

**UNITED NATIONS DEVELOPMENT  
PROGRAMME, ANGOLA**

# **MICRO ASSESSMENT REPORT**

**IP: INSTITUTO ANGOLANO DE SISTEMAS ELEITORAIS  
E DEMOCRACIA**

**SARB & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

**404, Second Floor  
Patparganj Industrial Area  
New Delhi - 110092  
India**

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## ABBREVIATIONS AND ACRONYMS

HACT	:	Harmonized Approach to Cash Transfers
IASED	:	Instituto Angolano de Sistemas Eleitorais e Democracia
INTOSAI	:	International Organization of Supreme Audit Institutions
IP	:	Implementing Partner
KZS	:	Angolan Kwanza
NGO	:	Non Government Organization
OCPCA	:	Ordem Dos Contabilistas E Peritos Contabilistas De Angola
UN	:	United Nations
UNDP	:	United Nations Development Programme
UNEP	:	United Nations Environment Programme
UNFPA	:	United Nations Population Fund
UNICEF	:	United Nations Children's Fund
UNODC	:	United Nations Office on Drugs and Crime
UNOV	:	UN Office in Vienna
US\$	:	United States Dollar

## SECTION – 1

### BACKGROUND, SCOPE AND METHODOLOGY

#### 1.1. BACKGROUND

United Nations Development Programme (UNDP), Angola engaged SARB & Associates to conduct Micro Assessment on **Instituto Angolano De Sistemas Eleitorais E Democracia (IASED)**, located at Rua Comandante Nicolau Gomes Spencer, Edifício 68-B, 4º Andar, Maculusso, Luanda during the period 30-September-2019 to 03-October-2019

The micro assessment is part of the requirements under the Harmonized Approach to Cash Transfers (HACT) Framework. The HACT framework represents a common operational framework for UN agencies' transfer of cash to government and non-governmental implementing partners.

The micro-assessment assesses the IP's control framework. It results in a risk rating (low, moderate, significant or high). The overall risk rating is used by the UN agencies, along with other available information (e.g. history of engagement with the agency and previous assurance results), to determine the type and frequency of assurance activities as per each agency's guideline and can be taken into consideration when selecting the appropriate cash transfer modality for an IP.

#### 1.2 SCOPE

The micro-assessment provides an overall assessment of the Implementing Partner's programme, financial and operations management policies, procedures, systems and internal controls. It includes:

- A review of the IP legal status, governance structures and financial viability; programme management, organizational structure and staffing, accounting policies and procedures, fixed assets and inventory, financial reporting and monitoring, and procurement;
- A focus on compliance with policies, procedures, regulations and institutional arrangements that are issued both by the Government and the Implementing Partner.

#### Scope Limitation

- We have restricted the work to the Terms of Reference. We understand that the procedure to be performed is considered to be sufficient for UNDP purposes in connection with **Instituto Angolano De Sistemas Eleitorais E Democracia (IASED)** assessed by us.
- Our review of the documents and other relevant records of IASED are limited to those document and records provided to us by the implementing partner's management and comprise inquiries and observations and limited tests of transactions on a sample basis, covering the detailed assessment objectives described in assessment scope above.
- We have conducted the assessment in accordance with generally accepted accounting standards.
- Our review of the documents and other relevant records of IASED are limited to those documents and records provided to us. While performing the work, we have assumed that all the signatures were genuine and all the original documents were authentic.

- During the assessment, the firm had discussed with the management of IASSED and in some cases, our assessment is also based on the discussion with management of UNDP.
- The working papers, prepared while conducting the assessment are the property of SARB & Associates, constitute confidential and proprietary information and will be retained by SARB & Associates in accordance with their policies and procedures.
- We have no responsibility to update our report for events and circumstances occurring after the end of our assessment.
- We have assessed the risk attached (e.g low, moderate, significant, high) to each question of subject area based on the responses received and review of relevant documents. However the risk points to each question have been automatically assigned by the Excel spreadsheet using a defined algorithm. The overall risk rating for the IP is also calculated automatically by the excel sheet by using this algorithm.

### 1.3 METHODOLOGY

We performed the micro-assessment from 30-September-2019 to 03-October-2019 at the Head office of the Implementing Partner located at Rua Comandante Nicolau Gomes Spencer, Edifício 68-B, 4º Andar, Maculusso, Luanda, Angola.

Through discussion with management, observation and walk-through tests of transactions, we have assessed the Implementing Partner's and the related internal control system with emphasis on:

- The effectiveness of the systems in providing the Implementing Partner's management with accurate and timely information for management of funds and assets in accordance with work plans and agreements with the United Nations agencies;
- The general effectiveness of the internal control system in protecting the assets and resources of the Implementing Partner.

We discussed the results of the micro assessment with UN agency personnel and the IP prior to finalization of the report. The list of persons met and interviewed during the micro-assessment is set out in Annex III.

### RESULTS

The results of our micro assessment are set out in section 2 below, and our detailed internal control findings and recommendations in section 3.

**Bhushan Agrawal**, Partner  
Membership Number: 408037



**SARB & Associates**  
CHARTERED ACCOUNTANTS

Firm Registration Number: 017437C

Date: 15/10/2019

Place: New Delhi

## SECTION – 2

### SUMMARY OF RISK ASSESSMENT RESULTS

#### (Executive summary of the overall risk assessment)

The table below summarizes the results and main internal control gaps found during application of the micro-assessment questionnaire (in Annex IV). Detailed findings and recommendations are set out in section 3 below.

Tested subject area	Risk assessment*	Brief justification for rating (main internal control gaps)
1. Implementing Partner	Low	<p>The main internal control gaps noticed based on micro-assessment questionnaire are given below. However, the overall risk has been assessed as low.</p> <ul style="list-style-type: none"> <li>An anti-fraud and corruption policy does not exist which could minimize the risk of fraud and corruption. (1.9)</li> </ul>
2. Programme Management	Low	<p>The main internal control gaps noticed based on micro-assessment questionnaire are given below. However, the overall risk has been assessed as low.</p> <ul style="list-style-type: none"> <li>As explained, IASED does not have detailed written policies to develop programmes and plans. Also IP does not have a detailed policy for monitoring and evaluation. (2.1 &amp; 2.4)</li> </ul>
3. Organizational structure and staffing	Moderate	<p>The main internal control gaps noticed based on micro-assessment questionnaire are given below. However, the overall risk has been assessed as moderate.</p> <ul style="list-style-type: none"> <li>A clearly defined recruitment, employment and personnel policy does not exist. (3.1)</li> <li>The IP does not have a training policy of its own and no formal training programmes are organized by IP for its staff as well. The IP largely depends on its donors and other external sources for its trainings needs. (3.5)</li> <li>A documented internal control framework does not exist. (3.8)</li> </ul>
4. Accounting Policies & Procedures	Low	<p>The main internal control gaps noticed based on micro-assessment questionnaire are given below. However, the overall risk has been assessed as low.</p> <ul style="list-style-type: none"> <li>The segregation of duty is missing between recording of expenditure in books and paying for the goods or services as both the functions</li> </ul>

Tested subject area	Risk assessment*	Brief justification for rating (main internal control gaps)
		<p>are managed by Finance Assistant only. (4.6)</p> <ul style="list-style-type: none"> <li>It is noticed that the purchase orders and receiving reports are not prepared. (4.12)</li> <li>Invoices are not marked with 'PAID' stamp after they have been paid for. Also they are not marked with project code and account code. (4.14)</li> <li>The system of preparing time sheets does not exist at present and the salaries of shared or common employees are allocated to multiple projects based on the project budget and agreement with the donor. (4.16)</li> <li>IP's Financial Procedures Manual does not define the policies and procedures which regulate the financial management and reporting system of the IP. (4.19)</li> <li>Dual signatories arrangements do not exist and normally bank transfer letters and cheques are signed by President alone and processed by bank accordingly. (4.20)</li> <li>As explained, IP does not have an internal audit function in place. (4.29)</li> </ul>
5. Fixed Assets and Inventory	Significant	<p>The main internal control gaps noticed based on micro-assessment questionnaire are given below. However, the overall risk has been assessed as significant.</p> <ul style="list-style-type: none"> <li>The fixed asset register as maintained by IP does not include details such as TAG No., Project Code, Donor Name, Custodian etc. (5.1)</li> <li>Fixed asset register was not up to date as certain assets in custody of IP were not included in the register. (5.2)</li> <li>IASSED asserted that the physical verification of the fixed assets takes place once a year. However the process is not documented. (5.3)</li> <li>The fixed assets of IP are not covered by insurance policies. (5.4)</li> </ul>
6. Financial Reporting and Monitoring	Moderate	<p>The main internal control gaps noticed based on micro-assessment questionnaire are given below. However, the overall risk has been assessed as moderate.</p> <ul style="list-style-type: none"> <li>As informed, overall financial statements are</li> </ul>

