

Capacity Assessment Tool

FMS Arrangements

Current User: rconstant

Current Role: Admin

Current Domain: gf

Section 1: Organisation and Personnel

IMPLEMENTER INFORMATION

This component covers the elements of organizational structure and human resource management functions that support financial management functions. Indicate YES or NO in response to whether your organization meets each criterion and enter the evidence on which, your response is based.

1.1 General organisation

Does the finance unit of the organisation has clear reporting lines, as evidenced by an organigram of the finance unit? [Select...](#)

Evidence for PR/SR Response:

Please give a description, in broad lines, of the composition of the staff/team that will manage the grant funds. Please upload the organisational chart.

Evidence for PR/SR Response:

Are assets sufficiently covered by insurance? [Select...](#)

Evidence for PR/SR Response:

1.2 Signatories

An **official document** outlines authorised signatories on bank accounts and official documents. [Select...](#)

Evidence for PR/SR Response:

Who will be the signatories of the grant agreement?

1.3 Ethics and conflict of interest

The organization has written policies and standards for ethical behavior that are provided to all staff members. Training is provided on standards for ethical behavior to all employees as deemed appropriate. [Select...](#)

Evidence for PR/SR Response:

LFA INFORMATION

[Select...](#)

Based on your knowledge of the country, systems, and PR, is the information provided by the PR complete and accurate?

Based on your assessment, does the information provided reflect the reality / true situation and would you consider the system/entity/mechanism to be functional and effective? In conducting your analysis, please take into consideration the following:

- Is the nominated PR's staffing sufficient in both quality and quantity to rapidly absorb the Global Fund grant? Does the nominated PR have adequate policies and procedures in place to guide activities and ensure staff accountability?

Please provide an overall conclusion of your assessment for this Section; highlighting key issues/risks and, where appropriate, provide recommendations to the Secretariat on how to manage the risks together with indicative timelines.

COUNTRY TEAM INFORMATION

[Select...](#)

Based on your knowledge of the country, systems, and the implementer and considering any other relevant information (e.g. partner reports, in-country missions), please provide your conclusions and recommendations, documenting where there are deviations from the LFA's assessment and recommendations.

Contributing Factors

Inadequate PR control framework including lack of comprehensive procedures manual, risk assessment and design of risk controls, financial reporting to management (including financial indicators and ratios), or tools and practices to monitor implementation of controls at PR and SRs [Select...](#)

Inadequate PR and SR staff levels, skills and experience to develop and implement adequate procedures and controls to identify fraud / corruption / theft triggers, including insufficient oversight over financial staff by PR or SR management [Select...](#)

The organization has written policies against engaging in transactions which pose a conflict of interest, and all **staff must certify their agreement**. [Select...](#)

Evidence for PR/SR Response:

1.4 Salary scales

Actual salaries, benefits and incentives are set based on **established scales**, matching particular job types as per approved Policies & Regulations. Scales are **available to all staff members** within those scales. [Select...](#)

Please upload the salary scale.

Does the organisation have a policy in place to remunerate non staff i.e. other personnel who may work on the grant in the field but are not employees of the organisation [Select...](#)

Evidence for PR/SR Response:

1.5 Finance experience

The Head of Finance of the PR (local office) or Finance Manager for the grant has relevant experience of **at least 8 years** of financial management, or **5 years** of financial management and appropriate **educational credentials/professional qualification**. [Select...](#)

Evidence for PR/SR Response:

Other than the Head of Finance/Finance Manager, at least **50% of financial staff** have **2 years of relevant experience** [Select...](#)

Evidence for PR/SR Response:

Does the organization carry out background check before recruiting staff? [Select...](#)

Evidence for PR/SR Response:

1.6 Job description

Written job descriptions describing responsibilities and listing tasks exist for all finance and accounting positions. **Staff members have copies** of their job descriptions; the job descriptions reflect what people actually do. [Select...](#)

Evidence for PR/SR Response:

1.7 Finance Management Performance Meetings

How often do managers hold **meetings** to review financial management performance objectives and resolve related issues.

Evidence for PR/SR Response:

Managers **establish basic performance objectives** for financial management performance (e.g., quarterly report deadlines).

Evidence for PR/SR Response:

Please upload the minutes of the last 2 meetings.

1.8 Performance measures and reviews

All staff have **individual annual work plans** that **describe activities** to be carried out during the year.

Evidence for PR/SR Response:

Each finance staff member's individual annual work plan specifies their performance objectives, **how their performance will be measured**, and these performance measures are **agreed upon**.

Evidence for PR/SR Response:

Annual performance reviews assess staff performance against performance objectives. Annual performance reviews **contribute to decisions regarding promotion or salary increases**. Situations of low performance are actively addressed and resolved through the supervisory system.

Evidence for PR/SR Response:

Supervisors complete **staff appraisals** at least annually and **note areas for improvement**.

Evidence for PR/SR Response:

Financial measures are integrated with nonfinancial performance measures to evaluate performance of managers or functional units, consistently.

Evidence for PR/SR Response:

1.9 Manual of procedures

Does the organisation have a manual of procedures which adequately covers their operations?

