

# Control System Manual

## WA COMMUNITY COOPERATIVE CREDIT UNION INTERNAL CONTROL SYSTEM MANUAL

### 1. PREAMBLE

Wa Community Cooperative Credit Union (**WACCU**) is established under Decree No. 252 of 1968, and Regulation 1968 to serve its members. The Management has put in place this Internal Control System to assist in achieving their objectives by ensuring, as far as practicable, the orderly and efficient conduct of its business, adherence to internal policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records and timely preparation of reliable financial statement.

This document will be reviewed from time to time to reflect on any new challenges that might arise. It is the hope of Management that this control system will help promotes the interest of WACCU members and all stakeholders for a better future. Whenever this internal control system comes into conflict with CUA or WACCU by-laws or regulations that of CUA or WACCU will be given supremacy.

### CONCEPTS OF INTERNAL CONTROL

**Internal control is a process.** It is a means to an end, not an end in itself. The goal is reliable financial reporting, efficient and effective operations, and compliance with laws and regulations of CUA and WACCU.

**Internal control is carried out by people.** It's not merely a policy manual and forms but peoples actions at every stage of the organization's activities.

### 2. COMPONENTS OF INTERNAL CONTROL

The key steps taken to achieve these controls are:

#### 2.1 PREVENTIVE CONTROL ACTIVITIES

Preventive control attempts to prevent or deter undesirable acts from occurring. They are proactive controls designed to prevent a loss, error or omission. Examples of preventive control are;

**2.1.1 Segregation of duties:** That is no single person, should see a transaction from the beginning to the end. Hence the following functions should be separated.

- Authorization and approval
- Execution
- Custody
- Recording

Segregation of duties is an essential component to effective internal control. It reduces the risk of both erroneous and inappropriate actions. It is a deterrent to fraud. Key functions that must be adequately separated are described above. But

when it is extremely difficult to separate these function, a comprehensive supervisory review of related activities is required as a compensating control activity.

### **2.1.2 Authorization and approval**

Authorization and approval is another measure that ensures that all transactions are approved in accordance with laid down procedures and policies of WACCU and should only be given to individuals with sufficient authority and knowledge to recognize and challenge unusual transactions. Examples of areas that need authorization and approval are;

- Purchase and issuance of stock
- Purchase and use of assets
- Investment of any kind
- Payment of cash/cheques
- Disbursement of loans etc.

### **2.1.3 Physical Control**

Cash, inventory, equipment and supplies must be safeguard from unauthorized access, use or theft. Examples of physical controls to safeguard assets are locked doors, filing cabinets, drawers and safes. The number of persons with access should be as few as possible in the case of WACCU at most three (3) persons. This is essential in the following areas:

- Stock/Assets
- Cash/Cheque books
- Equipment

Keys to various locks should be changed in case of missing key (s) and also an inventory book should be maintained for **CASH** and **STOCK** as well as **ASSETS**. Periodically, a person who is independent of stock purchasing, collection and custody as well as the purchase and use of assets should physically take stock of all these items and compare with the records and balances in the books. Missing items or cash should be properly investigated, resolved, analyzed and reported to WACCU **BOARD** for possible control decisions.

### **2.1.4 Arithmetical Control**

This seeks to ensure evidence in transaction through accurate documentation for future references. In the case of **WACCU** it should be seen in the following areas:

- Total cash received from customers daily
- Total cash paid out to customers daily
- Total cash in and out of till daily
- Stock movement daily register
- Total daily expenses register
- Assets register
- Investments register.
- Loan disbursement register

### **2.1.5 Supervision Controls**

Supervision should be exercised over the day to day activities of **WACCU** on behalf of the Board by the Manager of **WACCU** or his/her appointed agent. A comprehensive monthly report must be given to Board as regards to the day to day running of **WACCU**. Manager should also maintain the following:

- a). Employees annual leave roster
- b). Attendance book
- c). Employees personal files

### **2.1.6 Management Control**

Management control should take the form of Management reviews in the following areas:

- Evaluate budget and investigate any significant difference (variances).
- Routinely Spot Check transactions, records, cash totals and reconciliations to ensure expectations are met as to timeliness, completeness, segregation of duties, propriety of transactions, etc.
- Follow up on unexpected results or unusual transactions. They might be indications of theft, fraud or error.
- Management reviews of reports and reconciliation must be documented by initialing and dating them and briefly indicating the resolution of any follow up they performed on unexpected results or unusual transactions.

Management control should be broadly seen in the following areas:

- Planning at all levels (strategic, tactical and operational levels).
- Budgetary control
- Internal audit
- Supervisory Committee

### **3. DETECTIVE CONTROL ACTIVITIES (MONITORING)**

Detective controls attempt to detect undesirable acts that have occurred. They provide evidence after the fact that a loss or error has occurred, but do not prevent them from occurring. The following are examples of detective controls in **WACCU**;

- Regular supervisory review of account activity, reports, reconciliations
- Routine spot checking of transaction, records and reconciliation
- Variance analysis
- Physical inventories
- Internal audit review of controls

#### **4. INFORMATION AND COMMUNICATION**

This includes;

- Administrative information systems that provide necessary information to the appropriate people, at the necessary levels and on a timely basis.
- Channels for employees to communicate suspected improprieties upstream through other means than a direct

#### **5. RISK ASSESSMENT**

Management is responsible for assessing risks that could undermine the objective of financial controls

#### **6. CONTROL ENVIRONMENT**

A control-conscious environment is also necessary. It is an environment that supports ethical values and business practices. Management is responsible for “setting the tone” for their areas and encouraging the highest levels of integrity and ethical behavior, as well as exhibiting leadership behavior that promotes internal control and accountability.

