

Micro Assessment Report  
Of  
Organization for Afghan Women Capacity & Knowledge (OAWCK)  
Commissioned By  
United Nations Development Programme (UNDP)

**CONDUCTED BY:**

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United Nations Development Programme  
Afghanistan Office

18th October, 2023

Private and confidential

Dear Sirs,

J K S S & Associates (Formerly known as J K Sarawgi & Company) is pleased to submit the Micro Assessment Report vide UNDP's Contract Award No. 10099871 that was signed between United Nations Development Programme "UNDP" and J K S S & Associates, Chartered Accountants.

When performing the Micro Assessment, we have relied only on the information that Implementing Partner provided to us.

Because the procedures we conducted do not constitute either an audit or a review made in accordance to international Standards on Auditing or International Standards on Review Engagements, we do not provide any opinion or assurance on our attestations.

This report is intended solely for the information and use of specified parties i.e. United Nations Development Programme ("UNDP") and Implementing Partner. This report or any portion thereof is not intended to be and should not be disclosed to, distributed to, used by, or relied upon by anyone other than the specified parties without the prior written consent of us, except to the extent otherwise required by law or legal or regulatory process. We therefore assume no responsibility to any user of the report other than UNDP.

We would like to thank the management and the staff of Implementing Partner and UNDP for their cooperation during the course of our work.

We appreciate this opportunity to provide our services to you on this project and we look forward to continuing our long-term relationship with you. If you have any questions, please do not hesitate to contact me at 011-42828734 or mail us on [delhi@jksco.in](mailto:delhi@jksco.in) and [sumit.sharma@jksco.in](mailto:sumit.sharma@jksco.in) for any clarification.

Yours faithfully,  
J K S S & Associates  
Chartered Accountants



(Sumit Sharma)  
Partner  
Membership No: 531748  
UDIN: 23531748BGWXFR7079  
Place: New Delhi, India  
Date: 18<sup>th</sup> October, 2023

## Content

<b>S.No.</b>	<b>Particulars</b>	<b>Page</b>
1	Background, Scope and Methodology	4 – 5
2	Summary of Risk Assessment Results	6
3	Detailed Internal Control Findings and Recommendation	7
4	Appendix I. Implementing Partner and Programme Information	8
5	Appendix II. List of Interviewees	9
6	Appendix III. List of Documents reviewed	10
7	Appendix IV. Micro Assessment Questionnaire	11 – 23
8	Management Comments on micro assessment finding	24

# 1. Background, scope and methodology

## Background

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 nongovernmental 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.

## Scope

The micro-assessment provides an overall assessment of the IP’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.

It takes into account results of any previous micro assessments conducted of the Implementing Partner, if any.

## Scale of assessment

The Micro Assessment questionnaire provides an overall risk rating based on responses provided including:

Scoring	Description
High	Response to question indicates a risk to the effective functioning of the IP’s control framework that has a high likelihood of a potential negative impact on the IP’s ability to execute the programme in accordance with the work plan and stated objectives.
Significant	Response to question indicates a risk to the effective functioning of the IP’s control framework that has a significant likelihood of a potential negative impact on the IP’s ability to execute the programme in accordance with the work plan and stated objectives.
Moderate	Response to question indicates a risk to the effective functioning of the IP’s control framework that has a moderate likelihood of a potential negative impact on the IP’s ability to execute the programme in accordance with the work plan and stated objectives.
Low	Response to question indicates a risk to the effective functioning of the IP’s control framework that has a low likelihood of a potential negative impact on the IP’s ability to execute the programme in accordance with the work plan and stated objectives.

The Risk Points column automatically assigns points to each question that correlate with the level of risk, Points are assigned as follows:

<b>Risk Rating</b>	<b>Key Questions</b>	<b>Non-Key Questions</b>
H – High Risk	8 points	4 points
S – Significant Risk	6 points	3 points
M – Moderate Risk	4 points	2 points
L – Low Risk	1 points	1 points

### **Calculation of risk rating as per subject area section**

For each subject area the risk points are totaled and divided by the number of applicable questions in that area, to give a risk rating for the subject area. The method of calculation is weighted average, where key questions have double the weight of non-key questions.

### **Calculation of overall risk rating**

For all the questions in the questionnaire, the risk points are totaled and divided by the number of applicable questions, to give an overall average score. The method of calculation is weighted average, where key questions have double the weight of non-key.

### **Methodology**

We performed the Micro Assessment field visit on 9<sup>th</sup> October, 2023 at the OAWCK office at Mandakool road near Kunar Governor office, Asadabad, Kunar, Afghanistan.

