

# Capacity Building Workshop for partner implementing CSOs

## **Financial Management**

7 October 2016

# The International Red Cross and Red Crescent Movement

The International Red Cross and Red Crescent Movement is the world's largest humanitarian network. The Movement is neutral and impartial, and provides protection and assistance to people affected by disasters and conflicts.

The Movement is made up of nearly 100 million members, volunteers and supporters in 190 National Societies. It has three main components:

- The International Committee of the Red Cross (ICRC)
- The International Federation of Red Cross and Red Crescent Societies (IFRC)
- 190 member Red Cross and Red Crescent Societies

# What we do

**Health and care**



**Migration**



**Risk reduction**



**Shelter**



**Recovering**



**Capacity Building**



**Disaster Management**



**Volunteers**



# The seven Fundamental Principles



1. Humanity
2. Impartiality
3. Neutrality
4. Independence
5. Voluntary service
6. Unity
7. Universality



1. มนุษยธรรม
2. ความไม่ลำเอียง
3. ความเป็นกลาง
4. ความเป็นอิสระ
5. บริการอาสาสมัคร
6. ความเป็นเอกภาพ
7. ความเป็นสากล

# Governance

- Secretariat
- The President
- The secretary General
- Global Senior Management
- The Governing Board
- The Commissions and Committees
- National Societies
- Policies

# Our respond

Transparency and Accountability

Fraud and Corruption Prevention and Awareness policy

Code of Conduct



# Fraud and Corruption Prevention and Awareness policy

## **Definition**

### **Fraud:**

Fraud is any intentional act or omission designed to deceive others, resulting in the victim suffering loss and/or the perpetrator achieving a gain.

### **Corruption:**

Corruption is the abuse of entrusted power for private gain, including bribery.

# Fraud and Corruption Prevention and Awareness policy (continue)

**Fraud** and **Corruption** do not necessarily imply immediate financial benefits for the individual(s) committing fraud or corruption, but may cause financial or reputational damages to the International Federation.

States consider such offenses to be criminal and/or violations of civil law.



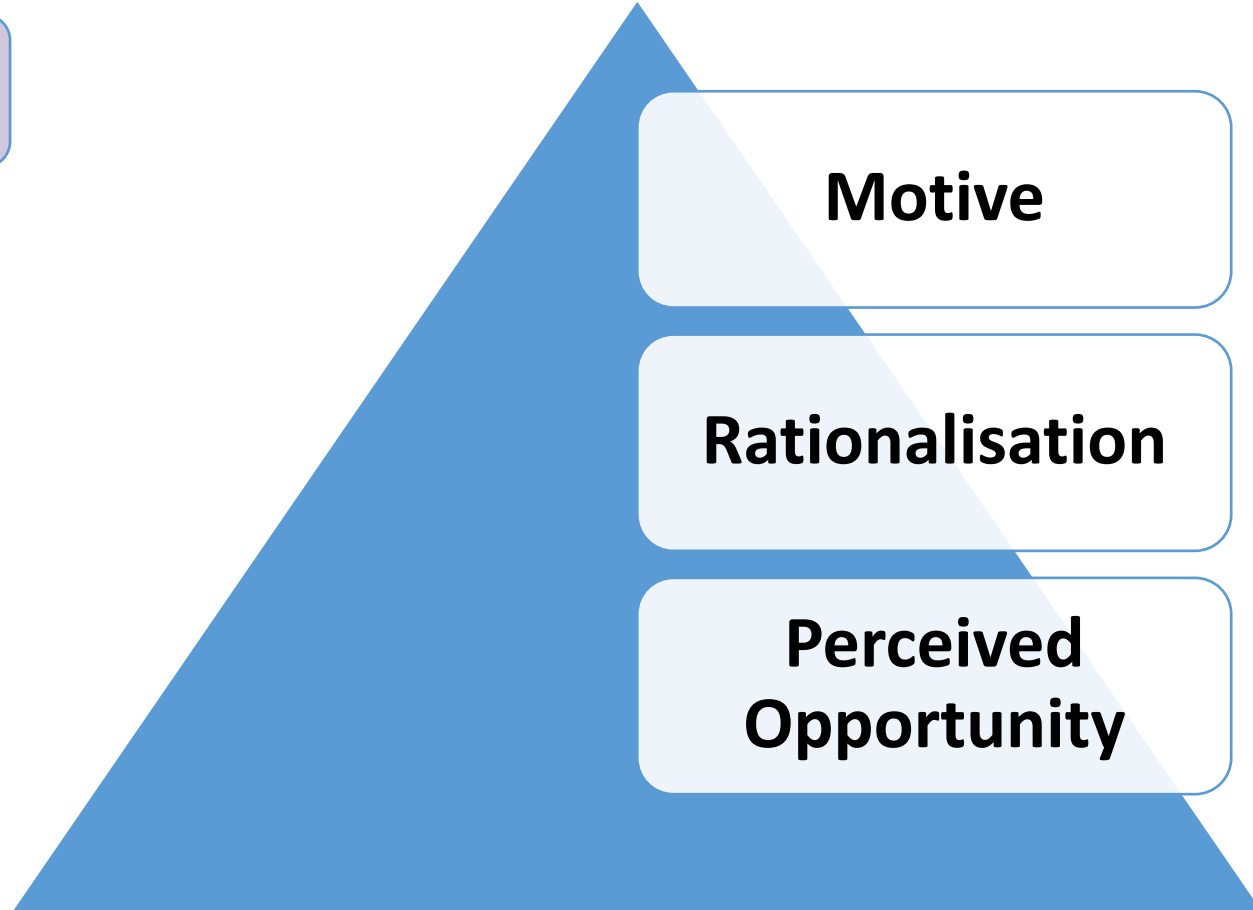
# Fraud and Corruption Prevention and Awareness policy (continue)

