

## Case Study

### Review of finance processes



**Client** International inter-governmental organisation

**The work** Our client engaged us to (1) flow chart all processes within the Finance Department; (2) write the Finance Processes Manual; and (3) identify and report on process inefficiencies and control weaknesses and suggest improvements.

**How we helped** The first step was to walk through each of the key processes within the Finance department. This included (but not limited to) Cash and liquidity management, revenue and debtors, capital expenditure, project and travel expenses, fixed assets and payroll. We mapped and narrated each process for inclusion in the Finance Department Process Manual. We found that many of the processes were over-complicated due to system add-ons, deviations from standard procedure, and manual manipulation of data. We also observed that there was a heavy reliance on transaction-based controls, approval and verification of individual items going into and coming out of the accounting system. This resulted in duplication of controls and valuable management time and energy being consumed with basic finance administrative tasks.

The second part of the review was to suggest process efficiencies and simplifications. We recommended a paradigm shift away from a detailed transaction-based control environment to a better use of detective controls and preventative controls. We proposed various system enhancements, management information reports and a re-allocation of some of the Financial Controllers administrative duties.

**Value Added** By streamlining processes making controls more efficient, management were able to significantly reduce the time spent on performing detailed transaction checks and simultaneously gain a more holistic view of the business through improved Management Information.

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