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 the related UN Agency personnel and the IP prior to finalization the report. The list of persons met and interviewed during the Micro Assessment is set out in Annex III.



### 1.1. SUMMARY OF RISK ASSESSMENT RESULTS

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 1.2 below.

S.No	Tested subject area	Risk assessment*	Brief justification for rating (Main internal control gaps)
1	Implementing partner	Low	No major observations noted.
2	Programme management	Low	No major observations noted.
3	Organizational structure and staffing	Low	No major observations noted.
4	Accounting policies and Procedures	Low	No major observations noted.
5	Fixed assets and inventory	Low	It is noted that adequate insurance coverage has not been undertaken for all of its assets.
6	Financial Reporting and Monitoring	Low	No major observations noted.
7	Procurement and Contract Administration	Low	No major observations noted.

\* High, Significant, Moderate, Low



**1.2 DETAILED INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS**

No.	Description of finding	Recommendation	Implementing Partner's comments
1	<p>During the course of Micro Assessment we noted that the IP have not undertaken adequate insurance coverage against all its assets although currently the IP not having high value fixed asset. (Refer Point No. 5.4)</p>	<p>We recommend the IP to obtain appropriate and adequate insurance coverage for all its fixed assets and inventory, cash in safe, cash in transit (petty cash) and cashier against fire, loss, theft and third party liability. If this practice is not implemented in Afghanistan, the IP should implement additional protective procedures to safeguard its assets.</p>	<p>Please refer page no 24 of this report for Management comment on micro assessment finding.</p>