Elements

**Motive**

**Rationalisation**

**Perceived  
Opportunity**



# Fraud and Corruption Prevention and Awareness policy (continue)

## Roles and Responsibilities

### Internal control

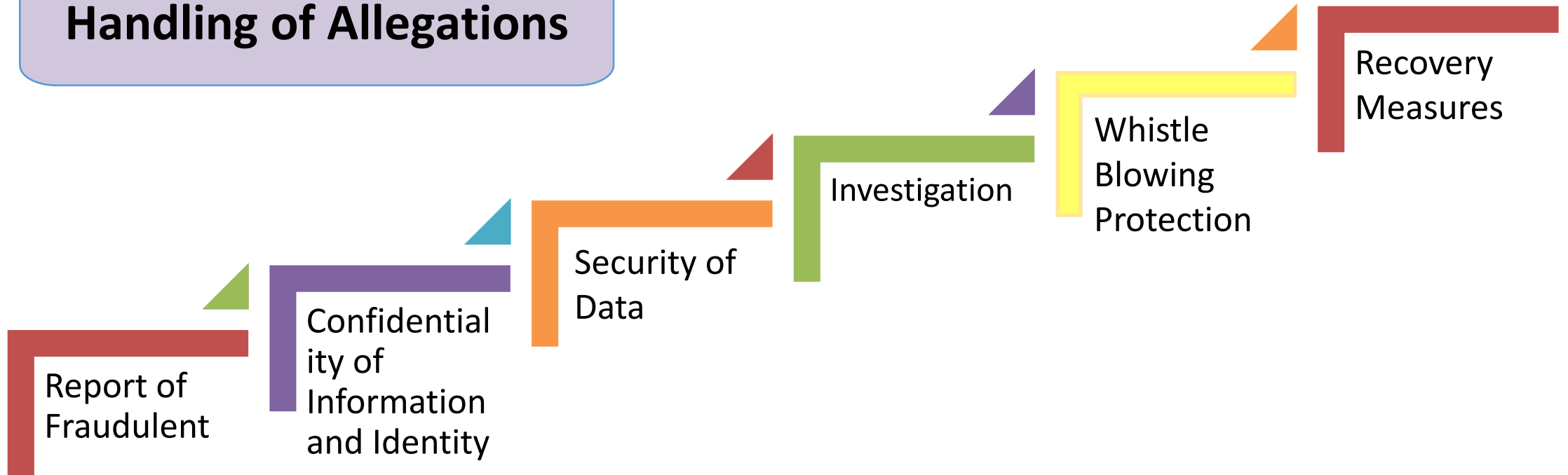
- Managers
- Human Resources Department
- Finance Department
- Global Logistics Service
- Risk Management and Audit Department
- Insurance Unit
- Legal Department
- Finance Commission and Audit and Risk Committee

