ACCOUNTING MANUAL

DECEMBER 2022

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GHANA COMMUNICATION TECHNOLOGY UNIVERSITY (GCTU)**Error! Bookmark not defined.**

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1.0 GENERAL PROVISIONS

1.1 Establishment of the University

The University has its roots in the Ghana Telecommunications Company Limited (Ghana Telecom) flagship Training Centre, which was established in 1948 and was the first of its kind in West Africa. It was first used as a Royal Air Force (RAF) Training School during the Second World War and subsequently handed over to Cable and Wireless to train Telecommunications Technicians for British West African countries namely Ghana, Nigeria, Sierra Leone and the Gambia.

The University obtained its tertiary accreditation status on 30th March 2006 as Ghana Telecom University College (GTUC) and was officially inaugurated on 15th August 2006 by His Excellency President John Agyekum Kufour. In August 2012, the name of the University College was changed to Ghana Technology University College (GTUC) to reflect the transformation that had taken place.

On 13th August 2020, the Ghana Communication Technology University Act 2020, (Act 1022) was assented to by the President of the Republic of Ghana, His Excellency Nana Addo Dankwa Akufo - Addo, establishing GCTU as a fully-fledged public University. The University is regulated by the Ghana Communication Technology University Act, 2020 (Act 1022) and the enabling University Statutes that have been enacted in accordance with the Act 1022.

The University's financial governance structures, operations, procedures, data capture, accounts classification, maintenance and presentation of financial information are broadly laid down in Act 1022, University Statues, Public Financial Management Act, 2016 (Act 921), Public Financial Management Regulations, 2019 (L.I. 2378), International Public Sector Accounting Standards and Government of Ghana Accounting Manual for Covered Entities. Issued by the Controller and Accountant – General, provisions of these Acts and regulations have been referenced in this manual.

As a public sector institution, the University is obliged to have in place sound financial management systems, controls and procedures to give assurance to its stakeholders that, the financial and other resources entrusted to it would be efficiently and effectively managed and properly accounted for. This Accounting Manual has been developed in line with the Government of Ghana Accounting Manual for Covered Entities, Issued by the Controller and Accountant General, March 2018.

The Accounting Policies and Procedures contained herein have been designed and assembled with references and provisions in the following:

- Ghana Communication Technology University Act 2020, (Act 1022)
- Public Financial Management Act, 2016 (Act 921)
- Public Financial Management Regulations, 2019 (L.I. 2378)
- International Public Sector Accounting Standards (IPSAS)
- Public Procurement Act, 2003 (Act 663) as amended
- Internal Audit Agency Act, 2003 (Act 658)
- Audit Service Act, 2000 (Act 584)
- Fair Wages and Salaries Commission Act, 2007 (Act 737)
- The National Pensions Act, 2008 (Act 766)
- The Revenue Agencies (Governing) Board Act, 1998 (Act 558)
- Income Tax Act, 2015 (Act 896)
- Revenue Administration Act, 2016 (Act 915)
- Electronic Transactions Act, 2008 (Act 772)
- Labour Act, 2003 (Act 651)
- Labour Regulations, 2007 (L.I. 1833)
- Ghana Communication Technology University Statutes
- Best practices in other Universities

The Accounting Manual must be observed and applied in the conduct of the financial business of Ghana Communication Technology University and shall apply to all funds, irrespective of their source, passing through the University's Accounts. All members of the University are required to comply with the provisions in this Manual for the time period they are in force.

1.2 Legal Framework For Accounting Manual

Section 8 (4) (d) and (e) of the Public Financial Management Act, 2016 (Act 921) provides that,

The Controller and Accountant-General shall,

(d) develop efficient accounting systems for a covered entity;

(b) approve accounting instructions of a covered entity

1.2.1 Departmental Accounting Instructions

The Public Financial Management Regulations, 2019 (L.I 2378) define "Departmental Accounting Instructions" as a set of guidelines defining accounting processes, procedures and reporting within a covered entity;

1.2.2 Covered Entities

The Public Financial Management Act, 2016 (Act 921) states that a "covered entities" means

(a) the Executive, Legislature and Judiciary;

(b) constitutional bodies;

(c) Ministries, Departments, Agencies and local government authorities;

(d) the public service;

(e) autonomous agencies; and

(f) statutory bodies

1.2.3 The Government of Ghana Accounting Manual for Covered Entities

In line with the above provisions the Controller and Accountant General has developed and published Accounting Manual for Covered Entities ***(Government of***

Ghana Accounting Manual for Covered Entities, Issued by the Controller and Accountant General March 2018).

Highlights of the Government of Ghana Accounting Manual for Covered Entities

Purpose of the Manual

'The purpose of this manual is to prescribe the standard accounting procedures for Covered Entities and other public institutions. This manual also provides guidance for users in the performance of their financial management responsibilities.

The objective of the manual is to explain the accounting and financial procedures to provide a practical guide for the harmonisation of accounting and financial management practices across all Covered Entities and other public institutions.

The manual also aims at providing guidance to ensure consistent, accurate and timely recording of financial transactions across all Covered Entities and public institutions as an enabler for the timely provision of financial information to key stakeholders to reinforce informed decision making.

The guidance provided by the manual is based on the relevant legislation for public financial management.

Adherence to this manual will also promote uniform compliance with the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standards Board (IPSASB).

Scope of the Manual

The manual provides broad based instructions to users with responsibility for the processing of financial information and reporting for accountability and statutory purposes at Covered Entities and other public institutions.

The processes covered in this manual include budgeting, revenue management, cash and bank management, expenditure and reporting for Covered Entities and other public institutions.

The manual outlines the policies, flow chart illustrations of transaction processing procedures and forms used in the processing and reporting of financial information.

It is also a basis for Covered Entities in the development of Departmental Accounting Instructions (DAI).

Intended users

This manual is primarily intended for use by all accounting personnel but will also serve as a useful reference document for auditors, financial systems developers, trainers and all staff with financial management responsibilities at Covered Entities."

1.3 Status of GCTU Accounting Manual and Governance

1. The purpose of this Accounting Manual is to provide a framework and guidelines to ensure control over the totality of the University's resources and provide assurance to stakeholders that, the resources are properly applied for the achievement of the Aims, Vision and Mission of the University.
2. It is the responsibility of the Director of Finance to ensure that all employees have access to this Manual. Similarly, it is the responsibility of all employees to ensure that they comply with the provisions therein.
3. The Finance Committee of Council is responsible for maintaining the continuous review of this Manual, on the advice of the Directors of Finance and/or the Director of Internal Audit through the Vice-Chancellor.
4. Where there is any doubt about the interpretation of any part of the Financial Manual, the Vice- Chancellor, having taken appropriate advice, will act as the final arbiter in deciding on the interpretation. Actions required by the Vice-Chancellor, the Pro-Vice Chancellor, the Registrar, the Director of

Finance, Director of Internal Audit, Deans, Directors etc., may be delegated, in writing, to an appropriate nominee. All such delegation must be made known to and recorded by the Director of Finance.

1.3.1 Approvals and Amendments

i. The Council has the authority to approve this Accounting Manual on the recommendation of the Finance Committee of Council.
ii. The Finance Committee shall review the Financial Manual at least on an annual basis.
iii. The Audit Committee will be consulted on amendments to the Financial Manual.

2.0 FINANCIAL GOVERNANCE STRUCTURE OF THE UNIVERSITY

2.1 Functions of the Council

The Council shall

i. ensure the implementation of the aims of the University;
ii. approve plans and programmes of the University;
iii. prescribe the terms and conditions for the admission of a person selected for any course of study and training organized by the University;
iv. institute awards and scholarship schemes in furtherance of the aims of the University;
v. approve the appointments and promotions of Deans, Directors and Heads of Departments on the recommendations of the Appointments and Promotions Committee of the Academic Board or as may be prescribed in the Statutes of

the University;

vi. make professional level appointments for the University on the recommendation of the Appointments and Promotions Committee of the Academic Board or as may be prescribed in the Statutes of the University;

vii. ensure the proper use of funds and timely audit of the finances of the University;

viii. oversee the internal organisation of the University including the establishment, variation and supervision of academic divisions, departments and faculties;

ix. publish annual reports relating to the activities of the University;

x. approve annual estimates of the income and statement of accounts of the University; and

xi. perform any other function that is incidental to the achievement of the aims of the University;

xii. determine the authority limits for the use of finances of the University;

xiii. control the property, funds and investments of the University and may, on behalf of the University, sell, buy, exchange and lease and accept leases of such property;

xiv. borrow money on behalf of the University and use the property of the University as security; subject to article 181 of the Constitution and section 76 of the Public Financial Management Act, 2016 (Act 921)

xv. generally, enter into, carry out, vary or cancel contracts;

xvi. control and manage the finances of the University and determine matters on the financial administration of the University;

xvii. where matters concerning the financial administration of the University affect the education policy of the University, the Council shall, before determining the matter, consult the Academic Board and consider any recommendations or report of the Board;

xviii. ensure that the University keeps books, records, returns and other documents relevant to the accounts in the form approved by the Auditor-General.

xix. submit the annual accounts of the University to the Auditor-General for audit at the end of the financial year.

xx. formulate in consultation with relevant bodies, the strategic vision and mission, long term academic and business plans and key performance indicators of the University;

xxi. determine the authority limits for the use of finances of the University;

xxii. control the property, funds and investments of the University and, on behalf of the University, to sell, buy, exchange, lease and accept leases of such property;

xxiii. approve allocation of funds at the disposal of the University;

xxiv. act as trustee for any property, legacy, endowment, bequest, device or gift made to or belonging to the University or any of its Units;

xxv. approve the annual financial statements;

xxvi. Approve and authorise the opening and closing of bank accounts.

2.2 Committees of Council

Section 7 of Act 1022, provides that, "For the purpose of achieving the aims of the University, the Council may establish standing or ad-hoc committees, made up of members or non-members of the Council and assign the Committees functions that the Council considers appropriate.

The University Statutes and other laws of Ghana have established the under listed committees to assist the Governing Council in the performance of its function and in particular the financial functions and responsibilities.

2.2.1 Finance Committee

i. To consider and advise the Council on the estimates of income and expenditure of the University and on accounts and all financial matters of the University.
ii. To act on all matters referred to it by the Council and also act on behalf of the Council in emergencies or when necessary.

2.2.2 Development Committee

i. To advise the Council generally on buildings and all matters concerning the physical development of the University.

2.2.3 Entity Tender

i. Review Procurement plans in order to ensure that they support the objectives and operations of the University;
ii. Confirm the range of acceptable costs of items to be procured and match these with the available funds in the approved budget;

iii. Review the schedules of Procurement and specifications and also ensure that the procurement procedures to be followed are in strict conformity with the Provisions of the Public Procurement Act (2003), Act 663, and the Public Procurement (Amendment) Act, 2016 (Act 914), and other procurement standards, regulations and guidelines.

iv. Ensure that the necessary concurrent approval is secured from the relevant Tender Review Board, in terms of the applicable threshold in Schedule 3 of the Public Procurement Act, prior to the award of the contract;

v. Facilitate contract administration and ensure compliance with all reporting requirements under the Public Procurement Act;

vi. Ensure that stores and equipment are disposed of in compliance with the Public Procurement Act; and,

vii. Operate generally in accordance with the Provisions of the Public Procurement Act.

2.2.4 University Appointments and Promotions Committee (UAPC)

i. Recommend to the Council the appointment and promotion of senior members.

ii. Recommend, at its discretion, the retention of such staff beyond the age of retirement as may be necessary.

iii. Recommend the extension or non-renewal of contracts of members of staff.

iv. Determine the status and entry point on the salary scale of all staff recommended for appointment.

v. Determine where appropriate the status and salary increment of the academic staff on acquisition of additional qualifications

vi. Carry out an annual review of all senior members and make such recommendations as may be necessary.

vii. Review, from time to time, the terms and conditions of service of senior members and make such recommendations as may be necessary.

viii. Delegate where necessary any of its functions to a sub-committee or person or body.

ix. The Chairperson of Council shall have the power to approve appointments on behalf of Council and shall report thereon to Council at the earliest opportunity.