Evidence for PR/SR Response:

When was the last time it was updated and approved? [Select...](#)

Evidence for PR/SR Response:

1. 10 Program management

Does the implementing organization have proven experience of successfully implementing a workplan of activities of this financial scale and/or this intervention and geographical spread thereby ensuring that funds can be fully utilised in the grant period? Please, provide in broad lines, a description of those programs

Evidence for PR/SR Response:

Please summarize the main strengths and weaknesses on the overall section

Please identify key controls and challenges, if any, related to the above section which are or need to be addressed

 File Attachment

Section 2: Budgeting

IMPLEMENTER INFORMATION

This component covers the budget process, approval, control, and reporting; it also links to annual operational planning and to multiyear strategic planning. Indicate YES or NO in response to whether your organization meets each criterion, and enter the evidence on which you base your response.

2.1 Budgeting process

A multiyear budget is developed with the involvement of all senior managers. The multiyear grant budget is **linked to strategic plans/objectives** of the approved proposal and **guides** the annual budgeting system. [Select...](#)

Evidence for PR/SR Response:

Do the Budget and Workplan development process involve technical and management staff of the organisation as well as relevant staff of the key implementers? (e.g. program managers, ME experts, PSM experts.....) [Select...](#)

Evidence for PR/SR Response:

LFA INFORMATION

[Select...](#)

Based on your knowledge of the country, systems, and PR, is the information provided by the PR complete and accurate?

Based on your assessment, does the information provided reflect the reality / true situation and would you consider the system/entity/mechanism to be functional and effective? In conducting your analysis, please take into consideration the following:

- Is there evidence to indicate that the nominated PR's budgeting procedures are robust? Has the nominated PR budgeting been reliable in the past?
- Are management reports (e.g. monthly management accounts and commentary) produced and if so are they appropriately used by the nominated PR for decision making? - Does the PR have the ability to prepare EFR reports of sufficient quality and to adequately report on shared costs?
- Are the key implementers budgets in line with activities entrusted to them?

Please provide an overall conclusion of your assessment for this Section; highlighting key issues/risks and, where appropriate, provide recommendations to the Secretariat on how to manage the risks together with indicative timelines.

COUNTRY TEAM INFORMATION

[Select...](#)

Based on your knowledge of the country, systems, and the implementer and considering any other relevant information (e.g. partner reports, in-country missions), please provide your conclusions and recommendations, documenting where there are deviations from the LFA's assessment and recommendations.

Contributing Factors

Inadequately defined implementation arrangements between PR and SRs including: unknown or unspecified SRs, undetermined SR budgets, provision of lump sum budgets, and unresolved capacity gaps / capacity-building issues [Select...](#)

Poor budgeting, including especially unrealistic budget assumptions (number of activities and spread over time; quantity, frequency and unit costs for activities), or unclear activity descriptions and division of responsibilities between implementing entities [Select...](#)

Inadequate budget monitoring including budget-variance analysis (comparing expenditures with agreed budgets and validating the variance), forecasting of expenditures (identifying mismatches with budget early on), or corrective actions when mismatches are identified [Select...](#)

History of recurrent or significant under-spending or over-commitment of funds, reflected in low burn rates or high cash balances at periodic reporting dates (i.e. cash being in excess of the buffer amount without [Select...](#)

The organization has a program budget development process in [Select...](#) place, including steps for review and approval. Program budgets are directly tied to performance target of the Approved Proposal .

Evidence for PR/SR Response:

The budget process covers projected: [Select...](#)

- ongoing revenues and expenditures
- occasional or special revenues (like grants) and expenditures (like those incurred to carry out specific activities)
- capital expenditures

Evidence for PR/SR Response:

Staff members have the detailed budget templates and any other report formats they need to record, track, and document activities and expenses. [Select...](#)

Evidence for PR/SR Response:

The periodic/annual forecasts are able to meet the donor's needs with regard to segregation of programs and costs. [Select...](#)

Forecasts are directly tied to the organization's annual operational plans and are **developed by program and/or department (i.e. participatory approach)**

Evidence for PR/SR Response:

The periodic/annual forecasts are able to **meet the donors' needs** (i.e. in line with TGF budget format & AFR requirements) with regard to segregation of Interventions and costs. [Select...](#)

Evidence for PR/SR Response:

Does the organisation's budgetary system capture disbursements per implementing partners? [Select...](#)

Evidence for PR/SR Response:

2.2 Budget monitoring

Approved Budgets and **Budgetary Control** are fully integrated into the accounting system. **Budget against Expenditure variance by Intervention and costs categories** are also integrated in the accounting system [Select...](#)

good reason)

History of recurrent or significant delayed procurements of goods, services and activities (excluding Pharmaceutical and Health Products) [Select...](#)

due to inadequate planning , lack of transparency and competition, conflict of interest, or other reasons

Previous incidence or indications that commitments budgeted for in [Select...](#)

Global Fund grants were also financed by counterpart funding or other donors because such contribution was not known / disclosed at the time of grant signing

Budget is not comprehensive or inappropriate including high [Select...](#)

comparative price per service or unit costs, excessive overhead recoveries, HR allocation or salaries, excessive frequency of periodic activities, and activities or budget items not linked to program goals and objectives

Poor allocation of grant activities between implementing entities given [Select...](#)

differences in capabilities and efficiencies, e.g. training implemented by PR/SR with higher per diem rate although having less experience, procurement activities allocated to less cost effective PR

Budget contains a high proportion (>50%) of expenditures which are [Select...](#)

more prone to fraud ('yellow-flag' items) including: Training, Human resources, M&E visits, Travel and subsistence, Motor vehicles, Living support, and other items handled in cash

Evidence for PR/SR Response:

How often are budget performance reports produced?