### External control

- External Auditors
- Cooperating Partners, Contractors and Suppliers

# Fraud and Corruption Prevention and Awareness policy (continue)

## Handling of Allegations



# Fraud and Corruption Prevention and Awareness policy (continue)

Examples of potential Fraudulent



# Fraud and Corruption Prevention and Awareness policy (continue)

## Effect of Fraudulent





Project Financial Management

**Rights of Migrants in Action**

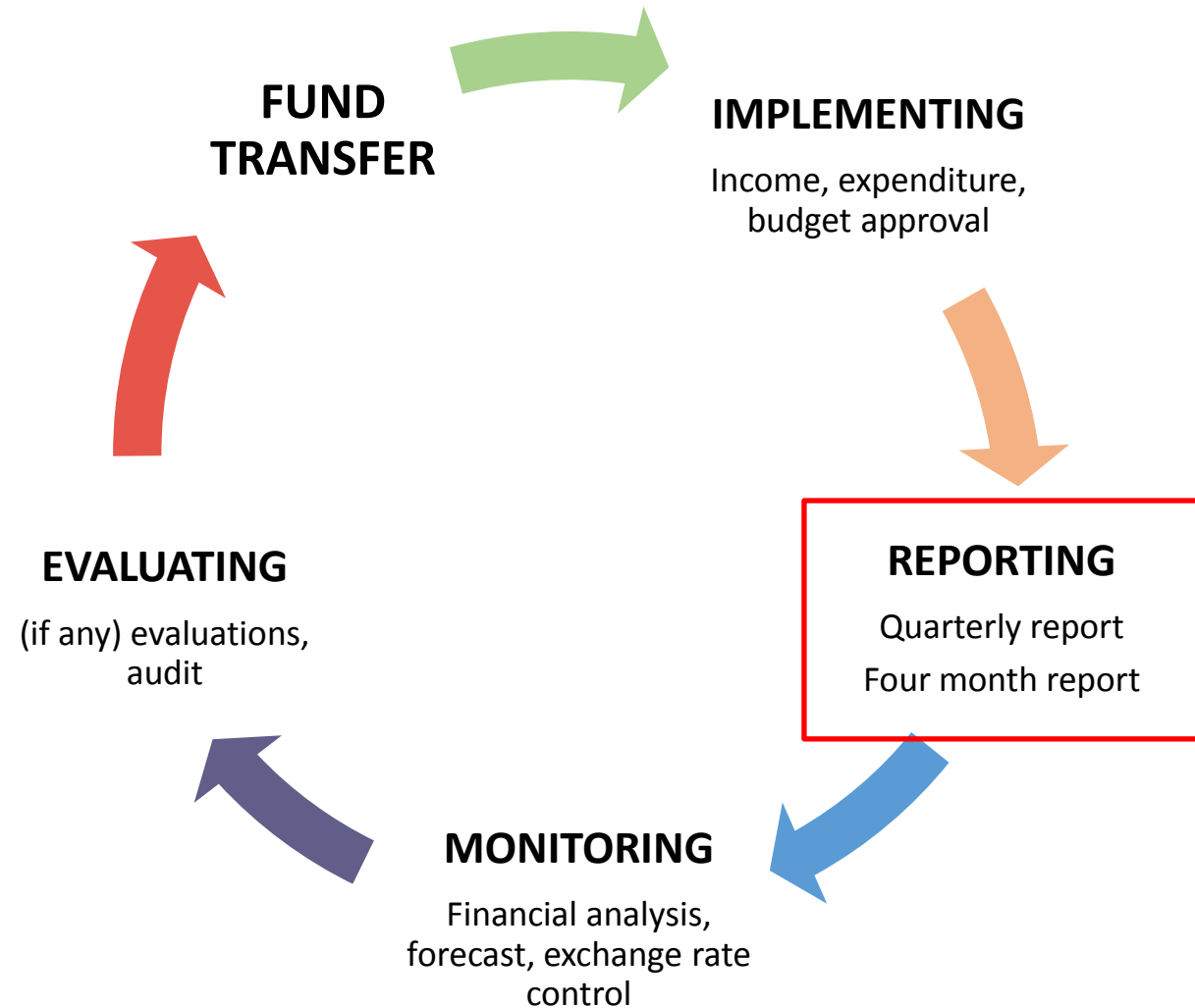
Donor



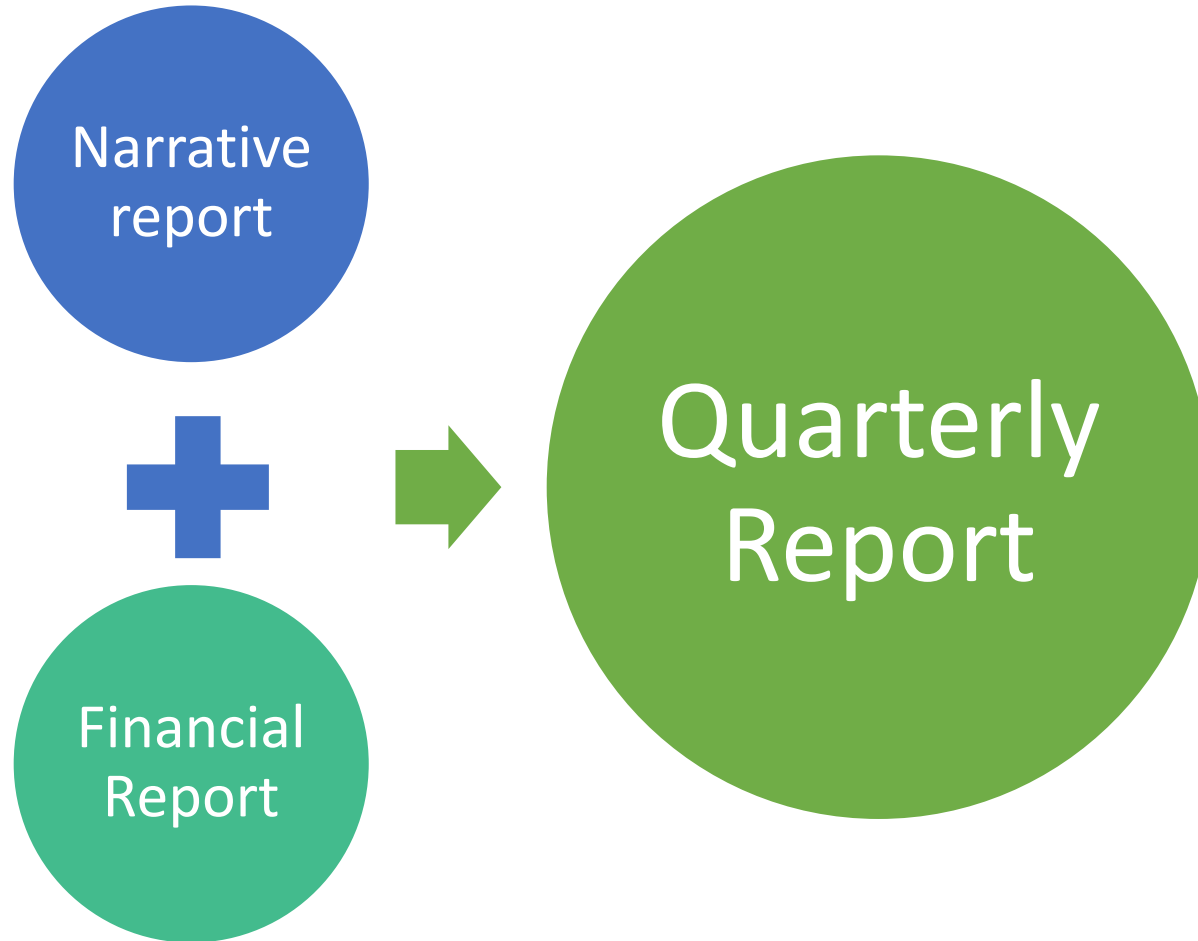
**EUROPEAN  
COMMISSION**



# Project Financial Cycle



# Complete Reports



# Financial Management Tools

- Procurement Policy
- HR Policy
- Payment Policy
- Segregation of Duties
- Travel Order/Mission Order
- Comparative Bid analysis
- Cash Disbursement Policy

# Financial Monitoring

## Ineligible Cost

- × Missed used of fund
- × Missing document supports  
(purchase order, official receipt, etc.)
- × Missing authorization and approval payments
- × Payment for expensive price without explanation
- × Receipt in personal name (must be organization name)

# Payment to Suppliers and Service Providers

## List of supporting documents

- ✓ Purchase Order/Contract/Agreement
- ✓ Invoice (includes Proforma invoice for advance payment or deposit)
- ✓ Goods Received Note/Delivery Notes/Service Received Note
- ✓ Authorise and signed approval

# Travel cost and per diem

## **Key Principles**

- Ensure the expenses have been incurred for legitimate project purposes

## **Approvals and Responsibilities**

- Travel order with signed approve his/her line manager
- Attached the invitation letter/Agenda/TOR
- Original receipts must support all expense reimbursement claim

# Travel cost and per diem (continue)

## **Air Travel**

- Economy class air ticket
- Original receipt requirement
- Passenger Boarding Pass
- Copy of e-ticket confirmation

## **Vehicle Rental**

- Use standard vehicle rental

# Travel cost and per diem (continue)

## **Taxi**

- Public taxi
- The receipt must indicate the points of departure and destination

## **Accommodation**

- Expect reasonable, standards and rates
- Luxury accommodation will not be reimbursed
- Original receipt required



# Travel cost and per diem (continue)

## Per diem

Traveller on IFRC business, traveller is required to be away from Duty Station is **greater than 10 hours**.