2.2.5 Audit Committee

An Audit Committee shall ensure that the head of a covered entity, to which the Audit Committee relates:

i. Pursues the implementation of any recommendation contained in
   a. An internal audit report
   b. Parliament's decision on the Auditor-General's report
   c. Auditor-General's Management letter; and
   d. The report of an internal monitoring unit in the covered entity concerned particularly, in relation to financial matters raised; and

ii. Prepares an annual statement showing the status of implementation of any recommendation contained in
   a. An internal audit report
   b. Parliament's decision on the Auditor-General's report
   c. Auditor-General's Management letter
   d. The report on financial matters raised in an internal monitoring unit of a covered entity, and
   e. Any other related directive of Parliament

iii. An annual statement required under subsection (a (i) (ii)) shall

a. indicate the remedial action taken or proposed to be taken to avoid or minimize the recurrence of an undesirable feature in the accounts and operations of a covered entity,
b. indicate the period for the completion of the remedial action, and
c. be endorsed by the relevant sector Minister and forwarded to the Minister, Parliament, Office of the President and the Auditor General within six (6) months after the end of each financial year

2.3 Officers with Special Financial Responsibilities

2.3.1 Vice-Chancellor

i. The Vice-Chancellor is the academic and administrative head, and chief disciplinary officer of the University.
ii. The Vice-Chancellor is responsible to the Council for maintaining order and ensuring the effective and efficient administration of the University.
iii. The Vice-Chancellor shall submit annually to the Council, a statement of the financial and human resource requirements which in his opinion are necessary for the effective conduct of the business of the University. Council may direct that a copy of the report be placed before the Academic Board for its information.
iv. The Vice-Chancellor shall be responsible to the Council for maintaining order and ensuring the effective and efficient administration of the University.

v. The Vice-Chancellor shall be responsible for driving the overall growth and development of the University under the direction of the Council and shall have overall authority over academic, financial and administrative matters.

vi. The Vice Chancellor is the Principal Spending Officer of the University and shall:

(a) Ensure the regularity and proper use of money appropriated to the University;

(b) Authorize commitments for the University within a ceiling set and

(c) Manage the resources received, held or disposed of by or on account of the University.

(d) establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of the university

(e) plan and manage the activities of the university in accordance with the policy statement and financial estimates of the University

(f) ensure that, before the closure of a bank account of the University, a writing approval is obtained from the Controller and the Accountant-General for the closure of the bank account

(g) ensure compliance with the Public Procurement Act, 2003 (Act 663) an approve procurement within the levels of authority as determined in that Act

2.3.2 Pro Vice-Chancellor

The Pro Vice-Chancellor shall in the absence of the Vice-Chancellor perform the functions of the Vice-Chancellor.

2.3.3 Registrar

The Registrar under the supervision of the Vice-Chancellor is responsible for the conduct of the University's business. The Registrar is the Chief Operating Officer of the University and is responsible for ensuring the effective administration of the University.

2.3.4 Director of Finance

i. The Director of Finance shall be responsible to the Vice-Chancellor for the financial administration of the University in accordance with the Public Financial Management Act, the Public Financial Management Regulatory, Financial and Stores Regulations and other relevant policies and laws.

ii. The Director of Finance shall be responsible for the preparation of the annual operating budget of the University and shall present same through the Vice-Chancellor to the Finance Committee and to Council for review and approval.

iii. He or she shall also submit periodic reports to the Finance Committee and Council on behalf of the Vice-Chancellor on the status of plans and projections necessary for the preparation of budgets for succeeding years.

iv. Without prejudice to the generality of the Finance Committee's powers, the Director of Finance shall: (a) ensure that the University's accounting system has been approved by the Controller and Accountant General in consultation with the Auditor-General;

v. manage and operate the University's accounting system, so as to ensure the accountability of all officers transacting the business of the University, and facilitate the efficient discharge of such business;

vi. exercise oversight responsibility for the accounting functions of other self-accounting and income-generating units of the University.

vii. prepare financial statements in accordance with appropriate financial reporting standards and submit same to Council through the Finance Committee every three months, or such other period as the Finance Committee may determine;

viii. ensure the efficient and effective use of appropriations under the University's control, within the ambit of government policy and in compliance with any enactment, regulations or instructions issued under the authority of any enactment;

ix. ensure the due and proper collection of government revenue collectable by the University within the terms of any enactment or of instructions issued or approved by the Controller and Accountant General or Council;

x. make payments for works, goods and services within the funds appropriated to the University;

xi. implement policies relating to accounting and financial control in the University;

xii. liaise with Ministries, Departments and Agencies (MDAs) in respect of financial matters affecting the University;

xiii. receive and order the disbursement of any trust moneys for which the University has been appointed as administering authority by or under any enactment or agreement;

xiv. manage and reconcile the bank accounts authorised for the University by the Controller and Accountant-General or Council;

xv. preserve in good order and secure the economical use of all equipment and stores used by the University;

xvi. ensure, on behalf of Council, that proper records are kept of all University property, assets, stocks and valuables of all funds in a register;

xvii. transact any other financial business for which the Vice-Chancellor is made responsible, by or under any enactment in accordance with the requirement of such authority, or of instructions issued or approved by the University Council;

xviii. answer such questions as are raised by the Auditor-General in respect of the financial transactions and accounts of the University;

xix. afford every facility to both internal and external auditors in the performance of their functions;

xx. appear before the appropriate committee to make such explanations, as required by the Committee, in respect of the annual University accounts;

xxi. advise the Vice-Chancellor and other officers of the University on matters relating to the accounts and funds of the University and invest University funds (not for immediate use) as directed by Council or the Vice-Chancellor, as the case may be;

xxii. perform such other functions relating to accounting, financial and treasury services as may be prescribed by Council, the Vice-Chancellor or the Academic Board.

xxiii. liaising with internal and external auditors in order to achieve efficient processes and effective internal control.

2.2.5 Director of Internal Audit

i. The Internal Audit Unit shall be an independent, assurance and consulting unit under the Vice-Chancellor. It shall seek to enhance and protect corporate value through the provision of risk-based and objective assurance, advice and insight.

ii. The Director of Internal Audit shall exercise professional and administrative supervision over staff under the Internal Audit Directorate to ensure that the internal control systems of the University are efficient and effective.

iii. The Director of Internal Audit shall be responsible for the management of the internal audit activities of the University in accordance with the Public Financial Management Act 2016 (Act 921), the Internal Audit Agency Act 2003 (Act 658) and relevant standards.

iv. The Director of Internal Audit shall, in accordance with the Internal Audit Agency Act, 2003 (Act 658) and in conformity with standards and procedures provided by the Agency, set up under the Act, carry out periodic internal audit of the University and submit reports thereof to the Audit Committee through the Vice Chancellor of the University.

v. The Director of Internal Audit shall be responsible for the internal audit of the accounts and financial transactions of the University.

vi. Without prejudice to Internal Audit Agency Act, 2003 (Act 658) and the Public Financial Management Act 2016 (Act 921), the Director of Internal Audit shall report directly on administrative issues to the Council through the Vice Chancellor and the Audit Committee in accordance with guidelines provided for in the Public Financial Management Act and the Regulations. The Director of Internal Audit shall perform the following duties and responsibilities:

   a. review and appraise, where necessary, the adequacy, soundness and applications of accounting, financial and operational controls in the University;
   b. ensure the establishment and operation of an efficient and effective internal financial control system;
   c. evaluate the effectiveness of the risk management and governance

process of the University and contribute to the improvement of that risk management and governance process;

d. provide assurance on the efficiency, effectiveness and economy in the administration of the programmes and operations of the University;
e. ascertain the extent of compliance with established policies, plans and procedures, and appraise the quality of performance of those carrying out assigned responsibilities;
f. ascertain the extent to which assets are accounted for and safeguarded against losses of all kinds;
g. ascertain the reliability of accounting and other data developed or generated within the University;
h. provide assurance to the Vice-Chancellor, and for that matter, the University Council, that there is an adequate system of internal controls;
i. ensure that policies and procedures are appropriate and not wasteful; ensure that reliable records form the basis for the preparation of appropriate financial and other data provided for decision-making;
j. Vet all proposed expenditures to ensure compliance with laid-down internal control systems and other statutory requirements;
k. conduct periodic examination of the accounts of the University including the units with limited financial and operational autonomy;
l. monitor and ensure that all expenditure incurred have been authorised and are within budgetary provisions;
m. conduct periodic management audit and submit reports to the Vice Chancellor and the Council;
n. liaise with External Auditors and ensure that appropriate action is taken on reported audit findings;

o. submit periodic audit reports on the activities of all Units to the Vice-Chancellor, the Audit Committee and the Council;

p. generally, be responsible for ensuring that the University complies with the provisions of the Internal Audit Agency Act, 2003 (Act 565) and Public Financial Management Act, 2016 (Act 921); and

q. discharge any other assignments that the Vice-Chancellor shall deem necessary.

r. The Director of Internal Audit shall be required to draw the Vice-Chancellor’s attention to deficiencies in the organizational system, instances of duplicated functions, waste or other inefficiencies, with suggestions for remedies where necessary.

s. The Director of Internal Audit is also required to carry out special reviews of accounting and internal control systems with a view to stamping out weaknesses.

t. The Director of Internal Audit of the University shall, in consultation with the Vice-Chancellor and in accordance with guidelines issued by the Internal Audit Agency, prepare an annual audit work plan of the activities required to be performed by the Director of Internal Audit in a financial year which is determined by the risk assessment including the fiscal risk of the University.

u. The Director of Internal Audit of the University shall, within thirty days after the beginning of the financial year, submit: (a) the annual audit work plan to the Vice-Chancellor and the Audit Committee; and (b) a copy of the annual audit work plan to the Internal Audit Agency.

v. The Director of Internal Audit shall submit quarterly reports on the execution of the annual audit work plan to the Vice-Chancellor, the Audit Committee, the Auditor-General and the Director-General of the Internal Audit Agency.

w. The Director of Internal Audit shall, in the performance of his or her functions, have access to information and property required to be audited and be provided with any relevant explanation required.

2.2.6 All Employees

1. All employees shall, in accordance with the policy decisions of the Council, manage and administer the affairs of the University in their various capacities in strict adherence to this Accounting Manual. In so doing, all employees:

i. Shall have a general responsibility for the security of the University's properties, for avoiding loss, for efficacy and economy in the use of resources.

ii. must ensure that they operate at all times within the scope of authority which has been delegated to them and in accordance with this Manual.

iii. shall make available promptly any relevant records or information to the Director of Finance, or his/her authorised representative, in connection with the implementation of the University's financial policies, regulations and the systems of financial control.

iv. shall provide to the Director of Finance such financial and other information as may deem necessary, from time to time, to carry out the requirements of the University Council and any other authority.

v. shall immediately notify the Director of Finance whenever any matter emerges which involves, or is thought to involve, irregularities concerning, *inter alia,* cash or properties of the University. The Director of Finance shall take such steps as he or she considers necessary by way of investigation and report.

3.0 Risk Management

1. The University acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. The Council has overall responsibility for ensuring that there is a Risk Management Strategy and a common approach to the management of risks throughout the University. This will be done through the development, implementation and embedding within the organisation of a formal, structured risk management process. In line with this, the Council requires that the Risk Management Strategy and supporting procedures shall include:

i. the adoption of common terminology in relation to the definition of risk and risk management;
ii. the establishment of University-wide criteria for the measurement of risk, linking the threats arising with their potential impact and the likelihood of their occurrence;
iii. a decision on the acceptable level of risk;
iv. detailed regular reviews at each Unit to identify significant risks associated with the achievement of key objectives and other relevant areas;
v. development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question;
vi. maintenance of the necessary Risk Registers and Risk Action Plans to ensure risks are properly managed;
vii. regular reporting to the Finance Committee of all risks above established tolerance levels;

viii. an annual report from the Finance Committee to the Council giving assurance that risk has been properly managed;

ix. an annual review of the implementation of risk management arrangements;

x. an annual report from the Audit Committee on risk.

2. In line with this, a **Risk Management Committee** shall be set up to ensure that there are appropriate controls for managing the key risk areas. The areas covering financial management which have been identified as requiring monitoring and assessment include:

i. Financial

- Inadequate financial strategy
- Inadequate financial control
- Over-extension of resources resulting from increased activity, both teaching and research
- Investments
- Fraud and theft
- Compliance with legal and governance requirements

ii. Human Resources

- Attracting and retaining employees
- Labour relations
- Health, safety and environment
- Funding of gratuities/ex-gratia
- Funding of employees' healthcare

iii. Information Technology

- Disaster recovery and losses due to changes to the IT environment
- Overdependence on individuals, both internal and external

iv. Funding

- Potential future change in Government funding policy;
- Infrastructure funding requiring commitments and financial inputs from the Government and the University;

v. **Property and Related Items**

- Crime
- Service breakdown - electricity, water, internet etc
- Insurance adequacy

vi. **Student and Related Issues**

- Collection of student fees
- Insufficient student housing
- Financial support
- Inadequate Government support

3.0 Code of Conduct

1. The University is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life which employees at all levels are expected to observe.

