Annex 11: Capacity Assessments

Results of capacity assessments (PCAT and HACT Micro Assessment) for the following Responsible Parties:

- **Global Canopy (GP)**
- **Green Finance Institute (GFI)**

Capacity assessment is not required for UNEP, being a UN agency. For WWF, PCAT and HACT will be completed a later stage of the project, when it is clarified the engagement with a specific WWF legal entity, being WWF registered under different legal entities depending on region and type of work.

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MICRO ASSESSMENT OF GLOBAL CANOPY COMMISSIONED BY UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

APRIL 2022

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To: UNDP / United States Office

29 April 2022

Dear Sirs,

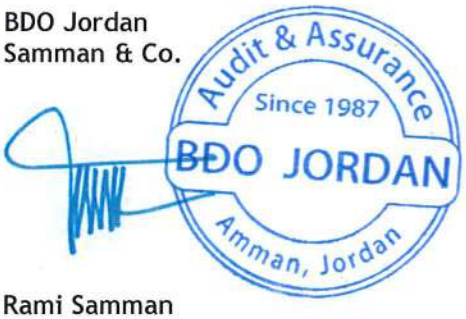
This Micro Assessment of Global Canopy was completed in accordance with PO # UNDP1-0000103951 dated on 28 March 2022 that was signed between the United Nations Development Programme "UNDP" and BDO Jordan.
We have relied when performing the Micro Assessment only on whatever information that Implementing Partner provided to us.

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

This Micro Assessment report is intended solely for the information and use of the specified parties (UNDP and the Implementing Partner: it is not intended to be and should not be used by anyone other than the specified parties.

Yours faithfully

BDO Jordan
Samman & Co.



Rami Samman
Managing Partner

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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 non-governmental Implementing Partners (IPs).

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 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; and
- 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.

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 low risk to the effective functioning of the IP's control framework and 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:

Risk rating	Points: non-key questions	Points: key questions
H - High risk	4 points	8 points
S - Significant risk	3 points	6 points
M - Moderate risk	2 points	4 points
L - Low risk	1 point	1 point

Calculation of risk rating 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 in the IP's offices in Oxford - United Kingdom on 25 April 2022.

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 applicable 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.

2. Summary of Risk Assessment Results

2.1 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 the section (3) below:

Tested subject area	Risk Assessment*	Brief justification for rating (Main internal control gaps)
1. Implementing Partner	Low	No major observations were noted.
2. Programme Management	Low	No major observations were noted.
3. Organizational Structure and Staffing	Low	The IP dos does not perform background verification/checks on all new accounting/finance and management positions.
4. Accounting Policies and Procedures	Low	• We noted that the IP does not document the Bank reconciliation process. • The IP does not have internal Audit department/function.
5. Fixed Assets and Inventory	Low	The IP does not document fixed assets physical count.
6.Financial Management System	Low	No major observations were noted.
7. Procurement and Contract Administration	Low	• The procurement process is currently being prepared manually and all the transactions are prepared on excel sheet (Microsoft excel). • Procurement reports are not generated and reviewed regularly. • We noted that the IP does not have a procurement department in place, procurement is covered by Finance Team.
Overall Risk Assessment	*Low*	

**High, Significant, Moderate, Low*

3. Detailed Internal Control Findings and Recommendations

Number	Ref #	Description of Finding	Recommendation	IP Management Response	Auditor's Comment
1	3.6	We noted that the IP does not perform the background verification/checks on all new accounting/finance and management positions.	We recommend the IP to perform and document the background verification for all the new positions and keep copies of all the related documents as a reference in case of need.	*Global Canopy has recently recruited a Head of HR who will review current procedures and introduce criminal background verification checks as is appropriate for new posts being recruited.*	–
2	4.23	We noted that the IP's Bank balances are being reconciled but there is no documentation for the reconciliations.	We recommend the IP to document the reconciliations of the bank balances, for each bank reconciliation, a bank statement from records, statement from the bank and the reconciliation cover sheet should be attached, in addition, proof of who prepares, reviews and approves shall be indicated on each bank reconciliation.	*Global Canopy undertakes bank reconciliations each month for all accounts and does keep some documentation. A schedule is prepared in excel which includes, for all GC bank accounts, the currency balance on the bank statement, the equivalent GBP, and the balance as per the ledgers, with any difference identified. Whilst this document isn't signed and approved, the bank statements are signed to show that they have been checked and agreed. GC will review its current process such that bank reconciliation approvals are captured digitally and relevant documents filed.*	–
3	4.29	The IP does not have internal Audit department/function.	We recommend the IP's management to establish a risk-based internal audit function that reports functionally to an audit committee assigned by the Board of Directors. The internal audit is essential when the Organization has departments and branches \ offices.	*Global Canopy is a relatively small organization with only one office and does not have any branches, which doesn't warrant a full time internal audit function or staff member. Global Canopy is in the process of establishing a finance and audit committee that will review Global Canopy's internal audit requirements, which could be outsourced as appropriate.*	–

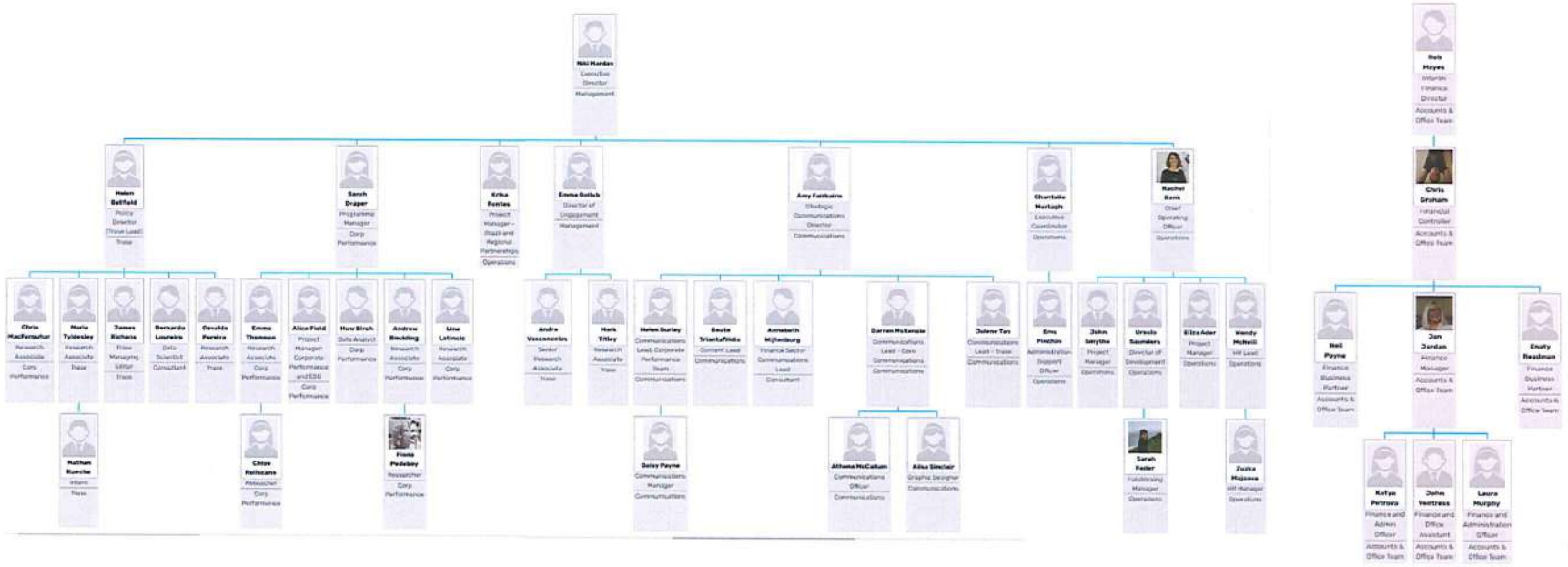
Number	Ref #	Description of Finding	Recommendation	IP Management Response	Auditor's Comment
4	5.3	We noted that the IP did not document fixed assets physical verification\ counts.	We recommend the IP to perform a periodic documented physical fixed assets verification.	*Global Canopy has undertaken periodic verifications although they have not been documented. The majority of assets held outside of the office are staff laptops:* • *Staff have their laptops and are not able to work without them. So if there is an issue we quickly hear about it -GC's finance officer manages issues by email. So there is very low risk that a laptop goes missing without us hearing about it.* • *The finance officer also checks assets staff have when they leave.* • *A list of laptops held by staff is maintained on GC's HR system (Breathe) and so it's very transparent to staff, their line managers and the accounts team who has what according to our records, so that the accuracy of the data is naturally maintained ie staff tell us if something is not right.* • *Apart from laptops, there is not much equipment of high value to verify (refer to the asset register)* *GC will document its next fixed asset verification exercise.*	–
5	7.3/7.4	The procurement process is currently being prepared manually and all the transactions are prepared on excel sheet (Microsoft excel).	The IP is recommended to develop a computerized procurement system, which enhances the control over procurements. Also, this will save cost and time and reduce the chance of human errors. Also, once the system is developed, reports should be generated and reviewed regularly describe which reports to be generated, frequency and review and approvers.	*Global Canopy is planning a systems review, which will include its procurement systems, to ensure they are appropriate for GC's size and number of procurements undertaken.*	–

Number	Ref #	Description of Finding	Recommendation	IP Management Response	Auditor's Comment
6	7.5	We noted that the IP does not have a procurement department in place, procurement is covered by Finance Team.	We recommend that the IP considers procurement function, once completed, staff should be trained to the extent necessary to understand and apply proper procurement procedures. Such staff will help in: - Achieve value for money for the rate payers. - Ensure open and fair competition. - Ensure openness and transparency of the decision-making process. - Achieve high standards of accountability and risk management. - Promote Environmental Sustainability; and - Progress Councils commitment to continuous improvement and collaboration.	*Global Canopy is relatively small and does not have a large number of procurements each year that would warrant a dedicated procurement department or designated procurement post. However, as GC grows the requirements will be monitored and resourced as required. Currently there is segregation of duties within the procurement process with budget holders and finance staff involved at different stages. The procurement policy guides staff to ensure that those involved understand and apply proper procurement procedures.*	–

Annex I. IP and Programme Information

Implementing Partner name:	Global Canopy
Implementing Partner code or ID in UNDP, UNICEF, UNFPA records (as applicable)	N/A
Implementing Partner contact details (contact name, email address and telephone number):	Rob Hayes Interim Finance Director r.hayes@globalcanopy.org +44 7521 29848
Main programmes implemented with the applicable UN Agency/ies:	UNDP (SIDA Programme on Environment & Climate Change - Project # 00124739 Output # 00120002) Year 2021
Key Official in charge of the UN Agency/ies' programme(s):	Vanessa P Greer Ettema
Programme location(s):	USA
Location of records related to the UN Agency/ies' programme (s):	Oxford, United Kingdom
Currency of records maintained:	GBP
Expenditures incurred/reported to UNDP, UNICEF and UNFPA (as applicable) during the most recent financial reporting period (in US$);	US$ 145,000
Cash transfer modality/ies used by the UN agency/ies to the IP	Direct Cash Transfer and Reimbursement
Intended start date of Micro Assessment:	25 April 2022
Number of days to be spent on Micro Assessment:	2 Days
Any special requests to be considered during the micro assessment:	N/A

Annex II. Implementing Partner Organization Chart



Annex III. List of Persons Met

Name	Unit/organization	Position
Mr. Niki Mardas	Management	Executive Director
Mr. Chris Graham-	Finance	Finance Controller
Mr. Rob Hayes	Finance	Interim Finance Director
Ms. Eliza Ader	Operations	Project 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 have twice the weight in determining the risk rating.

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.

Scenario 1	*Risk Rating*	*Points*
Question 1	High	4
Question 2	Low	1
Question 3	Low	1
Total Risk Points:		6
Overall Risk	Moderate	2

Scenario 2	*Risk Rating*	*Points*
Key Question 1	**High**	**8**
Question 2	Low	1
Question 3	Low	1
Total Risk Points		10
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						
Global Canopy					25 April 2022	
Subject area *(key questions in bold)*	**Yes**	**No**	**N/A**	**Risk Assessment**	**Risk points**	**Remarks/comments**
1. Implementing Partner						
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.	Yes			Low	1	Global Canopy is registered as a Charitable Company with the Charity Commission for England and Wales - registration number 1089110 - registration letter dated 29 October 2001. Global Canopy is also registered as a Company Limited by Guarantee with Companies House (Registrar of Companies for England and Wales) - registration number 4293417 - registration dated 25 September 2001.
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.	Yes			Low	1	Global Canopy has received UN resources in the past, and no significant issues have been found or reported in managing the resources. See "UNDP_10209415-002_Special audit GC 2021 Report".
1.3 Does the IP have statutory reporting requirements? If so, are they in compliance with such requirements in the prior three fiscal years?	Yes			Low	1	Global Canopy Annual Reports are published on our website. These are up to date and cover the last 10 years - please refer to: https://globalcanopy.org/about-us/annual-reports/ An overview of upcoming filing tasks as well as filing history is registered on Companies House - please refer to: https://find-and-update.company-information.service.gov.uk/company/04293417.
1.4 Does the governing body meet on a regular basis and perform oversight functions?	Yes			Low	1	The Board of Trustees meet formally on a quarterly basis, with other ad hoc meetings as and when required. Further details on GC Structure, Governance & Management are found in section 7 of GC last Annual Report (pp. 42-49).
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?	Yes			Low	1	Global Canopy has specific policies relating to Sub-granting and Sub-contracting. For Sub-grants, GC procedures are listed in the Partner Sub-grant Contract Management document. GC template for sub-grant agreements is also saved in this folder. For Sub-contracts, GC have a procurement policy to ensure value for money, as well as a specific contract template - also saved in this folder. The level of oversight and monitoring, is proportionate to the work being carried out and related level of assessed risk.
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.***	Yes			Low	1	The financial Statements show stability in the financial position (net assets) with surplus and defect for the previous four years.
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	Global Canopy operates several bank accounts for different currencies: GBP, EUR, USD, CHF & NOK. GC receives funding from a wide range of donors including Government Ministries and GC have not encountered any major problems with receiving funds in the past.
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	There are no legal actions against Global Canopy. There are also no outstanding material or significant disputes with vendors or contractors.
1.9 Does the IP have an anti-fraud and corruption policy?	Yes			Low	1	Global Canopy's Staff Handbook includes GC policies relating to anti-fraud and corruption.
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	GC policy on Whistleblowing (pp.45-48 of the Staff handbook) covers how employees should report concerns and the relevant protections against retaliation.
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	There is a Risk register on how to mitigate such risks if faced.
Total number of questions in subject area:	11					
Total number of applicable questions in subject area:	11					
Total number of applicable key questions in subject area:	5					
Total number of risk points:	11					
Risk score	1.00					
Area risk rating	Low					

