

ANNUAL REPORT



International Federation of Red Cross and Red Crescent Societies
Fédération internationale des Sociétés de la Croix-Rouge et du Croissant-Rouge
Federación Internacional de Sociedades de la Cruz Roja y de la Media Luna Roja
الاتحاد الدولي لجمعيات الصليب الأحمر والهلال الأحمر

FINANCIAL DEVELOPMENT

This Annual Report is intended for reporting on the Federation's Annual Appeals only.

The Federation's mission is to improve the lives of vulnerable people by mobilizing the power of humanity. It is the world's largest humanitarian organization and its millions of volunteers are active in 178 countries. For more information: www.ifrc.org

**Appeal No. 01.70/2002; Appeal target: CHF 1,325,528; Revised to CHF 415,695 (May 2002)
Appeal coverage: 53%**

Overall analysis of the programme w

After the appeal revision of May 2002, which resulted in concentrating all activities on finance training, the response from donors, i.e. the British Red Cross, Department for International Development (DfID), the Swedish Red Cross and the Swedish Government, allowed for start up of the programme phase by phase, first by developing, improving and creating new training material and then by launching and testing the training programmes in the field. Although the initial lack of donor support delayed the launching of the programme (until mid-year), a considerable amount of work was done in the conception and testing of the training modules. In the evaluations received from participants, the training modules proved to be well prepared and adapted to participants' needs.

Although two trainers were budgeted for in the revised budget, the coverage of the appeal allowed for only for just one trainer. This implied a few changes in the plans but still allowed the achievement of seven out of the nine objectives listed below. The most important objective being the programme manager training in the field, and it was achieved with success as the average evaluation of the four courses were rated excellent by 61.4 per cent of the participants, good by 36.9 per cent, average by 1.7 per cent and poor by none.

One reason for the success was the high priority given to working with the already existing structures and material developed. Information and training materials were shared between the regional finance units (RFUs) and the International Federation's Secretariat in Geneva. Training for trainers (ToT) was provided to all heads of regional finance units which helped anchor financial skills at the regional level. Finance analysts working for the RFUs contributed in delivering training modules to the field. Training skills or potential for training were defined as an asset when hiring local staff in the finance area, in view to perpetuate the training investment.

Objectives, Achievements and Constraints w

The overall goal of the programme is to develop financial skills throughout the organization by providing financial and management training courses to National Society staff members, local staff

and delegates. A special emphasis was put on the role and responsibility of the programme managers (or budget holders) by providing them with the necessary tools, including financial processes and procedures, as well as training on the newest financial reports available on the web-site. To achieve all this the following activities were planned:

Objective 1: Develop a matrix of finance modules related to each key position with time frames.

Achievements:

This matrix was developed in the early days of the programme. Key profiles were defined with their corresponding training modules. The main profile is the programme manager in the field, who receives a three-day course delivered in the delegations. All new delegates will receive a newly designed induction course on financial management of field operations. Specific profiles were developed for disaster management specialists. This objective was therefore fully met and was used as a basis for future progress.

Objective 2: Consolidate all manuals, procedures and guidelines into electronic form and make available over the web.

Achievements and constraints:

This objective was partially achieved; all current finance procedures and key documents are posted on the 'business object' web site which is used by all the finance staff and to a lesser degree by non-finance staff. 'Business object' is a powerful finance tool whose main function is to deliver financial reports to users, however, not enough budget holders are using this site yet. Therefore the decision was made to also post the main financial information on the disaster management information system (DMIS) which has a larger audience in the field. This information is currently being posted and the finance site should be ready by the end of April 2003.

Objective 3: Create training sessions around each module accompanied by facilitator notes.

Achievements:

This will be done in a systematic manner as soon as a module is created. To date, the following modules were developed:

- The financial management cycle;
- Budgeting, approvals and revisions;
- Managing working advances;
- Transfers to National Societies;
- Pledge management notes;
- Reporting;
- Cash flow management;
- Working with the Federation's financial tools;
- Fixed assets;
- Evaluation and auditing; and
- Specific aspects financial management for emergency relief units (ERUs) and field assessment and coordination teams (FACT).

Objective 4: Develop a number of cases studies.

Achievements:

Cases studies were developed specifically on budget revision, budget approval, cash flow management, cash requests, working advances to budget holders and to National Societies. These cases studies are rated highly in the evaluations received from participants because they are practical and relevant to their jobs.

Objective 5: Develop tests for new staff members (both finance and non-finance) to assess whether the candidate has the basic skills necessary for the position applied for and secondly to identify where the future training should be targeted for the individual.

Achievements:

These tests were developed by the operations finance unit as part of its normal recruitment procedures for finance staff.

Objective 6: Develop self-tests on finance for staff members who do not have the opportunity to attend workshops.

Achievements and constraints:

This activity was not yet implemented due to budget constraints and staffing shortage, however, it remains on the list of objectives for 2003. The finance training unit will take advantage of the launch of the Federation's extranet which should start in September 2003.

Objective 7: Increase the coordination with the regional finance units to undertake visits to individual sites and conduct regional workshops.

Achievements and constraints:

In 2002, two meetings were held with all heads of RFUs addressing major financial issues, information flow, training directions and recent developments. These meetings continue to take place every six months and the next one will take place in Kuala Lumpur in May 2003. In November 2002, a training for trainers was added to the meeting of the heads of RFUs which took place in Geneva. To date, all heads of RFUs were trained as trainers. This aspect is very important, as they all have a role to play in the finance training area, either by delivering or designing training or by recruiting staff who will deliver the training.