Tested subject area	Risk assessment*	Brief justification for rating (main internal control gaps)
		<p>not prepared by IP. Only donor specific financial reports are prepared. (6.2)</p> <ul style="list-style-type: none"> <li>IP uses excel spreadsheet to record the transactions relating to projects and a separate cash book and bank book is maintained for each project. No accounting software is used to maintain the books of account. (6.6 &amp; 6.7)</li> </ul>
7. Procurement and Contract Management	Moderate	<p>The main internal control gaps noticed based on micro-assessment questionnaire are given below. However, the overall risk has been assessed as moderate.</p> <ul style="list-style-type: none"> <li>IASSED does not have written procurement policies and procedures in place. (7.1)</li> <li>IASSED does not have a computerized procurement system with access controls etc. (7.3)</li> <li>There is no structured procurement unit and IP's procurement activities are handled by Finance Assistant and by Logistic Assistant who are not considered as expert in procurement. Further they are also not conversant with UN / World Bank / European Union procurement requirements. (7.5 &amp; 7.6)</li> <li>The procurement procedures and templates of contract do not integrate references to the ethical procurement principles and exclusion and ineligibility criteria. (7.9)</li> <li>IP has no guidelines and procedures which assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers/procurement agents. (7.11)</li> <li>IP has no defined process for sourcing of suppliers. Different sourcing practices exist for the procurements of same nature and involving the same value. (7.12)</li> <li>There is no defined process to ensure a secure and transparent bid and evaluation process in place. (7.14)</li> </ul>
<b>Overall Risk Assessment</b>	<b>Moderate</b>	<b>Indicates a developed financial management system and control framework with moderate likelihood of</b>



Tested subject area	Risk assessment*	Brief justification for rating (main internal control gaps)
		potential negative impact on the IP's ability to execute the programme in accordance with the work plan.

\*High, Significant, Moderate, Low

## SECTION – 3

### DETAILED INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS

No.	Description of Finding	Recommendation
<b>1. Implementing Partner</b>		
1	An anti-fraud and corruption policy does not exist which could minimize the risk of fraud and corruption. (Refer point 1.9 of the micro-assessment questionnaire)	IP should develop an anti-fraud and corruption policy in order to manage and prevent any possible fraud or corruption in its organization.
<b>2. Programme Management</b>		
2	As explained, IASED does not have detailed written policies to develop programmes and plans. Also IP does not have a detailed policy for monitoring and evaluation. (Refer point 2.1 & 2.4 of the micro-assessment questionnaire)	IP should design and document its programme development as well as monitoring & evaluation practices in to a detailed written policies and procedures which can serve as a guide in future to develop programmes and plans and to effectively manage its monitoring & evaluation activities.
<b>3. Organizational structure and staffing</b>		
3	As explained by the IP, a clearly defined recruitment, employment and personnel policy does not exist. In the absence of defined policies or procedures, it is difficult to ensure transparency and competition in employment practices. (Refer point 3.1 of the micro-assessment questionnaire)	HR Management Policy should be developed to define all aspects of employee management such as employee code of conduct, recruitment & separation, payroll & benefits, working hours, time sheet & attendance, annual leaves, performance reviews & promotion. This will ensure better transparency and competitiveness in recruitment, employment and personnel practices.
4	The IP does not have a training policy of its own and no formal training programmes are organized by IP for its staff. The IP largely depends on its donors and other external sources for its trainings needs. (Refer point 3.5 of the micro-assessment questionnaire)	The IP should formulate its own training policies and conduct its own training programs on regular intervals as per the need of the organisation. This would help to equip the staff with necessary skills on regular basis and will reduce to far extent the dependence on donor agencies training programs.
5	A documented internal control framework does not exist. (Refer point 3.8 of the micro-assessment questionnaire)	IP should develop an internal control framework to organize and categorize IP's internal controls and the same should be made available to its staff.
<b>4. Accounting Policies &amp; Procedures</b>		

6	The segregation of duty is missing between recording of expenditure in books and paying for the goods or services as both the functions are managed by Finance Assistant. (Refer point 4.6 of the micro-assessment questionnaire)	In order to have enhanced control over processing of payments, the functions of recording of expenditure in books and paying for the goods and services should be duly segregated.
7	It is informed that IP does not follow the practice of issuing Purchase Orders or preparing Goods Receipt Note. Payments to vendors are processed based on invoices received and the approval from Executive Director. (Refer point 4.12 of the micro-assessment questionnaire)	IP should start preparing the purchase orders as well as goods received note to ensure that the quantity and quality of goods received conforms to the terms indicated on the purchase order.
8	Invoices are not marked with 'PAID' stamp after they have been paid for. Also they are not marked with project code and account code. (Refer point 4.14 of the micro-assessment questionnaire)	The invoices should be stamped 'PAID' and relevant vouchers should be clearly marked with project code and account code for better management and reporting of expenditure.
9	The system of preparing time sheets does not exist at present and the salaries of shared or common employees are allocated to multiple projects based on the project budget and agreement with the donor. (Refer point 4.16 of the micro-assessment questionnaire)	The system of preparing time sheets should be introduced to ensure accurate allocation of staff costs amongst multiple projects.
10	IP has written Financial Procedures Manual which mainly consists of the policies relating to submission of proposal with donor, the procedures of agreement with donor, monitoring procedures relating to donor and closing procedures for any project.  However this manual does not define the policies and procedures which regulate the financial management and reporting system of the IP. (Refer point 4.19 of the micro-assessment questionnaire)	IP should develop its financial policies and procedures manual to serve as a guide for better financial management and reporting system.
11	Dual signatories arrangements do not exist and normally bank transfer letters and cheques are signed by President alone and processed by bank accordingly. (Refer point 4.20 of the micro-assessment questionnaire)	It is recommended to have dual signatory arrangement for operating all the bank accounts.

12	As explained, IP does not have an internal audit function in place. (Refer point 4.29 of the micro-assessment questionnaire)	To ensure efficient and effective use of organization resources and to protect those resources from loss and damage, and internal audit function should be in place.
<b>5. Fixed Assets and Inventory</b>		
13	Although IP maintains the fixed asset register for the controlling of assets, but the register does not include details such as TAG No., Project Code, Donor Name, Custodian etc. The incompleteness of the fixed asset register indicates weak internal control over the fixed assets. (Refer point 5.1 of the micro-assessment questionnaire)	In order to have an enhanced internal control over the fixed assets of the organization, an up to date fixed asset register incorporating all key details such as TAG No., Project Code, Donor Name, Custodian etc., should be maintained.
14	Fixed asset register was not up to date as certain assets in custody of IP were not included in the register. (Refer point 5.2 of the micro-assessment questionnaire)	IP should develop a system whereby the fixed assets register is regularly updated to include all the assets in the custody of IP.
15	IASSED asserted that the physical verification of the fixed assets takes place once a year. However the process is not documented. (Refer point 5.3 of the micro-assessment questionnaire)	It is recommended that IP should strive to document the process of physical verification to reap the benefits of physical count of fixed assets.
16	The fixed assets of IP are not covered by insurance policies. (Refer point 5.4 of the micro-assessment questionnaire)	It is recommended that IP should have an insurance cover for all the assets against the possible loss due to theft, damage or destruction.
<b>6. Financial Reporting and Monitoring</b>		
17	As informed, overall financial statements are not prepared by IP. Only donor specific financial reports are prepared. (Refer point 6.2 of the micro-assessment questionnaire)	IP should prepare overall financial statements to ensure financial transparency, monitor the overall performance of IP and to make better decision making, planning and forecasting.
18	IP uses excel spreadsheet to record the transactions relating to projects and a separate cash book and bank book is maintained for each project. No accounting software is used to maintain the books of account. (Refer point 6.6 & 6.7 of the micro-assessment questionnaire)	IP should use an accounting software to maintain the books of account to improve the efficiency and timeliness of the financial reporting system and to reduce the risk of mistakes and unauthorized changes in the books of account maintained on excel spreadsheet.
<b>7. Procurement and Contract Management</b>		

