ADMINISTRATIVE INSTRUCTION

To: Heads of offices and departments,
        executive and administrative officers

From: The Assistant Secretary-General (Controller)
        Office of Financial Services

Subject: SEPARATION OF RESPONSIBILITIES AND DUTIES OF
            CHEQUE SIGNATORIES AND FINANCE OFFICERS
            DESIGNATED AS APPROVING OFFICERS

1.   The purpose of this instruction is to establish the functional separation of responsibilities of cheque signatories and finance officers designated as approving officers. This instruction is effective immediately and supersedes all earlier instructions on the subject. Existing manuals, and administrative handbooks and memoranda should be amended to reflect the provisions of this instruction.

Designation of certifying officers, approving officers and cheque signatories

2.   Certifying officers, approving officers and cheque signatories are designated by the Controller under delegation of authority from him to the individuals concerned, within prescribed limits.

3.   The functions of a certifying officer are established by the Controller in accordance with the provisions of financial rules 110.3 and 110.4 and are set forth in the appropriate administrative instructions listing certifying officers.

4.   The functions of an approving officer are established by the Controller in accordance with financial rule 108.9 and are contained in financial and accounting instructions issued by him.

5.   The functions of a cheque signatory are:

    (a) To verify that cheques are pre-numbered, dated and drawn to the order of the payee appearing on the disbursement voucher and the invoice;

    (b) To ensure that cheques are not made payable to "bearer" or "cash";

(c) To confirm that any alteration on the cheque, voucher or invoice, no matter how minor, has been initialled to indicate the propriety of the change;

(d) To take appropriate precautions to prevent the use of an invoice a second time by accepting only original invoices and clearly marking the invoice as paid.

6. In order to ensure adherence to operating procedures which provide protection against error and possible fraud and yield definite efficiencies in cheque disbursement, it is necessary to separate the responsibilities and duties of a cheque signatory from those of an approving officer.

7. A finance officer or administrative assistant who is responsible for approving payments and maintaining the accounting records will not be designated a cheque signatory.

8. The functions of a certifying officer cannot be combined with those of an approving officer. Therefore a certifying officer may be designated a cheque signatory.

Procedure for the preparation, signing and issuance of cheques

9. Cheques are to be prepared on the basis of disbursement vouchers prepared and approved by finance officers within their prescribed limits. The approving officer will prepare a voucher only on the presentation of satisfactory documentary evidence that the disbursement is proper, that the goods or services have been received and the billing is in accordance with the documents establishing the obligation and that payment has not previously been made.

10. Cheques must normally be signed by two authorized officers. However, the Controller may, where he deems that adequate safeguards are provided, authorize the signature of cheques by one officer only, or the use of facsimile signatures. In the use of facsimile signatures (cheque-signing machines), proper controls, such as key control and maintenance of transaction log-books, should be exercised. Under no circumstances is a cheque signatory authorized to sign any cheque in blank.

Special arrangements

11. In small field offices and projects in which staff is limited, it may not be practicable to separate the functions of the certifying officer, approving officer and cheque signatory. In these cases, the Controller should be requested, through the Director, Accounts Division, Headquarters, to authorize a departure from the above-mentioned procedure.