**APPENDIX 1**

**CHEDDI JAGAN INTERNATIONAL AIRPORT CORPORATION**

 **REPORT OF THE ACCOUNTING SYSTEM OF CJIAC**

The CheddiJagan International Airport Corporation operates a partial computerized accounting system even though the organization acquired an ERP (ACCPAC) in 2005 and the software was upgraded in 2015. Their accounting system is managed by an Accountant (a level 2 ACCA student) who has ten (10) years experience in the Finance Department and supported by 14 accounting staff.

**REVENUE**

**Revenue- Cashier**

The main function of the cashier is to be the custodian of the Corporation’s revenue, to ensure that all monies are properly accounted for in the relevant books of entry, and to ensure that a transparent process exists

**Receipts of Public Monies**

(1). Receivers of revenue provide receipts upon the prescribed form for all sums paid to them. Receipts shall be given at the time of payment, and, in no circumstances, may the issue of receipts be delayed or unofficial receipts used. Receipts should be pre numbered and issued from the relevant receipt books(Ministry or CJIAC)

The following categories of revenue are to be accounted for using the Ministry’s receiptbooks:

* Aerodrome
* AIS fees
* Rental & Electricity
* Security Fees
* Fuel Dispensing
* Land lease
* Advertising
* Taxi fees
* Red Cap fees
* Car Park Fees

The following categories of revenue are to be accounted for using CJIAC receipt books

* CUTE fees
* Passenger Screening
* School Tours
* Escorts
* Birddog fees
* Public Address System
* D Cards Payment
* Sponsorship monies
* Conference Room fees
* Tenders
* Other refunds made to cashier e.g. telephone calls, salary refunds etc

**Car Park Booth & Control Tower**

(2) All monies collected from the cashier at the car park booth should be properly accounted for. The revenue sheet is to be checked with the end of shift report printed from the system. Any discrepancies are to be reported promptly.

(3) All reimbursements to the Petty cash float held at the booth should be done promptly. All documentation should be properly examined to ensure accuracy and completeness

(4) The deposit system at the booth which involves depositing of cash at intervals of $ 10,000 should be adhered to by the cashier at the booth at all times. If the main cashier observes that the system is not functioning, same should be reported immediately to the Accountant.

(5) Any monies collected for ID cards or any other charge in the absence of the main cashier being opened, should be properly checked by the main cashier upon collection to ensure that the details on the receipts are correct and any discrepancies reported. Sequential order to be maintained.

(6) The monies collected from the Control tower for AIS charges are also to be accuratelyaccounted for. Receipt book is issued from CJIA to the tower. It is the cashier’s responsibility to ensure that the sequential order is maintained as well as all cancelledreceipts are intact.

(7) US currency serial numbers should be recorded as well as currency tested with marker to verify its authenticity.

The Main Cashier or person responsible for depositing cash in the bank shall:

(a)Count all cash received, it should be checked against the amount stated on the cashier's revenue sheet ;

 (b) Sign the revenue sheet,

 (c) Prepare receipt totaling amount collected from the cashier at the booth.

(d) Report to the Accountant all short payments and discrepancies made by the cashiers at the Car Park Booth;

 (e) A log is to be maintained of the names and signatures of the security officer

accompanying the cashier to hand over the cash/ cheques to the main cashier

**Banking**:

* Cash and cheques (revenue) received are banked as follows:
* Cheques are deposited the following day in a (CJIAC) Bank of Guyana Account through an Expeditor/Driver.
* Cash are deposited in a Republic Bank Account, three (3) times weekly via Neal and Massey Security System