19	IASED does not have written procurement policies and procedures in place. (Refer point 7.1 of the micro-assessment questionnaire)	IP should develop its procurement policies and procedures to regulate the procurement process and to ensure fair and competitive procurements.
20	IASED does not have a computerized procurement system with access controls etc. (Refer point 7.3 of the micro-assessment questionnaire)	IP should have a computerized procurement system to have expedite, transparent and efficient procurement process.
21	There is no structured procurement unit and IP's procurement activities are handled by Finance Assistant and by Logistic Assistant who are not considered as expert in procurement. Further they are also not conversant with UN / World Bank / European Union procurement requirements. (Refer point 7.5 & 7.6 of the micro-assessment questionnaire)	The IP should have a structured procurement unit with defined reporting lines. Further the procurement unit should consist of procurement experts conversant with UN / World Bank / European Union procurement requirements.
22	The procurement procedures and templates of contract do not integrate references to the ethical procurement principles and exclusion and ineligibility criteria. (Refer point 7.9 of the micro-assessment questionnaire)	The IP should strive to develop procurement procedures and templates of contract that incorporate references to the ethical procurement principles and exclusion and ineligibility criteria.
23	IP has no guidelines and procedures which assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers/procurement agents. (Refer point 7.11 of the micro-assessment questionnaire)	IP should develop procurement policy which also includes guidelines to assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers/procurement agents.
24	IP has no defined process for sourcing of suppliers. And different sourcing practices exist for the procurements of same nature and involving same value. (Refer point 7.12 of the micro-assessment questionnaire)	IP should develop and follow competitive and standardized sourcing practices/methods to ensure that procurement opportunities are widely and fairly available to all interested vendors/suppliers.
25	There is no defined process to ensure a secure and transparent bid and evaluation process in place. (Refer point 7.14 of the micro-assessment questionnaire)	IP should introduce a system whereby it develops in advance a pre defined basis/criteria in order to evaluate the offers received and ensures the award of contract to the most eligible bidder.

**ANNEXURES:**

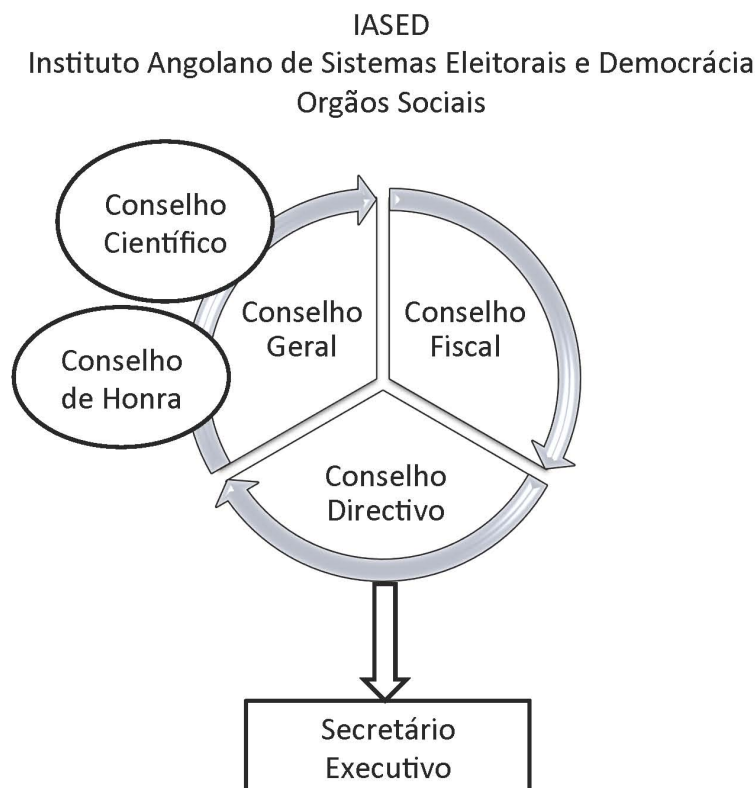
**ANNEX - I**

**Implementing Partner and Programme Information**

Implementing partner name:	Instituto Angolano De Sistemas Eleitorais E Democracia (IASSED)						
Implementing partner code or ID in UNICEF, UNDP, UNFPA records (as applicable)	009165						
Implementing partner contact details (contact name, email address and telephone number):	<p>Name: Luis Kandangongo Jimbo</p> <p>Email: luis.jimbo@iased-angola.org</p> <p>Telephone: +244-92529206/+244-919 583 311</p> <p>Address: Rua Comandante Nicolau Gomes Spencer, Edificio 68-B, 4º Andar, Maculusso, Luanda</p>						
Main programmes implemented with the applicable UN Agency/ies:	<p>1. Support For Angola's Election in 2017</p> <p>2. Post-Elections Technical Assistance</p>						
Key Official in charge of the UN Agency/ies' programme(s):	Luis Kandangongo Jimbo –Executive Director						
Programme location(s):	Angola- Luanda						
Location of records related to the UN Agency/ies' programme(s):	Rua Comandante Nicolau Gomes Spencer, Edificio 68-B, 4º Andar, Maculusso, Luanda						
Currency of records maintained:	Angolan Kwanza						
Expenditures incurred/reported to UNICEF, UNDP and UNFPA (as applicable) during the most recent financial reporting period (in KZS);	<p><b>UNDP</b></p> <table border="1"> <thead> <tr> <th>Year</th><th>Amount (KZS)</th></tr> </thead> <tbody> <tr> <td>2017</td><td>26.420.824,20</td></tr> <tr> <td>2019</td><td>7.296.649,10</td></tr> </tbody> </table>	Year	Amount (KZS)	2017	26.420.824,20	2019	7.296.649,10
Year	Amount (KZS)						
2017	26.420.824,20						
2019	7.296.649,10						
Cash transfer modality/ies used by the UN agency/ies to the IP	Direct Cash Transfers						
Intended start date of micro assessment:	30-September-2019						
Number of days to be spent for visit to IP:	Four Days						
Any special requests to be considered during the micro assessment:	Not Applicable						

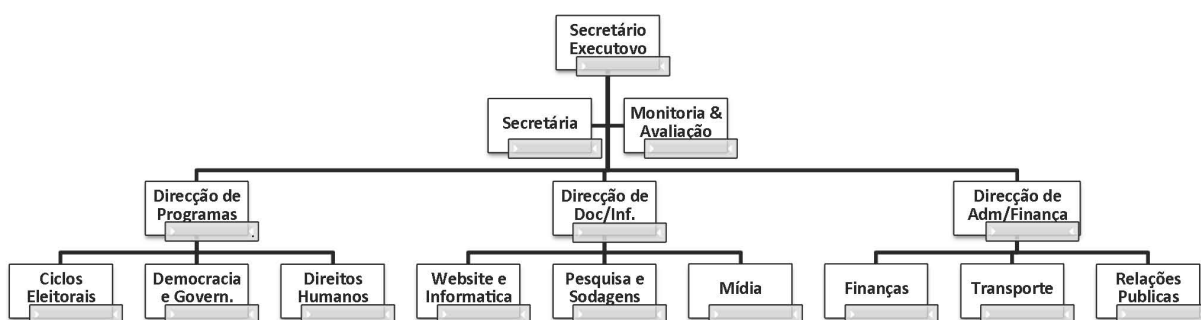
## ANNEXURE - II

### Organization Chart of the Implementing Partner



**Organization Chart of the Implementing Partner**

IASED  
Instituto Angolano de Sistemas Eleitorais e Democracia  
Orgãos Executivos





**ANNEXURE - III**

**List of persons met**

<b>S.NO</b>	<b>Name</b>	<b>Designation</b>
1	Celestino Onesimo Setucula	Program Director
2	Mauricio Nguelese	Financial Director
3	Alfredo Kitubia	Financial Assistant
4	Maria Chamangongo	Project Assistant
5	Elizeth Marisa	Technical

