

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

FINANCE TRAINING

April 2004

In Brief

Appeal No. 01.98/04; Revised Appeal target: CHF 287,000; Appeal coverage: 87.9%;
([Click here to go directly to the attached Financial Report](#))

This Annual Report reflects activities implemented over a one-year period; they form part of, and are based on, longer-term, multi-year planning (refer below to access the detailed logframe documents). All International Federation assistance seeks to adhere to the Code of Conduct and is committed to the Humanitarian Charter and Minimum Standards in Disaster Response in delivering assistance to the most vulnerable. For support to or for further information concerning Federation programmes or operations in this or other countries, please access the Federation's website at <http://www.ifrc.org>

For further information specifically related to this Annual Appeal please contact: For further information please contact: André Lorber, email: andré.lorber@ifrc.org; phone : +41 22 730 4292

Overall analysis of the programme

The Financial Training programme started at full speed at the beginning of 2003, after a fruitful launching period in November 2002. All key foundations were in place: the Finance Trainer was fully operational, the 5 Regional Finance Units had analysed and prioritized their financial training needs and the training plan was prepared accordingly. Resources from donors allowed us to cover the cost of one finance trainer and 15 Budget Holder workshops in addition to Emergency and Disaster Management training sessions.

By the end of 2003, 17 Budget Holder workshops had been carried out in the field with very good feedback from participants. A newly created Finance Module was provided to all new Delegates attending Induction Courses. Training sessions were given to all ERU and FACT workshops. 15 Finance staff received training of trainers (TOT) so they could facilitate Budget Holder workshops alongside the trainer. In addition, the Finance site was created on FedNet. This site contains all financial procedures, tools, software and training material for Budget Holders and managers, as well as the accounting data of their programmes.

All 2003 objectives were therefore met. The only limitation which reduced the overall number of workshops was a shortage of funds which prevented the recruitment of a second trainer. The original plan aimed at 20 sessions per trainer. However, by increasing the average number of participants from 12 to 16 per workshop, the targeted number of participants was achieved.

One of the main challenges of this programme is to facilitate the transfer of financial responsibilities to Budget Holders. This was initiated as one of the objectives of the Strategy for Change. By making the preparation and approval of the operational budget a key step for efficient programme management, this strategy has given more authority and responsibility to Programme managers. It requires from Budget Holders that they prepare and submit both of their income and expenditure budgets, asking them to analyse and revise their expenditure plans in accordance with their income streams. By doing so, Budget Holders acquire a complete view but also a more in-depth knowledge of their programme which becomes very helpful when taking important decisions. Once the operational budget is signed, it gives the Budget Holder the full authority to implement his/her programme and

therefore saves a considerable amount of time compared to the previous authorisation procedures which was based on the value of the request. This new way of operating was introduced at the beginning of 2003. It contributed to making the Federation a more rapidly responsive organisation with the onus on budget holder responsibilities of a programme manager. The role of financial training is a key success factor to the implementation of the strategy, as it helps programme managers better understand the procedures but also guides them in their new responsibilities through practical exercises which are relevant to their work situation. In the feedback received from Budget Holders, 98.4% of all participants in the 2003 workshops stated that “this training helps them to be more efficient in their job” as programme managers. These statistics show that the new strategy is better understood with the help of the finance training programme but also that participants are very satisfied with the training programme offered.

The work which was accomplished so far, prepared a good basis for 2004 to become a successful year. The challenges for 2004 are the following:

- increase the number of National Society representatives to 40% of all participants and therefore contribute to capacity building.
- make sure that the output from the Training of Trainers workshop will be maximised.
- obtain support from donors to carry out all the workshops planned.

Objectives, Achievements, and Constraints

Objective 1: To give key personnel from National Societies, Field Delegates and Local Federation staff a solid understanding of the financial aspects of the programme management cycle (with hands on practice on the financial tools). The different components of this cycle are listed below:

- **financial planning.**
- **budgeting.**
- **managing income and expenditure**
- **reporting to donors.**

Achievements:

This objective was achieved through two main activities which are the **Induction course for New Delegates** and the **3 day Budget Holder training workshops** which take place in the field, for National Societies, Field Delegates and Local Federation staff. For both activities, the feedback received is excellent. The evaluations received from the Induction courses highlight “the clarity about Roles & Responsibilities of Budget Holders” and “a useful overview of financial tools such as the FMR”. For the 17 workshops delivered in the field, 67% of all participants rated the workshop as “excellent”, 32% rated it as “good” and 1% as average. The workshops were delivered in the following regions: 3 in Africa, 5 in Europe, 6 in Asia-Pacific, 2 in the Americas and 1 in MENA.

Impact:

The Induction courses allows Delegates to be operational rapidly in the financial area, they are aware of their responsibilities and are given the tools to perform in an efficient manner. The induction course is a first step in their discovery of the financial procedures and management at the Federation; it is followed up by a complementary induction with the local finance team who brings the specific aspects of their mission to their attention. Through FedNet, the Federation’s extranet, local finance officers have access to all training and briefing materials which build up the finance training package and bring uniformity to the training delivered.

To measure the impact of the budget holder training workshops, 2 main criteria were taken into consideration, the awareness of procedures and the level of approved budgets. Based on the feedback received by participants, one of the key benefits of the Budget Holder workshop is a better knowledge of the financial procedures and tools. During the workshop, procedures are being explained and discussed and tools, such as the Financial Monitoring and Reporting (FMR) and the budget software (BUSY) are demonstrated and exercises take place using these tools. Each participant receives a folder with the key procedures; these procedures are then used as a basis for

group exercises. The combination of these targeted efforts contributes to improving participants' awareness of procedures.