Regular visits to RFUs are taking place to help contribute to good communication. These visits are carried out by members of the operations accounting team or the finance trainer when travelling to the RFUs to deliver training to programme managers.

Objective 8: Specify and develop related training materials for inclusion and presentation at other courses of the Federation, e.g. induction course, ERU, and FACT training.

Achievements and constraints:

These courses were designed and rolled out from the early stages of the training programme. A new finance induction programme (half-day) was designed and presented to 75 new delegates in 2002; an ERU finance module was created and completed by 35 delegates in May 2002; a FACT refresher course was organized in June 2002 (for 45 participants); and a course on financial issues was designed for the field team leader workshop which took place in November 2002 (35 participants). These tailor made courses will continue to be rolled out in 2003 and updated according to the different situations. The impact of these courses is high, since they reach a large audience of specialized delegates who will often play a key role in financial management when they are deployed in the field. These courses include practical exercises which are debriefed during the sessions, as well as question and answer sessions.

Objective 9: Conduct and facilitate courses for briefing of both finance and non-finance staff in Geneva.

Achievements and constraints:

These two tasks are now separated; the finance training unit introduced a new course for the Federation's staff members called "Do you speak finance?" This course is typically for new staff

members but many other employees who wanted to refresh their skills also attended. Since the launching of this half-day course, 75 participants attended. When it comes to finance staff members in Geneva, each unit within the finance department is providing on-the-job training which is completed by the course “Do you speak finance?”

Coordination and Management w

The first measurable impact of the global finance training is knowledge sharing. Training modules are shared among all key partners (RFUs, finance training unit) which means that delegates and staff members around the world have access to the same data. This effort will continue and modern means of communication such as the extranet will be used to post information and to communicate with users.

The main needs in terms of finance training will be covered, if more workshops can take place in delegations and National Societies; 20 training sessions are planned in 2003, seven already were rolled out with success. It is important to maintain the high attendance of staff members of National Societies (39 per cent in 2002). The demand for this course is high because it was assessed as relevant and practical by participants and helps them better understand the management cycle in the Red Cross and Red Crescent environment which goes from fundraising to reporting and evaluation. Delivery of more courses will increase especially in National Societies when more trainers are fully operational, i.e., in four to six months. In the meantime, support from donors is crucial to fund a second trainer at least for six months as the delivery of financial training should be done equally in all regions.

As for the training courses delivered in Geneva, the effort continues to support both new staff members and delegates, and nine courses have already taken place and a one-week ToT will be carried out in May 2003.

For further details please contact: insert name of Federation contact person; Phone : 41 22 Phone number; Fax: 41 22 733 03 95; email: internet address

All International Federation Operations seek to adhere to the Code of Conduct and are committed to the Humanitarian Charter and Minimum Standards in Disaster Response (SPHERE Project) in delivering assistance to the most vulnerable.

For further information concerning Federation operations in this or other countries, please access the Federation website at <http://www.ifrc.org>.

INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES

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Appeal No & title: 01.70/2002 Financial Development
Period: year 2002
Project(s): G38200
Currency: CHF

I - CONSOLIDATED RESPONSE TO APPEAL

FUNDING	CASH		KIND & SERVICES		TOTAL INCOME
	Contributions	Comments	Goods/Services	Personnel	
Appeal budget	415,695				
less					
Cash brought forward	1,486				
TOTAL ASSISTANCE SOUGHT	414,209				
<u>Contributions from Donors</u>					
British Red Cross (DNGB)	22,810				22,810
DFID 3- British Government (DFID03)	121,020				121,020
Swedish Govt.via Swedish Red Cross (DGNSE)	96,195				96,195
TOTAL	240,025				240,025

II - Balance of funds

OPENING	1,486
CASH INCOME Rcv'd	240,025
CASH EXPENDITURE	-219,013

CASH BALANCE	22,498

Appeal No & title: 01.70/2002 Financial Development

Period: year 2002

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III - Budget analysis / Breakdown of expenditures

Description	APPEAL Budget	CASH Expenditures	KIND & SERVICES		TOTAL Expenditures	Variance
			Goods/services	Personnel		
<u>SUPPLIES</u>						
Shelter & Construction						
Clothing & Textiles						
Food & Seeds						
Water & sanitation						
Medical & First Aid						
Teaching materials						
Utensils & Tools						
Other relief supplies						
Sub-Total						
<u>CAPITAL EXPENSES</u>						
Land & Buildings						
Vehicles						
Computers & Telecom equip.	8,000	15,443			15,443	-7,443
Medical equipment						
Other capital expenditures						
Sub-Total	8,000	15,443			15,443	-7,443
<u>TRANSPORT & STORAGE</u>						
		0			0	-0
Sub-Total		0			0	-0
<u>PERSONNEL</u>						
Personnel	200,000	159,285			159,285	40,715
		820			820	-820
Sub-Total	200,000	160,105			160,105	39,896
<u>GENERAL & ADMINISTRATION</u>						
Assessment/Monitoring/experts		285			285	-285
Travel & related expenses	140,840	13,478			13,478	127,362
Information expenses	11,660	154			154	11,506
Admin./general expenses	9,500	1,535			1,535	7,965
External workshops & Seminars		3,922			3,922	-3,922
Sub-Total	162,000	19,374			19,374	142,626
<u>PROGRAMME SUPPORT</u>						
Programme management	28,009	14,766			14,766	13,243
Technical services	8,362	4,421			4,421	3,941
Professional services	9,324	4,904			4,904	4,420
Sub-Total	45,695	24,092			24,092	21,603
Operational provisions						
Transfers to National Societies						
TOTAL BUDGET	415,695	219,013			219,013	196,682