The following steps are examples of this leadership behavior:

1. Communicate to employees that fraud and conflicts of interest will not be tolerated.
2. Communicate to employees that WACCU policies and procedures are important and must be followed.
3. Make employees fully aware of their responsibilities, including internal controls
4. Monitor the internal controls system on an on-going basis.

#### **ASSETS**

In addition to cash and inventory, all equipment and supplies, regardless of original cost, are considered assets of WACCU.

#### **RECONCILIATION**

Reconciliation is broadly defined as a comparison of different sets of data in order to ensure the accuracy and completeness of transactions. Integral parts of reconciliation process include identifying and investigating differences, and taking corrective action, when necessary, to resolve the differences. Reconciliation should be performed timely, documented and approved by Management (Manager)

#### **KEY CONTROL AREAS**

1. **Internal Audit Unit**
2. **Supervisory Committee**
3. **Control over Petty Cash**
4. **Control over Purchase procedure**
5. **Control over stock**
6. **Control over Payroll**
7. **Control over Banking**

8. **Control over Cash collection and Payment**
9. **Control over Loans disbursement and Portfolio Management**
10. **Control over investment**

### **6.1 INTERNAL AUDIT UNIT**

The Board must set-up an Internal Audit Unit as part of a control measure and people with sufficient knowledge of Accounting Procedures must be employed to man this unit. According to the Institute of Internal Auditors 1991, Internal Auditing is defined as: an independent appraisal function, established within an organization to examine and evaluate its activities as a service to the organization. The objective of internal auditing is to assist members of the organization in the effective discharge of their responsibilities.

### **HOW TO MAKE INTERNAL AUDIT FUNCTION EFFECTIVE**

- Support of Management
- Continuing education and training
- Independence of the Internal Auditor
- Ensure high job satisfaction
- Appointment of motivated staff
- Good communication links with all staff
- Availability of performance measurement to evaluate performance
- To ensure that staff behave professionally
- Steps to ensure high job satisfaction etc.

### **DUTIES OF AN INTERNAL AUDITOR**

- Performing value-for-money audit
- Compliance audit
- Detailed examination of financial and operational data
- Review Management, operational, accounting, organizational, internal controls and other business systems.
- Undertake special investigation such as fraud or theft
- Make recommendations in relation to the improvement of systems.

The internal auditor is responsible to the Supervisory Committee.

**N/B** The Internal Auditor will be personally liable for any loss either financially or otherwise to **WACCU** as a result of negligence of duty.

**Hence all activities of WACCU must be certified by the internal auditor before final approval as practicable as possible, except customers' withdrawals and deposits**

### **6.2 SUPERVISORY COMMITTEE**

The members must set up a Supervisory Committee to be in charge of the implementation of findings and recommendations of both External and internal auditors as part of their control responsibilities. The internal auditor will report to this committee as a way of making him/her independent.

This committee should be made up of three (3) members.

The Supervisory Committee shall elect a chairman from among themselves. The committee should include at least one member with significant financial knowledge or experience and should among other things:

- Recommend the appointment of the Internal Auditor and terms of engagement in consultation with Management of
- Monitor and review the External Auditors' independence, objectivity, and effectiveness.
- Monitor and review Internal Audit and management systems.
- Evaluate exposure to fraud
- Review all existing accounting policies
- Facilitate and enhance communication between the External Auditors and the Board of Directors.
- Determine External Auditors fees
- Review Management policies and practices etc. – Review monthly and annual Financial Statement.

The committee should give a monthly report to BOD

### **6.3 CONTROLS OVER PETTY CASH**

#### **PETTY CASH SYSTEM**

The system should be operated under the **imprest system**. A petty cash book should be kept solely for the payment of cash expenses and other miscellaneous items.

#### **Petty Cash Ceiling/Float**

Petty cash ceilings should be maintained as follows:

500.	Main office – GHc1,500.00
501.	Branches – GHc1,000.00

#### **Allowable expenditure**

The highest amount of expenditure payable through petty cash imprest is GH¢50.00 and should be subjected to revision as and when the need arises. Any amount (expenditure) above GH¢50 (Fifty Ghana Cedis only) should require cash/cheque request. The following guidelines should be observed by WACCU in the operation of a petty cash float.

- Keep the petty cash fund in a locked place.
- Access to the petty cash fund should be restricted to the custodian and a back up person and should be disbursed only by them.
- Require original receipts in order to disburse petty cash. Maintain the receipts in the petty cash fund box for reconciliation.

- The person to be reimbursed should indicate on the original receipt what was purchased, purpose etc (if not obvious on the receipt)
- The petty cash fund should not be used for personal expenses and loans.
- The custodian is responsible for regularly reconciling the petty cash fund
- Periodic and surprise counts of petty cash should be performed by the Internal Auditor **or her/his appointed agent**.
- In the event of an unexpected petty cash shortage, investigation should be carried out and corrective measures taken. Evidence of cash count should be put on file with the dates and signatures of both the counter and petty cashier.

Any payments above petty cash fund should be referred to the Accounts Officer who shall prepare a cash/cheque request in writing indicating:

- The payee
- The amount payable both in words and figures
- The purpose
- With appropriate back-up documents to the Accountant who will review the necessary documents and pass on to the **Manager** for approval.