2. Members of the Council, Statutory Officers and those employees with the ability to commit the University to a significant level of expenditure are required to disclose interests in the University's Register of Interests maintained by the Registrar. They will also be responsible for ensuring that entries in the Register relating to them are kept up to date regularly and promptly.

3. University employees with shareholdings in spin-off businesses are required to declare any such holdings. In particular, no person shall be a signatory to a University contract where he/she also has an interest in the activities of the other party.

Receiving Gifts or Hospitality

4. Sections 240 to 245 of the Criminal Offences Act, 1960 (Act 29) indicate that it is an offence for employees to accept any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all employees therefore, must be:
   i. the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest;
   ii. the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

5. Thus employees should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the University would be likely to provide in return.

6. When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought

from the relevant Dean or Director or the Director of Finance. For the protection of those involved, the Director of Finance (or other designated officer) will maintain a register of gifts and hospitality received. Employees in receipt of such gifts or hospitality are obliged to notify the Director of Finance (or other designated officer) promptly.

4.0 ORGANISATION AND FUNCTIONAL RESPONSIBILITIES OF THE FINANCE DIRECTORATE

4.1 Office of the Director of Finance

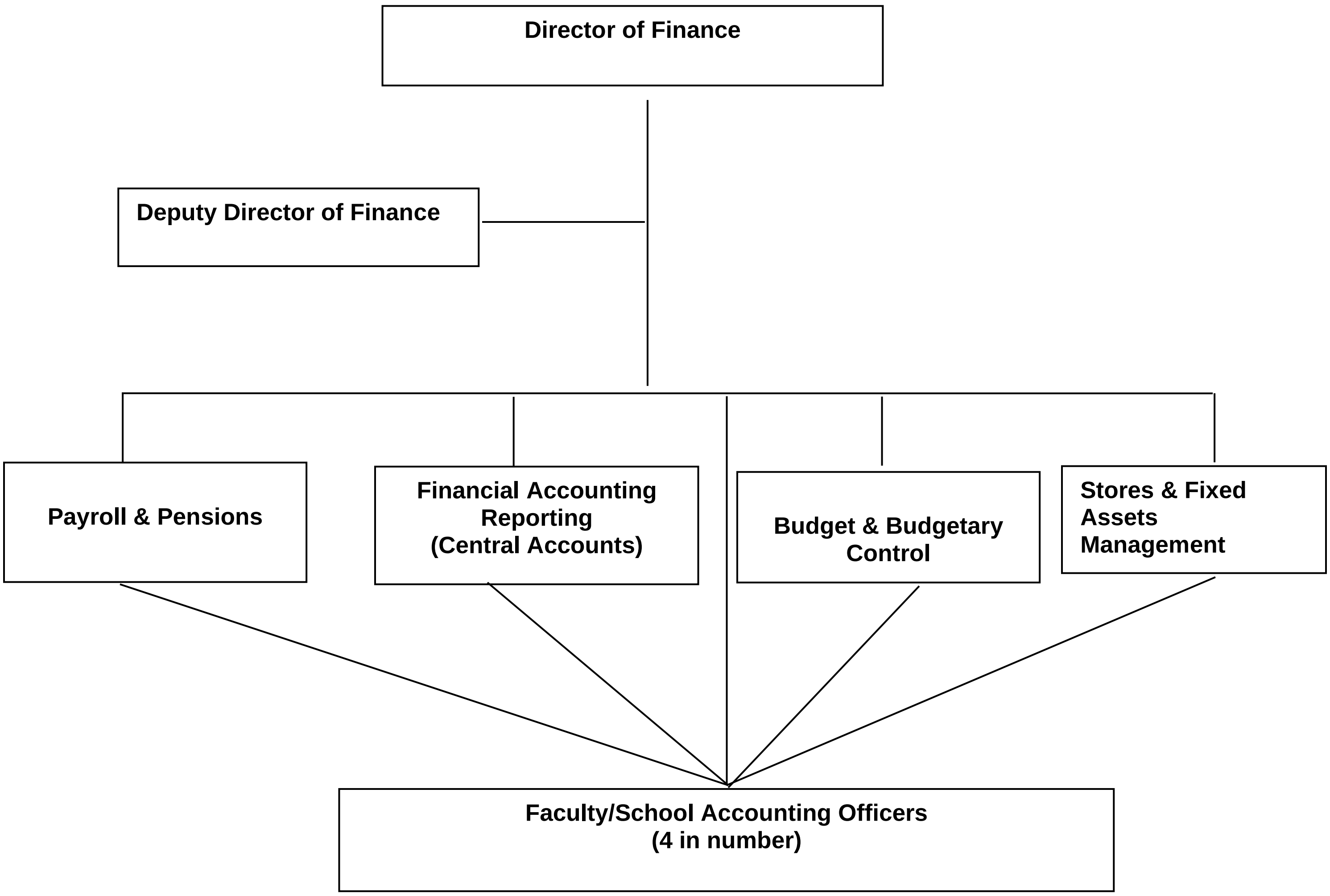
The objectives of the Office of Director of Finance of the Ghana Communication Technology University are to provide efficient and effective financial management support systems for decision making, liquidity management, accountability and sustainable development of the University. Also to demonstrate high level of integrity in all dealings.

4.2 Departments and sections of the Finance Directorate

The University Finance Directorate is headed by the Director of Finance, assisted by a Deputy Director of Finance, four Heads of Departments and four Faculty/School Accountants as has been agreed by GTEC and subject to review from time to time. The Departments are,

- Department of Payroll and Pensions
- Department of Financial Accounting Reporting
- Department of Budget and Budgetary Control
- Department of Stores and Fixed Assets Management

4.3 Organizational Structure of the Finance Directorate



4.4 Duties and Responsibilities of the Departments in the Finance Directorate

4.4.1 Financial Accounting Reporting Department

The Head, Financial Accounting Reporting Department (Central Accounts) is under the direct supervision of the Director of Finance and performs the following duties.

Main Duties and Responsibilities

Payments

1. Supervise raising of Payment Vouchers.
2. Review Payment Vouchers to ensure that the debit and credit ledgers are appropriately selected before posting into the ledgers.
3. Ensure that tax computations in relation to all payments are accurate before posting.

Imprest Accounting

4. Ensure that imprest expenditure are properly classified and captured in the ledgers.

Revenue Collection:

5. Supervise the Cash Office activities.
6. Ensure that official receipts are issued for all collections.
7. Review receipts and ensure that appropriate ledger accounts are selected before authorizing posting into the ledgers.

Student Account Management

8. Responsible for student ledger management.

9. Responsible for student billing.
10. Supervise upload of student fees payments in to the student ledgers.
11. Supervise the reconciliation of student ledger accounts with the student total debtors control account.
12. Receive student complains from the Director of Finance in respect of their financial records and provide appropriate remedy based on the underlining records.
13. Coordinate revenue collection at Faculties, Departments, Sections, Learning Centers and Units where applicable.

Bank Reconciliation

14. Supervise preparation of monthly Bank Reconciliation Statements.
15. Issue monthly Bank Reconciliation reports to the Director of Finance to address discrepancies, errors, omissions, unpresented cheques and uncredited cheques.
16. Follow-up and obtain feedback from the Director of Finance to ensure that the issues in the Bank Reconciliation Statement reports are addressed by the Banks.

Financial Reporting:

17. Prepare and submit draft Financial Statements of the University in accordance with the appropriate provisions of this manual for the consideration and review by the Director of Finance
18. Collaborate with the Head of Budget to prepare monthly/quarterly revenue and expenditure returns for Ghana Tertiary Education Commission (GTEC), Ministry of Education and Ministry of Finance.
19. Provide input for accounting policy decisions, approvals and applications.

20. Prepare and present student financial data analyses report i.e., fees collection rate and debt levels for strategic decision making and action.
21. Provide financial data analyses and report on affiliated programs as to profitability and sustainability.
22. Prepare Quarterly, and Annual Revenue and Expenditure reports for National Accounts Consolidation.
23. Provide input for preparation of departmental budgeting and comprehensive budget of the University i.e., Actual departmental expenditure, actual departmental revenue collection and general revenue and expenditure pattern.
24. Assist the Director of Finance in responding to audit queries in respect of financial transactions and accounts of the University.

4.4.2 Payroll and Pensions Department

The Head, Payroll and Pensions Department is under the direct supervision of the Director of Finance. The Payroll and Pensions Department perform the following function.

1. Review, analyze and ensure that, staff personal data meets IPPD2 requirement before capturing into the Controller and Accountant General (CAGD) Payroll Processing Software (IPPD2).
2. Payroll data Capturing into IPPD2 Software

   All staff data received from the Registrar through the Director of Finance is captured into the IPPD2 software by the department.
3. Confirmation of Monthly Payroll Test Report

   The Controller and Accountant General Department (CAGD), after reviewing payroll data captured nationwide, comes out with monthly Payroll

Test Report. GCTU test report is sent through the Director of Finance to the Head of Payroll for confirmation and feedback as to accuracy, authorization and validity.

4. Perform Monthly Validation of Salaries

   Validation of salaries payable on IPPD2 is done monthly to ensure that the government payroll is free from ghost names, errors and omissions. The Head of Payroll department supervises 21 Heads of management units to carry out the validation exercise each month and ensures the exercise is done on timely bases.
5. Ensure that all staff contribution to SSNIT and Tier 2 are up to date. This is done through individual staff accessing their individual SSNIT and Tier 2 contribution reports and where there are gaps, appropriate input forms are processed and submitted for update and corrections.
6. Computation of staff End of Term Benefit and ensure that it meets policy and legal requirement such as taxes.
7. Computation of Tier 3 contribution for payment to Fund Managers
8. Computation of Faculty Extra Teaching Allowance.
9. Submit gross wage report from IPPD2 to the Director of Finance for capturing into the General Ledger and also for variances analysis report.
10. Provide documentation in payroll audit processes.
11. Act as a Liaison Office between the University and CAGD on Payroll related matters.
12. Provide input for accounting policy decisions, approvals and applications.
13. Carry out approved amendments of personnel information on payroll.
14. Ensure that only employees belonging to the University are on the payroll.
15. Ensure that employees who are declared unknown are appropriate and necessary steps are taken to suspend the employees from the payroll.

16. Ensure that employees who are at post but whose names are not found on the payroll voucher, are declared missing for steps to be taken to reinstate them onto the payroll.
17. Ensure that retirement, resignation, termination, vacation of post or death, with appropriate notification received from the registry through the Director of Finance are deleted from the payroll timely.
18. Provide appropriate and accurate computation of over payment and wrong payment to be recovered from staff.
19. Provide computation of unearned salary occasioned by
    i. The death of an employee
    ii. Dismissal
    iii. Grant of leave without pay
    iv. Vacation of post
    v. Resignation or retirement
20. Do a follow up to ensure that unearned salaries are refunded and paid to a designated account and evidence of refunds are filed for verification.
21. Ensure that appropriate deductions are made from the salaries of employees as required by law.
22. Ensure that the consent of employees are obtained before making any discretionary deduction from the salary of employees.
23. Computation of casual labour wage and temporary employees' salaries.
24. Budgeting: Provide input to the preparation of Departmental and comprehensive budgets of the University;
    i. Actual staff data on payroll i.e. ranks, levels and points.
    ii. Actual basic salary and allowances by category.
25. Training of Staff – Facilitate training of staff on E-Payslip and address staff complains and challenges when assessing their E-Payslip.

26. Ensure that only the names of personnel who are eligible to receive payment for work done are kept on the payroll.
27. Supervise and keep records of the nominal roll of staff and ensure that the correct amount of emolument is paid.
28. Ensure that appointment, promotion, salary increases, performance bonuses and other costs of compensation of employees are within approved budget, standard guidelines, schemes of service and conditions of service.
29. Assist the Director of Finance in responding to audit queries in respect of payroll and pensions computations.

4.4.3 Budget and Budgetary Control Department

Main Duties and Responsibilities

The Head of Budget and Budgetary Control Department work under the direct supervision of the Director of Finance. The Budgeting and Budgetary Control Department performs the following functions:

1. Preparation and submission of draft comprehensive annual Budgets of the University to the Director of Finance for review and presentation to management for consideration, and presentation to Finance Committee for consideration and recommendation to Council for approval and onward submission to Ghana Tertiary Education Commission, Ministry of Education and Ministry of Finance
2. Preparation of annual draft departmental operating budgets of the University under the supervision of the Director of Finance for Management consideration and presentation to the Finance committee for consideration and recommendation to Council for approval.

