required due to changes in the Kamuzu University of Health Sciences Act, systems, procedures, regulations, etc.
 - iv. All security-printed documents, such as receipts and licences, which are cancelled and no longer in use.

- v. Damaged or obsolete material which are no longer required.
- b. Stores and materials that are no longer required by the Kamuzu University of Health Sciences may be disposed of either by sale, auction, or by any other means, as decided by the approving authority and by following the prescribed procedures.
- c. Approvals are required for the disposal of documents, stores, materials, etc.

Table 1: Documents and approving authority

	Type of Document	Approving Authority	Procedures
a.	Administrative files and records	VC after recommendations by the UR.	All legal requirements as per the Kamuzu University of Health Sciences Act shall be observed
b.	Audited financial accounting records, files and documents	VC after recommendations by DFI	The Auditor General shall be notified at least 30 days before the date of proposed destruction. Relevant IFRS shall be followed
c.	Accountable documents, which are no longer required due to changes in the Kamuzu University of Health Sciences Act, systems, procedures and regulations.	VC after recommendations by DFI	The accountant shall be informed of such disposal in writing for making necessary accounting entries and stock adjustments.
d.	Security printed documents such as revenue receipts, licences etc.	VC after recommendations by the DFI.	The DFI shall be informed of such disposal in writing for making necessary accounting entries and stock adjustments.

	Type of Document	Approving Authority	Procedures
e.	Damaged or obsolete stores/ materials	VC after recommendations by UR	The DFI shall be informed of such disposal in writing for making necessary accounting entries and stock adjustments.

- d. The disposal of the above items should be initiated after reviewing the physical condition and usefulness of the individual items, as indicated in the periodic physical stock verification sheets.

28.1.6 Legal Advice

Wherever there is a legal claim against Kamuzu University of Health Sciences, the advice of a legal adviser shall be sought.

29. SECTION 14: FINANCIAL REPORTS

29.1 Annual Accounts

In compliance with the Public Finance Management Act, 2022:

- a. The Kamuzu University of Health Sciences shall keep proper books of accounts and other records relating to its accounts by ensuring that all moneys received are properly brought to account and payments out of its moneys are correctly made and properly authorised, and adequate control is maintained over its property and over the incurring of liabilities by Kamuzu University of Health Sciences.
- b. The annual accounts of Kamuzu University of Health Sciences shall be audited annually by independent auditors appointed by the Council.
- c. The financial year of Kamuzu University of Health Sciences shall be in compliance with what is stipulated in Public Finance Management Act, 2022.

29.2 Annual Reports

In compliance with the Public Finance Management Act, 2022:

- a. The Kamuzu University of Health Sciences shall furnish to the Minister within four months after the end of each financial year of the Kamuzu University of Health Sciences a report of the audited accounts of the funds of the university together with a general report on the administration thereof in respect of that year. Before they are submitted, as stated above, shall be

furnished to the Auditor General, who may report on the extent to which they present fairly the financial operations and financial position of the statutory body and comply with its performance and management plan.

- b. The Annual Report shall be in such form approved by the Minister and shall include information on the financial affairs of the Kamuzu University of Health Sciences, namely; the audited accounts of Kamuzu University of Health Sciences, together with the auditors' reports on the accounts. The accounts shall consist of the Statement of Financial Position, Statement of Comprehensive Income and Expenditure, Statement of Cashflows as per **Appendix 6**.
- c. Furnish such interim reports as the Minister or any donor to the Kamuzu University of Health Sciences may reasonably require regarding the progress of the Kamuzu University of Health Sciences in the achievement of its objects.
- d. Provisions (a), (b), and (c) above shall also apply to all Schools, Units to prepare such accounts, as the University Council may require them from time to time.

29.3 Performance Reports

29.3.1 Quarterly Reports

The Director of Finance and Investments should submit a report prepared in a consistent manner to the Council every three months containing:

- Financial Statements
- Performance indicators and any other related information;
- Operations of the Kamuzu University of Health Sciences;
- Such other information as the Council may deem proper.

- The Council may require the Director of Finance and Investments to submit financial reports to the Council before the expiry of three months,

29.3.2 Monthly Reports

- a. The Director of Finance and Investments shall submit to the VC and management monthly reports prepared in a consistent manner consisting of:
 - Financial Statements
 - Performance indicators and any other related information
 - Such other information as the DFI and the Council may deem proper
 - Operations of the Kamuzu University of Health Sciences
 - Such other information as the DFI and the Council may deem proper.
- b. Provisions (a) and (b) above shall also apply to all Schools and Units to prepare such accounts from time to time to be presented to the Executive Deans of the Schools, who will, in turn, present the same to the DVC.