**Expenditures- Payments &Cheque Writing**

* Upon receipt of an invoice, in the case of goods being purchased, the invoice should be accompanied by a Stock Received Note (SRN). Same should be checked for accuracy incorrespondence with the invoice and Purchase Order where applicable.
* All SRN’s are to be inputted into the ACCPAC accounting system, the person inputting should sign on the document as proof of data being inputted.
* All documents provided for payment should be approved by officers authorized toapprove such payments. RTP’s are to be approved by the Chief Executive Officer andthe Manager,Commercial& Administration or the Accountant.
* In cases of contracts, the certifying officer must sign off on the document, to certify the successful completion of the work in accordance with the terms and conditions of the contract.
* Enquiries should be made for information regarding contract sums so as to monitor the payment.
* There shall be supporting vouchers in the form prescribed by the Corporation andother relevant documents for all payment entries in the account. Such vouchers shall bemade out in favor of the person or persons to whom the money is actually due.
* Vouchers are to be coded using the chart of accounts as per the ACCPAC accounting software.
* All vouchers must contain full particulars of each service so that they may be checked without references to any other document. If for any reason it is impracticable to give full particulars on any such voucher, there shall be complete reference to the files of accounting records in which the details are contained.
* Every signature on such vouchers shall be dated.
* An accounting officer or an officer duly authorized signs a voucher certifies to the accuracy of every detail set out in the voucher and is responsible for ensuring –

(a). That the service specified has been duly performed; (signature of the certifyingofficer in cases of work being done shall be present. This will act as theverification)

(b) That the prices charged are either according to contract or approved rates.

© That proper authority has been obtained as quoted;

(d)That the computations and castings have been verified and are arithmeticallycorrect;

(e) That the persons named in the vouchers are those entitled to receive payment;and

(f). That stores purchased have been duly received and taken on charge.

* Any officer making, allowing, or directing any unauthorized disbursement shall be heldpersonally responsible for the amount, and any officer whose duties require him toprepare, submit or check amounts shall be similarly held responsible for any accuraciesin those accounts.
* Payment vouchers may be certified only by the officers authorized to do so. Theauthority to sign vouchers may only be delegated in writing by the accounting officer
* The accounting officer shall keep specimen signatures on file.
* Certifying officers shall exercise the greatest care to ensure that the certificates theysign are in accordance with the facts, if such officers are not personally acquainted withthe facts, the voucher shall be suitably endorsed by the senior officer who is acquainted.
* Receipts given on cheques should have revenue stamp affixed to correspond with thepayment amount.
* Payment vouchers book must be maintained; all vouchers must be examined and signedby a duly authorized officer before a cheque is written. The officers referred to are theAccountant or Senior Accounts Clerk(s).
* All payments with the exception of petty payment which will be made by petty cash shallbe made by crossed checks which shall be prepared in favor of the payees afternecessary vouchers have been passed for payment.
* Open cheques will issued in the following instances:
1. Cheques for the payment of wages, salaries, traveling and subsistence and similarallowances to which may be done in the name of the expeditor
2. Cheques for reimbursement of imprests;
* Open cheques shall at all times be properly secured and, as far as possible, delivered tothe payees personally, upon proper identification and written acknowledgement ofreceipt.
* Cheques shall be prepared by the Accounts Department and shall be drawn on theCorporation’s Bankers.
* The officer responsible for preparation and issue of cheques shall:

a. Use cheque forms in his stock in numerical sequence;

b. Exercise strict control over cheque forms issued, ensuring that only chequeforms equal in number to the cheques to be prepared are issued;

c. Ensure that all cheque forms issued are accounted for on the list of cheques.

* Accuracy and neatness are most essential in the preparation of cheques;

a. All cheques must be prepared by a cheque writer;

b. Special care shall be taken to ensure that the amount in words agrees with the amount in figures on the cheques. Cheques shall be prepared so as to precludethe possibility of either alternation to the amount in words and figures or of theinsertion of additional words and figures

c. No erasures shall be made on the face of cheques. Any necessary correction of figures or works shall be made by striking out the incorrect figures and wordswith a single line and writing the correct entries above. All such corrections shallbe initialed by the officers who sign cheques

* All payment vouchers should be stamp with the “PAID” and “EXAMINED” stamps. Thefollowing information should be filled out on each page of the supporting documents andon the face of the payment voucher:

a) Cheque #

b) Signature of the cheque writer

c) Date

* The clerk shall keep a cheque list register in which he shall record;

a) Number of cheque forms received,

b) Number of cheques returned;

c) Vouchers numbers:

d) Cheque list number.

All cheques issued a receipt must be provided with revenue stamp to be file.

**Procurement**

The following procedures should be observed as approved by CJIAC Board of Directors.

