AFRICA RICE CENTER
MEETING OF THE BOARD OF TRUSTEES

36th Africa Rice Board Meeting
Cotonou, Benin
September 8 - 12, 2014

Revised Authorization Policy
I. Objectives of the Policy

To protect the interests of the Africa Rice Center (AfricaRice), all transactions should be duly authorized by a person who has explicitly received the delegation of authority to do so. The main objective of this policy is therefore, to explain how the Center expects delegation of authority to take place for day-to-day decisions/transactions that are made within AfricaRice and between AfricaRice and its partners.

II. Policy, Scope and Decision making processes

The policy is composed of:

- The statement of general principles and areas of responsibility;
- Decision making processes;
- Forms and authorization tables which show who is authorized to approve what type of transaction and how.

This policy is in line with the Good Practice Note issued in February 2005 by the CGIAR Internal Auditing Unit called «Documenting Board-Center reporting arrangements and delegations of authority».

III. Responsibilities

The Constitution of AfricaRice gives authority to the Board of Trustees to select the Director General (DG) who will represent the Center legally and will have overall responsibility for the operation and management of the Center. The DG is accountable to the Board of Trustees and he/she has the authority to appoint members of the Senior Management Team (SMT) and to delegate part of his/her authority to them with specific areas of responsibility for which they will be accountable to him/her.

IV. Board Information and Approvals

The lists that follow outline reporting relationships between AfricaRice management and the Board of Trustees, distinguishing decisions that are normally reported by management to keep trustees appraised of developments at
the Institute (Information) and other decisions that require prior Board approval (Approvals).

The list should be reviewed from time to time to take into account new experiences and changed circumstances. In case new and unforeseen events occur, the Director General will use good judgment. He/she is expected to contact the Board on any event which, in his/her opinion, places a significant risk on the Center’s reputation or financial health.

In cases where Board approval is required, and where the full Board cannot fully discuss the matter, approval will be sought from the Executive and Finance Committee.

V. Information

The Board expects that the Director General will submit a report to the Board at least once annually covering significant developments at the Center and normally including:

- Appointment, promotion, re-assignment, resignation and termination of Institute senior staff and a report on the number and location of staff in other categories;
- Changes in the procedures for internal decision making;
- Progress on all major projects, including the initiation of new projects and the development of new collaborative relationships;
- Studies measuring the impact of the project portfolio;
- Key findings and management’s response to reports of any major consultancies regarding the Center’s project development and implementation;
- A report on the financial status of the Center, including cash flow, a statement of financial position, of expenditures and revenues vis-à-vis the budgeted amounts, and of proposals approved for funding;
- Key findings and management’s response to reports of the external and internal auditors, as well as to reports of any major consultancies regarding financial and administrative practices;
- An annotated list of any instance of significant deviations from standard financial, human resource or administrative policies or those relating to the Center’s project development and implementation;
- Information on any claims or litigation against the Center;
- Agreements between the Center and national governments other than host country governments, including those covering the establishment of office sites and project sites where the Institute is a major participant; and
Outline and thrust of the Annual Report prepared for general distribution.

**VI. Approvals**

Management will submit the following for Board approval:

- Broad organizational framework of the Institute;
- Location of Center offices;
- Formal statement that describes the long-term strategy of the Center;
- Annual budget and the program of work, outlining the proposed major strategic focus areas and the ongoing and planned project portfolio. For major capital investment project, full capitalization costing with implementation timeline and annual operational expenditures must be provided;
- Any substantial revisions to the annual budget and programme of work;
- Major policies relating to the Center’s program of project development and implementation, such as a policy on intellectual property rights;
- Personnel policies applicable to international and national staff;
- Appointment of staff to emeritus or other non-standard status;
- Salary increase policy for the following calendar year, which may include a cost-of-living adjustment and merit increases;
- Major financial policies of the Center, including those relating to reserves, investments, depreciation, the capital fund and indirect cost recovery;
- Contracts or transactions involving a financial exposure (unbudgeted expenditures not covered by guaranteed revenue in excess of US$500,000.00);
- Authorization to open credit lines with banks;
- Appointment of, the external and internal auditors;
- Agreements between the Center and host country governments;
- Board statements on the financial or other status of Center that will appear in the Annual Report; and
- Proposals to amend the Constitution of the Center.

