FINANCIAL AND ACCOUNTING POLICIES AND PROCEDURE MANUAL

FOR

TANZANIA STATISTICAL ASSOCIATION (TASTA)

September, 2021

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CHAPTER ONE

BACKGROUND INFORMATION

1.1. Introduction

The manual sets out policy guidelines on the major operating issues and concerns of the Association. Should the need for clarification arise on matters not specifically provided for in the manual, the Executive General Secretary of the TASTA Executive Committee will provide such interpretation.

The Executive General Secretary of the TASTA Executive Committee is responsible for the general administration of the manual. The users of this manual will include Board of Trustees; TASTA Committees (oversee compliance); Auditors (establish compliance with policies); and Members (develop policies, approve reviews).

The manual will be shared with all staff and members to ensure sufficient understanding and uniform use. Any additional control, procedures or policy requirements by donors shall be implemented as per the requirements and or agreement with any such donors.

1.1.1. Purpose of the Manual

This manual aims to amongst others:

a) To define the financial policies, controls, systems and procedures.
b) To give guidance on financial reporting requirements.
c) To ensure a uniform accounting practice across the Association, even where staff change.
d) Facilitate a strengthened organizational management and financial controls.

e) Ensure compliance with relevant local laws and statutory regulations.

1.1.2. Manual Maintenance

a) The Manual will be formally reviewed every three (3) years. This may be supported by consultants. Any amendments, revisions or policy changes to this manual have to be approved by the General Assembly.
b) In case of a conflict between stipulations of the manual with the other regulations. The constitution of TASTA shall prevail and be the guide of this manual.

1.2. Accounting Policies

1.2.1. Basis of Accounting

The Association shall adopt a cash basis of accounting. Further the following accounting principles shall apply:

a) Transactions shall be recorded at the purchase price on the date of the transaction.
b) Annual accounts are prepared on a consistent basis implying that the organisation will follow the same accounting methods from one year to the next. Any changes in the methods must be reported

1.2.2. Income

Income is recognized in the financial statements on the date funds are received or when confirmed to have been remitted

1.2.3. Expenditure

Expenditure is recognized when payments are made.

a) Expenses that are directly related to a specific program are to be charged 100% to that program.
b) Overheads and expenses related to more than one project are to be allocated across such projects using basis such as staff time allocation, percentage donor contribution to overall budget etc.

1.2.4. Currency

The financial statements are reported in Tanzanian Shilling (TSh). Transactions in other currencies are changed to TSh at rates of exchange ruling on the dates of the transactions.

1.2.5. Financial Year

The financial year of the Association shall be the period of twelve months commencing from the first day of July, ending on the last day of June of the next year.

1.2.6. Property, Equipment and Depreciation

a) Fixed property and equipment bought using grants/donor funds will be directly expensed.
b) All property and equipment shall be maintained in an asset register that will be updated regularly with additions and disposals.
c) Depreciation shall be calculated to write off the cost/valuation of the fixed assets on a straight-line Method over the expected useful lives of the assets concerned.
d) Fully depreciated fixed assets will remain on the TASTA Statement of Financial Position and will be included on the tangible property tax return until disposed of or otherwise deemed worthless.

CHAPTER TWO

BUDGETING AND YEAR-END PROJECTIONS

The purpose of a budget is to provide a statement, expressed in financial terms, that serves as the primary tool for planning and controlling operations. To achieve this basic purpose, a comprehensive budget must be integrated with the TASTA financial systems to ensure that objectives of planning, coordinating, evaluating, and controlling are attained. The overall budget policies are as follows.

2.1. Overall Budget Policies

a) To properly carry out its financial responsibilities, the Association shall develop and work with Finance Committee for each financial year.
b) Budgets need to be supported with detailed objectives and activities (project plans).
c) Budgets will be generated by costing activities generated by Executive Committee and each standing Committee. If possible, budgets should be activity based.
d) Budgets need to contain explanatory notes giving full details of how budgetary figures are arrived i.e., budget calculations should be done as support to each budget.
e) The budget for each project should also show how much administrative recovery can be charged to cover the costs of overheads/support costs.
f) Budgets should be balanced. Deficit budget must be avoided. If the budgeted expenditure exceeds expected funds, expense reduction or possible soliciting of additional funds will be explored.

g) Once budgets are approved, revisions can be done only if there are material external changes. Such changes will have to be approved by the Executive Committee.
h) Comparison of actual revenue and expenses with budgeted figures will be accomplished by the Finance Committee or Treasurer or both. Any variance of more than 10% needs to be explained by the budget holder. Appropriate actions such as review of activity plans or budget reviews will be taken to remedy discrepancies, if any.
i) New project budgets are prepared on Zero based budgeting basis; multi-year budgets can be on incremental basis.

