Research. Evidence. Decisions

Financial Policies, Procurement and Audit

Policy Owner	Finance Lead, ARNECH
Approved By	ARNECH Scientific & Strategic Advisory Board
Effective Date	2021
Next Review Date	January 2027
Version	3.0
Applies To	All ARNECH staff, consultants, subcontractors, and field teams
Last Updated	January 2025

1. Purpose

This policy sets out ARNECH's approach to financial management, purchasing and procurement, expense authorisation, and the management of internal and external audits, ensuring accountable and transparent stewardship of institutional, client, and donor funds.

2. Scope

This policy applies to all financial transactions undertaken by ARNECH, including project budgets, institutional expenditure, and procurement of goods and services from third-party suppliers and subcontractors.

3. Policy Statement

ARNECH maintains financial controls designed to ensure funds are used solely for their intended purpose, expenditure is properly authorised, and financial reporting is accurate and timely. Key principles include:

- Segregation of duties between those who authorise, process, and reconcile transactions
- Competitive procurement above defined thresholds, with documented supplier selection criteria
- Written authorisation limits for expenditure, scaled by transaction value
- Maintenance of supporting documentation for all transactions for a minimum retention period aligned with donor and statutory requirements
- Annual independent audit of institutional accounts

4. Roles and Responsibilities

- The Finance Lead is responsible for day-to-day financial management, procurement oversight, and audit coordination.
- The Scientific & Strategic Advisory Board reviews audited accounts annually and approves the institutional budget.
- Project leads are responsible for managing project budgets within approved limits and flagging variances promptly.

5. Procedures

- Procurement above a defined threshold requires at least three competitive quotations, documented and retained on file.
- Expenses are submitted with receipts and approved by a manager independent of the person incurring the cost.
- Bank reconciliations are performed monthly and reviewed by the Finance Lead.
- An independent external auditor is engaged annually to audit institutional financial statements; audit findings and management responses are reported to the Advisory Board.

- Donor-funded projects are subject to any additional financial reporting and audit requirements specified in the relevant grant agreement.

6. Reporting Concerns and Breaches

Suspected financial irregularities should be reported through the whistleblowing procedure described in the Anti-Fraud, Bribery, Corruption and Whistleblowing Policy. All reports are investigated and, where required, disclosed to affected clients or donors.

7. Training and Awareness

Staff with financial authorisation responsibilities receive briefing on procurement thresholds, authorisation limits, and documentation requirements as part of induction and on any subsequent policy update.

8. Related Standards and References

This policy is aligned with the following external standards and frameworks:

IFAC International Standards on Auditing — https://www.ifac.org/what-we-do/supporting-international-standards

International Public Sector Accounting Standards (IPSAS) — https://www.ipsasb.org/

9. Monitoring and Review

This policy is reviewed by the Scientific & Strategic Advisory Board at least every two years, or sooner where changes in law, donor requirements, or organisational practice require it. Comments and proposed amendments may be submitted to the Policy Owner at any time.

Registration certificates, financial statements, and full policy documentation are available on request for prospective partners, clients, and funders as part of due diligence.