Subject area *(key questions in bold)*	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
2. Programme Management						
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	GC undertakes a yearly annual-planning process across all Programmes and work areas of the organization. This is centrally overseen and coordinated by the COO and operations team, with a clear and standardized set of instructions and templates. It is led by each of the Programme Leads or Functional Heads, working closely with their teams over a period of weeks. The results are then shared with the Leadership Team who review and comment in a template. Feedback is collated and returned to the leads, who update their plans. These are then shared with the Trustees in the March board meeting (before the start of the financial year in April), and are also discussed at an all-team meeting. While there are then some variations across Programmes, each lead then oversees more detailed planning on the following lines. In-depth workplans are then produced project by project, to include weekly activity plans with agreed timelines. These are then added to Asana where we track individual tasks, deadlines and milestones. The Programme Manager reviews the workplans on a monthly basis and checks in with the team on delays and updates. GC also uses a RASCI matrix tool which ensures the team understands their own as well as other team member roles and responsibilities. Documents provided: Annual planning template and any other instructions and procedures around this process Annual Plan for Corporate Performance Programme Template of LT review of plans RASCI matrix example
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?	Yes			Low	1	Yes. Each of GC three Programmes is underpinned by one or more major multi-year restricted grants, accompanied by a results framework and an associated set of activities, timeline and budget. These results and activities are reviewed and adjusted according to progress, both through GC own internal processes and through discussion with the donors. For instance for GC Aligned Accountability project (under GC Corporate Performance programme) GC have agreed a framework with the donor (NORAD, Norwegian Government) which specifies the results GC expects to achieve in 5 years. GC also have an implementation plan agreed with the donor which has heavily guided GC work plans here. For projects funded by FCDO, GC is guided by the agreed indicators milestones and results as well as agreed outputs. GC usually have both a monthly high level perspective of a work plan as well as a weekly granular perspective as demonstrated here for the 2022 Forest 500 work plan. In addition, for FCDO, every quarter GC sends a QDR (quarterly disbursement request) containing an updated work plan in the form of a GANTT Chart where GC makes adjustments if needed, this is mirrored in GC own work plans so all documents are joined up. Please see GC latest QDR for Q1 here. This document also contains GC assumptions and risks considered as part of project planning. It is worth noting that all the programmatic results GC is working towards achieving a set of high-level organizational outcomes, expressed in GC organizational results framework. Documents Provided: FCDO QTR Log frame (2021-2022) (example) Corporate performance example workplan Organizational results framework NORAD Aligned Accountability results framework NORAD Aligned Accountability implementation plan Aligned Accountability workplans Weekly Forest 500 workplan FCDO QDR Q1

2.3 Does the IP identify the potential risks for programme delivery and mechanisms to mitigate them?	Yes			Low	1	Risk identification comes into programme planning and delivery in several ways: •Risks and opportunities are included in GC programmatic annual planning so that they can be noted and addressed in a timely fashion. These are then reviewed periodically, and any issues arising are escalated as necessary. •Risks are also built into any and all funding proposals GC submits - as are mitigation mechanisms - which are reviewed periodically with GC funders to ensure that GC is mitigating them appropriately. See, for example, the risks and assumptions tab in the provided QDR document GC submitted to FCDO for year 2 . •GC maintains an organizational risk register which is reviewed periodically with GC Trustees, and which includes a number of items and mitigating measures that relate to GC programmatic delivery and impact. Documents Provided: FCDO QDR Year 2 Org risk register Corporate performance risk register Trase PM process
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	GC have an overall M&E strategy and policy for the organization, which is provided. Given the growth in the size of our Programmes, GC is now recruiting an M&E lead for Global Canopy as a whole to be able to further build on this policy and standardize monitoring and evaluation across all of GC Programmes. For an example of current programmatic M&E practices at Global Canopy please see answer 2.5 below. Documents provided: GCP Monitoring and Evaluation policy
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, GC M&E work builds on the results frameworks and log frames for all GC Programmes as described in question 2.2 above. For an example, GC Trase programme. For another programmatic example, GC attached the submitted and approved narrative report to UNDP on a now-closed grant from February 2022, reporting on results linked to the TNFD programme Documents provided: Trase M&E docs Example narrative report from the Nature-related finance programme to UNDP on a now-closed grant - February 2022.
2.6 Does the IP carry out and document regular monitoring activities such as review meetings, on-site project visits, etc.	Yes			Low	1	Yes, in each programme GC carries out regular monitoring activities. For example, across the Corporate Performance Programme, key updates on activities being carried out are provided in Asana every two weeks for the Data, Frameworks and Methodologies and Impact Workstreams encompassing engagement, communications and guidance pieces. This allows for regular monitoring by the project management team. GC also have several regular monitoring meetings captured in this Google document, they are the following: · One biweekly meeting for the whole of the Corporate Performance team dedicated to in depth insights on work being undertaken by the team and for individuals to announce key successes. · Biweekly check in meetings for both the Data Workstream and Frameworks and Methodologies Workstream where there is a standing agenda for team members to provide key updates, seek feedback on recent work as well as to address blockers. · GC also have a project specific biweekly meeting for the Deforestation Free Finance Project also with a standing agenda to provide key updates and address blockers. · A monthly meeting also takes place to monitor the Corporate Performance budget. · Biweekly meetings with sub-grantees and partners working on specific project areas, and monthly project management meetings with subgrantees to review progress. Documents provided: Corporate performance review meeting schedule Example project management report for the Nature-related finance programme from June 2021 Nature-related finance programme meeting notes - March 2022 Trase PM process

2.7 Does the IP systematically collect, monitor and evaluate data on the achievement of project results?	Yes			Low	1	Yes, GC systematically gathers and evaluates data on project results, as per the Trase example given in question 2.5 on programmatic M&E above. For Trase, GC uses a scalar outcome framework to collect data on progress towards GC project results (see outcome legend) and the level of behavioral change GC have influenced and enabled across GC target audiences. Data is collected systematically by team members and reporting on monthly cycle ,method and sources of data (outcome table) and data inputs (target audience uptake). The results are also tracked using Asana goals. On a quarterly cycle GC assesses progress and reports to the Trase management team and coordinators team where we share progress and identify any reflections and lessons that need action. See example from Q1 2022 . This informs GC annual planning but also GC adaptive management in June each year to adapt priorities based on lessons learned and external changes. GC also undertakes a biannual evaluation that will focus on specific topics in GC theory of change. GC also uses the data GC gathers to report periodically to donors (quarterly or annually depending on the donor) on GC results. As an organization, GC also reports quarterly to its Trustees via Trustee papers and a quarterly meeting, and annually via a public Annual Report which is filed with the Charity Commission. Documents Provided: Copies of GC annual reports from 2017 to 2021. Trase MEL doc
2.8 Is it evident that the IP followed up on independent evaluation recommendations?	Yes			Low	1	UNEP FI and Global Canopy agreed to undertake a Market Readiness Assessment of the Finance Sector which was referenced by the TNFD Technical Expert Group ahead of the formal TNFD launch in June 2020. The report found that 'different types of financial institutions will experience different types of drivers and incentives' and outlined the heterogenous nature of the finance sector addressing the need for a more granular understanding identified in the AERM terminal review.
Total number of questions in subject area:	8					
Total number of applicable questions in subject area:	8					
Total number of applicable key questions in subject area:	2					
Total number of risk points:	8					
Risk score	1					
Area risk rating	Low					

Subject area *(key questions in bold)*	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
3. Organizational Structure and Staffing						
3.1 Are the IP's recruitment, employment and personnel practices clearly defined and followed, and do they embrace transparency and competition?	Yes			Low	1	Global Canopy runs an open and transparent recruitment process - GC have a set process for preparing a role, planning advertising and assessment and interview process. Applications for roles are submitted via Workable applicant tracking system where they are managed throughout the process. When GC works with an agency for appointing senior / specialist roles, they have the same brief. Details of how GC approaches recruitment are in the submitted documents, as well as a sample job pack. oUsing the recruitment planning template oRecruitment pack oJob advert and advertising oShortlisting and interviews oUsing Workable - GC's applicant tracking system oReviewing candidates in Workable oCommunicating with candidates oFAQs and support (GC employment policies are available in the staff handbook provided.)
3.2 Does the IP have clearly defined job descriptions?	Yes			Low	1	There is job description for each position.
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.	Yes			Low	1	The structure of the organization can be viewed in the organogram PDF. GC are currently finalizing a recruitment process for a new Finance Director, currently in place is an interim finance director. The management responsibility sits with the Leadership Team whose CVs are also available in this folder. Between them, they oversee all key areas from Development, Engagement and Communications through to Finance and Policy. Niki Mardas - Executive Director Rachel Rank - COO Amy Fairbairn - Strategic Communications Director Emma Gollub - Director of Engagement Helen Bellfield - Trase Lead, Policy Director Ursula Saunders - Director of Development
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	Global Canopy's Finance Team is well staffed and can ensure sufficient controls are in place to manage agency funds. Because of the size of our team, we can ensure effective segregation of duties. Our audited annual accounts also show that we are able to manage funds from a multitude of different funding organizations effectively. This is the structure of our finance team including the names of current post-holders: Finance Director - Rob Hayes Financial Controller - Chris Graham Finance Business Partners - Nell Payne & Enaty Readman Finance Manager - Jan Jordan Finance Admin Officers - Katya Petrova, John Ventress, Laura Murphy
3.5 Does the IP have training policies for accounting/ finance/ programme management staff? Are necessary training activities undertaken?	Yes			Low	1	Staff inductions upon starting at Global Canopy are comprehensive, and cover the following over the first two-three months with the organization: •Introduction to the finance team and finance processes from the finance director. •An introduction from the finance manager on timesheets and allocations. •How to spend money at Global Canopy - including all of the checks, balances, and approvals that need to happen before money is spent. •An HR induction. •A training on safeguarding - whistleblowing, anti-bribery and the code of conduct. •An online course on anti-bribery which can be found here. •Introductions to all of Global Canopy's Programmes, projects, and cross-cutting areas of work from the relevant members of staff. The following documents are included in the folder: •Slides used by the Finance Director in their induction for new starters. •The slides used for the "How to spend money at Global Canopy" training for new starters. •Our travel approval and expenses policy, which all new starters have to read. •Global Canopy's code of conduct, which all new starters have to read.
3.6 Does the IP perform background verification/checks on all new accounting/finance and management positions?		No		Moderate	2	GC does not do these checks as they are not relevant to GC area of work, GC does not work with children or vulnerable adults, or in other settings where you'd expect these to be done.

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?	Yes			Low	1	Global Canopy's Accounts team does not have a significant turnover. Tom Espley was the Finance Director from spring 2017 until spring 2022. We are currently in final stages of recruiting his replacement. In the meantime, Rob Hayes is the Interim Finance Director, coming back to support GC over the transition period. Over the last five years the accounts team has grown to have more positions and larger team but there haven't been any leavers amongst our Accounts colleagues. We hired a new Finance Business Partner and an internal recruitment resulted in a promotion this year.
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		Low	1	GC operates an appropriate system of internal controls which are documented within it overall framework of finance policies and procedures and staff handbook. See "GC_Staff_Member_Handbook_v2" and "Global Canopy - Index & Handbook of Finance Procedures - Google Docs" which provides a summary of GC's finance policies and procedures (all of the individual sections/policies can be made available upon request) Examples which are imbedded within GC's internal controls framework include: •IT and data protection policies, including restricted access to the accounting system •Disciplinary, capability and grievance policy •Anti-bribery and conflict of interest policy •Whistleblowing policy •Code of conduct for staff, suppliers and partners •Operating within approved budgets (both programme and organizational budgets) •Delegated authority and authorization limits •Procurement policy and value for money policy •Segregation of duties within procurement, expenditure approval and accounting processes •Fixed asset policy •Staff expenses policy •Bank reconciliations and cash management •Partner assessment policy •Indirect cost policy •Financial monitoring through preparing monthly management accounts and project reports •External audit
Total number of questions in subject area:	8					
Total number of applicable questions in subject area:	8					
Total number of applicable key questions in subject area:	3					
Total number of risk points:	9					
Risk score	1.125					
Area risk rating	Low					

Subject area *(key questions in bold)*	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
4. Accounting Policies and Procedures						
4a. General						
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?	Yes			Low	1	GC uses Financial Force as our accounting system. GC manages funds from many different donor organizations effectively including proper recording of transactions. Every individual Income Agreement for restricted funds is allocated a Dimension 2 for tracking all income and expenditure relating to that contract. The Dimension 3 codes track costs against individual donor budget lines.
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?	Yes			Low	1	Different funders have different rules about how much funding they can include for GC project-related overheads, and GC makes these allocations according to the rules specified in each funding agreement.
4.3 Are all accounting and supporting documents retained in an organized system that allows authorized users easy access?	Yes			Low	1	Yes since 2012 , also all accounting and supporting documents are allocated an individual number which we use for filing in a systematic way. Financial Force allows us to attach these documents to the individual transactions in our accounting system, but we also retain soft copies of these documents in our shared filing directory.
4.4 Are the general ledger and subsidiary ledgers reconciled at least monthly? Are explanations provided for significant reconciling items?	Yes			Low	1	GC prepares monthly management accounts, which includes reconciliations of all the relevant ledgers as well as commentary as regards variances to budget. Explanations are provided for significant reconciling items if applicable. Further information on specific procedures can be requested - please refer to the index in the Finance Handbook.
4b. Segregation of duties						
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?**	Yes			Low	1	a) In GC banking system, it is required at least 2 different staff to make a payment. Typically, the Finance Admin Officers enter payments, which need to be approved by an approved authorizer (normally the Finance Manager, but also the Finance Business Partner, Financial Controller or Finance Director). Before entering the payment into the online banking, the Finance Admin Officer gains approval from the budget holder overseeing the work, that GC have received the relevant goods or services. b) the Finance Admin Officers record the majority of transactions on Financial Force. c) When the asset meets Global Canopy criteria for capitalization, it will be added to the fixed asset register. The only assets which GC have are Office & IT equipment & furniture and fittings relating to GC Oxford office. On a day to day basis, users of IT equipment (mostly laptops) are responsible for their custody, but GC also records this information and track it centrally.
4.6 Are the functions of ordering, receiving, accounting for and paying for goods and services appropriately segregated?	Yes			Low	1	Purchasers must first obtain budget holder approval before making a purchase. This permission is recorded by the finance team. Once this permission is obtained, the purchaser makes an order and is also responsible for receiving the goods or services. The payment for the goods or services requires 2 different individuals as noted in point 4.5a) above. This ensures appropriate segregation of duties. Further details around the payment process are documented in the How to Spend Money training handouts.
4.7 Are bank reconciliations prepared by individuals other than those who make or approve payments?	Yes			Low	1	Because 2 staff members are always required to make a payment, there are appropriate segregation of duties between staff preparing the bank reconciliations and those making / approving payments (as the payment process always requires 2 staff members).