2.2. Budget Preparation and Approval (Budget Cycle)

a) Budget preparation shall be zero based as different projects are implemented in different phases.
b) Budget cycle shall be determined by the project phase of six (6) months to one (1) year as determined by the Association and any other donors from time to time.
c) The size of the budget shall depend on the activity levels of the Association.
d) The budgeting process starts by all Committees overseeing activities and budgets for their respective projects/areas.
e) The Treasurer will then consolidate all individual budgets into TASTA-wide budget.
f) Budgets are shared with Finance Committee for review (check if: costs are reasonable, well calculated, complete, fit donor requirements).
g) Subsequently the Finance Committee will share budgets with Executive Committee for review; the Finance Committee and Treasurer will incorporate Executive Committee's feedback, if any.
h) Budgets are formally approved by the General Assembly.

i) For annual-wide budgets, it is necessary to start planning early enough to provide sufficient time for review and approval ahead of implementation. Specifically, the budget planning process should start in October and follow the following budget calendar:

2.3. Budget Calendar

The budget calendar is established as a protocol for financial data collection, current financial year analysis and preparation of cost and revenue projections for the next financial year budget. While the TASTA financial year (FY) runs from 1st July to 30th June of the next year, the donor countries' financial year may vary depending on their policies and guidelines. It is the policy of the TASTA to maintain and adhere to an annual budget development cycle based on the following timeline expectations:

a) **February**: All Committees will review their previous years budgets with the Executive Committee to evaluate what will be continued, revised, or added (new) for the coming year.
b) **March**: Each Committee then prepare an initial line-item budget to be submitted to the Treasurer by 30th March for compilation.
c) **April**: Treasurer shall compile the proposed budgets of all organs of the Association and table the main budget before the Executive Committee for discussion and recommendation.
d) **May**: The Executive Committee, shall submit the proposed budget to the Finance Committee before it is tabled to the General Assembly for approval so as to receive, discuss and recommend on the proposal. Treasurer and Executive Committee will incorporate Finance Committee suggestions into a refined balanced budget by 30th May)
e) **June**: The budget is submitted to the General Assembly by the Executive Committee before 30th June for approval ready for implementation for the following year.

2.4. Budget Monitoring and Amendments

a) Every Chairperson of Committee must restrict expenditure within the limits of available funds once approval has been done.
b) The operational budget and plan will be used to guide daily management of expenditures.
c) Budget monitoring shall be the responsibility of the Chairperson of each Committee. The Finance Committee shall oversee the overall monitoring and reporting.
d) Project actual costs are to be prepared by the Treasurer/Accountant monthly and these are compared to the (originally) approved budget lines.
e) The budget will always therefore be incorporated in the financial reports, to compare actual spending or revenue against what was planned. All variances more than 10% of the budgeted amounts shall be investigated and corrective action recommended.
f) Budget amendments must be approved beforehand. Proposals for budget amendments are generated by Treasurer and shared with the Executive Committee, General Assembly, or donors for approval.
g) The Treasurer should provide a budget vs. actual income and expenditure quarterly report to every Chairperson of the Committee.
h) The Chairperson of the Committees are expected to review budget vs. actual income and expenditure quarterly report for accuracy, completeness, as well as level of progress against budget/ plans.
i) Treasurer will then incorporate comments and suggestions from each Committee and submit to the Executive Committee for signing.

