

RBM Partnership to End Malaria Financial Management Guidelines

General principles

As specified in the RBM Partnership to End Malaria Hosting Terms, “The United Nations Office for Project Services (“UNOPS”) will establish and oversee the efficient provision of the RBM Management Team for the Partnership and will serve as trustee of the financial resources of the Partnership.”

All Partnership activities will be undertaken in accordance with (a) the UNOPS Regulations and Rules, including the UNOPS Financial Regulations and Rules, (b) the RBM-UNOPS Hosting Terms, (c) the Partnership Bye-Laws in so far as they do not contravene UNOPS Regulations and Rules and (d) the Partnership Standard Operating Procedures (SOPs), with any conflict relating to interpretation resolved in such order of priority.

In accordance with the UNOPS Financial Rules and Regulations, the obligation of the Secretariat to implement any particular aspect of its workplan is conditional upon it having received all necessary and sufficient funds or donor commitments in writing relating to financial contributions.

Budgetary authority

The Partnership Board is the entity responsible for the Partnership’s strategic direction, as well as determining, through the budgetary process, the human and financial resources required for the Partnership’s annual workplan that is to be implemented by the Secretariat and the Partner Committees.

A Finance Committee has been established to provide the Partnership Board with senior-level advice regarding the organisation’s business, and finance objectives, including any significant risk management issues. The Finance Committee is a committee of the Board, responsible to and reporting to the Board.

The Chief Executive Officer (CEO) is responsible for the execution of the annual workplan in accordance with the Board-approved annual budget. The CEO provides overall management and leadership to the Secretariat, is responsible for the administration, guidance and direction of the Partnership’s work, and provides assistance to the Board on setting policies and strategies for the Partnership.

The Secretariat prepares annual workplans and budgets in alignment with the Strategic Plan and the Partnership’s resources, in collaboration with the Partner Committees, and following the Secretariat organigram and UNOPS Rules and Regulations. The annual workplans and budgets will be submitted in a timely manner for review to the Finance Committee and for approval by the Board. All workplans will be prepared with reference to the overall objectives of the Partnership as set out in the strategy and workplans.

Internal control

The basic concepts of internal control are embedded in the workflow arrangements set up in the Partnership and with UNOPS, and include:

- Segregation of duties: Different individuals are assigned responsibilities for different elements of the same activity (for example, those that initiate an obligation will not approve them).
- Record management and control: Accounting and other supporting documents should capture and record financial management transactions and commitments in a systematic and orderly fashion.
- Financial transaction management and control: All financial transactions or transactions that have financial implications will be properly authorised with established guidelines (as set out in this document and in the RBM-UNOPS SOPs).
- Monitoring: Expenditure and commitments will be carefully monitored on a monthly basis.

Accounts

Two types of separate ledger accounts will be established by UNOPS for the Partnership: (1) pooled funding account; and (2) earmarked/restricted-purpose funds account.

Donor contributions that are allocated to support the costs of the Secretariat will be recorded in the pooled funding account. These contributions may be used for any activity as indicated in the approved annual workplan and budget, or as directed by the CEO in his/her discretion to allocate the Strategic Initiatives Reserve.

As indicated in specific Donor Contribution Agreements, specific earmarked/restricted purpose funds account will be established, and separate reporting provided for them.

Currency

The accounting unit of the Partnership income and expenditure will be the US dollar. All non-dollar income will be recorded in US dollar at the applicable UN Operational Rate of Exchange at the time of receipt of funds. All liabilities will be established in USD. Unless otherwise stated in donor agreements (usually for earmarked funds), all gains and losses made on the project due to currency exchange rates will be charged to the project and reported in financial statements.

Interest

All funds transferred to the UNOPS bank account generate interest. The interest is calculated on a quarterly basis based on the amount of cash in the bank, in line with other UNOPS project funds. The interest eligibility will be in accordance with the donor agreements, either to be credited to the project or returned to the donor.

Reserves

The Partnership Reserves (Sustainability Reserve of USD 1.1 million, and Strategic Initiative Reserves of USD 900,000), as approved in July 2017 by the Partnership Board, have been established. The Sustainability Reserve covers potential liabilities for HR mandatory costs in case

of restructuring of the Partnership and other commercial contract liabilities. The Strategic Initiative Reserve is at the discretion of the CEO for strategic matters. The Reserves may be revised from time to time in consultation with the Finance Committee and Partnership Board.

Budget oversight and deviation

Once the yearly budget has been approved by the Partnership Board, expenditures will be monitored by the Secretariat and UNOPS on a monthly basis, with the aim of exercising financial scrutiny.

Should budget amount approved at the Strategic Objective level be over-charged by more than 10%, Board approval will be necessary (whether for the over-expenditure or reallocation between Strategic Objectives). Over-expenditure of less than 10% can be approved by the CEO, though at no point may the over-expenditures approved by the CEO surpass the amount of the Strategic Initiative Reserve.¹

Recognition and recording of expenses

As per the UNOPS accounting regime, the International Public Sector Accounting Standard (IPSAS), expenses will be recognised based on the delivery principle - when goods are delivered and services rendered and not when cash or its equivalent is paid.

Authorisations to incur expenditures and commitments in relation to the Partnership shall be made by UNOPS-authorized officials, based on a request for obligation received from the Secretariat, in accordance with UNOPS Legislative framework on delegations of authority, and workplans and budgets as approved by the Partnership Board.

All payments will be made against invoices received from service/goods provider to UNOPS. UNOPS, having received an invoice, will send it to the Partnership for certification (a signature on the invoice). In certain cases, the invoices may be submitted from the supplier directly to the Partnership and then forwarded to UNOPS. Each invoice will be signed by an authorised person from the Secretariat, or a confirmation email that should be filed with the invoice, will provide confirmation that goods have been received or services rendered satisfactorily. Based on this, the payment instrument (invoice/contract) will be matched with the corresponding obligating document (purchase order) by UNOPS Portfolio Team, and payment executed by UNOPS.

Financial Reporting

The Secretariat will report to the Board on the Partnership finances (income and expenditures) on a quarterly basis, following a preliminary review by the Board Finance Committee. The Secretariat will also report on the financial situation of the Partnership at each Board meeting.

The Secretariat will also provide the necessary financial reporting to the donors, as specified in the relevant donor agreements.

¹ For example, if Strategic Objective 1 has a budget of USD 2,000,000, an over-expenditure of up to USD 200,000 (10% of USD 2,000,000) can be incurred with the approval of the CEO. Amounts exceeding USD 200,000 would have to be approved by the Partnership Board.