4c. Budgeting system						
4.8 Are budgets prepared for all activities in sufficient detail to provide a meaningful tool for monitoring subsequent performance?	Yes			Low	1	Budgets are prepared to a high level of detail and this allows meaningful monitoring of performance. The annual budgeting process is a key task involving all budget holders and several senior members of the finance team. The process note for 2022-23 budget preparation is gives more detail of this process.
4.9 Are actual expenditures compared to the budget with reasonable frequency? Are explanations required for significant variations from the budget?	Yes			Low	1	GC monitors performance to budget at an organizational level via its monthly management account process and project budgets are also monitored on a monthly basis internally. Staff costs are GC largest type of expenditure and GC have a staff plan where it updates the staff costs forecast on a rolling basis.
4.10 Is prior approval sought for budget amendments in a timely way?	Yes			Low	1	If a need is identified for a budget amendment, and the budget holder cannot resolve within their own budget, then GC will: •formally request a budget amendment with its donors - where it relates to a project budget & it exceeds any threshold set by them for an allowable variance. •GC will gain approval for any changes at an appropriate level internally, where it relates to organizational unrestricted funds
4.11 Are IP budgets approved formally at an appropriate level?	Yes			Low	1	The annual budget is approved by the Board of Trustees.
4d. Payments						
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?	Yes			Low	1	Global Canopy does not operate a purchase order process currently, but we instead have 'permissions' which are essentially giving budget holder permission to use funds. An overview of the process can be found in the How to Spend Money training document, which is filed in section 4.b). Once a budget holder has given permission to use their budget, the purchaser can proceed with procurement, contracting and receiving the goods or services. When invoices are sent to finance, further checks are performed - including obtaining confirmation from the purchaser that they have received the goods or services being invoiced.
4.13 Are payments authorized at an appropriate level? Does the IP have a table of payment approval thresholds?	Yes			Low	1	Payments are authorized at an appropriate level. Please refer to p. 7 of the How to Spend Money training document, which is filed in section 4.b).
4.14 Are all invoices stamped '*PAID*', approved, and marked with the project code and account code?		No		Low	1	The codes and approvals are obtained via email. As GC is operating using electronic files, the invoices are not stamped 'PAID'.
4.15 Do controls exist for preparation and approval of payroll expenditures? Are payroll changes properly authorized?	Yes			Low	1	There are controls for preparation and approval of payroll expenditures. Please refer to the Monthly Payroll Procedure (payroll is outsourced). Monthly payroll procedure: The finance manager is responsible for preparing & finalizing the payroll. HR team must send all changes to the FM in time for payroll (around 15-20th of the month, depending on the calendar). The FM submits this to Critchleys who prepare the payroll. The FM validates this by reconciling between GC's own calculation of the payroll for that month and the gross to net report prepared by Critchleys. This reconciliation is kept in the password protected document : Dropbox (global canopy)\GCP - Accounts - Pay and benefits\Pay and Benefits\Payroll. Filename : GCP Salary info for Payroll.xlsx. The Finance director reviews the reconciliation and signs off the payroll physically. - the scan of which is sent to critchleys. All payroll files and supporting documents are filed in : Dropbox (global canopy)\GCP - Accounts - Pay and benefits\Pay and Benefits\Payroll. Critchleys send BACS authorization reports which are signed by both the FD and FM. The reports are scanned and returned to Critchleys, the hard copy to Katya for the bank rec. BACS reports should be checked but permission has been given to Critchleys to receive the reports on GC behalf. Reports should be checked for any errors.

4.16 Do controls exist to ensure that direct staff salary costs reflects the actual amount of staff time spent on a project?	Yes			Low	1	There are controls to ensure that direct staff salary costs reflect the actual amount of time spent on a project - please refer to the document 'Staff Allocation sheets'.
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	In terms of expenses that do not originate from invoice payments, these consist of travel expenses, salary allocations (dealt with in section 4.16 above) and allocation of overhead costs. A copy of GC travel expense policy is saved in the folder. GC does not pay allowances, per diems or lump sum amounts. Allocation of overhead costs is done in accordance with donor rules for eligible costs on each grant. GC has a policy detailing the principles applied in the recovery of overhead costs, but if donor rules are different, GC follows the donor rules.
4e. Policies and procedures						
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	GC Audited Annual accounts are prepared on the accruals basis - see notes on p.61 of the 2020-21 Annual Report. For specific donor financial reporting, GC complies with the requirements of the donor as to what expenditure is and is not allowed (e.g. if cost accruals are permitted).
4.19 Does the IP have an adequate policies and procedures manual and is it distributed to relevant staff?	Yes			Low	1	GC Finance Handbook and Index of procedures is shared with all finance staff.
4f. Cash and bank						
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?	Yes			Low	1	There are always 2 or more staff required for authorizing bank transactions. 1 person inputs / 1 person authorizes for online payments. Cheques require 2 signatories.
4.21 Does the IP maintain an adequate, up-to-date cashbook, recording receipts and payments?	Yes			Low	1	GC maintains up to date accounts entering all transactions in a timely manner. Invoices are processed at least weekly. Further processes are listed in section 3 of GC Finance Handbook & Index of procedures provided in section 4.a).
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	-	GC does not participate in micro-finance advances
4.23 Are bank balances and cash ledger reconciled monthly and properly approved? Are explanations provided for significant, unusual and aged reconciling items?	Yes			Moderate	4	The bank reconciliation process is not well documented. GC carries out monthly bank reconciliations which includes understanding any reconciling items. A copy of the bank reconciliation procedures is provided. Bank reconciliation procedure: Finance assistant downloads the cash statement from Barclays.net and ensures transactions are entered into sales force. The finance manager goes through the bank reconciliation process within Financial force, to check that all transactions were correctly entered. This provides a list of any unreconciled items - if there are any - although it is rare. For each month end, the finance manager checks that balance in salesforce against the bank statement, and signs the bank statement to show that it has been checked and agreed. This is filed. If there are any reconciling items then they are printed and filed with the bank statements. As part of the management accounts month end process/working papers, a schedule of all bank accounts and currency balances is prepared -showing the currency values, actual exchange rates and balance sheet amounts. Currency account revaluations The Finance Officer & Finance manager maintain an analysis sheet of currency accounts to identify which restricted fund each transaction and balance relates to. The balances are revalued each month. The management account working paper shows the currency revaluations.

4.24 Is substantial expenditure paid in cash? If so, does the IP have adequate controls over cash payments?		No		Low	1	GC only keeps and pays for small amounts using cash. Please refer to GC Petty cash procedure for further details of the controls for using petty cash.
4.25 Does the IP carry out a regular petty cash reconciliation?	Yes			Low	1	There is a monthly reconciliation performed for 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	Access to bank is restricted through secure card readers / pins. Petty cash is locked up (see Petty cash procedure). Cheque books are also kept securely.
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?	Yes			Low	1	See finance procedures - payments are entered onto Barclays.net rather than electronic payment files being transmitted
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?			N/A	N/A	-	Global Canopy has one office located in Oxford. Prior to Covid 19 Pandemic, GC operated with some of its staff & consultants working remotely, and this has increased since the pandemic. However, all costs are processed via GC finance team who work at GC Oxford office. As regards external entities, these expenditures are managed in line with the policies and procedures referred to in Question 1.5.
4h. Internal audit						
4.29 Is the internal auditor sufficiently independent to make critical assessments? To whom does the internal auditor report?		No		Moderate	2	Global Canopy is a relatively small organization and does not have an internal audit function. GC have an Annual Statutory Audit performed by an Independent Auditor, as well as project specific audits when required by its funding agreements.
4.30 Does the IP have stated qualifications and experience requirements for internal audit department staff?			N/A	N/A	-	Global Canopy is a relatively small organization and does not have an internal audit function.
4.31 Are the activities financed by the agencies included in the internal audit department's work programme?			N/A	N/A	-	Global Canopy is a relatively small organization and does not have an internal audit function.
4.32 Does the IP act on the internal auditor's recommendations?			N/A	N/A	-	Global Canopy is a relatively small organization and does not have an internal audit function.
Total number of questions in subject area:	33					
Total number of applicable questions in subject area:	28					
Total number of applicable key questions in subject area:	19					
Total number of risk points:	31					
Risk score	1.1071429					
Area risk rating	Low					

Subject area *(key questions in bold)*	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
5. Fixed Assets and Inventory						
5a. Safeguards over assets						
5.1 Is there a system of adequate safeguards to protect assets from fraud, waste and abuse?	Yes			Low	1	GC only assets are IT & Office equipment and furniture / fittings. GC Fixed Asset policy covers the safeguards to protect assets from fraud, waste and abuse.
5.2 Are subsidiary records of fixed assets and inventory kept up to date and reconciled with control accounts?	Yes			Low	1	GC Fixed Assets' register is reconciled to the accounting records in Financial Force and is audited as part of the annual accounts process. A copy of the current Fixed Asset register is provided.
5.3 Are there periodic physical verification and/or count of fixed assets and inventory? If so, please describe?	Yes			Moderate	2	The physical verification process is detailed in the Fixed Asset policy. It is done on the same register (excel) with no signed documents as proof.
5.4 Are fixed assets and inventory adequately covered by insurance policies?	Yes			Low	1	The insurance policy is provided . GC believes that they hold an appropriate level of insurance cover.
5b. Warehousing and inventory management						
5.5 Do warehouse facilities have adequate physical security?			N/A	N/A	-	
5.6 Is inventory stored so that it is identifiable, protected from damage, and countable?			N/A	N/A	-	Global Canopy does not hold any inventory.
5.7 Does the IP have an inventory management system that enables monitoring of supply distribution?			N/A	N/A	-	Global Canopy does not hold any inventory.
5.8 Is responsibility for receiving and issuing inventory segregated from that for updating the inventory records?			N/A	N/A	-	Global Canopy does not hold any inventory.
5.9 Are regular physical counts of inventory carried out?			N/A	N/A	-	Global Canopy does not hold any inventory.
Total number of questions in subject area:	9					
Total number of applicable questions in subject area:	4					
Total number of applicable key questions in subject area:	0					
Total number of risk points:	5					
Risk score	1.25					
Area risk rating	Low					

Subject area *(key questions in bold)*	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
6. Financial Reporting and Monitoring						
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	GC Finance Handbook and Index of Procedures references its policies in regards financial reporting. For donor financial reporting, GC Grant Management Checklist has questions to ensure GC captures the financial reporting deadlines and requirements of each Income Agreement. GC also have a donor financial reporting checklist. For internal reporting of management accounts, GC have a Management Accounts Procedure.
6.2 Does the IP prepare overall financial statements?	Yes			Low	1	GC organizational financial statements are published in the Annual Reports which are published on GC website here: https://globalcanopy.org/about-us/annual-reports/ .
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.	Yes			Low	1	GC accounts are audited annually by an independent auditor in accordance with International Standards on Auditing (UK) and applicable law. Please refer to the Independent Auditor's report in 2020-21 Annual Report on pp.50-57 for more information. GC current Auditors are Critchleys Audit LLP.
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?		No		Low	1	There have not been any major issues related to ineligible expenditure involving donor funds reported in GC audit reports over the past 5 years. Please refer to the annual audited accounts published on GC website here for confirmation: https://globalcanopy.org/about-us/annual-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?		No		Low	1	There have not been any significant recommendations made by the auditors in the prior five audit reports and / or management letters which have not yet been implemented.
6.6 Is the financial management system computerized?	Yes			Low	1	The financial management system is computerized - GC uses Financial Force.
6.7 Can the computerized financial management system produce the necessary financial reports?	Yes			Low	1	The computerized financial management system can produce financial reports, however, GC then uses Microsoft Excel to tailor the reports to the donor's financial reporting requirements, and for GC internal reports. GC always reconciles these reports back to Financial Force to ensure completeness and accuracy.
6.8 Does the IP have appropriate safeguards to ensure the confidentiality, integrity and availability of the financial data? *E.g. password access controls; regular data back-up.*	Yes			Low	1	Access to Financial Force is via Salesforce logins which are password protected. Financial Force is an online cloud based accounting software which is regularly backed up as part of the service provision.
Total number of questions in subject area:	8					
Total number of applicable questions in subject area:	8					
Total number of applicable key questions in subject area:	3					
Total number of risk points:	8					
Risk score	1					
Area risk rating	Low					

