

Appeal 2001-2002



International Federation
of Red Cross and Red Crescent Societies

FINANCE AND REPORTING SYSTEMS (Appeal 01.80/2001)

Click on figure to go to budget

In CHF

Finance and Reporting Systems	1,089,795
Total	1,089,795

Background and progress to date

The goal of this global programme is to develop the financial management capacity of the Federation's delegation operations. By developing, co-ordinating and implementing the necessary knowledge, material to the target audiences the combined skills of the movement will be enhanced, thus ensuring a more effective and efficient use of donor funds. This programme is a continuation of previous initiatives to develop donor report solutions and enhance financial management through the use of tools and skill development. To date this assistance has been provided by the DFID Partnership plan.

International humanitarian assistance has greatly increased over recent years both in scope and complexity. The landscape of the industry has moved in a manner and at a speed not unlike other sectors, be they commercial or government. The pressure for the Federation to maintain standards and provide accountability at a level expected of our donor partners has not diminished and continues unabated. The Federation and its Delegations need to not only deal with the day to day business of humanitarian aid but also maintain control and development within the organization. The types of resources available to the organization are not unique, it is how financial resources are deployed that is the challenge. The Federation needs to maintain its edge in providing to our donors and their partners, private or government the quality of financial reporting that the industry as a whole has come to demand.. This quality needs to permeate through all avenues of the Federations operations and involves all individuals that are exposed to the control and use of financial resources.

In the latter part of 1999 and through 2000 the Federation implemented a new version of its CODA financial system in the Secretariat and rolled out the system to Delegations. This entailed not only the revision and enhancement of the hardware and software that is in place in all sites but also the training of finance delegates and local staff. Although this was a significant technology enhancement, it was directed primarily at the new systems. It is now necessary to develop further the communication requirements that these systems rely on to ensure that the respective Delegations are operating at the required standard.

Training of new delegates on the system has been completed and continues for new delegates and local finance staff but training in other financial tools and continuously changing procedures must be pursued. The project will address the training requirements through the regional finance units. The Federation continues to develop and

enhance the structure that it needs to deliver services to the National Societies and to leverage the resources it has to gain efficient and effective results. Regional Finance Units are being developed with different regions where the Federation operational are positioned to capitalize on basic structural costs but need to go through an implementation phase to get these results.

This programme focuses on developing financial skills and universal understanding of the roles and responsibilities of all finance staff. Developing the skills of the local staff is also a positive way of enhancing the local capacity of the national society. It is also envisaged that this management structure will enable the Federation to focus closer attention on the requirements of National Societies for assistance with financial capacity building.

This programme also continues with supporting a basic function of the Secretariat of donation management with the Pledge Management System. We will continue to develop this system and make refinements to the process to ensure a quality service both to donors and also to programme managers within Federation Operations.

In the latter part of 2000 the Federation implemented a new suite of financial reports for financial information available for the Secretariat and Delegations. The architecture of this reporting system is advanced and has powerful functionality that the Federation wants to develop to the benefit of all programme managers. The system also has 'Web' connectivity that opens opportunities for access by donors that the Federation would like to pursue. This programme will endeavour to explore and create the necessary products to enhance the Federations overall donor reporting service.

Goal The long term goal of the Federation is to develop a global systems and communication infrastructure to support its core business processes. Systems specifications and implementation planning are already well developed for an integrated management information system which will encompass finance, human resources and procurement functions. This long term project, for which funding is not currently sort, will build on the above developments in communications, financial management and reporting.

Objectives and Activities planned

Objective 1 Upgrade the communication software and support hardware and assess the communication needs of the Federation and delegations. To achieve this objective the Federation will conduct an assessment of delegation connectivity needs to ensure a more comprehensive dialogue with all parties. Install communication software and supporting hardware in delegations to enhance their connectivity.

Objective 2 Organize and carry out training in financial management and reporting in order to achieve an advanced level of professionalism in the delivery of financial control in all finance activities and to promote standard good practices while increasing the effectiveness and efficiency of delegations. To achieve this objective the Federation will organize and deliver training courses in the regions to target finance delegates and local staff of all delegations with programs tailored to the required sophistication of each delegation. This will be conducted through the regional finance units.