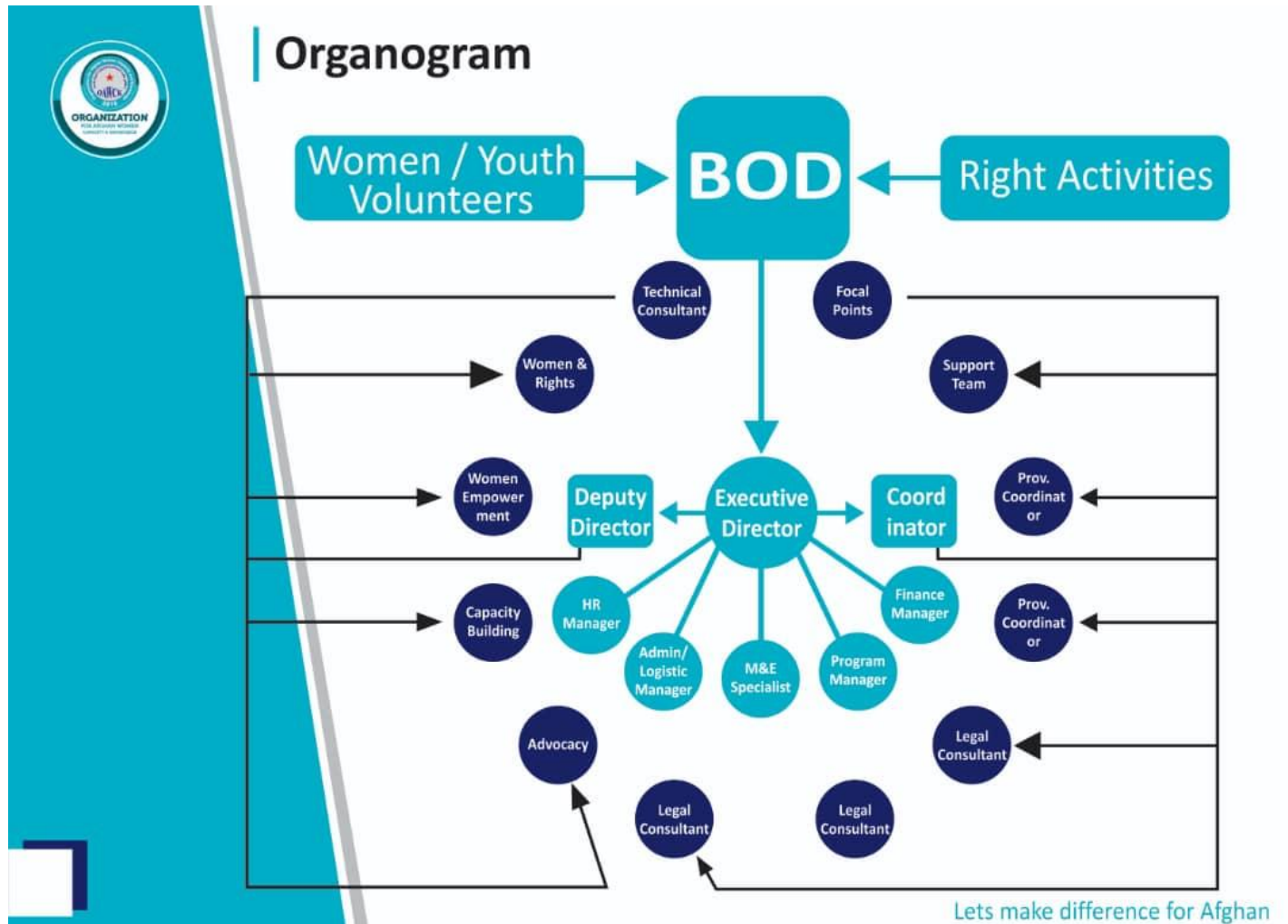


**Annex -I: IP and Programme Information**

<b>Implementing Partner Name</b>	Organization for Afghan Women Capacity and Knowledge (OAWCK)
<b>Implementing Project Code ID in UNDP records</b>	Project Number (Award ID): 00138844
<b>Implementing Partner Contact details</b>	Montazer Sharafat Program Manager (OAWCK) <a href="mailto:director@oawck.org.af">director@oawck.org.af</a> , <a href="mailto:program@oawck.org.af">program@oawck.org.af</a> +93 700 644 441, +93 767 230 294
<b>Main Programme Implemented with UNDP</b>	Empowering communities for peace and social cohesion (Under ABADEI grant)
<b>Key Official in charge of the UN Agency Programme</b>	Surayo Buzurukova
<b>Programme Location</b>	Sholgara and Chamtal districts of Balkh province
<b>Location of Records related to the UN Agency Programme</b>	Kunar Province Main Office
<b>Currency of Records Maintained</b>	USD
<b>Latest Expenditures incurred/reported (Indicate the amount (in USD) and the financial reporting period)</b>	USD 50,000
<b>Latest Cash Transfer Modality Used by the UN Agency to the IP</b>	Through Bank Account
<b>Intended Start Date of Micro Assessment</b>	9 <sup>th</sup> October 2023
<b>Number of days to be spent for visit to IP</b>	4 Days
<b>Any special request to be considered during the micro assessment</b>	N/A



**Annex – II: Implementing Partner Organisation Chart**



**Annex III. List of persons met**

**Key staff interviewed**

S/N	Department	Name	Position
1	Admin/Logistic	Faridullah Yaar	Admin and Logistic Manager
2	Program	Montazer Sharfat	Program Manager
3	Finance	Abdul Shakoor Abid	Finance Manager
4	HR	Obaidullah Amin Zai	HR Manager
5	M&E	Abdul Zaher Safi	M&E Manager
6	Operation	Nizamullah Talash	Operation Manager



**ANNEX IV. Micro Assessment Questionnaire**

Key questions are assigned double the risk points, resulting in a weighted average method for calculating the overall and by subject area risk rating. Therefore, the risk rating assigned to the key questions has twice the weight in determining the risk rating.

For instance, assume the following two scenarios with the same risk rating for the questions.

1. Scenario 1: There are three non-key questions having equal weight.
2. Scenario 2: The first question is key and the remaining two questions are non-key questions.

Scenario 1	Risk Rating	Points	Scenario 2	Risk Rating	Points
Question 1	High	4	Key Question 1	High	8
Question 2	Low	1	Question 2	Low	1
Question 3	Low	1	Question 3	Low	1
Total Risk Points:		6	Total Risk Points:		10
Overall Risk	Moderate	2	Overall Risk	Significant	3.3

The Excel spreadsheet automatically assigns the risk rating by using the following algorithm:

1. Only the applicable questions are taken into consideration.
2. The minimum possible points for the subject area are calculated, that is if all questions are assigned low risk rating.
3. The maximum possible points for the subject area are calculated, that is if all questions are assigned high risk rating.
4. The ranges for each risk rating are calculated by evenly distributing between the lowest and highest applicable points.
5. The actual risk points are matched with one of the four risk ranges to determine the overall risk category.
6. The same algorithm is applied when calculated the overall risk rating for the IP.