Subject area *(key questions in bold)*	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
7. Procurement and Contract Administration						
7a. Procurement						
7.1 Does the IP have written procurement policies and procedures?	Yes			Low	1	GC procurement policy has been included in section 1.5.
7.2 Are exceptions to procurement procedures approved by management and documented ?	Yes			Low	1	Exceptions to the procurement procedures are documented using GC Procurement Decision Template and are approved at appropriate levels - please refer to p.5 of How to Spend Money Training notes provided in 4.b).
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		Moderate	2	The procurement system is not fully computerized. We do not issue formal purchase orders, but instead we use: •Permissions - this document confirms the budget holder has given permission to the purchaser to use their budget for the purchase. This is logged by the finance team centrally. Where a budget holder is also the purchaser, no permission is required. •Contracting - please refer to the procurement contracting policy referenced in section 1.5. •Receipting of goods or services is performed by the purchaser An overview of the procurement system is documented in the How to Spend Money training notes provided in 4.b).
7.4 Are procurement reports generated and reviewed regularly? Describe reports generated, frequency and review & approvers.		No		Moderate	2	Procurement reports are not generated and reviewed regularly, instead procurement is approved at appropriate levels for each purchase made. Expenditure is reviewed on a monthly basis via the monthly management accounts process.
7.5 Does the IP have a structured procurement unit with defined reporting lines that foster efficiency and accountability?		No		Moderate	2	Due to Global Canopy's current size, GC does not have a specialist procurement unit per se. Instead the respective roles and responsibilities are documented on pages 3 & 5 of the How to Spend Money Training notes provided in 4.b).
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	GC does not have a procurement unit , but GC believes that the staff performing the roles during procurement and contracting do have an appropriate level of understanding, skills, expertise and experience to perform their roles effectively. GC also note prior experience of carrying out procurement which meets European Union and UN requirements when procuring goods or services using funds from these donors. Please refer to answer 7.5 as to which staff members are involved in the process.
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	There are no significant recommendations related to procurement made by auditors in the prior five audit reports and/or management letters over the past five years which have not yet been implemented.
7.8 Does the IP require written or system authorizations for purchases? If so, evaluate if the authorization thresholds are appropriate?	Yes			Low	1	GC believes the authorizations are set at appropriate levels. Please refer to answer 7.5 for more details.
7.9 Do the procurement procedures and templates of contracts integrate references to ethical procurement principles and exclusion and ineligibility criteria?	Yes			Low	1	GC procurement & contracting policy lists ethical criteria as a key principle to apply in Global Canopy's purchasing - see Principle 1.2 in Annex 1 on p.3 of GC Procurement & Contracting policy provided when answering question 1.5.
7.10 Does the IP obtain sufficient approvals before signing a contract?	Yes			Low	1	Global Canopy does obtain sufficient approvals before signing contracts. Please refer to the answer to section 7.5 for further details.
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	Principle 1.3 in Annex 1 on p.3 of our Procurement & Contracting policy provided when answering question 1.5 deals with Conflicts of Interest. The principle states: "It is against the GCP Procurement Policy for an employee to participate in or influence the procurement of services or goods in which the employee or related persons, have a financial interest."
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	Please refer to the procurement & contracting thresholds on p. 1 of the procurement & Contracting policy provided when answering question 1.5 for details of different procurement processes related to different levels of expenditure. For larger value items we will make an open advertisement on GC website and GC may considers advertising in the trade press or on government procurement websites (e.g. https://www.gov.uk/contracts-finder). Where a donor requires a more stringent procurement process than Global Canopy's own processes, then GC will always follow the donor requirements when using their funds.

7.13 Does the IP keep track of past performance of suppliers? E.g. database of trusted suppliers.	Yes			Low	1	Global Canopy maintains a list of preferred suppliers. The considerations for adding or removing suppliers from this list are stated on p. 3 of the Procurement & Contracting policy provided when answering question 1.5.
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	Where Global Canopy runs a tender process, GC documents the evaluation criteria as part of the tender documents - making sure that this is appropriate to the level of expenditure and takes into account any donor requirements - if using donor funds. This can be evidenced when looking at recent tenders (e.g. Neural Alpha contract for Aligned Accountability.
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	When a formal invitation to bid has been issued, Global Canopy awards the contract on a pre-defined basis set out in the solicitation documentation taking into account technical responsiveness and price. This can be evidenced when looking at recent tenders (e.g. Neural Alpha contract for Aligned Accountability).
7.16 If the IP is managing major contracts, does the IP have a policy on contracts management / administration?	Yes			Low	1	The contract management and administration for major contracts will be specific to the contract in question. For an example, we can evidence the process being followed for our current contract with Neural Alpha in Aligned Accountability.
7b. Contract Management - To be completed only for the IPs managing contracts as part of programme implementation.						*Otherwise select N/A for risk assessment*
7.17 Are there personnel specifically designated to manage contracts or monitor contract expirations?			N/A	N/A	-	In terms of managing contracts where Global Canopy receives funds, the project managers are the designated personnel. When managing expenditure contracts, the person responsible for managing the contract will be named in the contract itself. It is often the same as the purchaser - please refer to p.6 of How to Spend Money training document (filed for Q 4.b) for considerations of contract management.
7.18 Are there staff designated to monitor expiration of performance securities, warranties, liquidated damages and other risk management instruments?			N/A	N/A	-	GC does not have any significant contracts relating with performance securities, warranties, liquidated damages and other risk management instruments.
7.19 Does the IP have a policy on post-facto actions on contracts?			N/A	N/A	-	If this question relates to contracts where GC receives income, then GC will make a judgement about starting work prior to having a contract in place, depending on likelihood of success with fundraising. In terms of paying suppliers, GC does not normally pay any contractor without a clear agreement in place - unless in very exceptional circumstances.
7.20 How frequent do post-facto contract actions occur?			N/A	N/A	-	The general rule is that there should be a formal agreement in place before contractors start to work for Global Canopy. Occasionally contracting itself may be formalized after a contractor starts work, but no payments would normally be made, unless in very exceptional ci. This is an exception to the rule.

Total number of questions in subject area:	20
Total number of applicable questions in subject area:	20
Total number of applicable key questions in subject area:	5
Total number of risk points:	19
Risk score	0.95
Area risk rating	Low

Totals	
Total number of questions:	97
Total number of applicable questions:	83
Total number of applicable key questions:	37
Total number of risk points:	91
Total risk score	1.0963855
Overall risk rating	Low

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Partner Capacity Assessment Tool - Introduction & Overview

Background: This Partner Capacity Assessment Tool (PCAT) is designed to streamline UNDP's approach to capacity assessments of project Implementing Partners (IPs) and Responsible Parties (RPs). It does this by consolidating all of the existing partner capacity assessment checklists, and eliminating duplicative questions and questions that don't add value. The PCAT also saves time by: (i) providing rapid guidance on which capacity assessments will ensure project risks are identified; and (ii) generating a summary report of the resulting risk assessments, risk mitigation actions and associated budgets for inclusion in the Project Document. The PCAT also includes capacity assessments for new programming instruments, including On-Granting and Performance-Based Payment Agreements.

Purpose: The UNDP Enterprise Risk Management (ERM) Policy identifies 'Capacities of the Partners' as a key Strategic Risk to be managed for the success of UNDP's work. The PCAT is designed to assess the level of risk that is present when UNDP works with Partners to implement programmes and projects. The level of risk is identified by analyzing partner capacity and matching project management and oversight with the level of risk assessed. By identifying areas for capacity improvement, the PCAT should also help to reduce future Partner risk levels if the capacity building actions are implemented and sustained.

Applicability: The PCAT is applicable to all Partners, including IPs and RPs, in all contexts, including crisis contexts. It also applies to Grantees for determining eligibility to receive a grant. The PCAT outlines the minimum requirements for capacity assessments based on UNDP thresholds (such as USD 150,000 per annum for HACT). This does not preclude offices doing additional capacity assessments for Partners that fall below the thresholds should they consider this to be beneficial for their office.

Responsibility and Timing: The PCAT should be completed by the Project Developer as soon as possible during the Project Design phase, with HACT Micro-Assessment inputs from the Third-Party Service Provider where required. The PCAT generates a summary of the results of the Partner capacity assessments that can be attached to the Project Document, eliminating the need to write long-form/narrative reports on capacity assessment results.

How to Use the PCAT: Follow these 4 steps:

Step 1: Review Pre-Requisites for Partnering:	Start the PCAT with 'Pre-Requisites for Partnering.' Here you will enter background information about your office and the Partner, and then review 5 questions to assess whether the Partner meets certain basic criteria for partnering with UNDP (such as not being on UN Sanctions, UNDP Vendor Sanctions or UN Global Marketplace Ineligibility Lists). If the Partner meets the 'Pre-Requisites for Partnering,' you will then move to the next section 'Capacity Assessment Scoping.' If the Partner does not meet the 'Pre-Requisites for Partnering,' you will be advised to do no further assessments as the Partner cannot work with UNDP.	Go to Pre-Requisites for Partnering
Step 2: Complete Capacity Assessment Scoping	The PCAT is a dynamic tool that will display only the capacity assessments you need based on the answers you provide to 10 'assessment scoping' questions. These questions include: (i) whether or not this is a humanitarian project for which a rapid capacity assessment is needed; (ii) what role the Partner will fulfill on the project (IP vs RP vs Other); (iii) what type of organization the Partner is (Govt, CSO/NGO, Private Sector etc); (iv) whether the Partner is expected to receive more than USD 150,000 per annum; (v) whether a HACT Micro-Assessment has been done; (vi) whether the Partner will be managing construction activities; (vii) whether the Partner will undertake grant-making activities on behalf of UNDP (on-granting); (viii) whether the Partner will be implementing activities funded by Global Environment Facility (GEF) or Green Climate Fund (GCF); (ix) in the case of RPs, whether a Performance-Based Payment Agreement (PBPA) will be used for the project; and (x) whether the PBPA will exceed USD 150,000 per year. Your answers to these questions will determine which capacity assessments are displayed for completion. You will be provided with a link that will take you straight to the assessment(s) to be completed. Also, all of the background	Go to Capacity Assessment Scoping
Step 3: Complete the Capacity Assessment(s)	Complete the capacity assessment(s) as needed. Based on the results of the capacity assessment and the level of assessed risk, you will be asked to identify risk mitigation strategies (such as capacity building actions and/or enhanced monitoring & assurance activities) and the associated budget required to implement those strategies.	Follow the links provided on the Capacity Assessment Scoping page
Step 4: Conclude on the Capacity Assessment(s)	The PCAT will automatically summarize the results of the completed capacity assessments, providing you with a concise document to attach to your Project Document.	Go to Conclude on Capacity Assessment
Optional: Additional Guidance Resources	If you need additional guidance, review the IP and/or RP decision trees, which provide step-by-step overviews of the capacity assessments needed; or try the POPP Points to Remember for important points on HACT and on specific programme/project instruments, such as On-granting or Performance-Based Payment Agreements (PBPAs).	IP Decision Tree RP Decision Tree HACT - POPP Points to Remember On-Granting - POPP Points to Remembe PBPAs - POPP Points to Remember

Partner Capacity Assessment Tool - Step 1: Pre-Requisites for Partnering - applicable to all Partners

Return to PCAT Overview page

Applicability: This 'Pre-requisites for Partnering' section should be completed for all UNDP partners, regardless of whether they are IPs, RPs, Other Partners or grant recipients.

Responsibility & Timing: The Project Developer should complete this 'Pre-requisites for Partnering' as early as possible in the Project Design phase to ensure that the proposed partner is not a prohibited organization and does not engage in practices that are inconsistent with UNDP's social & environmental standards and code of ethics.

Background Information (Enter this information here and it will be carried throughout the PCAT - no need to enter it again)

Region	HQ
Office	BPPS
Programme Start	1-May-22
Programme End	30-Jun-27
Partner Name	Global Canopy
Partner budget for this Project	$ 137,000

Comments: (Optional)
This funding is to support TNFD in expanding its communications outreach and take forward the TNFD Framework pilotingin the soft commodities sector, focussing on palm oil, running additional workshops for participants over the course of the next couple of months and provide the funding necessary to collate, analyse and disseminate the findings from the pilot to the TNFD Secretariat and wider relevant stakeholders

ERM Risk Category	Risk being addressed	Q. #	Pre-requisites for Partnering Questions	What to review to determine your response	Response	Action Needed
Regulatory (6.3, FRR)	Violation of UN sanctions	1	Is the organization listed on the Consolidated United Nations Security Council Sanctions List, the UNDP vendor sanctions list or the UN Global Marketplace Ineligibility List ?	UN Sanctions List UNDP Vendor Sanctions List UN Global Marketplace Ineligibility List (accessible to UNDP Buyer Roles)	No	**Continue to Question 2**
						Comments
Strategic (7.5 Code of conduct & ethics), Social & Environmental (1.1-1.12)	Violation of programming principles and ethical standards	2	Is there any credible evidence that the organization persistently commits acts that violate: (i) UNDP's social and environmental standards (human rights, gender equality, labor conditions, environmental sustainability standards); or (ii) code of conduct/ethics standards to such an extent that UNDP's association with the organization cannot be adequately managed or justified?	* Internet/press search * Donor evaluations, assessments * Significant criticism from donors/CSOs/ media/social media or other significant partners of UNDP locally or globally * Significant criticism from governmental agencies / political parties that makes UNDP's partnering politically sensitive * Recurring local or global public events against the organization (e.g. local demonstrations, online protests, etc) * Relevant legal case in progress/in court etc.	No evidence found	
Strategic (7.6 Public opinion & media)	Damage to UNDP's reputation	3	Has an internet/donor evaluation report search revealed any credible and significant adverse publicity or controversy about the organization that could damage UNDP's reputation by association to such an extent that the association cannot be adequately managed or justified?		No adverse publicity found	
Regulatory (6.3, FRR)	Absence of neutrality	4	If the Partner is a CSO/NGO or private sector organization, is there any credible evidence that the organization has political affiliations that could compromise UNDP's neutrality, perceived or actual, in a way that cannot be adequately managed and justified?		No neutrality concerns found	
Financial (2.3 Corruption & Fraud); Strategic (7.5 Code of Conduct & Ethics)	Fraud, corruption and potential damage to UNDP's reputation	5	If there is a history of fraud and/or any potential Conflicts of Interest (CoI) in relation to this organization, have they been reviewed and satisfactorily resolved or if not, can they be adequately managed or justified in the context of this specific project? (Consider such as issues as the organization employing any individual/s who is/are currently holding any position in UNDP or the UN OR any individual/s who is/are related by blood or affinity to any UNDP or UN staff member.)	* Internet/press search on fraud issues * Donor evaluations or assessments for fraud issues * Discussions and/or documents and/or written confirmation from the Partner disclosing conflicts of interest or such relationships	No evidence of fraud or conflicts found	
Conclusion on 'Pre-Requisites for Partnering' & Next Steps				**Proceed with this Partner. Continue to 'Section 2: Capacity Assessment Scoping'**		

Capacity Assessment Scoping

Partner Capacity Assessment Tool - Step 2: Capacity Assessment Scoping - applicable to all Partners

Purpose: This 'Capacity Assessment Scoping' tool is designed to assist you in identifying the Partner capacity assessments that will help manage risks stemming from UNDP's engagement with IPs, RPs or Other partners. It will lead you through a series of questions and based on your responses, indicate for you the capacity assessments that should be completed, including HACT Micro-Assessments.