**Limitation of Award of Contracts by the Chief Executive Officer**

The Chief Executive Officer may award contracts as follows: -

Without a system of competitive bidding (at least one quote)

Goods and service up to $180,000

Construction up to $180,000

Consultancy services up to $180,000

With a system of competitive bidding with a minimum of three (3) quotes

Goods and services up to $450,000

Construction up to $450,000

Consultancy services up to $450,000

**Limitation of awards of contracts by CJIAC tender committee**

The tender committee may award contracts as follows:

a. Goods and services above $450,000 to $ 4,000,000

b. Construction above $450,000 to $ 8,000,000

c. Consultancy service above $450,000 to $3,000,000

**Receivables**

The objective of the Receivables desk is to ensure that all customers are invoiced for services utilized and to ensure that all such monies are collected in a timely manner and are properlyaccounted for.

Customer service is also of utmost importance, all customers should be treated fairly and in a professional manner at all times. All customer queries should be dealt with in a timely manner and all information should be kept in confidence**.**

The following records/ reports are kept at the receivables desk

**Billings:**

1. All billings will be initiated by the Accounts Department

2. Invoices must be checked to ensure that they comply with the schedule of concessionaires and rates prepared by the Commercial Section of the Corporation, The Commercial Officer will notify Finance Department of any changes in these schedules.

3. Billing will be done on a monthly basis where the relationship is of a long term nature. In respect of a transaction which is of a purely temporary nature, billing will be as often as is necessary.

4. Invoices must be prepared in duplicate and must be dispatched within three (3) workingdays of the end of the billing and be distributed as follows:

(a) Original to client;

(b)Duplicate retained in customer file with the customer’s signature acknowledgingreceipt of same

5. The Accountant or any other person functioning in the capacity shall approve all invoices before dispatch.

6. All invoices are due for payment to the Corporation within 14 days of issue.

**Observations**

While the Accounting Department hasa detail Standard Operating Procedures, the following observations were made:

* Petty Cash system was not included. However, the system has a cash float of $100,000.
* Banking is done by an Expeditor/driver instead of Banking Clerk or Office Assistant with Accounting Background.
* Several of the accounting staff is of a low level having joined the Corporation in the current year.
* The systemof writing cheques need to be reviewed. Payments are not grouped instead individualcheques are written for 3 to 4 payments to the same Company. This seems to be a waste of cheque leaves.

**Management response-**

1. The Standard Operating Procedure Manual will be amended to include the petty cash system.
2. The current accounting system is fully computerized except for the receipts part of the Receivables Module and Stock Management Module. The former was attempted but was not materialized because the receipt book used is the Government of Guyana official receipt book. The Stores Module will be implemented by December 31, 2015.
3. Both Massy Security Service and the Expeditors deposit the Corporation’s daily takings at the bank. The majority of the Corporation’s liquid cash is banked at Republic Bank Ltd. (RBL) via Massy Security Service while the Expeditor deposits at Bank of Guyana (BoG). The deposits at BoG are done on a daily basis and comprises mainly of cheques. Liquid cash amounts to less $50,000 per deposit.

Based on the foregoing, it’s not feasible to have a Banking Clerk to visit the Banks on a daily basis to conduct banking. This is why the Expeditor and his assistant are utilized in this regard. Both persons are trained and issued with a detail SOP to assist in the performance of their duties, further they are being supervised by a supervisor. Management is confident that their knowledge and expertise is adequate to conduct banking.

1. The statement ‘several of the accounting staff are of a low level having joined the Corporation in the current year’ is not true. Four out of eighteen (18) staff are new recruits. Their recruitment was in keeping with succession planning of having adequate staff to be efficient and effective. Further, most of the staff are at the level of a diploma or equivalent qualifications and/or are currently pursuing studies in their related field.
2. The current accounting software (ACCPAC) requires that for each payment voucher, a single cheque number be assigned to that voucher number. For this reason, cheques have to be done individually. However, multiple supplier invoices are usually merged to prepare one payment voucher.

***Recommendations***

1. ***Management to work towards computerizing all aspects of their finances including the Stores.***
2. ***The Purchasing and Procurement system to be reviewed by management.***
3. ***Management should revisit their position with regards to the Banking system***
4. ***The levels of staff in the Finance Department to be on the same standing like other sister Corporations.***
5. ***The Manual to be updated.***