

North West Regional Fund for Health Promotion PIG, Bamenda (NWRFHHP)



MANUAL ON ORGANISATION/PROCEDURES AND INTERNAL RULES AND REGULATIONS

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PREFACE

A Manual of Procedures is an important record of the guidelines, procedures and expectations set out by an institution. Policies and Procedures play an important role in any institution as they form a framework of work processes by which employees learn and by which management makes decisions. Being in writing means that there is less danger of procedures changing their form without due authorization.

The 'Handbook on the setup, functioning and internal regulations is 'Prepared in compliance with the constituent agreement signed on 11th June. After the signing of the agreement there was need to revise the above handbook to reflect the new status of the Fund.

This manual is prepared by the personnel of the North West Regional Fund for Health Promotion with significant inputs from:

1. Mr. BUNGWA Haynes BUMA – General Manager
2. Mrs. Margaret KINYUY – Chief of Administration & Finance
3. Mr. MBARIKA Richard FONDOH – Chief of Drug Unit
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The compilation Mr. Valentine OJONG of African Consulting Enterprise, Douala (Economic Adviser) provided expert advice.

Mr. BUNGWA Haynes BUMA
General Manager

LIST OF ABBREVIATIONS

FUND:	This refers to the North West Regional Fund for Health Promotion as stipulated in article 1 of the constituent Agreement
AIDS:	Acquired Immune Deficiency Syndrome
CDU:	Chief of Drug Unit
CMO:	Chief Medical Officer – Directors of Hospitals
COC:	Chief of Centre
DMO:	District Medical Officer – District Chiefs of Health Services
HIV:	Human Immunodeficiency Virus
PMTCT:	Prevention of Mother -To-child Transmission of HIV/AIDS
OHADA:	Organisation for the Harmonisation of Business Laws in Africa

PART ONE: MANUAL ON ORGANISATION/PROCEDURES

INTRODUCTION AND GENERAL PROVISIONS

A) INTRODUCTION

The North West Regional Fund for Health Promotion is a non-profit making Public Interest Group (PIG) conferred legal personality on

1. Background

The Fund began as the Primary Health Care Essential Medicines Programme (provincial drug supply system) in November 1987 following the decision to re-organise the “pro pharmacy programme” in the province within the national framework of re-orientation of Primary Health Care in Cameroon.

Its initial capital was contributed by the government through infrastructure, personnel and other indirect subvention while the German Technical Agency for Cooperation (GTZ) provided essential medicines, technical expertise and other financial support and the North West communities provided drugs, consumables, and personnel to serve as Pharmacy Attendants. The initial capital was estimated at CFAF two hundred million. The functioning was based on the principle of co-financing and co-management with community participation playing a crucial role.

The goal was to create a self-sustaining financing mechanism (a Revolving Drug Fund) which would enable a constant supply of good quality essential medicines while ensuring the affordability by the rural masses to public health facilities in the North West Province.

The provincial drug supply system consisted of a central drug store at the provincial level and satellite community pharmacies at the level of health units. To ensure efficiency of the system, resources were pooled together for procurement, storage, distribution and use of medical consumables, drugs, minor health equipment and spare parts.

Community pharmacies were set up as a start in thirty four (34) health facilities in 1987. However, with the launching of the Special Fund for Health in Africa by the Heads of State and governments of the Organisation for African Unity, this initiative was replicated in the North West by enlarging the objective of the essential medicines programme. Hence in 1991 the essential medicines programme became North West Provincial Special Fund for Health and the number of community pharmacies progressively came up to 196 as at 2012.

On the 21st December, 2010 Law No. 2010/023 to define the Status of Public Interest Groups was promulgated by the Head of State and the North West Provincial Special Fund for Health complied with the law; hence the Constituent Agreement attached as an **appendix**.

2. Description of the Fund

It is a Public Interest Group located in the premises of the Regional Hospital Bamenda of the North West Region. The North West Regional Fund for Health Promotion is a Regional dialogue structure and works within the policies defined by the Ministry of Public Health. It works mainly with public health units and public health programmes but can work with other non profit health units and programme if authorized by the parties. Other units can be incorporated as need arises if they fall within its goal and objectives.

3. Main Objective of the Fund

The main objective of the Fund is to promote quality health care for people in the North West Region.

4. Specific Objectives

- i) Ensure the selection, procurement, distribution and use of pharmaceutical products.
- ii) Assist the Ministry of Public Health of Cameroon in financing the functioning of health services.
- iii) Ensure maintenance of health unit equipment.
- iv) Donate whenever possible, pharmaceutical products, medical supplies and basic health equipment to charity bodies and communities afflicted by disasters within the region;
- v) Contribute to the reinforcement of the health system within the Region to assure quality of health services;
- vi) Set up resource generating entities strictly in the health domain to reinforce the health system;
- vii) Strengthen health promotion, rehabilitative and preventive activities in the Region;
- viii) Ensure effective community participation in health activities in the Region;
- ix) Support capacity building of health personnel and dialogue structures.

B) GENERAL PROVISIONS

1. The Purpose of the Manual

The purpose of this manual is to explain to the stakeholders and others the organization and management system of the Fund with particular emphasis on the system of internal controls. The primary objective for highlighting controls is to make management aware of the active role they

have to play in the successful implementation of any control set up in order to achieve the following objectives:

- Compliance with policies, rules and procedures.
- Reliability and integrity of information.
- Economic use of resources.
- Safeguarding of assets.

The advantages of having a manual of operations can be summarized as follows:-

- It provides guidelines to the parties, management and support staff on the management of the Fund.
- It avoids or minimises any inconsistencies in the performance of tasks.
- Where experience and knowledge of senior staff fail to be imparted to juniors, the manual is available to breach this gap.
- Useful information is available to all which should result in efficiency and transparency.
- Being in writing means that there is less danger of procedures changing their form without due authorization.
- In addition, written procedures are a valuable aid to the training of new personnel.

2. Structure of the Manual

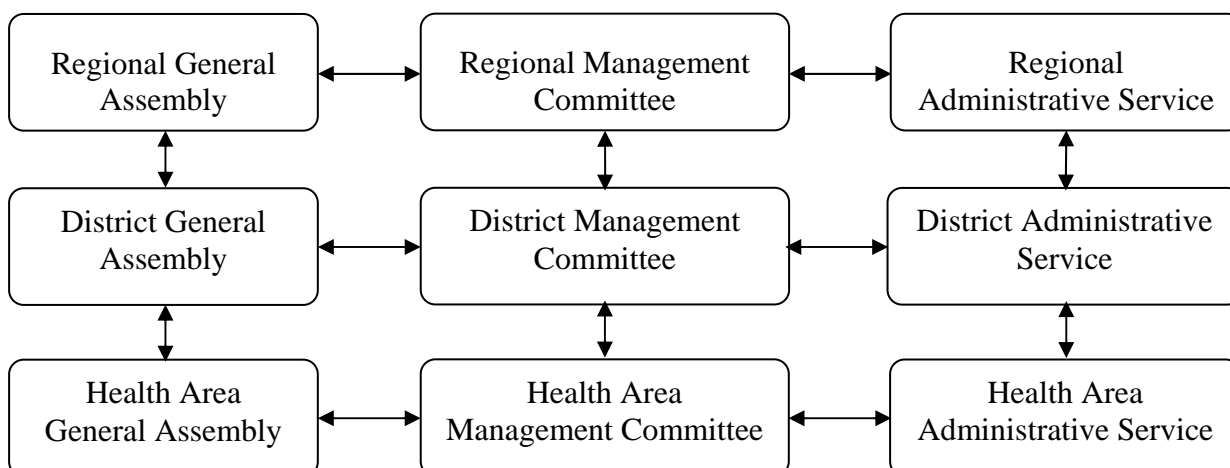
This manual consists of two parts defined as follows:

- **Part One: Manual on Organisation/Procedures**
 - Introduction and General Provisions
 - Chapter One: Organisation and Functioning
 - Chapter Two: Supervision and Control
 - Chapter Three: Management of Medical Stores
 - Chapter Four: Financial Resources Management, Internal and External Controls
 - Chapter Five: Fixed Assets Management
- **Part Two: Internal Rules and Regulations**
 - Introduction and General Provisions
 - Chapter Six: Human Resources Management
 - Chapter Seven: Disciplinary Standards and Procedures
 - Chapter Eight: Safety and Hygiene at Work

Finally, the annex includes important documents that can serve as reference sources and samples for use.

CHAPTER ONE: ORGANISATION AND FUNCTIONING

1.1. Structure of the Fund



The Fund is composed of two (02) organs namely:

- The General Assembly
- The Management Committee

And three operational levels namely:

- The Region
- The Health District
- The Health Area

1.2. The General Assembly

The General Assembly at each level is the highest organ and consists of representatives of all stakeholders. The parties for now are the Communities, the Ministry of Public Health and the Technical partners namely: GIZ, AFD, KFW, World Bank for the Regional General Assembly. It meets once a year in the month of December.

1.2.1. Functions of the General Assemblies of the Fund

1. Regional General Assembly.

The functions as specified in the Constituent Agreement are to:

- Determine members' contributions and ensuring their payment;
- Validate members of the Management Committee of the Fund;
- Deliberate and adopt intervention strategies;

- Approve the annual activities report for transmission to the Minister of Public Health, Technical Supervisor;
- Examine and adopt the annual action plan and the budget;
- Review, rectify and approve the annual accounts and grant or refuse discharge to the Management Committee;
- Decide on the modalities to allocate the surplus of the financial year on proposal from the Management Committee;
- Decide on the credit ceiling authorized to the Fund from banks or public or private credit agencies;
- Set investment limits and distribution beyond which the decision must be taken by the Fund;
- Validate the recruitment and termination of the Administrator;
- Decide on the proposals of the Management Committee concerning the termination of the Section Heads;
- Validate the recruitment of Auditors;
- Amend the constituent agreement, as deemed fit and proper;
- Decide on all other matters that are properly submitted or provided by the Constituent Agreement;
- Propose any amendments to the Constituent Agreement of the Fund in accordance with the laws and regulations in force;
- Decide on the extension or early dissolution of the Fund and necessary measures of vesting the assets;
- Ensure inter-sector action and collaboration.
- Approve the external audit reports and draft agreements and specific contracts which bind the Fund to third parties or other structures with the exclusion of public contracts;

2. District General Assembly.

It is the supreme deliberation and decision making organ of the dialogue structure at the District level. Its functions are to:

- Examine the annual activity report of the District Management Committee
- Deliberate and adopt measures and strategies to implement health programs in the community.
- Decide on the proposals of management committee on the use of surplus.

- Examine and adopt the plan of activities and budget for the next financial period presented by the District Management Committee.
- Organise election of community representatives to the District Management Committee.
- Approve audit reports submitted to it to permit it judge the way the finances of the structure have been managed.
- Ensure inter-sector action and collaboration.
- Identify and approve community initiatives and concerns such as health promotion, etc.
- Ensure the protection and security of the property of the Fund at the District level (money, drugs, medical consumables, etc).
- Decide on any other matter duly submitted to it by the health personnel, the community representatives, etc.

3. *Health Area General Assembly.*

It is the supreme deliberation and decision making organ of the dialogue structure at the Health Area level. Its functions are to:

- Examine the annual activity report of the Health Area Management Committee
- Deliberate and adopt measures and strategies to implement health programs in the Health Area.
- Assist in the elaboration and execution of the Health Area plan of action.
- Decide on the proposals of the Health Area Management Committee on the use of surplus.
- Examine and adopt the plan of activities and budget for the next financial period presented by the Health Area Management Committee.
- Organise election of community representatives to the Health Area Management Committee.
- Approve audit reports submitted to it to permit it judge the way the finances of the structure have been managed.
- Identify and approve community initiatives and concerns such as health promotion, etc.
- Ensure the protection and security of the property of the Fund at the Health Area level (money, drugs, medical consumables, etc).
- Ensure inter-sector action and collaboration.
- Decide on any other matters duly submitted to it by the health personnel, the community representatives, etc.

Membership of the Fund as defined in section 2(2) of the Constituent Agreement of the Fund is open to any entity or organisation with legal personality.

1.2.2. Admission of New Members

Prospective members shall submit an application file composed of: a written application together with a certified copy of the Agreement or Articles establishing its existence and stating its objectives or mission. Certified copies of documents giving it the legal personality shall be addressed to the General Manager.

The General Manager after making sure that the application file is complete, shall submit it stated herein to the next Management Committee meeting holding after the receipt of the application file

The Management Committee shall examine the application and will either give provisional approval or rejection. The provisional approval or rejection shall be submitted to the next General Assembly for a final decision.

1.2.3. Suspension of membership

Any member who fails to fulfil its obligation as stated in the Constituent Agreement or carries out any activity contrary or detrimental to the objectives of the Fund shall be notified in writing of such failures or acts and given a time frame within which to redress the issue(s).

If such a member fails to redress the issue(s) within the stated time frame, a notice of suspension shall be issued to such a member. The suspension shall be lifted only when it fulfils or complies with the issues raised in the suspension letter.

1.2.4. Bureau of the General Assembly

The General Assembly shall have a bureau comprising:

- The Chairperson,
- The Vice Chairperson,
- The Scrutineer,
- The Rapporteur.

The Bureau is elected by absolute majority (quorum of three quarters) of members of the General Assembly for a term of three years renewable.

Functions of the Bureau

1. **The Chairperson:** presides over all General Assembly meetings.
2. **The Vice Chairperson:** shall preside in the absence the Chairperson,
3. **The Scrutineer:** shall count votes during meetings.

4. **The Rapporteur:** shall read reports and resolutions of meetings.

Members of the General Assembly shall be appointed by the parties in conformity with section 13 (1) of the Constituent Agreement.

The technical and financial Partners can delegate one of them to represent them during General Assembly meetings.

Each Division shall elect their representative(s) to the General Assembly in accordance with article 13(1) of the Constituent Agreement. The Divisional representative(s) shall be elected by the District General Assemblies from among the District community representatives within the Division on a rotating basis.

Each confessional health service shall appoint one representative to the General Assembly.

1.3. The Management Committee

1.3.1. The Regional Management Committee

This is the governing and management organ of the Fund. It monitors and supervises the implementation of the general strategic policies and programmes approved by the Regional General Assembly.

The functions of the Regional Management Committee are stated in the constituent agreement are to:

- Supervise the management of the Fund;
- Prepare the Regional General Assembly meetings;
- Ensure the enforcement of resolutions of the Regional General Assembly;
- Propose the plan and calendar of events for each year to the Regional General Assembly;
- Propose the draft budget to the Regional General Assembly;
- Analyze the annual activity and management report of the Fund and transmit it to the Regional General Assembly together with its comments;
- Validate the annual report for submission to the Regional General Assembly;
- Hire and terminate the managerial staff on proposal of the General Manager;
- Propose to the Regional General Assembly the remuneration of the personnel as well as their social security;
- Validate the rates of special services on the proposal of the General Manager;
- Adopt a financial regulation that establishes the conditions and rules of economic operation of the Fund;

- Negotiate and draft all legal instruments between the Fund and third parties for submission to the Regional General Assembly;
- Propose conventions that bind the Fund with Health Facilities for validation by the Regional General Assembly;
- Validate the terms of reference of external auditors and supervise the hiring of audit firms;
- Dialogue with all key actors/stakeholders of the system within which the Fund operates;
- Take any other measures necessary for the proper functioning of the Fund.

Membership of the Regional Management Committee

Membership of the Regional management committee as defined in section 25 of the Constituent Agreement shall be composed of twelve members representing all signatories to this agreement.

The Bureau of Management Committee shall comprise;

- Chairperson,
- Vice Chairperson

1.3.2. District Management Committee

The District Management Committee is the management organ of each Health District dialogue structure. As such it shall:

1. Ensure the execution of activities on the plan of action approved by the District General Assembly
2. Present a report of activities to the District General Assembly
3. Prepare and present a plan of action (activity and budget) for each activity period.
4. Determine the health priorities of the Health District.
5. Mobilise resources (financial, material, human) for the execution of the approved plan of action.
6. Supervise the Health District facilities including the pharmacy
7. Ensure the updating of inventory of material, drugs and equipment of health units.
8. Recruit Pharmacy Attendants, guards, etc.
9. Ensure the protection and security of the property of the Fund at the Health Area level (money, drugs, medical consumables, etc).

Membership of the District Management Committee

It shall comprise nine members namely:

- The District Chief of Service,
- Director of the District Hospital,
- CBAF of the District,
- Service Manager of the District Hospital,
- Four Community Representatives
- One representative from the region appointed by the Chairperson of the Management Committee.

