Regional Accreditation Workshop For Africa Region

Saly, Senegal
5th & 6th Sept, 2011

Fiduciary Standard

Fiduciary Standards

- **The Fiduciary Standard is a reference framework of Policies, Systems and practices which are required by an organization to effectively manage funds and projects on a sustainable basis**

- **The 3 major areas of the Fiduciary Standard are:**

   1. Financial Management and Integrity

   2. Institutional Capacity

   3. Transparency, self-investigative powers, and anti-corruption measures

Fiduciary Standards

- **An applicant NIE is required to provide adequate documentary evidence of both the framework and its implementation in respect of all the key parameters of the Fiduciary Standard to the Adaptation Fund**

- **The Adaptation fund also considers experience in handling large projects, especially those relating to climate change**

Financial Management and Integrity

- **Legal Status**
- **Financial Statements and Audit Requirements**
- **Internal Control Framework**
- **Preparation of Business Plans and Budgets**

Institutional Capacity

- **Procurement**
- **Project Preparation and Approval**
- **Project implementation Planning and Quality-at-entry Review**
- **Project Monitoring and Evaluation**
- **Project Closure and Final Evaluation**

Transparency, self-investigative powers, and anti-corruption

- **Handling Financial Mismanagement and other Malpractices**

Legal Status

1. **Documents providing clear demonstration of legal status and mandate**

    1. **- Provide separate letter confirming legal status if necessary**

2. **List of foreign loan/donor funds handled over the last 2 years**

Financial Statements and Audit Requirements

1. Audited Financial Statements including project account statements

2. External Auditor Reports with management comments and responses

3. Audit Committee's Terms of Reference and minutes of meetings

4. Name and brief description of accounting package used

Financial Statements and Audit Requirements

5. Policy/charter and other published documents (like manuals) that outline the entity's internal auditing function

6. Copies of internal audit plans for last 2 years and the current year

7. List of internal audit reports of last 2 years and sample reports

8. Management response and action taken on internal audit reports

Group Discussion 1

- **Divide entire group into sub-groups of 8 to 10.**

- **Each group to select a co-ordinator/presenter**

- **Discuss current policies, systems and practices and their adequacy within your entity in respect of the requirements for "Financial Statements and Audit Requirements"**

- **Make a list of good practices followed by sub-group members and likely issues**

- **Share gist of discussions including likely issues/clarifications and the good practices identified with the larger group**

Internal Control Framework

1. **Policy or other published document that outlines the entity's control framework**

2. **Procedures describing the payment/ disbursement system with particular reference to project payments/ disbursements**

Preparation of Business Plans and Budgets

1. **Long Term Strategy/Business plans and/or Financial Projections for the next 3 to 5 years**

2. **Annual budgets for the organization or entities within it**

3. **End of calendar year/fiscal year or periodical budget vs actual report with analysis of variations**

Group Discussion 2

- **Divide entire group into sub-groups of 8 to 10.**

- **Each group to select a co-ordinator/presenter**

- **Discuss current policies, systems and practices and their adequacy within your entity in respect of the requirements for "Internal Control Framework" and "Preparation of Business Plans and Budgets"**

- **Make a list of good practices followed by sub-group members and likely issues**

- **Share gist of discussions including likely issues/clarifications and the good practices identified with the larger group**

Procurement

1. **Procurement Policy**

2. **Detailed procedures or guidelines including composition and role of key decision making committees**

3. **Provisions for oversight/audit /review of the procurement function with sample oversight/audit/review reports**

4. **Procedures for handling/controlling procurement in Executing Agencies**

Group Discussion 3

- **Divide entire group into sub-groups of 8 to 10.**

- **Each group to select a co-ordinator/presenter**

- **Discuss current policies, systems and practices and their adequacy within your entity in respect of the requirements for "Procurement"**

- **Make a list of good practices followed by sub-group members and likely issues**

- **Share gist of discussions including likely issues/clarifications and the good practices identified with the larger group**

Project Preparation and Approval

1. Detailed project plan documents for at least 2 projects (including likely impact of technical, financial, economic, social, environmental, and legal aspects of the project at the appraisal stage itself) and assessment study of likely risks and corresponding mitigation plans

2. Details of the project approval process/procedure within the entity along with the formats and approval levels

3. 2 samples of project appraisals undertaken in the last 12 to 18 months

Project Preparation and Approval

4. Policy and/or other published document(s) that outline the risk assessment procedures/framework

5. 2 samples of completed project appraisals with identified risks and corresponding mitigation strategies/plans

   The 2 samples of project documents which demonstrate this capability can be for the same projects for all the aspects of this capability

Group Discussion 4

- **Divide entire group into sub-groups of 8 to 10.**
- **Each group to select a co-ordinator/presenter**
- **Discuss current policies, systems and practices and their adequacy within your entity in respect of the requirements for "Project Preparation and Approval"**
- **Make a list of good practices followed by sub-group members and likely issues**
- **Share gist of discussions including likely issues/clarifications and the good practices identified with the larger group**

Project Implementation Planning and Quality-at-entry Review

1. **Operational manual or written procedures for project review system during the design phase**
2. **Sample documents of actual review done for at least 2 documents**
3. **Samples of Project budgets**

Project Monitoring and Evaluation

1. **Policy or other published document that outlines monitoring and evaluation requirements**

2. **Detailed procedures and formats used for monitoring and evaluation during project implementation**

3. **Procedures for project-at-risk system or similar process/system to ensure speedy solutions to problems which may interfere with the achievement of the project objectives**

Project Monitoring and Evaluation

4. Sample project monitoring and evaluation reports

5. Sample of project accounts

6. Sample of project audit reports

7. Analysis of project expenditure vs budget

Project Closure and Final Evaluation

1. **Project closure reports or independent evaluation reports containing assessment of the impact/implications of the technical, financial, economic, social, environmental, and legal aspects of projects**

2. **Independent evaluation reports of completed projects/ programmes**

Group Discussion 5

- **Divide entire group into sub-groups of 8 to 10.**

- **Each group to select a co-ordinator/presenter**

- **Discuss current policies, systems and practices and their adequacy within your entity in respect of the requirements for "Project Implementation and Evaluation"**

- **Make a list of good practices followed by sub-group members and likely issues**

- **Share gist of discussions including likely issues/clarifications and the good practices identified with the larger group**

Handling Financial Mismanagement and other Malpractices

1. A policy of zero tolerance for fraud, financial mismanagement and other forms of malpractice and its dissemination

2. Documented code of conduct/ethics applicable to staff and associates

3. Documentation establishing avenues for reporting non-compliance/ violation/misconduct and business conduct concerns

4. Details of policies and procedures relating to managing conflict of interest and whistle blower protection

Handling Financial Mismanagement and other Malpractices

5. **The structure and process/ procedures within the organization to handle cases of fraud and mismanagement and undertake necessary investigative activities.**

6. **Data on cases of violation of code of conduct/ethics and frauds reported in terms of number of cases, types of violations and summary of status/action taken.**

7. **System for oversight of the ethics function**

Group Discussion 6

- **Divide entire group into sub-groups of 8 to 10.**

- **Each group to select a co-ordinator/presenter**

- **Discuss current policies, systems and practices and their adequacy within your entity in respect of the requirements for "Handling Financial Mismanagement and other Malpractices"**

- **Make a list of good practices followed by sub-group members and likely issues**

- **Share gist of discussions including likely issues/clarifications and the good practices identified with the larger group**