Do budget performance reports include year to date information as well as comparative to last previous years (for the implementation period)?

Are variances (both deficits and surpluses) explained and recommendations for corrective actions developed and implemented?

2.3 Indirect costs

Can the organization identify and track expenses related to the indirect costs associated with managing programs? [Select...](#)

Evidence for PR/SR Response:

Does the organization has established a methodology for allocating the indirect costs across the programs that are benefitted and successfully recovers the indirect costs from donors? [Select...](#)

Evidence for PR/SR Response:

Please summarize the main strengths and weaknesses on the overall section

Please identify key controls and challenges, if any, related to the above section which are or need to be addressed

Section 3: Accounting and Recordkeeping

IMPLEMENTER INFORMATION

This component covers the chart of accounts, vouchers, the trial balance, the general ledger and journal entry adjustments, management accounts, and financial statements.

Indicate YES or NO in response to whether your organization meets each criterion, and enter the evidence on which you base your response.

3.1 Access to Records

Accounting records are maintained on computers, and limited access is provided only to those needing to process transactions. [Select...](#)

Evidence for PR/SR Response:

LFA INFORMATION

[Select...](#)

Based on your knowledge of the country, systems, and PR, is the information provided by the PR complete and accurate?

Based on your assessment, does the information provided reflect the reality / true situation and would you consider the system/entity/mechanism to be functional and effective? In conducting your analysis, please take into consideration the following:

- Does the PR have the capacity to absorb the increased volume of transactions generated by the Global Fund grant?
- Is the basis of accounting appropriate for the Global Fund grant?
- Consider the ability of the PR to satisfy EFR reporting requirements.

COUNTRY TEAM INFORMATION

[Select...](#)

Based on your knowledge of the country, systems, and the implementer and considering any other relevant information (e.g. partner reports, in-country missions), please provide your conclusions and recommendations, documenting where there are deviations from the LFA's assessment and recommendations.

Contributing Factors

Past evidence or indications of ineligible expenditures or unauthorized material rebudgeting [Select...](#)

Burn rate for recent periods (grant expenditure as a proportion of the budget) is disproportionately high as compared to achievement of targets (All Indicator Rating) in same period, without sufficient [Select...](#)

Is there a process for carrying out regular back-ups and will they [Select...](#) be kept off the premises?

Evidence for PR/SR Response:

3.2 Chart of accounts and forms

A written chart of accounts exists that accurately reflects [Select...](#) categories of income, expenditures, assets and liabilities.

The chart of accounts includes account codes for all possible budget line items and is approved by the appropriate senior official.

The chart of accounts' structure **has multiple levels**, so that staff can examine important details (for instance by organizational units (PR/SR/SSR), regions, cost category, service delivery areas, or projects/programs).

Evidence for PR/SR Response:

A written chart of accounts exists that accurately reflects [Select...](#) categories of income, expenditures, assets and liabilities.

The chart of accounts **includes account codes** for all possible budget line items (interventions) and is approved by the appropriate senior official.

Evidence for PR/SR Response:

Is the chart of account flexible enough to accomodate an [Select...](#) additional grant with new account codes?

Evidence for PR/SR Response:

Does the organisation have adequate filing and recordkeeping [Select...](#) system?

Evidence for PR/SR Response:

Does the current organisation have the capacity to absorb the [Select...](#) increased volume of transactions generated by the Global Fund grant?

Evidence for PR/SR Response:

Indicate what basis of accounting – cash, accruals etc – is being used.

If accruals basis is used, does the PR have the ability to reconcile [Select...](#) and report accurately on cash basis for progress updates and EFR?

- Is the PR well rated among its current donors/lenders with regards to timeliness and relevancy of its reports?

Please provide an overall conclusion of your assessment for this Section; highlighting key issues/risks and, where appropriate, provide recommendations to the Secretariat on how to manage the risks together with indicative timelines.

explanation

Past evidence or indications of duplicative work plans or use of Global Fund funds, due to counterpart financing or other donor funding not being disclosed at the time of grant signing, or insufficient coordination by implementers [Select...](#)

Budget contains a high proportion (>50%) of expenditures which are more susceptible to inefficiency including Training, Human Resources or Overheads [Select...](#)

Inadequate PR and SR financial information systems, including inadequate financial accounting software, or inadequate controls procedures for manual accounting systems [Select...](#)

Inadequate PR financial records process and controls including non-reconciliation of booked value with supporting documentation, transactions not recorded daily, lengthy validation processes for accounting issues, lack of a chart of accounts or appropriate codification [Select...](#)

Absence of / inadequate budget-variance analyses by PR or SRs, for comparing expenditures with agreed budgets and validating the variance [Select...](#)

Inadequate financial staff capacity, skills or experience, and/or poor understanding of Global Fund reporting requirements [Select...](#)

Evidence or indications of insufficient management supervision over financial systems [Select...](#)

Evidence for PR/SR Response:

3.3 Journal Entries

Payment vouchers are filed per payment reference number with supporting documentation. [Select...](#)

All transactions are supported by vouchers approved by an official who did not prepare them and works outside the voucher system.