## ANNEXURE - IV

### Micro Assessment Questionnaire

Subject area (key questions in <b>bold</b> )	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
<b>1. Implementing Partner</b>						
<b>1.1 Is the IP legally registered? If so, is it in compliance with registration requirements? Please note the legal status and date of registration of the entity.</b>	Yes			Low	1	<p>Yes, IASED is registered as a Civil Society Organization with Ministry of Justice, Republic of Angola. However the copy of registration was not produced for our verification.</p> <p>It is asserted by the management that IASED was constituted under the provisions of Law 14/91 relating to Private Associations. As per the said law the legal existence of IASED is recognized by certification by notary of Certificate of Admissibility and publication of its Articles of Association in the DR (official gazette of Republic of Angola). However as required by new Law 6/12 relating to Private Associations, IASED is now in the process of updating the registration certificate with Ministry of Justice of Republic of Angola.</p> <p>Accordingly the Certificate of Admissibility (right to use the name) and Articles of Association of the IP as published in the official gazette of the Government of Republic of Angola vide notification number III Serie - N. 88 dated 21st July 2006 were produced to us.</p>
<b>1.2 If the IP received United Nations resources in the past, were significant issues reported in managing the resources, including from previous assurance activities.</b>	Yes			Low	1	<p>Yes, IASED has received funds from United Nations in the past. The details of funds so received are shown in <b>Exhibit 1</b>.</p> <p>IASED confirmed that no significant issues were reported in managing these resources in the past.</p>
<b>1.3 Does the IP have statutory reporting requirements? If so, are they in compliance with such requirements in the prior three fiscal years?</b>		No		Low	1	No, the IP does not have the statutory reporting requirements applicable to it. Although Semester Reports and Annual Reports are submitted to donors as per their requirements.
<b>1.4 Does the governing body meet on a regular basis and perform oversight functions?</b>	Yes			Low	1	<p>IASED has four members in its Governing/Advisory Board. They meet on annual basis to perform oversight functions. Apart from these annual meetings, the Board also meet as and when the need arises to discuss and decide upon the significant issues.</p> <p>List of Governing/Advisory Board is given in <b>Exhibit 2</b>.</p>

**SARB & Associates**  
CHARTERED ACCOUNTANTS

**UNDP** **Micro Assessment Report of IASED**

1.5 If any other offices/ external entities participate in implementation, does the IP have policies and process to ensure appropriate oversight and monitoring of implementation?		No		Low	1	IP has no other offices or external entities which participate in the implementation.																
1.6 Does the IP show basic financial stability in-country (core resources; funding trend) <i>Provide the amount of total assets, total liabilities, income and expenditure for the current and prior three fiscal years.</i>		No		High	8	<p>The key financial indicators of TI over the past three fiscal years are detailed below (figures in Angolan Kwanza):</p> <table><thead><tr><th></th><th>2016</th><th>2017</th><th>2018</th></tr></thead><tbody><tr><td><b>Income</b></td><td>591.037,86</td><td>26.434.599,87</td><td>Nil</td></tr><tr><td><b>Expenses</b></td><td>591.037,86</td><td>26.420.824,20</td><td>Nil</td></tr><tr><td><b>Surplus</b></td><td>-</td><td>13.775,67</td><td>-</td></tr></tbody></table> <p>As informed, the IP had donor funding during year 2017 only out of last three years and during the year 2016 &amp; 2018 it had no donor funding. However during the year 2016, the IP managed funds from its own sources to maintain its operational costs. So the financial indicators for the last three years reveal that the IP does not have financial stability.</p>		2016	2017	2018	<b>Income</b>	591.037,86	26.434.599,87	Nil	<b>Expenses</b>	591.037,86	26.420.824,20	Nil	<b>Surplus</b>	-	13.775,67	-
	2016	2017	2018																			
<b>Income</b>	591.037,86	26.434.599,87	Nil																			
<b>Expenses</b>	591.037,86	26.420.824,20	Nil																			
<b>Surplus</b>	-	13.775,67	-																			
1.7 Can the IP easily receive funds? Have there been any major problems in the past in the receipt of funds, particularly where the funds flow from government ministries?	Yes			Low	1	IASED has been receiving funds from different donor organizations over the past few years and there has not been any major problems in the past for the receipt of funds. The IP gets no funding from the government ministries.																
1.8 Does the IP have any pending legal actions against it or outstanding material/significant disputes with vendors/contractors? <i>If so, provide details and actions taken by the IP to resolve the legal action.</i>		No		Low	1	As informed by IASED, there is no legal action pending against it.																
1.9 Does the IP have an anti-fraud and corruption policy?		No		Significant	3	An anti-fraud and corruption policy does not exist.  <b>Refer to recommendation no.1 mentioned in section 3</b>																
1.10 Has the IP advised employees, beneficiaries and other recipients to whom they should report if they suspect fraud, waste or misuse of agency resources or property? If so, does the IP have a policy against retaliation relating to such reporting?	Yes			Low	1	<p>The employees of IASED have been advised to report to their immediate senior in case they suspect fraud, waste or misuse of agency resources or property and in case immediate senior is involved in such fraud, waste or misuse, to the Advisory Board.</p> <p>The employees who report any fraud, waste or misuse are protected by the Board against retaliation relating to such reporting.</p>																
1.11 Does the IP have any key financial or operational risks that are not covered by this questionnaire? If so, please describe. <i>Examples: foreign exchange risk; cash receipts.</i>			N/A	N/A	-	As explained and reviewed by the assessment team all the key financial or operational risks are covered.																
<b>Total number of questions in subject area:</b>		<b>11</b>																				
<b>Total number of applicable questions in subject area:</b>		<b>10</b>																				
<b>Total number of applicable key questions in subject area:</b>		<b>5</b>																				
<b>Total number of risk points:</b>		<b>19</b>																				
<b>Risk score</b>		<b>1.9</b>																				
<b>Area risk rating</b>		<b>Low</b>																				

Subject area (key questions in <b>bold</b> )	Yes	No	N/A	Risk Assessment	Risk Points	Remarks/comments
<b>2. Programme Management</b>						
2.1. Does the IP have and use sufficiently detailed written policies, procedures and other tools (e.g. project development checklist, work planning templates, work planning schedule) to develop programmes and plans?		No		Moderate	2	As explained, IASED does not have a written manual to develop projects but it develops its own templates for budgeting, work plans and proposal based on the requirements of the donors etc. The budgets are prepared, risk analysis is done and the framework for monitoring and evaluation is laid out.  <b>Refer to recommendation no.2 mentioned in section 3</b>
<b>2.2. Do work plans specify expected results and the activities to be carried out to achieve results, with a time frame and budget for the activities?</b>	Yes			Low	1	The work plan contains full details of the activities proposed, the description of the activities, the location (wherever there are multiple locations) the output expected, the budget, the time frame etc.
2.3 Does the IP identify the potential risks for programme delivery and mechanisms to mitigate them?	Yes			Low	1	The risks are identified at the project design stage. The level of risk is also identified as High, Medium and Low and the action to be taken to mitigate such risks is also documented.
2.4 Does the IP have and use sufficiently detailed policies, procedures, guidelines and other tools (checklists, templates) for monitoring and evaluation?		No		Moderate	2	IASED does not have a detailed policy for monitoring and evaluation. However quarterly monitoring visits are conducted by the Programme Director. For the purpose a M&E framework is developed which incorporates the activities, indicators, output expected, the baseline target, data source etc., and the period of monitoring is identified. As the main activity of the IP is to impart trainings amongst the coalition NGOs, so the monitoring plan is focused upon checking of participants receiving the trainings, the venue booked for training, the agenda of training, the remuneration paid for training, if any. A quarterly monitoring report is prepared and submitted to Executive Director for his review. Monitoring reports are also submitted to donors in the specific format as required by donors.  <b>Refer to recommendation no.2 mentioned in section 3</b>
2.5 Does the IP have M&E frameworks for its programmes, with indicators, baselines, and targets to monitor achievement of programme results?	Yes			Low	1	Yes, as mentioned in point # 2.4, IASED develops a M & E framework for each of its program. The activity wise indicators, baselines, targets data source and the time frame for Monitoring and Evaluation activities are clearly drawn out.
<b>2.6 Does the IP carry out and document regular monitoring activities such as review meetings, on-site project visits, etc.</b>	Yes			Low	1	Quarterly monitoring visits are conducted and documented as well in the form of a monitoring visit report which is submitted to the Executive Director. Quarterly review meetings are also conducted to discuss the achievements and weaknesses in the implementation of activities identified during the monitoring visits.  Although written records of such meetings are not prepared.
2.7 Does the IP systematically collect, monitor and evaluate data on the achievement of project results?	Yes			Low	1	IASED has a system of having progress reports prepared at least twice a year as per the donor requirement. These reports normally contain the progress against each of the identifiable activities during the reporting period and it also incorporates the challenges faced and the
2.8 Is it evident that the IP followed up on independent evaluation recommendations?	Yes			Low	1	As explained, the evaluation recommendations as given by Programme Director, if any are followed by the IP in order to take corrective actions.
<b>Total number of questions in subject area:</b>	<b>8</b>					
<b>Total number of applicable questions in subject area:</b>	<b>8</b>					
<b>Total number of applicable key questions in subject area:</b>	<b>2</b>					
<b>Total number of risk points:</b>	<b>10</b>					
<b>Risk score</b>	<b>1.25</b>					
<b>Area risk rating</b>	<b>Low</b>					