The Chairperson, Vice Chairperson, Financial Secretary, and one Community Representative who will eventually go to the Regional General Assembly when it is the turn of that District shall be elected by the District General Assembly.

1.3.3. District Hospital Management Committee

Its composition and functioning are spelt out in the Guide for Dialogue Structures.

1.3.4. Health Area Management Committee

It shall comprise seven members namely:

- Chairperson: elected from Community Representatives
- Secretary: Chief of the leading Health Centre
- Treasurer: elected from Community Representatives
- Financial secretary: elected from the Community Representatives.
- Members: two other elected Community Representatives who will automatically represent the Health Area at the district level.
- District Chief of Service for Public Health or his Representative

The Health Area Management Committee is the management organ of each Health Area dialogue structure. As such it shall:

1. Ensure the execution of activities on the plan of action approved by the Health Area General Assembly
2. Present a report of activities to the Health Area General Assembly
3. Prepare and present a plan of action (activity and budget) for each activity period.
4. Determine the health priorities of the Health Area.
5. Mobilise resources (financial, material, human) for the execution of the approved plan of action.

6. Supervise the Health Area facilities including the pharmacy
7. Ensure the updating of inventory of material, drugs and equipment of health units.
8. Recruit Pharmacy Attendants, guards, etc.
9. Ensure the protection and security of the property of the Fund at the Health Area level (money, drugs, medical consumables, etc).

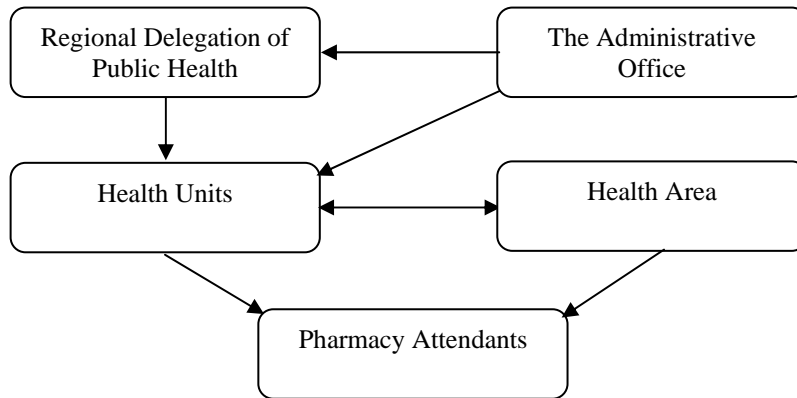
1.4. The Administrative Office

This office is headed by a General Manager appointed by the Parties from proposals of the Management Committee. The General Manager is responsible for implementing policies defined by the Fund.

The General Manager shall be responsible for the daily management and the activity of the Fund under the authority and control of the Management Committee. As such he shall:

- Manage people and property (furniture and buildings, movable and immovable assets, etc) of the Fund;
- Develop plan of activities and the annual budget;
- Keep the accounts of the Fund and draw up the financial statements and annual activity reports to be submitted for approval by the Regional Management Committee;
- Recruit, appoint and terminate the staff with approval of the Regional Management Committee and/or the Regional General Assembly;
- in the event of an emergency, take any precautionary measures necessary for the smooth functioning of the Fund;
- In the event of stock-out at the national supply centre of essential drugs (CENAME), he shall submit a request to the National Pharmaceutical Regulatory Authority (Ministry in charge of Public Health if this authority does not exist) for authorization to import. The latter shall be required to decide within a period not exceeding eight days.
- Provide the secretarial service for the Management Committee;
- Prepare the deliberations of the Management Committee;
- Represent the Fund in all acts of civil life and in court.

1.4.1. The Administrative Office and other health structures



1.4.2. Main Functions of the Administrative Office

The Administrative office ensures the availability of essential medicines in all health units. Its responsibilities in this domain are to:

- Define the criteria for a health unit to have a pharmacy
- Provide guidelines for the selection and recruitment of Pharmacy Attendants by the District and Health Area Management Committees.
- Train community personnel on dispensing techniques and managing a pharmacy.
- Supervises pharmacies in health facilities.
- Supplies health facilities with essential medicines.

The NWRFHP promotes Mutual Health organizations. Its responsibilities in this domain are:

- Provision of Technical and Financial Support to Community Mutual Health Organization
- Supervision of Community Mutual Health Organisation

1.5. Job Description of the Personnel of the Fund

The Different employee positions at the Fund are as follows;

1. General Manager
2. Assistant General Manager
3. Pharmacist
4. Head of Finance
5. Accountants
6. Personnel Officer
7. Supervisors

8. Laboratory Technician
9. Chief Storekeeper
10. Administrative Assistant
11. Cashier
12. Invoice Clerk
13. Secretaries
14. Storekeepers
15. Drivers
16. Janitors

1.5.1. General Manager

Description: This is the administrative head of the Fund and is responsible for the coordination of all activities of the Fund.

Reporting Relationship: Reports to the Regional Management Committee.

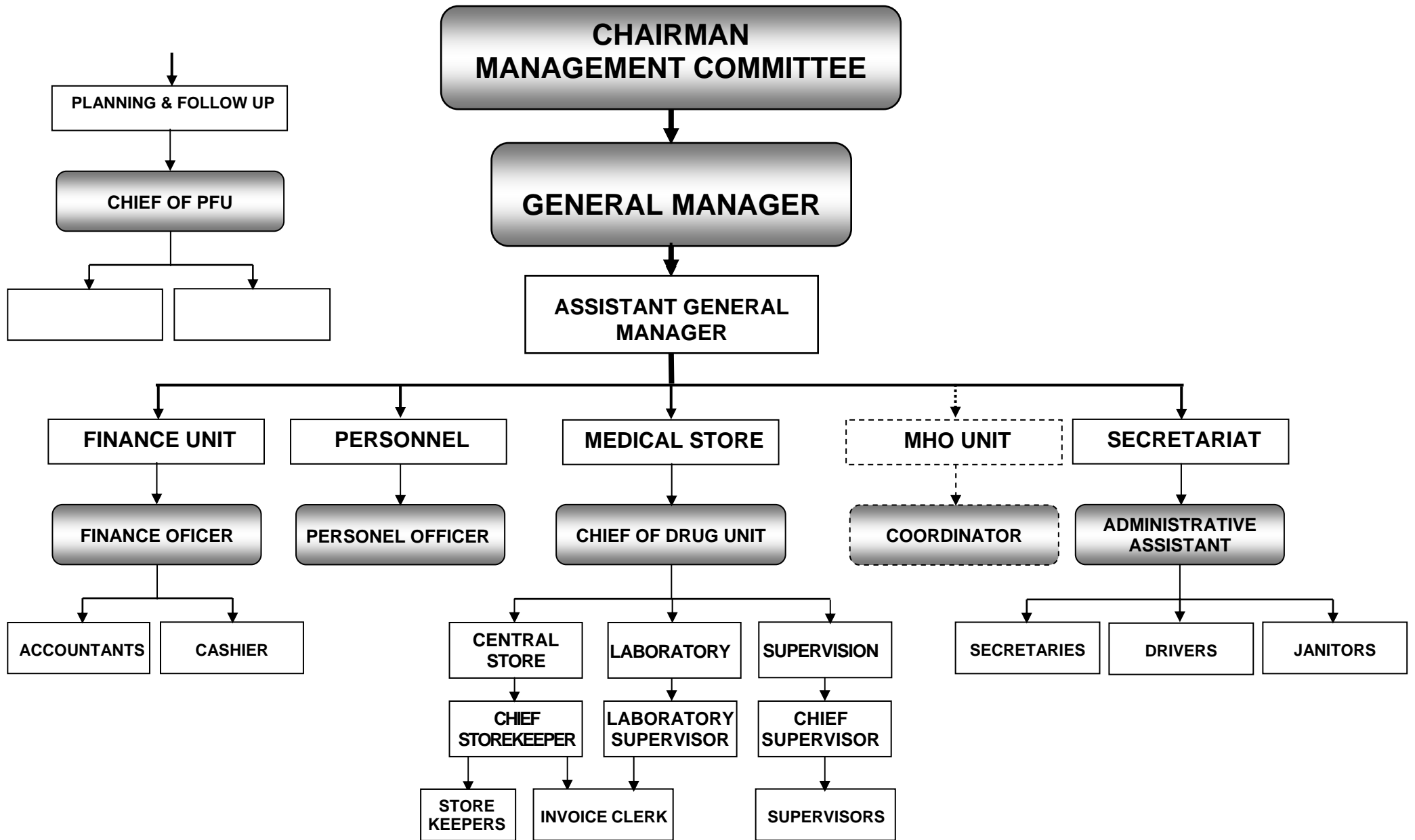
Duties and Responsibilities

- The General Manager shall represent the Fund vis-à-vis third parties within specific limits
- Apply policy defined by the Fund;
- Establish and submit for scrutiny by the Management Committee the annual plan of activities and the budget;
- Ensure the judicious use of human, financial and material resources.
- Write quarterly management reports of the Fund;
- Negotiate purchases and sales and eventually other specific tasks;
- Effect payments and receipts on behalf of the Fund;
- Prepare financial reports for such periods as the Management Committee may require and define;
- Manage personnel within budgetary limits approved by the Management Committee;
- Allocate of drivers and vehicles to different assignments
- Participate in meetings of the Management Committee as an active member without vote.

1.5.2. Assistant General Manager

Description: Acts in place of the General Manager in his absence. This position is cumulative with another management function such as Accountant, Pharmacist, or Personnel Officer who has the experience to act in place of the General Manager.

Organisational Structure of the Administrative Office at the Region



1.5.3. Chief of Drug Unit: shall be a Pharmacist

Description: Responsible for overall procurement and distribution of medicines and other pharmaceutical products in the region.

Duties and Responsibilities:

- Responsible for procurement of medicine by producing quarterly requests for medicines.
- Ensure quality of medicines upon reception of consignment from suppliers through:
 - Physical examination of random samples
 - Ensure that expiry dates are respected by suppliers
 - Selection of samples to be sent to the quality control laboratory
- Responsible for the efficient management of stock at Regional Medical Store to avoid stock-outs and over-stocking.
- Responsible for distribution of essential medicines, medical supplies and other related products to all clients by:
 - Supervising medicines requests from health unit pharmacies
 - Monitor distribution to health facilities
 - Supervising the use of medicines in health unit pharmacies
- Elaboration of monthly programmes of work at the Regional medical stores.
- Supervises the work of the Chief storekeeper and other store staff by providing work directives.

Reporting Relationship: Responsible to the General Manager

1.5.4. Finance Officer

Description: Responsible for the conception, coordination, control and supervision of the accounts department.

Duties and Responsibilities

- Conception of proposed ways to improve financial resources management efficiency (such as defining a budget planning program, propose new budget heads that may provide a better presentation, interpretation and understanding of the financial statement,...)
- Coordinate the elaboration of the annual budget.
- Consolidate the annual budget for presentation to the Management committee Meeting during their budgetary Session.
- Prepare financial reports in collaboration with the other Accountants and present to the General Manager.

- Verify and visa all expenditures to be made as a prelude to the General Manager's signature for execution.
- Control the credit policy (Debtors and Creditors) of the institution and prepare quarterly report on their evolution and propose ways of improving the situation.
- On a monthly basis control all inputs of accountants to minimize errors.
- Draft all official financial correspondences to financial institutions, customers and suppliers for the General Manager to validate.
- Manage the financial aspects of projects, and any other program which is incorporated.
- Supervise and control the preparation of the annual financial statements ensuring that they represent faithfully the activities undertaken during the reported period in both content and context.
- Assist the auditors during the audit exercise.
- Propose to the General Manager the implementation of feasible recommendations made by the auditors
- Carryout controls on the main office accounts and health unit pharmacy accounts.

Reporting Relationship: Responsible to the General Manager.

1.5.5. Accountant 1 (responsible for the main office accounts)

Description: Responsible for the management of the Fund's accounts which consist of follow up of all cash and bank disbursements and management of personnel accounts.

Duties and Responsibilities

- Classify, Codify and Computerize all payment vouchers (PV's) and cash receipts from cashier and invoices of private clients from medical store.
- Reconcile weekly the cashier's cashbook balance with the computerized general ledger balance. Investigate and correct any discrepancies.
- Manage personnel salary account which consists of advancement, tax and social insurance contributions and submit to the Finance Officer for verification.
- Ensure that employees' payroll deductions have been properly calculated and that salaries are paid monthly and on time.
- Prepare monthly banking reconciliation statements for the General Manager and the Management Committee and report any eventual discrepancies to him.
- Take part in the preparation of annual budgets and budget follow-ups.
- Assist in the preparation of accounts for annual audit and assist the external auditors in the exercise.

- Identify outstanding sundry debtors and report to Finance Officer for follow-up
- Carry out cash count on a monthly basis and forward report through the Finance Officer to the General Manager.
- Follow-up monthly monitoring of the logbooks, fuel expenditure and worksheets for repairs of the vehicles of the Fund and keeping the General Manager informed on excesses through the Finance Officer.
- Keep the General Manager constantly informed on pertinent financial issues through the Finance Officer.
- Open and maintain files of all private clients of the Fund.
- Carry out any other assignment that the General Manager shall deem necessary.

Reporting Relationship: Responsible to the Finance Officer.

1.5.6. Accountant 2 (responsible for Health Unit Pharmacy Accounts)

Description: Responsible for management of accounts of health unit pharmacies, control of medicines supplies to health facilities and payments received from health facilities.

Duties and Responsibilities

- Prepare all Pharmacy Attendants' queries affecting their accounts.
- Answer all Pharmacy Attendant's queries affecting their account
- Identify deficit pharmacies quarterly and inform the Finance Officer.
- Journalise and confirm all cash collected and expenses incurred in the health unit pharmacies and the funds paid by the supervisors in the bank.
- Verify all invoices after computerization by Invoice Clerk.
- Crosscheck all supply invoices and internal drug return forms and inform management for appropriate follow up.
- Correct errors of supplies and Internal Drug Returns and send memoranda to the periphery
- Open and maintain files for all health unit pharmacies.
- Assist in inventories at the Regional medical store and health unit Pharmacies
- Update regularly the current capital situation of health unit pharmacies and produce quarterly reports for the Finance Officer.
- Carry out in collaboration with the storekeepers' quarterly stock control.
- Take part in the preparation of the annual budget, budget follow-ups and financial reports of the Fund.
- Keep the Finance Officer constantly informed on pertinent financial issues.

- Responsible for maintaining the fixed assets register.
- Carry out any other task that the General Manager shall deem necessary.
- Responsible for the collection of cash in the absence of the cashier.

Reporting Relationship: Responsible to the Finance Officer.

1.5.7. Personnel Officer

Description: Responsible for the application of accepted personnel techniques and knowledge to a variety of departmental practices and problems and the exercise of sound professional judgment. Supervise the activities of professional level subordinates in areas of personnel transactions and position control, training and employee development and safety. He also advises management on major personnel functions such as labour relations, classification and compensation, affirmative action, and manpower planning.

Duties and Responsibilities

- Interprets and explains administrative regulations, personnel rules, memoranda of understanding/agreement, state laws, policies and procedures to management and employees.
- Develops and administers departmental personnel procedures consistent with the personnel policies of the Fund.
- Recommends consistent disciplinary policies and procedures.
- Monitors, recommends, and reviews disciplinary and termination letters and procedures.
- Studies departmental manpower needs and prepares reports including recommendations.
- Advises and serves as a coach to employees and management on employee grievances and pertinent labour regulations.
- Supervises personnel involved in department training and payroll activities.
- Screens and prepares requests for classification and/compensation studies.
- Develops and monitors selection interview processes.
- Maintain departmental position control.
- Review results of pre-employment examinations and background checks.
- Responsible for drawing up and follow up of leave schedule for staff.
- Demonstrate continuous effort to improve operations, decrease turnaround times, streamline work processes, and work cooperatively and jointly to provide quality service delivery to the public.
- Responsible for all personnel document, files etc.

Reporting Relationship: to the General Manager

1.5.8. Administrative Assistant

Description: Responsible for the overall functioning of the administrative office and documentation of the Fund. Responsible for the set up and maintenance of the Fund's archiving system.

Duties and Responsibilities

- Receives and screens visitors and/or telephone calls providing general and specialised information.
- Prepares all official memoranda.
- Responsible for organisation of all office documents both in the computer and manually.
- Performs other secretarial and administrative support functions for the General Manager and other staff.
- Responsible for storage of back up of information in the computer for the office.
- Responsible for the management of Fixed Assets.
- Responsible for the setup and management of an archiving system for the office.
- Responsible for ensuring that all documents are appropriately kept.
- Supervises the Secretaries.
- Management of vehicle log sheet and all issues relating to vehicle management.