CHAPTER THREE

ACCOUNTING FOR INCOME, CASH AND BANK

3.1. Cash Receipts

a) The Association shall separate the receiving from recording of cash. The Treasurer/Accountant will be responsible for receiving and issuing receipts. The cash will then be handed over to the Treasurer/Accountant who makes the necessary entries in the cash book before banking the cash.
b) All receipts in the name of the Association (cash, cheques) shall be recorded on an official pre-numbered receipt in duplicate and shall all be numbered consecutively.
c) All cash receipts should be counted and verified by the Treasurer before being deposited intact to petty cash box on the same day and banked latest the following banking day. All banking shall be supported by the pay in slips stamped by the Bank.
d) Physical handling of cash shall be the responsibility of the Treasurer or any other authorized officer.
e) Official Receipts will be issued as follows: original copy to payer, donor, or funding agency. Copies of all the receipts shall be retained and properly safe guarded for the purpose of audit and/or any other purpose.
f) Unused receipt booklets shall be in the custody of the Treasurer, and a register of issuances shall be maintained to control the use of receipt books for hard copy and receipt numbers for electronics.
g) The Treasurer is expected to record all cash receipts in the Books and posts in the cash receipts book and to the subsidiary ledgers. These should be reconciled to the physical documents periodically.

h) The official receipts voucher generated should be filed together with the supporting documents. Receipts should be completed with information on Date; Received from (Payer); Amount in words and figures; Description; Account codes and class; Subsidiary reference and Cashier's signature.

i) Whenever a receipt is cancelled, the original shall be left in the receipt book with brief comments as to why it was cancelled. And if another receipt is issued in its place, this should be indicated on the cancelled one e.g., "cancelled, replaced by receipt No XXX".

j) Care should be taken to ensure that funding partner requirements regarding handling of their funds are strictly observed and especially ensuring that all their grants and other receipts for projects are banked in separate bank accounts.

k) Cash received should NOT be added to a petty cash float or used to make payments. All cash received will be banked INTACT next working day.

l) Without prejudice to the foregoing provision, the receipts can only be destroyed five years after the financial years to which they relate after recommendation made by the External Auditors.

m) A Certificate of destruction shall be prepared for unused receipts which have become obsolete or which have been damaged, in the presence of three TASTA members, after being dully authorized by the Executive Committee.

n) The certificate of destruction which shall be held as a permanent record shall have full particulars of name and numbers of the receipts destroyed and should be signed and dated by the External Auditor or Chairperson of the TASTA, the destruction showing their names, designation, signature and date.

3.2. Notification of Income

a) All leaders/staff/members of the TASTA concerned with provision of services of the TASTA to customers or clients, shall promptly notify the Treasurer the amount of income due to the TASTA from such services.
b) Upon receipt of such notification the Treasurer shall promptly raise or cause to be raised the charges for the moneys due from the parties concerned.
c) Every acceptance of the TASTA's money by Treasure or any other authorised person or transfer of money from one member of the TASTA to another shall be acknowledged without delay, by means of an appropriate official receipt.
d) All moneys received on behalf of the TASTA shall be promptly deposited with designated bank account or with cashier for safe custody.
e) All moneys received by the TASTA shall be deposited to the TASTA's bank account promptly and intact or to the TASTA's Treasurer or any authorized person who shall also promptly and intact deposit the same to the TASTA's bank account.

3.3. Bank and Cheque Receipts

a) All Cheques received should be in the name of the Association. Received cheques shall be banked the same day or latest the next banking day and deposit slips prepared in duplicate & a copy attached to the receipts and filed.
b) The Treasurer is responsible for issuing receipts. When funds are received, the Treasurer should immediately issue a pre-numbered receipt, sign it and give the original receipt to the person or organization making the payment.

c) One duplicate copy of the receipt should be filed together with the Transaction Journal supporting the entry into the accounting system and the other duplicate copy should be left in the receipt book.
d) Whenever a receipt is cancelled, the original shall be left in the receipt book with brief comments as to why it was cancelled. And if another receipt is issued in its place, this should be indicated on the cancelled one e.g., “cancelled, replaced by receipt No XXX”.
e) When a check is dishonoured, the Treasurer shall communicate with the drawer immediately. The dishonoured check shall not be released until the drawer make acceptable alternative payment. The entry of the check shall be reversed in the cash book.
f) All unused receipts shall be placed under lock and key by the Treasurer. It is his/her responsibility to issue more receipt books after the previous ones are completely used and accounted for. A register will hence be maintained showing the serial numbers of the receipts that have been issued and how they are accounted for.