29.4 Other Reports

The Executive Deans and Corporate office, and other stakeholders may decide to receive any other report that may require immediate decision-making processes on a continuous basis, for example, weekly or monthly bank reconciliation statements and cash flow statements.

30. SECTION 15: FINANCE AND AUDIT COMMITTEE CHARTER

30.1 Purpose

To assist the University Council in fulfilling its oversight responsibility for the financial reporting process, the systems of internal control, the audit process, and the university's process for monitoring compliance with laws and regulations and the code of conduct. The Council may delegate to the committee any or all of its executive functions with

regard to finance and audit matters, subject to the general policy, control, and guidance of the Council in sync with (Statute III (1)) of the Kamuzu University of Health Sciences Act, 2019.

30.2 Authority

30.2.1 Finance

The committee has the authority to conduct, authorize, and/or review any matters within its scope of responsibility, including the activities listed below:

- a. The investment and management of University funds.
- b. The incurring of, or the authorisation of persons or bodies in the university to incur expenditure from university funds, including any income accruing to any section of, or body in, the university.
- c. The review and endorsement of annual budget of the University.
- d. The control of expenditures from budgetary allocations by means of financial regulations, management accounts, and other conditions.
- e. The preparation and presentation of annual accounts of the University.

30.2.2 Audit

The committee has the authority to conduct or authorize investigations into any matter within its scope of responsibility. It is empowered to:

- a. Appoint, compensate, and oversee the work of any registered public accounting firm employed by the university.
- b. Resolve any disagreements between management and the external auditor regarding financial reporting.
- c. Pre-approve all auditing and non-audit services.
- d. Retain independent counsel, accountants, or others to advise the committee or assist in conducting an investigation.

- e. Seek any information required from employees, all of whom are directed to cooperate with the committee's requests.
- f. Meet with Corporate Officers, external auditors, or outside counsel, as necessary.

30.3 Composition

The Finance and Audit Committee will consist of at least three and no more than six members of the Council. The Council or its nominating committee will appoint committee members and committee chairpersons. Each committee member will be both independent and financially literate. At least one member shall be designated as the "financial expert," as defined by applicable legislation and regulation.

30.4 Meetings

The Committee will meet at least four times a year, with the authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via teleconference-or videoconference, if permitted. The committee will invite members of the management, auditors, or others to attend meetings and provide pertinent information, as necessary. It holds private meetings with auditors (see below) and executive sessions. Meeting agenda will be prepared and provided in advance to members along with appropriate briefing materials. These minutes will be prepared.

30.5 Responsibilities

The committee will carry out the following responsibilities:

30.5.1 Financial

- a. Review, for approval by the council, the budget setting processes for both revenue and capital expenditure.
- b. Review, for approval by council, the periodic budgets as presented by management.

- c. Monitor the regular budget and actual-to-date reports (management accounts) presented by the administration.
- d. Authorise (between council meetings and subsequent approval of the University annual estimates of revenue and capital expenditure) any budgetary amendments not exceeding an amount periodically specified in writing by council per line item and in aggregate of not more than a specified limit (where they are set).
- e. Approve any major item of capital expenditure within limits periodically specified by council.
- f. Review the regular updated cash flow projections presented by management.
- g. Form opinions, from the foregoing, to be communicated to the council, of the 'going concern' financial health of the University.
- h. Review and approve investment and financial management policies of the University funds.
- i. Review periodic reports of investment decisions approved by the investment committee (if an investment committee is not appointed, these functions will be the responsibility of the finance committee).
- j. Accept any offer to purchase with respect to any property the alienation of which has been approved by the council in principle, subject to general limitations and conditions periodically imposed by the council, and approval by the constituent ministries.
- k. Approve the conclusion of any major financial transaction provided that budgetary provisions have been made for such transactions, and no apparent conflict exists between such transactions and the interests of the university, as perceived by the Council (subject to approval by the constituent stakeholder ministries).

- l. Authorise the writing off of bad debts, subject to such policies or provisions as may be determined by the Council from time to time.
- m. Determine the policies regarding the granting of student loans.
- n. Require the administration to recover any money overdue to the institution in accordance with normal business practices.
- o. Review significant accounting policies and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on financial statements.
- p. Review interim financial reports with management and external auditors before filing with regulators and consider whether they are complete and consistent with the information known to committee members.
- q. Review annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- r. Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.

30.5.2 Internal Audit

The following shall apply:

- a. Review with management and the University Internal Auditor (UIA) the charter, plans, activities, staffing, and organizational structure of the internal audit function.
- b. Ensure there are no unjustified restrictions or limitations and review and concur in the appointment, replacement, or dismissal of the UIA.

- c. Review the effectiveness of the internal audit function, including compliance with the Institute of Internal Auditors' Standards.
- d. On a regular basis, meet separately with the UIA to discuss any matters that the committee or internal audit believes should be privately discussed.