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Subject area (key questions in <b>bold</b> )	Yes	No	N/A	Risk Assessment	Risk Points	Remarks/comments
<b>3. Organizational Structure and Staffing</b>						
<b>3.1 Are the IP's recruitment, employment and personnel practices clearly defined and followed, and do they embrace transparency and competition?</b>		No		Significant	6	As explained by the IP, a clearly defined recruitment, employment and personnel policy does not exist. In the absence of defined policies or procedures, it is difficult to ensure transparency and competition in employment practices.  <b>Refer to recommendation no.3 mentioned in section 3</b>
3.2 Does the IP have clearly defined job descriptions?	Yes			Low	1	Yes, IP has clearly defined job description for all positions.
<b>3.3 Is the organizational structure of the finance and programme management departments, and competency of staff, appropriate for the complexity of the IP and the scale of activities? Identify the key staff, including job titles, responsibilities, educational backgrounds and professional experience.</b>	Yes			Low	1	As informed the Finance and programme management department in IASED, in accordance with its size and nature of operations is adequately staffed by competent and well qualified people. The finance department has a Finance Director and a Finance Assistant and similarly the project department has a Programme Director, Project Coordinator and Electoral Observer. The details of the key Finance and Programme Management staff is attached as Exhibit 3.  The organization Chart of IASED is attached in <b>Annexure II</b> .
<b>3.4 Is the IP's accounting/finance function staffed adequately to ensure sufficient controls are in place to manage agency funds?</b>	Yes			Low	1	As explained in point # 3.3 above, the Finance department is adequately staffed consisting off the Finance Director and a Finance Assistant who ensure that sufficient controls are in place to manage the agency funds.  The details of key staff are attached as <b>Exhibit 3</b> .
3.5 Does the IP have training policies for accounting/finance/ programme management staff? Are necessary training activities undertaken?		No		Significant	3	IASED does not have a training policy in place for training of its staff in accounts, finance and program management departments and no formal training programmes are organized by IP for its staff. However trainings are provided by the donor organizations as and when need arises.  Also the accounting body of Angola - OCPCA regularly conducts the training programme which are attended by the Finance Director being the member of such accounting body. The IP has also facilitated the training of its employees on few occasions through the external training and education organizations.  <b>Refer to recommendation no.4 mentioned in section 3</b>
3.6 Does the IP perform background verification/checks on all new accounting/finance and management positions?		No		Moderate	2	Background verification/checks are not done as employees are recruited from NGOs in coalition with IASED.

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3.7 Has there been significant turnover in key finance positions the past five years? If so, has the rate improved or worsened and appears to be a problem?		No		Low	1	It is informed that there has not been any significant turnover in key financial positions over the past five years. The position of the years of service rendered by finance department staff is given in <b>Exhibit 4</b> .
3.8 Does the IP have a documented internal control framework? Is this framework distributed and made available to staff and updated periodically? If so, please describe.		No		Significant	3	As informed, no Internal control framework exists.  <b>Refer to recommendation no.5 mentioned in section 3</b>
<b>Total number of questions in subject area:</b>	<b>8</b>					
<b>Total number of applicable questions in subject area:</b>	<b>8</b>					
<b>Total number of applicable key questions in subject area:</b>	<b>3</b>					
<b>Total number of risk points:</b>	<b>18</b>					
<b>Risk score</b>	<b>2.25</b>					
<b>Area risk rating</b>	<b>Mode rate</b>					

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Subject area (key questions in <b>bold</b> )	Yes	No	N/A	Risk Assessment	Risk Points	Remarks/comments
<b>4. Accounting Policies and Procedures</b>						
<b>4a. General</b>						
<b>4.1 Does the IP have an accounting system that allows for proper recording of financial transactions from United Nations agencies, including allocation of expenditures in accordance with the respective components, disbursement categories and sources of funds?</b>	Yes			Low	1	IP uses excel spreadsheet to record the transactions relating to project and a separate cash book and bank book is maintained for each project. Based on the expenditure transactions reflected in the cash book and bank book maintained for a particular project, donor reports are prepared in the format as required by the donor.
<b>4.2 Does the IP have an appropriate cost allocation methodology that ensures accurate cost allocations to the various funding sources in accordance with established agreements?</b>	Yes			Low	1	As informed, the IP allocates the common costs to different funding source based on the magnitude of the funding received from each source.
<b>4.3 Are all accounting and supporting documents retained in an organized system that allows authorized users easy access?</b>	Yes			Low	1	All the accounting and supporting documents are kept in safe custody and are made accessible only to the Finance department staff. As per Financial Procedures Manual of IASSED, the documents are kept for a period of 5 years.
<b>4.4 Are the general ledger and subsidiary ledgers reconciled at least monthly? Are explanations provided for significant reconciling items?</b>	Yes			Low	1	As explained in point # 4.1, only the cash book and bank book are maintained on excel spreadsheets to record the expenditures relating to project and are reconciled on monthly basis.
<b>4b. Segregation of duties</b>						
<b>4.5 Are the following functional responsibilities performed by different units or individuals: (a) authorization to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction?</b>	Yes			Low	1	The authorization to execute a transaction is done by Executive Director. The recording of the transaction is carried out by Finance Assistant. Wherever the transaction involves the acquisition of the asset, it remains in the custody of its user.
<b>4.6 Are the functions of ordering, receiving, accounting for and paying for goods and services appropriately segregated?</b>		No		Significant	6	<p>The ordering of goods is done by the Logistics Assistant. And the functions of receiving, accounting for and paying for the goods and services are managed by Finance Assistant after taking payment approval from the Executive Director. Accordingly the Finance Assistant prepares the cheque/bank transfer letter which is signed by the President before it is presented to bank. And if the payment is to be made in cash, the Finance Assistant being the custodian of cash effects the same.</p> <p>The process elaborated above indicates that the segregation of duty is missing between recording of expenditure in books and paying for the goods or services as both the functions are managed by Finance Assistant.</p> <p>It was asserted by the management that due to small level of operations, these functions are being handled by one and same person.</p> <p><b>Refer to recommendation no.6 mentioned in section 3</b></p>

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4.7 Are bank reconciliations prepared by individuals other than those who make or approve payments?			N/A	N/A	-	As explained by IP, as normally there are no differences between balance as per bank statement and that of bank ledger, bank reconciliation statements are not prepared.
<b>4c. Budgeting system</b>						
4.8 Are budgets prepared for all activities in sufficient detail to provide a meaningful tool for monitoring subsequent performance?	Yes			Low	1	Yes, budgets are prepared in sufficient details for all activities carried out by IASED, and it serves as a meaningful tool for monitoring subsequent performance.
4.9 Are actual expenditures compared to the budget with reasonable frequency? Are explanations required for significant variations from the budget?	Yes			Low	1	Yes, expenditure are compared to the budget at the time of submission of financial reports to donors and this comparison is included in the financial report to be submitted to donor.
4.10 Is prior approval sought for budget amendments in a timely way?	Yes			Low	1	For any proposed budget amendment, the Programme Director submits the budget amendment to the Executive Director for his review and approval. After his review, the Executive Director then submits the amendment to donor for its approval. Without the approval of donor, no budget amendment is given effect to.
4.11 Are IP budgets approved formally at an appropriate level?	Yes			Low	1	Programme Director prepares the work plan incorporating the activities required for the project. This work plan is then submitted to Finance Director who allocates the budget to each activity. Once the complete budget is prepared, it is also reviewed by the executive director for further improvement, if any.  Once finalized it is finally submitted to the Advisory Board for final approval. After the board's approval it is submitted to donor for its consideration.
<b>4d. Payments</b>						
4.12 Do invoice processing procedures provide for: · Copies of purchase orders and receiving reports to be obtained directly from issuing departments? · Comparison of invoice quantities, prices and terms with those indicated on the purchase order and with records of goods/services actually received? · Checking the accuracy of calculations?		No		Significant	6	It is informed that IP does not follow the practice of issuing Purchase Orders or preparing Goods Receipt Note due to small volume of existing procurement requirements. Payments to vendors are processed based on invoices received and the approval from Executive Director.  Resultantly the comparison of invoice quantities, prices and terms with those indicated on the purchase order and accuracy of calculations could not be established.  <b>Refer to recommendation no.7 mentioned in section 3</b>
4.13 Are payments authorized at an appropriate level? Does the IP have a table of payment approval thresholds?	Yes			Low	1	It is explained by IASED that all the payments need approval from the Executive Director irrespective of the amount proposed to be paid. Hence payment approval thresholds are not applicable.  Once the invoice is duly approved by the Executive Director, the Finance Assistant initiates the payment process by preparing cheque or bank transfer letter which is reviewed by Finance Director and signed by President as a signatory to the bank. Cash payments are directly effected by Finance Assistant himself being the custodian of cash.



