

Questions regarding LEOs financial and administrative control

Date of assessment/country:	2013-01-04; Prior assessment (not Mango) performed 2008-09-12 and 2009-11-27
Name of the organization:	ZASP
Person(s) interviewed (name and title):	Patrick Kamwenda, Manager ZASP; Stephen Zimba, Accountant Clerk; Godwin Zimba, Cashier
Staff (number and function) and volunteers and others	26 staff in total, 5 paid and rest paid on an allowance basis
Name of person who conducted the survey	Crister Sahlén, Quality Controller

Summery

ZASP has a strong and clear picture of its vision and mission connected to community development and sustainability, both in terms of environmental and within project results– this being the fundamental strength of ZASP.

The main weakness constitute on how to consolidate the initiated expansion, from to the on-going work connected to previous project, of target area and beneficiaries as this has experienced unforeseen difficulties in tems of the sub-branches not working as planned.

There is also a smaller weakness in terms of monitoring, that ZASP has identified, regarding follow-up connected to study circles and those newly established – how to secure their on-going and future work? As well as make these less dependent of individuals?

ZASP has great opportunities in terms of expanding their funding from other donors, both international and domestic as well as towards governmental institutions – this due to excellent track-record in terms of results from previous work and a large beneficiary base that could speak for them of their own gains from the projects.

The main threat constitute the vulnerability of funding dependency from Forum Syd that in a medium and long term perspective will have to be solved. The decision of not to apply for funding 2013 is brave and constitute a good example of how ZASP tries to identify their own weaknesses and threats and how to solve them as it will become uttermost clear during 2013 where the main challenges occurs due to this decision.

ZASP also identifies the future need of capacity and skills training within the field of Finance administration, Management administration and project management in order to secure their on-going and future work.

Recommendations

ZASP is recommended to continue their initiated work of an expansion of their funding and how to improve communications of their excellent track-record in terms of results from previous work and how to engage the community and a large beneficiary base that could speak for them of their own gains from the projects – these two, funding and communications, interact and will jointly strengthen each other. This work should preferably result in a written funding and communications plan.

Furthermore future applications should be done in joint collaboration, preferably via workshops as previously done, with ZASP Sweden and clearly integrate the risk analysis into the project plan/LFA in order to highlight and

maybe constitute project goals that arise from the risk analysis. The already identified need of capacity and skills training within the field of Finance administration, Management administration and project management is advised to be included as project sub-goals.

Lastly ZASP has a PME system that is robust and jointly performed in collaboration with participants and beneficiaries as well by ZASP Sweden during their visits to Kakoma. This system can and need to be further strengthen in regard of feedback to participants and beneficiaries and thus constitute a support for study circles and their future planning and elaboration of thematic topics. This could also in somehow help resolve some of the underlying issues to why sub-branches do not work as planned.

Ask to see the following documents (mark if these document have been presented to you – otherwise make a note if missing):

- A copy of the registration of the organisation
Yes
- Organisational chart
Yes. This will be updated – decision to be taken during January 2013. Draft was shown as well.
- Annual audit arrangement, latest audit report
Yes
- The organisations statues
Yes
- Annual organisational report
Yes
- Board minutes, including the last annual general meeting and elections
ZASP has their AGM every 3 year, their sub-branches might have their AGM every 1-2 year
- Staff meeting minutes
Yes, Meeting held every week on Mondays.

1. Are you aware of the content in the agreement with the Swedish NGO?
Alt: Do you have a written agreement with the Swedish NGO? (**Ask to see the agreement**)
Yes there is an agreement. The appendix 3 including project plan and agreed budget is not held together with the agreement

2. Do you have an external auditor? Is the auditor qualified? (**Ask for the name of the auditor**). If the auditor is qualified, what kind of qualification? Is the auditor member of IFAC (Which is not a requirement but it is a proof of qualification)
Yes. Use MEG Associates since 2010 - qualified.

3. Does an agreement exist with the auditor? If yes, what does the agreement include; audit of the organisation, the project etc? (**Ask to see the agreement and/or the Terms of reference for the audit**). Is the auditor selected by the board of trustees (i.e. not staff)?
*The auditor is decided by the management and committee jointly.
There is a framework agreement – ZASP ask for an audit each year when needed.*

4. What kind of requirements does the Swedish NGO have before you can request the grant? When and how do you request the grant?
*Requirements has to be signed jointly by two staff, Manager, Accountant, and is then sent via e-mail. When receiving money ZASP has to respond reception of these funds to ZASP Sweden.
The request is sent quaterly*

5. How is the grant transmitted to you?
Via international banking system and paid in US dollars. The bank account will be changed into Zambia Kwacha during 2013 in order to reduce risk of exchange rate flotation.

6. Is the grant kept in a bank account? Which account? Who signs the bank account (authorises payments from this account)? Are the bank accounts held in the name of the organisation (and not in the name of individuals)? (**Ask if they have a confirmation from the bank who signs the account**). You may also ask for some kind of verification that they have actually received the money from SvEO, according to the agreement. (the requirement of two signing the bank account is no longer applicable, since march 2012)

Zanaco Bank Lundazi branch Account No. 0710510000001252

The signatory figures signs the account jointly

7. What kind of reports do you submit to the Swedish NGO? I.e. annual report, project report etc? (**Ask them to show examples of the reports**)
ZASP submits narrative and financial reports monthly to ZASP Sweden. ZASP has seen Forum Syd templates that ZASP Sweden uses

8. Who does the financial reporting of the project? (**Ask them to show the current project budget**)
The manager and accountant performs the financial report – Manager approves before submitting to ZASP Sweden

9. Are financial reports reviewed and approved every month (or other period) by Finance staff/Project staff/management?
Monthly, quarterly and yearly – Approved according to above answer

10. Does Project managers/coordinators and officers receive accurate budget monitoring reports periodically?
Yes

11. Are actual expenditure on each budget line within 10% of the budget?

Yes.