**Micro-assessment workbook**

Subject area <i>(key questions in bold)</i>	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	Organization for Afghan Women Capacity and Knowledge (referred hereinafter as OAWCK or the IP) is registered as a Non Governmental Organization (NGO) with the Ministry of Economy, NGO's Department vide Regn. No.1888 15/9/1389 which entitles the IP to operate as an NGO in Afghanistan.
<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	As informed, IP has worked with UN Agencies in the past that had included UNOCHA, UNDP, UNICEF and UNFPA and that no significant issues were reported in managing their financial resources.
<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>	Yes			Low	1	The IP have statutory reporting requirement that requires it to submit semi annual and annual reports to the Ministry of Economy as well Annual Tax Return with the Ministry of Finance.
<b>1.4 Does the governing body meet on a regular basis and perform oversight functions?</b>	Yes			Low	1	IP's Board of Directors is constituent of 5 members of 2 members are females. The Board, as informed, meet on regular basis to discuss major issues being faced and to make their decisions accordingly. The meetings are being held after each 6 months. Last meeting was convened on 8 Jun 2023.
<b>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?</b>	Yes			Low	1	As informed, IP has 13 offices in 8 provinces across Afghanistan. These offices are being governed as per approved policies and procedures.
<b>1.6 Does the IP show basic financial stability in-country (core resources; funding trend) Provide the amount of total assets, total liabilities, income and expenditure for the current and prior three fiscal years.</b>	Yes			Low	1	As informed, IP is currently managing two contracts with UNICEF with the total contract value of 389,000 USD (until Mar 2024) and with UNFPA with a contract value of 644,000 USD. This project is to start in near future once confirmation is received from the agency and funds are received.
<b>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?</b>	Yes			Low	1	As informed, IP had faced no issues in receiving funds from its donors that included UN Agencies. IP does not receive any funds from Government Ministries.



1.8 Does the IP have any pending legal actions against it or outstanding material/significant disputes with vendors/contractors? If so, provide details and actions taken by the IP to resolve the legal action.		No		Low	1	As informed, IP does not have any pending legal actions or disputes with its vendors and contractors.
1.9 Does the IP have an anti-fraud and corruption policy?	Yes			Low	1	IP has a documented Anti Corruption Policy in place.
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	Reference 1.9. As informed, IP has installed compliant boxes at its project site offices as well as active phone number to convey complaints. IP also supports a Whistle Blower Policy to guide employees to report adverse issues without being victimised.
1.11 Does the IP have any key financial or operational risks that are not covered by this questionnaire? If so, please describe. Examples: foreign exchange risk; cash receipts.		No		Low	1	As informed, IP does not have any or foresee any other risks apart from those covered by this questionnaire.
<b>Total number of questions in subject area:</b>	<b>11</b>					
<b>Total number of applicable questions in subject area:</b>	<b>11</b>					
<b>Total number of applicable key questions in subject area:</b>	<b>5</b>					
<b>Total number of risk points:</b>	<b>11</b>					
<b>Risk score</b>	<b>1</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?	Yes			Low	1	IP has policies, procedures and tools in place to develop its project programmes and plan. These include Programme Management Manual, M&E Policy, Risk Management Policy, M&E Report, Field Site Monitoring Report etc.
<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 IP has work plans, approved budgets and deliverables for reporting to donors on quarterly progress and related financial reports.
2.3 Does the IP identify the potential risks for programme delivery and mechanisms to mitigate them?	Yes			Low	1	The IP has approved and detailed M&E and risk management policy and procedures for monitoring and evaluation of project activities. These are inclusive of procedures and mechanisms to mitigate risks. .
2.4 Does the IP have and use sufficiently detailed policies, procedures, guidelines and other tools (checklists, templates) for monitoring and evaluation?	Yes			Low	1	May please refer 2.3 above



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	May please refer 2.3 above
<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	IP prepares monitoring reports, review meetings and on site project visits reports. On a sample bases 3 such monitoring reports were reviewed.
2.7 Does the IP systematically collect, monitor and evaluate data on the achievement of project results?	Yes			Low	1	IP collects, monitors and evaluates the achievement of project results systematically on regular basis. IP prepares project progress & financial reports quarterly as per its donors requirements.
2.8 Is it evident that the IP followed up on independent evaluation recommendations?	Yes			Low	1	As informed, IP management followed up on independent evaluation and recommendations of last audits and had followed up on recommendations of the Auditors.
<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>8</b>					
<b>Risk score</b>	<b>1</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>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>	Yes			Low	1	The IP has a HR policy and as informed, recruitment are undertaken as per its documented policy. It seems to embrace transparency and competition.
3.2 Does the IP have clearly defined job descriptions?	Yes			Low	1	The IP has defined and detailed job descriptions for each designated employee of the organisation.
<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	The IP has an organization chart that outlines the structure of its finance, programme & other operational areas. The staff, as informed, is competent and appropriate for the complexity of the organization. Key Staff details and CVs have been shared by the IP. The Finance Manager, working as a key staff has more than 12 years of professional experience.