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4.14 Are all invoices stamped 'PAID', approved, and marked with the project code and account code?		No		Significant	6	The practice of affixing 'PAID' stamp including project code and account code does not exist. <b>Refer to recommendation no.8 mentioned in section 3</b>
4.15 Do controls exist for preparation and approval of payroll expenditures? Are payroll changes properly authorized?	Yes			Low	1	The payroll is prepared by the Finance Assistant and it is verified by the Executive Director. It is finally approved by the President for payment to employees. Finance Assistant then prepares the bank transfer letter for the payment of salary to employees.  Any changes in payroll are again approved by the president as part of monthly payroll approval.
4.16 Do controls exist to ensure that direct staff salary costs reflects the actual amount of staff time spent on a project?		No		High	8	The system of preparing time sheets by staff does not exist at present. As informed, the salaries of shared or common employees were allocated to multiple projects based on the project budget and agreement with the donor.  However it is asserted by IP that if need be in the future it will introduce the system of maintaining the time sheets by employees to ensure staff salary costs reflects the actual amount of staff time spent on each project. <b>Refer to recommendation no.9 mentioned in section 3</b>
4.17 Do controls exist for expense categories that do not originate from invoice payments, such as DSAs, travel, and internal cost allocations?	Yes			Low	1	Expenses categories such as DSA payment are regulated by project budget and agreement with the donor, travel claims are reimbursed on actual basis and are supported by internally generated forms as duly approved by the Executive Director. Apart from these there are no other payments which are not supported by an invoice.

<b>4e. Policies and procedures</b>						
4.18 Does the IP have a stated basis of accounting (i.e. cash or accrual) and does it allow for compliance with the agency's requirement?	Yes			Low	1	IASSED follows cash basis of accounting.
4.19 Does the IP have an adequate policies and procedures manual and is it distributed to relevant staff?		No		Significant	3	IP has written Financial Procedures Manual which mainly consists of the policies relating to submission of proposal with donor, the procedures of agreement with donor, monitoring procedures relating to donor and closing procedures for the any project.  However this manual does not define the policies and procedures which regulate the financial management and reporting system of the IP. <b>Refer to recommendation no.10 mentioned in section 3</b>

<b>4f. Cash and bank</b>						
<b>4.20 Does the IP require dual signatories / authorization for bank transactions? Are new signatories approved at an appropriate level and timely updates made when signatories depart?</b>		No		High	8	<p>IP has three bank accounts and to each bank account, two signatories are designated. However dual signatories arrangements do not exist and normally bank transfer letters and cheques are signed by President alone and processed by bank accordingly.</p> <p>Changes in the signatories are approved at an appropriate level and timely updated in the relevant bank. Details of bank accounts maintained by IP are given in <b>Exhibit 5</b>.</p> <p><b>Refer to recommendation no.11 mentioned in section 3</b></p>
<b>4.21 Does the IP maintain an adequate, up-to-date cashbook, recording receipts and payments?</b>	Yes			Low	1	As informed, IASED maintains an adequate and up to date cash book recording therein all the receipts and payments.
4.22 If the partner is participating in micro-finance advances, do controls exist for the collection, timely deposit and recording of receipts at each collection location?			N/A	N/A	-	IASED is not participating in any micro finance activities.
<b>4.23 Are bank balances and cash ledger reconciled monthly and properly approved? Are explanations provided for significant, unusual and aged reconciling items?</b>	Yes			Low	1	<p>As explained by IP, as normally there are no differences between balance as per bank statement and that of bank ledger, bank reconciliation statements are not prepared.</p> <p>Cash ledgers are reconciled once in a month by Finance Assistant and it is approved by the Finance Director.</p> <p>As explained, there have been no significant variances noted in the past.</p>
<b>4.24 Is substantial expenditure paid in cash? If so, does the IP have adequate controls over cash payments?</b>		No		Low	1	As per the practice followed, the limit for payment in cash is Kwanza 100,000. Therefore there is no major cash expenditure and IASED has adequate control over cash payments.
4.25 Does the IP carry out a regular petty cash reconciliation?			N/A	N/A	-	Not applicable as IP does not maintain petty cash.
4.26 Are cash and cheques maintained in a secure location with restricted access? Are bank accounts protected with appropriate remote access controls?	Yes			Low	1	<p>Cash and cheques both are kept in a safe which is located in the office of Executive Director. The access to this safe is restricted only to Executive Director and Finance Assistant.</p> <p>As IP does not uses online banking so remote access controls are not needed.</p>
4.27 Are there adequate controls over submission of electronic payment files that ensure no unauthorized amendments once payments are approved and files are transmitted over secure/encrypted networks?			N/A	N/A	-	As explained in point # 4.26, IP does not uses online banking so control over electronic payments are not needed.

**4g. Other offices or entities**

<b>4.28 Does the IP have a process to ensure expenditures of subsidiary offices/ external entities are in compliance with the work plan and/or contractual agreement?</b>			N/A	N/A	-	IP has no sub offices or external entities which support in the implementation of project activities.
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**4h. Internal audit**

4.29 Is the internal auditor sufficiently independent to make critical assessments? To whom does the internal auditor report?		No		Significant	3	As explained, IP does not have an internal audit functions in place. <b>Refer to recommendation no.12 mentioned in section 3</b>
4.30 Does the IP have stated qualifications and experience requirements for internal audit department staff?			N/A	N/A	-	IP does not have an internal auditor and hence not applicable
4.31 Are the activities financed by the agencies included in the internal audit department's work programme?			N/A	N/A	-	IP does not have an internal auditor and hence not applicable
4.32 Does the IP act on the internal auditor's recommendations?			N/A	N/A	-	IP does not have an internal auditor and hence not applicable

<b>Total number of questions in subject area:</b>	<b>32</b>					
<b>Total number of applicable questions in subject area:</b>	<b>24</b>					
<b>Total number of applicable key questions in subject area:</b>	<b>17</b>					
<b>Total number of risk points:</b>	<b>57</b>					
<b>Risk score</b>	<b>2.38</b>					
<b>Area risk rating</b>	<b>Low</b>					

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Subject area (key questions in <b>bold</b> )	Yes	No	N/A	Risk Assessment	Risk Points	Remarks/comments
<b>5. Fixed Assets and Inventory</b>						
<b>5a. Safeguards over assets</b>						
5.1 Is there a system of adequate safeguards to protect assets from fraud, waste and abuse?		No		Significant	3	Although IP maintains the fixed asset register for the controlling of assets, but the register does not include details such as TAG No., Project Code, Donor Name, Custodian etc., The incompleteness of the fixed asset register indicates weak internal control over the fixed assets.  <b>Refer to recommendation no.13 mentioned in section 3</b>
5.2 Are subsidiary records of fixed assets and inventory kept up to date and reconciled with control accounts?		No		Significant	3	Fixed asset register was not up to date as certain assets in custody of IP were not included in the register.  <b>Refer to recommendation no.14 mentioned in section 3</b>
5.3 Are there periodic physical verification and/or count of fixed assets and inventory? If so, please describe?		No		Significant	3	IASSED asserted that the physical verification of the fixed assets takes place once a year. However the process is not documented.  <b>Refer to recommendation no.15 mentioned in section 3</b>
5.4 Are fixed assets and inventory adequately covered by insurance policies?		No		Significant	3	The assets are not covered by insurance policies.  <b>Refer to recommendation no.16 mentioned in section 3</b>
<b>5b. Warehousing and inventory management</b>						
<b>5.5 Do warehouse facilities have adequate physical security?</b>			N/A	N/A	-	There is no warehouse facility with the IASSED.
5.6 Is inventory stored so that it is identifiable, protected from damage, and countable?			N/A	N/A	-	There is no inventory and therefore it is not applicable.
<b>5.7 Does the IP have an inventory management system that enables monitoring of supply distribution?</b>			N/A	N/A	-	There is no inventory and therefore it is not applicable.
5.8 Is responsibility for receiving and issuing inventory segregated from that for updating the inventory records?			N/A	N/A	-	There is no inventory and therefore it is not applicable.
5.9 Are regular physical counts of inventory carried out?			N/A	N/A	-	There is no inventory and therefore it is not applicable.
<b>Total number of questions in subject area:</b>	<b>9</b>					
<b>Total number of applicable questions in subject area:</b>	<b>4</b>					
<b>Total number of applicable key questions in subject area:</b>	<b>0</b>					
<b>Total number of risk points:</b>	<b>12</b>					
<b>Risk score</b>	<b>3</b>					
<b>Area risk rating</b>	<b>Significant</b>					