Applicability: This 'Capacity Assessment Scoping' should be completed for all UNDP partners, regardless of whether they are IPs or RPs or Private Sector partners fulfilling other roles.

Responsibility & Timing: The Project Developer should complete this 'Capacity Assessment Scoping' as early as possible in the Project Design phase to ensure that the Capacity Assessments needed are identified early and arrangements made for their timely completion.

Background Information (carried forward from 'Partner Pre-requisites' worksheet)		
Region	HQ	Comments: (Optional)
Office	BPPS	This funding is to support TNFD in expanding its communications outreach and take forward the TNFD Framework pilotingin the soft commodities sector, focussing on palm oil, running additional workshops for participants over the course of the
Programme Start	1-May-22	
Programme End	30-Jun-27	
Partner Name	Global Canopy (CSO)	
Partner budget for this Project (USD)	$ 137,000	

Capacity Assessment Scope Questions	Select Responses from the Dropdown menus
1. Is this a humanitarian project for which a rapid CSO/NGO Partner capacity assessment is needed?	No
2. What role will this organization fulfil on this project?	RP
3. What is the nature of this organization? (Govt, CSO etc)	CSO/NGO
4. Will this Partner receive more than US $150,000 per annum?	No
5. Has a Partner Capacity Assessment (including HACT Micro-Assessment) already been performed during the Programme Period?	No
6. Will the Partner being implementing construction activities?	No
7. Will the Partner undertake grant-making activities on behalf of UNDP?	No
8. Will the Partner be implementing project activities funded by the Global Environment Facility (GEF) or the Green Climate Fund (GCF)?	No
9. Will this project utilize a Performance-Based Payment Agreement with the RP?	No
10. Will the PBPA exceed USD300,000?	No

If you don't see the assessments you expect, please refresh your answers to the questions above starting with Q1.

Capacity Assessments needed for this RP:	Links to these Capacity Assessments
HACT Micro-Assessment not needed	
Conclusion: No Capacity Assessments are needed. No further action is required.	

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Partner Capacity Assessment Tool: Step 4: Capacity Assessment Conclusions

Return to PCAT Overview page | Return to Capacity Assessment Scoping

Purpose: This worksheet is designed to capture the results of the Capacity Assessments completed and the resulting mitigation strategies for the risk levels identified. Risk mitigation strategies can include capacity building and/or enhanced monitoring and assurance activities. These activities should be included in the Project Document and the associated Project Budget. When completed, attach this worksheet to the Project Document.

Responsibility & Timing: This Capacity Assessment Conclusion page is automatically generated based on the results of the assessments completed in the PCAT. It should be reviewed by the Project Developer for completeness and accuracy and attached to the Project Document. If changes need to be made to this Conclusion page, they should be done on the relevant Capacity Assessment Worksheet (i.e., Programme-Project Mgt, Construction Assess, On-Granting Assess, PBPA Proposal Due Diligence, Private Sector Due Diligence, etc) so that the corrections will be captured in the relevant assessments and automatically displayed here.

Background Information (carried forward from 'Partner Pre-requisites' worksheet)

Region	HQ	Comments: (Optional)
Office	BPPS	This funding is to support TNFD in expanding its communications outreach and take forward the TNFD Framework pilotingin the soft commodities sector, focussing on palm oil, running additional workshops for participants over the course of the next couple of months and provide the funding necessary to collate, analyse and disseminate the findings from the pilot to the TNFD Secretariat and wider relevant stakeholders
Programme Start	1-May-22	
Programme End	30-Jun-27	
Partner Name	Global Canopy (CSO)	
Partner budget for this Project (USD)	$ 137,000	

Manageable Concerns noted in the 'Pre-Requisites for Partnering' Screen

Area of concern		Nature of evidence found and how associated risks to UNDP will be managed	Management & Justification Plans documented?	Information included in Project Risk Log? (Yes/No)	Estimated Budget to Implement Management & Justification Plans (if any)	Comments (Optional)

Capacity Assessment Conclusions for this RP

Automatically Generated

Capacity Assessment Component	Overall Risk Assessment for this Component	Risk Mitigation Strategies (i.e. capacity building actions and/or enhanced monitoring and assurance activities)	Describe the capacity building actions and/or enhanced monitoring and assurance activities that will be included in the Project Document	Estimated budget required for these activities (include in the Project Budget)	Comments (Optional)
			Total	$0	

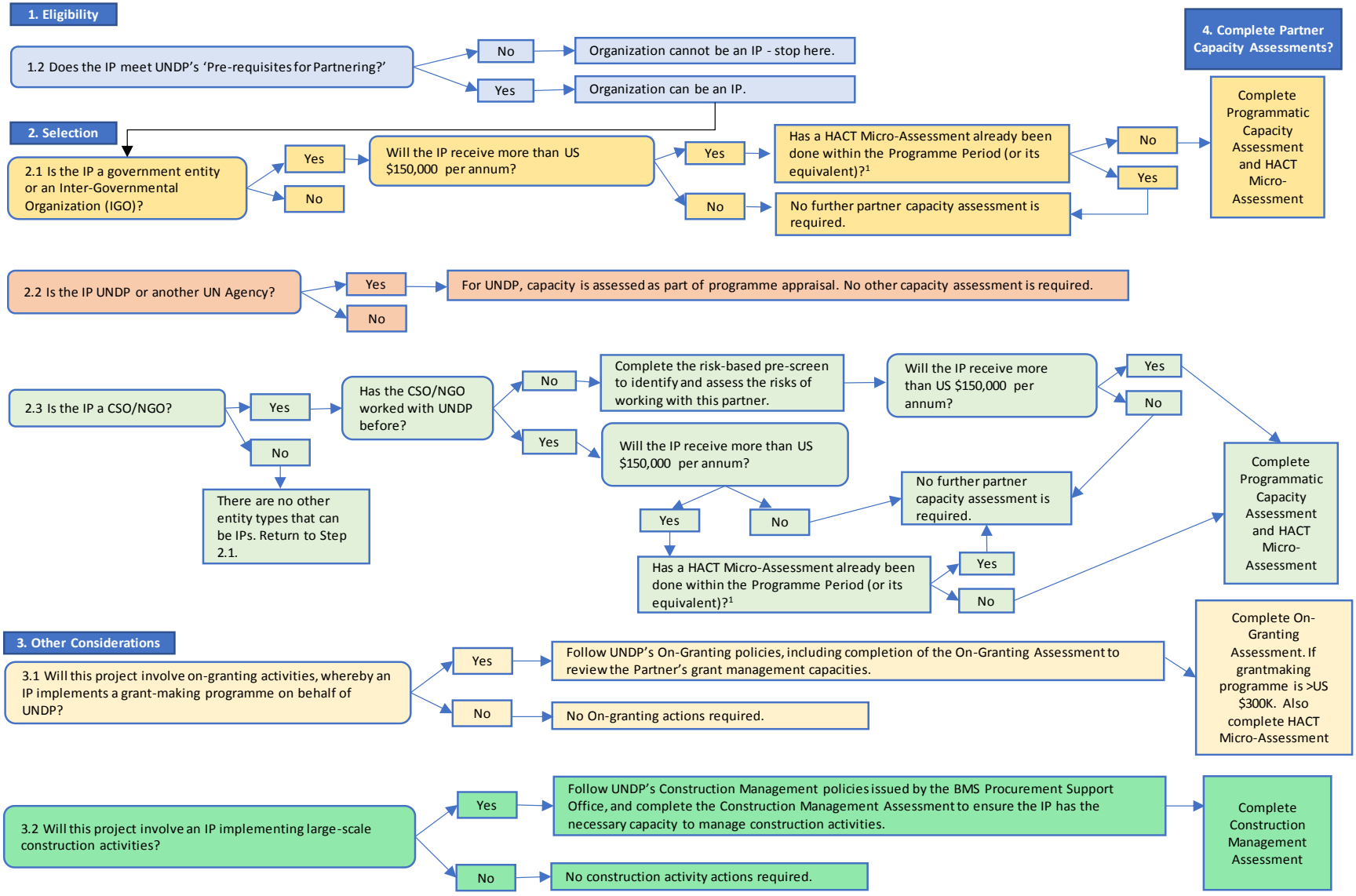
Comments on Overall Capacity Assessments for this RP: (Optional): No concerns have been identified in the present assessment for the assessed CSO.

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Partner Capacity Assessment Tool: Additional Resources

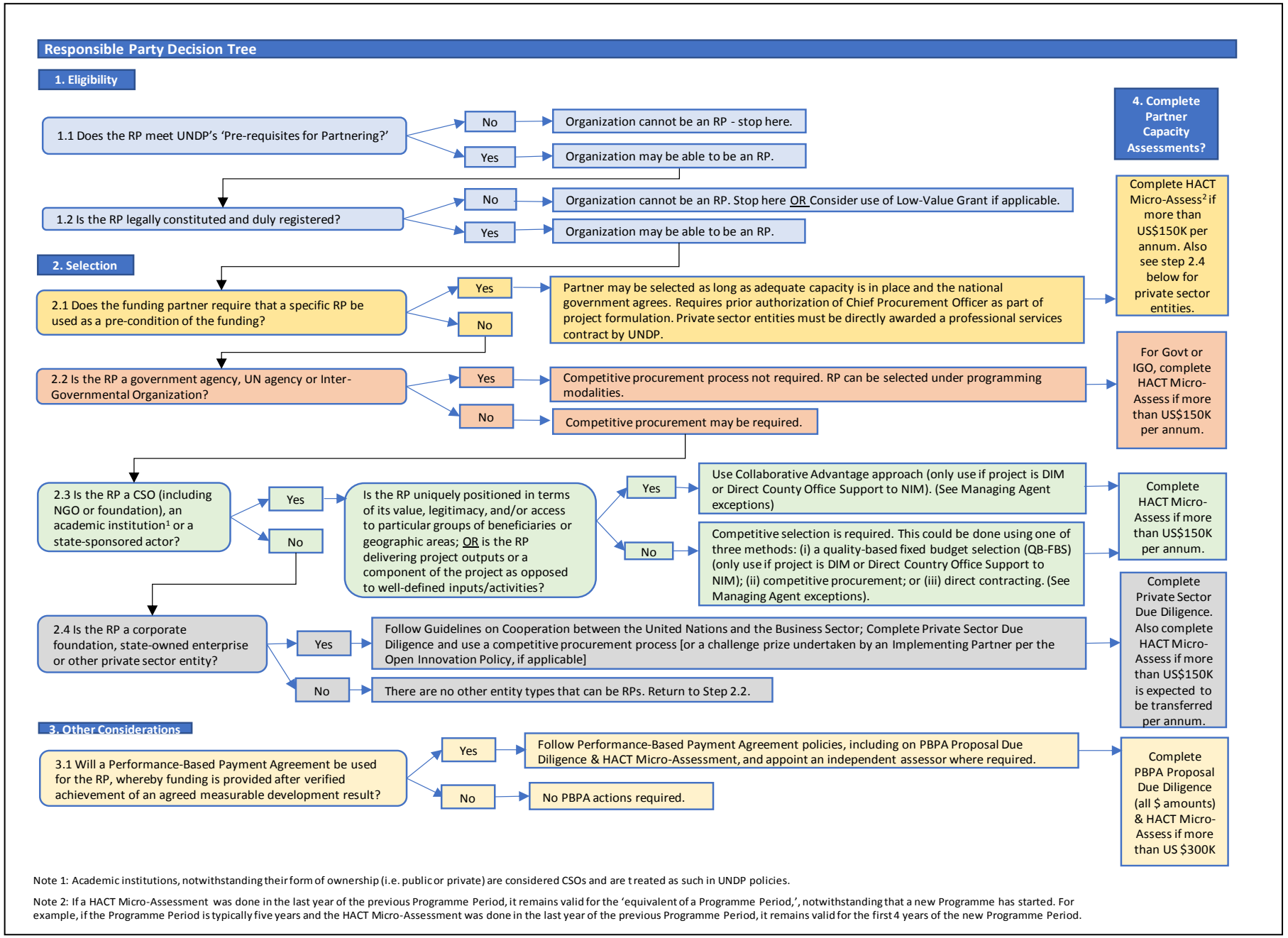
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Implementing Partner Decision Tree



Note 1: If a HACT Micro-Assessment was done in the last year of the previous Programme Period, it remains valid for the 'equivalent of a Programme Period,', notwithstanding that a new Programme has started. For example, if the Programme Period is typically five years and the HACT Micro-Assessment was done in the last year of the previous Programme Period, it remains valid for the first 4 years of the new Programme Period.