3.4 Is the IP's accounting/finance function staffed adequately to ensure sufficient controls are in place to manage agency funds?	Yes			Low	1	IP's finance department is adequately staffed that ensures sufficient control and in management of agenc(ies) funds.
3.5 Does the IP have training policies for accounting/finance/ programme management staff? Are necessary training activities undertaken?	Yes			Low	1	The IP has an Employees Training and Development policy. Necessary training were carried out during 2022. The Finance Manger was trained by Prime Global Independent (Accounting Firm) for practical use of QuickBooks. The IP prepares annual training plans and trains staff accordingly.
3.6 Does the IP perform background verification/checks on all new accounting/finance and management positions?	Yes			Low	1	The IP has a HR policy based on which background checks and reference checks are carried out before on boarding prospective candidates. Furthermore the IP's management has developed a form that gets the consent/agreement of staff's families which includes code of conduct.
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	As informed, There has been no significant turnover in key finance positions during last 5 year. Only one Finance Manager was changed and the current Finance Manager was hired in Dec 2022.
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.	Yes			Low	1	The IP has documented internal control policies and procedures in place. These, as informed, are updated periodically to comply with national and international standards.
<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>8</b>					
<b>Risk score</b>	<b>1</b>					
<b>Area risk rating</b>	<b>Low</b>					



Subject area <i>(key questions in bold)</i>	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	The IP has a well establish and registered accounting system (QuickBooks) that allows for proper and accurate recording of all financial transactions. A All standard financial reports can be generated based on the need and predefined criteria.
<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	The IP has Share Cost Policy and cost are allocated as per its policy or as per funding sources requirements and established agreements.
<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 accounting records and documentations are retained in an organized system and only finance staff have access to these records and supporting documentations.
<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 informed, IP's finance team reviews subsidiary ledgers, Subsidiary & general Ledgers are being reconciled monthly. Explanations are provided as and when required and if necessitated.
<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	As informed, IP's functional responsibilities are appropriately segregated to a) authorization to execute a transection; b) recording of the transaction & c) custody of assets involved in the transactions.
<b>4.6 Are the functions of ordering, receiving, accounting for and paying for goods and services appropriately segregated?</b>	Yes			Low	1	As informed, IP's Admin. and Logistics Department orders based on need while following the Procurement Policy. Finance department books the transactions and makes the payment in cash or bank based on the amount of transection which is being executed by different individuals.
<b>4.7 Are bank reconciliations prepared by individuals other than those who make or approve payments?</b>	Yes			Low	1	Bank reconciliations are being prepared by Admin/logistic officer and being approved by the Deputy Director.



<b>4c. Budgeting system</b>						
<b>4.8 Are budgets prepared for all activities in sufficient detail to provide a meaningful tool for monitoring subsequent performance?</b>	Yes			Low	1	IP prepares its budget in full details considering all activities. Budget variance are drawn on quarterly basis that can assist in subsequent monitoring.
<b>4.9 Are actual expenditures compared to the budget with reasonable frequency? Are explanations required for significant variations from the budget?</b>	Yes			Low	1	The IP prepares the financial reports on a quarterly basis where the actual expenditure are compared with approved budgeted amount. Explanations are provided for significant variations if required.
<b>4.10 Is prior approval sought for budget amendments in a timely way?</b>	Yes			Low	1	The IP management generally takes prior approvals in time for any budget amendments with the donor requirements. Without proper approval no costs are incurred.
<b>4.11 Are IP budgets approved formally at an appropriate level?</b>	Yes			Low	1	The budgets for projects are approved formally by the Director or deputy director of OAWCK.
<b>4d. Payments</b>						
<b>4.12 Do invoice processing procedures provide for:</b> · 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?	Yes			Low	1	The IP has policies for its procurement and finance, which as informed, are strictly followed. Based on these all checks are performed before processing of payments to the vendors/suppliers.
<b>4.13 Are payments authorized at an appropriate level? Does the IP have a table of payment approval thresholds?</b>	Yes			Low	1	The IP has approved authorization thresholds in place and all payments and approvals are based on these thresholds & accountability.
<b>4.14 Are all invoices stamped 'PAID', approved, and marked with the project code and account code?</b>	Yes			Low	1	The IP uses PAID stamp which indicates the donor name, project code and date of payment.
<b>4.15 Do controls exist for preparation and approval of payroll expenditures? Are payroll changes properly authorized?</b>	Yes			Low	1	As informed, HR department prepares the payrolls based on daily attendance and time sheets which is than reviewed by the finance department based on budget and finally approved by the OAWCK Director. Required changes are authorized by the director and all payrolls are processed through bank payments.