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Subject area (key questions in <b>bold</b> )	Yes	No	N/A	Risk Assessment	Risk Points	Remarks/comments
<b>6. Financial Reporting and Monitoring</b>						
6.1 Does the IP have established financial reporting procedures that specify what reports are to be prepared, the source system for key reports, the frequency of preparation, what they are to contain and how they are to be used?	Yes			Low	1	IP prepares and submits financial report to its donor as per the requirement of donors with respect to content and format of reports and the frequency for their submission. Further there is no statutory requirement applicable to IP to submit its financial reports to any agency of the government.
6.2 Does the IP prepare overall financial statements?		No		Significant	3	As informed, overall financial statements are not prepared by IP. <b>Refer to recommendation no.17 mentioned in section 3</b>
<b>6.3 Are the IP's overall financial statements audited regularly by an independent auditor in accordance with appropriate national or international auditing standards? If so, please describe the auditor.</b>		No		Low	1	As informed by IP, there is no statutory requirement applicable to IP for the audit of its financial statements. It is also informed that donor audit are conducted by the donors for their projects.
<b>6.4 Were there any major issues related to ineligible expenditure involving donor funds reported in the audit reports of the IP over the past three years?</b>		No		Low	1	There were no major issues related to ineligible expenditure involving donor funds as reported in the donor audit report issued during past three years.
6.5 Have any significant recommendations made by auditors in the prior five audit reports and/or management letters over the past five years and have not yet been implemented?		No		Low	1	No significant recommendations were made by the auditors in their report issued during past five years that has not been implemented.
<b>6.6 Is the financial management system computerized?</b>		No		Significant	6	As explained in point # 4.1, IP uses excel spreadsheet to record the transactions relating to project and a separate cash book and bank book is maintained for each project. No accounting software is used to maintain the books of account. <b>Refer to recommendation no.18 mentioned in section 3</b>
6.7 Can the computerized financial management system produce the necessary financial reports?		No		Significant	3	Excel spreadsheets being in use for maintaining accounting information, are not capable of producing necessary financial reports. <b>Refer to recommendation no.18 mentioned in section 3</b>
6.8 Does the IP have appropriate safeguards to ensure the confidentiality, integrity and availability of the financial data? <i>E.g. password access controls; regular data back-up.</i>	Yes			Low	1	Only the finance unit of IASED has the access to the system which maintain the accounts and it is password protected.  Physical documents are stored in a designated room with restricted access to finance staff only.  Back up of the accounting data is done on weekly basis. Offsite back up of these data are also available.
<b>Total number of questions in subject area:</b>	<b>8</b>					
<b>Total number of applicable questions in subject area:</b>	<b>8</b>					
<b>Total number of applicable key questions in subject area:</b>	<b>3</b>					
<b>Total number of risk points:</b>	<b>17</b>					
<b>Risk score</b>	<b>2.13</b>					
<b>Area risk rating</b>	<b>Mode</b>					

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Subject area (key questions in <b>bold</b> )	Yes	No	N/A	Risk Assessment	Risk Points	Remarks/comments
<b>7. Procurement and Contract Administration</b>						
<b>7a. Procurement</b>						
7.1 Does the IP have written procurement policies and procedures?		No		Significant	3	As explained IASED does not have written procurement policies and procedures in place.  <b>Refer to recommendation no.19 mentioned in section 3</b>
7.2 Are exceptions to procurement procedures approved by management and documented ?			N/A	N/A	-	As explained in point # 7.1, IP does not have written procurement policies and procedures, hence this question is not applicable.
7.3 Does the IP have a computerized procurement system with adequate access controls and segregation of duties between entering purchase orders, approval and receipting of goods? Provide a description of the procurement system.		No		Significant	3	IASED does not have a computerized procurement system with access controls etc. Further the practice of issuing purchase orders and preparing goods received notes does not exist.  <b>Refer to recommendation no.20 mentioned in section 3</b>
7.4 Are procurement reports generated and reviewed regularly? Describe reports generated, frequency and review & approvers.		No		Moderate	2	The management asserted that as there are no major procurements involved in their project activities, hence there is no system of generating procurement reports for management review purpose.
7.5 Does the IP have a structured procurement unit with defined reporting lines that foster efficiency and accountability?		No		Significant	3	There is no structured procurement unit and IP's procurement activities are handled by Finance Assistant and by Logistic Assistant. Logistic Assistant is responsible for obtaining quotation and for the purchasing of goods. Whereas the Finance Assistant is responsible for obtaining purchase authorization as well as payment approval from Executive Director and for making the payment to vendor.  However it is asserted by the management that as there are no major procurements involved in their project activities, hence a separate procurement unit is not required/established.  <b>Refer to recommendation no.21 mentioned in section 3</b>

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7.6 Is the IP's procurement unit resourced with qualified staff who are trained and certified and considered experts in procurement and conversant with UN / World Bank / European Union procurement requirements in addition to the a IP's procurement rules and regulations?		No		Significant	3	<p>As explained in point # 7.5, there is no procurement unit in the IP's organization. Procurement functions are managed by Finance Assistant and Logistic Assistant who although cannot be considered expert in procurement.</p> <p>Further they are also not conversant with UN / World Bank / European Union procurement requirements.</p> <p>However it is informed that considering the nature and volume of procurements involved, the present staff entrusted with procurement responsibilities is considered appropriate.</p> <p><b>Refer to recommendation no.21 mentioned in section 3</b></p>
7.7 Have any significant recommendations related to procurement made by auditors in the prior five audit reports and/or management letters over the past five years and have not yet been implemented?		No		Low	1	<p>IASSED informed that the auditors have not made any significant recommendations related to procurement in the audit report and/or management letters issued over the past five years. Therefore, the implementation of the same does not arise.</p>
<b>7.8 Does the IP require written or system authorizations for purchases? If so, evaluate if the authorization thresholds are appropriate?</b>	Yes			Low	1	<p>IP requires written authorizations for all of its purchases from the Executive Director irrespective of the amount involved in the procurement as no thresholds are applicable.</p>
7.9 Do the procurement procedures and templates of contracts integrate references to ethical procurement principles and exclusion and ineligibility criteria?		No		Significant	3	<p>No, the procurement procedures and the templates of contract does not integrate references to the ethical procurement principles and exclusion and ineligibility criteria.</p> <p><b>Refer to recommendation no.22 mentioned in section 3</b></p>
<b>7.10 Does the IP obtain sufficient approvals before signing a contract?</b>	Yes			Low	1	<p>Yes, contracts are signed by the Executive Director and sufficient approvals are obtained before signing of a contract.</p>
7.11 Does the IP have and apply formal guidelines and procedures to assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers/procurement agents? If so, how does the IP proceed in cases of conflict of interest?		No		Significant	3	<p>As explained in point # 7.1, IASSED does not have written procurement policies and procedures. Accordingly guidelines and procedures to assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers/procurement agents does not exist.</p> <p>However it is informed by the IP that it has not come across any situation of conflict in the past.</p> <p><b>Refer to recommendation no.23 mentioned in section 3</b></p>
<b>7.12 Does the IP follow a well-defined process for sourcing suppliers? Do formal procurement methods include wide broadcasting of procurement opportunities?</b>		No		Significant	6	<p>IP has no defined process for sourcing of suppliers to ensure wide broadcasting of procurement opportunities. Different sourcing practices exist for the procurements of same nature and involving same value.</p> <p><b>Refer to recommendation no.24 mentioned in section 3</b></p>