Further information regarding this rule was explained to ZASP during the evaluation

12. How often does the management board review financial reports (Six month is recommended)?

Monthly, quarterly and yearly

13. Do Development coordinators/Project Coordinators/ Finance Managers (as well as finance staff) understand what reports they have to submit to donors?

Yes

14. Are financial and progress reports submitted to donors in a prescribed format and on time?

Yes, the reports are reviewed by management team monthly, before they are submitted to donors

15. How do you do your bookkeeping (Cashbook or computer)? Which programme is being used (if computer)?

Cashbook which is manually and excel.

ZASP will change into Pastel during 2013.

The rebasing of Zambia Kwacha will take place during 2013, this has to be taken into account during the work in 2013 and communicated to ZASP Sweden

16. How can you, in your book-keeping, trace transactions connected to the project supported via Forum Syd? (Project codes?)
*Through the charts of accounts though the projects codes are designed but not implemented.
Thes will be implemented duing 2013 when Pastel is introduced*
17. Are financial duties split between different members of staff?
*Yes, staff involved are the manager or assistant, accountant, cashier and stores officers
The work on finalising the financial manual is in progress, the actual work in place and split of duties though are already in place.*
18. Does the board include someone who has the skills needed to oversee all financial activities?
*Yes, by a few.
They need capacity and skills training in the future*
19. Do personnel have Job descriptions? Do they include a clear statement of the job's financial management responsibilities (If job description exists)?
*Yes, and they include statement of the job's financial management like budget development which is prepared yearly and reviewed weekly, quarterly and yearly
Examples of job descriptions where showed.*
20. Do staffs receive the training and support they need to carry out their financial management responsibilities?
*Yes
ZASP identifies the future need of capacity and skills training within the field of Finance administration, Management administration and project management*

21. Which is the number of people in charge of finances (including board members in charge of supervision)? What is the number of people in charge of project/programme? Other staff/volunteers?
4 and these are the project co-ordinator, the treasurer, the manager and accountant and the cashier
These are project co-ordinator, the manager, the programmes co-ordinator and the facilitators who are working as staff/volunteers
22. Do you have other donors as well? Are there any differences in respect of reporting and audit requirements between these (if multiple donors)?
ZASP do not have any other fundings apart from ZASP Sweden and Forum Syd funding
There are work of a funding plan during 2013 in order to wider the funding
Communication plan is in progress to be taken, accountability and transparency is done at time being through committee towards members and community
23. Are reports prepared showing which donor is funding which costs?
Yes reports are being prepared according to donor's funding requirements
24. Can the organization continue to operate even if any single donor stops providing funding?
No it cannot continue
ZASP has for the period 2013 decided not apply for funding from Forum Syd – this in order to consolidate the work in the project and clearly find out what is needed in the future
25. Have a risk analysis and risk management plan been made? What internal risks, financial risks and risks of corruption can be identified? Have there been a follow up?

*There has been partial risk analysis performed.
Explained how a risk analysis can interact with the planning of a project and the risk management and mitigation in itself can become project goals.
ZASP has identified the risks of sub branches not working according to planes and work is in progress to solve this*

26. Have your organisation received any support from SvEO regarding administration and financial management? Have you requested support?
*ZASP has not received any support but they requested for support from Forum Syd country representative who came from Lusaka during prior evaluations.
I informed of the Forum Syd capacity building workshops held in Sweden for SvEO and SvEO obligation to pass on that information. Also information on the Forum Syd financial management workshops held in i.e. Burkina Faso or The Gambia during 2012 that might in the future be held in the southern parts of Africa.*

Financial Policies and Procedures Manual

All Organizations need to set down a series of policies and procedures manual to guide operations and avoid misunderstandings. The manual(s) should cover comprehensively the following areas: - this should be part of the organizations capacity building

Does a financial manual exist – if not, when is it planned to be produced?

Yes

Yes, in practice but not on paper yet.

No

What of the following is included in the financial manual – if not, when is it planned to be produced?

Financial and management accounting routines
Yes

The chart of accounts and cost centre codes
Yes

A written policy setting out which members of staff can authorize expenditures
Yes, this includes the manager, assistant manager, accountant and the cashier

The budget planning and management process
Yes

Delegated authority rules (i.e. who can do what)
Yes

Internal regulations for procurement? (if applicable)
Yes

Bank and cash handling procedures
Yes

Management and control of fixed assets
Yes

- Human Resources procedures (Staff benefits and allowances)
code of conduct
Yes, contracts were reviewed

- Annual audit arrangements
Yes

- How to deal with fraud and other irregularities
Yes, gave information of Forum Syd anti-corruption policy that is also included in the agreement

- Code of Conduct/anti-corruption policy (Inform of the Forum Syd policy that can be used if needed)
No – I e-mail the Forum Syd policy

- Fundraising plan, diversified donors plan
No, but in working progress to be developed

- Communication plan
No, but in working progress to be developed