Evidence for PR/SR Response:

Vouchers are properly coded in accordance with the chart of accounts. The review of year-end journal entry report does not reveal numerous, large, or unusual adjusting entries. Any necessary **reclassifications** were completed **within 2 months** of the original transaction. [Select...](#)

Evidence for PR/SR Response:

A sequential record of all journal entries is maintained. Journals are entered sequentially into the transaction journal. [Select...](#)

Evidence for PR/SR Response:

The **Chief Accounting Officer** (or the person designated by him or her) reviews for validity all journal entries that **exceed a certain amount**. All other journal entries are checked for validity and approved by an appropriate accounting officer. [Select...](#)

Evidence for PR/SR Response:

All journal entries are **checked** for validity and **approved** by a senior accounting officer. [Select...](#)

Evidence for PR/SR Response:

3.4 Trial balance

Is the system able to generate a trial balance? [Select...](#)

Evidence for PR/SR Response:

How often is the trial balance prepared? [Select...](#)

How often is the trial balance reviewed for accuracy and completeness? [Select...](#)

Who performs the review of the trial balance?

Is any necessary adjustment made within 1 month at most? [Select...](#)

Evidence for PR/SR Response:

3.5 Financial & Program Management Reports

How often are financial reports for different management/program areas prepared?

How often are management reports, showing both financial and programmatic indicators (e.g., progress update, and activities indicators) for different management/program areas, prepared?

Are there timelines to issue management reports? If yes, please Select... specify the timeline (monthly, quarterly, semi-annually,...)

Evidence for PR/SR Response:

Do Managers analyze budget spending rate to make decisions about modifying activity plans? Do they analyze information, such as expense ratios, trends, and burn rate, and use their results to prepare budgets and make key decisions about service mix, staffing patterns, expansion of services, etc? Select...

Evidence for PR/SR Response:

Are Donor reports submitted on time with accurate information? Select...

Evidence for PR/SR Response:

3.6 Annual financial statements

What are the accounting standards used to prepare the annual financial statements?

What is the timeframe to approve and issue the financial statements? Select...

Evidence for PR/SR Response:

The annual financial statements include at least, a balance sheet, an income statement and notes to the financial statements Select...

Evidence for PR/SR Response:

Does the organisation issue consolidated financial statements or financial statements per donor, in case of different donors

Please summarize the main strengths and weaknesses on the overall section

Please identify key controls and challenges, if any, related to the above section which are or need to be addressed

 File Attachment

Section 4: Purchasing and Procurement

IMPLEMENTER INFORMATION

This component covers procurement policies and procedures, purchase orders and requisitions, receipt of goods and services, and monitoring of purchases and payments.

Indicate YES or NO in response to whether your organization meets each criterion, and enter the evidence on which you base your response.

4.1 Selection process

Does the entity have a procurement plan? [Select...](#)

Evidence for PR/SR Response:

How often is it updated?

Please, explain in broad lines the key steps of the selection process of suppliers and consultants.

4.2 Orders

Are all proposed purchases reviewed against approved budgets before a purchase is initiated? [Select...](#)

Evidence for PR/SR Response:

Do Staff members have the purchasing and procurement forms, documents, and registers they need to record and file activities and transactions and to create a paper trail for audits? [Select...](#)

Evidence for PR/SR Response:

Goods and services are procured in a timely manner to avoid tying up resources in unnecessary stock and to prevent stock-outs that hinder completing immediate activities. [Select...](#)

Evidence for PR/SR Response:

Purchase requisitions and purchase orders are properly completed for all purchases and prepared by authorized persons only. [Select...](#)

Evidence for PR/SR Response:

All documents are signed by authorized officials. The person authorizing the purchase requisition is not allowed to also authorize the purchase order. [Select...](#)

There are clearly defined **levels of authority** for approving

LFA INFORMATION

[Select...](#)

Based on your knowledge of the country, systems, and PR, is the information provided by the PR complete and accurate?

Based on your assessment, does the information provided reflect the reality / true situation and would you consider the system/entity/mechanism to be functional and effective? In conducting your analysis, please take into consideration the following:

- Does the documented process include the following? (1) A code of conduct to avoid occurrence or perceptions of conflicts of interest (2) Methods of procurement and when different methods should be applied, (3) Procedures for requests for tenders, (4) Procedures for bid evaluation, (5) Procedures that are transparent and competitive.
- Does the PR have a good track record of following these procedures?
- Are there appropriate segregation of duties and delegation levels, for authorization of procurement of non health related assets and services? (e.g. vehicles, consulting contracts)?
- Are there procedures in place to ensure that procurements of goods/services are in line with the budget and that sufficient attention to appropriateness and cost effectiveness has been considered before payments are made?

Please provide an overall conclusion of your assessment for this Section; highlighting key issues/risks and, where appropriate, provide recommendations to the Secretariat on how to manage the risks together with indicative timelines.