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Note 1: Academic institutions, notwithstanding their form of ownership (i.e. public or private) are considered CSOs and are treated as such in UNDP policies.

Note 2: If a HACT Micro-Assessment was done in the last year of the previous Programme Period, it remains valid for the 'equivalent of a Programme Period,', notwithstanding that a new Programme has started. For example, if the Programme Period is typically five years and the HACT Micro-Assessment was done in the last year of the previous Programme Period, it remains valid for the first 4 years of the new Programme Period.

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HACT Micro-Assessments		
For full POPP guidance on HACT, refer to this link:	POPP Guidance on HACT	HACT Performance Dashboard
Note: The HACT Micro-Assessment Questionnaire approved by UNDG must be used for all HACT Micro-Assessments:	UNDG-approved Micro-Assessment Questionnaire (June 2016 version)	

POPP Points to Remember

Purpose: The purpose of the Micro-Assessment is to assess the IP's financial management capacity (i.e. accounting, procurement, reporting, internal controls, etc.) to determine the overall risk rating and assurance activities. The risk rating, along with other available information, is also taken into consideration when selecting the appropriate cash transfer modality for an IP, based on each agency's business model. This assessment applies to both governmental and non-governmental IPs. The Micro Assessment results in an overall risk assessment, which is a key input to determining the Adjusted Risk Rating for the IP and guides the types and

Applicability: The HACT framework is applicable in every country and in all situations, including emergency, crisis and post-conflict countries. The prescribed procedures apply to all UNDP offices (headquarters, regional offices and country offices) that transfer cash to implementing partners in every country and

Completion by a third-party service provider: The Micro-Assessment is performed by a third party service provider and includes a site visit to the IP. The assessment primarily consists of interviews with IP personnel and a review of relevant documentation sufficient to complete the micro assessment questionnaire.

Use of HACT framework for IP capacity development activities: HACT is a risk-based approach, and the Framework identifies developing the IP's capacity, with assistance from UNDP and other development partners, as core to managing risk. Identification of and planning to address IP capacity gaps (either through direct assistance by the country team or through other development partners) is an important element of the Framework. Country Offices should use HACT assessment results to help focus future capacity development activities in key thematic and mandated areas of development, and on developing the financial management capacity necessary for any IP. However capacity development activities do not negate the results of the micro-assessment in determining the Cash Transfer

Overall Risk Ratings: The Micro-Assessment questionnaire provides an overall risk rating based on responses provided:

- **Low risk** – Indicates a well-developed financial management system and functioning control framework with a low likelihood of negative impact on the IP's ability to execute the programme in accordance with the work plan.
- **Moderate/Medium Risk** – Indicates a developed financial management system and control framework with moderate likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.
- **Significant Risk –** Indicates an underdeveloped financial management system or control framework with a significant likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.
- **High Risk –** Indicates an underdeveloped financial management system and control framework with a high likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.

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On-Granting Activities		
For full POPP guidance on On-Granting activities, refer to this link:	POPP Grantees (includes On-Granting)	also see the 'Low-Value Grants Operational Guide'

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POPP Points to Remember

Applicability: The On-Granting Assessment should be used for low-value grants that are awarded indirectly via 'on-granting,' an arrangement where UNDP provides funds to a grant-making institution serving as an implementing partner (under national implementation) or responsible party (under direct implementation or direct country office support services). The institution then awards grants to recipient(s) following certain specified guidelines and appropriate due diligence. The 'grant recipient' in both cases is defined as an entity that is the final beneficiary of the grant. In the case of 'on-granting', UNDP and the grant-making institution must sign an agreement that defines the terms and conditions under which UNDP will provide funding to the grant-making institution to perform the grant-making function. Such an agreement defines the implementing partner/responsible party as an entity assessed by UNDP as possessing sufficient financial and grant management skills to bear responsibility for on-granting funds to Grant Recipient(s). UNDP is responsible for assessing the grant-making institution to ensure it has the programmatic, financial and management capacities and systems to effectively undertake its roles. This is achieved through completion of the standard programmatic and financial assessments applied to UNDP's implementing partners, including HACT, AND the completion of the on-granting assessment.

Key Principles: UNDP defines low-value grants as cash awards - selected via programmatic decisions - to civil society and non-governmental partners to generate and solicit development solutions for which no repayment is typically required. If UNDP provides funds to a grant-making institution serving as either an implementing partner (under national implementation) or responsible party (under direct implementation or direct country office support services to NIM), this is called "on-granting." The institution then awards grants to recipient(s) following certain specified guidelines and appropriate due diligence, including being qualified to perform that role after an assessment of their capacity for on-granting by UNDP. The on-granting capacity assessment is based on the following 8 good grantmaking principles:

1. Outcomes are clearly defined
2. Program structure is tailored to its circumstances, target group/s and purpose
3. Governance is clear and strong
4. Risks are identified and managed
5. Decision-making is transparent and criteria-based
6. Information is available and accessible
7. Financial and grant performance are both monitored and reported on; and

Key Thresholds to Remember: Funding provided to each grant recipient cannot exceed $150,000 per grant and $300,000 on a cumulative basis within the same programme period. To receive multiple grants, the grant recipient must have produced the results agreed to in the prior grant agreement, and a new grant agreement must be approved by the project board or selection committee. The same entity could receive separate grants under different projects with a cumulative ceiling of $300,000 in the programme period. The UNDP business unit is responsible for reviewing proposed grant awards under UNDP projects and confirming that the amount falls under the grant threshold amounts allowable per programme period. If a responsible party oversees implementation of the grant project on behalf of the implementing partner originally selected by UNDP under on-granting, funding provided by it to any individual grant recipient shall not exceed $60,000 per individual grant and $120,000 on a cumulative basis within the same programme period.

Non-exclusivity: The award of grants is not exclusive. Several entities can be awarded separate grants for the same development challenge, or a consortium can be awarded a single grant to foster collaboration. Moreover, LVGs can be used in parallel to other engagement types; for instance the same NGO can concurrently be a grant recipient to develop a new local income-generation scheme and hold a procurement contract to provide logistical services for a workshop (provided there is no conflict of interest; see section below on difference between grants and procurement). All resources provided to the entity by UNDP during the programme period are considered when assessing what, if any, capacity assessments should be done . For example, if the value of a LVG plus procurement contract or responsible party agreement exceeds $300,000 total during the programme period, the relevant capacity assessment must be done for that partner.

Eligibility: Grants can be awarded to civil society and (national or international) non-governmental organizations, including non-governmental academic or educational institutions. Private sector and commercial entities, and governmental organizations (e.g. regional governments, municipalities, etc.) are currently not eligible to receive LVGs. Under exceptional circumstances an individual can be a grantee when legislation prevents excluded and marginalized groups (e.g. LGBTQ people, sex workers, people affected by certain illnesses, etc.) from organizing and attaining legal status. The understanding would be that the individual signing the grant agreement represents the group barred from attaining legal status. If the country office's senior management has determined that the engagement is critical to delivery of results and is in the best interests of UNDP, the head of the Business Unit may authorize the use of the IC modality with one or more of the principals. The value of each individual contract shall be capped at the established threshold for micro purchasing (USD 10,000). Grants **must not** be awarded to any organization or individual appearing on prohibited entity lists, such as the UN Sanctions List, UNDP Vendor Sanctions List, or other barred lists (such as the World

Granting is not a substitution for Procurement: a grant cannot be used in lieu of a procurement process to provide commercial goods and services to a project since grants are intended to generate or solicit development solutions. So even in the case of a strategically important non-government entity, if its role is limited to the provision of goods and services, then a procurement process is necessary.

Technical Clearance on Micro-finance Grants: Low-value grants may be made for credit activities, and can be used by the recipient organization to cover the costs of its operations, purchase equipment, hire new staff or capitalize credit funds within the financial limits set out below. On all requests related to credit or microfinance, technical clearance from UNCDF is required. The policies for microfinance, credit and/or loan programmes administered by UNDP and/or UNCDF are covered by the UNDP/UNCDF Microfinance Policy.

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Performance-Based Payment Agreements

For full POPP guidance on Performance-Based Payment Arrangements, refer to this link: Performance-Based Payment Agreements

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POPP Points to Remember

Programmatic Use: Circumstances that might warrant the use of performance-based payments include, but are not limited to: (a) the desire of a donor to use a this approach to ensure results are achieved and mitigate financial risk; (b) particularly volatile development situations that cannot be effectively addressed by standard agreements; (c) specific sectors where performance-based payments are established practice, such as the use of results-based payment schemes by countries for reducing deforestation as supported in various UN Framework Convention on Climate Change decisions; (d) implementation capacities and arrangements exist and can be leveraged; and (e) development approaches and best practices to address the development challenge are readily available.

Project Types: Performance-based payments may be used under a project implemented by UNDP, where a responsible party is selected to take programmatic and financial responsibility for delivering specified results. They may also be used under a nationally implemented project, where UNDP provides direct country office support services to the implementing partner, and those services include engaging a responsible partner using a performance-based payment arrangement.

Types of PBPAs: There are three types of PBPAs, which vary according to funding amount and use of working capital reimbursements. They have different conditions which are summarized at the link shown. Summary of PBPA Types & Conditions

Key Thresholds to Remember: For PBPAs greater than US$300,000 per year, the achievement of specific, pre-agreed results (outputs and/or activities) must be validated through performance measures and quality certified by an independent assessor. Given the cost associated with engaging an independent assessor, it is recommended to use PBPAs of at least US$1,000,000 or more per annum. The project board may verify results for PBPAs of US$300,000 or less.

Eligibility: The selection of a responsible party for a PBPA is a programmatic decision. RPs can include government entities, NGOs/community-based organizations, academic institutions, the private sector and non-UN intergovernmental organizations. PBPAs **must not** be awarded to any organization or individual appearing on prohibited entity lists, such as the UN Sanctions List, UNDP Vendor Sanctions List or the UN Global Marketplace Ineligibility List.

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MICRO ASSESSMENT OF GREEN FINANCE INSTITUTE LTD COMMISSIONED BY UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

OCTOBER 2022

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25 Um Metawee Al Aslameyeh St. Jandaweel

To: UNDP / United States Office

19 October 2022

Dear Sirs,

This Micro Assessment of Green Finance Institute LTD was completed in accordance with PO # UNDP1-0000105451 dated on 29 August 2022 that was signed between the United Nations Development Programme "UNDP" and BDO Jordan.

We have relied when performing the Micro Assessment only on whatever information that Implementing Partner provided to us.

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

This Micro Assessment report is intended solely for the information and use of the specified parties (UNDP and the Implementing Partner: it is not intended to be and should not be used by anyone other than the specified parties.

Yours faithfully

BDO Jordan
Samman & Co.



Rami Samman
Managing Partner

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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 non-governmental Implementing Partners (IPs).

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 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; and
- 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.

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 low risk to the effective functioning of the IP's control framework and 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:

Risk rating	Points: non-key questions	Points: key questions
H - High risk	4 points	8 points
S - Significant risk	3 points	6 points
M - Moderate risk	2 points	4 points
L - Low risk	1 point	1 point

Calculation of risk rating 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 in the IP's offices in London - United Kingdom on 10 October 2022.

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 applicable 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.

2. Summary of Risk Assessment Results

2.1 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 the section (3) below:

Tested subject area	Risk Assessment*	Brief justification for rating (Main internal control gaps)
1. Implementing Partner	Low	• The financial Statements show instability in the financial position (net assets).
2. Programme Management	Low	No major observations were noted.
3. Organizational Structure and Staffing	Low	No major observations were noted.
4. Accounting Policies and Procedures	Low	• The IP does not have a written shared cost allocation policy. • The IP does not use timesheet for allocating the daily working hours on the different tasks/projects/donors. • The IP does not have internal Audit department/function.
5. Fixed Assets and Inventory	Low	No major observations were noted.
6.Financial Management System	Low	No major observations were noted.
7. Procurement and Contract Administration	Low	• The IP does not use / have formal guidelines and procedures to assist in identifying, monitoring and dealing with potential conflict of interest with potential suppliers/procurement agents. • The IP does not have or keep past performance of suppliers / consultants.
Overall Risk Assessment	*Low*	

