

OUTCOMES FROM THE FM WORKSHOP HELD ON DEC 14-15, 2017 IN BISHOFTU

1. Each region shall have meeting with the MFI and the responsibilities mentioned in the agreement have to be discussed and different understandings and practises concluded. Minutes of Meeting of this shall be signed and this MoM will act like an amendment to the MFI agreement. In Amhara the similar Minutes should be signed by Water, Health and Education Bureaus either separately or together.
2. It was agreed that MFI shall keep ledger for each WASHCO project instead of opening an account for each project.
3. It was concluded that transfer of investment funds by using letter is acceptable if the control and reporting of the funds can be ensured.
4. It was agreed that each woreda MFI shall open the CMP account into which transferred and transferred by letter funds should be recorded. If this is not possible in Amhara the best possible process to control and report and reconcile investment funds shall be agreed with ACSI.
5. Audit guideline
 - a. Audits should be conducted at a) WASHCO level (including community contribution), b) WWT level (including WoFED and fund transfers and Woreda Water office CMP fund flow follow-up), c) MFI level (reconciliations and fund transfers),
 - b. Include instruction on how to include investment fund audit into the audit process
 - c. Clarify the "internal" and "external" audit concepts in COWASH
 - d. Include the position of "Financial Reports" into the guideline
6. Audit training
 - a. Include a) regional internal auditors, b) Zone and Woreda internal auditors, c) COWASH accountant in WoFED, d) CMP supervisors, e) MFI accountant, f) Woreda procurement people
7. Financial management training
 - a. Include expense reporting into FM trainings on how to manage
 - b. Include into training the naming, dating and approval of the financial documents
 - c. Include into training how to shift costs from an activity to another or from a sector to another sector.
 - d. COWASH FMS will draft training material in collaboration with the BoFED as they have all the materials the materials are not tailored for COWASH
8. Reconciliations
 - a. If reconciliations not done, it was agreed to use the following path: a) advice, b) close supervision and feedback, c) communicating the findings with officials, d) awareness raising and training, f) no new transfers (this is to be agreed with high level officials before action)
9. COWASH documents

- a. COWASH documents shall have COWASH stamp. Each region shall organize stamps to each woreda WoFED accountant.

10. Accounts for GoF funds

- a. It was found different accounts opened per region. Requested each region to make a list of existing accounts for GoF funds at region, zone and woreda levels. In BG this also includes the MFI. Provide the list of account to CTA.

11. Fixed assets

- a. Each region BoFEC shall send letter to regional bureaus, zones and woredas to give instructions on how to record fixed assets procured by using COWASH GoF funds. Fixed assets procured must be recorded, coded and codes marked to the assets clearly as per the GoE rules and regulations.

12. Monitoring the financial reports from bureaus, zones and woredas

- a. Mixed type of report monitoring formats are being used.
- b. Each region shall send their format to CTA for review

13. Petty cash books

- a. What did we agree??

14. Financial management guideline for GoF funds (capacity building and operational costs)

- a. Agreed that no separate guideline need to be prepared as COWASH is using the GoE rules.
- b. Agreed that each regional BoFEC shall write letter to woredas that in COWASH regional government rules apply in Financial management of GoF funds
- c. What we agreed on the possible use of CWA financial management guideline? Can this CWA guide to be used for regulating the shifting of the budget lines?

15. Tigray audit

- a. Agreed that tis is not an audit but Financial Management Assessment

16. Cut off days

- a. Agreed to use EFY cut of days (each EFY month's day 30)
- b. This has to be agreed with each MFI

17. Reconciliation sheets

- a. Revised sheets attached
- b. FTAT will translate into Amharic
- c. Oromia and Tigray will translate into Afaan Oromo and Tigrinya respectively

18. Woreda level Financial Management Training Topics identified

- a. COWASH project general presentation
- b. Financial flows in COWASH
- c. COWASH financial report format and reporting system
- d. Cash management

- i. WASHCO settlements
 - ii. Reconciliations
 - iii. Documentation
 - iv. Expenditure reports
- e. Internal audit
 - i. Investment funds audit
 - ii. Capacity building funds audit
 - iii. Operational budget audit
 - iv. WASHCO settlement audit
- f. Procurement
 - i. WASHCO procurement
 - ii. Woreda Procurement

19. Financial Management supervision checklist identified

- a. Investments (From GoE source and in BG also from GoF source)
 - i. Transfers of approved budget to woreda
 - ii. BBF, Returns, utilization and remaining balance
 - 1. Woreda Finance Office
 - 2. WASHCO settlements
 - 3. MFI Office
 - iii. Keeping up the WASHCO folders in the Water Office
 - iv. Community contribution
 - v. WASHCO procurement
 - vi. Asset management
- b. Human capacity building
 - i. Budget transfer to Woreda
 - ii. Budget utilization as per the approved budget
 - iii. Recording and reporting as per the financial formats
 - iv. Trainings conducted as per the plan and standard
 - v. Unit costs of the training (Birr/person)
- c. Physical Capacity Building
 - i. Budget transfer to woreda
 - ii. Procurements done as per the plan
 - iii. Recording and reporting of procurement
 - iv. Fixed assets management
- d. Operational (GoF and GoE source)
 - i. Budget transfers to woreda
 - ii. Budget shifts from an activity to another activity or from sector to sector
 - iii. Recording and reporting

20. Problems identified not discussed in the workshop

- a. Skill gaps, staff turn over and lack of incentives
- b. WASHCO savings account control
- c. Integration with sector players
- d. Value for money