

TRANSPARENCY AND ACCOUNTABILITY POLICY



Caritas Sri Lanka - SEDEC

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Preamble

Caritas Sri Lanka - SEDEC is an expression of the concern of the Catholic Church in Sri Lanka for justice, peace and human development. It operates on the mandate of the Catholic Bishops' Conference of Sri Lanka (CBCSL) which is conferred to the Board of Management.

Caritas Sri Lanka - SEDEC is the National Secretariat of the Commission for Justice, Peace and Human Development of the Catholic Bishops' Conference of Sri Lanka. In each Diocese, Caritas Sri Lanka - SEDEC has its implementing Caritas Diocesan Secretariats. These are the secretariats of the Commission for Justice, Peace and Human Development of the respective Dioceses.

Caritas Sri Lanka - SEDEC is independent of all political parties and ethnic groups. It draws its inspiration from the teachings of the Lord Jesus Christ, His unconditional love for one another; and his mission enrooted in the social doctrine of the Catholic Church.

Caritas Sri Lanka -SEDEC is a Member of Caritas Internationalis, which is an International Confederation of Catholic Organizations that comes under the purview of the Holy Father, mandated by their respective Episcopal Conferences to spread solidarity, social justice and integral human development.

The vision of Caritas Sri Lanka - SEDEC is to promote a culture of justice and peace values which dwell as a common patrimony in the hearts of every individual, families and the nation as a whole, and is embedded in the following vision statement:

Realization of a just Sri Lankan society based on the Gospel values of love, forgiveness, peace, unity and equality - lived, promoted and protected irrespective of caste, creed and nationality.

Through the actions of Caritas Sri Lanka - SEDEC and its Diocesan Units throughout the country, the Catholic Church commits itself to uplift the needy and the marginalized, to create awareness for their self-improvement, to promote peace and harmony among the different groups and to reach out with help in times of disaster and emergencies.

With these aims Caritas Sri Lanka - SEDEC will work with other like- minded groups with similar ideals for the building of a better Sri Lanka where peace and harmony will prevail among all the members of the Sri Lankan society.

1. Policy

General Framework :

Caritas Sri Lanka – SEDEC will enter into an agreement with the Funding Partner to achieve the objectives given in the agreement and to implement it in the given areas of operation with the support of the respective Dioceses.

Period:

Caritas Sri Lanka – SEDEC will facilitate and ensure that the Project will be completed within the period agreed with the Funding Partner/Partners. Due to practical difficulties if the project cannot be completed on the due date, Caritas Sri Lanka – SEDEC should obtain an extension in writing from the Partner/s to this effect.

Reporting:

Caritas Sri Lanka – SEDEC will monitor and adhere to the reporting time table and that accounts for the periods mentioned in the agreement be given on the respective dates. If the agreement provides for an Evaluation, Caritas Sri Lanka – SEDEC will carry out the External/Internal Evaluation and follow up the Recommendations made with the implementing Dioceses.

Accounting:

That every project should maintain a separate set of Books of Account (through Tally software)

Auditing:

If the Funding Partner/s require an external audit to be carried out for their project, Caritas Sri Lanka – SEDEC will carry out same with a firm of Chartered Accountants who has a Certificate to Practice issued by the Institute of Chartered Accountants of Sri Lanka. In case the Funding Partner/s require a specific firm of Chartered Accountants to carry out the audit, Caritas Sri Lanka – SEDEC will comply with this request.

Specific requests from donor/Partners to be included in the auditors checklist.

If possible, an Internal Audit will also be carried out through a firm of Chartered Accountants on the recommendation of the Finance Advisory Committee.

Transparency with the project target group and beneficiaries:

In order to maintain transparency it is important to make the target group/community to be aware of the availability of funds for the project.