30.5.3 External Audit

The following shall apply:

- a. Review external auditors' proposed audit scope and approach, including coordination of audit effort with internal audits.
- b. Review the performance of external auditors and exercise final approval of the appointment or discharge of auditors.
- c. Review and confirm the independence of external auditors by obtaining statements from auditors on the relationships between auditors and the university, including non-audit services, and discuss their relationships with them.
- d. On a regular basis, meet separately with external auditors to discuss any matters that the committee or auditors believe should be privately discussed.

30.5.4 Internal Control

The following shall apply:

- a. Consider the effectiveness of the university's internal control systems, including information technology security and control.
- b. Understand the scope of internal and external auditors' review of internal control over financial reporting and obtain reports on significant findings and recommendations, together with management responses.

30.5.5 Compliance

The following shall apply:

- a. Review the effectiveness of the systems for monitoring compliance with laws and regulations and the results of management's investigation and follow-ups (including disciplinary action) of any instances of noncompliance.
- b. Review the finding of any examinations by regulatory agencies, and any auditor observations.
- c. Review the process for communicating the code of conduct to university personnel, and for monitoring compliance therewith.
- d. Obtain regular updates from management and company legal counsel regarding compliance matters.

30.6 Other Responsibilities

The following shall apply:

- a. Perform other activities related to this charter as requested by the Council.
- b. Institute and oversee special investigations as needed.
- c. Review and assess the adequacy of the committee charter annually, requesting Council approval for proposed changes, and ensure appropriate disclosure, as may be required by law or regulation.
- d. Confirm annually that all responsibilities outlined in this charter have been carried out.
- e. Evaluate the committee's and individual members' performance on a regular basis.

30.7 Reporting Responsibilities

The following shall apply:

- a. Regularly report to the Council about committee activities, issues, and related recommendations.
- b. Provide an open avenue of communication between internal auditors, external auditors, and council members.

- c. Review any other reports the University issues that relate to the committee's responsibilities.

Issued by

Chairman of Council

Date

Vice Chancellor

Date

APPENDICES**APPENDIX 1: Schedule of Authorisation on Recurrent Expenditure**

Item No.	Item Description	Control Feature (Monetary values if applicable)	Approving Authority
1	Payroll	Only authorised person	DFI
2	Service and goods contracts	Up to MK5,000,000	Senior Finance Officer, Finance officer, ED, DFI
		Above MK5, 000,000 Below MK10,000,000	Finance Manager, Executive Dean, DOFI
		Above MK10,000,000	VC, DVC, ED, UR, DFI
3	Consultancy	All levels	VC, DVC, ED, R, DFI,
4	Utilities	All levels	UR, DFI
5	Maintenance of Equipment	Up to MK5, 000,000	Senior Finance Officer, Finance officer, ED DFI,
		Above MK5, 000,000 Below MK10,000,000	Finance Manager, Executive Dean, DFI
		Above MK10,000,000	VC, DVC, ED, UR, DFI
6	Maintenance of Vehicles	Up to MK5, 000,000	Senior Finance Officer, Finance officer, ED, DFI,
		Above MK5, 000,000 Below MK10,000,000	Finance Manager, Executive Dean, DFI
		Above MK10,000,000	VC, DVC, ED, UR, DFI
7	Maintenance of Buildings	Up to MK5, 000,000	Senior Finance Officer, Finance officer, ED DFI,
		Above MK5, 000,000 Below MK10,000,000	Finance Manager, Executive Dean, DFI

Item No.	Item Description	Control Feature (Monetary values if applicable)	Approving Authority
		Above MK10,000,000	VC, DVC, ED, UR, DOFI
8	Local travel/fuel and Lubricant	All	R, Campus Manager,
9	Training (Local and Foreign)	All	VC, ED, Campus Manager
10	Insurance	All	DFI
11	Professional fees and expenses	All	UR, DFI
12	Investigative costs	All	UR, DFI

APPENDIX 2: Schedule of Authorisation on Current Assets

Item No	Item Description	Control Feature (Monetary Values if applicable)	Initiating Person	Approving Authority	Remarks
1	Opening of Bank account	All Levels	DFI	VC, ED	The Council to be appraised on new bank accounts and purpose for use
2	Signatory to Bank Accounts	All levels	DFI	VC, DVC, UR, Campus Manager, ED	The Council to be appraised of the Bank signatories on each account
3	Cash Float for Imprest Expense	MK200,000	Cashier	DFI	Registrar Approves the Initial float and any adjustment to the size of float
4	Petty Cash payments	Maximum of MK10,000	Cashier	DFI	Individual petty cash payments shall not exceed the limit given
5	Imprest		Finance Personnel	Campus Manager	All liquidation documents to be submitted fourteen days after completion of the activity
6	Current Investments (Includes deposits and Securities)	Up to MK1,000,000,000	Investment Manager	Campus Manager	The VC must be appraised on intention to invest and area of investment and give guidance
		Above MK1,000,000,000	DFI	VC	The Council must be appraised of the new investment