<b>4.16 Do controls exist to ensure that direct staff salary costs reflects the actual amount of staff time spent on a project?</b>	Yes			Low	1	IP has developed proper attendance with time sheets. Cost allocations are based on the approved budget and actual time of staff as well in line with its established cost allocation policy.
<b>4.17 Do controls exist for expense categories that do not originate from invoice payments, such as DSAs, travel, and internal cost allocations?</b>	Yes			Low	1	IP has developed proper formats for all those expenses which do not have supplier invoice.
<b>4e. Policies and procedures</b>						
<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?</b>	Yes			Low	1	The IP uses both cash and accrual basis for its accounting. For all donors, cash basis of accounting are used and reported accordingly.
<b>4.19 Does the IP have an adequate policies and procedures manual and is it distributed to relevant staff?</b>	Yes			Low	1	The IP has approved and adequate policies and procedures. All staff, as informed, are aware and have access to these.
<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>	Yes			Low	1	The IP has dual signatories for bank transactions. Each signatories are formally introduced to bank for bank payments. New signatories are approved by the Board.
<b>4.21 Does the IP maintain an adequate, up-to-date cashbook, recording receipts and payments?</b>	Yes			Low	1	The IP maintains the cash book on excel sheets and enters the transections on QuickBooks on monthly basis.
<b>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?</b>		No		N/A	-	The IP is not participating in microfinance advances.
<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	IP's finance Department reconciles the cash and bank balances on monthly basis while providing explanations for aged reconciling items.
<b>4.24 Is substantial expenditure paid in cash? If so, does the IP have adequate controls over cash payments?</b>	Yes			Low	1	The IP has an approved Finance Policy where proper procedures are outlined. All cash payments are processed based on this policy. Furthermore finance department do the cash count on daily basis and also prepare cash in hand certificates.



4.25 Does the IP carry out a regular petty cash reconciliation?	Yes			Low	1	Finance department prepares petty cash reconciliations on monthly basis.
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	Cash and cheques maintained in finance department in a safe with restricted access to finance staff only.
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	-	Electronic Payments are not being undertaken by the IP.
<b>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?	Yes			Low	1	Refer our comment under 1.5 above
<b>4h. Internal audit</b>						
4.29 Is the internal auditor sufficiently independent to make critical assessments? To whom does the internal auditor report?	Yes			Low	1	The IP do not have an in-house internal audit department. However, the IP hired Ledger Lytics Financial Advisors and auditors for this process. They presented the Report to the Board covering the period from 1 Jan 2022 to 31 Dec 2022.
4.30 Does the IP have stated qualifications and experience requirements for internal audit department staff?	Yes			Low	1	Refer our comment under 4.29 above 4.29
4.31 Are the activities financed by the agencies included in the internal audit department's work programme?	Yes			Low	1	The Internal Audit Report covers the financial year 2022 and all activities were covered in their scope of audit.
4.32 Does the IP act on the internal auditor's recommendations?	Yes			Low	1	As informed, IP management considers the recommendations of internal auditor and make suitable amends.
<b>Total number of questions in subject area:</b>	<b>32</b>					
<b>Total number of applicable questions in subject area:</b>	<b>30</b>					
<b>Total number of applicable key questions in subject area:</b>	<b>19</b>					
<b>Total number of risk points:</b>	<b>30</b>					
<b>Risk score</b>	<b>1</b>					
<b>Area risk rating</b>	<b>Low</b>					