COUNTRY TEAM INFORMATION

[Select...](#)

Based on your knowledge of the country, systems, and the implementer and considering any other relevant information (e.g. partner reports, in-country missions), please provide your conclusions and recommendations, documenting where there are deviations from the LFA's assessment and recommendations.

Contributing Factors

Past evidence or indications of non-transparent or non-competitive bidding processes (incl. due to conflict of interest), or inadequate tender bidding procedures and controls, leading to delayed or inefficient procurements (excluding Pharmaceutical and Health Products) [Select...](#)

different values of purchases.

Evidence for PR/SR Response:

All purchase orders are recorded in a register per policies and procedures. [Select...](#)

Evidence for PR/SR Response:

How does the company management fuel procurement and usage

4.3 Receiving goods and services

A Goods Received Note is completed by an authorized official for all goods received. All discrepancies between the goods or services ordered and those received are recorded in a register, and each entry is signed by the agent making the delivery. [Select...](#)

Evidence for PR/SR Response:

Prices on each supplier's invoice are matched with the contract or purchase order. [Select...](#)

Evidence for PR/SR Response:

Any increases in the costs for capital projects and rehabilitation works are investigated and paid only if approved by an authorized senior officer. [Select...](#)

Evidence for PR/SR Response:

The purchasing function is separate from the payment function. [Select...](#)

Evidence for PR/SR Response:

Please summarize the main strengths and weaknesses on the overall section

Please identify key controls and challenges, if any, related to the above section which are or need to be addressed

 File Attachment

Section 5: Payment and Invoicing

IMPLEMENTER INFORMATION

LFA INFORMATION

[Select...](#)

COUNTRY TEAM INFORMATION

[Select...](#)

5.1 Payment to vendors

There is a system for regular follow-up and monitoring of outstanding payables to all suppliers (good, services, rehabilitations and other civil works, etc.). Select...

Evidence for PR/SR Response:

What is the timeframe to make authorized payments to suppliers? (within 15 days of receiving invoices, 30 days, ...)

A procedure exists to ensure that payments are made within a time frame to take advantage of any applicable supplier discounts and to avoid penalties. Select...

Evidence for PR/SR Response:

5.2 Travel

Is there an approved Travel and Subsistence policy and are per diem rates in line with this policy? Select...

Evidence for PR/SR Response:

Please, describe, in broad lines, the system in place to ensure that the rates are applied properly, authorized and not open to abuse?

What is the period within which employees are required to liquidate advances of all kinds?

Does a procedure exist to ensure that advances are liquidated timely? Select...

Evidence for PR/SR Response:

5.3 Outstanding receivables

Are there procedures for ageing, regular follow-up and review of outstanding receivables? - e.g. VAT recoveries; voucher schemes etc. Select...

Evidence for PR/SR Response:

Please summarize the main strengths and weaknesses on the overall section

Please identify key controls and challenges, if any, related to the above section which are or need to be addressed

Based on your knowledge of the country, systems, and PR, is the information provided by the PR complete and accurate?

Based on your assessment, does the information provided reflect the reality / true situation and would you consider the system/entity/mechanism to be functional and effective?

Please provide an overall conclusion of your assessment for this Section; highlighting key issues/risks and, where appropriate, provide recommendations to the Secretariat on how to manage the risks together with indicative timelines.

Based on your knowledge of the country, systems, and the implementer and considering any other relevant information (e.g. partner reports, in-country missions), please provide your conclusions and recommendations, documenting where there are deviations from the LFA's assessment and recommendations.

Contributing Factors

History of tax exemptions available but not received or followed up, resulting in grant funds being inappropriately spent on taxes Select...

 File Attachment

Section 6: Payroll

IMPLEMENTER INFORMATION

This component covers the labor information system, payroll policies and procedures, staff remuneration, and payroll control.

Indicate YES or NO in response to whether your organization meets each criterion, and enter the evidence on which you base your response.

6.1 Policies and procedures

Are all payroll payments made on a timely basis, in compliance with applicable labor laws? [Select...](#)

Evidence for PR/SR Response:

6.2 Personnel files

Personnel records are kept separately from payroll department records. [Select...](#)

Evidence for PR/SR Response:

All employees have written terms regarding rate of pay and applicable withholdings. [Select...](#)

Evidence for PR/SR Response:

Each new appointee's compensation level is approved by an authorized official and communicated to the payroll processing department. [Select...](#)

Evidence for PR/SR Response:

6.3 Payment

There is an adequate system for allocating time to projects, activities, or departments for employees paid from different projects/funding sources. [Select...](#)

Through the time and attendance process, staff members analyze leave and absenteeism to ensure that employees only claim and are paid what has been approved in line with policies and regulations.

Evidence for PR/SR Response:

Nondirect salary items paid to personnel, such as overtime, travel allowances, housing benefits, and merit awards, conform [Select...](#)

LFA INFORMATION

[Select...](#)

Based on your knowledge of the country, systems, and PR, is the information provided by the PR complete and accurate?

Based on your assessment, does the information provided reflect the reality / true situation and would you consider the system/entity/mechanism to be functional and effective?

Please provide an overall conclusion of your assessment for this Section; highlighting key issues/risks and, where appropriate, provide recommendations to the Secretariat on how to manage the risks together with indicative timelines.