3.4. Direct Transfers by Donors

a) Whenever, donors make transfers directly to the bank accounts of the Association, they often send a message about the same, indicating the exact amount transferred, the bank account to which transfer was made and the grants and projects for which funds are to be used. Some banks also often indicate when such funds are received.
b) The person who receives the message from donor or bank should send a reply that the message has been received and inform a defined list of others within the Association who need to know, including the Chairperson of TASTA, Executive General Secretary, Chairperson of the Finance Committee (if he/she is not the one

who receives the message) and responsible committee/member initiated the fund proposal.

c) The Treasurer is then expected to credit the correct amounts to the projects and grants concerned, and to write a receipt and sent it to the correct donor agency.

3.5. Bank Management

a) The Association shall maintain Bank accounts for the safety of its funds. The number of such accounts to be opened and maintained by the Association would depend on its needs from time to time.

b) The number of bank accounts should be kept to a minimum necessary to enable the Association to transact its business. All the Association's financial transactions must flow through designated bank account.

3.5.1. Bank Signatories

a) Each of these accounts should have a minimum of 2 and a maximum of 3 signatories and the mandate would be at least two to sign. Category A: The Chairperson or Vice Chairperson of the Association and Category B: Executive General Secretary and Treasurer

b) It is advisable to have three authorized signatures on any cheque more than TSh. 10,000,000. Permanent records of authorized cheque signatories should be kept as part of the Association's records.

c) The signatories could thus include: Chairperson of the Association, Vice Chairperson, Executive General Secretary and Treasurer.

3.5.2. Bank Reconciliation

a) The Treasurer will be responsible for all the bank reconciliations of the Association.

b) Bank Statements of all bank accounts shall be obtained at least once in every month. Each bank account (bank statement) shall be reconciled monthly in any case not later than the 5th of the following month and approved by the Chairperson of the Finance Committee.
c) Any discrepancy arising from bank reconciliations should be noted and settled with the Bank as soon as possible. Persons other than those who physically handle the cash or keep any records involving cash should do reconciliation.
d) The process of bank reconciliation shall require the following;
   (i). Secure all monthly bank statements by the 10thof the following month.
   (ii). Compare transactions in the bank statements against transactions recorded in the cash book.
   (iii). Compare deposits as indicated in the bank statement with the cash book. Un-cleared deposits and credits will be shown as deposits in transit (DIT).
   (iv). Compare the paid cheques with entries in the cash book. Un-cleared cheques and payments will be reflected as outstanding cheques (OC).
   (v). Observe or note for other reconciling items such as bank charges, interest, withholding taxes, bank debit and credit memos and bank/book errors.
   (vi). Obtain from bank copies of debit/credit memos or similar documents that are not enclosed in the bank statements.
   (vii). Prepare journal entries for other reconciling items.
e) The bank statements should be filed with bank reconciliations and retained for future use.
f) All bank reconciliations must be filed in chronological order.

3.5.3. Cancelled/Stale Cheques

a) Spoiled cheques should be properly marked CANCELLED, if signed, signature be mutilated.
b) The cheques are to be retained and filed in the cheque payments with the voucher clearly stating the reason for cancelling or voiding.
c) All stale cheques with suppliers must be recalled and letter written to the bank to 'stop payment' on such cheques.
d) Cancelled cheques should be posted to the accounting system to reflect their status to avoid future reuse of such cheques.
e) Cheques issued and not cashed after 2 months should be followed up with the payee and reasons obtained acted on immediately. As a good practice, unrepresented cheques over 3 months should be stopped for payment by the bank and the payee informed.
f) Lost cheques must be cancelled and only replaced on approval by payment signatories.

CHAPTER FOUR

EXPENDITURE CONTROL MANAGEMENT

This section sets out the procedures for all forms of expenditure by the TASTA for the purpose of acquiring fixed assets, procuring items of stock, incurring an expense or engaging in a contract for the benefit of the TASTA either in the short or the long term.