## **6.4 CONTROL OVER PURCHASES PROCEDURES**

### **Purchases procedures (pp)**

A Procurement Committee of three (3) members made up of the Accountant, the Microfinance Co-coordinator and the Loans Officer should be constituted to consider all issues relating to the purchases of goods and services in **WACCU**. The purpose of this committee is to ensure among other things that all goods and services to be procured go through the detailed process outlined in this manual and in accordance with **WACCU** and **CUA** bye-laws and regulations respectively. All assets are to be procured through the committee.

#### **6.4.1 Purchase Request (PR)**

Before any purchase is made the person (s) responsible for stores shall complete a purchase request form and submit to the procurement committee for consideration. In the case of ad hoc procurement, person(s) requiring goods or services shall prepare, sign and submit their needs in the form of memo to the Manager through the person(s) responsible for stores.

#### **6.4.2 Pro Forma Invoices (PFI)**

On receipt of the approved PR, the person(s) responsible for stores obtains pro forma invoice from a minimum of two (2) suppliers. Where it is not possible to obtain the two or more suppliers as required, the reason (s) should be clearly stated. The PFI is evaluated by the procurement committee, a supplier selected and a recommendation for approval made to the appropriate authority.

#### **6.4.3 Purchases Order (PO)**

When a supplier has been selected, the person(s) responsible for stores completes a purchase order form in the name of the supplier and approved by the Manager. By means of the PO, the supplier is now formally being requested to supply the items listed on the PO. The PO is completed in quadruplet and distributed as follows:

- Original to supplier
- One copy to accountant
- One copy to procurement committee
- Book copy (office file)

#### **6.4.4 Stores Receipt Voucher (SRV)**

On receipt of goods the person(s) responsible for stores should complete SRV in duplicate and send the original of the SRV to the accountant for payment while retain the duplicate as book copy.

#### **6.4.5 Invoice or VAT Invoice**

When the goods are supplied upon the receipt of the purchases order, the supplier submits formal invoice or VAT invoice.

#### **6.4.6 Payment**

Before effecting payment for any purchases, the Accountant must ensure that the supplier's invoice or VAT invoice and the SRV are attached to the copy of the purchase order.

#### **6.4.7 Receipts**

When a supplier is paid, an official receipt must be written out in the name of WACCU by the supplier.

### **6.5 CONTROL OVER STOCK**

WACCU keeps minor office equipment, stationery, Valued Books and other items in stores and all these must be managed by a responsible official (staff).

These items must be issued to staff through their Heads of Department upon request with approval by the Manager.

The following procedures must be used for the management of stock items.

1. Items received into stores must be entered into the Stock Register
2. The stock register must be updated after every issue of stock item
3. Stock items must only be issued out upon completion of a requisition form approved by the Manager or his/her appointed agent.
4. The approved requisition form is submitted to the person(s) responsible for stores who again checks its accuracy
5. The person(s) responsible for stores writes the quantity supplied against the quantity requested signs and issues the item out.



6. The original copy of the requisition form is removed and kept by the person(s) responsible for stores as evidence of the items usage.

### **Stock Taking**

A periodic (bi-monthly) stock taking must be conducted by the Internal Auditor of **WACCU** throughout the financial year.

### **STOCKS-LEVELS**

**N/B:** Two (2) levels of all stores items to be kept must be determined by the Management of **WACCU**.

They are:

1. Maximum stock levels
2. Minimum stock levels

This is necessary in order to avoid over and under stocking of stores items with their attendant cost.

### **6.6 CONTROL OVER PAYROLL**

A monthly payroll sheet of **WACCU** must be prepared indicating all statutory deductions by the Accountant and reviewed by Internal Auditor after which approval must be given by the Manager before payments of salaries can be carried out.

- Non exempt employees (employees that qualify for over time pay) must complete timesheets of the number of hours they work each day.
- Timesheets must be approved and signed by the Manager upon recommendation by the Head of Department.
- Overtime requires the advance approval of the **Manager** of **WACCU** before it is worked.
- Access to payroll information should be very limited
- Does not release wage information externally without the written consent of the employee or a subpoena.
- Every employee must be given a pay slip at the end of every month. Signifying payment of his/her salary and various deductions. After the preparation of the payroll, the Accountant uses the following stamp on the payroll sheet.

<b>Name</b>	<b>Signature</b>
Prepared by	
Reviewed by	
Approved by	

## 6.7 CONTROL OVER BANKING

### Opening a new Bank Account

The following procedure should be observed in the opening of a new Bank Account for WACCU.

1. **Selection of a Bank:** The Accountant in consultation with the Manager selects an appropriate bank
2. **Approval:** Before the bank account is opened, the Manager must obtain a written approval from BOD

### ISSUANCE OF CHEQUES

All WACCU cheques issued out for payments must be completely documented by the Accountant and all cheques payments to supplier's must be crossed after observing the following payment procedures:

Payment other than the petty cash system and disbursement of loans to members, are handled as follows:

1. A cash/cheque request is written indicating;
  - The payee
  - The amount payable
  - The purpose
  - The cost centre
  - With necessary back-up documents to the Accounts Officer
1. The cash/cheque payment request must be approved by the Accountant of WACCU.
2. On receipt of a payment request, the Accounts Officer proceeds as follows:
  - Ensures that the payment request is correctly approved.
  - All supporting documents are attached and carefully examined and when satisfied the Accounts Officer proceeds further to perform the following
    1. Checks all calculations, multiplications, additions extensions etc.
    2. Writes a cash disbursement voucher (CDV)
- iii. Prepares/writes the required cheque
  1. Stamp all supporting documents "**CANCELLED**"
  2. Crosses all cheques other than for cash.
  3. All organizations should be paid in cheques.
  4. The written cheque, with the CDV and all its supporting documents (including the cash/cheque request) is submitted to Accountant who carries out the following assignments:
  5. Vouches the payment that is ensuring that details for payment are the same as on cheque issued.
  6. Verifies that all supporting documents are completed and stamped "Cancelled"
- iii. Ascertain that the cheque has been correctly written
  1. He/she signs the CDV (thus authorizing booking of transactions) and the cheque and forwards it to a 2<sup>nd</sup> and 3<sup>rd</sup> signatories if there are any.
  2. On collection of cheque the payee:
  3. signs

4. writes his/her name fully and
- iii. writes the date on the face of the CDV

1. Receipts are later received from the payee.
2. For some specialized payments like water, electricity, telephone, broadband, property rate bills, etc memorandum records are maintained for them.
3. Monthly bank statements must be collected for the various WACCU bank accounts and manual bank reconciliation statements prepared by the Accountant certified by the Internal Auditor and approved by Manager and filed.
4. Completed cheque booklets must be properly kept to be examined by the Internal Auditor through endorsement.

## **6.8 CONTROL OVER CASH COLLECTION (DEPOSITS) AND PAYMENTS (WITHDRAWALS)**

Before a WACCU Member makes a cash deposit he/she must present the following at the cashier's counter;

1. His/her savings pass booklet
2. A filled preprinted deposit form in duplicate indicating the following details.
3. Date
4. Account Name
5. Account number
6. Telephone Number
7. Amount in words and figures
8. Name of person paying in
9. Address
10. Signature

Upon receipt of the savings booklet and the deposit form, the cashier will proceed as follows:

1. Will cross check the money and all the necessary information on the form and then stamp both original and duplicate using the appropriate stamp. The computer software generated serial number is quoted on the form after which the duplicate form is handed over together with the savings booklet back to the Member.
2. At the close of the day total cash collected (received) by the cashier should be cross checked with the deposit forms and the total amount entered in a daily cash register indicating the following details
3. Date
4. Name
5. Total amount collected both in words and figures
6. Signature
7. Hand over total cash collected and cash register to the Accountant for review and endorsement.

Upon the endorsement, the Accountant proceeds as follows:

1. Compares the total cash received to the daily computer printout and if there is any variance corrective action is taken.
2. Submit a weekly total cash receipt returns to the Manager for verification and endorsement.
3. Hands over daily total cash collected from receiving cashiers to the Assistant Accountant for safe keeping and he / she must be the sole custodian of the cash till (safe) or his/her appointed agent in case the need arises. The Assistant Accountant must keep daily cash movement, to and from CASH SAFE (till), register indicating the following:
  4. Total cash in stock (balance)
  5. Total daily cash put in the safe

iii. Total daily cash taken out of the safe

1. Signature of Accountant and Assistant Accountant.

The Assistant Accountant must submit this cash movement registers to the Manager for review and endorsement weekly.

### **LOSS OF SAFE KEYS OR MONEY**

In case of loss of safe keys or cash from the Assistant Accountant s/he must proceed as follows:

1. Immediately report to the Manager through the Accountant initially in writing followed by a more detailed written report later.
2. Alert the security personnel on duty and if necessary report to the police.
3. Daily total cash in excess of the allowable vault limits must be banked within forty eight (48) hours. If impossible the next twelve (12) hours and the bank pay in slips given to the Accountant for verification and reconciliation.
4. Cross-Check all telephone call saving to ensure that monies are in the Bank Account before documentation.
5. All other monies received by WACCU other than members savings; loan repayments and shares must be properly receipted and documented.

### **CASH PAYMENTS (WITHDRAWALS)**

Before a member makes cash withdrawal from his/her account, he/she must first present a filled preprinted withdrawal form indicating the following to the cashier:

1. Date
2. Account name
3. Account number
4. Telephone number
5. Amount in words and figures
6. Address
7. Signature / thumbprint

Upon receipt of the savings booklet and the withdrawal form, the cashier proceeds as follows:

1. Vouches the savings booklet and the withdrawal form to find out any inaccuracies.
2. Processes the withdrawal if within limits
3. Submits the savings booklet and the withdrawal form to the Accountant or his/her authorized agent for review and approval if above limit by endorsing the back of the withdrawal form. After which the booklet and the withdrawal form are returned to the cashier for payment be effected.
4. The Cashier enters the Payment into system and quotes the number on the withdrawal slip.
5. The duplicate of the withdrawal slip and the pass book are handed over to the member after the cashier has updated the pass book.

## **6.9 CONTROL OVER LOAN DISBURSEMENT AND LOAN PORTFOLIO MANAGEMENT**

The Loan Committee of WACCU is in charge of loans to members. For detail procedures and controls over loans reference should be made to the WACCU regular loans and Microfinance policies

## **6.10 CONTROL OVER INVESTMENT**

WACCU as an organization can and does undertake some forms of investment. This must be done in accordance with the following internally laid down procedures.

### **6.10.1 INVESTMENT DECISIONS**

The Manager in consultation with the Accountant identifies investment opportunities, evaluate them and decide on the optimum allocation of funds available between the investments.

### **6.10.2 REQUEST FOR INVESTMENT**

The Manager must give a proposal in writing to BOD showing the need for the investment by indicating the COST - BENEFIT ANALYSIS and copied to the Supervisory Committee.