We have also looked at the application of the budget procedure introduced in 2003 and analysed the percentage of approved budgets (for active projects) in the countries visited and those not visited. The result of this analysis is that, only 7% of all projects in countries which received training did not have an approved budget, compared to 16% in countries which did not yet receive the training. This figure shows the impact of training on the application of this important procedure. We will therefore continue to train on this specific area and aim for 100% approval.

Constraints

The major constraint we experienced during the second half of the year was due to funding shortage especially for training costs of participants. However, thanks to the generosity of the British Red Cross who donated an extra GBP 10'000 to their original contribution, we were able to add two training sessions bringing the final number of budget holder sessions in the field to 17.

Objective 2: Provide information briefing to all heads of delegations about the programme.

Progress/achievements

Briefings for Heads of Regional Delegations and Heads of Delegations are being given by the Finance Department which includes the activities of the Financial Training Unit. Since the beginning of the programme, 28 Heads of Delegations or Heads of Regional Delegations have participated in the financial training workshops. In addition, to ensure that all appropriate staff is targeted for briefing and debriefing, a new programme has been developed and sent to all concerned. This document can also be found on FedNet.

Impact:

Heads of Delegations and Regional Delegations are well informed about the programme and therefore come to us to request the training sessions. When the training takes place, the presence of the Head of Delegation or Regional Delegation adds a very important dimension to the training. The team can discuss financial and budget issues which can lead to immediate action with the approval of line management.

Objective 3: Give Emergency Response Units and Field Assessment and Co-ordination Team member's basic financial and management knowledge before going on mission.

Progress/achievements

In addition to the 3 presentations on financial management made for the **FACT**, the **ERU** workshop and the Relief Training workshop which hosted a total number of 96 participants during the first half of 2003, 2 additional sessions were given for the **Logistics ERU** workshop which took place in Denmark in September with 18 participants and for the **Team Leader workshop for FACT, ERU and RDRT** which took place in Finland with 28 participants. This brought the total participants to 142 for 2003, which significantly exceeds the yearly target of 60 participants.

Impact

Increased skills among participants of financial processes especially in the area of budgeting and working advances to national societies. Clarity of roles and responsibilities in the financial area. Readiness to operate in an emergency situation.

Objective 4: Train of financial trainers.

Achievements/progress

In addition to the 13 staff who participated in the May 2003 workshop, 2 participants sent on behalf of the Finance department were trained in a general Training of Trainers workshop (TOT) which took place at the end of June. Due to the revision of the budget the second TOT Finance could unfortunately not take place. This

brings the total number of TOT trained staff to 23 in the Finance Department since the beginning of the programme.

Impact

The core group of financial trainers available around the world continues to increase. The most visible impact of the Training for Trainers is the ability to draw on local resources and expertise when required. Among the participants trained in May, all of them have organised or co-facilitated a workshop in their region. Additional training sessions are already planned for 2004. The impact of the TOT Finance is one of the most visible ones, as it has immediate local repercussions. The proximity between our Finance staff and Budget Holders in the field contributes to better understanding of financial questions, as both parties can find concrete and known examples to draw upon. In such conditions, problem solving becomes easier. Additionally, we are contributing to capacity building in the regions.

[Financial report below; click here to return to the title page and contact information.](#)

INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES

Interim report	
Annual report	X
Final report	

Appeal No & title: 01.98/2003 Finance Training

Period: year 2003

Project(s): G38200

Currency: CHF

I - CONSOLIDATED RESPONSE TO APPEAL

FUNDING	CASH		KIND & SERVICES		TOTAL INCOME
	Contributions	Comments	Goods/Services	Personnel	
Appeal budget	286,877				
less					
Cash brought forward	22,498				
TOTAL ASSISTANCE SOUGHT	264,379				
<u>Contributions from Donors</u>					
British Red Cross (DNGB)	22,290				22,290
DFID 4- British Government (DFID04)	164,606				164,606
TOTAL	186,896				186,896

II - Balance of funds

OPENING	22,498
CASH INCOME Rcv'd	186,896
CASH EXPENDITURE	-208,156

CASH BALANCE	1,238

Appeal No & title: 01.98/2003 Finance Training

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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	2,000					2,000
Utensils & Tools						
Other relief supplies						
Sub-Total	2,000					2,000
<u>CAPITAL EXPENSES</u>						
Land & Buildings						
Vehicles						
Computers & Telecom equip.		26			26	-26
Medical equipment						
Other capital expenditures						
Sub-Total		26			26	-26
<u>TRANSPORT & STORAGE</u>						
Warehouse & distribution						
Transport & vehicles		32			32	-32
Sub-Total		32			32	-32
<u>PERSONNEL & TRAINING</u>						
Personnel (delegates)	140,000	119,344			119,344	20,656
Personnel (regional, national staff)		280			280	-280
Consultants						
Workshops & training	78,000	34,013			34,013	43,987
Sub-Total	218,000	153,637			153,637	64,363
<u>GENERAL & ADMINISTRATION</u>						
Travel & related expenses	40,800	32,389			32,389	8,411
Information expenses		240			240	-240
Admin./general expenses	7,430	8,302			8,302	-872
Sub-Total	48,230	40,931			40,931	7,299
<u>PROGRAMME SUPPORT</u>	18,647	13,530			13,530	5,117
Operational provisions						
Transfers & contributions						
TOTAL BUDGET	286,877	208,156			208,156	78,721