Reporting Relationship: Reports to the General Manager.

1.5.9. Secretary

Description: Responsible for registration and dispatch of mails, office stationery.

Duties and Responsibilities

- Receives and screens visitors.
- Register all incoming and outgoing mails in appropriate registers.
- Responsible for all photocopying.
- Manages office stationery.
- Coordinates meetings and trainings.
- Makes sure all forms are available.
- Responsible for typing and preparing documents.

Reporting Relationship: Reports to the Administrative Assistant.

1.5.10. Cashier

Description: Responsible for management of all cash transactions

Duties and Responsibilities

- Receive and hand cash for disbursement
- Prepare payment for expenditures.
- Keep a cash book;
- Arrange cash for bank deposits;
- File cash receipts and payment vouchers to avoid misplacement;
- Follow-up of money orders in the financial institutions;
- Participate in the weekly control of the cash book.
- Custodian of the imprest account of the Fund;
- Pay salaries and allowances to the staff;
- Collect money order advice from the financial institutions.
- Carry out any job that management shall deem fit as a cashier

Reporting Relationship: Reports to the Finance Officer.

1.5.11. Chief Storekeeper

Description: Responsible for coordination of the daily activities of the medical stores.

Duties and Responsibilities are to:

- Make recommendations for innovations in the Regional Medical Store.
- Initiate medicine orders by keeping watch over stock levels to avoid acute shortage.
- Receive supplies.
- Prepare reception reports for all supplies and submit copies to the Chief of Drug Unit.
- Ensure that all store records are updated.
- Ensure the security of the medical store.
- Prepare monthly stock situation reports
- Write quarterly reports on situation of stock in the store.
- Follow up problems identified in the Regional Store.
- Prepare monthly report on Internal Drug Returns.
- Prepare monthly store work plan.
- Notify Chief of Drug Unit of expired and soon to expire medicines monthly.
- Supervise all aspects of work in the store.

Reporting Relationship: Reports to the Chief of Drug Unit.

1.5.12. Storekeepers

Description: Responsible for packing medicines and treating requests from health facilities and health programmes.

Duties are to:

- Receive supplies into the Medical stores.
- Initiate orders by making use of request indicator (RI) so as to avoid acute shortages.
- Arrange medicines and other related materials.
- Attend to requests from health facilities & authorised customers;
- Receive medicines from supervisors and Pharmacy Attendants which are returns of unusable items or expired medicines.
- Ensure the security of the Medical Stores.
- Replenish stock and manage returns from health facilities
- Make recommendations for innovations in the central store.
- Check records and orderliness in the store.
- Follow the implementation of solutions to problems identified in the medical Store.
- Carry out other duties as assigned.

Reporting Relationship: Reports to Chief Storekeeper.

1.5.13. Supervisors

Description: Main liaison between the Fund and Health Unit Pharmacies. They are responsible for supplying essential medicines to health facilities and supervising the health facility pharmacies.

Duties are to:

- Train pharmacy attendants
- Keep up to date supervision and bio-data files for all Pharmacy Attendants.
- Review medicine requests from health facilities in conjunction with the Chief of Drug Unit.
- Control medicines to health facilities in Medical stores.
- Make sure that consignments are ready on time (medicines, invoices, letters, etc);
- Ensure all consignments are loaded in and off-loaded from the vehicle;
- Supply essential medicines and other items with the assistance of health committee members and Chief of Centre when possible;
- Check the records, orderliness, and cleanliness of community pharmacies
- Check security measures in health community pharmacies;
- Obtain written authorisation to collect Funds from community pharmacies.

- Collect money orders and pay incentives and compensation allowances as laid down by management;
- Follow the implementation of solutions to problems identified in community pharmacy;
- Write supervision reports;
- Assist in packing drugs in the Central Store whenever called upon to do so;
- Perform other duties assigned by management;

Reporting Relationship: Reports to the CDU

1.5.14. Storekeeper in Charge Laboratory Supplies

Description: To ensure proper management of the Laboratory and all Laboratory supplies

Duties are to:

- Establish stock cards for each reagent and consumable (chemicals/stains).
- Write and present supervision report after touring all Health Unit Laboratories in the Region (mostly public health unit laboratories)
- Do annual summary report of reagents and consumables supplied to each health unit.
- Carry out the compounding of chemicals and stains into reagents for the various laboratory investigations done in health institutions in the Region.
- Supervise and introduce modern diagnostic techniques in health unit laboratories.
- Ensure that reagents/consumables are constantly in stock.
- Propose reagents/consumables for ordering to the management of the Fund.
- Carry out quality controls on all prepared reagents before they are supplied to health units.
- Ensure the storage of all prepared reagents and those stored under refrigeration conditions.
- Ensure that consignments of reagents are packed and handed to the drug supervisory team to be supplied during inventory and supply tours to health units that requested for them,
- Ensure that supply invoices for reagents and consumables are issued in two copies, one is left with the health unit management and the other with the Fund's 'S' management, both copies counter-signed by the Finance Officer or Accountant-in-Chief, Laboratory Technician, Chief of Centre/Chief Medical Officer of health unit, supplier and sometimes Chairman of health committee.
- Ensure that for any reagent/consumable to be sold locally (mission hospitals/customers); the Finance Officer visas the request, approved by signing before delivery by the technician, solely on cash basis paid to the cashier and upon issuing of a valid receipt.
- Assist the Regional HIV/AIDS Team in carrying out some of its activities pertaining to the laboratory aspect of HIV/AIDS diagnosis which are to:

- Do HIV/AIDS sentinel surveillance
 - Issue out HIV Check Kits and consumables to health units.
 - Ensure cost recovery on HIV Check Kits to public and private hospitals.
 - Synthesize monthly HIV serology returns.
 - Carry out supervision and proficiency testing in HIV screening sites.
 - Store HIV reagents and consumables.
- Carry out other duties as assigned.

Reporting relationship: reports to the CDU

1.5.15. Invoice Clerk

Description: Responsible for the management of stock using computer software.

Duties are to:

- Record in-coming stock (purchases, IDR, donations)
- Record out going stock
- Prepare invoices from requests.
- Act as an interface between the medical stores and finance office.
- Participate in inventories at the medical stores.
- Monitor stock routinely and submit monthly discrepancy reports to the CDU.
- Calculate minimum and maximum stock levels of stock items.
- Carry out any other task as assigned.

Reporting Relationship: Responsible to the CDU.

1.5.16. Drivers

Description: Responsible for driving vehicles, following up its maintenance and repairs.

Duties are to:

- Drive the vehicle assigned;
- Follow up vehicle maintenance (checking oil, water, brake fluid etc);
- Be in absolute control of the vehicle while on supervision and other out of station duties;
- Ensure that documents of the vehicle are current;
- Ensure that the first aid box is complete;
- Assist the supervisors in loading and off-loading vehicles;
- Help in the packing of medicines and other stock items in the store;
- Keep the vehicles clean;

- Carry out other duties as assigned.

Reporting relationship: Reports to the Administrative Assistant

1.5.17. Janitors

Description: Responsible for the cleanliness of the offices and the environment of the Fund.

Duties are to:

- Clean the offices, dust windows and tables on daily basis
- Set up tables for reception and clean the tables and dishes after refreshments
- Run errands
- Ensure that toilets are clean and that toilet rolls are put in place for use.
- Perform other duties as assigned.

CHAPTER TWO: SUPERVISION AND CONTROL

2.1. Introduction

Supervision is the process of ensuring that activities at health facilities and health districts which are in relation with the Fund's specific objectives conform to norms. It aims at maintaining a constant communication flow between the Fund and the health facilities. Supervision can be done at the level of the Health Unit, the District, and at the level of the region.

There are different forms of supervision carried out by the Fund namely:

- Supervision of health facilities.
- Supervision and control of drug stores at health districts.
- Pharmaceutical control.

2.2. Supervision of Health Facilities

The purpose of this supervision is to improve on the functioning of the health facilities especially availability and management of essential medicines and medical consummable. It is also aimed at improving on the skills of actors in the health facilities e.g. the Pharmacy Attendants.

Area for supervision are:

- Review of the internal supervision reports of the health facility
- The organisation of the pharmacy.
- Storage conditions of medicines.
- Availability of medicines at the Pharmacy
- Handling of Cash.
- Proper keeping of records.
- Check against illegal practices, etc.
- Degree of use of Pharmacy in relation to the consultation rate of health unit.
- Post supervision plan to resolve identified problems.

2.3. Supervision Teams

- At the Health Unit level, it is done by:
 - The Chief of Centre,
 - Chief Medical Officer, and
 - Medical Doctor or Nurse assigned by the head of the health unit.

- At the District level by:
 - the District Medical Officer and
 - the District health service team
- At the regional level by:
 - Supervisors from the Regional Delegation of health and
 - Supervisors from the Special Fund for health.

1. Frequency of Supervision

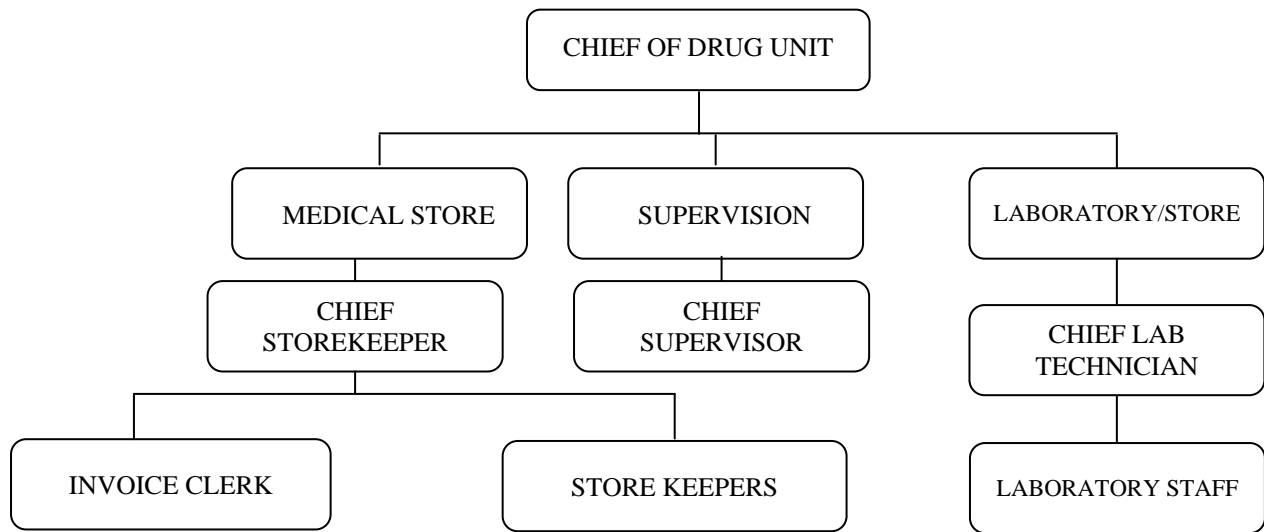
- Four times a year by the Regional supervisors
- Monthly by the District supervisors.
- Every two weeks by the health unit nurse or medical doctor or any person assigned to supervise.
- Supervision can also be carried out at any other time as deemed necessary by the competent authority.

2. Supervision Process

- Preparation to go for supervision:
 - Study last supervision report
 - Identify priorities and potential problems
 - Prepare supervision checklist accordingly
 - Prepare supervision schedule
 - Inform the concerned – Attendant/COC/CMO
 - Check and take supplies along as necessary
 - Inform members of the team ahead of time.
 - Obtain mission order and finances for the tour.
- Supervision proper
 - Report to and brief the head of the facility on the supervision.
 - Follow the supervision check list to carry out the supervision
 - Debrief the staff of the health facility on the outcome of the supervision
- Post Supervision.
 - Prepare detail supervision report.
 - Diffuse supervision report to appropriate quarters.

CHAPTER THREE: MANAGEMENT OF MEDICAL STORES

3.1. Organisational Chart of the Medical Store

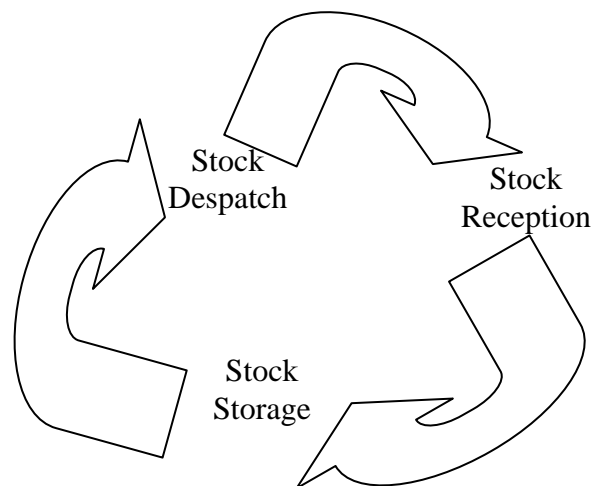


3.2. Stocks in the Medical Store

The stock of the Medical Store comprises the following: Essential medicines, Diagnostic and laboratory supplies, Medical materials and equipment and other stock items such as consultation books, spare parts, etc.

3.3. Stock Management Procedures

Management Cycle in the Medical Store (Put the standard drug management cycle)



3.3.1. Stock Reception

The type of stock received during reception includes the following:

- Essential medicines

Items of stock in the medical store are received and dispatched using the appropriate stock management documents.

3.3.2. Procedure for Reception of stocks into the drug store

- Stock is received at the medical store by a team comprising the CDU, Chief storekeeper, and an Accountant.
- Suppliers must present the following documents before their goods are received: copy of the order, delivery note, and invoice.
- In the event that the supplier does not present a copy of the order, the storekeeper must verify if an order was issued from the order file at the secretariat.
- Upon presentation of documents, items are verified by comparing delivery notes with physical stock supplied. Checking of any physical signs of damage, batch number, and expiry date. Any damaged or expired item discovered while reception team is still at the medical store is rejected and a reception report made in the presence of the supplier.
- If damaged or expired items are discovered after the supplier has departed, the Chief Storekeeper, or in the absence of the chief storekeeper, the CDU shall designate another storekeeper to prepare the report and all members of the reception committee will sign it.
- The signed report shall be forwarded to the supplier within 24 hours after signature.
- The CDU carries out spot checks on the items received to check for quality problems. Any discrepancy or quality problem noticed must be reported to the General Manager.
- For large orders which necessitate two or more deliveries, a reception report must be made for each partial delivery and the documents forwarded to the CDU immediately.
- Each stock receipt is assigned a reception reference at the medical store.
- In the absence of the CDU, the reception report is forwarded to the General Manager for endorsement.
- The documents involved in the reception files should comprise the following: reception report, delivery note, invoice and order.
- The file is made in three copies and distributed as follows: CDU, Accountant, and the Chief Storekeeper.
- The original of the delivery note is kept with the Chief Storekeeper while the original of the invoice is sent to the Invoice Clerk.
- The Invoice Clerk is responsible for input of purchases into the stock software before sending the invoice to the Accountant.

- A print out of the entries of the received stock is checked and signed by the CDU, and attached to the corresponding reception report for verification and counter signing by the General Manager. These two documents are the key to the payment of stock received.
- All documents should be transmitted to the relevant offices within 24 hours.

Manual Records

Stock received from suppliers is recorded as follows:

- Delivery notes are registered in the reception register.
- Each consignment received is recorded in the drug purchase register and given a reference number.
- Delivery and reception documents are sent to the departments concerned.
- Filing of delivery and reception documents is under the responsibility of the Chief Storekeeper.

3.3.3. Internal Drug Returns to the Regional Drug Store

Internal Drug Return refers to drugs returned to the regional medical store due to over stock in a given health facility, expired or three months to expiry, damaged or legally withdrawn for diverse reasons.

a). Reception of expired and overstock medicines from health facilities.

The Internal Drug Return (IDR) form is used for the return of stock from the field. The supervisor and the Pharmacy Attendant sign the form when the supervisor receives the items. The attendant keeps a copy of this form. At the Regional medical stores, the Storekeeper has to:

- Count every drug item and verify the quantities and type as on the IDR form.
- Ensure that expiry dates on the IDR form correspond to items received.
- Use a tick (√) for items not expired and an 'x' for expired items.
- Draw the attention of the Chief store keeper or CDU in case of discrepancies.
- Sign the internal drug return form if no discrepancies are noticed.
- Draw attention of Chief store keeper or CDU to confirm expired medicines.
- Put expired medicines in a carton and label "expired"
- Write the name of the health unit, the period and the date received at the store.
- Sign on the IDR form to acknowledge receipt.
- Transfer expired medicines to its warehouse.