### **6.10.3 APPROVAL**

Approval must be given by the BOD in a properly convened BOD meeting before any investment can be undertaken or redeemed.

### **6.10.4 DOCUMENTATION**

All investment undertaken in the name of WACCU must be properly documented (recorded) and evidenced by an investment certificate (written document) from the organization the investment has been made in.

N/B The Manager must put in place Risk Management strategies (RMS). Communicate them in writing to BOD for review and approval.

### **6.11 PAYMENT OF DIVIDENDS.**

The payment of dividends to members of WACCU must follow the following procedure:

#### **6.11.1 PROPOSAL BY MANAGEMENT**

At the end of every financial year of WACCU that a surplus is made, Management shall propose the rate of dividend to be paid to members that will maintain standards without hurting the future of the Union.

#### **6.11.2 BOARD RECOMMENDATION TO AGM FOR APPROVAL**

The Board after carefully considering the dividend rate proposed by Management either accepts it in total, cancels it outright or modifies it as it deems appropriate. This must be done at a properly convened BOD meeting where there is quorum. After its decision, the BOD shall recommend the proposed dividend for approval by the members in General Meeting before payment can be effected.

## **7. DOCUMENTS OF WACCU**

Some documents of WACCU must be serialized and considered as valuable books. The following documents may be considered as value books and serialized:

1. Cash deposit forms (slips)
2. Withdrawal forms
3. Purchase request forms
4. Purchase order forms
5. Stores receipt voucher
6. Cash and cheque request forms etc.
7. Stores requisition forms

The handling of all value documents is guided by certain principles right from their printing up to the moment it is completely used.

### **7.1 PRINTING OF VALUE BOOKS**

Value books are to be printed by a reliable printing company and should be done in batches and each batch should be documented in such a way that no duplicate numbering occurs.

### **7.2 RECEIPT AND CUSTODY OF VALUE BOOKS**

All value books must be issued upon request through the use of stores requisition form.

The following conditions must be met before a fresh value book is issued to a staff.

- The existing book should have been used up
- The used book must be returned to the Accounts Officer
- The Accounts Officer must check through all leaves of the book to ensure that the serial numbering is intact.
- All cancelled leaves of the book must be left intact (both Originals and Duplicates.)
- Any alterations must be noted and reported to the Accountant by the Accounts Officer for appropriate action.
- Any value book issued out must be signed for and same when returned in the stock REGISTER.

The following CAUTION notes are to guide staffs who use value books on how to handle them and the implications of certain actions i.e. **Non compliance may lead to personal liability** to staff in question.

1. a) Value books are fiduciary documents and must be kept securely and safely. Their loss opens the way for people to defraud the organization (WACCU)
2. b) Every value book is a potential cash generation document and must be judiciously used.
3. c) Before taking away a value book that has been issued to you, the serialization must be checked to ensure that everything is complete (the same way you behave when receiving cash from a members). As such it is considered that any valued book duly received by you was complete at the time of receipt.
4. d) Your value book must always be kept in a secured place where another person cannot temper with it.
5. e) Another person must not be allowed to use the same value book that has been issued to you unless authorized.
6. f) If the amount in words and figures are different, the leaflet must be cancelled and another one issued.
7. g) You are to educate clients to retain their copy of value book issued to them. This covers you in times of verification.
8. h) If your value book is lost report in writing to the Manager.
9. i) When a value book is used up you must return it and sign out the used one and sign in a fresh one.

## 8. RUBBER STAMPS OF WACCU

The following rubber stamps must be put in place for appropriate use displaying the following features.

### **A: A Stamp for Cashier**

1. WACCU
2. Date
3. Cashier Number
4. Branch

### **B: A stamp for MANAGER/Heads of Department indicating**

1. Designation
2. WACCU

3. Date
4. Signature.
5. **A stamp for Internal Auditor showing**
6. WACCU
7. Internal auditor
8. Certified by
9. Date
10. **A stamp for BOD Chairman indicating the following**
11. WACCU
12. BOD Chairman
13. Date
14. Signature

## 9. MANAGING MEMBER ACCOUNTS

### 9.1 OPENING OF NEW ACCOUNT BY A POTENTIAL MEMBER

The following procedures should be used when opening accounts for new members:

(1) Member completes account opening form indicating the following

1. a) Name of applicant / member
2. b) Date of birth
3. c) Address (postal and residential)
4. d) Telephone number
5. e) Next of kin
6. f) Occupation
7. g) Date account was opened
8. h) Signature / thumbprint of applicant

(2) Member presents a valid photo ID a copy of which should be attached to the account opening form. The following are considered as valid ID's

1. a) National Voters ID
2. b) NHIS ID
3. c) Drivers License
4. d) Ghanaian passport
5. e) SSNIT ID Card
6. f) NIA Cards

(3) Member presents two recent (not more than six months) passport size photographs which are used as follows:

1. a) One is attached to the account opening form and used for scanning into the system
2. b) One is attached to member's passbook

(4) The Account opening form is endorsed by the Manager or his designee and dated.

(5) The information on the account opening form is captured into the computer software which assigns a unique account number for the applicant which is quoted by the Member Service Officer on the account form and the member passbook.



(6) Member deposits the minimum share, savings and pays the entrance fee to the cashier.

(7) A passbook is issued to the member and updated by the cashier.