COUNTRY TEAM INFORMATION

[Select...](#)

Based on your knowledge of the country, systems, and the implementer and considering any other relevant information (e.g. partner reports, in-country missions), please provide your conclusions and recommendations, documenting where there are deviations from the LFA's assessment and recommendations.

to established policies and procedures, including approval by an authorized official.

Evidence for PR/SR Response:

Does the organisation reconcile the actual payment to the bank to the payroll records? [Select...](#)


Evidence for PR/SR Response:

Is there a monthly analytical review of payroll expenses? Is there a comparison of payroll expenses of the current month to the previous one? [Select...](#)

Evidence for PR/SR Response:

Please summarize the main strengths and weaknesses on the overall section

Please identify key controls and challenges, if any, related to the above section which are or need to be addressed

 File Attachment

Section 7: Cash Management

IMPLEMENTER INFORMATION

This component covers receiving and depositing monies, controlling cash and the use of checks and receipts, and reconciling cash book and bank statements.

Indicate YES or NO in response to whether your organization meets each criterion, and enter the evidence on which you base your response.

7.1 Bank management

A bank account can be opened or closed only if the chief executive officer or the board or any authorised senior member of management team approves it. [Select...](#)

Evidence for PR/SR Response:

Will GF Funds be deposited in a separate bank account? [Select...](#)

Evidence for PR/SR Response:

Authorized signatories on bank accounts are limited to a few key individuals within the organization and is such that at any [Select...](#)

LFA INFORMATION

[Select...](#)

Based on your knowledge of the country, systems, and PR, is the information provided by the PR complete and accurate?

Based on your assessment, does the information provided reflect the reality / true situation and would you consider the system/entity/mechanism to be functional and effective? In conducting your analysis, please take into consideration the following:

- Can the treasury system support the production of cash forecast information for disbursement requests?
- Are bank accounts held in the name of the PR? Are there appropriate controls over management of petty cash including limits over the maximum levels of petty cash held?
- Are there appropriate controls built in to the banking arrangements, including for example proper authorization of disbursements, double signatures on cheques and transfers, use of account payee cheques and conduct of regular bank reconciliations?
- If grant funds are co-mingled with other funds, is there satisfactory procedures to ensure that grant funds can be distinguished from other funds and accounted for separately?

COUNTRY TEAM INFORMATION

[Select...](#)

Based on your knowledge of the country, systems, and the implementer and considering any other relevant information (e.g. partner reports, in-country missions), please provide your conclusions and recommendations, documenting where there are deviations from the LFA's assessment and recommendations.

Contributing Factors

Overall B2 Rating or lower in PR FMS Assessment, or weaknesses identified in PR control framework including control environment, roles and responsibilities, risk assessment and design of risk controls, monitoring and oversight, or expenditure documentation requirements and management [Select...](#)

Inadequate bank and cash management procedures and controls at PR or SRs/SSRs (including lack of segregation of duties, inappropriate authorization levels, lack of bank reconciliation), traceability of the funds flow from PR to SRs/SSRs, or verification of accounting records [Select...](#)

B2 Rating or lower in PR FMS Assessment for SR Management and Oversight, or other weaknesses identified in PR oversight over SR/SSR expenditures, implementation activities, monitoring of cash balances, or verification of accountabilities [Select...](#)

given time there are at least 2 permanent signatories and at least one alternating signatory to the account

Evidence for PR/SR Response:

All the necessary supporting documentation such as Purchase orders, receiving reports, and vendor/supplier invoices, are attached to the payment vouchers and are presented with cheques for the signer's review. [Select...](#)

Evidence for PR/SR Response:

The person handling cash receipts does not sign checks, reconcile bank statements, reconcile cash deposits to receipt books, or post to the General Ledger. [Select...](#)

Evidence for PR/SR Response:

An authorized official locks up the unused stocks of receipts and cheque books. [Select...](#)

Evidence for PR/SR Response:

Whenever the authorized official issues stocks of receipts or cheque books, the recipient must sign for them. [Select...](#)

Evidence for PR/SR Response:

A control register is maintained for all cheques and receipt books issued and is reviewed periodically and reconciled to physical stock of cheque and receipt books. [Select...](#)

Evidence for PR/SR Response:

All cash and cheques received are deposited regularly (daily or weekly) in a bank account after being reconciled to receipts. [Select...](#)

Evidence for PR/SR Response:

All cheques are issued in sequence and accounted for. [Select...](#)

Evidence for PR/SR Response:

How often is the bank reconciliation performed? [Select...](#)

Evidence for PR/SR Response:

A senior authorized official reviews the bank reconciliation and signs it. [Select...](#)

Evidence for PR/SR Response:

Please provide an overall conclusion of your assessment for this Section; highlighting key issues/risks and, where appropriate, provide recommendations to the Secretariat on how to manage the risks together with indicative timelines.