Subject area <i>(key questions in bold)</i>	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?	Yes			Low	1	IP has a "Fixed assets and inventory Policy" to safeguard its fixed asset.
5.2 Are subsidiary records of fixed assets and inventory kept up to date and reconciled with control accounts?	Yes			Low	1	The subsidiary records of fixed assets and inventory are being updated on monthly basis by main office finance department.
5.3 Are there periodic physical verification and/or count of fixed assets and inventory? If so, please describe?	Yes			Low	1	Based on its Fixed Assets and Inventory Policy OAWCK undertakes counts of its fixed assets and inventory on a quarterly and annual basis.
5.4 Are fixed assets and inventory adequately covered by insurance policies?		No		Significant	3	IP has not undertaken insurance cover to safeguard its assets against financial loss due to any contingency. As informed, IP did not purchase any major items from UN funds which that required insurance coverage. The highest purchase made in recent years was 1,250 USD. <b>Refer to finding No. 1 (Detailed Internal Control Findings and Recommendations)</b>
<b>5b. Warehousing and inventory management</b>						
<b>5.5 Do warehouse facilities have adequate physical security?</b>	Yes			Low	1	The warehouse is located inside organization where security guards and security cameras are installed for monitoring and security purposes.
5.6 Is inventory stored so that it is identifiable, protected from damage, and countable?	Yes			Low	1	The warehouse is properly managed and items are identifiable and protected against damages.
<b>5.7 Does the IP have an inventory management system that enables monitoring of supply distribution?</b>	Yes			Low	1	The IP manages inventory manually in Access and excel which enables them to monitor the distribution.
5.8 Is responsibility for receiving and issuing inventory segregated from that for updating the inventory records?	Yes			Low	1	The IP admin and logistic officer receives and issues the inventory while the admin and logistic manager updates the inventory records.
5.9 Are regular physical counts of inventory carried out?	Yes			Low	1	The IP admin and logistic department carry out the physical count on a quarterly basis and prepares report accordingly.
<b>Total number of questions in subject area:</b>	<b>9</b>					
<b>Total number of applicable questions in subject area:</b>	<b>9</b>					
<b>Total number of applicable key questions in subject area:</b>	<b>2</b>					
<b>Total number of risk points:</b>	<b>11</b>					
<b>Risk score</b>	<b>1.2222</b>					
<b>Area risk rating</b>	<b>Low</b>					



Subject area <i>(key questions in bold)</i>	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	The IP has well established financial reporting procedures and system. All reports are being prepared based on the data from QuickBooks software. The frequency of the reporting is decided in the agreements with the donors which is generally on a quarterly basis. IP follows the reporting format of the donors. as well as monthly reports it prepares for management review and approvals.
6.2 Does the IP prepare overall financial statements?	Yes			Low	1	The IP prepares the financial statements annually.
<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>	Yes			Low	1	Financial Audit are undertaken annually tuned to National and International auditing standards.
<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 five years?</b>	Yes			Low	1	No major issues that related to ineligible expenditure involving donor funds were reported in the audit reports.
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?	Yes			Low	1	As informed, the Internal Audit Report pointed out observations and management agreed to improve the weaknesses based on the auditors recommendations.
<b>6.6 Is the financial management system computerized?</b>	Yes			Low	1	The IP uses QuickBooks for its financial management which is a computerized software.
6.7 Can the computerized financial management system produce the necessary financial reports?	Yes			Low	1	Refer our comment under 4.1
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	The IP uses QuickBooks for financial management of organization and each user has unique login / passwords to access the system. Finance Department takes the backup of data on a monthly basis and keeps it in external hard drives.
<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>8</b>					
<b>Risk score</b>	<b>1</b>					
<b>Area risk rating</b>	<b>Low</b>					

Subject area <i>(key questions in bold)</i>	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?	Yes			Low	1	The IP has a Procurement Policy which was revised in 2022.

7.2 Are exceptions to procurement procedures approved by management and documented ?	Yes		Low	1	As informed, in case of exceptions to procurement procedures being followed, due to the circumstances and urgent needs, special approval will be documented and kept for the record purposes with justifications and rationale. However during last 3 years there were no such procurements.
7.3 Does the IP have a computerized procurement system with adequate access controls and serration of duties between entering purchase orders, approval and receipting of goods? Provide a description of the procurement system.	No		Low	1	The IP does not have computerized procurement system, however adequate controls exist. Purchase orders are being prepared by the admin and logistics manager and approved by the director/deputy director and goods receipts by the admin and logistics officer. As informed the IP currently in the process of initialising assessment with one consultancy firm " Prime Global" who will develop procurement/contract management MIS for the IP.
7.4 Are procurement reports generated and reviewed regularly? Describe reports generated, frequency and review & approvers.	No		Low	1	The IP does not have computerized procurement system considering procurements are not major.
7.5 Does the IP have a structured procurement unit with defined reporting lines that foster efficiency and accountability?	Yes		Low	1	The IP has a structured procurement unit and approved procurement policy where the reporting line and responsibility is clearly mentioned that fosters efficiency and accountability.
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?	Yes		Low	1	As informed, IP's procurement staff are well versed & qualified. Admin and Logistics manager has more than 17 years of professional experience and has obtained procurement trainings during the mentioned period and is conversant with agency(s) procurement requirement.
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?	Yes		Low	1	No significant observations were reported in the audit reports. Recommendations, if any, were duly taken note of and acted upon.
<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	The IP has a Procurement Policy as well as authorization thresholds. Thresholds are appropriate and each purchase is based on approved documents / policy & thresholds.
7.9 Do the procurement procedures and templates of contracts integrate references to ethical procurement principles and exclusion and ineligibility criteria?	Yes		Low	1	The IP has a specific PSEA acknowledgment in its Procurement Contracts and ethical procurement principles are considered. IP has approved conflict of interest policy that forms part of its contracts.
<b>7.10 Does the IP obtain sufficient approvals before signing a contract?</b>	Yes		Low	1	All procurement contracts are being approved by the director / deputy director.
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?	Yes		Low	1	As informed, IP has a Conflict of Interest Policy based on which potential conflict will be managed, in case situations do arise..