4.1. General Expenditure Control Policies and Procedures

It is the policy of TASTA to strictly follow the following procedures for all forms of expenditure.

a) All procurements shall follow the procurement policies and procedures of TASTA.
b) A Requisition Form shall be raised for all requests for funds for any expenditure whether capital or revenue.
c) All Requisition Forms shall be duly requested by a specific responsible member/staff, authorized by both the Chairperson of the responsible Committee and Executive General Secretary and approved by the Chairperson of the Association after checking all valid bills, invoices, or source documents that shall be attached to the request.
d) A Payment Voucher shall be raised for all approved Requisition Forms referred to under part (c) above.
e) The Payment Voucher shall be duly checked by the Treasurer, authorized by the Executive General Secretary and approved by the Chairperson of the Association after examining all the attachments and assuring themselves of their relevance, quality, validity, accuracy, completeness, and whether the items in question have been budgeted for and funds are available.

f) If vouchers submitted for payment are not approved, they will not be processed and will be returned to the relevant requesting member/staff for rechecking and approval.
g) All payment vouchers will possess the following qualities:
   i. Description of the transaction
   ii. Amount of voucher
   iii. Name of Payee
   iv. Appropriate Account Code
   v. Appropriate Program/Project/Activity Number
   vi. Appropriate Donor code

4.2. Payment by Cheque

a) Once payment vouchers have been approved, a cheque will be prepared.
b) All cheque payments will comply with all the control procedures outlined under part 4.1 above.
c) The cheque number will be entered in the appropriate space on the payment voucher form.
d) All cheque payments shall comply with part 3.5.3 of this manual.
e) Paid Stamp: It is the policy of TASTA to stamp on each paid invoice with the word "PAID" upon payment.

4.3. Payment by Letter of Transfer

The policy of TASTA allows for payments by Letter of Transfer. In such cases,

a) All Letter of Transfer Payments will comply with all the control procedures outlined under part 4.1 above.
b) The Treasurer shall prepare the letter and address it to the respective bank Manager clearly indicating the following details:
   i. Beneficiary Account Name

ii. Beneficiary Account Number
iii. Swift Code
iv. Correspondent Bank Details
v. The Amount to be transferred

c) The appropriate signatories to the bank account shall sign the letter of transfer and the payment voucher.
d) The letter shall be in duplicate or the endorsed original letter shall be photocopied to be stamped received by a responsible official at the bank.
e) The original of the letter together with the duplicate or the photocopy shall be sent to the bank. The original shall be left with the bank and the duplicate or the photocopy (stamped received) shall be attached to the payment voucher for filing.

4.4. Payment by Cash

a) Conventionally, cash payments are not encouraged except for minor payments which are catered for by petty cash.
b) Where any major payment is required to be made by cash in urgency, an open cheque shall instead be written in the name of the beneficiary.
c) In cases where a group of people are to be paid in cash, it shall be the policy of TASTA to write an open cheque in the name of the Treasurer to affect such payment.
d) In cases such as under part (c) above, there shall be attached to the payment voucher a detailed list of beneficiaries, the amount per beneficiary and signature acknowledging receipt of payment.
e) All the above notwithstanding, the Treasurer shall operate an account for cash in safe under the following conditions:
    i. A maximum amount of TSH. 3,000,000 would be maintained in safe to meet additional disbursement for

research, meetings, workshops and other program activities.

ii. All cash obtained for purposes of meetings and workshops will be handled separately from routine petty cash transactions.

iii. The Treasurer must submit to the Chairperson of the Association through Executive General Secretary, activities or programs for which the main cash book could be committed.

iv. The Chairperson of the Association must approve all transactions relating to disbursements made out of the

v. Any cash balance on workshops/meetings will be accounted for in accordance with the policy. All fund reimbursed after the activity would be banked immediately after such meetings/workshops are over.

vi. All the control procedures discussed under petty cash regarding authorization and approval of vouchers, etc, shall apply to all main cash book disbursements.

f) All Payments by cash will comply with all the control procedures outlined under part 4.1 above

4.5. Expenditure Approval Matrix

For all amounts in excess of TSH 10,000,000 the approval of the Board of Trustees would be required. Otherwise, all vouchers and cheques must be approved by the Chairperson of the Association or any Chairperson of the TASTA Committee with express delegated authority from the Chairperson of the Association.

However, in the absence of the Chairperson of the Association, the matrix below could be adopted to facilitate operational effectiveness, provided the Chairperson of the Association would endorse it when next available.