Recent or imminent events that may potentially weaken normal control mechanisms and/or increase pressure for fraud, theft or corruption, including natural disasters, civil or military unrest, political change or elections [Select...](#)

Past evidence or indications of fraud, corruption, or thefts or funds, including 'red flags' on procurement and expenditure documents; frequency and value should be considered with reference ranges: Low (< \$20,000), Medium (< \$150,000), High (< \$300,000), Very High (> \$300,000) [Select...](#)

History, allegations, or reputation of previous involvement in fraud, corruption or theft, or material conflicts of interest, by leadership or senior managers within the CCM, PR, SRs, health ministry or health sector including NGOs, as reported in the press or by other sources [Select...](#)

History of recurrent or substantially delayed, incomplete, or inaccurate PR or SR financial or programmatic (M&E) reporting, including external audits, weakening normal controls mechanisms to prevent or detect fraud, corruption, or theft of funds [Select...](#)

Long outstanding reconciling items are investigated and resolved. [Select...](#)

Evidence for PR/SR Response:

7.2 Petty cash management

Pre-numbered receipts are issued in sequence for all monies received. [Select...](#)

Evidence for PR/SR Response:

The official who reconciles cash deposits to receipt books is different from the individual who receives and deposits the cash. [Select...](#)

Evidence for PR/SR Response:

On a regular basis, an individual not involved with cash management verifies that all monies received are accounted for. [Select...](#)

Evidence for PR/SR Response:

Cash received is registered prior to making direct payments or transferring it to the petty cash box. [Select...](#)

Evidence for PR/SR Response:

There is an established **formal handover** of cash box when the person usually responsible for the cash box will not be available for a period of time. [Select...](#)

Evidence for PR/SR Response:

How often is the cash box reconciled to petty cash book, takings (or cash control) book and eventually the cash book? [Select...](#)

Evidence for PR/SR Response:

Petty cash is treated as an imprest fund (a fund with a fixed balance). [Select...](#)


Evidence for PR/SR Response:

7.3 Cash flow

How often do staff members prepare a forecast of cash flow to ensure that adequate funds will be available to meet commitments?

Please summarize the main strengths and weaknesses on the overall section

Please identify key controls and challenges, if any, related to the above section which are or need to be addressed

 File Attachment

Section 8: Fixed Assets Management

IMPLEMENTER INFORMATION

8.1 Fixed assets management

Are fixed assets recorded in a register or computerized management system? [Select...](#)

Evidence for PR/SR Response:

Are fixed assets periodically inventoried according to the established policies and procedures, and all missing items are followed up? [Select...](#)

Evidence for PR/SR Response:

An individual has been appointed or designated as custodian with complete responsibility for each fixed assets. [Select...](#)


Evidence for PR/SR Response:

Does the organisation maintain a logbook for asset movement, especially the vehicles [Select...](#)

Evidence for PR/SR Response:

Please summarize the main strengths and weaknesses on the overall section

Please identify key controls and challenges, if any, related to the above section which are or need to be addressed

 File Attachment

LFA INFORMATION

[Select...](#)

Based on your knowledge of the country, systems, and PR, is the information provided by the PR complete and accurate?

Based on your assessment, does the information provided reflect the reality / true situation and would you consider the system/entity/mechanism to be functional and effective? In conducting your analysis, please take into consideration the following:

- Is there a system of adequate safeguards to protect assets, including the Global Fund grant, from loss, fraud, waste and abuse?

Please provide an overall conclusion of your assessment for this Section; highlighting key issues/risks and, where appropriate, provide recommendations to the Secretariat on how to manage the risks together with indicative timelines.

COUNTRY TEAM INFORMATION

[Select...](#)

Based on your knowledge of the country, systems, and the implementer and considering any other relevant information (e.g. partner reports, in-country missions), please provide your conclusions and recommendations, documenting where there are deviations from the LFA's assessment and recommendations.

Contributing Factors

Inadequate PR fixed assets management procedures and controls [Select...](#)

including: comprehensive and regularly updated fixed assets register, segregation of duties, appropriate authorization levels, depreciation and assets write-off procedures, regular physical inventory

Inadequate PR controls and oversight of SR and SSR non-cash assets [Select...](#)

management (excluding pharmaceutical and health products), including full process from order through delivery and ongoing maintenance, inventory procedures and fixed asset registers, and reconciliation with accounts

Inadequate tracking of assets per financing, or tracking of assets flows from PR to SRs [Select...](#)

Inadequate PR and SR staff levels, skills and experience to develop and implement adequate procedures and controls to identify theft or diversion triggers, including insufficient oversight over financial staff by PR or SR management [Select...](#)

Recent or imminent events that may potentially weaken normal control mechanisms and/or increase pressure for theft or diversion of non-financial assets, including natural disasters, civil or military unrest, political change or elections [Select...](#)

Past evidence or indications of theft or diversion of non-financial assets; both frequency and value of past events should be considered [Select...](#)

History, allegations, or reputation of previous involvement in theft or diversion of assets, or material conflicts of interest, by leadership or senior managers within the CCM, PR, SRs, health ministry or health sector including NGOs, as reported in the press or by other sources [Select...](#)

