Partners Financial Monitoring/Assessment Checklist for Non-Financial Staff

Staff Member Name: ______________________________ **Job Title:** ______________________________ **Visit Dates** ________________

Name of Partner Organisation ______________________________________ **Project funded** ______________________________________

ISSUES TO BE EXPLORED	RESPONSE AND FINDINGS	PRIORITY TOP/ MEDIUM/ LOW
GOVERNANCE & INTERNAL CONTROL ❑ Is the organisation accurately registered with local regulatory body. ❑ Is there a separate finance committee within the governing body, if yes then how often they meet? Obtain copy of their last meeting minutes/notes. ❑ Do you have a Procedure manual? If yes when it was last updated? Obtain a copy to check various issues to be discussed next. ❑ How many people are involved in a transaction approval process? Cross checks with a last week expenditure and see how these are applied.		
BANKING & CASH HANDLING ❑ What is your bank account policy e.g. how many accounts should be open and who are the signatories? Pick up any bank account and find how signatories are they exercising their role in last few transactions. ❑ Dou you have a petty cash system? What is the level of cash transactions and who are the people mainly involved in cash transaction? How the practice relate to the guideline of procedure manual?		
FINANCIAL PLANNING & BUDGETING ❑ Is the financial resource unit is led by a person trained for that purpose and how they integrate with other units within the organisation? ❑ Do you have a consolidated budget for the whole organisation incorporating individual project budgets? Are these budgets clearly communicated to all relevant implementing managers ? See how consolidated budget, which is often on yearly basis match with project		

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COST EFFECIENCY ❑ Are purchases carried out through competitive pricing and transparent comparison of several offers? Check some recent purchase ❑ What kind of cost efficiency measure you have? Get some example.		
ACCOUNTING ❑ Do you have documented flow of financial information that is applied to day to day accounting? Is the accounting kept in manual or computerised system? Ask them what are the main difficulty/challenges they face in day to day accounting. ❑ Do people other than finance staff have direct access to accounting information either electronically or manually?		
TRANSPARENCY AND REPORTING ❑ How often internal financial reports are produced, how it is distributed and discussed among team? ❑ Look at last three donors reports and find whether it was late and any correspondence with donors to adjust figures? ❑ Does you financial report includes a narrative section on top of number? ❑ What are the financial management capacity building (e.g training and mentoring for staff etc) actions you have taken or taking ?		

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AUDIT AND EVALUATION ❑ Do you have an internal audit function, if not how do you ensure a check and balance? If available get a copy of last audit report. ❑ Doe your organisation require external audit by the regulatory body in your country. If yes who select the auditors and when last audit was done? ❑ Does your external auditor provide a management report? If yes then obtain a copy and see the issues raised by auditors.		
FEEDBACK ON YOU e.g. DONOR ❑ Ask them what issue they would like you to improve in the partnership relation in terms of finance.		

Note : a) The priority level is based on the next courses of action required after the assessment done. b) Estimated time to complete the exercise is 3 - 4 hours.

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Guidance Notes :

Objective: This checklist helps non-financial staff to assess the financial performance and internal control of partners' organisation. This will be applied in an interactive manner and there is no rating system. After going through this checklist anyone can make a sense of the level of issues partner require attention/improvement.

Typical Scenario where this could be used: XYZ organisation is a charity based in London. It is implementing programmes through a number of partner organisations in Africa, Asia and South America. While partner organisations are responsible for maintaining adequate financial control to meet their local regulatory requirements and is responsible to ensure project implementation as agreed with XYZ. XYZ is the grant manager and is fully accountable to its donor e.g. DFId, EU, Ford Foundation, etc. The charity has very limited number of finance staff based on London. Therefore, it is expected that non-finance staff e.g. Project Officer, Desk officers, etc. who regularly visit partners will be able to use this tool to monitor the financial performance of relevant partners. This is to assess the overall internal conbtrol and check and balance of the partners therefore apply to the whole organisation rather projects only.

Disclaimer: This is produced as a general guidance only and care must be taken for the specific situation where to apply. Relevant professional advice must be obtained where necessary, and we shall not be liable for any loss due to the use of this guide.