## **9.2 CLOSURE OF MEMBER ACCOUNT**

Before a member closes his/her account, he / she must give one month notice in writing to the Manager. On receipt of such a notice, the Manager will proceed as follows:

a). Present the statement of the members in question to the internal auditor for certification and documentation.

b). After that closure is carried out by the Manager or his / her representative and the documents filed

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## **WACCU ORGANIZATIONAL CHART**

### **WACCU STAFF JOB DESCRIPTION**

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#### **JOB TITLE – Mobile Bankers**

1. Register existing members of the union for the mobile banking scheme and account for all registration fee on daily basis
2. Register potential members for the union.
3. Collect money from only registered members of the union.
4. Operate strictly within a specified zone. However, on a special arrangement, he/she may operate outside the assigned zone
5. Issue WACCU official receipt for all monies collected and account for same on a daily basis
6. Accurately update members pass books as and when monies are collected
7. Ensure that all monies collected are properly entered into the system and accounted for to the Accountant or his designee.
8. Must bank all collections up to two thousand (GH¢2,000.00) before further collections are made
9. Must educate WACCU members and potential members about the general operations of WACCU
10. Prepare weekly artemary of their activities for review by their supervisor every Monday
11. Must report back to office by 3 pm each day to enable him/her report to supervisor on time
12. Must always appear in the corporate uniform with identification (ID) card clearly displayed
13. Must show a high sense of respect, honesty and commitment to duty in dealing with members and potential members and also to all WACCU officials
14. Must report all irregular occurrences immediately through their supervisor
15. Must prepare daily field report and submit same to supervisor for review

16. Any other duty assigned by your supervisor

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#### **JOB TITLE – Day Security**

- Ensure the safety and safe custody of all WACCU Assets at the Branch Office
- Ensure that Members' assets kept within the office premises are safeguarded
- Keeping the Branch Manager informed about irregular occurrences during the Day
- Ensure law and order during the day by identifying suspicious characters and ensuring that they do not cause harm to members during the day
- Assist in keeping internal order in the banking hall
- Running of petty errands as the case may be
- Providing traffic guidance/direction for members & motorist around the office premises
- Handing over to the Night Security Man before closing
- Perform any other functions as directed by a superior.

#### **JOB TITLE – Night Security**

- Ensure the safety and safe custody of all WACCU Assets at the Branch Office during the night
- Ensure that Members' assets kept within the office premises are safeguarded at night
- Keeping the Branch Manager informed about irregular occurrences during the Night
- Ensure law and order during the Night by identifying suspicious characters and ensuring that they do not cause harm to property
- Handing over to the Day Security Man before closing
- Perform any other functions as directed by a superior.

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#### **JOB TITLE – Cleaner**

1. Cleaning of offices
2. Any other official duties that might be assigned from time to time by the Superior Officer.

#### **JOB TITLE – Driver**

- Drives the Manager and other staff of the Union all around Ghana to perform duties
- Keeps a maintenance schedule for the office vehicle and makes sure it is followed
- Identifies faults with the office vehicle, recommends appropriate repairs and ensures that maintenance is carried out properly
- Deliver mails, run errands and carries out banking duties on behalf of the Union
- Support other staff in the banking hall to perform front desk duties that will lead to greater member satisfaction
- Keep and regularly update the vehicle log book to track all movements
- Attends to the Generator as the need arises
- Perform any other functions as directed by a superior.

**JOB TITLE – Assistant Banking Clerk/Cleaner**

- Archive all deposit slips and withdrawal forms in a suitable and professional manner
- Retrieve archived documents on request for various reconciliation purposes
- Carry out general cleaning of the office premises and the entire Banking environment
- Prepare meeting venues and make necessary essentials ready before all meetings
- Receive members visiting the Union and directs them to appropriate staff
- Write deposit slips and withdrawal forms for illiterate members as the need may be
- Handle minor complaints in the Union professionally
- Perform any other functions as directed by a superior.

**JOB TITLE – Banking Clerk**

- Archive all deposit slips and withdrawal forms in a suitable and professional manner
- Retrieve archived documents on request for various reconciliation purposes
- Carry out petty cleaning jobs within the offices during the day
- Prepare meeting venues and make necessary essentials ready before all meetings
- Receive members visiting the loans department and directs them to appropriate staff
- Ensure that the kitchen is kept clean and neat at all times
- Write deposit slips and withdrawal forms for illiterate members as the need may be
- Handle minor complaints in the loans department professionally
- Perform any other functions as directed by a superior.

**JOB TITLE – SECRETARY/FRONT DESK STAFF**

1. Type WACCU Board meeting minutes and all correspondences in a timely and accurate manner
2. Responsible for typing all letters and key documents on behalf of the Management of WACCU
3. Performing filing duties as may be directed by the Manager
4. Ensuring that all office equipment are functioning well and reporting malfunctioning equipment to the Accountant of WACCU
5. Distributes letters from top management to appropriate departments and officers
6. Receive all WACCU letters on behalf of the Board, Manager and other top Management staff and forwards them to the Manager for action
7. Draft responses to letters for the top Management
8. Ensure cleanliness of the surroundings
9. Receive incoming calls and directs to the appropriate staff
10. Receive visitors on behalf of the Manager

**JOB TITLE – Cashier**

- Receive Cash/Cheques from Members
- Make payments to members
- Correctly enter all transactions into the banking software on daily basis
- To adequately account for all monies collected for the day before closing
- To exhibit politeness in serving members
- To ensure that all machines relating to cashiering are working well and to report any malfunctioning machines to the Accountant/Branch Manager
- Handle minor complaints in the Union professionally
- Identify and report irregularities and fraud to your supervisor
- Perform any other functions as directed by a superior.