AUTHORIZED BY	APPROVED BY	APPROVAL LIMIT (TSH)
Chairperson of the Association	Board of Trustees	**10,000,001**
General Executive Secretary	Chairperson of the Association	**10,000,000**

4.6. Accounting Entries

a) Payment by cheque:

DR Supplier/Expense/Asset Account

CR Specific Bank Account

With the amount paid

b) Payment by cash:

DR Supplier/Expense/Asset Account

CR Cash/Petty Cash

With the amount paid cash or petty cash

c) Payment by letter of transfer:

DR Supplier/Contractor/Expense/Asset Account

CR Specific Bank Account

With the amount transferred.

d) Payment by a credit card:

DR Supplier/Contractor/Expense/Asset Account

CR Specific Bank Account

With the amount paid with credit card.

CHAPTER FIVE

PROPERTY, PLANT AND EQUIPMENT

5.1. General Policy Guidelines

This section sets out procedures that seek to ensure that Fixed Assets of TASTA are acquired, recorded, utilized, or disposed of within appropriate levels of authorization and approval. The main focus is to safeguard and account for assets.

a) Fixed Assets shall include movable and immovable assets.
b) Capitalization of Assets:
   It is the policy of TASTA that all its fixed assets are stated at acquisition cost less accumulated depreciation and accumulated impairment losses.
c) It is the policy to expense assets in the period of purchase if these assets cost TSH 2,000,000 or less individually. Assets costing in excess of TSH 2,000,000 will be capitalized and depreciated in accordance with the available depreciation policies.

5.2. Acquisition

The TASTA shall procure any fixed asset provided that:

a) It complies with the Procurement Policy of TASTA.
b) It complies with section 4.1 of this manual.
c) It falls within the ambit of the TASTA's eligible expenditure
d) It has been provided for in the Annual Budget
e) There is availability of funds for the purpose.
f) The transaction has been approved by the Chairperson of the Association.

g) It is the policy of TASTA to register all acquired fixed assets in the name of TASTA.

h) It is the policy of TASTA to assign all fixed assets with special identification numbers. They shall also be clearly labelled as TASTA.

5.3. Recording

a) All fixed assets acquired by the TASTA must be properly recorded in the Ledger Accounts with the approved valid vouchers duly attached.

b) A Fixed Assets Register shall be maintained to keep track of all properties owned by the TASTA.

c) The register shall have columns for the following

    i. Date of acquisition
    ii. Name of the Asset
    iii. Accounting Code of the Asset
    iv. Identification number of the asset
    v. Insurance certificate number of the Asset
    vi. Cost of the Asset
    vii. Depreciation rate
    viii. Accumulated depreciation
    ix. Depreciation charge for the year
    x. Disposal costs for the year
    xi. Book value of the asset
    xii. Description or remarks column

d) Assets shall be grouped into their various categories or classes in the Register

5.4. Custody

It is the policy of TASTA to:

a) Maintain and keep all of its assets in good physical condition at all times.
b) Keep all of its assets at secure physical location.
c) Distinctively identify all of its assets.
d) Use its Assets only for the benefit of the TASTA.
e) As much as possible make the assets available at all times for inspection by all authorized persons.
f) Conduct physical asset counts on annual basis

5.5. Depreciation of Fixed Assets

a) It is the policy of TASTA that depreciation of all of its fixed assets is calculated on a straight-line basis at rates estimated to write off the cost of each asset over the estimated term of its useful life.
b) Fully depreciated fixed assets will remain on the TASTA statement of financial position until they are disposed off or otherwise deemed worthless.
c) Assets shall be capitalized in accordance with the TASTA's capitalization policy.
d) It is the policy of TASTA to apply the following rates of depreciation on the assets of the TASTA:

S/N	ASSET	RATE
1	Land and Buildings	1%
2	Residential Quarters	1%
3	Furniture, Fixtures and Fittings	12.50%
4	Kitchen Equipment	12.50%
5	Office Machine &Equipment's	12.50%
6	Library Books	12.50%
7	Motor Vehicles	20%
8	Other Fixed Assets & Teaching Equipment	25%
9	Various Tools	25%
10	Computers	33.30%

e) It is the policy of TASTA that a full year's depreciation is charged in the year of acquisition. No depreciation is to be charged in the year of disposal.

5.6. Disposal

It is the policy of TASTA not to dispose of any fixed assets of the TASTA unless they have:

a) To be disposed of as scrap.
b) Become too costly to maintain.
c) Become obsolete.
d) Fully depreciated.
e) Been approved by the Board of Trustee in conformity with this policy.