3. Coordinate activities of heads of budget management units for preparation and presentation of annual departmental budgets.
4. Coordinate activities of heads of budget management centres in monitoring and evaluation of approved departmental budgets respectively
5. Prepare draft quarterly financial Statements in line with Public Financial Management Act, 2016 Act 921 and Public Financial Management Regulation. 2019 (L.I 2378), which include:
   (a) budgeted and actual revenue for the quarter and the cumulative actuals to date;
   (b) budgeted and actual expenditure for the quarter and cumulative actuals to date;
   (c) cumulative amounts for the quarter and the cumulative amounts to date
   (d) outstanding commitments to date
   (e) a comparison of figures mentioned in paragraph (a), (b), (c), and (d) with the corresponding line-items in the budget, quarterly budget allocations, and warrants issued; and
   (f) a sufficient notes to highlight variations in excess of deficit of ten percent in the budget performance on line-item basis
6. Provide information and supporting role in the presentation and defense of the university budget at Ghana Tertiary Education Commission
7. Prepare and provides revenue projections in line with the Medium Term Expenditure Framework (MTEF) budget guidelines to the Director of Finance for review for onward submission to the Ministry of finance
8. Collaborate with Financial Reporting Departments of the University to prepare revenue and expenditure returns to Ghana Tertiary Education Commission, Ministry of Education and Ministry of Finance

9. Carry out activities of Commitment units to ensure that expenditures are within budget before payment
10. Support Faculties, Sections, Departments and units in cost reduction strategies
11. Extract and ensure that strategic targets are reflected in the annual budget

4.4.4 Stores and Fixed Assets Management Department

Stores Management

A. Receipt of Stores

1. Supervise receipt of stores
2. Ensure that;
   i. goods received are covered by appropriate documentations (i.e., contract award notification, Purchase Order (PO), goods dispatched notes etc.) and appropriate authorization document in terms of donations. (i.e., memos, letters, notices)
   ii. stores received meets technical specification and quantity ordered.
   iii. there is timely delivery of stores
   iv. goods received are not expired or near expiry
   v. stores returned to suppliers are covered with appropriate documentation and the internal departments are informed (i.e., Procurement Department, user Department and Budget Department)

B. Custody of Stores

1. Supervise custody of stores
2. Ensure that;

i. appropriate storage environments exist to prevent deterioration and damage of stores
ii. only authorized persons get access to stores
iii. there is orderly arrangement of stores
iv. the store items are easily identified and accessed
v. goods kept are not expired or goods near expiry are used on time

C. Issue of Stores

1. Supervise issue of stores
2. Ensure that;

i. stores issues are accompanied by proper documentations and authorization, i.e. Department Stores Requisitions Voucher.
ii. there is timely issues of store items to avoid expired items in the store

D. Stock Control

In line with the provisions of this manual

1. Establish stock levels (i.e., EOQ, ROQ, ROL, Maximum and Minimum stock levels etc) with justification
2. Establish appropriate store issuing pricing methods for different and similar classes of stores items.
3. Ensure store issuing methods are applied appropriately (i.e., FIFO, LIFO and weighted average)
4. Ensure appropriate stock control procedures are applied in the management of stores.

E. Stores Record Keeping

Ensure that;

1. store receipt and issues are appropriately recorded
2. stores ledger cards are kept and updated
3. there are appropriate store billings
4. stores billings are communicated to the respective user departments
5. stores billings are sent to the Budget Department for commitment
6. there is appropriate ledger for each user department
7. store returns are recorded appropriately
8. store return bills are communicated to the respective user Department

F. Stock Taking

1. Ensure that there is periodic stock taking (i.e. quarterly and annually)
2. Ensure stock taking reports are issued to the Director of Finance within seven working days after stocking

G. General Control

1. Ensure that, store items are appropriately coded in line with the University coding guidelines.
2. Ensure judicious use of stores items

H. Stock Disposal

Ensure obsolete store items are identified and reported to the Director of Finance to trigger assets disposal processes.

FIXED ASSET MANAGEMENT:

1. Oversee the activities of Fixed Assets Management Unit. i.e., maintenance of fixed asset register, classification of fixed assets, coding of fixed assets and determination of depreciation methods applicable to different classes of fixed assets.
2. Supervise collection of fixed assets data, keeping records, and generating management reports.
3. Coordinate the retirement and disposal of fixed assets of the University.
4. Coordinate annual physical count and verification of fixed assets of the University.
5. Coordinate the transfer of fixed assets within (intra) and without (inter) the University
6. Supervise update of Fixed Assets Register of the University after acquisition, disposal, transfer, etc.
7. Ensure proper custody of assets of the University
8. Ensure that only authorized persons have access to the University assets
9. Ensure that the University assets are properly secured and are stored in appropriate conditions

4.4.5 Faculty/School Accountant

Each Faculty/School shall have a Faculty Accountant assigned to the Faculty/School by the Director of Finance. These Officers shall be administratively responsible to their respective Deans of Schools/Faculties and functionally report to the Director of Finance.

Duties and responsibilities:

1. Collaborate with the various functional heads of department in the Finance Directorate in relation to respective Faculty/School financial activities.
2. Responsible for preparing respective Faculty and related Departments annual budgets.

3. Prepare quarterly variance analysis report to aid Faculty financial control mechanism.

4. Ensure that the Faculty and related departments financial targets in each year reflects the targets set in the University's Strategic Plan.
5. Prepare Faculty financial statements as defined in this manual.
6. Responsible for respective Faculty imprest accounting systems.
7. Ensure that the Faculty staff personal data are appropriately submitted and captured on IPPD 2 through collaboration with Payroll and HR Offices.

8. Collaborate and ensure that Faculty staff benefits and allowances i.e. extra teaching load, thesis supervision are computed at submitted for payment.

9. Manage stores of the Faculty and ensure that Faculty stores needs are provided on time.

5.0 ACCOUNTING POLICIES AND PROCEDURES

POLICY No. 1 - BUDGET AND BUDGETARY CONTROL (GCTUAP 1)

PURPOSE

To detail the processes and procedures involved in the University's budget preparation, approval and implementation.

Introduction

1. The University has adopted a budgeting and budgetary control framework to ensure proper allocation and utilization of its resources, financial integrity and control. In basic terms, the Council approves the University budget

which serves as an annual financial tool for implementing the University Strategic Plan. The budget is prepared with reference to the University Strategic Plan, the national medium term economic framework and budget preparation guidelines issued by the Ministry of Finance pursuant to Article 179 (1) of the 1992 Constitution and Section 20 of the Public Financial Management Act, 2016 (Act 921).

Budget Objectives

2. The Council will, from time to time, set budget objectives in line with the Strategic Plan of the University. This will help the Director of Finance in preparing more detailed financial plans for the University.

Resource Allocation

3. Resources are allocated and approved annually by the Council on the basis of the set budget objectives and on the recommendations of Finance Committee. Deans and Directors are responsible for the economic, effective and efficient use of resources allocated to them.

Budget Preparation

4. The various departments in the University will prepare their budgets in line with the Budget Guidelines issued by the Director of Finance. Prior to the preparation of their budgets, briefings shall be organised to discuss issues relating to the budgets.

The Budget Guidelines

5. The budget guideline shall cover

    i. The form of budgetary documents and statements

    ii. Classification of budgetary revenue and expenditure

    iii. Costing of activities

iv. Procedures involved in the preparation, submission and implementation of the budget
v. Income and Expenditure ceilings for each Management Unit.
vi. Work plans and cash flow forecasts, and
vii. Deadlines for the submission of estimates

Budget Classification

6. The budget should be classified into revenue and expenditure sub-budgets

Revenue Sub-budgets

i. Government Subvention
ii. GETFund
iii. Internally Generated Fund
iv. Development Partners Fund
v. Other fund

Expenditure sub-budget classification

i. Compensation for Employees
ii. Goods and Services
iii. Capital Expenditure

Budget Approval

7. The Budget of the University shall be approved by the University Council upon the recommendations of the Finance Committee.
8. The Director of Finance must ensure that the approved budgets are communicated to Deans and Directors as soon as possible following their approval by the Council.

Revised Budgets

9. During the year, the Director of Finance is responsible for submitting revised budgets to the Finance Committee for consideration and submission to the Council for approval, and thereafter communicating the revised budgetary position to the Deans and Directors.

Budgetary Management and Control

10. The Director of Finance shall keep the Vice-Chancellor, Finance Committee and Council informed of the financial consequences of changes in policy, pay awards, and other events and trends affecting budgets, and shall advise on the financial and economic aspects of future plans and projects.
11. The control of income and expenditure within an agreed budget is the responsibility of the designated Dean or Director who must ensure that day-to-day monitoring is undertaken effectively. These Deans and Directors are responsible for managing their budgets such that income targets are achieved and expenditure limits are not exceeded. They will be assisted by Faculty/School Accountants.
12. The Deans and Directors are responsible for the overall financial management across their Units, including the control of approved income and expenditure, budgetary control and monitoring. Where appropriate, they may delegate responsibility to a designated Officer.
13. Significant departures from agreed budgetary targets must be reported immediately to the Director of Finance. The Director of Finance shall make appropriate recommendation to the Vice-Chancellor for corrective actions to be taken.
14. The Director of Finance will establish and maintain a budgetary control

system which incorporates the reporting of, and, investigation into variances from budget. All employees involved in initiating or authorising financial transactions shall comply with these budgetary control procedures.

15. The Director of Finance will advise the Registrar on such training as may be required by the Deans or Directors and their Officers to enable them to operate the procedures relating to budgetary control.
16. The Deans, Directors and their Officers are assisted in the performance of their finance duties by management information systems provided under the advice of the Director of Finance. The types of management information system available to the different levels of financial management in the University shall be set and determined upon the recommendation of the Director of Finance.
17. The Director of Finance is responsible for providing Budgetary Reports on all aspects of the University's finances to the Finance Committee through the Vice-Chancellor on a basis determined by the Finance Committee and also in line with the provisions of the Public Financial Management Act, 2016. Act 921 and the Public Financial Management Regulations (PFMR), 2019 (L.I 2378). The report shall outline the Income and Expenditure of the University for the financial year to date, compared with the corresponding approved Budget and showing a forecast of anticipated year-end values, which gets updated quarterly.

Contents of a Quarterly Financial Statements

18. The contents of the Quarterly Financial Statements reports are provided in the Public Financial Management Act, 2016. Act 921 and the Public Financial Management Regulations (PFMR), 2019 (L.I 2378).Section 213 of the PFMR provides:
    1. For the purposes of paragraph (a) of subsection (1) of section 79 of the Act, the Principal Spending Officer of a covered entity shall, within fifteen days after the end of each quarter, submit to the Controller and Accountant-General the quarterly financial statements covering all public funds namely the Consolidated Fund, internally generated funds, donor funds, statutory funds and any other fund as may be established by an Act of Parliament.
    2. The quarterly financial statements specified in subregulation (1) shall be in the form determined by the Controller and Accountant-General and include details of

        (a) the actual revenue for the quarter and the cumulative actuals to date;

        (b) the actual expenditure for the quarter and the cumulative actuals to date;

        (c) the committed amounts for the quarter and the cumulative commitments to date;

        (d) outstanding commitments at the end of the quarter;

        (e) a comparison of the figures mentioned in paragraphs (a), (b), (c), and (d) with the corresponding line-items in the budget, quarterly budget allocations, and warrants issued;

        And

        (f) sufficient notes to highlight variations in excess or deficit of ten percent in the budget performance on a line-item basis.

Cash Flow Forecast

19. Section 31 of Public Financial Management Act, 2016. Act 921, provides that “A Principal Spending Officer shall, in accordance with the Regulations, prepare and submit to the Minister monthly cash flow forecasts

of the covered entity for the ensuing three months or any other period that the Minister may specify."

20. Changes proposed to the approved budget will be considered by the Finance Committee which will make proposals to the Council unless they fall within delegated approval arrangements.

Virement Rules

21. Virement of votes from one expenditure area to another shall receive the prior approval of the Vice-Chancellor.

Virement will normally be approved provided:

(a) That the votes earmarked for compensation shall not be vired for other purpose without the prior approval of the University Council.

(b) The virement will not cause an excess on the total vote for the year.

(c) That due regard will be given to the necessity for economy before granting a request for virement

22. No balances will be permitted to be carried forward to the next financial year unless income has been received for a specific purpose which has not yet been fulfilled (in which case an appropriate credit balance will be created).

23. All other surplus income will be credited to the University's Income and Expenditure Reserve and will be available for expenditure only if approved as part of the budget setting or virement process. Funds specifically earmarked within the University's Income and Expenditure Reserve may be approved for expenditure by the appropriate Dean or Director if there is capacity within the approved budget to do so.