### Per diem deduction

- Breakfast 10%
- Lunch 25%
- Dinner 45%

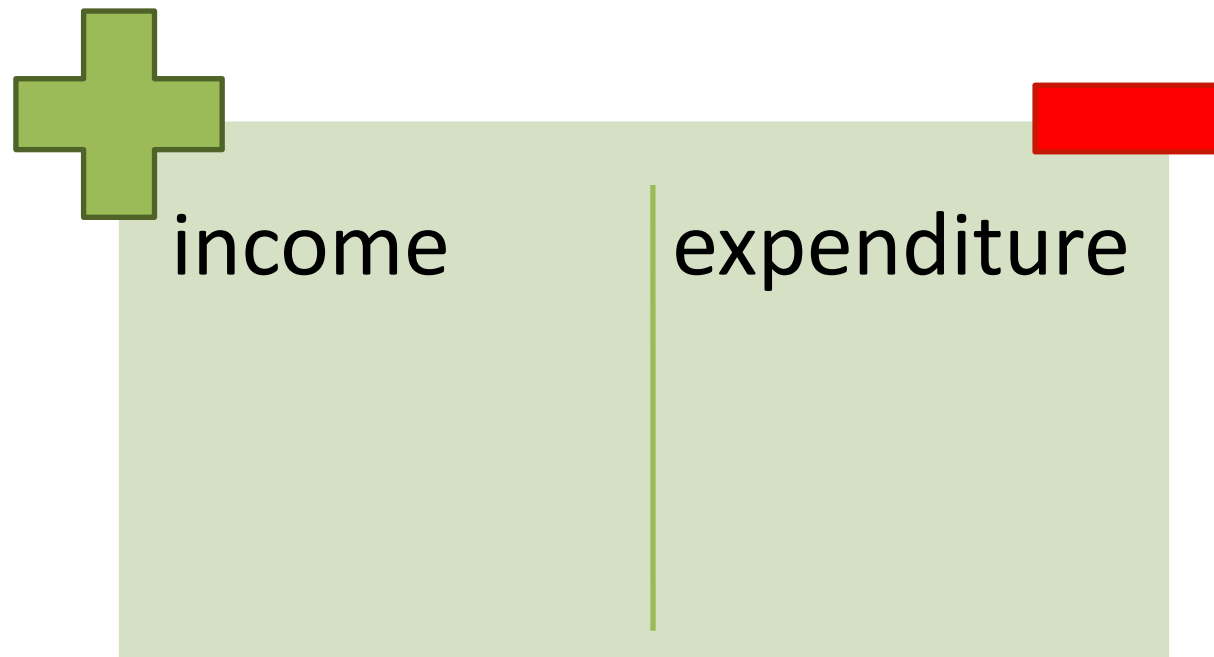
# Travel cost and per diem (continue)

## **Example : Thai Red Cross per diem rate**

- 450 Baht per day

# Project support and monitoring

“The Project Partner shall keep and shall **promptly make available to the IFRC**, upon request, **accurate and regular records and accounts** of the implementation of the Project”



# Financial Report

## Income

**Funding  
received**

**Interest**

## Expenditure

**Activity 1**

**Activity 2**

## Balance

**Bank reconcile**

**Cash reconcile**

# Accurate and regular records and accounts

- suppliers invoices, vendors receipts, bank statements, payroll documents, petty cash statements, fixed asset disposal forms, and financial reports generated by a financial computer system.
- maintain personnel files of individuals hired by the Project Partner whose salaries and/or benefits are paid in full or in part using funds transferred by the IFRC (Contract, JD, Payroll and organization chart)
- Fixed assist registration, log book

# Audit

IFRC reserves the right, at its discretion, to perform audits or financial reviews so as to ensure the **accountability** of Funding received. The Project Partner shall facilitate the audits or financial reviews and shall provide access to and make **available** without restriction all relevant financial and operational information, as well as certified statements of account relating to the Project, to persons so designated by the IFRC. The Project Partner shall also provide satisfactory explanations to all queries arising in connection therewith.

# Transparency & Accountability



**Transparency**



**Accountability**

# Contact detail

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