- Give a reference number to the IDR form.
- Place on shelves in the store Non- expired medicines.
- Transmit copy to invoice clerk to update stock in the computer software.
- Cause the CDU to verify stock entry into the stock software and sign on document.
- A print out of the entries of the received stock is checked and signed by the CDU, and attached to the corresponding reception report for verification and counter signing by the General Manager.
- Transmit to the Finance Officer copy of the IDR.
- File store copy of IDR in the store.

The CDU should take appropriate decision on the drugs returned.

b). Return of drugs after closure of a Community Pharmacy

- An inventory form is used for usable medicines and an internal drug return form is used for damaged or expired medicines.
- The supervisor and the pharmacy attendant sign in the field when the supervisor receives the medicines and other items after an inventory exercise. The attendant keeps a copy of both forms.
- At the medical store, the same procedure as in 3.3.1a is followed.

3.4. Storage of medicines

3.4.1. Arrangement of medicines in the store

- Medicines are arranged in alphabetical order respecting the ‘FEFO’ (first to expire first out) and FIFO (first in first out) rule on the shelves in their corresponding families.
- Arrangement of medicines is the responsibility of all store staff.

3.4.2. Storage of medicines in the store

Generally, medicines are stored in the medical store at temperatures less than 25° C. When stocks are received, the label should be read to know the storage requirements for the particular item.

Medicines are stored as follows:

- Each item received is stored in its unique position on the shelves at the medical store.
- All medicines are stored away from direct sunlight. Particular care should be noted when storing light sensitive medicines.
- All medicines are stored either on shelves at the main store or on floor pallets at the bulk stores.

- Medicines requiring refrigeration are stored as such (between 2° C – 8° C). Examples are insulin, Oxytocin, Kaletra Suspension, vaccines, etc.
- Inflammable items e.g. Alcohol and Formol are stored in a separate room from the main store. A functional fire extinguisher should be in close proximity to this room.
- Medicines which require secured storage such as controlled medicines like morphine are stored in locked cupboard at the CDU's office.
- HIV/PMTCT medicines and anti-tuberculosis medicines should be stored in a separate room.
- Drugs for programme activities like anti-malaria, antihelminthic and stationery could be kept in the main store.
- Laboratory reagents are stored in the Laboratory Section of the Medical Store.

3.4.3. Monitoring the quality of medicines

The purpose of monitoring the quality of a medicine is to ensure that medicines with quality problems in the medical store are not supplied to health units. Some major indicators of medicines with quality problems are:

- Medicines with missing, incomplete or unreadable labels.
- For liquid medicines, discolouration, cloudiness, sediments, broken seal, cracks and dampness in the packaging.
- For tablets and capsules, discolouration, stickiness, crushed tablets and crumbled capsules.
- For injectables, liquid does not return to suspension after shaking (coagulation).
- Latex products appear dry, brittle and cracked.
- For products in tubes, leaking contents and sticky tubes are the main indicators of being damaged.
- Sunlight sensitive medicines will appear discoloured.

3.4.4. Temperature and Humidity Monitoring

The purpose of monitoring temperature and humidity is to ensure that medicines are stored at the appropriate temperature and atmospheric humidity to avoid damage.

A temperature and humidity monitoring device is available in the medical store where temperature and humidity of storage in the store are taken twice daily (9:00 am and 3:00 p.m.) and recorded.

3.4.5. Cleaning and fumigating of the medical store

Mopping of floor is done twice a week and dusting of shelves is done weekly in the dry season and monthly in the rainy season. Fumigation is done once a year.

3.5. Stock Despatch and Delivery

3.5.1. Order Allocation

A pull distribution system is used where by health facilities submit requests for supplies to the Regional medical store based on their needs:

- A public health unit or any authorised client prepares a request for medicines and other items. This request is signed and approved by the head of the health unit before it is forwarded to the Fund.
- The Fund's Secretariat registers the request and forwards it to the CDU for approval.
- Upon approval, the request is forwarded to the Chief Storekeeper who registers it in the Drug Delivery Register.
- The Chief Storekeeper determines the quantities to be supplied based on the stock status of the medical stores. In the absence of the Chief Storekeeper, this is done by any other storekeeper.
- The request is forwarded to the invoice clerk who prepares an invoice after picking.

3.5.2. Order Picking and assembly

- The medicines are packed using the delivery note.
- The storekeeper identifies and collects the allocated items from the store shelves or bulk store.
- The individual items packed for a unit are assembled in the packing area for control.

3.5.3. Control

The purpose of control is to ensure that the quantity of medicines packed by a storekeeper conforms to quantities found on the delivery note.

In the Central Medical Store, Control is carried out by a supervisor and store keeper or by two storekeepers in the absence of a supervisor or by the client and the storekeeper in cases where the client is present at the medical stores.

The procedure for control for medicines at the medical store is as follows:

- Quantities are crosschecked one after the other and those controlled are ticked in red.

- Items to be collected from the fridge are indicated on the request form - the name of the item and the quantity to be collected on the day of departure.
- Upon completion of the control process, cartons are sealed and the name of the health unit written in bold letters.
- Enter the name of personnel who controlled, the date the control was done, the total number of cartons counted in the space provided on the delivery note and request form.
- The sealed cartons are transferred to designated area pending departure and the name of the health unit written in bold letters.
- Copy of controlled delivery note is forwarded to the invoice clerk for costing of the order.
- The invoice clerk forwards the invoice and delivery note to the CDU for verification.
- The verified document is then forwarded to the store for dispatch with the order.

3.5.4. Dispatch of Medicines

- For drugs to be delivered by supervisors, the dispatch register is filled and signed by the supervisor and a storekeeper on duty.
- This register contains the number of cartons per centre.
- The cartons are then packed in the vehicle.
- Preparation of the dispatch register is the responsibility of the store keepers.

The dispatch register contains the following information:

- Name of the health unit.
- Number of cartons per health unit.
- Total number of cartons packed inside the delivery van.
- Signature of store keeper, supervisor.
- Date of departure.

3.5.5. Documentation

- For supplies to health units by supervisors, after costing and control, the store keeper retains a copy of the manual order and computerised invoice while the supervisor takes two copies to the field for the pharmacy attendant to sign. One copy is returned to the accounts office while one remains with the PA.
- For supplies directly to clients from the regional medical stores, the copies are issued to the client concerned, CDU and the Finance Officer.
- The Chief storekeeper keeps copies of all requests and invoices.

3.5.6. Donations

The procedures are same as above. A push system of distribution is used as distribution lists of most donations are sent from the central level. However, there are instances when the Region determines the distribution of donations.

3.6. Physical Inventory

Physical inventory is the process of counting each item in the medical stores at any given time. Physical inventory helps ensure that the stock on hand balances or matches with stock records.

The objective of stock inventory is to:

- Identify stock deficits.
- Identify fast and slow moving items.
- Determine loss by pilferage

3.6.1. Kinds of Physical Inventory

- Complete physical inventory involves counting all items at the same time. It is done compulsorily four times a year. After each supply cycle to health units and in the last working week of the year.
- Random physical inventory is done on selected products only as deemed important by the CDU and Chief Storekeeper. These are Class A for the ABC classification or vital medicines for the VEN system of classification. This is done regularly.

3.6.2. Steps in conducting the physical inventory

Inventory of stock for financial purposes

- These shall follow laid down guidelines for the inventory exercise.
- A team shall be constituted to carryout the inventory.
- The team shall be trained on the procedures before starting work.
- Before inventory count, there should be pre-inventory activities during which the store is arranged to ease the counting exercise. Stock records are updated in case they are not.
- During inventory, two or more counting groups are formed independent of the store keepers. The store keepers are there to identify the drugs.
- The inventory count procedures are given to each participant prior to counting or discussed with the participants. The procedures define clearly the role of each participant.
- Each drug has to be counted twice by each group:

- The first group counts, places a ticket carrying the name of the drug, its code, and then reports the quantity counted on the inventory count sheet.
- The second group counts and reports the quantity on the ticket placed on the drug by the first group.
- The use of tickets is to facilitate post inventory control and to check if exhaustive counting has been done.
- In the course of the exercise, the external auditors take a random sample of some drugs depending on their judgment from stock to stock records and vice versa on drugs already counted to confirm the quantities.
- At the end of the inventory count, the accountant/internal auditor or staff responsible for the inventory reconcile the inventory count sheets of the two groups signed by group leaders and the theoretical stock records (Stock Card and Computer reading).
- After the inventory, if there are variances, a third count is done where the two groups had differences.

3.7. Stock Management Documents at the Medical Store

3.7.1. Stock Control Cards

They are used to document stock flow (stock inflow and outflow). For every stock item a separate stock card is kept.

Stock cards are updated when:

- New stock is received (purchase, donation, etc);
- Stock is supplied to clients;
- Stock is returned to/received at the Regional medical stores;

Stock movements are recorded in the stock cards after each transaction. Stock cards show the actual balance of drug items at any given time. The balance on each stock card should equal the actual quantity of the drug on the shelf. When in doubt about the figures on the stock card, a physical inventory is conducted.

3.7.2. Internal Drug Return Form

Stock movements from health units to the Regional medical store are documented using the Internal Drug Return form.

3.7.3. Stock Reception Register

Purchases are documented in the stock reception register. All medicines received in the medical stores must be documented stating the item, expiry date, batch number, supplier name, quantity and the signature of the recipient.

3.7.4. Expired and Damaged Medicines Register

This register is used to document expired and damaged drugs at the Regional level. The corresponding update is made in the stock card. This register also gives the quantity and value of expired or damaged drugs per period.

3.8. Record Keeping at the Medical Store

Keeping records is an important activity in the medical store. Documents are stored in folders at the medical store so that references could be made whenever necessary. Documents are filed at the end of each operation. The following folders are kept:

- Folders for requests for medicines from health units.
- Laboratory folder.
- Folder for each programme: Tuberculosis, HIV/AIDS, PMTCT, etc
- Folder for Internal Drug Returns
- Folder for donated items.

Folders are arranged according to periods of operation (yearly, bianial, etc).

3.9. Routine Medical Store Management Tasks

These are specific tasks that are carried out on a daily, weekly and monthly basis. Routine tasks that are carried out on a daily/weekly basis include:

- Monitoring product quality by visually inspecting items and their expiration dates.
- Monitoring store security and safety
- Ensuring adequate ventilation.
- Ensuring that products are protected from direct sunlight.
- Checking the store roof, doors, and windows for leakages, especially during rainy season and during or after a storm.
- Ensuring that products are stacked correctly.
- Checking for signs of rodents and insects
- Receiving drug requests from health unit pharmacies and customers.

- Packing, controlling, and dispatching of medicines to customers.
- Filing of invoices for all store operations.
- Cleaning of the store, shelves, and immediate surrounding.

Routine tasks that are carried out on a monthly basis include:

- Conducting physical inventory and update stock keeping records.
- Preparing and submitting orders.
- Separating expired medicines from usable ones on the shelves.
- Monitoring stock levels, stock quantities and security stocks.
- Updating stock keeping records and filing of supply invoices for central store
- Removing of expired medicines from stock.

Routine tasks carried out on a quarterly basis include:

- Packing, controlling, and dispatching supplies to health unit pharmacies.
- Filing of Internal Drug Return documents from health unit pharmacies

3.10. Disposal of damaged or expired items

This refers to damaged, expired or unusable drugs and medical consumables that have been put out of the inventory for distruction by the appropriate committee.

3.10.1. Removal from Store

- On a monthly basis, the CDU removes expired or damaged medicines from stock.
- The information entered in the Expired and Damaged Medicines Register should include: batch numbers, expiry date, quantities and name of manufacturer and the register should be signed by the CDU.
- The expired or damaged medicines removed from stock are sealed in cartons and labelled 'expired from medical store' with the date of removal.
- The Expired and Damaged Medicines Register is forwarded to the invoice clerk to remove items from stock in the computer software.
- Expired and damaged Medicines are kept in expired warehouse.

3.10.2. Distruction of Expired and Damaged items

- An inventory exercise for expired and damaged medicines from the Regional medical stores is carried out in the presence of a commission composed of the following:
 - The Governor, North West Region
 - General Manager of the Fund

- The Pharmacist of the Fund
- The Retainer of the Fund,
- The Regional Delegate for Public Health,
- The Government Delegate to the Bamenda City Council.
- The Representative of the Pharmacists Association
- The Medicines are destroyed using an incinerator or by burning using a pit.
- After destruction, a report which contains the detailed list of medicines destroyed, its worth and period of expiration is signed by all the members of the commission.

CHAPTER FOUR: FINANCIAL MANAGEMENT AND INTERNAL CONTROL

4.1. Goal

The goal of financial management is to effectively and efficiently manage financial resources with the following specific objectives:

- To enhance accountability
- To ensure transparency in the management of finances.
- To control expenditure
- To enhance efficiency and effectiveness

4.2. General Provisions Governing Financial Management and Internal Controls

The regulations in this section are drawn up in conformity with Part III (IV) of law No. 2010/023 of 21 December 2010 to define the Status of Public Interest Groups and Chapter IV of the Constituent Agreement of the Fund.

The financial year shall start from January 1st of each year and end on the 31st of December of the same year.

No expenditure shall be incurred by or on behalf of the Fund without the prior authorization of the General Manager.

The Fund shall keep such books and records as the Management Committee shall from time to time determine, in accordance with generally accepted accounting principles and the Fund's legal framework.

The system of accounts shall, where appropriate incorporate the OHADA accounting methods.

In addition to prior authorization by the General Manager, all payments must be checked by the accounts office that shall be responsible for ensuring that all expenditures fall within the budgetary estimates of the Fund.

Expenditure not provided for in the budget can only be authorized by the Management Committee. Such authorizations must be supported by a resolution.

Every item of expenditure must be justified by supporting documents like originals of bills, claims, contracts, etc. as authorized for payment by the General Manager.

All payments made by the Fund shall be properly recorded in the cash register in case of cash payments or accounts payment folder in case of payments made by cheque.

All income shall be acknowledged by the Fund with the issue of official pre-numbered receipts.

The Fund shall maintain such bank accounts as are required by the activities of its specialized departments upon the approval of the Management Committee.

To protect the interests of the Fund, its recognised signatures are those of:

- The Chairman of the Management Committee.
- The General Manager
- A designated member of the Management Committee.

All cheques must carry the signatures of the Chairman of the Management Committee and the General Manager. In case of inavailability of the Chairman of the Management Committee, the designated member of the Management Committee shall co-sign.

4.3. Budgets

The Management of the Fund shall be responsible for drawing up the budget and submitting it to the Management Committee for examination and subsequent presentation to the General Assembly for adoption. The budget shall be drawn up and submitted for approval thirty days before the start of the new financial year. The budget shall be drawn up in accordance with general accepted accounting principles and include both estimates of operational expenditure based on the programme of activities and an investment budget showing the planned capital investment for the year and the source of funds for the investment programme.

In drawing up the annual budget, the General Manager shall consult with the respective partners and the heads of the department of the Fund at all the levels. The accounts department of the Fund shall through the General Manager, submit quarterly budget reports to the Management Committee comparing budget and actual income and expenditure and explaining variances to the Management Committee.

4.3.1. Budgeting

The budget is prepared with contributions from the different partners and departments of the Fund, with the finance department acting as central guidance. The budget session of the Management Committee takes place in November every year.

The main source of information for preparing the budget is the audited accounts of the previous financial years; with adjustments made for projected trends and other determining factors in the operating environment and the actual revenue and expenses of the current year.

Management of the Fund has a basic responsibility to plan, control, supervise and make decisions. To achieve this goal management must plan revenues and expenses, compare actual to planned results, evaluate differences between actual and planned results and take corrective actions based on the evaluation of the system.

Budgeting facilitates this process. This financial plan (Budget) presents management's planned actions and the financial effects of the plan. Management of the Fund needs a budget in order to:

- Control the operations of the entity (planned figures versus actual results)
- Serve as a basis for performance measurement
- Serve as a basis for accomplishing objectives.

Annual budgets and or pluri-annual budgets as the case may be, are elaborated and presented to the members of the Management Committee for review and adoption. A budget follow-up analysis is done quarterly by management and presented to the Management Committee in order to compare planned figures and actual results.

4.3.2. Budget Follow-up

The budget follow-up or tracking acts as a mode for evaluating performance. It is performed at precise intervals (monthly, quarterly, bi-annually, and annually, etc) to carefully monitor performance by comparing the actual situation with the planned (or budgeted) situation.

