

Finance and Management Capacity assessment template

Name of organisation:

Address:

Number of employees:
 Approximate annual budget:
 Amount of Grant Requested:
 Date of Assessment

Explanation of scores

Please refer to the table below for explanation of scoring criteria.

Score	Explanation
3	Controls meet best practice
2	Controls meet good practice
1	Controls exists to some extent
0	Control not in place

Please select one option only for each question below by marking "x"

		3	2	1	0
1	GOVERNANCE & CONTROL ENVIRONMENT (Weighting towards overall assessment: 30%)				
	<u>Governance oversight structure</u>				
1.1	There is a Board or other independent committee that oversees the governance of the entity				
1.2	Majority of the board members are independent of management and possess appropriate skills				
1.3	Regular Board meetings are held and appropriate minutes are maintained				
1.4	The entity has a constitution or like document governing the entity				
	<u>Organisational structure and assignment of authority and responsibility</u>				
1.5	An organisational structure exists and reporting lines and responsibilities appear appropriate				
1.6	Program managers have budget management responsibility (i.e. not all managed by the head of the organization) receive regular financial reports (or can access them) relating to their budget area				
1.7	There are appropriated delegated levels of authority and these are documented.				
	<u>Integrity and ethical values</u>				
1.8	Appropriate procedures are in place to deal with possible conflicts of interest at management level				
1.9	There are appropriate policies / procedures in place to deal with fraud matters.				
	<u>Policies and procedures</u>				
1.10	The entity has policies and procedures covering human resources management, integrity, ethical values, governance etc.				
	<u>Planning</u>				
1.11	Entity has processes in place for risk assessment and risk management				
1.12	Entity has a corporate/ strategic plan				
1.13	There is an annual budget that is appropriately approved at the commencement of the year				
	<u>Information and communication</u>				
1.14	Policies, procedures concerning IT is considered appropriate for size of entity				
1.15	Basic controls over IT are in place such as backup, access control, password settings, anti-virus etc				
1.16	The entity has a suitable arrangement in place to seek backup service for IT and IS.				
	<u>Monitoring of controls</u>				
1.17	Management has an ongoing process for monitoring internal control such as through timely review of management accounts.				
	<u>Control Activities</u>				
1.18	There are appropriate level of segregation of duties within the organisation				
1.19	All payments require two signatories; one signatory is independent from operations				
	<u>Resources</u>				
1.20	The entity is adequately staffed in the key areas, including finance.				
1.21	Key personnel (including finance) have appropriate skills and experience relative to their positions				
1.22	All staff receive the training and support they need to carry out their responsibilities				
1.23	The entity has other resources to carry out its daily activities eg: furniture and equipment incl. computers etc				
1.24	The entity has developed plans and multiple income sources to ensure sustainability				
1.25	The entity has measures in place for protection & retention of assets/infrastructure (insurance/disaster management plan/careful and work-related usage by staff)				
2	ACCOUNTING (Weighting towards overall assessment: 20%)				
	<u>Accounting system and policies</u>				
2.1	The entity has documented policies and procedures surrounding finance, accounting and procurement. There is evidence of the same being communicated and followed by relevant staff.				
2.2	Entity has an appropriate accounting software which provides suitable and timely information				
2.3	The entity has a suitable filing system in place ensuring supporting documents for all transactions are appropriately filed for audit trail and retention.				
2.4	The organisation appropriately stores accountable documents and retains them for at least 7 years.				
2.5	Management accounts and reports are prepared and presented to the Management and or Board on a quarterly basis				
2.6	Key general ledger balances are reconciled on a monthly basis, reviewed and filed. These should include Cash and bank balances, debtors, other debtors, fixed assets, creditors, accruals, and amounts owing to / from donors and or grant sub-recipients, etc.				
2.7	On a monthly basis, actual results are monitored against budgeted amounts and differences are explained.				
2.8	The accounting system has been suitably set-up / tailored / utilised to achieve appropriate reporting needs, including tracking different funding sources and related expenditures and reporting to donors/ fund providers.				
2.9	The structure of the accounting/ finance department is appropriate for the volume of transactions				
3	INDEPENDENT EXTERNAL AUDIT (Weighting towards overall assessment: 20%)				
3.1	Financial statements are audited regularly by an independent auditor				

3.2	Formal procedures and terms of reference are in place to contract external auditors				
3.3	The external audit is performed by an audit firm that is a member of an established accounting or auditing body.				
3.4	The audit reports are issued in a timely manner				
3.5	An unmodified audit opinion has been issued over the past three years				
3.6	Recommendations provided by the external auditors are implemented in a timely manner				
4	GRANT MANAGEMENT AND PROCUREMENT (Weighting towards overall assessment: 30%)	3	2	1	0
4.1	The entity has experience in grant/ fund management				
4.2	There are procedures in place to effectively manage grants				
4.3	A grant agreement is in place for each grant received by the entity				
4.4	Using the audited accounts and report, consider whether the entity: - has complied with grant agreements; - has used donor funds for the purpose/ activities they are meant for - has not spent in excess of its budget				
4.4	- maintains adequate documentation supporting expenditures.				
4.5	Controls are in place for accurate cost allocations between different projects (where there are common costs)				
4.6	Donors receive financial reports in the format stipulated in the grant agreement and on time				
4.7	The entity has policies and procedures covering staff travels incl. guidelines, per diem rates, acquittal and accountable advances.				
4.8	The entity has policies and procedures covering procurement (and how it ensures compliance with any donor specific requirements).				

Summary of scores and overall conclusion:

Category	Description	Total Score	Weighting	Weighted score
1	Governance and control environment	-	30%	-
2	Accounting (min. score of 18 required)	-	20%	-
3	Independent External Audit	-	20%	-
4	Grant Management	-	30%	-
Overall Score = scale 0 - 3				

Assessment	
Score	Grade
0 - 0.5	Fail
0.5 - 1	Poor
1 - 2	Can improve
2 - 3	Well Done !

Please fully complete the assessment.

Assessment: Please fully complete the assessment.

Monitoring Activities

Please fully complete the assessment.

Specific Areas to Monitor

List of recommended "specific" areas for PIFS to monitor

Capacity Building Opportunities

Other remarks