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FINANCIAL SEGREGATION OF DUTIES

Document	Financial Segregation of Duties
Organization	Non-Governmental Organization "International Anti-Corruption Assembly" (NGO "IACA")
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Approved	February 25, 2026
Approved by	Secretary General of the Central Committee of NGO "IACA"
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1. General Provisions

The Non-Governmental Organization “International Anti-Corruption Assembly” (hereinafter referred to as the “Organization” or “IACA”) implements the principle of Segregation of Duties as one of the key elements of its internal control system, aimed at preventing errors, fraud, and abuse, and ensuring the integrity of financial operations.

Segregation of financial responsibilities constitutes a fundamental component of internal control and risk prevention.

This document establishes the rules for the allocation of key financial functions in order to minimize the risks of errors, misconduct, fraud, and financial irregularities, particularly within the Organization’s hybrid operating model.

This document has been developed in accordance with:

- The Charter of the Organization (2019 revised edition approved by the General Assembly);
- The legislation of Ukraine, including the Tax Code of Ukraine and the Law of Ukraine “On Prevention of Corruption”;
- The United Nations Convention against Corruption (UNCAC);
- The COSO Internal Control — Integrated Framework;
- Recommendations contained in USAID Financial Management for NGOs, the European Commission Pillar Assessment framework, and INTOSAI standards;
- The Independence-First Principle, ensuring the Organization’s independence while managing grant funding and other external resources.

2. Purpose of the Document

- To minimize the risks of fraud and financial misconduct through the segregation of key financial functions;
- To ensure transparency, accountability, and objectivity in financial operations;
- To prevent situations where a single individual controls all stages of a financial transaction;
- To strengthen internal control effectiveness despite limited human resources;
- To maintain the confidence of international donors, partners, and stakeholders;
- To support effective financial management within the Organization’s hybrid volunteer-and-staff operating model from 2026 onwards.

3. Scope of Application

This document applies to all financial operations of the Organization, including:

- Management of grant funds, membership fees, donations, and charitable contributions;
- Procurement and expenditure management;
- Accounting and financial reporting;
- Management and operation of bank accounts.

This document is mandatory for all persons involved in financial processes, including:

- The General Secretary;
- Members of the Central Committee and the Audit Commission;
- Employees (both staff and non-staff personnel);
- Volunteers responsible for financial matters;
- Heads of Separate Subdivisions and Representative Offices.

4. Core Principles of Segregation of Duties

- No individual shall have sole control over all stages of a financial transaction, including initiation, authorization, execution, recording, and review;
 - Compensating control measures shall be applied where staffing levels limit full segregation of duties;
 - Dual approval, and for significant expenditures, triple approval, shall be required for major financial transactions;
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- Full documentation shall be maintained for all stages of financial operations;
- Independent oversight shall be conducted regularly by the Audit Commission.

5. Segregation of Key Financial Functions

<u>Function</u>	<u>Responsible Person / Control</u>
Expenditure Initiation	Project Coordinator / Head of Unit
Preparation of Supporting Documentation	Designated Employee or Volunteer
Review and Authorization	General Secretary or Authorized Representative
Payment Execution	General Secretary (or authorized individual with banking access)
Accounting and Recordkeeping	Designated Accounting Officer
Internal Control / Audit	Audit Commission

6. Control Procedures

- All expenditures shall be supported by a complete set of supporting documentation;
- Expenditures exceeding established thresholds (as defined in the Financial Procedures) shall require additional approval by the Central Committee;
- Grant funds shall be accounted for separately with clear traceability and audit trails;
- Original supporting documentation shall be retained for a minimum of five (5) years, or longer where donor requirements so require;
- Compliance with segregation of duties principles shall be reviewed annually by the Audit Commission.

7. Responsibilities

7.1 General Secretary

The General Secretary is responsible for overall oversight of financial operations, signing key financial documents, and ensuring compliance with segregation of duties principles.

7.2 Audit Commission

The Audit Commission provides independent oversight of compliance with segregation of duties requirements and financial control procedures in accordance with Clause 5.2 of the Charter.

7.3 All Involved Persons

All persons involved in financial processes shall:

- Strictly adhere to segregation of duties requirements;
- Promptly disclose any potential conflicts of interest;
- Immediately report any suspected violations, irregularities, or control weaknesses.

8. Related Documents

This document forms an integral part of the Organization's internal control framework and is linked to:

- Financial Procedures;
- Anti-Fraud Policy;
- Procurement Policy;
- Anti-Corruption Policy;
- Conflict of Interest Policy;
- Risk Management Policy.

9. Final Provisions

This document shall enter into force on 25 February 2026 and shall be mandatory for compliance.

The document shall be reviewed at least once every two years, as well as whenever significant changes

occur in the Organization's structure, donor requirements, applicable legislation, or international standards.

Approved by:

General Secretary of the Central Committee
NGO "International Anti-Corruption Assembly"



____ Viacheslav Sayenko