5.7. Reporting

It is the policy of TASTA that the presentation of fixed assets in the financial statement and its notes are in conformity with the International Public Sector Accounting Standards (IPSAS). By these standards;

a) The financial statements should disclose, for each class of property, plant and equipment recognized in the financial statements.
b) The financial statements should also disclose for each class of property, plant and equipment recognized in the financial statements.
c) The selection of the depreciation method and the estimation of the useful life of the assets are matters of judgment. Therefore, disclosure of the methods adopted and the estimated useful lives or depreciation rates provides users of financial statements with information which allows them to review the policies selected by management and enables comparisons to be made with other

entities. For similar reasons, it is necessary to disclose the depreciation allocated in a period and the accumulated depreciation at the end of that period.

d) TASTA would disclose the nature and effect of a change in an accounting estimate that has a material effect in the current period, or which is expected to have a material effect in subsequent periods.

e) When a class of property, plant and equipment is stated at revalued amounts the following would be disclosed:

   i. the basis used to revalue the assets within the class;
   ii. the effective date of the revaluation;
   iii. whether an independent valuer was involved;
   iv. the nature of any indices used to determine replacement cost;
   v. the revaluation surplus, indicating the movement for the period and any restrictions on the distribution of the balance to shareholders or other equity holders;
   vi. the sum of all revaluation surpluses for individual items of property, plant and equipment within that class; and
   vii. The sum of all revaluation deficits for individual items of property, plant and equipment within that class.

f) TASTA would disclose information on impaired property, plant and equipment under the appropriate international or national accounting standard adopted in addition to the information required.

CHAPTER SIX

FINANCIAL REPORTING

6.1. Fair Presentation and Compliance with IPSASs

To comply with the provisions of IPSAS, TASTA would ensure that;

a) The financial statements present fairly the financial position, financial performance and cash flows of the entity;
b) The financial statements comply with all the requirements of each applicable IPSAS.
c) Where the financial statement complies with other Standards such as IFRS in situations where there are no specific IPSAS, Executive Committee would state this fact.
d) In the extremely rare circumstances in which Executive Committee concludes that compliance with a requirement of an IPSAS would be so misleading that it would conflict with the objective of financial statements set out in IPSAS, Presentation of Financial Statements, and where the relevant regulatory framework requires, or otherwise does not prohibit such a departure, TASTA would ensure the following have been disclosed:
    i. That Executive Committee has concluded that the financial statements fairly present the Association's financial position, financial performance and cash flows;
    ii. That the Association has complied with applicable IPSASs except that it has departed from a particular requirement in order to achieve a fair presentation;
    iii. That the title of the IPSAS from which the Association has departed, the nature of the departure, including the treatment that the IPSAS would require, the reason why that treatment would be so misleading in the

circumstances that it would conflict with the objective of financial statements set out in IPSAS Presentation of Financial Statements, and the treatment adopted;

iv. That the financial impact of the departure on each item in the financial statements that would have been reported in complying with the requirement for each period has been adequately presented.

6.2. Qualitative Characteristics of IPSAS Financial Statements

These are the attributes that make the information provided in the financial statements useful to users. The principal qualitative characteristics are;

a) Objectivity – Financial accounting system must be based on actual, verifiable events and should be reported in an unbiased manner.
b) Relevance - financial accounting statements must provide relevant information, which is responsive to the audience’s information needs.
c) Reliability – In order for financial accounting statements to be reliable, some assurance must exist that the statements do in fact represents what they purport to represent
d) Comparability – The conduct of comparative analyses between accounting periods constitutes one of the major characteristics assumed for the audience of financial accounting. Comparability calls for like events to be reported in the same manner. When a change is made, its nature, effect and justification must be explained.
e) Entity concept – Financial accounting statements and records pertain to specifically defined business entity. The entity concept directs that the accounting records reflect only the activities of the business.
f) Unit of measurement – The common denominator is money. The reporting currency is the TSHS and subject to review.

g) Materiality – The concept states that any amount or transaction that has significant effect on the financial statements should be recorded and reported correctly.
h) Accounting period – The financial accounting process provides information about the economic activities of TASTA for the specified time periods. Eg month, quarter or year.