**High, Significant, Moderate, Low*

3. Detailed Internal Control Findings and Recommendations

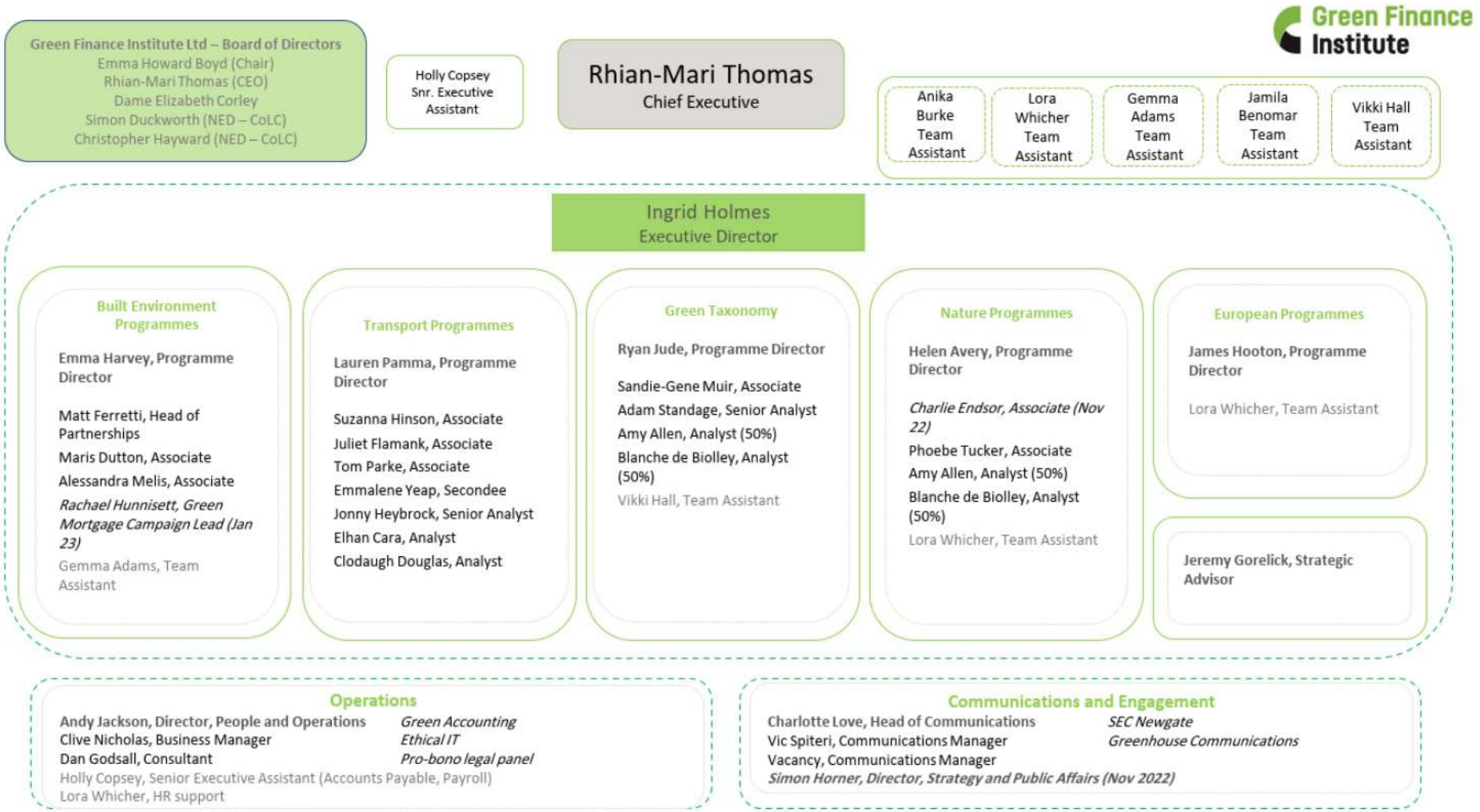
Number	Ref #	Description of Finding	Recommendation	IP Management Response
1	1.6	While analysing the latest three years financial statements, we noted that the latest three years showed negative net assets.	The IP is recommended to increase the efforts for finding new sources of funds through approaching all the possible and prospective donors.	*GFI was established three years ago and during that time our total income has grown substantially each year (Financial year 22 at £2.9M, financial year 21 at £2.3M, financial year 20 at £963k).* *We have a 3-year funding agreement with central government (BEIS), and other long-term funders which include agreements with the City of London Corporation, the Laudes Foundation, the Quadrature Climate Foundation, and the Esmee Fairburn Foundation. In the financial statement for year ending March 22, for cash at bank, you will see that we are holding substantial funds (£1.5M). A number of donors send us grant funds in advance and in our accounts these are deferred to the financial year they will be expended in. If the income was not deferred, then as a registered UK company (operating as a not-for-profit) we would be liable to pay corporation tax on the surplus amount. The deferment of income will affect the net assets in our accounts.* *In our view the points highlighted here demonstrate our strong financial standing.*
2	4.2	The IP does not have cost allocation policy, they are using the budgeted figures to charge each project shared expenditures.	The IP should adopt and implement a written, clear and precise allocation policy and to document all expenditures allocated and charged to each budget line item of the projects' expenditures. Such documentation should clarify how this allocation was done, which is essential as a reference for distributing the expenses between the different donors/projects.	*The majority of costs are charged as direct costs. There are very few shared costs as we do not have any office costs to attribute. Shared costs are limited to IT support and internet charges, insurance, accountancy, bank fees, depreciation, and some general travel. At present a percentage amount (currently 10%) of total staff costs is charged to each programme as an overhead. Budgets submitted as part of all funding agreements have been transparent about this approach.* *In line with the recommendation, we will review our cost allocation policy, and look to reflect actual shared costs. The policy will reflect different allocation methods depending on the expenditure type.*

Number	Ref #	Description of Finding	Recommendation	IP Management Response
3	4.16	The IP does not use the time sheet as basis for allocating the staff time efforts between the different donors /projects.	We recommend the IP to activate a timesheet template to be used as base for time effort allocation between different projects/donors.	*Currently most staff work on a dedicated programme and all their time is allocated to this. Few people work across multiple programmes, but those that do, are asked to confirm monthly how much time (as a percentage) they have spent working on each.* *However, we accept this recommendation and a new system of timesheets will be implemented for all staff to complete as soon as possible.*
4	4.29	The IP does not have internal Audit department/function.	We recommend the IP's management to establish a risk-based internal audit function that reports functionally to an audit committee assigned by the Board of Directors.	*An internal audit function is carried out to a certain extent each month by our accountants who review all the financial data and any issues and recommendations are addressed in our monthly meeting with them.* *However, we accept a more structured approach should be implemented and we will put in place a risk-based internal audit process.*
5	7.11	We noted that the IP does not use / have formal guidelines and procedures to assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers/procurement agents.	We recommend the IP to have and apply formal guidelines and procedures to assist in identifying, monitoring and dealing with potential conflict of interest with potential suppliers/procurement agents.	*A supplier conflict of interest policy will be incorporated into our procurement policy. A conflicts of interest declaration will be included in our RfP (Request for Proposal) template which staff will be required to complete.*
6	7.13	It was noted that the IP does not have or keep past performance of its suppliers / consultants.	We recommend the IP to keep track of past performance of suppliers/ consultants and develop the annual evaluation procedures which monitor the performance of contracted suppliers/consultants to be a support for the upcoming procurement transactions.	*Agreed. We will build into our process at the contract closure stage a review and evaluation stage to be recorded in our contracts register.*

Annex I. IP and Programme Information

Implementing Partner name:	Green Finance Institute LTD
Implementing Partner code or ID in UNDP, UNICEF, UNFPA records (as applicable)	N/A
Implementing Partner contact details (contact name, email address and telephone number):	Dan Godsall Consultant Dan.Godsall@tnfd.global +44 7557 969481
Main programmes implemented with the applicable UN Agency/ies:	N/A
Key Official in charge of the UN Agency/ies' programme(s):	Midori Paxton midori.paxton@undp.org Head, Ecosystems and Biodiversity, BPPS
Programme location(s):	USA, New York, UNDP HQ
Location of records related to the UN Agency/ies' programme (s):	N/A
Currency of records maintained:	GBP
Expenditures incurred/reported to UNDP, UNICEF and UNFPA (as applicable) during the most recent financial reporting period (in US$);	N/A
Cash transfer modality/ies used by the UN agency/ies to the IP	N/A
Intended start date of Micro Assessment:	10 October 2022
Number of days to be spent on Micro Assessment:	2 Days
Any special requests to be considered during the micro assessment:	N/A

Annex II. Implementing Partner Organization Chart



Annex III. List of Persons Met

Name	Unit/Organization	Position
Mr. Dan Godsall	Operations	Consultant
Mr. Clive Nicholas	Operations	Business 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 have twice the weight in determining the risk rating.

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.

Scenario 1	*Risk Rating*	*Points*
Question 1	High	4
Question 2	Low	1
Question 3	Low	1
Total Risk Points:		6
Overall Risk	Moderate	2

Scenario 2	*Risk Rating*	*Points*
Key Question 1	**High**	**8**
Question 2	Low	1
Question 3	Low	1
Total Risk Points		10
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	
Green Finance Institute LTD	Date: 10 October 2022

Subject area *(key questions in **bold**)*	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
1. Implementing Partner						
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.	Yes			Low	1	**Company Number 11963723. Registered 25.04.19 with Companies House (the registered body for companies in England & Wales).**
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.			N/A	N/A	-	**The IP did not receive any fund from UN in the past.**
1.3 Does the IP have statutory reporting requirements? If so, are they in compliance with such requirements in the prior three fiscal years?	Yes			Low	1	**The IP submits on annual basis the financial statements to the Companies House**
1.4 Does the governing body meet on a regular basis and perform oversight functions?	Yes			Low	1	The Board of Directors usually meets around 4 times a year but it is not written somewhere that it should meet.
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?			N/A	N/A	-	**The IP does not have other external offices.**
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.***		No		Significant	6	**The financial Statements show instability in the financial position (net assets).**
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	The IP have not encountered any major problems with receiving funds in the past.
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	There are no legal actions against the IP.
1.9 Does the IP have an anti-fraud and corruption policy?	Yes			Low	1	See policies: anti-corruption and bribery; whistleblower; anti-money laundering. See also financial policy which includes anti-fraud elements in terms banking set up, segregation of duties, etc. Also, covered in employment contract.
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	Yes according to sections 10 and 11 of anti-corruption policy.
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	There is no foreseen risks
Total number of questions in subject area:	**11**					
Total number of applicable questions in subject area:	**9**					
Total number of applicable key questions in subject area:	**3**					
Total number of risk points:	**14**					
Risk score	**1.56**					
Area risk rating	**Low**					

Subject area *(key questions in **bold**)*	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
2. Programme Management						
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	Policies and procedures are shared with all programme staff via SharePoint. Adopted use of project initiation template.
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?	Yes			Low	1	**KPIs/objectives and timescales for delivery agreed and reviewed throughout lifecycle of project/programme. See example monitoring.**
2.3 Does the IP identify the potential risks for programme delivery and mechanisms to mitigate them?	Yes			Low	1	For each programme there is a risk log.
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	Yes according to the Monitoring Template.
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	Monthly oversight meetings with CEO/ED and PDs (copies of packs included). Monthly PD meetings for peer review. All grant reporting completed as required.
2.6 Does the IP carry out and document regular monitoring activities such as review meetings, on-site project visits, etc.	Yes			Low	1	**Monthly oversight meetings with CEO/ED and PDs (copies of packs included). Monthly PD meetings for peer review. All grant reporting completed as required.**
2.7 Does the IP systematically collect, monitor and evaluate data on the achievement of project results?	Yes			Low	1	All Programmes are ongoing. A number of Programmes in early stages and therefore not possible. CDRT and Built Environment more mature and some data available.
2.8 Is it evident that the IP followed up on independent evaluation recommendations?			N/A	N/A	-	Not written but part of our practice. All Programmes are ongoing and the IP is commissioning an external consultant to look at the impact of our work. See scoping advice to consultants.
Total number of questions in subject area:	**8**					
Total number of applicable questions in subject area:	**7**					
Total number of applicable key questions in subject area:	**2**					
Total number of risk points:	**7**					
Risk score	**1**					
Area risk rating	**Low**					

Subject area *(key questions in **bold**)*	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
3. Organizational Structure and Staffing						
3.1 Are the IP's recruitment, employment and personnel practices clearly defined and followed, and do they embrace transparency and competition?	Yes			Low	1	**It is according to the IP's recruiting policy, strong processes around induction, probation, staff development, appraisal, etc.**
3.2 Does the IP have clearly defined job descriptions?	Yes			Low	1	There is job description for each position.
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.	Yes			Low	1	**See org chart and CVs. See financial management policy and delegations. Management accounts and reviews completed monthly by external accountant with whom we have a longstanding relationship. Key staff: Clive Nicholas, Business Manager, 25+ years FM experience in govt, public and private sectors. Most recently 7 years FD for group of companies; Dan Godsall, COO, 30 years banking/insurance including at MD level; Andy Jackson, Director of People and Ops, director level positions across govt and not-for-profit sectors with ops and financial mgt responsibilities. Holly Copsey, Senior Executive Assistant, 20+ years in administration and accounting roles.**
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	**Yes, level allows for segregation of duties. See financial management policy.**
3.5 Does the IP have training policies for accounting/ finance/ programme management staff? Are necessary training activities undertaken?	Yes			Low	1	For each staff there is a personal development plan.
3.6 Does the IP perform background verification/checks on all new accounting/finance and management positions?	Yes			Low	1	Criminal records checks not permitted by private organizations unless they work with children or vulnerable adults. Rigorous recruitment process with candidates asked to explain gaps in employment, references taken up for all staff, etc.
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?			N/A	N/A	-	The IP is new established company (since 2019).
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	Please see financial management control, T&E policy, and purchasing policy. Distributed to all staff by SharePoint, updated regularly.
Total number of questions in subject area:	**8**					
Total number of applicable questions in subject area:	**8**					
Total number of applicable key questions in subject area:	**3**					
Total number of risk points:	**7**					
Risk score	**0.875**					
Area risk rating	**Low**					

Subject area *(key questions in **bold**)*	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
4. Accounting Policies and Procedures						
4a. General						
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?	Yes			Low	1	The IP is using one chart of accounts and using cost center for each project.
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?		No		Moderate	4	**The IP does not have a written shared cost allocation policy.**
4.3 Are all accounting and supporting documents retained in an organized system that allows authorized users easy access?	Yes			Low	1	**All files are computerized and stored in XERO, Dext and Sharepoint. Access strictly controlled.**
4.4 Are the general ledger and subsidiary ledgers reconciled at least monthly? Are explanations provided for significant reconciling items?	Yes			Low	1	All are within the software, however the fixed assets sub-ledger is reconciled with the accounting software.
4b. Segregation of duties						
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?	Yes			Low	1	**Yes, requestor\approver role performed by budget holder (Programme Director), recorder (Clive Nicholas, Business Manager), processor of payment (Holly Copsey, SEA). See trail for Greenhouse PR Services and delegation list**
4.6 Are the functions of ordering, receiving, accounting for and paying for goods and services appropriately segregated?	Yes			Low	1	**Yes - clear segregation of duties in accordance with the IP's policy.**
4.7 Are bank reconciliations prepared by individuals other than those who make or approve payments?	Yes			Low	1	**Different person reconciles the accounts to the person making the payment.**
4c. Budgeting system						
4.8 Are budgets prepared for all activities in sufficient detail to provide a meaningful tool for monitoring subsequent performance?	Yes			Low	1	Yes on annual basis.
4.9 Are actual expenditures compared to the budget with reasonable frequency? Are explanations required for significant variations from the budget?	Yes			Low	1	**Monthly reviews completed with accountants. P&L and budget reviews carried out with PDs monthly. Issues raised at budget deep dive meetings with CEO/ED. Significant variations reported to board.**
4.10 Is prior approval sought for budget amendments in a timely way?	Yes			Low	1	Annual budget submitted to the board of directors. Any significant changes shared with the board.
4.11 Are IP budgets approved formally at an appropriate level?	Yes			Low	1	Approved by board each year and end of year accounts signed off.
4d. Payments						
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?	Yes			Low	1	**Usually the payment is done according the contract (as the main activity is consulting / services not goods procurement)**