Section 9: Audit

IMPLEMENTER INFORMATION	LFA INFORMATION Select...	COUNTRY TEAM INFORMATION Select...
<p>9.1 External annual audit</p> <p>Is the organization audited annually by a certified public accounting firm or by government auditors as required by government laws and regulations. Evidence for PR/SR Response: <input type="text"/></p> <p>Does the organisation prepare audit ToRs and agree with the auditor prior to the commencement of the audit? Select... Evidence for PR/SR Response: <input type="text"/></p> <p>Has the Audit Firm been selected through a competitive and transparent process, when the auditor are certified public accounting firms Select... Evidence for PR/SR Response: <input type="text"/></p> <p>The Chief Financial Officer or equivalent (or designee) is required to sign a formal statement confirming that the annual accounts are a true reflection of all financial activities. Select... Evidence for PR/SR Response: <input type="text"/></p> <p>The auditor's opinion on the annual financial statements has been unqualified for Select... The audit report is reviewed by the Chief Finance Officer or Finance Director. Select... Evidence for PR/SR Response: <input type="text"/></p>	<p>Based on your knowledge of the country, systems, and PR, is the information provided by the PR complete and accurate? Select...</p> <p>Based on your assessment, does the information provided reflect the reality / true situation and would you consider the system/entity/mechanism to be functional and effective? In conducting your analysis, please take into consideration the following:</p> <ul style="list-style-type: none">• Were there any major issues brought out in the external audit report or management letters (where these have been issued) in the past 3 years? Has the nominated PR's management subsequently followed up and addressed these issues?• Do the internal audit arrangements enable independent and reliable opinion/reporting? Have suitable actions been taken on material internal audit findings and recommendations? <p>Please provide an overall conclusion of your assessment for this Section; highlighting key issues/risks and, where appropriate, provide recommendations to the Secretariat on how to manage the risks together with indicative timelines.</p> <input type="text"/>	<p>Based on your knowledge of the country, systems, and the implementer and considering any other relevant information (e.g. partner reports, in-country missions), please provide your conclusions and recommendations, documenting where there are deviations from the LFA's assessment and recommendations.</p> <input type="text"/>
<p>9.2 Internal audit</p> <p>Is there an internal audit function within the organisation? Select... Evidence for PR/SR Response: <input type="text"/></p> <p>To whom does the internal audit function directly report to? Select... Evidence for PR/SR Response: <input type="text"/></p> <p>There is an approved internal audit charter that establishes the mandate and line authority for internal audits. Select... Evidence for PR/SR Response: <input type="text"/></p>		

Does the internal audit unit develop an internal audit plan at the beginning of each financial year? [Select...](#)

Evidence for PR/SR Response:

The internal audit unit has received **advanced training**, including overseas exposure if such training is not available within the country. [Select...](#)

Evidence for PR/SR Response:

Does the internal auditor conduct pre or post review of transactions? [Select...](#)

Evidence for PR/SR Response:

How many people are in the audit unit? [Select...](#)

Evidence for PR/SR Response:

Findings are followed upon and issues raised are properly concluded in a timely manner [Select...](#)

Evidence for PR/SR Response:

Areas that are at **high risk** for fraud and of high value are **identified** in the planning process. The internal audit effort emphasizes these areas. [Select...](#)

Evidence for PR/SR Response:

Please summarize the main strengths and weaknesses on the overall section

Please identify key controls and challenges, if any, related to the above section which are or need to be addressed

Section 10: Implementing Partners Management Capacity

IMPLEMENTER INFORMATION

Does the organisation have an appropriate implementing partners management manual covering all the relevant topics? [Select...](#)

LFA INFORMATION

[Select...](#)

Based on your knowledge of the country, systems, and PR, is the information provided by the PR complete and accurate?

COUNTRY TEAM INFORMATION

[Select...](#)

Based on your knowledge of the country, systems, and the implementer and considering any other relevant information (e.g. partner reports, in-country missions), please provide your conclusions and recommendations, documenting

from the selection, assessment to monitoring of SRs?

Evidence for PR/SR Response:

Does the organisation have a system in place to support and monitor implementation of programs at the SR's level?

Select...

Evidence for PR/SR Response:

Does the organization contract with implementing partners within a reasonable timeframe?

Select...

Evidence for PR/SR Response:

Is there a system for recording expenditure and activity carried out by the implementing partners?

Select...

Evidence for PR/SR Response:

Are there staff and systems to provide supportive supervision through site visits, necessary mentoring and sharing of PR systems with the SR?

Select...

Evidence for PR/SR Response:

Has the organisation had previous experiences with managing implementing partners?

Select...

Evidence for PR/SR Response:


Does the organisation have necessary procedures and checks in place to ensure the safeguarding of assets held by implementing partners?

Select...

Evidence for PR/SR Response:

Please summarize the main strengths and weaknesses on the overall section

Please identify key controls and challenges, if any, related to the above section which are or need to be addressed

 File Attachment

Based on your assessment, does the information provided reflect the reality / true situation and would you consider the system/entity/mechanism to be functional and effective? In conducting your analysis, please take into consideration the following:

- Does the PR have necessary procedures and checks in place to ensure the safeguarding of assets held by sub-recipients?
- Comment on whether the PR has sufficient resources and capacity to manage and provide effective oversight over the proposed sub-recipient
- Comment on whether the financial and management information system enables the PR to adequately track sub-recipient expenditures
- What mechanisms will the PR employ to timely identify and analyze problems at sub-recipient level and initiate effective remedial actions?

Please provide an overall conclusion of your assessment for this Section; highlighting key issues/risks and, where appropriate, provide recommendations to the Secretariat on how to manage the risks together with indicative timelines.

where there are deviations from the LFA's assessment and recommendations.