**JOB TITLE – Accounts Officer**

- Prepares the Monthly Bank Reconciliation statement for all WACCU Bank Accounts
- Raise payment vouchers for Review by the Accountant and subsequent approval
- Payment of petty expenses and other GL related payments as directed by the Accountant
- Entry of payment vouchers into the CuSoft on timely basis
- Making daily counter imprest available to the cashiers on daily basis
- Handling the petty cash of WACCU in a proper manner
- Handling the stores and ensuring that required items are available for use and their issues appropriately accounted for
- Running of errands on behalf of and on instruction of the Accountant
- Ensures that any cash in the safe in excess of the minimum requirement is forwarded to the Accountant for the strong room custody.
- Assist the Accountant in processing account opening forms
- Carry out all banking transactions of WACCU (depositing and withdrawal of cash from the various Banks)
- Assisting with member care in the banking hall
- Any Other duties that may be assigned by the Accountant

**JOB TITLE – Loans Field Officer**

- Counsel Potential loaners on loan procedures and practices of WACCU
- Assist qualified loaners to complete appropriate loan forms
- Carry out adequate business verification and assessment of loan applicants business
- Carry out proper inspection of properties pledged as collateral security and prepare reports on same
- Register and file all collateral security documents appropriately
- File all approved and disbursed loan forms at the end of every week
- Prepare a Monthly report to the Loans officer on all activities undertaken during the month.
- Any other duties assigned by the Loans Officer

**JOB TITLE – Internal Audit Assistant**

### **JOB TITLE – Microfinance Field Officer**

1. Supervise group formation in accordance with WACCU's standards
2. Orientation of groups following guidelines laid down by WACCU
3. Processing of Individual and group loan application forms
4. Carry out field business assessments on all group members applying for loans
5. Disbursement of loans to groups through executives
6. Collection of group loan repayments, savings and group fund monies and accounting for same to WACCU and the group.
7. Attendance at all group meetings on daily, weekly, bi-weekly and monthly basis
8. Managing of the loan portfolio of all groups assigned to ensure profitability and acceptable delinquency level.
9. Updating of the files of all groups assigned
10. Preparation of Weekly field visit reports on all field activities performed
11. Updating the profile report of all groups managed.
12. Educate members and potential members on the products of WACCU
13. Any other duty assigned by your supervisor

### **JOB TITLE – Branch Supervisor**

- Handles members queries in a friendly and timely manner
- Take steps in consultation with the Manager to ensure that business grows at the Branch.
- Supervises all other staff assigned to work at the Branch in a manner that promotes good business and team building
- Ensure that equipment and systems are functioning properly to support the business operations of the Branch.
- Making daily Counter Imprest available to the cashier(s) and ensuring that cashiers balance before they close the day.
- Ensuring the daily cash takings are safeguarded appropriately
- Authorizing the daily withdrawals at the branch to enable cashier(s) work smoothly
- Authorise Branch Expenses for payment
- Prepare Monthly Reports and submit to the Manager as follows:
  1. Monthly Income Statement
  2. Monthly Balance Sheet
  3. Monthly Statistical Report
  4. Monthly portfolio ageing and delinquency report
- Handle Account Opening and Closure issues
- Any other duties assigned by the Manager

### **JOB TITLE – Senior Cashier**

1. Payment of loans to members
2. Receiving of Money or Credit Transfers
3. Checking of members savings / loan balances
4. Management of stocks (Store Keeper)
5. Submit registers to the Accountant for reconciliation and endorsement daily.
6. Act in place of Accounts Officer in his / her absence.
7. Keep and maintain **Stock Register (SR)**
8. Keeps and manages money or **Credit Transfer Register (C. T. R)**

### **JOB TITLE – Member Service Officer**

- Thorough counseling of new and potential members before accounts are opened
- Ensures that new member accounts are properly opened
- Handling of member enquiries in an efficient manner
- As the first point of call for members/potential members and visitors, ensures that they are well handled or directed to the appropriate officer
- Basic counseling of potential loaners before directing them to the loans department
- Proper handling of member complaints to ensure member satisfaction
- Assist the Accountant in processing account opening forms
- Contribute to data integrity by updating the system with member information
- Co-ordinate with Accountant/Auditor in the update of member passbooks with errors & omissions
- Assisting with member care in the banking hall
- Any Other duties that may be assigned by the Accountant

### **JOB TITLE – Assistant Accountant**

1. In-charge of the petty cash
2. Maintain **Cash Movement Register (CMR)**
3. Management of cash safe and a sole custodian and submit **CMR** to Manager weekly for reconciliation.
4. Submit petty cash book with to the Accountant weekly for reconciliation and endorsement by the Manager
5. Disbursement of loans to members.
6. Act in place of the Accountant his / her absence.
7. Any other official duty assigned by the Accountant.