Information for preparing the budget follow-up is got from the bookkeeping records, where monthly income/expenditures are taken into consideration. These monthly figures when compared with the budgeted figures, would give the total FCFA used, the total FCFA balance, percentage used, and percentage balance. These percentages should relate to the physical realisations of budgeted activities or programmes.

4.4. Annual Accounts and External Audit

The General Manager is responsible for drawing up the annual accounts of the Fund for approval by the Management Committee. This is to be done within one month following the end of the financial year.

The annual account shall comprise:

- A balance sheet as at December 31st.
- An income and expenditure account for the year ended December 31st
- A statement of cash flow as at December 31st
- Notes to the accounts.

The General Manager is also responsible for presenting to the Management Committee the annual accounts with the following additional information:

- A Management Report for the period;
- A Financial Report for the period;
- A report on the use of subsidies (if any)

An internal audit shall be performed monthly and a report presented to management while an external auditor shall audit annually, the books and accounts of the Fund. The Audit contract shall be signed by the Chairman of the Fund and the Auditor. The audit reports shall be presented to the Management Committee for examination and eventual approval by the General Assembly.

4.5. Vehicle Log Sheets/Worksheets

Log sheets, filled by the drivers and submitted monthly for control, are used to regularly monitor the Kilometres (KM) covered and fuel consumption of the Fund's vehicles. Total fuel consumed and cost for the month in question is calculated and the cost per Km is obtained.

With the help of the log sheets the fuel consumption by the vehicles is closely monitored in order to avoid misuse by the drivers or other personnel. Worksheets, which are also filled by the drivers, are used to record repairs and the expenditure on each of the Fund's vehicles. This is also an instrument of internal control.

4.6. Follow-Up of Outstanding amounts from Debtors and to Creditors

In general, the Fund distributes medicines to public health units on credit basis and on cash basis to other clients. However, in exceptional cases short-term credit facilities are granted to other clients based on the following:

- Bank references.
- Trade references
- Previous experience with the Fund or with other firms to the extent known to the Fund.
- Personal visit to the client's premises for first hand information

- Credit rating
- Credit limits
- Effects on sales and surplus

Credit is given in small amounts only and not to institutions dealing with the Fund for the first time. Such customers have their accounts debited with such amounts and full settlement is expected within a predetermined period. Defaulters are reminded in writing and perpetual defaulters are excluded from future credit facilities.

Follow up of Outstanding payments to Creditors

Outstanding amounts due creditors are also monitored by the accountants. This is to ensure that payments are made when due in order to avoid penalties. All outstanding invoices are paid monthly during the last working week of the month and after authorization by the General Manager.

4.7. Unit Costing of Essential Medicines or Other Stock Items

This is a process whereby the Fund determines the unit cost of essential medicines and diagnostic materials charged by suppliers. This involves two situations or cases: a situation whereby essential medicines and diagnostic materials are purchased from local suppliers and a situation where they are purchased from foreign suppliers. These two situations are determined as follows:

4.7.1. Costing of Stock from Local Suppliers

Cost prices of essential medicines from local suppliers are the individual cost received from their supply invoices. These involve: the cost of the items without taxes (VAT), transport, insurance and other overhead cost linked with the handling of the items from the supplier to the medical stores. This is known as CIF, Bamenda (Cost, insurance, freight, Bamenda). This can be illustrated as follows:

Purchase prices of essential medicines and diagnostic materials

Cost items	Amounts (FCFA)
Items cost (without VAT)	A
Transport	B
Insurance	C
Other internal cost	D
Total purchases cost	A+B+C+D

Unit cost of individual items are obtained by proportion of individual items cost on total items cost, multiplied by total accessory cost linked with the items.

4.7.2. Costing medicines from Foreign Suppliers

Essential medicines and diagnostic materials which are purchased from foreign suppliers on a CIF (Cost, insurance, quality control, transport, etc) to convey the items to the medical store in Bamenda, are evaluated and added to the cost of the item. This can be illustrated as follows:

Cost items	Amounts (FCFA)
Items cost (without VAT)	A
Clearing Charges	B
Transport	C
Insurance	D
Other internal cost	E
Total purchases cost	A+B+C+D+E

Unit cost of individual items are obtained by proportion of individual items cost on total items cost, multiplied by total accessory cost linked with the items. This calculation is done on a costing sheet and attached to the original invoice accompanying the items.

4.7.3. Unit Selling Prices for Essential Medicines, Medical and Diagnostic Materials

The Fund uses the Public sector prices of essential medicines fixed by the government through the Ministry of Public Health. The recent prices of essential medicines were fixed through a ministerial decision number D36-63/LC/MINSATE/CAB of 4th November, 2008. These prices are set using a general mark-up of 32% on cost prices of the medicines. These are indicated on the essential medicines list and must be respected and displayed in all public health facilities.

The prices of laboratory reagents are fixed using a mark up of 15% on the CIF Bamenda cost prices. All donations are issued free in accordance with the guidelines accompanying the use of the donations.

4.8. Cash Operations

All cash payments must carry two signatures.

- The signatures of the cashier and the payer or the signatures of Cashier and the receiver

Two documents show evidence of cash entry into the Fund:

- A receipt for cash entry other than those received for sale of medicines.
- An invoice and a receipt for cash entry coming from the sales of medicines.

No cash entry should be made without a duplicate receipt or a pay-in slip.

The slip must always carry the signature of the cashier and the official stamp of the Fund.

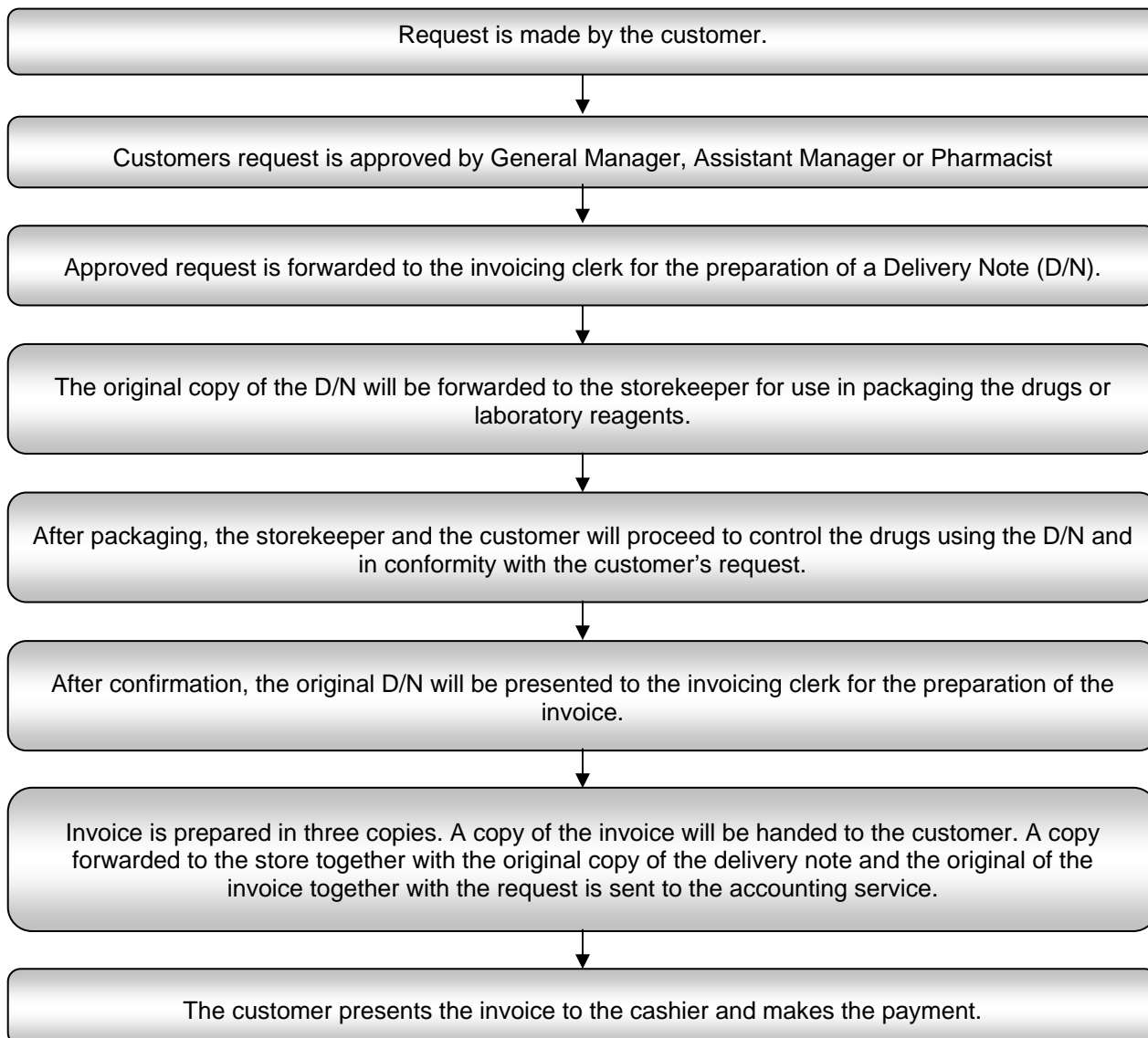
4.8.1. Sources of Cash Inflow

- Cash sales of medicines and other stock items at the medical stores.
- Cash deposited by pharmacy attendants.
- Withdrawals from the bank.
- Payment of security deposits by pharmacy attendants
- Payments of debts and deficits
- Deposits made by the supervisors returning from supervision tours
- Sale of assets, and
- Others.

1. Sale of Medicines

Sale of medicines is done only to authorized private and denominational health structures as well as public health structures within the operational cycle of the Fund.

Before cash is eventually received from the client, the flow of documents and control will be as follows:



Once payment is made by the client, the cashier will prepare a receipt in three copies. The original copy will be handed to the customer, a copy will be sent to the accounts office and a copy retained by the cashier. A “paid stamp” will be affixed on all invoices.

The cashier will keep a detailed manual register for all cash receipts from clients, supervisors, attendants and withdrawals from the banks as well as deposits made to the Fund’s bank account and any other payments made. This will be in addition to the computerized inputs and must be updated regularly.

2. Cash Deposited by Pharmacy Attendants

Pharmacy Attendants’ sales are deposited into the Fund’s bank account or in the form of postal money orders and credit union slips nearest to them every time that the amount gets to 50,000 FCFA. Also during scheduled and unscheduled supervision of pharmacies, supervisors will collect

cash and its equivalence in the keeping of the Pharmacy Attendant based on his Financial Record Book (FRB)

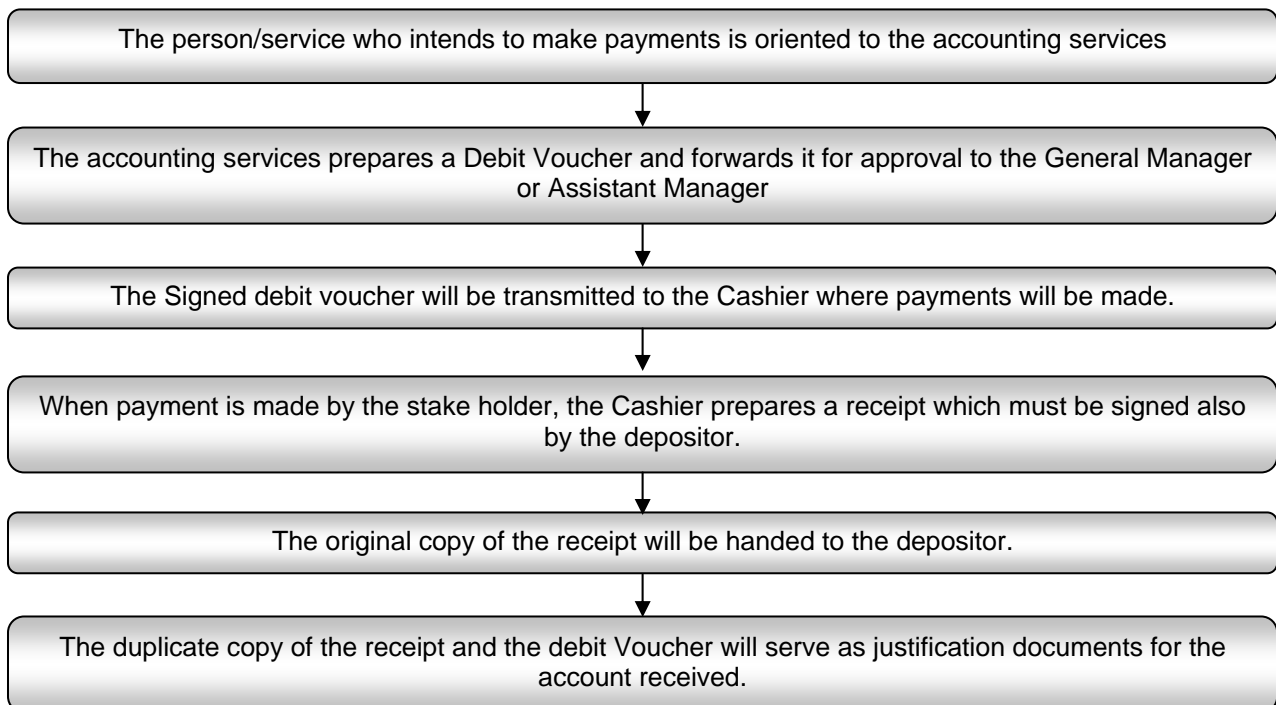
However, in times of emergency, when the Pharmacy Attendant faces stock-out, he/she may rush to the Fund for **replenishing** and in which case he can make payment directly to the cashier and the Fund's official receipt is issued to him or her. Transport fare to and fro for such payments will be re-imbursed to the Pharmacy Attendants.

3. *Withdrawals from the Bank*

- The cashier informs the Head of Finance unit of cash needs
- The Head of Finance unit seeks the advice of the General Manager draws a cheque and prepares a cover letter for signature by the General Manager and co-signatory.
- The signed cheque and an authorization letter are issued to the Cashier for withdrawal from the bank.

4. *Other cash deposits*

This involves the following payments: Security deposits by Pharmacy Attendants, Pharmacy Attendants' deficits paid into the office, debts repayments, etc. These payments will be made possible by the following procedure:



5. *Payments made by Supervisors returning from the field*

All cash collected by the supervisors from the field should be paid directly into the Fund's bank account. Only the cash payment slip should be presented at the Fund's office.

However, if the supervisors return when the banks have closed for the day, they may exceptionally deposit the cash with the cashier using a collected cash summary sheet and following the procedure for other payments outlined above.

4.8.2. Cash Outflow

A. Principles

- The General Manager is the only person to authorize cash outflow.
- Cash outflow should be subjected to certain formalities which guarantee internal control namely:
 - A request for payment by the beneficiary
 - A payment voucher duly signed
 - Appropriate justification after the payment is made (such as copies of receipts)
- The appropriate justification documents will be incomplete if the request for advance payment and a payment voucher are not attached to it.
- The documents justifying cash outflow shall be well preserved for at least 10 years.

B. Areas of Cash Outflow

- Cash purchase of office stationery;
- Payment of invoices from suppliers
- Payment of transport and mission allowances;
- Payment of allowances to Management Committee members, etc;
- Payment of monthly salaries;
- Donations;
- Service bonds;
- Payment of Daily Subsistence Allowance
- Purchase of equipment and vehicles
- General maintenance of equipment, infrastructure, etc
- Subventions to health services

1. Cash purchases of office stationery

- The individual or department forwards a written request to the secretariat.
- The secretariat on a monthly basis compiles the requests and prepares a purchase order.
- The purchase order is forwarded to the General Manager for approval.

- A request for Funds attached with the purchase order and purchase requisition are forwarded to the General Manager for approval.
- The approved request for Funds will be forwarded to the cashier.
- The Cashier proceeds to disburse the cash.
- The individual who does the purchase is expected to submit receipts and other justifications to the Cashier within 24 hours.

N.B. The non presentation of justification by the person in charge of the purchase will result in his account being debited in full with the value withdrawn.

2. Payment of Invoices from Suppliers

In general, suppliers are paid by cheque. However, a supplier may be settled in cash if the amount is not more than five hundred thousand Francs (500,000FCFA). For the cheque to be raised the supplier's invoice should have been controlled by the accountant and approved by the General Manager.

The supplier is informed to collect his cheque from the finance service where he is expected to present his identification papers and he acknowledges receipt on the photocopy of the cheque. His identification papers are photocopied and attached to the acknowledged cheque photocopy.