Item No	Item Description	Control Feature (Monetary Values if applicable)	Initiating Person	Approving Authority	Remarks
7	Staff loans	Emergency Advance	Staff member	Campus Manager	Total loans not exceeding three month's salary
		Motor Vehicle	Staff member	Campus Manager	Up to one and a half of annual salary and to be recovered over a period of seventy-two months (six years).
		Education Advance	Staff member	Campus Manager	Amount of fees payable and to be recovered within six months.
		Furniture Loan	Staff member	Campus Manager	No limit. To be recovered within twenty-four months (two years).
		All others	Staff member	Campus Manager	As per conditions of service

APPENDIX 3: Schedule of Authorisation on Fixed Assets

Item No	Item Description	Control Feature (Monetary Values if applicable)	Initiating Person	Approving Authority	Remarks
1	Long Term Investments	All	DFI	The Council to approve -	
2	Capital Expenditure	Up to MK-10,000,000 Above MK10,000,000 up to MK-29,000,000 (Goods & non-consultancy service) MK49,000,000 (construction works)	Head of Department/Unit	Finance Manager and DOS	At least three quotations required from approved list of suppliers
	Commitment within the approved budget	from--MK30,000,000 (Goods & non-consultancy service)	Head of Department/Unit through Procurement Specialist	DFI & VC	Tender committee procedures must be followed.

Item No	Item Description	Control Feature (Monetary Values if applicable)	Initiating Person	Approving Authority	Remarks
		MK50,000,000 (construction works)	IPDC -	Council on recommendation of the IPDC	Tender procedures must be followed based on procurement procedures such as LC, LCB, ICB, and LIB. Recommendation by Tender Committee shall be endorsed by the -DFI

Item No	Item Description	Control Feature (Monetary Values if applicable)	Initiating Person	Approving Authority	Remarks
3	Capital expenditure outside the approved budget	All	IPDC and Director of Finance and Investment	Council	The Director of Finance and Investment to prepare supplementary budget.

APPENDIX 4: Schedule of Authorisation on Liabilities

Item No	Item Description	Control Feature (monetary values if applicable)	Approving Authority
1	Credits on normal operation expenses	Service and goods contracts	DFI
2	Loans	All	Council with prior approval of the Minister of Finance.
3	Capital expenditure outside the approved budget	All	Council

APPENDIX 5: Schedule of Adjustment and Write of Assets and Losses

Item No	Item Description	Control Feature (monetary values if applicable)	Initiating Person	Approving Authority	Remarks
1	Inventory adjustments	Up to MK1,000,000	Finance Managers	UR / DFI	
		Above MK1,000,000	DFI	Council	
2	Accounts Receivable	Up to MK500,000	Finance Managers	UR / DFI	
		Above MK500,000	DFI	Council	
3	Cash and Securities	Up to MK200,000	Finance Managers	UR / DFI	
		Above MK200,000	DFI	Council	
4	Loans	All	UR and DFI	Council with prior approval of the Minister of Finance.	Secretary to the Council must participate on all contractual agreements
5	Disposal of Fixed Assets	Up to MK500,000 of original cost per single item	IPDC	Council	

Item No	Item Description	Control Feature (monetary values if applicable)	Initiating Person	Approving Authority	Remarks
		Above MK500,000 of original cost per single item	IPDC	Council	

APPENDIX 6: Schedule of Format for Annual Reports.**Statement of Comprehensive Income and Expenditure Report for the Year ended**

Revenue	Notes
Government Subvention ORT	
Government Subvention Development	X
Fees Postgraduate	X
Fees Undergraduate	X
	X
	X
Business Units	X
Grants and donations	X
Other Income	X
Total Revenues	X

Statement of Cash Position as at

	Notes
Fixed Assets	X
Property Plant and Equipment	X
Current Assets	
Inventories	X
Student Debtors	X

Staff Debtors	X
Trade Debtors	X
Prepayments and other receivables	X
Cash and cash equivalents	X

Total Currents Assets	X
-----------------------	---

Total Assets	X
---------------------	----------

FUNDS AND LIABILITIES

Current Liabilities

Trade accounts payable	X
Taxes payable	X
Accruals and other accounts payable	X
Bank overdraft	X
<hr/>	
Total Liabilities	X

Funds	X
Capital fund	X
General fund	X
Funds for specific purposes	X
<hr/>	
Total Funds and Liabilities	XX

Signed by:

_____ Chairman of Council	_____ Date	_____ Member of Council	_____ Date
------------------------------	---------------	----------------------------	---------------