



FINANCE, PAYMENTS AND PETTY CASH POLICY

Document Control

Item	Details
Original Approval Date	14/10/2019
Last Review Date	27/02/2026
Approved by	Board of Directors
Policy Owner	Compliance & Risk Office
Version	2.0
Next Review Date	26/02/2027

Version History

Version	Date	Description	Approved By
1.0	14/10/2019	Initial Finance, Payments and Petty Cash Policy	Board of Directors
2.0	27/02/2026	Expanded financial controls, AML/CFT, reconciliation and	Board of Directors



		governance framework	
--	--	----------------------	--

1. Purpose

The purpose of this Policy is to guide how The Aquaculture Consortium Limited (“TAC”) manages payments, receipts, petty cash, bank transactions, financial approvals, documentation, reconciliation and financial control processes.

This Policy supports financial accountability, fraud prevention, proper record keeping, AML/CFT compliance, audit readiness, investor and donor due diligence, responsible use of company funds and institutional governance.

This Policy also supports TAC’s commitment to ethical business conduct, ESG principles, donor and investor compliance expectations, anti-fraud controls and responsible financial management.

2. Scope

This Policy applies to:

- Directors, employees, consultants, interns and contracted personnel;
- Finance, procurement, operations, programmes and administration teams;
- Portfolio enterprises, subsidiaries, branches and affiliated operations where applicable;
- Payments to suppliers, consultants, employees, farmers, MSMEs, partners and service providers;
- Receipts from customers, investors, donors, development partners, buyers and other stakeholders;
- Bank, mobile money and petty cash transactions;
- Physical, digital and electronic payment and financial processes connected to TAC operations.

3. Policy Statement

TAC shall ensure that all financial transactions are legitimate, properly approved, accurately recorded, supported by adequate documentation and processed through traceable payment channels.





The company shall not process payments or receipts that appear suspicious, unsupported, unauthorised, fraudulent, intended to conceal the true beneficiary or inconsistent with TAC's business activities.

All financial transactions must comply with applicable laws, internal approval procedures, AML/CFT requirements, anti-fraud controls and TAC governance standards.

4. Payment Channels

TAC shall prioritise payments and receipts through recognised and traceable channels, including:

- Licensed bank accounts;
- Mobile money accounts;
- Electronic funds transfers;
- Cheques, where applicable and approved;
- Other approved regulated payment channels.

Cash payments shall be limited to petty cash and minor operational expenses only.

5. Bank Accounts

All company bank accounts must be opened in the legal name of TAC or the relevant approved entity.

Bank accounts must be maintained with licensed and regulated financial institutions.

Each bank account must have:

- Proper account-opening documentation;
- Approved account mandate;
- Authorised signatories;
- Clear signing instructions;
- Bank confirmation records;
- Regular reconciliation.

TAC shall not maintain anonymous accounts, accounts under fictitious names or accounts with shell banks.



6. Payment Approval

All payments must be approved before processing.

Payment approval should confirm that:

- The payment is for a legitimate business purpose;
- Goods or services were received, or the payment is contractually due;
- The amount is correct;
- Supporting documents are complete;
- The payee details match the approved supplier, employee, consultant or partner;
- The payment has been reviewed by the responsible finance or management officer;
- No actual, potential or perceived conflict of interest exists in relation to the transaction.

Payments should not be processed based only on verbal instructions.

7. Supporting Documents

Payments must be supported by relevant documents, which may include:

- Approved requisition or payment request;
- Purchase order or contract;
- Invoice;
- Delivery note or goods received note;
- Service completion confirmation;
- Timesheet or work approval, where applicable;
- Receipt;
- Bank details or mobile money details;
- Tax documentation, where applicable;
- Approval email or signed authorisation;
- Any other relevant supporting evidence.

Procurement processes connected to payments must comply with TAC's procurement integrity and conflict-of-interest requirements.

No payment should be made without adequate documentation unless approved as an exceptional case by senior management and properly recorded.



8. Petty Cash

Petty cash may only be used for small, routine and urgent operational expenses where bank or mobile money payment is not practical.

Examples may include:

- Minor office supplies;
- Local transport;
- Small field expenses;
- Minor repairs;
- Emergency operational costs;
- Other low-value expenses approved by management.

Petty cash must not be used to avoid normal procurement, approval or banking procedures.

9. Petty Cash Documentation

All petty cash expenses must be supported by:

- Petty cash voucher;
- Receipt or other proof of payment;
- Purpose of expense;
- Name and signature of recipient or requester;
- Approval by authorised officer;
- Date of payment;
- Amount paid;
- Balance of petty cash after transaction.

Where a receipt is not available, the expense must be explained and approved by management.

10. Petty Cash Reconciliation

Petty cash must be reconciled regularly.

Reconciliation should compare:





- Opening balance;
- Amounts issued;
- Supporting receipts and vouchers;
- Remaining cash balance;
- Closing balance.

Any difference must be explained and escalated to management.

Petty cash replenishment shall only occur after review and approval of the reconciliation.

11. Cash Receipts

Where TAC receives cash, the receipt must be:

- Immediately recorded;
- Supported by an official receipt;
- Deposited into the relevant company bank or mobile money account as soon as practical;
- Reconciled against sales, invoices or other supporting records;
- Reviewed by finance.

Cash received must not be used directly for expenses unless approved and documented.