### **JOB TITLE – Branch Manager**

- Handles members queries in a friendly and timely manner
- Take steps in consultation with the Manager to ensure that business grows at the Branch.
- Supervises all other staff assigned to work at the Branch in a manner that promotes good business and team building
- Ensure that equipment and systems are functioning properly to support the business operations of the Branch.
- Making daily Counter Imprest available to the cashier(s) and ensuring that cashiers balance before they close the day.
- Ensuring the daily cash takings are banked appropriately
- Authorizing the daily withdrawals at the branch to enable cashier(s) work smoothly
- Authorizes Branch Expenses for payment
- Prepare Monthly Reports and submit to the Manager as follows:
  1. Monthly Income Statement
  2. Monthly Balance Sheet
  3. Monthly Statistical Report
  4. Monthly portfolio ageing and delinquency report

- Handle Account Opening and Closure issues
- Any other duties assigned by the Manager

#### **JOB TITLE – Microfinance Coordinator**

- Promote the entry of WACCU into new communities with Microfinance
- Co-ordinate the creation of groups in accordance with WACCU outreach and growth plans
- Co-ordinate the formation and orientation of all Microfinance groups
- Supervision of field operations and monitoring of field officers to ensure efficient delivery of the programme
- Ensure that all scheduled repayments are collected by the field officers and accounted for
- Accompanies field officers to all cash disbursement meetings to ensure that the right members receive loans
- Review all field reports submitted by the field officers and take prompt action
- Ensures that figures indicated in the passbooks of Microfinance Groups correspond with figures in the loan tracking software at all times
- Ensures that all documents used in administering the programme are reconciled at least once per cycle
- Prepare a monthly narrative report to the Manager, detailing all activities carried out, any new risks and challenges faced, weaknesses discovered in Field Officers Job and Recommendations among others
- Prepare a monthly financial and portfolio/profile report to the Manager
- Any other duties assigned by the Manager

#### **JOB TITLE – Credit Officer (LOAN OFFICER)**

- Ensure that Potential loaners are adequately counseled on loan procedures and practices of WACCU
- Follow up (both physically & remotely) all loans granted to ensure prompt repayment
- Ensure that proper inspection of properties pledged as collateral security and ensure safe custody of same
- Prepare demand notices for Manager's signature and issue same to loan defaulters
- Arranges recalcitrant loaners before court in consultation with the Management of WACCU
- Prepare a Monthly report to the Manager setting out all details of loans given.
- Submit a monthly delinquency report to the Manager specifying which members are delinquent and steps being taken to recover these loans
- Recommend loans for the Manager's Comments before they go to the Loans Committee for approval
- Attend Loans Committee sittings for loan approvals.
- Prepare LPP & LSI returns for approval by the Manager
- Any other duties assigned by the Manager

### **JOB TITLE – Internal Auditor**

- Performing value-for-money audit
- Compliance audit
- Detailed examination of financial and operational data
- Review Management, operational, accounting, organizational, internal controls and other business systems.
- Undertake special investigation such as fraud or theft
- Make recommendations in relation to the improvement of systems.

### **JOB TITLE – Accountant**

- Development and maintenance of the Union’s accounting system in general;
- Development, enforcing and refining of the Union’s accounting and financial policies;
- Managing the Union’s cash and funds;
- Establishing an effective budgeting and budgetary control;
- Advising the Union on making sound investments and how to manage its surplus funds;
- Keeping track of the Union’s loans and receivables and account payables; management;
- Establishing and maintaining a sound inventory management and control system in order to assist the Union to effectively cost and price its programs and services;
- Generating the appropriate, accurate and reliable accounting and financial reports to guide and inform management decision-making
- Preparation of the payroll and ensuring that all statutory requirements are met
- Keeping and updating of investment and Assets Registers
- Reviews the opening or closure of member accounts.
- Authorization of withdrawal vouches above the Cashiers’ limit.

### **JOB TITLE – Manager**

1. Preparation of staff annual leave roster
2. Review of monthly and annual financial statements
3. Review and endorse the following:
4. Staff payroll
5. All Payment request forms or letters and vouchers

#### iii. Stock requisition forms

1. Staff attendance register (book) and leave application
2. Manual Bank Reconciliation
3. Cash Movement Register (CRM) weekly.

#### vii. Assets and Investment Registers

#### viii. Loans Disbursement Register (**LDR**)

1. x. **WACCU** Annex records
2. Stock Register (book)

#### xii. Cash Book



xiii. All correspondences

xiv. Petty cash book

**4. Authorization and Approval of the following:**

(a) All payment vouchers and issuance of cheques

(b) Petty cash float (imprest)

© Staff salaries disbursements

(d) Payment of salary advance, arrears and allowances

(e) Disbursement of loans to members.

(f) Closure of account by a member

(g) Cash withdrawals from Banks.

(h) The allocation and use of any WACCU asset or equipment by staff or member.

(i) All loans to members within savings.

(j) All statutory payments or deductions to MMDA's.

5. Sole responsibility of making deletions in the software.

6. Investment of surplus funds of WACCU, preparation of Risk Management Strategy (R M S) and writing of Investment proposals to BOD.

7. Attend BOD meetings, liaise with other committee members and implement BOD policies or directives.

8. Preparation of comprehensive loans portfolio management report to BOD monthly.

9. General supervisor of WACCU main and Branch offices activities

10 Authorize the opening of new account for a potential member.

11. Approval of annual or sick leave of staff

**THE FOLLOWING ACTIVITIES CAN NOT BE UNDERTAKEN WITHOUT THE APPROVAL FROM THE BOD OF WACCU AT A PROPERLY CONVENEED MEETING.**

1. Investment of any kind

2. Payment of dividend to members

3. Loans to and from sister unions.

4. Employment, promotion and demotion of staff.

5. Redemption or liquidation of any investments.

6. Any capital expenditure above the Manager's limit

7. Opening of a new Bank account for WACCU

8. Budgets, estimates, proposals, policies, , fees for consultancy services.