POLICY No. 2 – ACCOUNTING POLICIES AND ASSUMPTIONS (GCTUAP 2)

PURPOSE:
To set out and explain the policies for accounting for the receipt and use of University funds, for the preparation and presentation of the financial statements.

ACCOUNTING POLICIES

1. The Accounting Policies are the specific principles, bases, conventions, rules and practices adopted in preparing and presenting financial statements in the University. The Accounting Policies clarify how the relevant accounting standards apply to individual transactions and balances.

2. The accounting policies on which the financial statements of the University are produced should be in accordance with applicable accounting standards and consistent with the requirements to present a true and fair view.

3. The constraints that the University should take into account in judging the appropriateness of accounting policies to its particular circumstances are:
    a. the need to balance the four objectives of accounting information (relevance, reliability, comparability and understandability); and
    b. the need to balance the cost of providing information with the likely benefit of such information to users of the financial statements.

4. The Accounting policies shall be applied consistently over the years.

5. The University should regularly review its accounting policies to ensure that they remain the most appropriate to its own particular circumstances. Where this is judged not to be the case, a new policy should be adopted giving due weight to the impact a change would have on comparability between periods.

6. No changes shall be made to the accounting policies except by approved from the Finance Committee.

POLICY No. 3 – PRESENTATION OF FINANCIAL STATEMENTS (GCTUAP 3)

Objective.

1. The objective of this Policy is to prescribe the manner in which general purpose financial statements of the University should be presented to ensure comparability both with the University's financial statements of previous periods and with the financial statements of other entities, particularly other Universities across the world.

   To achieve this objective, this Policy is premised on the pronouncements of *IPSAS 1 – Presentation of Financial Statements,* which set out the overall considerations for the presentation of financial statements, guidance for their structure, and minimum requirements for the content of financial statements prepared under the accrual basis of accounting, the recognition, measurement and disclosure of specific transactions and other events.

Definitions

2. The following terms are defined and used in the Standard with the meanings specified:

   Accrual basis means a basis of accounting under which transactions and other events are recognized when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognized in the financial statements of the periods to which they relate. The elements recognized under accrual accounting are assets, liabilities, net assets/equity, revenue and expenses.

Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

Contributions from owners means future economic benefits or service potential that has been contributed to the entity by parties external to the entity, other than those that result in liabilities of the entity, that establish a financial interest in the net assets/equity of the entity, which:

(a) Conveys entitlement both to distributions of future economic benefits or service potential by the entity during its life, such distributions being at the discretion of the owners or their representatives, and to distributions of any excess of assets over liabilities in the event of the entity being wound up; and/or

(b) Can be sold, exchanged, transferred or redeemed.

Distributions to owners means future economic benefits or service potential distributed by the entity to all or some of its owners, either as a return on investment or as a return of investment.

Economic entity means a group of entities comprising a controlling entity and one or more controlled entities. The term economic entity is used in this Standard to define, for financial reporting purposes, a group of entities comprising the controlling entity and any controlled entities.

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets/equity, other than those relating to distributions to owners.

Government Business Enterprise means an entity that has all the following characteristics:

(a) Is an entity with the power to contract in its own name;

(b) Has been assigned the financial and operational authority to carry on a business;

(c) Sells goods and services, in the normal course of its business, to other entities at a profit or full cost recovery;

(d) Is not reliant on continuing government funding to be a going concern (other than purchases of outputs at arm's length); and

(e) Is controlled by a public sector entity. Impracticable Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so.

Liabilities are present obligations of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

Material Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature and size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor.

Net assets/equity is the residual interest in the assets of the entity after deducting all its liabilities.

Notes contain information in addition to that presented in the statement of financial position, statement of financial performance, statement of changes in net assets/equity and cash flow statement. Notes provide narrative descriptions or disaggregations of items disclosed in those statements and information about items that do not qualify for recognition in those statements.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets/equity, other than increases relating to contributions from owners.

Future Economic Benefits or Service Potential: Assets provide a means for entities to achieve their objectives.

Assets that are used to deliver goods and services in accordance with an entity's objectives but which do not directly generate net cash inflows are often described as embodying service potential. Assets that are used to generate net cash inflows are often described as embodying future economic benefits. To encompass all the purposes to which assets may be put, this Standard uses the term "future economic benefits or service potential" to describe the essential characteristic of assets.

Government Business Enterprises: GBEs include both trading enterprises, such as utilities, and financial enterprises, such as financial institutions. GBEs are, in substance, no different from entities conducting similar activities in the private sector. GBEs generally operate to make a profit, although some may have limited community service obligations under which they are required to provide some individuals and organizations in the community with goods and services at either no charge or a significantly reduced charge.

Purpose of Financial Statements

3. Financial statements are a structured representation of the financial position and financial performance of an entity. The objectives of general purpose financial statements are to provide information about the financial position, financial performance and cash flows of an entity that is useful to a

wide range of users in making and evaluating decisions about the allocation of resources. Specifically, the objectives of general purpose financial reporting in the public sector should be to provide information useful for decision-making, and to demonstrate the accountability of the entity for the resources entrusted to it by:

(a) Providing information about the sources, allocation and uses of financial resources;

(b) Providing information about how the entity financed its activities and met its cash requirements;

(c) Providing information that is useful in evaluating the entity's ability to finance its activities and to meet its liabilities and commitments;

(d) Providing information about the financial condition of the entity and changes in it; and

(e) Providing aggregate information useful in evaluating the entity's performance in terms of service costs, efficiency and accomplishments.

4. General purpose financial statements can also have a predictive or prospective role, providing information useful in predicting the level of resources required for continued operations, the resources that may be generated by continued operations, and the associated risks and uncertainties. Financial reporting may also provide users with information:

(a) Indicating whether resources were obtained and used in accordance with the legally adopted budget; and

(b) Indicating whether resources were obtained and used in accordance with legal and contractual requirements, including financial limits established by appropriate legislative authorities.

5. To meet these objectives, the financial statements provide information about an entity's:
   (a) Assets;
   (b) Liabilities;
   (c) Net assets/equity;
   (d) Revenue;
   (e) Expenses;
   (f) Other changes in net assets/equity; and
   (g) Cash flows.

Responsibility for Financial Statements

6. The responsibility for the preparation and presentation of financial statements varies within and across jurisdictions.

Components of Financial Statements - IPSAs

7. A complete set of financial statements comprises:
   (a) A statement of financial position;
   (b) A statement of financial performance;
   (c) A statement of changes in net assets/equity;
   (d) A cash flow statement;
   (e) When the entity makes publicly available its approved budget, a comparison of budget and actual amounts either as

a separate additional financial statement or as a budget column in the financial statements; and

(f) Notes, comprising a summary of significant accounting policies and other explanatory notes.

The Standards, states that, the components listed in paragraph above are referred to by a variety of names both within and across jurisdictions. The statement of financial position may also be referred to as a balance sheet or statement of assets and liabilities. The statement of financial performance may also be referred to as a statement of revenues and expenses, an income statement, an operating statement, or a profit and loss statement. The notes may include items referred to as schedules in some jurisdictions.

Going Concern

8. The University's financial statements shall be prepared on a going concern basis unless there is an intention to liquidate the University or to cease operation. This assessment shall be made by those responsible for the preparation of financial statements. When those responsible for the preparation of the financial statements are aware, in making their assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the University's ability to continue as a going concern, those uncertainties shall be disclosed. When financial statements are not prepared on a going concern basis, that fact shall be

disclosed, together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern.

Consistency of Presentation

9. The presentation and classification of items in the financial statements shall be retained from one period to the next unless:

(a) It is apparent, following a significant change in the nature of the university's operations or a review of its financial statements, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in IPSAS 3; or

(b) An IPSAS requires a change in presentation.

Materiality and Aggregation

10. Each material class of similar items shall be presented separately in the financial statements. Items of a dissimilar nature or function shall be presented separately unless they are immaterial.

Offsetting

11. Assets and liabilities, and revenue and expenses, shall not be offset unless required or permitted by an IPSAS.

Comparative Information

12. Except when an IPSAS permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all amounts reported in the financial statements. Comparative information shall be included for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.

13. **Amendment of Presentation and Classification**

When the presentation or classification of items in the financial statements is amended, comparative amounts shall be reclassified unless the reclassification is impracticable. When comparative amounts are reclassified, an entity shall disclose:

(a) The nature of the reclassification;

(b) The amount of each item or class of items that is reclassified; and

(c) The reason for the reclassification.

14. When it is impracticable to reclassify comparative amounts, an entity shall disclose:

(a) The reason for not reclassifying the amounts; and

(b) The nature of the adjustments that would have been made if the amounts had been reclassified.

Statement of Financial Position

15. **Current/Non-current Distinction**: the statement of financial position shall present current and non-current assets, and current and non-current liabilities, as separate classifications on the face of its statement of financial position.

Current Assets

16. An asset shall be classified as current when it satisfies any of the following criteria:

(a) It is expected to be realized in, or is held for sale or consumption in, the entity's normal operating cycle;

(b) It is held primarily for the purpose of being traded;

(c) It is expected to be realized within twelve months after the reporting date; or

(d) It is cash or a cash equivalent.

All other assets shall be classified as non-current.

Current Liabilities

17. A liability shall be classified as current when it satisfies any of the following criteria:

(a) It is expected to be settled in the entity's normal operating cycle;

(b) It is held primarily for the purpose of being traded;

(c) It is due to be settled within twelve months after the reporting date; or

(d) The entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities shall be classified as non-current.

Information to be Presented on the Face of the Statement of Financial Position

18. As a minimum, the face of the statement of financial position shall include line items that present the following amounts:

(a) Property, plant and equipment;

(b) Investment property; (c) Intangible assets;

(d) Financial assets (excluding amounts shown under (e), (g), (h) and (i)); in accordance with paragraphs 76–87 except when a presentation based on liquidity provides information that is reliable and is more relevant. When that exception applies, all assets and liabilities shall be presented broadly in order of liquidity.

(e) Investments accounted for using the equity method;

(f) Inventories;

(g) Recoverables from non-exchange transactions (taxes and transfers);

(h) Receivables from exchange transactions;

(i) Cash and cash equivalents;

(j) Taxes and transfers payable;

(k) Payables under exchange transactions;

(l) Provisions;

(m) Financial liabilities (excluding amounts shown under (j), (k) and (l));

(n) Minority interest, presented within net assets/equity; and

(o) Net assets/equity attributable to owners of the controlling entity

19. Additional line items, headings and sub-totals shall be presented on the face of the statement of financial position when such presentation is relevant to an understanding of the entity's financial position.

20. The judgment on whether additional items are presented separately is based on an assessment of:

(a) The nature and liquidity of assets;

(b) The function of assets within the entity; and

(c) The amounts, nature and timing of liabilities.

21. Since the University has no share capital, the Statement of Financial Position shall disclose net assets/equity, either on the face of the statement of financial position or in the notes, showing separately: (a) Contributed capital, being the cumulative total at the reporting date of contributions from owners, less distributions to owners;

(b) Accumulated surpluses or deficits;

(c) Reserves, including a description of the nature and purpose of each reserve within net assets/equity;

Information to be Presented on the Face of the Statement of Financial Performance

22. As a minimum, the face of the statement of financial performance shall include line items that present the following amounts for the period:

(a) Revenue;

(b) Finance costs;

(c) Share of the surplus or deficit of associates and joint ventures accounted for using the equity method;

(d) Pre-tax gain or loss recognized on the disposal of assets or settlement of liabilities attributable to discontinuing operations; and

(e) Surplus or deficit.

Information to be Presented either on the Face of the Statement of Financial Performance or in the Notes

23. When items of revenue and expense are material, their nature and amount shall be disclosed separately. Circumstances that would give rise to the separate disclosure of items of revenue and expense include:

(a) Write-downs of inventories to net realizable value or of property, plant and equipment to recoverable amount or recoverable service amount as appropriate, as well as reversals of such write-downs;

(b) Restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring;

(c) Disposals of items of property, plant and equipment;

(d) Privatizations or other disposals of investments;

(e) Discontinuing operations; (f) Litigation settlements; and

(g) Other reversals of provisions.

24. The University shall present, either on the face of the statement of financial performance or in the notes, a sub-classification of total revenue, classified in a manner appropriate to the entity's operations

25. The University shall present, either on the face of the statement of financial performance or in the notes, an analysis of expenses using a classification based on either the nature of expenses or their function within the entity, whichever provides information that is reliable and more relevant.

Statement of Changes in Net Assets/Equity

26. The University shall present a statement of changes in net assets/equity showing on the face of the statement:

(a) Surplus or deficit for the period;

(b) Each item of revenue and expense for the period that, as required by other Standards, is recognized directly in net assets/equity, and the total of these items;

(c) Total revenue and expense for the period (calculated as the sum of (a) and (b)), showing separately the total amounts attributable to owners of the controlling entity and to minority interest; and

(d) For each component of net assets/equity separately disclosed, the effects of changes in accounting policies and corrections of errors recognized in accordance with IPSAS 3.