3. Payment of Transport and Mission Allowances

- A mission order shall be established for all authorised person(s) put on mission by the service initiating the mission and presented to the General Manager for signature.
- The mission order shall carry the name of the person, his category, motive, place to be visited, date of departure, and return date.
- The signed mission order will be returned to the Secretariat where a photocopy will be made.
- While on mission, the mission order shall be endorsed by any responsible person of the service which the person on mission is visiting.
- Upon return, the mission order will be attached to a filled travelling allowance form and forwarded to the General Manager for approval.
- Upon approval, these documents will then be forwarded to the Cashier where payment will be effected.

- The Cashier will prepare a payment voucher which is signed by the person concerned and attached to the mission order and the travelling allowance form. These documents will serve as justification for the cash outflow.

4. *Payment of Allowances During Meetings*

- Allowances will be paid to members at the rates defined by the regulations in force. Members will be paid based on their physical presence during such meetings.
- An attendance register will be used to establish the payment voucher for each of the members present for their signature and collection.

5. *Payment of Monthly Salaries*

- The accounting section, after the calculation of the salaries, establishes pay-slips showing details of the employee's gross and net salary.
- The pay slips are forwarded to the General Manager for approval
- The approved pay slips will then be transmitted to the cashier for the disbursement of the net salary to the employees. Upon reception, the pay slips are signed by the employees.
- A copy of the pay slip is given to the employee; a copy will be retained by the cashier for the preparation of a payment voucher while a copy is forwarded to the accounting section for the update of the various operations journal.

6. *Donations*

Donations to be made by the Fund shall be proposed by and/or through the Chairman and the General Manager and presented to the Management Committee.

Before money is disbursed to benefit an individual, a group, or a community, the following procedures must be followed:

- The person, group or community sends a handwritten request addressed to the Management of the Fund.
- The request is studied by the Management for eventual proposal to the Management Committee.
- The Management Committee approves the proposal either in its entirety or after making adjustments or rejects the proposal.
- The resolution of the Management Committee approving a donation will constitute the base for any donations to be made.

- The resolution shall be forwarded to the accounting section where the order for payment is prepared for the General Manager's signature.
- In the case where the donation is in cash, it shall then be disbursed by the Cashier to the beneficiary with appropriate justifying documents.

7. *Service Bonds*

- Service bonds constitute cash outflow for the purchase of goods or services to be realized by an agent and to be justified by the purchaser in the form of cash. It is the same as is the case with cash paid into the bank from the cash till.
- Service bonds are considered as cash in hand until justification of their expenditures.
- Service bonds are supported by a Request for Payment by the beneficiary signed by the General Manager. It will be kept until justification of the expenditure. It is thus not recorded in the statement showing cash movements for the period.
- Once the expenditure is made and justified, an Order for Payment is established. To this is added a Request for Payment and appropriate justifications. The Order for payment is then signed by the General Manager and handed over to the Cashier to establish the Payment vouchers.
- In the case where the expenditure is less than the amount initially set aside, the difference must be returned to the Cashier. In this case, the Cashier;
 - Retains the justified Payment Order.
 - Establishes a Request for Payment corresponding to the amount justified,
 - Establishes a payment voucher to which will be attached the payment order and the correct justification,
 - Destroys the old Request for payment

8. *Payment of Daily Subsistence Allowance*

Any staff of the Fund can benefit from this allowance if he/she fulfils the under mentioned conditions.

- Not simultaneously receiving any other outstation allowance from the Fund
- The duration of out-of-station work is not less than six hours per day
- The out station service is not performed in Bamenda town or in its environs.
- The employee is authorized by management to work out-of-station.
- An application for this purpose is addressed to management in advance by the beneficiary

The payment of daily subsistence allowance is a token and will be reviewed annually and budgetted for by management

4.8.3. Registration and Control of Cash Operations

1. Cash Register

This is a record of the details of cash receipts and payments as well as the balances obtained after each transaction involving cash movement. This document shall be in this format and containing the following details:

Format and details

Date Receipt/PV No	Details	Folio	Receipts FCFA	Payments FCFA	Balance FCFA

- This document shall be updated daily and controlled at least monthly
- At the end of each page, the total of each of the columns for receipts, payments and balance shall be transferred or carried forward to the next page.
- At the end of each month, the register shall be submitted for control by the **Accountant** who must sign at the end of each control together with the cashier.
- At the beginning of each new month, the balance of the previous month shall be carried forward.
- Input all cash transactions found in the register into cash program where applicable.
- Send copies of all receipts, payment vouchers and other justifications to the accounting section.

2. Coding Cash Documents

Each entry in the cash register must be supported by documents which have a unique serial number preceded by a letter code “R” for Revenues and ‘E’ for Expenditures. The code of each supporting document shall comprise three parts:

- A letter code indicating either revenue or expenditures and the last two digits of the corresponding year;
- The month presented in two digits;
- The serial number which should be composed of four digits.

Example: Cash document – expenditure No. 28 for the month of December 2009. = E09/12/0028

At the beginning of each month, restart the numbering of the justifications from 0001.

3. Forwarding of Cash documents to the Accounting Section.

At the end of each week, the cashier shall forward to the **accountant** for verification:

- The Cash register
- All documents showing proof of the transactions.

After the necessary controls and accounting, the **accountant** will place his visa on the documents before forwarding them to the General Manager. Filing shall be done chronologically with the reference indicated in the register for cross referencing.

4. Input of Cash Documents into the Computer

In a system where the computer program generates code numbers for the respective supporting documents, the numbers attributed by the program shall form part of the description of the transaction.

5. Control of Cash Operations

a) Control for Conformity

Upon reception of documents and cash register, the accounting section certifies that for expenditure, each document showing payment comprises:

- The document duly prepared and signed,
- The payment order duly approved,
- A request for payment ,
- all the justifications correspond to the expenditures recorded,
- Other justifications.

For revenues, each transaction recorded is justified by a payment slip and a copy of the receipt/cheque/transfer slip.

b) Control of fiscal cash

A scheduled cash count shall be made at least monthly. However, unscheduled cash count shall be made as frequently as possible. The cash count process and eventual record or certificate shall comprise:

- Counting of fiscal cash according to their denominations;
- Counting of money orders;
- Reconciling the fiscal situation of the cash till with the balances in the register;
- The report shall be presented to the Head of Finance
- A signed copy of the report is forwarded to the General Manager and all concerned.

6. End of Year Control

a. Cash Count

On the 31st of December or the last working day of the year, the **Accountant** must proceed to make an inventory of the cash situation.

The counting should indicate:

- Fiscal cash according to their denominations.
- Money Orders.
- Service bonds.

The certificate shall be signed in three copies by the Cashier and Accountant.

- The original copy forwarded to the General Manager.
- A copy forwarded to the accounting section.
- A copy kept by the Cashier.

b. Closing of the cash count

This consists of ensuring that the cash count presents a balance which is identical to what is in the cash book .

7. Relieving the Cashier (temporal and permanent)

During the handing over of the function of cashier to another staff, there must be:

- A cash count with the cash count certificate signed by the outgoing and incoming cashier and the Accountant.
- The handing over of money.
- The handing over note issued by the outgoing Cashier specifying the duties of the interim cashier and pending issues.
- A report of the handing over process made by the outgoing cashier and forwarded to the General Manager, Finance Officer and interim Cashier.

4.9. Banking

4.9.1. Payment of cash into the Bank Account

The payment of cash into the bank account of the Fund can be made by the following:

- Pharmacy Attendants holding money in excess of 49,000 FCFA.
- Supervisors returning from a control mission with cash collected.
- The Cashier depositing the excess cash in hand above the cash limit of 500,000 FCFA.

For all cash paid into the bank, the bank receipt properly dated and stamped will serve as justification document.

A copy of this receipt shall be kept by the depositor and the original copy forwarded to the accounting service for filing and eventual use in reconciliation with the bank statement issued periodically by the bank.

4.9.2. Monthly Bank Reconciliation

Bank reconciliations are prepared monthly to reconcile and account for any differences between the balances portrayed by the Funds books and the bank statements.

Source documents for tracing this information include:

- The bank statements
- Cash book;
- Cheque book stumps/counterfoil;
- Bank deposit receipts, etc.

A. Procedure

Step 1: Entries on the bank statements and those of the cash book are compared;

Step 2: Deposits appearing on the bank statements but not yet recognized in the cash book (if confirmed by the **Accountant**) are added to the latter. Such deposits usually include cash and cheque deposits, bank transfers, interest earned, etc.

Step 3: Drawings appearing on the bank statements (if confirmed by the **accountant**) but not yet recognized in the cash book are subtracted from the latter. Such drawings usually include bank charges, transfers, and cheques to third parties, etc. Any other adjustments are also made.

Step 4: To the balance of the bank statements are added any deposits in transit and any outstanding cheques subtracted. Other necessary adjustments are also made.

Step 5: If the reconciliation has been properly done, the new balances after points (IV) and (V) above should automatically be the same, indicating the reconciled balances.

The **accountant** of the Fund can also make visits or working sessions to the banks so as to resolve irregularities discovered during bank reconciliations.

B. Financial Reporting

i. Objectives of Financial Reporting

- To communicate useful information to stakeholders in order to empower them make economic decisions for the Fund.
- To enable **management** make decisions.

Financial reporting should be able to provide a base on which to assess the stewardship responsibility of management.

ii. Relevant Financial Statements

A financial statement or report is only useful up to the extent to which it meets its objectives and below are some relevant reports that the Fund should be able to generate.

1. The Balance Sheet, also referred to as a statement of the financial position, should report on the Fund's assets, liabilities and net equity at a given point in time.

- **Liabilities** are the debts owed to third (outside) parties. They may be short-term (less than 1 year) medium term (up till 5 years) or long term (more than 5 years).
- **Owner's Equity** is the share of the business that belongs to the owner. (Owner's equity = Total Assets – Total Liabilities). Other terms used for owner's equity are capital and partner's equity.

2. Income Statement: This report should be able to communicate the Fund's income, expenses and the net results (surplus/deficit) over a period of time. The income statement should provide information on the operations of the organisation. This includes: sale of pharmaceutical products and equipments and the various expenses incurred during the period.

- **Income** is the inflow of assets into a business from the sale of goods or the performance of services which form the principal activity of the business. In the particular case of the Fund, this income shall represent proceeds from the sale of medicines and other stock items, management fees and sale of fixed assets. However other inflows may come in the

form of subventions from the Ministry of Public Health or bilateral and multilateral institutions and security deposits from Pharmacy Attendants.

- **Expenses** are resources consumed in the process of earning revenue or the performance of the principal activity of the Fund.
- **Net result:** The net result could either be a surplus (when income is greater than expenses) or a deficit (when expenses are greater than income). It is the difference between revenues and expenses.

3. Statement of retained earnings: This statement explains the changes in the Fund's retained earnings over the reporting period.

4. Statement of cash flow: This statement reports on the organisation's cash flow activities, particularly its operating, investing and financing activities.

C. Analysis and Interpretation of Financial Reports

Information contained in the financial reports is expressed primarily in monetary terms. Significant relationships may not be revealed in a review of absolute amounts. The amounts must be analyzed and interpreted by the management of the Fund using, for example, the idea of ratio analysis to simplify the identification of significant changes and relationships. Financial ratios showing the liquidity, solvency, and profitability of the entity are computed and analyzed by management. These ratios are explained below in the context of the Fund.

1. Evaluation of the Liquidity

Liquidity is the ability of the Fund to raise at short notice enough cash to pay its short-term debts (obligations) when they mature and still have sufficient cash left to carry out its daily activities. One method of computing the liquidity is with the help of the current ratio.

Current Ratio = (current assets/current liabilities) x 100%. As a rule, the Fund should maintain a current ratio of 2:1, as this is considered satisfactory for the Fund's liquidity. Too high a current ratio may indicate inefficient management of current assets.

2. Evaluation of the Solvency

Solvency is the ability of the Fund to satisfy long-term obligations and still have sufficient capital left over to operate successfully. It can be computed with the help of the debt ratio.

Debt Ratio = (Total liabilities / Total assets) x 100%. The debt ratio shows the percentage of total assets contributed by creditors. In general, creditors prefer to see a low debt-ratio, i.e. below 10%.

3. Evaluation of Surplus/Profitability.

Profitability is the ability of the Fund to achieve a satisfactory level of earnings. The surplus margin can be used to highlight the Fund's ability to continue its operations in the future.

Surplus Margin = (Net Income / Net Sales) x 100%

In general, for a non-profit enterprise such as the Fund, a margin between 10% and 20% is considered satisfactory. Care should be taken not to allow this margin to be too high. This will no doubt compromise the non-profit character of this entity.

4.10. Management by Economic Indicators

The following indicators could be useful in the evaluation of economic efficiency of the Fund:

- a) **Current Ratio** measures the liquidity of the Fund. This liquidity indicates the ability of the Fund to meet its short term debt from its current assets.
- b) **Debt Ratio** measures the solvency of the Fund. Solvency shows the ability of the Fund to honour its long-term obligations.
- c) **Profit margin** highlights the profitability of the Fund.
- d) **Receivable Turnover** mea the performance of management's credit granting and collection ability.
- e) **Stock turnover** measures the number of times stock was sold and then replaced on the average during the period.
- f) **Reserve coverage** highlights the degree of coverage or under coverage of existing reserve.
- g) **Return on Investment** (on equity capital) measures earnings accruing to the owners.
- h) **Return on Investment** (on invested capital) highlights earnings generated from the invested capital.
- i) **Equity Capital Ratio** shows the dependence of the system on external funding.
- j) **Value Added** highlights the contribution of the Fund to the Gross Domestic Product of Cameroon.
- k) **Gross Surplus** shows the excess of total sales over the cost of the goods.
- l) **Net Surplus** shows the excess of gross surplus over administrative costs.
- m) **Turnover of activities** shows the total sales during the reporting period.
- n) **Working capital** highlights the excess of current assets over current liabilities.

4.11. Auditing

4.11.1. Review of Concept

The purpose of an audit is to lend credibility to the Fund's financial statements. Banks, investors, stakeholders, members of the Management Committee, the Ministry of Public Health rely on independent auditors to certify that the financial statements of the Fund give a true and fair view of the state of affairs and the results of its activity for a given period.

Since the negative effects of decisions taken on the basis of financial statements, such as how much surplus should be distributed, etc. could have far-reaching consequences on the sustainability of the Fund, valid assurances from independent auditors must act as a safety-valve against leakages of the revolving Fund in the decision making process.

It is worth-mentioning here that auditor's reports provide reasonable and professional assurances and not certainty. Auditors check and test the accounting records and control measures to ensure their conformity with financial policies of the Fund in order to give an opinion.

Cash records are checked, physical inventories confirmed, and the amount owed by the customers verified. The auditors must also decide if there are adequate internal controls to safeguard the Fund's resources and if the Fund's records are kept in accordance with Generally Accepted Accounting Practices (GAAP).

In any case, auditors must depend on their own judgment to reach an opinion about the reports. Their professional reputation is at stake because stakeholders depend on the financial statements bearing the auditors opinions in making decisions.

If external auditors are not satisfied with all the findings they have to report on, they "qualify" the report, that is, they include a reservation or, in extreme cases, a statement that the accounts do not show a true and fair view or comply with the relevant statutes.

For the Fund, both internal and external audits are necessary.

External audits are carried out by independent external certified public accountants that have been registered by the government as such. Internal audits are carried out by parties who belong to the Fund.

The audits carried out by the Ministry of Public Health are internal, because the Ministry of Public Health as an institution of the Government is a partner in the Fund (concept of Co- Management).

It is worth mentioning that internal audits are only elements of the internal control system set up to examine, evaluate, and report on accounting and other business operations.

A model of a comprehensive contract highlighting the Terms of Reference for external auditors is included as an Annex. This will guide the external auditors to check certain aspects of the Fund which might have been left out or ignored if the Terms of Reference were absent. It also highlights the sanctions which might ensue if the terms of the contract were not respected by the auditors.

Before the distribution of surplus is considered, and economic advice shall be sought to confirm that the surplus exists. This is to prevent the distribution of a virtual (non-existent) surplus, which might result in a reduction of the capital base of the Fund.

4.12. Surplus Distribution

Surplus distribution is the allocation of net annual surplus to various areas of operation and functioning such as: reserves, health facilities, supervision, incentive to staff, etc. The payment of surplus has brought about more commitment by the concerned to the purpose of the Fund.

4.12.1. Criteria for surplus allocation

This internal earning, which is an important source of increasing the revolving capital of the Fund is also used in addition to finance health-related activities.