2. Project Administrative Guidelines

Guidelines are given in the Finance Manual and will be strictly followed. Some of the guidelines are as follows:

- i. Ensure that the Internal Controls are in place.
- ii. Ensure that the Purchases/Services be made as laid down in the Finance Manual. If the Partner agreement provides any additional requirements they too will be followed in addition to the Finance Manual requirements.
- iii. If the Partner requests for a specific Bank Account to be used for their funds, Caritas Sri Lanka – SEDEC and the implementing Dioceses will follow same. All payments over Rs.5, 000/- will be paid by Account Payee cheques only.
- iv. The Bank Current Account will be linked to a Money Market or Savings Account in order to maximise the interest income and this interest income should be credited to the Project Account.
- v. Avoid fraud, misappropriation and corruption.
Fraud is any act of commission or omission committed intentionally. Fraud happens when people who are entrusted to manage the assets of an organisation steal from it.
Misappropriation can be both a criminal and a civil violation committed by any person with a responsibility to care for and protect the assets of another party (usually committed by employees against their employers- eg. theft of cash, etc.)
Corruption:
Corruption is spiritual or moral impurity or deviation from an ideal. Dishonest or fraudulent conduct by those in power, typically involved in Bribery.
- vi. Avoid Conflict of Interest
A Conflict of Interest arises in the workplace when an employee has competing interests or loyalties that either are or potentially can be at odds with each other. A conflict of interest causes an employee to experience a struggle between diverging interests, points of view or allegiances. Conflicts of interest are generally forbidden. (eg. The purchasing officer engages his brother-in-law to supply the lunch packets).
- vii. Complaints/Suggestions
Maintain a system to receive and record complains in order to give an opening for the beneficiaries or the members of the community to express their concerns, disagreements or suggestions through which we respect the concept of “expression of interest “of the target community. (To abide by the complaint handling Policy)
- viii. Gifts/Benefits
Gifts or benefits should not be accepted as they would, or might reasonably be seen to, compromise the integrity of the employees by placing them under any obligation to a third party. Members must always be aware of the public perception that can result from their accepting gifts or hospitality. They must never solicit favours for themselves or others.

3. Documentation

- a) That monthly Bank Reconciliations are done and signed by the respective persons and duly authorised.
- b) Payment vouchers are prepared for the transactions and cheques be drawn for the payments.
- c) To ensure that all supporting documents are attached to the Payment vouchers and they be stamped with the "Paid" seal and cheque number be inserted to avoid duplication of payments. All documents should carry the Project name and numbers and duly completed.
- d) To ensure that the people responsible sign the relevant documents.
- e) To enter the transactions to the Tally Software at the time the cheque is drawn.

4. Misuse of Funds

Project financing is based on the budget and project agreement. The use of funds should be according to the approved budget lines and as agreed in the project agreement. Any deviation from this means deliberately misusing the resources for private gain. It includes smaller offences, like fiddling on expense claim and major offences like stealing funds.

- 1) Bribes paid to staff by suppliers or beneficiaries
- 2) Supplies used for personal gains
- 3) Unauthorized personal use of Assets
- 4) Reimbursement of inflated claims
- 5) Same expenditure charged to two or more projects
- 6) Payments made to dummy staff
- 7) Obtaining receipts for higher values
- 8) Obtaining blank bills or partially filled bills to be completed at centre.

5. Termination of Contract

Enquiry about unclear use of funds, internal process and termination. The Project Partner could terminate the contract on serious grounds such as misuse of funds.

All allegations of misuse will be treated seriously and investigated by an Independent Committee appointed by the National Centre or the Finance Advisory Committee.

Based on the findings of the Independent Commission, the National Centre/Diocesan Centres will recover the funds misused. If the matter cannot be resolved amicably, action will be taken to go into arbitration. Legal action will be instituted if arbitration fails to recover all the funds misused.

6. Role of the National Centre

The National Centre will always monitor the projects implemented by the Diocesan Centres and call for explanations with regard to the utilisation of funds. The National Centre should withhold the cash advances if the explanations are unsatisfactory and carry out spot checks.

7. Policy Document

The Policy document forwarded by the Project Partner will be signed by the implementing Diocesan Director before the commencement of the project. The Diocesan Director will convey to the staff the conditions set out in the Policy Document.


8. Conclusion

The Policy has been approved by the Chairman of Caritas Sri Lanka - SEDEC and the Management on 2nd September 2014.

Amended on 5th November 2018.



Fr. Mahendra Gunathileke
National Director
Caritas Sri Lanka – SEDEC



Rt. Rev. Dr. Joseph Vianney Fernando
Chairman
Caritas Sri Lanka – SEDEC