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7.13 Does the IP keep track of past performance of suppliers? E.g. database of trusted suppliers.		No		Moderate	2	It is informed that IASSED does not formally keep track of past performance of suppliers.
<b>7.14 Does the IP follow a well-defined process to ensure a secure and transparent bid and evaluation process? If so, describe the process.</b>		No		Significant	6	As written procurement policies and procedures do not exist, there is no defined process to ensure a secure and transparent bid and evaluation process in place.  <b>Refer to recommendation no.25 mentioned in section 3</b>
<b>7.15 When a formal invitation to bid has been issued, does the IP award the contract on a pre-defined basis set out in the solicitation documentation taking into account technical responsiveness and price?</b>	Yes			Low	1	As informed by IP, formal invitations to bid are not issued.
7.16 If the IP is managing major contracts, does the IP have a policy on contracts management / administration?			N/A	N/A	-	IP informed us that there are no major contracts.
<b>7b. Contract Management - To be completed only for the IPs managing contracts as part of programme implementation. Otherwise select N/A for risk assessment</b>						
7.17 Are there personnel specifically designated to manage contracts or monitor contract expirations?			N/A	N/A	-	It is asserted that this is not applicable to IP.
7.18 Are there staff designated to monitor expiration of performance securities, warranties, liquidated damages and other risk management instruments?			N/A	N/A	-	Not applicable
7.19 Does the IP have a policy on post-facto actions on contracts?			N/A	N/A	-	Not applicable
7.20 How frequent do post-facto contract actions occur?			N/A	N/A	-	Not applicable
<b>Total number of questions in subject area:</b>	<b>20</b>					
<b>Total number of applicable questions in subject area:</b>	<b>14</b>					
<b>Total number of applicable key questions in subject area:</b>	<b>5</b>					
<b>Total number of risk points:</b>	<b>38</b>					
<b>Risk score</b>	<b>2.71</b>					
<b>Area risk rating</b>	<b>Mode</b>					



**Bhushan Agrawal, Partner**  
**Membership Number: 408037**



**SARB & Associates**  
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**Firm Registration Number: 017437C**

Date: 15/10/2019

Place: New Delhi

**Exhibit 1:**

**Details of funds received by IP from UN Agencies**

S. No.	Project Title	Sponsor	Amount Received (US\$)	Date of Receipt	Project Period
1	00105574	TRAC UNDP	65.363,69	13/06/2019	2017
2	00105574	10480 USAID	53.887,22	13/06/2017	2017
3	00105574	10480 USAID	13.299,82	17/12/2017	2017
4	00113943	00187 NORWAY	29.183,75	30/01/2019	2019

**Exhibit 2:**

**Details of Governing Body/Advisory Body**

S. No.	Name	Designation
1	Agostinho Antonio Santos	President of Board
2	Hermenegildo Manuel Avelino	Vice President
3	Walter Filipe	Member
4	Luis Kandangongo	Member

**Exhibit 3**

**Details of programme management and finance staff**

<b>S. No.</b>	1
<b>Name</b>	Mauricio Munene Nguelessi
<b>Designation</b>	Financial Director
<b>Qualifications</b>	Accounting Expert
<b>Job Profile / Responsibilities</b>	<ul style="list-style-type: none"> <li>• Responsável pelo controlo financeiro e do sistema de contabilidade e dos procedimentos financeiros;</li> <li>• Gerir e administrar o sistema financeiro da Instituição reportando directamente ao Gestor de Programa;</li> <li>• Responsável pelas operações contabilísticas e financeira;</li> <li>• Apresentar relatórios de contas, as reconciliação financeira e acompanhar os serviços de auditorias externas das contas do IASSED</li> <li>• Supervisionar a equipa de apoio a administração e gestão geral da organização.</li> </ul>
<b>Professional Experience</b>	Accounting Training
<b>Since in the</b>	5 years of experience in Accounting

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<b>S. No.</b>	2
<b>Name</b>	Alfredo Kitubia
<b>Designation</b>	Financial Assistant
<b>Qualifications</b>	Expert in Administration
<b>Job Profile / Responsibilities</b>	<ul style="list-style-type: none"> <li>• Responsável do caixa diário;</li> <li>• Organizar os registos financeiros diários;</li> <li>• Velar pelos pedidos administrativos e financeiros</li> <li>• Efectuar pagamentos e facturas.</li> </ul>
<b>Professional Experience</b>	Accounting Training
<b>Since in the Organization</b>	3 years of Experience

<b>S. No.</b>	3
<b>Name</b>	Celestino Onesimo Setucula
<b>Designation</b>	Programs Director
<b>Qualifications</b>	High school Technical
<b>Job Profile / Responsibilities</b>	<ul style="list-style-type: none"> <li>• Coadjuvar o Gestor do Projecto nas acções correntes;</li> <li>• Coordenar as actividades a nível local e nacional prestando assistência técnica profissional sobre observação eleitoral e monitoria de governação aos oficiais dos projectos;</li> <li>• O Coordenar e gerir o Sistema de Avaliação e Monitoria dos Indicadores de Resultados e dos Relatórios Periódicos de Impacto da Acção;</li> <li>• Auxiliar as outras unidades conexas a gestão do Projecto;</li> <li>• Representar da Instituição sempre que solicitado e indicado pelo Gestor do Projecto e fóruns institucionais.</li> </ul>
<b>Professional Experience</b>	Expert in NGO's training
<b>Since in the Organization</b>	International Observer and Expert in BRIDGE Programs

<b>S. No.</b>	4
<b>Name</b>	Maria Crist Sebastiao Domingos Chamangongo
<b>Designation</b>	Project Assistant
<b>Qualifications</b>	Lawyer
<b>Job Profile / Responsibilities</b>	<ul style="list-style-type: none"> <li>• Planificar as acções de monitoria do Eixo 4- Plano Nacional de Desenvolvimento;</li> <li>• Auxiliar os monitores e supervisores das unidades tecnicas de monitoria ao nivel das Dioceses e das 18 provincias;</li> <li>• Conceber planos de formação, superação e articulação dos monitores e supervisores desde as acções locais ao topo.</li> </ul>
<b>Professional</b>	Conflict Resolution Expert

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<b>Experience</b>	
<b>Since in the Organization</b>	Project sustainability

<b>S. No.</b>	5
<b>Name</b>	Elizath Marisa
<b>Designation</b>	Assistente de Projectos de Observco e Governco Local
<b>Qualifications</b>	Lawyer
<b>Job Profile / Responsibilities</b>	<ul style="list-style-type: none"> <li>• Planificar as acções de observação e Governação local;</li> <li>• Garantir a ligação institucional entre os observadores e supervisores por intermedio de instrumentos tecnicos do sistema de observação eleitoral;</li> <li>• Coordenar os Centros Provincias de Comando permitindo o fluxo de informação e introdução dos dados no Sistema Nacional de Observação;</li> <li>• Coordenar os planos de de formação, superação e articulação dos observadores e sua distribuição nas respectivas assembleia de votos. locais ao topo.</li> </ul>
<b>Professional Experience</b>	Law training
<b>Since in the Organization</b>	Attorney Experience

<b>S. No.</b>	6
<b>Name</b>	Bartolomeu Manuel
<b>Designation</b>	Logistic Assistant
<b>Qualifications</b>	Logistic
<b>Job Profile / Responsibilities</b>	<ul style="list-style-type: none"> <li>• Responsável das tarefas de negociação e aquisição de bens, equipamentos e serviços aos fornecedores;</li> <li>• Auxiliar o assistente financeiro na verificação e seguimento dos procedimentos e boas praticas financeira com base do regulamento interno e da legislação avulsa sobre branqueamento de capitais.</li> </ul>
<b>Professional Experience</b>	Administration
<b>Since in the Organization</b>	Management

#### Exhibit 4 Turnover of Staff

S. No.	Year	Total number of Staff in finance	Number of staff resigned / left/ terminated in Finance
1	2014	2	1
2	2015	2	1

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3	2016	2	0
4	2017	2	0
5	2018	2	0

### Exhibit 5 Bank Details

<b>S. No.</b>	1
<b>Bank Name</b>	BFA
<b>Bank A/c No.</b>	4844331230001 – USD/Euro/Kwanza
<b>Branch</b>	Dependencia Amicar Cabral ( Serpa Pinto)
<b>Signatories to Bank A/c</b>	Agostinho Antonio Santos & Walter Filipe
<b>Monetary Limits, if any</b>	Not Applicable

<b>S. No.</b>	2
<b>Bank Name</b>	BAI
<b>Bank A/c No.</b>	112404775.10.001 - Kwanza
<b>Branch</b>	Dependencia Sequele (0564)
<b>Signatories to Bank A/c</b>	Luis Kandangongo Jimbo & Mauricio Munene Nguelessi
<b>Monetary Limits, if any</b>	Not Applicable

<b>S. No.</b>	3
<b>Bank Name</b>	Banco Sol
<b>Bank A/c No.</b>	126357050000/5001 - Kwanza
<b>Branch</b>	Balçaõ Sede
<b>Signatories to Bank A/c</b>	Agostinho Santos & Walter Filipe
<b>Monetary Limits, if any</b>	Not Applicable