Disbursement of financial resources (derived from the generated internal earnings) to the dialogue structures can play an important role in the realisation of health related activities in the member community pharmacies.

In calculating and distributing the surplus, the following areas shall be considered:

- Building of reserve capital in order to strengthen the capital base of the revolving Fund.
- Augmenting the supervision budget (Regional, district, and health area levels) in order to improve the output of health services through constant control and supervision.
- Motivation of staff and Pharmacy Attendants and prescribers is done through the granting of a bonus in relation to workload and work performance.

However, the surplus to the participating communities is only allocated after proof by the corresponding Health Area Committees of the judicious use of the previously allocated surplus in health activities. In this respect, the report of the supervising District Chief of Service plays a vital role.

It should be noted that a further check and balance is the involvement of the District Chiefs of Service and the community Health Services. These units supervise and control the disbursement of the distributed surplus by the various health units in the Region.

4.13. Accounting and Stock Software

The Fund uses integrated accounting software for both accounting and stock management. An standard software (e.g SIS COMPTA) is used for both accounting and stock managements and facilitates the compilation of financial reports such as trial balances, income statements, Balance Sheets, and other information necessary for financial management.

4.14. The Electronic Current Capital Situation

Final transactions between the Fund and the outstation pharmacies are monitored with the help of software called “Current Capital Situation Card”

The data inputted in the program include:

- Deliveries
- Sales
- Internal Drug Returns (IDR)
- Expenses incurred
- Stock situation

Individual pharmacy current capital situation card and a consolidated summary of the capital situation of all the pharmacies could be produced automatically.

Other information which could also be obtained includes the following:

- Opening stock at the community pharmacy
- Supplies during the period
- Sales during the period
- Stock returned during the period
- Closing stock

Supervisors use the data from this program during surprise, midterm, and annual inventory to determine:

- Shortages
- Surpluses
- Current value of stock at any time
- Periodic sales

4.15. Chart of Accounts of the NWRFP

The Fund uses an electronic chart of accounts which is incorporated into the accounting and stock programs. These accounts are created according to the OHADA Accounting System.

Every account used in the General Ledger must have an account title and number. Seven digits have been adopted. The first digit from the left shows the class of the account and the next two digits from left represent the sub-class and the last four digits are adopted by the accountants to facilitate the recording of data.

CHAPTER FIVE: FIXED ASSETS MANAGEMENT

Fixed assets are a term used in accountancy for property such as vehicles, infrastructure, and equipment which cannot easily be converted into cash. For the Fund, these consist of items which cost above 100,000 F CFA with a life span of more than two years. The objective of fixed assets management is to ensure that all fixed assets are recorded and secured from theft and destruction and also maintained optimally.

a) Records of Fixed Assets

Classification of fixed assets	Register	Periodicity of Verification
Items >100,000 F CFA with a lifespan of more than two years.	Fixed Assets Register	Annually
Items costing less than 100,000 F CFA with a lifespan of more than two years	Fixed Assets Register	Annually

b) Categories of fixed assets

- Furniture and Equipment
- Vehicles
- Building
- Fixtures and Fittings

c) Other property other than fixed assets

Any other property acquired which is less than 100, 000FCFA and has a lifespan of less than two years is recorded on the Sundry Register.

d) Inventory

The existence of a fixed asset must be verified on an annual basis using the fixed Asset Register for recording. Any variances from the recorded details must be investigated and appropriate action taken. The asset register must contain the following information:

- Distinct codes for each asset.
- Location of asset
- Category and description
- Supplier details
- Cost of asset, date of purchase and annual depreciation.
- Specific limit for each item to be considered as asset
- User of asset

e) Custodian of fixed assets

The General Manager is the custodian of fixed assets and responsible to the Management Committee. He is assisted in this task by the Accountant responsible for fixed assets management.

f) Reporting

An annual report should be made on the situation of fixed assets. This should specify the new items procured for the year, those still in use and obsolete items recorded for the year.

g) Depreciation of fixed assets

Fixed assets are depreciated annually following the criteria in force.

h) Disposal of fixed assets

Disposal of fixed assets above 1,000,000 FCFA is the responsibility of the Management Committee. Management on an annual basis submits the list of such assets to the Management Committee for approval. After approval, the assets are disposed as determined by the Management Committee.

PART TWO: INTERNAL RULES AND REGULATIONS

INTRODUCTION

The present rules and regulations are made in accordance with the Provisions of Section 29 of the Labour Code. These rules are intended to regulate and guide working relationship between the North West Regional Fund for Health Promotion (The Fund) and its employees and other workers assigned to the Fund by government or third parties.

They shall be applicable to all personnel irrespective of their functions, jobs or tasks.

They shall come into effect from the date of publication.

All present and future personnel of the Fund shall adhere to these regulations as a code of conduct and as part of their service contract and undertake to abide by them in their entirety without reservations.

CHAPTER SIX: HUMAN RESOURCE MANAGEMENT

6.1. Categories of Personnel

The Fund has two categories of personnel;

- Direct Employees and
- Civil servants or state agents (State Employees) assigned by Government or a third party.

The procedures here are applicable to all personnel. However, certain provisions such as recruitment, termination of contract, payment of salaries are not applicable to civil servants and state agents assigned by government or third parties to work in the Fund.

6.2. Law and Conventions

The employees of the Fund are governed by:

- The Cameroon Labour Code – Law No 92/2007 of 14th August 1992
- The National Collective Convention on Pharmacy revised on March 1st 2007.
- The Convention of the North West Regional Fund for Health Promotion.
- The Internal Rules and Regulations of the Fund

6.3. Recruitment

6.3.1. Recruitment Procedure

The Management Committee decides on the recruitment of personnel after proposal of recruitment needs by the General Manager. The position(s) and the terms of recruitment should be widely advertised. The Management Committee attributes recruitment modalities which among others include the following:

- a hand written application;
- certified copies of certificates;
- a detailed Curriculum Vitae;
- certificate of non-conviction not more than three months old
- relevant letters of reference
- a medical certificate of fitness
- any other information required for the position

6.3.2. Probationary Period

All new employees shall undergo an appropriate probation period which can be renewed once. Upon recruitment by the Fund the employee shall lodge the following documents with the General Manager:

- A copy of his National Identity Card or identification document;
- Curriculum Vitae;
- Documents justifying rights to family allowance if entitled to;
- Professional or academic certificates constituting the basis of categorization;
- Attestation(s) of service from previous employer(s) if any;
- Driving license(s) where applicable;
- 4 passport size photographs
- Any other document as required by Management.

During the probationary period, every employee shall be subject to orientation exercises, control, and close monitoring by Management. During the period, the activities of the candidate are evaluated to ascertain competence for confirmation or not.

6.3.3. Contract of Employment

1. Initiation of Contract

The contract signed should state the following:

- Title of the position
- Contract duration
- Job description
- Modalities of payment and elements of the salary

2. Termination of Contract

A contract of unspecified duration can be terminated either by the employer or the employee provided prior notice is given in writing by the party initiating the termination stating the reasons for the termination, A contract of specified duration can be terminated for gravious offences such as fraud, theft, or aggressive acts.

After termination of the contract of employment, the employee must hand over to the Fund all property in his/her keeping belonging to the Fund and in turn collect his/her certificate of service before departure.

6.4. Categorisation of Personnel

The personnel of the Fund shall be categorised in the tertiary II sector which has 12 categories and 6 echelons. The classification of employees upon recruitment shall be based upon the position and minimum academic qualification specified for that position by the Fund.

Incentives for State employees (civil servants and/or state agents) will be determined by the Management Committee of the Fund.

6.5. Annual Leave

After an effective work period of 12 months, annual leave is granted in accordance with the provisions of the labour code. A leave schedule is drawn annually by the General Manager, taking into consideration the work load and the requests of the personnel. A staff can go on leave only after a notification of leave is signed by the General Manager. Any staff who does go on leave after having been notified by the General Manager forfeits such leave.

6.6. Absence and Permission

All absences and permissions have to be justified and authorized in advance by the General Manager. To this effect, a request for permission has to be submitted by the employee and approved by the General Manager.

An exceptional absence is given to workers during family matters which affects their real households, within the following circumstances and conditions:

Marriage of the employee.....	5 days
Delivery of workers wife.....	3 days
Death of spouse, child, father, and mother of employee.....	5 days
Marriage of worker's child.....	2 days
Death of worker's brother or sister.....	2 days

An employee is entitled to a maximum of 10 days of paid leave or absence in a year. Any other absence is deducted from annual leave or from salary.

A special permission for absence can be granted to the employee at his request for events other than those mentioned above. The days granted are deducted from his annual leave. In all cases, the employee must request in writing and obtain a written permission before departure.

6.7. Unjustified Absence

Any absence during a working day not justified, except in unforeseen cases, constitute a gross insubordination which permits the Fund to immediately terminate the employee's contract of employment.

6.8. Resignation

Unjustified absence for a period of 10 working days is tantamount to resignation or abandonment of work. The employer shall proceed to replace such an employee without any prejudice to any right of action by the employer.

6.9. Terminal Benefits

The terminal benefits of any employee will be calculated in conformity with the provisions of the Labour Code in Cameroon and the Collective Convention. Employees shall receive a percentage of one month's current salary for each year of service in the Fund as follows:

01 to 05 years	35%
05 to 10 years	40%
10 to 15 years	55%
15 to 20 years	60%
Greater than 20 years	70%

For civil servants who were transferred to the Fund the word "salary" will be replaced by "incentives". However, where an employee is dismissed he will not be entitled to terminal benefits.

6.10. Death

In case of death, the current salary, severance pay, assistance for transportation of corps, assistance for casket, and assistance for entertainment to be given to the next of kin.

6.11. Out of Station Allowance

The following procedures are applicable for missions executed for the activities of the Fund and concern the payment of out of station allowances. All mission orders are signed by the General Manager of the Fund except for his own which should be signed by the Chairperson of the Management Committee of the Fund. At most three days after the mission, the head of the mission

submits a report of the mission to Management. Mission allowances are paid based upon nights out of Bamenda which is considered the place of residence of all employees.

Payment Rates for Night Allowances

Position	Within the region	Out of region	Special Rate for Douala, Yaoundé & Kribi.
General Manager	25 000	40 000	40 000
Assistant General Manager	20 000	25 000	25 000
Pharmacist	20 000	25 000	25 000
Finance Officer	20 000	25 000	25 000
Personnel Officer	20 000	25 000	25 000
Administrative Assistant	15 000	20 000	25 000
Accountant	15 000	20 000	20 000
Supervisors	10 000	15 000	15 000
Chief Storekeeper	10 000	15 000	15 000
Cashier	10 000	15 000	15 000
Invoice Clerk	10 000	15 000	15 000
Lab Tech.	10 000	15 000	15 000
Secretary	10 000	15 000	15 000
Storekeeper	8 000	10 000	12 000
Drivers	8 000	10 000	12 000
Janitors	5 000	8 000	10 000

6.12. Salaries and Benefits

Salaries are paid at the end of the month on individual pay slip and signed by the employee. The pay slip should show clearly the different remuneration elements, the category and CNPS number.

Incentives for state employees are paid at the end of the month against a payment voucher. Payments can be done through bank transfer or cash at the level of the office.

All salaries to employees and incentives state employees are paid within the last week of each month.

Pay slips and incentive sheets are prepared by the Chief of Finance and the compulsory amount for taxes; social insurance contributions, etc are retained at source. The net amount is paid out to the employee and civil servants or state agents by the Cashier or through bank transfer after the signature of the General Manager of the Fund.

6.13. Seniority bonus

Seniority bonus will be calculated in accordance with the provisions of the Labour Code and paid to the employees of the Fund.

6.14. Overtime

Overtime shall only be payable if the work was done on the written authorization of the General Manager. If so authorised, overtime starts daily one hour after the official closing time. Overtime shall be paid monthly up to and not more than sixteen hours per month.

6.15. Technical organisation of work

Article 1: Working Hours

- The beginning and closing hours of every working day are governed by the labour code. Work starts at 7:30 am and ends at 3:30 pm.
- The duration of work implies effective work excluding the time used in doing any other thing such as settling into the office, undressing, snacks, etc. consequently each employee must be at his/her place of work from the beginning to the end of the fixed time.
- Every employee is entitled to one hour of break time on each working day. The break hour shall not be before 10:00 am or after 2:00 pm.
- Any employee who doesn't report at least one hour after the official opening hours will be considered absent.
- It is strictly forbidden for employees to leave their jobs and go out of the office during working hours without authorisation by their immediate superior.
- Only cases of exceptional or legally recognized absences are paid. Any other absence will be deducted from the salary or annual leave.

Article 3: Use of Equipment

- Every personnel has to sign a receipt when given any equipment/property of the Fund (like tools, office equipment, etc...) to use for service needs.
- If the personnel is finally leaving the Fund he/she has to hand in any property given to him/her or pay for it if it is missing.
- Management declines any responsibility for theft or loss of object in the keeping of any personnel.

Article 4: Care for Equipment

The personnel is responsible for office tools, computers, photocopier, vehicles, furniture, as well as office equipment and furniture, placed under their charge. No modification or removal of item from its usual location by any personnel is allowed without a written authorization from the person who is competent to give the authorisation.

Article 5: Grievance procedure

In a bid to maintain a healthy working environment characterized by mutual understanding and confidence between management and personnel, dialogue shall be projected at all levels. The following shall accordingly constitute the recommended grievance procedure within the Fund:

- Any personnel with a grievance shall submit his/her matter to the immediate supervisor for consideration. If the latter is unable to resolve the matter, he/she shall refer it to the next hierarchical officer.
- The matter may be referred to the staff representative only after the preceding procedure has been exhausted.

6.16. Disciplinary standards and procedure

Article 6: Notice Boards

The personnel are expected to comply with the general regulations and instructions brought to their notice on notice boards as well as any special written or verbal instructions which concern work, order, hygiene, safety of workers, etc.

All the premises of the Fund constitute work environment. Consequently, any action which can disturb the smooth conduct of activities is forbidden. It is further forbidden to do any of the following:

- Enter drunk or to be drunk within the Fund's premises;
- Sleep in the office;
- Do private jobs while on duty;
- Penetrate or facilitate the penetration by strangers into the forbidden places of the premises;
- Bring into the establishment without authorisation goods which are to be sold;
- Leave the place of work without permission;
- Absent from work without any justification;
- Remain in the work place or offices after the closing time without the permission of the immediate boss;

- Eat in the work places or office;
- Smoking in Fund's premises;
- Conduct strangers around without an authorisation;
- Distribute without authority printed matter, tracks, etc;
- Post up unauthorised notices
- Tear or destroy notices posted up by the Management;
- Write on furniture or materials;
- Organize or participate in unauthorised meetings;
- Take out of any premises of the Fund documents or objects belonging to it without permission;
- Destroy locks, padlocks, shutters;
- Quarrel, participate in a brawl;
- Insult a member of staff or commit assault, or battery;
- Leave the establishment through an unauthorised exit.
- Obstruct the smooth running of work in any manner whatsoever;
- Use a vehicle, car and any transport property of the Fund without an authorisation;
- Lower output deliberately;
- Refuse to carry out an order without any just reason;
- Carry out any activity other than work within the limits of the establishment;
- Touch transformation posts and electricity distribution.
- Be passive or incite any action which could disturb the working conditions, order and harmony of the personnel.
- And any other prohibition by management

Article 7: Disciplinary Sanctions

In application of the preceding provisions any employee who does the following will be terminated.

- come to the office drunk or become drunk while in the office;
- use the vehicles or property of the Fund for unauthorised purposes or to do unauthorised jobs;
- commit acts of violence within the premises;
- Advertently damage in whole or part, vehicles, office equipment, computers and their accessories.
- Commit or attempt to commit fraud.

Besides the sanctions stipulated by the legislation in force, Management reserves the right to apply in conformity with the degree of seriousness, one of the following sanctions in case of breach of the provisions whether of this text or of service notices and in case of any offence committed within the establishment:

- a) verbal warning;
- b) written warning with no suspension;
- c) written warning with one to eight days suspension without pay;
- d) Withholding of increment for from 1 to 2 years.
- e) Termination or Dismissal.

It is particularly understood that any fraud or an attempt to commit fraud, misappropriation, theft, or acts of a criminal nature will be sanctioned by an immediate dismissal without prejudice to further action;

The sanctions that warrant suspension from work without pay, termination, and dismissal shall be applied by the Disciplinary Committee of the Fund while the rest will be applied by the General Manager.