12. Third-Party Payments

Payments should normally be made only to the person or entity that provided the goods or services, and to an account held in that person's or entity's legal name.

Payments to third parties are discouraged and may only be allowed where:

- There is a valid written explanation;
- The arrangement is supported by documentation;
- The original supplier or customer authorises it in writing;
- Management approves the payment;
- There is no AML/CFT, fraud, sanctions or conflict-of-interest concern.



13. Changes in Bank Details

Any request to change supplier, consultant, employee or partner bank details must be verified before payment.

Verification may include:

- Written confirmation from the authorised contact;
- Call-back verification using known contact details;
- Updated bank confirmation letter;
- Review by finance and management;
- Additional checks for high-value payments.

Payments should be paused where bank detail changes appear suspicious.

14. Segregation of Duties

Where possible, TAC shall separate financial duties so that the same person does not control all stages of a transaction.

This may include separating:

- Requesting;
- Approval;
- Procurement;
- Receipt of goods or services;
- Payment processing;
- Bank reconciliation;
- Record keeping;
- Review.

Where full segregation is not possible due to team size, management review and documentation shall be used as compensating controls.

15. Bank Reconciliation



Bank accounts must be reconciled regularly against accounting records.

Reconciliation should identify:

- Unrecorded payments or receipts;
- Bank charges;
- Duplicate payments;
- Unusual transactions;
- Delayed deposits;
- Unsupported withdrawals;
- Errors or discrepancies.

Any unexplained difference must be investigated and resolved promptly.

16. Unusual or Suspicious Transactions

Finance staff and management must review and escalate transactions that appear unusual, unsupported or inconsistent with TAC's business activities.

Examples include:

- Requests for urgent payments without documentation;
- Payments to unrelated third parties;
- Split payments designed to avoid approval limits;
- Cash payments above normal limits;
- Payments to or from high-risk jurisdictions;
- Payments inconsistent with contract terms;
- Supplier bank details changing suddenly;
- Transactions with no clear business purpose;
- Overpayments or requests for refunds to different accounts;
- Cyber-enabled payment fraud;
- Phishing-related payment diversion;
- Invoice manipulation;
- Unauthorised digital payment instructions.

Suspicious transactions shall be handled in line with TAC's AML/CFT/CPF Policy Framework.



Reporting Contact

Compliance Officer / Compliance & Risk Office

Email: compliance@aquacultureconsortium.com

The Compliance Officer may escalate material concerns directly to senior management or the Board where appropriate.

17. Financial Records

TAC shall maintain accurate financial records, including:

- Invoices;
- Receipts;
- Payment vouchers;
- Bank statements;
- Petty cash vouchers;
- Bank reconciliations;
- Payroll records;
- Tax records;
- Contracts and purchase orders;
- Audit files;
- Donor and investor financial reports;
- Supporting documents for all material transactions.

Financial records containing personal or confidential information shall be handled in line with TAC's Data Protection & Privacy Policy.

Records shall be retained in line with TAC's Records Retention requirements and applicable legal obligations.

18. Financial Reporting and Review

Management shall ensure that financial records are reviewed regularly to support:

- Decision-making;





- Compliance monitoring;
- Audit readiness;
- Investor and donor reporting;
- Financial accountability;
- Operational oversight.

Financial reports may include:

- Income and expenditure reports;
- Cash flow reports;
- Budget versus actual reports;
- Project or programme expenditure reports;
- Bank reconciliation reports;
- Petty cash reconciliation reports;
- Management accounts.

19. Breach of Policy

Any breach of this Policy may result in corrective action, including:

- Reversal or suspension of payment;
- Recovery of funds;
- Disciplinary action;
- Termination of employment or contract;
- Reporting to management, the Board, auditors, regulators or law enforcement where necessary;
- Strengthening of controls;
- Investigation or audit review where appropriate.

20. Training and Awareness

TAC shall provide appropriate awareness and guidance to relevant personnel on:

- Financial controls and approvals;
- AML/CFT requirements;
- Fraud prevention;
- Procurement integrity;




- Cyber fraud awareness;
- Documentation and record keeping;
- Segregation of duties;
- Reporting suspicious transactions.

21. Review

This Policy shall be reviewed at least annually or earlier where required by changes in operations, financial systems, law, investor/donor requirements, audit findings or identified risks.

22. Approval

This Policy has been approved by the Board of Directors of The Aquaculture Consortium Limited.

Name	Position	Signature	Date
Felix Omondi Osok	Board Chair		27/02/2026

Appendix A : Examples of Supporting Documentation

Examples may include:

- Invoices;
- Purchase orders;
- Contracts;
- Delivery notes;
- Goods received notes;
- Payroll approvals;
- Mobile money confirmations;
- Bank confirmations;
- Tax documentation;
- Petty cash vouchers.



Appendix B : Financial Escalation Flow

1. Transaction concern identified.
2. Matter escalated to finance or Compliance Officer.
3. Preliminary review conducted.
4. Management escalation where required.
5. Investigation or corrective action initiated.
6. Reporting to Board or authorities where appropriate.

Appendix C : Good Financial Control Practices

Personnel should:

- Avoid processing payments based only on verbal instructions;
- Verify bank detail changes carefully;
- Maintain proper supporting documentation;
- Escalate suspicious payment requests promptly;
- Protect financial records and system access;
- Follow approval procedures consistently.