The Importance of Internal Financial Controls When Implementing CVA
04.05.2023

What is a Financial (Internal) Control?
It is a process or system to ensure the organization’s assets are being correctly and efficiently employed. It is also a process or system that helps to prevent misappropriation, fraud and corruption, loss of assets and financial resources.

Whose responsibility is an Internal Financial Control?
Controls are everyone’s responsibility (but include Finance and Logistics from the beginning in all issues to ensure compliance with standards, audit requirements and donor requirements).
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The risks that are associated with CVA

- Misconceptions about cash
- Diversion of assistance
- Beneficiary duplication

- Illiteracy with regards to cash
- Data protection policies
- Fraud and corruption

Mitigating actions for those risks

- Involvement of community and community leaders
- Validation of data
- Communication plan to prevent misinformation

- Proper segregation of duties
- Close monitoring and evaluation
- Set up feedback and complaint mechanisms

How do I know if a control is too strict?

Should the process look like this to control assets that is $50,000?

The level of control should match the level of risk for which we are trying to mitigate.

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