6.3. Notes and Supplementary Schedules

a) The financial statements shall contain notes and supplementary schedules and other information to make them meaningful to the end-users.
b) For example, they shall contain additional information that is relevant to the needs of users about the material risks and uncertainties affecting the institution and any obligations not recognized in the balance sheet (such as contingent liabilities)

6.4. True and Fair View

c) The monthly and annual financial statements of TASTA shall give a true and fair view of the state of the Association's affairs and the income and expenditure for each financial period.
d) The Treasurer is responsible for ensuring that the monthly and annual financial statements are prepared in this manner. TASTA shall apply the accounting assumptions and concepts described in this section on the appropriate IPSAS, which would then result in a true and fair view of the financial statements prepared.
e) Any material non-compliance (including any deviations from an IPSAS) and the effect of any such non-compliance shall be disclosed in the financial statements as notes and reported to the General Assembly.

6.5. Communication of Standard Accounting Guidelines

The Treasurer in consultation with Executive Committee shall issue standard accounting guidelines from time to time in order to classify and standardize accounting policies and procedures which are specific to TASTA operations.

6.6. Common Information in Financial Statements

The Treasurer is responsible for the preparation of the annual financial statements. This must be reviewed by the Chairperson of the Association and approved by the General Assembly/Executive Committee.

A complete set of financial statements according to IPSAS 1 comprise:

a) A statement of financial position;
b) A statement of financial performance;
c) A statement of changes in net assets/equity;
d) A cash flow statement;
e) A statement of comparison of budget and actual amounts either as a separate additional financial statement or as a budget column in the financial statements; and
f) Notes, comprising a summary of significant accounting policies and other explanatory notes.

6.7. Monthly and Annual Reporting

It is the policy of the Association that the quarterly and annually reports are prepared and circulated not letter that 15th of the month following the end of the relevant quarter for the quarterly report and not letter than three months following the end of the relevant financial year for the annual report.

6.8. Financial Control

TASTA shall maintain the highest levels of financial control both at the Association and Committees. In order to ensure the high levels of financial control, the Finance Committee will conduct a self-review through the use of the following:

a) Internal control questionnaire

The Finance Committee will ensure the finance regulations, policies and procedures detailed in this manual are operating effectively by performing self-audits twice a year:

b) Balance Sheet Review

The Finance Committee shall conduct balance sheet reviews of the Association. The reconciliation folders will include the following;

i. Bank reconciliations
ii. Petty cash float count confirmation (including cash in safe)
iii. Accounts receivables
iv. Provisions for bad and doubtful debts
v. Prepayments schedules
vi. Deposits/investments accounts
vii. Accounts payable
viii. Accrual's schedule

Any follow up actions will be agreed after the review.

6.9. Specific Donor/Funder Financial Reporting

As mentioned in this manual, TASTA has adopted cash IPSAS for the preparation of the entity wide financial statements. However, to enable TASTA comply with specific donor reporting guidelines which are principally on cash basis, it would adopt cash basis IPSAS for the preparation of all specific donor reports.

CHAPTER SEVEN

AUDIT FRAMEWORK

7.1. Audit of Grants and other Sources

a) At the end of the grant period a financial statement shall be prepared and submitted to the Funders/Donors based on the Funders/Donors Financial Statement format after an independent external audit.
b) The Association's financial statements shall be audited annually by an independent external Auditor appointed by the Executive Committee.
c) The appointed auditor shall examine the internal controls of the Association as set by the Executive Committee to assure themselves of the accuracy and reliability of the records in safeguarding the assets of the Association.
d) Following this examination, the Auditor shall issue a report that shall draw the attention of TASTA to the weakness, if any, that have come to their notice. The auditor shall also make recommendations as to how to rectify the weakness detected.
e) The main objective of the audit shall be to provide an independent opinion as to whether or not the Association's financial statements show a true and fair view of the state of affairs of the TASTA.
f) It shall be the duty of the Treasurer to prepare the financial statement necessary for audit.
g) Treasurer shall also be responsible for making available all documents and information requested by the Auditor for the purpose of the Audit.
h) The Association shall ensure that the auditors audit the TASTA accounts at the end of each fiscal year.

i) The auditors shall be required to submit to the Association through Executive General Secretary certified true copies of all audited reports together with Management Letter as requested by Executive Committee.
j) The signed audited accounts shall be attached with Committees' responses to all issues raised in the letter of weakness before any report could be submitted to interested parties.
k) After the audit, the Executive General Secretary shall keep all documents pertaining to all audited grants for at least 5 years.