7.12 Does the IP follow a well-defined process for sourcing suppliers? Do formal procurement methods include wide broadcasting of procurement opportunities?	Yes			Low	1	The IP procurement policy defined proper sourcing of suppliers. For purchases - 1-25,000 AFN direct purchase will be done - 25,000 - 1,000,000 three quotations will be collected from different suppliers - above 1 million IP will advertise the RFQ on National tendering website (ACBAR).
7.13 Does the IP keep track of past performance of suppliers? E.g. database of trusted suppliers.	Yes			Low	1	IP's admin and logistics department maintains proper database in excel of its trusted suppliers.
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.	Yes			Low	1	The IP has approved procurement policy and procurement committee where any purchase more than 25,000 AFN the IP collects 3 quotations, prepares bid summary form and the procurement committee will decide the winner and provide the recommendation.
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?	Yes			Low	1	The IP describes the pre defined technical requirements in all its RFQs. These technical requirements will be consider during final assessments.
7.16 If the IP is managing major contracts, does the IP have a policy on contracts management / administration?	Yes			Low	1	The IP has a Contract Management Policy and all contractual obligations are based on this policy.
<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	-	No major contracts are being undertaken by the 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	-	
7.19 Does the IP have a policy on post-facto actions on contracts?			N/A	N/A	-	
7.20 How frequent do post-facto contract actions occur?			N/A	N/A	-	
<b>Total number of questions in subject area:</b>	<b>20</b>					
<b>Total number of applicable questions in subject area:</b>	<b>20</b>					
<b>Total number of applicable key questions in subject area:</b>	<b>5</b>					
<b>Total number of risk points:</b>	<b>16</b>					
<b>Risk score</b>	<b>0.8</b>					
<b>Area risk rating</b>	<b>Low</b>					
<b>Totals</b>						
<b>Total number of questions:</b>	<b>96</b>					
<b>Total number of applicable questions:</b>	<b>90</b>					
<b>Total number of applicable key questions:</b>	<b>39</b>					
<b>Total number of risk points:</b>	<b>92</b>					
<b>Total risk score</b>	<b>1.0222</b>					
<b>Overall risk rating</b>	<b>Low</b>					





Organization for Afghan Women Capacity & Knowledge

OAWCK

د افغاني ښځو د ظرفيتونو او استعدادونو د لوړولو مؤسسه

**ORGANIZATION**  
FOR AFGHAN WOMEN  
CAPACITY & KNOWLEDGE

Ref #: 222

Date: 18-10-23

### Management Comment regarding UNDP/JKSS and Associate Micro Assessment Findings

OAWCK had just recently contacted an insurance firm in Kabul, Afghanistan, to undertake adequate insurance for its fixed assets, but we learned that insurance companies only provided insurance for assets valued at or over a specified limit. Our major part of assets is low value, however, OAWCK will make an effort to secure sufficient insurance for its fixed assets in near future.

We have additional protective measures for our fixed assets as bellow:

1. **Security Guard:** Security guards have been employed by OAWCK in main office and provincial offices as well, who doesn't give permission to outsiders without prior coordination with the relevant staff.
2. **Cash is always in Safe:** Cash is always kept in a safe, and no one is allowed to reach, except the authorized person.
3. **Security Cameras:** The office is equipped with security cameras that can record both inside and outside of the building.

Mohammad Zaman Safi  
Executive Director  
OAWCK

- Main Office:** In front of Kunar Governor House Haji Usman Plaza, Mandakol Road Kunar, Asadabad
- Sub Office:** Opposite White House Street 03, House 05, Jalalabad Afghanistan.
- Sub Office:** Kart-e- 3, Near to Finest Store Kabul Afghanistan
- Sub Office:** Ring Road Charahi Jihad, Near to Arg Hotel, Mazar-e-Sharif
- Sub Office:** Nooristan (Paroon, Bargimatal, Noogram)
- Sub Office:** Laghman, Mehterlam City, Teacher training Road, Back of Laghman LPH

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