**VII. Decision making processes**

As delegated by the Board of Trustees, the Director General has the overall responsibility and authority to make decisions or approve transactions on behalf of AfricaRice. He/she may delegate part of this authority to members of the Executive Management Committee (EMC) who may in turn delegate specific authority to other managers as summarized in the following table:
| **Board of Trustees:** | Strategy and Medium Term Plan, (program and Budgets)  
Policy setting (HR, Finance, IP and other operational policies)  
Strategic Partnerships and agreements (host country agreements)  
Infrastructure and capital development matters (over US$0.5 million)  
External and internal reviews and reporting  
Audit (internal and external) |
| --- | --- |
| **Director General:**  
1. Final authority on all institutional leadership and management matters, operational partnerships and agreements.  
2. Approval for purchase of major equipment, capital and infrastructure expenditure of maximum lump sum of $500,000.00 including all components and all phases which cannot be broken down into smaller amounts. | Staff recruitment, separation, terms and conditions of service,  
Research and research-related matters (protocols, research-related agreements and Intellectual Property issues, publications)  
Administration and operational matters (Investment of funds in accordance with the Investment policy, Finance, property management, service contracts)  
Any other matter affecting directly or indirectly the centre. |
| **Directors (Executive Management Committee):**  
Delegated authority on specific areas of leadership and management responsibility. | Specific area of authority as defined by the Director General in letter of appointment or as delegated under particular circumstances. |
| **Managers:**  
Authority delegated on specific operational procedures to strengthen internal control, expedite and facilitate processing | Specific area of authority as delegated by supervisor and approved by Department Head/ Director (research collaboration/ partnerships, budgets, recruitment of temporary staff, consultants, procurement of goods and services, financial transactions with banks and suppliers, managing/ maintaining infrastructure, vehicles and equipment, security and safety, liaison, travel, ICT and telecommunications, etc). |
VIII. Applicable general principles

The basic principles to be applied in the context of this policy are:

- Transactions should be effected only if approvals and authorizations conforming to this policy have been received. A transaction cannot be authorized unless the required prior clearance and approvals have been received. Approvals are statements confirming that all the necessary conditions are met for the transaction to take place in accordance with AfricaRice’s objectives, budgets, policies and other relevant regulations (local legislations, donor contract.). Authorization is the final step and commits AfricaRice.

- The position shown in the authorization table indicates the minimum level at which the transaction has to be approved/authorized:
  - If the person in that position is not available, his/her supervisor, or a person who has explicitly received delegation in accordance with the process detailed below, is entitled to sign in his/her place.
  - If for the sake of clarity of the Authorization tables, a transaction is listed as a transaction that is usually approved by a given level, it is automatic that such transactions involving staff at that level or higher levels would be approved by the next supervisory level.
  - No one can approve/authorize any transaction for him/herself even if his/her position allows him/her to do so for other people (e.g. Travel expense claim, benefit payments).
  - All payments exceeding $500,000.00 cannot be segregated in separate categories or phases to the limit without the Board’s approval.
  - All major investments should have a plan indicating the phases of payment and expenditures.

Signature form (Annex 1):

This form should be filled by anyone authorized to approve/authorize transactions as per this policy with the specimen signature of the person delegated to sign. The form should be approved by the person’s supervisor and should be sent to the HR office that maintains hard copy and digital records of those forms and disseminates the information as necessary.

When the incumbent leaves AfricaRice or is transferred to another position, the form should be modified and signed again by the supervisor and sent to the HR
office so that they always maintain an updated list of approved signatories and signatures.

Delegation form (Annex 2):

All approvals/authorizations may in principle be delegated to a peer or next lower level of supervision when the incumbent is not available. Depending on circumstances, a person may wish to delegate only part of his/her responsibility. The delegation form should be signed by anyone who does not wish to delegate all responsibilities whenever he/she is away. This form must be approved by the person’s supervisor and should be sent to the HR office. Any restriction on the amount or type of transaction can be indicated on the form (e.g. a budget holder may wish to delegate only purchase requests for certain types of items or only up to a fixed amount of money).

Authorization tables (Annex 3):

The authorization tables or matrix describe the workflow summarizing the steps involved in decision making from initiation to final approval of a specific process. The tables will be updated regularly to reflect changes in internal control procedures or in delegation of authority.

The authorization tables are arrived at based on the following considerations:

- Compliance with basic internal control principles;
- Making procedures lighter and simpler as much as possible for proper and timely decision making;
- Ensuring all appropriate personnel have the required information
- Emphasizing the role of the budget holder who has to approve all transactions affecting his/her budget so that he/she can effectively manage it.
- Ensuring transparency in terms of responsibility, authority and accountability.

Organizational Chart (Annex 4):

The new organizational chart is created in order to reflect the significant structural changes in the organization.

IX. Note on AfricaRice Outposts

It is understood that AfricaRice activities in outposts have to conform to AfricaRice established internal control procedures or to the regulations of the
hosting CGIAR Center where such arrangements exist. If those rules differ considerably from the spirit of the AfricaRice policy, the staff in charge of the outpost should inform AfricaRice management to discuss the matter with the hosting institution.

X. Electronic approvals

Electronic signatures will be acceptable by administrative units if,

(1) Distinguishing or critical information regarding the request is clearly presented in the body of the email (even if it is also presented in file attachments to the email message). In most cases, this should be included in the e-mail request for approval (e.g. for a Payment Request Form, the requestor should identify who is being paid, for what, and the amount and the budget code).

(2) An e-mail answer from the authorizer’s e-mail box to the requestor that clearly states approval with the request message clearly showing will serve as the electronic signature for the authorizer. Because such answers may no longer be associated with an attached supporting document, if there is not sufficient distinguishing or critical information in the original email request/ text message, then it is the responsibility of the authorizer to include such information, as needed.

XI. Revision of the Policy

This policy will be reviewed by the Board of Trustees at least once every three years or whenever there are major changes in the executive management or organisational structure and when there are important changes in the operating environment that may directly affect the Center.

Approved on 13th September, 2014.