Cash Flow Statement

27. Cash flow information provides users of financial statements with a basis to assess the ability of the entity to generate cash and cash equivalents and the needs of the entity to utilize those cash flows. IPSAS 2 sets out requirements for the presentation of the cash flow statement and related disclosures.

Notes

28. Notes shall, as far as practicable, be presented in a systematic manner. Each item on the face of the statement of financial position, statement of financial performance, statement of changes in net assets/equity and cash flow statement shall be cross-referenced to any related information in the notes.

Disclosure of Accounting Policies

29. An entity shall disclose in the summary of significant accounting policies:

(a) The measurement basis (or bases) used in preparing the financial statements;

(b) The extent to which the University has applied any transitional provisions in any IPSAS; and

(c) The other accounting policies used that are relevant to an understanding of the financial statements.

Components of Financial Statement – PFM Regulations

30. The components of GCTU Financial Statement shall be in line with the provisions of Section 35 of the Public Financial Management Regulations, 2019, (L.I. 2378) which states the components of Financial Statements as:

(a) A statement of financial position;

(b) A statement of financial performance;

(c) The cash flow statement;

(d) A statement of changes in net assets and equity and

(e) Notes to the accounts

31. Therefore, the University has adopted the components in paragraph 30 above as components of its Financial Statements.

Responsibility for GCTU Financial Statement

32. Section 35 of Ghana Communication Technology Act, 2020 (Act 1022) states;
    i. The Council shall ensure that the University keeps books, records, returns and other documents relevant to the accounts in the form approved by the Auditor-General
    ii. The Council shall submit the annual accounts of the University to the Auditor-General for audit at the end of the financial year.
    iii. The accounts shall be under the signature of the Vice-Chancellor and the Director of Finance
    iv. The financial year of the University is the same as the financial year of the Government. Thus: 1st January to 31st December each year.
33. In addition to the above, The University Statutes required that, the financial statements shall be submitted to the Finance Committee for consideration and recommendation to the Council for approval.
34. The Director of Finance shall be responsible for preparation and presentation of the Financial Statements.

POLICY No. 4 – NON CURRENT ASSETS (PROPERTY, PLANT AND EQUIPMENT) (GCTUAP4)

Objective

1. The objective of this Policy is to prescribe the accounting treatment for property, plant and equipment so that users of financial statements can discern information about the University's investment in its property, plant and equipment and the changes in such investment. The principal issues in accounting for property, plant and equipment are the recognition of the assets, the determination of their carrying amounts and the depreciation charges and impairment losses to be recognized in relation to them.

Definitions

The following terms are used and the meanings specified:

Carrying amount (for the purpose of this Standard) is the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment losses.

Class of property, plant and equipment means a grouping of assets of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the financial statements.

Cost is the amount of cash or cash equivalents paid and the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Property, plant and equipment are tangible items that:

(a) Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and

(b) Are expected to be used during more than one reporting period.

Recoverable amount is the higher of a cash-generating asset's fair value less costs to sell and its value in use. Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Useful life is:

(a) The period over which an asset is expected to be available for use by an entity; or

(b) The number of production or similar units expected to be obtained from the asset.

Recognition

2. The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if:

   (a) It is probable that future economic benefits or service potential associated with the item will flow to the entity; and
   (b) The cost or fair value of the item can be measured reliably.

3. **Measurement at Recognition**

An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.

Where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

4. **Elements of Cost**
   Elements of Cost 30. The cost of an item of property, plant and equipment comprises: (a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. (b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. (c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

5. A class of property, plant and equipment is a grouping of assets of a similar nature or function in an entity's operations. The following are examples of separate classes:
   (a) Land;

   (b) Operational buildings;

(c) Roads;
(d) Machinery;
(e) Motor vehicles;
(f) Furniture and fixtures Ships; and
(g) Office equipment

Depreciation Amount and Depreciation Period

6. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life.

7. The residual value and the useful life of an asset shall be reviewed at least at each annual reporting date and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with IPSAS 3, “Accounting Policies, Changes in Accounting Estimates and Errors.”

Depreciation Method

8. The depreciation method shall reflect the pattern in which the asset’s future economic benefits or service potential is expected to be consumed by the University.

9. The depreciation method applied to an asset shall be reviewed at least at each annual reporting date and, if there has been a significant change in the expected pattern of the consumption of the future economic benefits or service potential embodied in the asset, the method shall be changed to reflect the changed pattern. Such a change shall be accounted for as a change in an accounting estimate in accordance with IPSAS 3

10. The University uses straight line Depreciation method and the rates applicable are as in table below

ASSETS	RATES OF DEPRECIATION/AMOTIZATION (%)
Buildings	2.5
Plant and Machinery	13
Motor Vehicles	20
Furniture and Fittings	20
ICT Equipment	25
Equipment	10
Intangible Assets	50

POLICY No. 5 – REVENUE RECONGINTION (GCTUAP 5)

Objective

1. The police objective is to prescribe the accounting treatment of revenue arising from exchange transactions and events, the main question being **when to recognise revenue.**
2. **Revenue** is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets/equity, other than increases relating to contributions from owners.
3. **Exchange transactions** are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Typical exchange transactions are the purchase or sale of goods or services based on market prices.
4. **Non-exchange transactions** are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives

value from another entity without directly giving approximately equal value in exchange, or gives value to another entity.

When to recognize Revenue

5. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably.
6. Income is also recognised when cash or services associated with the transaction flow to the university. For cash transactions, the income is recognised on receipts of payments. For other transactions, income is recognised when it is earned by law or contract (e.g. goods or service supplied).

Funds of the University

Section 31 of Ghana Communication Technology Act, 2020 (Act 1022) provides

7. The Funds of the University include

(a) moneys approved by Parliament;

(b) internally generated funds consisting of

(i) fees paid by students of the University;

(ii) fees, charges and dues in respect of services rendered by or through the University;

(iii) proceeds from sale of publications of the University;

(iv) subscriptions, rents and royalties;

(c) grants and loans;

(d) returns on investments;

(e) donations and gifts; and

(f) moneys from any other source approved by the Council.

8. Any sum of money received by or on behalf of the University shall be paid into a bank account of the University opened by or on the authority of the Council and with the approval of the Controller and Accountant-General.

9. The Council may invest the funds of the University that are not required for immediate use as the Council considers appropriate.

Government Subvention

10. The following specific recognition criteria must be met before income is recognised.

11. **Government Subvention for compensation for employees** is recognised as income in the financial year in which they are accrued and/or paid. This is because the Controller and Accountant-General Department is responsible for payment of employee monthly emoluments and there is 100% probability that, there will be no default.
12. **Government subvention for goods and services** is brought into the Statement of Income and Expenditure in the financial period in which they are received and as such not accrued.
13. Any deferred subvention for goods and services shall be recorded in the period in which the subvention is actually received. When funds are received from the Government in the form of settlement of any indebtedness of the University such as utilities, liabilities or other assets, such expenditure shall be added to the subvention received for the period in which it is receipted.

Government Subsidies and Grants

14. Government subsidies and grants such as book and research allowances to staff are recognised as revenue in the period in which they relate and such are accrued.
15. Government subsidies and grants relating to specific expenses are not offset against the expense but are included in the disclosure of Government appropriations - subsidies and grants.
16. Where the grant is received to finance or partly finance, the purchase, construction or development of an asset, and the asset is capitalized, it is recognised as *deferred capital grants.* An annual transfer is then made to the statement of income and expenditure over the useful economic life of the asset at the same rate as the depreciation charge on the asset for which the grant was awarded. Furthermore, the condition that normally has to be satisfied for the recipient to comply with the terms of the grant is that the capital item should be used for the purposes for which the grant was given.

Designated income from contracts, grants and donations

17. Income received for designated specific purpose arises from contracts, grant, endowments and donations. Such income is recognised in the Statement of Income and Expenditure in the financial period in which it accrues to the University in accordance with the relevant agreement.

Academic Facility User Fees and Other Charges (School Fees)

18. Academic Facility User Fees and Other Charges (School Fees) are recognised when paid or payable by students who have been activated and registered for the academic year. Reason being that students have the right to defer their course of study in a particular semester or academic year and are not billed fees in the period that they defer. Therefore the probability of realising the fees as income is certain when they register.

Academic and Residential Facility User (Fees Hostel Fees)

19. Academic and Residential Facility User Fees charged are applicable to one academic are recognised in the financial year. i.e. 2022/2023 Academic Year hostel fees are recognised in 2023 Financial Year.

20. Interest income

Interest income is recognised using the effective interest method in which the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

21. Rendering of services: income, involving the rendering of service, is recognised to the extent the service has been

provided and it is probable and can be reliably measured. Where the contract outcome cannot be measured reliably, income is recognised only to the extent that expenses incurred are eligible to be recovered.

22. Income and expenses shall not be off-set.

23. The Finance Director shall receive on behalf of the University all subventions, assets and revenues payable to the University and his/her receipt shall be sufficient discharge for same.

24. He shall be responsible to the Vice Chancellor for the safe custody and proper accountability of all University funds and assets;

25. A person who collects or receives monies in trust for the University shall issue receipts for the amount received.

26. All monies received shall be recorded and balanced on a daily basis.

27. Monies received shall be banked not later than the close of the next working day following the receipts of the funds.

28. All monies received shall be banked intact and no payment shall be made out of amounts collected before banking.

29. Monies received shall be kept under lock and key.

30. No personal money or property shall be kept in the University safe.

31. Personal cheque(s) must not be cashed out of the money received on behalf of the University.

32. Official Receipts

i. Official receipts of the University shall be printed only on the authority of the Director of Finance.

ii. Only pre-numbered official receipts of the University issued by the chief cashier or duly authorized accounts staff shall constitute proper discharge.

iii. All accounting officers to whom receipt books are issued shall keep their own stock registers and ensure that both receipt books and stock registers are kept under lock and key. Accounting officers shall be held responsible for the loss of any used or unused receipt book.

iv. A receipt shall be cancelled and fresh one issued whenever a mistake is made on the original receipt. Any cancelled receipt shall be retained in the receipt book. No alteration or cancellation shall be made on a receipt.

v. Notice of the loss of receipt books or any value books must be given to the Finance Director by the Head of Department where the loss occurred promptly. The Finance Director, in turn, shall cause the loss to be published in the appropriate University organ.

vi. In handing over duties to another officer, certificates signed by both officers are required in respect of all receipt books and value forms held on charge by the outgoing officer. The certificates made in the prescribed form shall be supported by a detailed list showing the quantities and serial numbers of each type of book and the officer taking over shall sign below the last entry in the register.

vii. Electronic receipts may be issued upon the approval of the Finance Officer.

33. School Fees

i. All school fees and other charges payable for each academic year will be discussed and recommended by a Committee setup by the Vice Chancellor for his approval.

ii. The Director of Finance is responsible for ensuring that all students' fees due the University are received.

iii. All fees and charges shall be paid at designated banks approved by the Vice- Chancellor on the recommendation of the Finance Director.

iv. Fees may also be paid by banker's draft issued in the name of the University as appropriate.

v. Designated banks shall issue official receipts with the University and the respective bank logo.

vi. Steps should be taken immediately to resolve any outstanding payments.

POLICY No. 6 – PROCUREMENT OF GOODS, SERVICES AND WORKS (GCTUAP6)

PURPOSE:

1. To provide a general guide on the procedures to be followed in achieving economy, efficiency, transparency, accountability and value for money in the procurement of goods, services and works in the University.

2. The requisition of goods and services shall be in accordance with the University's Procurement Manual. There are two categories of goods recognised within Ghana Communication Technology University:

Category 'A' Goods: covering goods which are usually stocked by the Stores, e.g. stationery which have a high rate of usage within the University.

Category 'B' Goods: covering those that are seldom stocked by the Stores due to low rate of usage or those that do not have repetitive usage within the University.

Requisition for Category 'A' Goods

3. The Requisition for Category 'A' goods are prepared by the Head of Stores anytime stock reaches a predetermined re-order level. The Requests are forwarded to the Director of Finance.

4. The Director of Finance shall satisfy that:
   (a) There is proper justification for the request
   (b) The acquisition of the requested quantity of such goods shall not lead to overstocking
   (c) There is budgetary allocation for the items requested

5. The Director of Finance shall forward the request to the Head of Procurement Unit for cost estimate, and the Head of Procurement Unit shall check that, the goods requested are included in the Annual Procurement Plan.
6. The Head of Procurement Unit if satisfied that the request is in the approved annual procurement plan, shall forward the request with cost estimate to the Director of Finance.
7. The Director of Finance shall forward the request to the Vice-Chancellor for approval.