Objective 3 Continue to maintain the existing systems that support the minimum reporting standards (MRS) and pledge management note (PMN) system and develop these systems based on donor and delegation feedback. To achieve this objective the Federation will ensure that the recording of pledges is maintained to a high standard and develop refinements to the process.

Objective 4 Ensure that the reporting software is fully functional and enhanced for Federation and donor requirements. To achieve this objective the Federation will build additional reports tailored to the needs of donors and field staff to ensure greater financial management. of projects.

Expected results

- More timely provision of financial and narrative data to all concerned parties.
- Solid financial control and timely and accurate financial reporting of delegations as required by senior management.
- Accurate and consistent recording of donor pledge data.
- Meaningful reports to all users of financial information.

Indicators

- Improved ability of Federation structures and National Societies to effectively carry out their mandates as part of a co-ordinated international system.
- Reduced processing time for delegation field returns.
- Number of occurrences of discrepancies in monthly check lists.
- Number of personnel trained in finance related courses or modules.
- Reporting frequency, use of PMN, use of PMN reference numbers.
- Number of PNS reporting complaints received, resolved, unresolved.
- Response time in report provision.
- Final level of repayments to PNS due to reporting failures.
- Overall funding levels (indicates satisfaction with reporting)
- PMN demand on standard Federation reporting to demands for donor specific reporting (not including contracts with non Red Cross donors) as indication of satisfaction with minimum reporting standards.
- Use of PMN reference numbers in bank transfers.

Monitoring and Evaluation arrangements

- Secretariat staff in the Finance Department. Specific reports relating to the key indicators shall be promulgated in order to adequately monitor the programme. This feed back mechanism shall be used to refine the programme substance and identify where the programme may need to focus for financial skill enhancement.
- Evaluation shall be conducted by senior management of Secretariat Finance department.

Critical assumptions

- The finance department will provide a co-ordinating role in concert with other divisions to ensure delivery of the programme, based on the following assumptions.
- Donors support and fund the Programme Support budget that is integral in the management of all operations.
- Finance resources will be made available to Secretariat by donor community to support the Finance and Reporting Systems Program.
- Implementation associates (ISD, Programme Support, Knowledge Sharing) will contribute to the programme success by maintaining a high level of interest and commitment.

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GLOBAL PROGRAMMES									
PROGRAMME	Disaster response	Disaster Preparedness	Health & care in the community	Fundamental principles & Humanitarian values	Human Resources & Organisational Development	Evaluation & Org. Learning	Finance & reporting systems	Advocacy, communications & Partnerships	TOTAL
Computers & telecom	134,500					30,000	100,000	166,000	430,500
Sub total capital	134,500					30,000	100,000	166,000	430,500
Programme management	247,857	50,129	174,640	25,360	151,400	91,219	73,429	123,391	937,425
Technical services	73,997	14,966	52,138	7,571	45,200	27,233	21,922	36,838	279,865
Professional services	82,510	16,687	58,136	8,442	50,400	30,366	24,444	41,076	312,061
Sub total programme support	404,364	81,782	284,914	41,373	247,000	148,818	119,795	201,305	1,529,351
Personnel (delegates & expatriates)	300,000	193,200	180,000		888,000	45,000	288,000	315,000	2,209,200
Personnel (local staff)								86,000	86,000
Sub total personnel	300,000	193,200	180,000		888,000	45,000	288,000	401,000	2,295,200
Travel & related expenses	237,900	60,000	350,000	35,000	250,000	145,000		30,500	1,108,400
Information expenses	420,045	45,000	591,000	105,000	364,000	90,000		230,200	1,845,245
Expert fees	875,000	204,000	395,000	80,000	85,000	585,000	220,000	217,300	2,661,300
Admin. - general expenses	106,160	40,000	186,000	30,000	63,000	90,000	10,000		525,160
Training workshops / seminars	1,200,600	120,000	605,000	85,000	950,000	220,000	352,000	585,000	4,117,600
Sub total travel, training, general exp.	2,839,705	469,000	2,127,000	335,000	1,712,000	1,130,000	582,000	1,063,000	10,257,705
Total budget	3,678,569	743,982	2,591,914	376,373	2,847,000	1,353,818	1,089,795	1,831,305	14,512,756