The Disciplinary Committee of the Fund shall comprise:

- The Chairman of the Management Committee or his representative – Chairman
- The General Manager of the Fund – Member
- The Chief of Personnel – Secretary
- Supervisor of the employee being disciplined – Member
- Staff Representative – Member.

The Disciplinary Committee meets upon the request of the Chairman when the need arises.

Article 10: Sick Leave

In case of illness or an accident which has caused, or is capable of causing the stoppage of work, the employee concerned must inform the General Manager within 24 hours and bring or send within 3 days a medical report showing the possible duration for the resulting incapacity.

The Fund reserves the right to choose a medical doctor who will re-examine the employee. The Fund can verify through any person approved for this purpose, the employee's adherence to medical advice.

Sick leave cannot exceed six (6) months and during this period, the employee shall continue to earn his salary. After six months, the salary shall stop.

A medical report must support sick leave in excess of two (2) consecutive days.

Article 11: Searches for Missing Items

The Fund reserves the right at all times to carry out searches for objects taken out by personnel. These searches could be on the person himself/herself or his/her property within the premises of the Fund.

Article 12: Administrative Questionnaires

The personnel has to answer any administrative questionnaires as well as any request for administrative information made to him by Management.

Article 13: Safeguarding Information

Every personnel of the Fund is expected to be absolutely discrete about administrative, industrial, commercial or financial secrets or information to which he/she has knowledge in the exercise of his/her duties. He/she undertakes not to divulge them to anyone and this undertaking shall continue even after the termination of the contract of employment otherwise the Fund could take legal proceedings against the employee where he/she fails to respect this undertaking.

PART 3: SAFETY AND HYGIENE AT WORK

Article 15

- It is the duty of every personnel to keep his/her immediate working environment clean.
- The personnel of the Fund shall apply enough caution in the use of electrical appliances to avoid the outburst of fire.
- Toilet facilities shall be used with prudence and respect for basic hygiene and sanitation principles.
- All personnel shall learn and know how to operate fire extinguishers that are in the premises and use them when need arises.
- It is forbidden to bring alcoholic beverages to the workplace and to consume them within the establishment during working hours.
- It is forbidden to throw water or dirt through the window; make use of trash cans.

Article 16: Industrial Accidents

- According to the legislation in force every employee must go through a medical examination in case of an industrial accident.
- Accidents suffered during work must be reported to the Line Manager who will take appropriate measures for the victim to receive medical care.
- All costs of accidents suffered during work and reported as in 2 above shall be borne by the NSIF after prompt and due declaration by the employer.
- Personnel are advised to respect these rules in order not to suffer decline of responsibility by the NSIF.
- Any fraud or attempted fraud or bearing false witness in case of an industrial injury can lead to disciplinary sanctions.

6.17. Personnel Appraisal

The management of the Fund shall perform an annual evaluation of the personnel. This exercise is done using the criteria listed in the matrix below.

The methodology of evaluation is based on the bottom-up principle. The personnel shall be evaluated by the immediate hierarchy and forwarded to the General Manager for a final mark. The result of the evaluation shall be discussed with the personnel who signs before it is filed in the individual file of the personnel.

6.17.1. Employee Assessment

Organisation Name: _____

Employee Name: _____

Identification / Social Security Number: _____

Date of Employment: _____ Category: _____ Position: _____

Date/Period: _____

Date of last advancement: _____

Date: _____ Signature: _____

Attendance Dependability	1	2	3	4	5	Comments
<i>Number of absences, sick leave and occasional leave</i>						
Punctuality	1	2	3	4	5	Comments
<i>Arrival in accordance to Company Policy</i>						
Appearance	1	2	3	4	5	Comments
<i>Professional, presentable and in accordance with Company dress code</i>						
Attitude	1	2	3	4	5	Comments

<i>Positive, co-operative, enthusiastic</i>						
Productivity	1	2	3	4	5	Comments
<i>Time management, meeting deadlines</i>						
Work Quality	1	2	3	4	5	Comments
<i>Thorough, accurate, consistent</i>						
Innitiative	1	2	3	4	5	Comments
<i>Application of initiative in assigned duties and problem solving</i>						
Work space	1	2	3	4	5	Comments
<i>Cleanliness of workspace and preventive management of equipment under care.</i>						
Team Spirit	1	2	3	4	5	Comments
<i>Considerate, willingness to help, respectful, accomodating, sharing results, etc.</i>						
Human Relations	1	2	3	4	5	Comments
<i>Ability to relate well with co-workers vertically and horizontally</i>						
Skills	1	2	3	4	5	Comments
<i>Practical application of knowledge and experience.</i>						
Overall Performance:	Total Points:			Percentage:		
<i>General Comments:</i>						

1. Unacceptable - Rarely fulfils duties = **20%**
2. Poor - Occasionally fulfils duties and need improvement = **40%**
3. Satisfactory - Fulfils duties = **60%**
4. Good - Frequently exceeds duties = **80%**
5. Excellent - Consistently fulfils and exceeds duties = **100%**

For those who score below 40%, a written letter shall be addressed to them to explain in writing why they think that their services should not be terminated. For those who score between 40% and 49%, a letter of observation shall be addressed to them while those who score between 50 and 59% shall be given a letter of encouragement. For those who score between 60% and 79% a letter of appreciation and motivation shall be addressed to them by Management. Those from 80 – 100% shall be considered for Excellence Award.

Rated by: _____

Position in Organisation: _____

Date: _____

Signature: _____

General comments by the General Manager:
.....
.....

Signature:

6.18. Training (Human Resource Development)

Capacity building will be done through training and facilitative supervision. On the job training acquaints them with the latest concepts of their respective fields but also constitutes a tool for motivation.

6.19. Work Policy

- No personnel shall be discriminated against on the basis of their belief, sex, religion, political leaning, or health status.
- The Fund shall maintain confidentiality of individual employee information at all times.

Amendment of the Manual

- This Manual can be amended as and when need arises.
- Amendments shall emanate from any member of the Fund and be submitted to the General Manager who shall present it to the next Management Committee for examination.
- The Management Committee shall discuss the proposed amendments and take a decision.
- A report shall be written indicating the amendments made and the date.
- The report shall be signed by the Chairman of the MC and forwarded to the General Assembly for ratification.
- The amendments shall then be included in the manual and a revised copy made available to all parties to the Fund.

ANNEXES

ANNEX 1: CONSTITUENT AGREEMENT OF THE FUND.

Conferred Legal personality under Cameroonian Law on June 6th 1991 under law No. 90-53 of 19th December, 1990 and inaugurated by the Minister for Public Health on the 25th November 1991.

ANNEX 2: CRITERIA FOR OPENING A PHARMACY IN A HEALTH UNIT

- The Health unit must be created by Government
- There should be space available at the health unit for a pharmacy.
- The designated area for the pharmacy should have shelves and a metal door for security.
- The pharmacy attendant should be a community employee recruited by the Health Area Committee.
- Minutes of meeting selecting attendant must be made available.

ANNEX 3: CRITERIA FOR SELECTION OF THE PHARMACY ATTENDANT

- The candidate must be selected for training by the Health Area Committee
- No selection fee should be collected from prospective candidates by the Health Committee.
- The candidate should be resident in the village or town where the health unit is located.
- The candidate should have at least four ordinary levels pass in the GCE or its equivalent or a nurse aid certificate from an approved institution.
- The candidates must be able to present four persons known by the community as guarantors who can be called upon in case of shortage. These persons must be presented to the health area committee. Each guarantor pledges the sum of 200,000 CFAF and the guarantor forms must be legalized at the District Office.
- The candidate must be able to pay a re-fundable security deposit of 100,000 CFAF at the Fund before the pharmacy is opened.
- The minutes of the meeting selecting the candidate must be signed by all participants and presented to the District Medical Officer.
- Only candidates with a forwarding letter from the District Medical Officer and minutes of selection can be received for training at the Fund.

ANNEX 4: SAMPLE EXTERNAL AUDIT CONTRACT

TERMS OF ENGAGEMENT AS AUDITORS TO NORTH WEST SPECIAL FUND FOR HEALTH – YEAR ENDED DECEMBER 31,.....

The purpose of this contract is to set out the basis on which we are to act as auditors to North West Special Fund for Health. For the purposes of this contract, all references to “you” shall where the context allows be construed as referring to the Fund to who the service relates, being North West Special Fund for Health. This letter also summarises the respective areas of responsibility of the directors and our selves. Once agreed, this contract will remain effective from our audit appointment to another unless replaced.

Our Services Team

It is our intention that Mr, will be the audit engagement partner. A second partner, Will work with him and will be available to substitute for Mr in his absence or to work with him if a second opinion is required.

Mrwill be the audit manager and he will establish direct working relationships with the appropriate people in the company.

Responsibilities of Management and Auditors

The management are responsible for ensuring that the Fund maintains proper accounting records and for preparing financial statements which give a true and fair view and have been prepared in accordance with applicable accounting standards and the OHADA company law related to Commercial Companies and Economic Interest Groups. They are also responsible for making available to us, as and when required, all the accounting records and all relevant records and related information, including minutes of all management and director’s meetings.

We have a statutory responsibility to report to the management committee of the Fund whether in our opinion the financial statements give a true and fair view and whether they have been properly prepared in accordance with the law.

In arriving at our opinion, we are required to consider the following matters and to report on any in respect of which we are not satisfied:

- a) Whether proper accounting records have been kept by the Fund.

- b) Whether the Fund's balance sheet and profit and loss account are in agreement with the accounting records and returns;
- c) Whether we have obtained all the information and explanations which we consider necessary for the purpose of this audit; and
- d) Whether the information in the management's report is consistent with the financial statements.

We have a professional responsibility to report if the financial statements do not comply in any material respect with applicable accounting standards, unless in our opinion the non compliance is justified in the circumstances. In determining whether or not the departure is justified we consider:

- i) Whether the departure is required in order for the financial statements to give true and fair view; and
- ii) Whether adequate disclosure has been made concerning the departure.

Our professional responsibilities include:

- Providing in our report a description of the director's responsibilities for the financial statements where the financial statements or accompanying information do not include such a description; and
- Considering whether other information in documents containing audited financial statements is consistent with those financial statements.

Scope of Audit

Our audit will be conducted in accordance with International Standards on Auditing and will include such tests of transactions and of the existence, ownership and valuation of assets and liabilities as we consider necessary.

We will plan and perform our audit to be able provide reasonable assurance than the financial statements are free from material misstatement and give a true and fair view.

The assessment of what is material misstatement and give a true and fair view. The assessment of what is material is a matter of professional judgment and includes consideration of both the amount (quantity) and the nature (quality) of misstatements.

The assessment of materiality during audit planning assists in the determination of an efficient and effective audit approach. The level of materiality also determines the extent of work performed. The assessment of materiality during audit planning may differ from that at the time of evaluating

the results of audit procedures. This may be because of a change in circumstances or a change in our knowledge as a result.

We shall obtain an understanding of the accounting and the internal control systems in order to assess their adequacy as a basis for the preparation of the financial statements and to form an opinion whether proper accounting records have been maintained by the Fund. We shall expect to obtain such appropriate evidence as we consider sufficient to enable us to draw reasonable conclusions there from.

Our understanding of the internal control systems will form the basis of our audit approach. Internal controls comprise your control environment and the control procedures. It is envisaged that the audit procedures we will perform during our audit will be a mix of control and substantive testing. **The nature and extent of our procedures will vary according to identification of areas of greater than normal risk of material misstatement and our assessment of the Fund's accounting system and, where we wish to place reliance on it, the internal control system and may aspect of the business operations that we consider appropriate.** Where we identify a specific risk of a material misstatement which is more than normal we will perform substantive testing directed at providing us with evidence that the risk has been addressed or will perform tests of controls that focus on mitigating such risks.

Our audit is not designed to identify weakness in your systems but, if such weakness come to our notice during the course of our normal audit work that we think should be brought to your attention, we shall report them to you in accordance with our responsibilities to report them to you in accordance with our responsibilities to report to those charged with governance. Recommendations for improvements should be assessed by you for their full commercial implications before they are implemented.

We will have no obligation to update our audit report for events or transactions arising subsequent to the date of its issue. However, you will inform us of any material event accruing between the date of our report and that of the Management committee meeting which may effect the financial statements.

Detection of Fraud, Error and Non-Compliance with Laws and Regulations

The responsibility for safeguarding the assets of the Fund and for the prevention and detection of Fraud, error and non-compliance with law or regulations rests with each company's directors. In accordance with Auditing standards, we shall endeavour to plan our audit so that we have reasonable expectation of detecting material misstatements in the financial statements or

accounting records (including any material misstatements resulting from fraud, error or non-compliance with law or regulations).

However, because any internal control structure, no matter how effective, cannot eliminate the possibility that errors or irregularities may occur and remain undetected and because we use selective testing in our audit, we cannot guarantee that errors or irregularities may occur and remain undetected and because we use selective testing in our audit, we cannot guarantee that errors or irregularities, if present, will be detected. Accordingly our audit should not be relied upon to disclose all such material misstatements or frauds error or instances of non-compliance as may exist.

Access to Records and Management Representations

Information and explanations from you and your personnel form an important part of the evidence we require for our work. As part of our normal audit procedures, we shall request you to provide written confirmation of certain oral representations that we have received from you and your personnel during the course of the audit on matters having a material effect on the financial statements.

To assist us with examination of your financial statements, we shall request sight of all documents or statements (including the Chairman's statement, operating and financial review and Director's report) which are due to be issued with the financial statements. As your auditors, we are also entitled to attend all management committee meetings of the Fund and to receive notice of all such meetings.

Interaction with Internal Audit

It is our normal practice to liaise with internal audit to, where possible, avoid areas of duplication. Where appropriate, internal audit work may be able to provide us with evidence which we will take account of in forming our audit opinion.

Publication

If you intend to publish or distribute financial information electronically, or in other documents, you are responsible for ensuring that any such publication properly presents the financial information and any report by us thereon and for the controls over, and security of the website. You are also responsible for establishing and controlling the process for electronically distributing annual reports and other information.

You also agree to seek our written consent for publication or the use of our name or our reports in other documents. We shall therefore require sight of such information before it is published. We reserve right to withhold consent to the electronic or other publication or our reports or the use of our name.

Reports to Those Charged With Governance

We will also agree the form and timing of communications with you in order to report back to those charged with governance on matters that we believe to be both important and relevant in relation to our audit. We will report these matters to the Board or management at the next date in the agreed timetable of meetings. However, if we discover any matter relating to potentially fraudulent or illegal acts we will inform you as soon as practicable.

The content such communication will depend on the circumstances, but may include areas such as material weaknesses in the accounting and internal control systems identified during the audit, views on the qualitative aspects of the entity's accounting practices and financial reporting; going concern issues; material subsequently events; other information published with the financial statement; related party transactions; or

Any other matters we consider significant which arise during the course of our audit work.

Any such report may not be to third parties without our prior written consent. Such consent will be granted only on the basis that such reports are not prepared with the interest of anyone other than the company in mind and that we accept no duty or responsibility to any other party as concerns the report.

Use of Report

It is our policy not to extend our duty of care in respect of our audit of the financial statements beyond our statutory responsibilities. Thus our report will be made solely to the Fund's management committee, as a body, in accordance with OHADA company law related to Commercial Companies and Economic interest Groups. Our audit work will be undertaken so that we might state to the Fund's members those matters we are required to state to them in an auditor's and for no other responsibility to any one other than the Fund and the Fund's management committee as a body, for our audit work, for our any other purpose, for example for inclusion in any listing particulars or other document or in connection with any disposal of all or part of the operations of the subsidiary concerned, we would be happy to consider that request on terms to be agreed.

Fees

Our fees are based on the amount of time required at various levels of responsibility, plus actual recoverable expenses (e.g., binding, typing, and transportation). We shall render our fee in states as follows:-

- On commencement of field work 50%
- Upon submission of draft accounts to the Board 50%

Our audit fee excluding recovering expenses and VAT for the year ended December 31, has been agreed at

The recoverable expenses will be included as part of our final bill. We expect you to pay our fees within 10 working days of rendering the bill.

We will notify you promptly of any circumstances we encounter that could significantly affect our estimates. Additional services provided beyond the described scope of services will be billed separately.

If the above terms are acceptable to the Fund, and the services outlined are in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us.

Agreement of Terms

We should be grateful if you would confirm acceptance of the terms of engagement on behalf of **North West Special Fund for Health** by signing below (and arranging for an authorised signatory to sign on behalf of the Fund) and return a copy of this letter.

Yours faithfully,

For the auditing firm

.....

Accepted on behalf of North West Special Fund for Health

.....

Signature

.....

Name/Position

.....

Date