8. The Vice-Chancellor if satisfied shall approve the request to the Registrar,
9. The Registrar shall forward the approved request to the Procurement Unit.
10. The Procurement Unit shall proceed to procure the goods in line with the procurement Act.

The Requisition for Category 'B'

11. The Requisition for Category 'B' goods are prepared and submitted by Heads of the User Unit (example Head of Transport Department). The Requests are forwarded to the Head of Procurement Units for Review and Recommendation for Approval.
12. The Head of Procurement shall recommend the requisition after satisfying that the items are in the annual procurement Plan, shall forward the request with cost estimate to the Director of Finance.
13. The Director of Finance shall check if there is budget line for items and shall forward to the Vice-Chancellor for approval.
14. The Vice-Chancellor if satisfied shall approve the request to the Registrar
15. The Registrar shall forward the approved request to the Procurement Unit.
16. The Procurement Unit shall proceed to procure the goods in line with the Procurement Act.

Procurement of Services Contract

1. The request are prepared and submitted by the User Department Head to the procurement unit

2. The Head of Procurement shall recommend the requisition and after satisfying that the items are in the Annual Procurement Plan, shall forward the request with cost estimate to the Director of Finance.

3. The Director of Finance shall check if there is budget line for items and shall forward to the Vice-Chancellor for approval.
4. The Vice-Chancellor if satisfied shall approve the request to the Procurement Unit.
5. The Procurement Unit shall proceed to procure the goods in line with the Procurement Act.

Works (Construction Contracts)

6. Works are construction contracts whose procurement processes are initiated by the Director of Physical Development to the Vice-Chancellor. The Director of Physical Development shall ensure that, the project is approved by the Development Committee.

7. The Vice-Chancellor in consultation with the Director of Finance shall ensure that there is budget line for the project and there are adequate financial strategies in place to ensure that the project implementation will not be derailed by cash flow challenges and will not lead the University to financial exposures.

8. The Vice-Chancellor if satisfied shall approve the request to the Registrar
9. The Registrar shall forward the approved request to the Procurement Unit.
10. The Procurement Unit shall proceed to procure the goods in line with the Procurement Act.

Receipt of Goods

11. Goods supplied shall be delivered to the University's designated Stores. The store where the goods are to be delivered must be clearly specified on the Purchase Order or Contract. The supplier's Waybill or Delivery Note and VAT Invoice shall accompany all goods delivered.

12. On arrival of goods at the stores, goods are verified against the specifications on the Purchase Order to ensure that the correct items have been delivered in the required quantities. The Head of Procurement shall constitute the Inspection Team, which shall include Storekeeper, Internal Auditor, User Department Representative or External Expert and Security Officer. The size of the team will depend on the complexity, nature and value of the items supplied.
13. When the goods are found to be satisfactory, the Waybill or Delivery Note and Invoice is stamped and signed by the Leader of the Inspection Team and the Storekeeper to confirm that:
    a. Goods actually received are in accordance with the Waybill or Delivery Note.

b. Goods on the Waybill or Delivery Note agree with the Specification on the Purchase Order or Contract.
c. Goods delivered are neither defective nor sub-standard.
d. Goods are delivered on schedule. The Storekeeper shall also sign copies of the Waybill or Delivery Note to confirm receipt of Goods.

14. Where goods are found to be unsatisfactory in terms of being defective, improperly specified, variation in prices compared to the Purchase Order, the Inspection Team shall reject the order immediately without accepting the items into store.
15. Where quantity of goods delivered is short of the quantity specified on the Purchase Order or contract, the Inspection Team may accept partial delivery if:
    a. The Purchase Order or Contract made room for partial delivery;
    b. If the team is convinced that the supplier is committed to delivering the difference in an acceptable period, which will not adversely, affect University business;
    c. Partial acceptance shall not result in the disgruntlement of unsuccessful bidders.
16. In the case of goods being found to be unsatisfactory or quantity delivered short of the quantity ordered; the Inspection Team shall submit a report as such to the Head of Procurement and copy of same be delivered to the Director of Finance.
17. When goods are delivered after the agreed scheduled date

and time, Deans and Directors in consultation with the Head of Procurement shall decide as to whether it amounts to significant breach of contract and therefore may decide to:

a. Accept the item with warning letter to the supplier;

b. Reject the items outright;

c. Apply the delayed delivery clause of the contract.

Receipt of Works and Services

18. Works and Services shall be delivered to the Director of Works and Physical Development or the User Unit respectively. The Works or Services shall be certified by any of the above entities or a designated Expert Organisation appointed by the Head of Procurement in consultation with the Director of Works and Physical Development or User Unit.
19. When receiving imported goods, the Head of Procurement may contact the Ghana Revenue Authority and Ministers of Education and Finance and Economic Planning for Import Duty exemptions. It is however the responsibility of the Suppliers to deliver the goods to the specified destination such as the Store of the University.

POLICY No. 7 – INVENTORIES (GCTUAP 7)

Objective

1. The objective of this Policy is to prescribe the accounting treatment for inventories. A primary issue in accounting for inventories is the amount of cost to be recognized as an asset and carried forward until the related revenues are recognized. The Policy provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.

Definitions

2. The following terms are used with the meanings specified:

Current replacement cost is the cost the entity would incur to acquire the asset on the reporting date.

Inventories are assets:

(a) In the form of materials or supplies to be consumed in the production process;

(b) In the form of materials or supplies to be consumed or distributed in the rendering of services;

(c) Held for sale or distribution in the ordinary course of operations; or

(d) In the process of production for sale or distribution.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution

3. **Inventories include**:

(a) Consumable stores;

(b) Maintenance materials;

(c) Spare parts for plant and equipment;

(d) other than those dealt with in standards on Property, Plant and Equipment;

(e) supplies held for sale (for example, stamps); and

(h) Work-in-progress, including: Educational/training course material

Measurement of Inventories

4. Inventories shall be measured at the lower of cost and net realizable value, except where paragraph 5 or paragraph 6 applies.
5. Where inventories are acquired through a non-exchange transaction, their cost shall be measured at their fair value as at the date of acquisition.
6. Inventories shall be measured at the lower of cost and current replacement cost where they are held for:

   (a) Distribution at no charge or for a nominal charge; or

   (b) Consumption in the production process of goods to be distributed at no charge or for a nominal charge.
7. **The cost** of inventories shall comprise all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Costs of Purchase

8. The costs of purchase of inventories comprise **(a) the**

purchase price

a. import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and
b. transport, handling, and other costs directly attributable to the acquisition of finished goods, materials, and supplies. Trade discounts, rebates, and other similar items are deducted in determining the costs of purchase.

Recognition as an Expense

9. When inventories are sold, exchanged, or distributed, the carrying amount of those inventories shall be recognized as an expense in the period in which the related revenue is recognized. If there is no related revenue, the expense is recognized when the goods are distributed or the related service is rendered.
10. The amount of any write-down of inventories and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.
11. **Stock Issue Method:** the University uses the First-in-First-Out method to price stores and bill user department

Disclosure

12. The financial statements shall disclose

(a) The accounting policies adopted in measuring inventories, including the cost formula used;

(b) The total carrying amount of inventories and the carrying amount in classifications appropriate to the entity;

(c) The carrying amount of inventories carried at fair value less costs to sell;

(d) The amount of inventories recognized as an expense during the period;

(e) The amount of any write-down of inventories recognized as an expense in the period

(f) The amount of any reversal of any write-down that is recognized in the statement of financial performance in the period;

(g) The circumstances or events that led to the reversal of a write-down of inventories and

(h) The carrying amount of inventories pledged as security for liabilities.

Disposal of Stocks

13. If an item of stock is still usable but no longer required by the holding Unit then it should be offered to other similar Units before disposal takes place. Other alternatives should be considered such as charity donations prior to disposal.

14. A board of survey shall have the responsibility for the disposal of written-off and unusable items of stock.
15. Once disposal has been agreed upon, the item should be removed from the physical stock location and counted to compare with the quantity held in the stock management system and any adjustments to the quantity accounted for.
16. The stock item should then be disposed of in accordance with the laid down procedures, including the procedures for disposing of hazardous substances and chemicals.
17. For future reference and auditing purposes the Head of Stores and Deans and Directors should retain documentation of all types of disposal of stocks.

POLICY No. 8– MANAGEMENT OF FIXED ASSETS (GCTUAP 8)

Purpose

1. To establish guidelines for the control and protection, to preserve the life expectancy, to avoid unnecessary duplication and to provide a guide for the future replacement of the assets.
2. The purchase, lease or rent of land, building or plant of the University are subject to approval of Council.
3. Physical Development Directorate must notify the Fixed Assets Unit of the all gifts of assets that have been received.
4. All property owned by the University, including equipment purchased through sponsored programmes, is subject to University policy.

Fixed Asset Register

5. The Director of Finance is responsible for maintaining the University's register of capital assets. Deans and Directors shall provide the Director of Finance with any information he or she may need to maintain the register.

Safeguarding Assets

6. Deans and Directors are responsible for the care, custody and security of the Land, buildings, furniture and Fittings, etc.… under their control. They will consult the Director of Physical Development in any case where security is thought

to be defective or where it is considered that special security arrangements may be needed.

7. Assets owned by the University shall, so far as is practical, be effectively marked to identify them as University property.

8. Use of University property at an off-campus location must be approved by the Vice-Chancellor, Dean or Director.

9. Vice- Chancellor, Deans and Directors shall ensure that all instances of theft and/or losses of University assets are reported promptly to the Director of Physical Development on the form prescribed in the detailed financial procedures and copied to Fixed Assets Coordinating Unit.

Insurance

10. All University assets must be insured.
11. The Director of Physical Development is responsible for ensuring that physical inventories of fixed assets are performed on a regular bases. Individual Units are responsible for conducting physical inventories of equipment.

Personal use

12. Assets owned or leased by the University shall not be subject to personal use without proper authorisation.

Letting University property

13. The letting of University property will be subject to arrangements approved by the Director of Physical Development in accordance with University policy.

14. Arrangements whereby employees occupy University property under their terms and conditions of employment are subject to approval of the Vice-Chancellor.
15. Disposal of fixed Assets are subject to Government policy guidelines.
16. Disposal of land and buildings must only take place with the authorisation of the Council.

POLICY No. 9 – IMPREST (GCTUAP 9)

PURPOSE

1. To assign responsibility and procedures to be followed in the disbursement of funds in the University.

Definition of Imprest

2. An imprest is a sum of cash advanced to an Officer to meet payments which are otherwise inconvenient to disburse through the normal payment procedures.

Classes of Imprest

Imprest is of two classes, namely:

3. Standing Imprest, (Petty Cash Imprest) held throughout the financial year and replenished as and when necessary by the presentation of receipt and petty cash vouchers; and

4. Special Advance / Imprest, is normally issued for making a particular payment, or group of payments which must be fully retired by the date specified in the approval.

Issuance / Application of Imprest

5. A Heads (Deans/ Directors/ Heads of Department/Section/Unit/Centre) who intends operate an imprest shall apply to the Vice-Chancellor for approval.

6. The applicant shall state the amount and justification for the Imprest.

7. The amount allocated to an officer as imprest shall be determined by the pattern of expenditure in his/her department

8. The Vice-Chancellor may approve the imprest amount if satisfied

9. Application for an increase in the amount of current imprest limit shall be submitted to the Vice-Chancellor for consideration and approval. Each application shall, however, be considered on its own merit.

Holders of Imprest Responsibilities

10. The person who holds the imprest shall;
    a. Safeguard the money included in the imprest
    b. Ensure that the imprest is used wholly and exclusively for the purposes for which it is established
    c. Ensue the validity, regularity, and accuracy of expenditure from the imprest; and
    d. Keep the cash book and records of the imprest.
11. The person who holds an imprest is personally responsible for loss or shortage of the petty-cash or special imprest under the control of that person and loss or shortage shall be recovered initially from the salary or other emoluments of that person.
12. A person who holds an imprest shall not be relieved from the personal responsibility of that person for any loss or shortage of the imprest until the imprest is fully liquidated or retired.

Classification of Money Paid into Imprest

13. Money paid into a petty-cash or special imprest shall be classified as an **advance** to the imprest holder.

Consideration for Special Advance / Imprest

Application for Special Advance / Imprest shall be considered only:

14. Where credit facilities are not obtainable from the supplier of the goods or services

15. Where an item or service is urgently required and can only be paid for by cash

16. Approved Special Advance / Imprest shall only be used for the purpose for which approval was given. Change of purpose will constitute misconduct.

17. All applications for Special Advance / Imprest shall normally be supported by not less than three pro-forma invoices from VAT Registered Suppliers and shall give details of the amount required and the purpose for which it is required.

Authority to incur Expenditure under Imprest

18. Imprest shall not be spent on:
    - Maintenance or Fuel for personal vehicle;
    - Capital Expenditure
    - Any other item that is available in the stores
    - No single expenditure shall exceed 20% of the value of the imprest given to any Department/Section

Retirement of Imprest

19. The Director of Finance shall ensure that the standing imprest is fully retired by the end of the financial year.

20. A special imprest, issued for making a particular payment, or group of payments shall be fully retired within ten days after completion of the activity.

21. The unretired imprest shall be charged to the personal name of the imprest holder or the ultimate recipient of the imprest, as appropriate.

22. Where a person required to retire an imprest by the due date fails to do so, that person commits an offence, unless the contravention is occasioned by the death or incapacity of that person.

23. The Director of Finance shall not issue an imprest to an imprest holder who failed to retire the imprest for the previous financial year.

Recoupment of Imprest

24. Imprest holders may recoup their imprest from time to time when the amount runs below **One Hundred Ghana Cedis (GHS100.00)**
25. In recouping the imprest, the Head of Department/Section shall submit all receipts and vouchers, first to the Internal Audit for examination before being submitted to the Director of Finance or his/her authorised representative who shall in turn, prepare a voucher for the reimbursement required.
26. In the case of a Special Imprest, the amount shall be retired as soon as the expenditure has been incurred and on no account shall a special imprest be retained for more than one month.
27. Failure to retire a special imprest within the stipulated time, without good reason known and acceptable to the Director of Finance, shall be considered a misconduct for which disciplinary action shall be taken.
28. All outstanding imprests shall be retired on or before the last day of the University's financial year for which they were issued. It is

mandatory for all imprest holders to retire the imprest before the commencement of the ensuing financial year.

29. At the end of the financial year a certificate of the balances held should be completed by the employee responsible for the float and counter-signed by the Internal Auditor. A copy shall be forwarded to the Director of Finance when fully completed.

Responsibility of Imprest Holders

30. Imprest holders shall observe all regulations regarding the control of expenditure and disbursement of the University's monies.

31. It is unlawful and irregular for imprest holders to use imprest money for any purpose other than the purpose for which it was granted.

32. Imprest holders are not absolved from the responsibility of accounting for their imprests until vouchers supporting all expenditure have been examined and found appropriate.

Increase of Imprest

33. Applications for an increase in the amount of a current imprest may be submitted to the Vice Chancellor. Each application shall, however, be considered on its merit.

POLICY No. 10 – SALARY PAYMENT (GCTUAP10)

PURPOSE: To present the processes and procedures to be followed in accounting for and controlling the payment of employee salaries in the University.

POLICY

Appointment and Remuneration policy

1. All University employees shall be appointed in accordance with Ghana Communication Technology University Act, 2020 (Act 1022) and the enabling University Statutes.
2. The salary scales and conditions of service shall be as approved by the Government and other conditions of service as approved by the University Council.
3. The Director of Human Resources and Head of Payroll shall ensure that only the names of personnel who are eligible to receive payment for work done are kept on the payment voucher.
4. The Director of Human Resources, and the Head of Payroll and Pensions shall keep records of nominal roll in the manner that ensures that the correct amount of emoluments are paid.

Control of Compensation

5. There shall be segregation of duties in payroll processing

i. The payroll input forms are prepared by the Human

Resources Directorate

ii. Authorization for payroll inputs are done by the Registrar or the Director of Finance

iii. The payroll input forms are processed by the Payroll and Pensions Department

iv. Submission of input forms and supporting documents to the Controller and Accountant General Department are done by the Head of Payroll and Pension Department.

6. Payroll Validation

i. Monthly Payroll validation shall be done by designated officers of the Human Resources Directorate and the Heads of Management Units on time.

ii. The final authorization of validated payroll shall be done by the Director of HR and Head of Payroll and Pensions.

7. Pay Day

The monthly pay day of the University shall be same the monthly Pay days as publish by the Controller and Accountant General Department.

POLICY No. 11 – LOSSES AND SHORTAGES OF UNIVERSITY CASH AND PROPERTY (GCTUAP11)

1. Losses include over-payment, incorrect or irregular payment, abandoned claims, the withholding of money due the University and the writing off of any sum which appears as an asset in a previous account.

2. Losses may only be written off with the approval of the University Council on the recommendation of the Finance Committee.

3. Any losses of cash or property which occur must be reported immediately to the Vice-Chancellor, the Finance Director and the Internal Auditor. The Head of the Department where the loss occurred shall make a full report on the loss for consideration by the Vice Chancellor.

POLICY No. 12 DEBT COLLECTION (GCTUAP12)

Policies and Procedures

The Finance Director shall ensure that all outstanding monies due the University are collected promptly by ensuring that:

a. All persons owing the University are billed promptly in respect of services or goods supplied by the University.
b. All credit arrangements are properly authorized by management.
c. Separate records are kept for all receivables.
d. All income accruing are credited to the appropriate income accounts and monies received are posted to the correct receivables account.
e. A schedule of debtors is prepared on a monthly basis based on age analysis.
f. Overdue debts report should be prepared and be accompanied by action to be taken in collecting the debts.

g. Requests to write off debts must be referred in writing to the Finance Director for submission to the Vice-Chancellor for consideration and approval by Council.

POLICE 13 - INTANGIBLE ASSETS (GCTUAP 13)

1. **Purpose:**

The objective of this policy is to prescribe the accounting treatment for intangible assets such as research and development expenditure in line with IPSA 31.

2. **An intangible asset** is an identifiable non-monetary asset without physical substance.

   Entities frequently expend resources, or incur liabilities, on the acquisition, development, maintenance, or enhancement of intangible resources such as scientific or technical knowledge, design and implementation of new processes, or systems, licenses, intellectual property, and trademarks (including brand names and publishing titles). Common examples of items encompassed by these broad headings are computer software, patents, copyrights, motion picture films, lists of users of a service, acquired fishing licenses, acquired import quotas, and relationships with users of a service

3. **Development** is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use.

4. **Research** is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding.

5. **Carrying amount** is the amount at which an asset is recognized after deducting any accumulated amortization and accumulated impairment losses.

6. An asset is identifiable if it either:
(a) Is separable, i.e., is capable of being separated or divided from the entity and sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so; or (b) Arises from binding arrangements (including rights from contracts or other legal rights), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

7. **Control of an Asset.** An entity controls an asset if the entity has the power to obtain the future economic benefits or service potential flowing from the underlying resource and to restrict the access of others to those benefits or that service potential.

8. **Future Economic Benefits or Service Potential**

The future economic benefits or service potential flowing from an intangible asset may include revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the entity. For example, the use of intellectual property in a production or service process may reduce future production or service costs or improve service delivery rather than increase future revenues (e.g., an on-line system that allows citizens to renew driving licenses more quickly on-line, resulting in a reduction in office staff required to perform this function while increasing the speed of processing).

Recognition and Measurement

9. The recognition of an item as an intangible asset requires an entity to demonstrate that the item meets:

(a) The definition of an intangible asset; and

(b) The recognition criteria below.

10. An intangible asset shall be recognized if, and only if:

(a) It is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the University; and
(b) The cost or fair value of the asset can be measured reliably

11. The University shall assess the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

12. An intangible asset shall be measured initially at cost. Where an intangible asset is acquired through a non - exchange transaction, its initial cost at the date of acquisition, shall be measured at its fair value as at that date.

13. **Subsequent Expenditure** on an Acquired In-process Research and Development Project.

Research or development expenditure that:

(a) Relates to an in-process research or development project acquired separately and recognized as an intangible asset; and
(b) Is incurred after the acquisition of that project; shall be;

(i) Recognized as an expense when incurred if it is research expenditure;

(ii) Recognized as an expense when incurred if it is development expenditure that does not satisfy the criteria for recognition as an intangible asset;

(iii) Added to the carrying amount of the acquired in-process research or development project if it is development expenditure that satisfies the recognition criteria as intangible assets.

14. To assess whether an internally generated intangible asset meets the criteria for recognition, an entity classifies the generation of the asset into:
(a) A research phase; and

(b) A development phase.

15. If an entity cannot distinguish the research phase from the development phase of an internal project to create an intangible asset, the entity treats the expenditure on that project as if it were incurred in the research phase only.

Research Phase

16. No intangible asset arising from research (or from the research phase of an internal project) shall be recognized. Expenditure on research (or on the research phase of an internal project) shall be recognized as an expense when it is incurred.

17. In the research phase of an internal project, an entity cannot demonstrate that an intangible asset exists that will generate probable future economic benefits or service potential. Therefore, this expenditure is recognized as an expense when it is incurred.

18. Examples of research activities are:

(a) Activities aimed at obtaining new knowledge;
(b) The search for, evaluation and final selection of, applications of research findings or other knowledge;
(c) The search for alternatives for materials, devices, products, processes, systems, or services; and
(d) The formulation, design, evaluation, and final selection of possible alternatives for new or improved materials, devices, products, processes, systems, or services.

Development Phase

19. An intangible asset arising from development (or from the development phase of an internal project) shall be recognized if, and only if, an entity can demonstrate all of the following:
(a) The technical feasibility of completing the intangible asset so that it will be available for use or sale; (b) Its intention to complete the intangible asset and use or sell it;

(c) Its ability to use or sell the intangible asset;

(d) How the intangible asset will generate probable future economic benefits or service potential. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
(e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
(f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

20. In the development phase of an internal project, an entity can, in some instances, identify an intangible asset and demonstrate that the asset will generate probable future economic benefits or service potential. This is because the development phase of a project is further advanced than the research phase.

21. Examples of development activities are:
(a) The design, construction, and testing of pre-production or pre-use prototypes and models;
(b) The design of tools, jigs, moulds, and dies involving new technology;
(c) The design, construction, and operation of a pilot plant or operation that is not of a scale economically feasible for commercial production or use in providing services;
(d) The design, construction, and testing of a chosen alternative for new or improved materials, devices, products, processes, systems, or services; and
(e) Website costs and software development costs.

22. Internally generated brands, mastheads, publishing titles, lists of users of a service, and items similar in substance shall not be recognized as intangible assets.

Recognition of an Expense

23. Expenditure on an intangible item shall be recognized as an expense when it is incurred unless it forms part of the cost of an intangible asset that meets the recognition criteria.

24.Past Expenses not to be Recognized as an Asset

25. Expenditure on an intangible item that was initially recognized as an expense shall not be recognized as part of the cost of an intangible asset at a later date.

Subsequent Measurement

26. The University uses the cost model to value its intangible assets.
Cost Model, After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortization and any accumulated impairment losses.

Useful Life

27. The University shall assess whether the useful life of an intangible asset is finite or indefinite and, if finite, the length of, or number of production or similar units constituting, that useful life. An intangible asset shall be regarded by the entity as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for, or provide service potential to, the University.

Recoverability of the Carrying Amount - Impairment Losses

28. To determine whether an intangible asset measured under the cost model is impaired, the University will applies either IPSAS 21 or IPSAS 26, as appropriate.

Retirements and Disposals

29. An intangible asset shall be derecognized:
(a) On disposal (including disposal through a non-exchange transaction); or
(b) When no future economic benefits or service potential are expected from its use or disposal.

30. The gain or loss arising from the derecognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It shall be recognized in surplus or deficit when the asset is derecognized.

POLICY 14 – EXPENDITURE PAYMENT (GCTUAP 14)

PURPOSE

The purpose of this policy is to guide the payment regime of the University, ensure value for money in all payments, that payments are dually authorized and due processes are all followed before payments are made.

Expenditure Control

1. All payments shall be approved by the spending officer unless the authority is delegated by the spending officer.
2. The Approved expenditure must be within budget limit.
3. There must be sufficient money at the bank to support the approved expenditure before cheques are issued.
4. All payment shall be subjected to pre-auditing.
5. Payments shall be made in the Ghana Integrated Financial Management Information System platform where applicable
6. Payment Voucher shall be issued to cover each payment
7. All payments shall be properly classified and recorded in the ledgers.
8. Payment vouchers shall be organised on expenditure classification basis.
9. Expenditure should not be offset as a charge against related revenue
10. All expenditure payments must be receipted by the payee:

a. Individual or Staff: The payee must sign the appropriate column on the payment voucher.
b. Company: The payee company must issue a VAT receipt. But where the entity is exempted from VAT, the entity must issue an official receipt.