4.13 Are payments authorized at an appropriate level? Does the IP have a table of payment approval thresholds?	Yes			Low	1	**Payments are authorized at an appropriate level according to the delegation of authority matrix.**
4.14 Are all invoices stamped '*PAID*', approved, and marked with the project code and account code?			N/A	N/A	-	**The IP is keeping only electronic copy of the invoices and supporting documents and most of the projects related expenses are related to consultants which are clearly refer to the project it self.**
4.15 Do controls exist for preparation and approval of payroll expenditures? Are payroll changes properly authorized?	Yes			Low	1	**Payroll is prepared by independent accounting firm (same that doing accounting services) , source information/ changes are provided by the IP to the independent firm.**
4.16 Do controls exist to ensure that direct staff salary costs reflects the actual amount of staff time spent on a project?		No		Moderate	4	**The IP does not use time sheet, most staff work directly to one programme. Staff working across more than one confirm how much time they have worked on the programme in the given month and time is allocated accordingly.**
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	The IP uses expenses policy for such kind of expenses.
4e. Policies and procedures						
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	The IP uses accrual basis of accounting.
4.19 Does the IP have an adequate policies and procedures manual and is it distributed to relevant staff?	Yes			Low	1	The IP has financial controls and delegation polices.
4f. Cash and bank						
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?	Yes			Low	1	2 steps - Business Manager prepares the payment file and this is executed by Senior Executive Assistant. Each user has discreet username and password.
4.21 Does the IP maintain an adequate, up-to-date cashbook, recording receipts and payments?			N/A	N/A	-	**Cash is not used at all.**
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	-	The IP does not participate in micro-finance advances.
4.23 Are bank balances and cash ledger reconciled monthly and properly approved? Are explanations provided for significant, unusual and aged reconciling items?	Yes			Low	1	**Cash is not used at all, bank is reconciled on monthly basis , the reconciliation is prepared by finance and reviewed by the independent accounting firm.**
4.24 Is substantial expenditure paid in cash? If so, does the IP have adequate controls over cash payments?			N/A	N/A	-	**Cash is not used at all.**
4.25 Does the IP carry out a regular petty cash reconciliation?			N/A	N/A	-	Cash is not used at all.
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	Payments are made by bank transfer only with no cheques being received and we have a no cash policy. Access to online bank strictly controlled with multi-layered security.
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?	Yes			Low	1	Access to online banking is restricted through secure card readers / pins.

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?			N/A	N/A	-	**The IP does not have external offices.**
4h. Internal audit						
4.29 Is the internal auditor sufficiently independent to make critical assessments? To whom does the internal auditor report?		No		Moderate	2	The IP is a relatively small organization and does not have an internal audit function.
4.30 Does the IP have stated qualifications and experience requirements for internal audit department staff?			N/A	N/A	-	The IP is a relatively small organization and does not have an internal audit function.
4.31 Are the activities financed by the agencies included in the internal audit department's work programme?			N/A	N/A	-	The IP is a relatively small organization and does not have an internal audit function.
4.32 Does the IP act on the internal auditor's recommendations?			N/A	N/A	-	The IP is a relatively small organization and does not have an internal audit function.
Total number of questions in subject area:	**33**					
Total number of applicable questions in subject area:	**24**					
Total number of applicable key questions in subject area:	**16**					
Total number of risk points:	**30**					
Risk score	**1.25**					
Area risk rating	**Low**					

Subject area *(key questions in **bold**)*	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
5. Fixed Assets and Inventory						
5a. Safeguards over assets						
5.1 Is there a system of adequate safeguards to protect assets from fraud, waste and abuse?	Yes			Low	1	There is a register for assets , also for laptops there is a security tool to disable them in case of lost/theft. The assets are managed by a separate software which is Citrus software.
5.2 Are subsidiary records of fixed assets and inventory kept up to date and reconciled with control accounts?	Yes			Low	1	There is a register for assets ,the assets are managed by a separate software which is Citrus software (at least on annual basis a matching with the accounting software is done.
5.3 Are there periodic physical verification and/or count of fixed assets and inventory? If so, please describe?			N/A	N/A	-	In reality, the office where the IP's staff is located is granted for free from the London stock exchange group , most of the time employees are working from whom and only have their laptops.
5.4 Are fixed assets and inventory adequately covered by insurance policies?			N/A	N/A	-	In reality, the office where the IP's staff is located is granted for free from the London stock exchange group , most of the time employees are working from whom and only have their laptops.
5b. Warehousing and inventory management						
5.5 Do warehouse facilities have adequate physical security?			N/A	N/A	-	**The IP does not hold any inventory.**
5.6 Is inventory stored so that it is identifiable, protected from damage, and countable?			N/A	N/A	-	The IP does not hold any inventory.
5.7 Does the IP have an inventory management system that enables monitoring of supply distribution?			N/A	N/A	-	**The IP does not hold any inventory.**
5.8 Is responsibility for receiving and issuing inventory segregated from that for updating the inventory records?			N/A	N/A	-	The IP does not hold any inventory.
5.9 Are regular physical counts of inventory carried out?			N/A	N/A	-	The IP does not hold any inventory.
Total number of questions in subject area:	**9**					
Total number of applicable questions in subject area:	**2**					
Total number of applicable key questions in subject area:	**0**					
Total number of risk points:	**2**					
Risk score	**1**					
Area risk rating	**Low**					

Subject area *(key questions in **bold**)*	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
6. Financial Reporting and Monitoring						
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	Yes, monthly detailed reports are issued including P&L, debtors, creditors, balance sheet, forecast.
6.2 Does the IP prepare overall financial statements?	Yes			Low	1	Annual financial statements are prepared by the independent accounting firm but not audited.
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.			N/A	N/A	-	**The IP is not required according to the law to audit its annual financial statements.**
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?		No		Low	1	**The only report was for the department for business, Energy and Industrial Strategy (BEIS) for two years with no ineligible expenditures.**
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?			N/A	N/A	-	The IP is not required according to the law to audit its annual financial statements.
6.6 Is the financial management system computerized?	Yes			Low	1	**The financial management system is computerized - the IP uses Xero software.**
6.7 Can the computerized financial management system produce the necessary financial reports?	Yes			Low	1	The computerized financial management system can produce many financial reports.
6.8 Does the IP have appropriate safeguards to ensure the confidentiality, integrity and availability of the financial data? *E.g. password access controls; regular data back-up.*	Yes			Low	1	Strictly controlled. Software web-based. Security can be restricted depending on access needs. Backups covered by EIT contract.
Total number of questions in subject area:	**8**					
Total number of applicable questions in subject area:	**6**					
Total number of applicable key questions in subject area:	**2**					
Total number of risk points:	**6**					
Risk score	**1**					
Area risk rating	**Low**					

Subject area *(key questions in **bold**)*	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
7. Procurement and Contract Administration						
7a. Procurement						
7.1 Does the IP have written procurement policies and procedures?	Yes			Low	1	The IP has procurement policy.
7.2 Are exceptions to procurement procedures approved by management and documented ?	Yes			Low	1	Exceptions to the procurement are within the policy (Appendix A).
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		Low	1	Procurement is very limited and most of the purchases are done through emails.
7.4 Are procurement reports generated and reviewed regularly? Describe reports generated, frequency and review & approvers.		No		Low	1	Procurement is very limited.
7.5 Does the IP have a structured procurement unit with defined reporting lines that foster efficiency and accountability?		No		Low	1	There is no department due to the limited procurements , however, the finance is handling the procurements when occur.
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	Experienced staff with strong financial background. Clive Nicholas, previously worked as a Civil Servant for DEFRA, has worked previously with UN agencies (UN Nairobi, UNESCO World Heritage) and government departments in UK and EU.
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?			N/A	N/A	-	The IP is not required according to the law to audit its annual financial statements.
7.8 Does the IP require written or system authorizations for purchases? If so, evaluate if the authorization thresholds are appropriate?	Yes			Low	1	**PO system being developed. See purchasing policy for delegation levels shown in Appendix B.**
7.9 Do the procurement procedures and templates of contracts integrate references to ethical procurement principles and exclusion and ineligibility criteria?	Yes			Low	1	Yes, in paragraph 5.6 in the consultancy agreement template (in the share point).
7.10 Does the IP obtain sufficient approvals before signing a contract?	Yes			Low	1	**See Appendix B of procurement policy for signing authority for contracts.**
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		Moderate	2	Not included in the contract management policy.
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	**Within the procurement policy , Appendix A and Sections 7,8 and 9 in the procurement Policy.**
7.13 Does the IP keep track of past performance of suppliers? E.g. database of trusted suppliers.		No		Moderate	2	The IP does not have or keep past performance of suppliers / consultants.
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	**Within the procurement policy , Appendix A and Sections 7,8 and 9 in the procurement Policy.**

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	**Within the procurement policy , Appendix A and Sections 7,8 and 9 in the procurement Policy.**
7.16 If the IP is managing major contracts, does the IP have a policy on contracts management / administration?	Yes			Low	1	According to the contract management policy.
7b. Contract Management - To be completed only for the IPs managing contracts as part of programme implementation. Otherwise select N/A for risk assessment						
7.17 Are there personnel specifically designated to manage contracts or monitor contract expirations?	Yes			Low	1	Yes, Business Manager/Director People & Ops lead technical aspects of contracts and PDs and Head of Comms in delivery. See job descriptions.
7.18 Are there staff designated to monitor expiration of performance securities, warranties, liquidated damages and other risk management instruments?	Yes			Low	1	Business Manager but at present, the IP does not have any significant contracts relating with performance securities, warranties, liquidated damages and other risk management instruments.
7.19 Does the IP have a policy on post-facto actions on contracts?			N/A	N/A	-	The IP did not face such case.
7.20 How frequent do post-facto contract actions occur?			N/A	N/A	-	The IP did not face such case.
Total number of questions in subject area:	**20**					
Total number of applicable questions in subject area:	**19**					
Total number of applicable key questions in subject area:	**5**					
Total number of risk points:	**19**					
Risk score	**1**					
Area risk rating	**Low**					

Totals	
Total number of questions:	**97**
Total number of applicable questions:	**72**
Total number of applicable key questions:	**31**
Total number of risk points:	**85**
Total risk score	**1.1805556**
Overall risk rating	**Low**

Partner Capacity Assessment Tool - Introduction & Overview

Background: This Partner Capacity Assessment Tool (PCAT) is designed to streamline UNDP's approach to capacity assessments of project Implementing Partners (IPs) and Responsible Parties (RPs). It does this by consolidating all of the existing partner capacity assessment checklists, and eliminating duplicative questions and questions that don't add value. The PCAT also saves time by: (i) providing rapid guidance on which capacity assessments will ensure project risks are identified; and (ii) generating a summary report of the resulting risk assessments, risk mitigation actions and associated budgets for inclusion in the Project Document. The PCAT also includes capacity assessments for new programming instruments, including On-Granting and Performance-Based Payment Agreements.

Purpose: The UNDP Enterprise Risk Management (ERM) Policy identifies 'Capacities of the Partners' as a key Strategic Risk to be managed for the success of UNDP's work. The PCAT is designed to assess the level of risk that is present when UNDP works with Partners to implement programmes and projects. The level of risk is identified by analyzing partner capacity and matching project management and oversight with the level of risk assessed. By identifying areas for capacity improvement, the PCAT should also help to reduce future Partner risk levels if the capacity building actions are implemented and sustained.

Applicability: The PCAT is applicable to all Partners, including IPs and RPs, in all contexts, including crisis contexts. It also applies to Grantees for determining eligibility to receive a grant. The PCAT outlines the minimum requirements for capacity assessments based on UNDP thresholds (such as USD 150,000 per annum for HACT). This does not preclude offices doing additional capacity assessments for Partners that fall below the thresholds should they consider this to be beneficial for their office.

Responsibility and Timing: The PCAT should be completed by the Project Developer as soon as possible during the Project Design phase, with HACT Micro-Assessment inputs from the Third-Party Service Provider where required. The PCAT generates a summary of the results of the Partner capacity assessments that can be attached to the Project Document, eliminating the need to write long-form/narrative reports on capacity assessment results.

How to Use the PCAT: Follow these 4 steps:

Step 1: Review Pre-Requisites for Partnering:	Start the PCAT with 'Pre-Requisites for Partnering.' Here you will enter background information about your office and the Partner, and then review 5 questions to assess whether the Partner meets certain basic criteria for partnering with UNDP (such as not being on UN Sanctions, UNDP Vendor Sanctions or UN Global Marketplace Ineligibility Lists). If the Partner meets the 'Pre-Requisites for Partnering,' you will then move to the next section 'Capacity Assessment Scoping.' If the Partner does not meet the 'Pre-Requisites for Partnering,' you will be advised to do no further assessments as the Partner cannot work with UNDP.	Go to Pre-Requisites for Partnering
Step 2: Complete Capacity Assessment Scoping	The PCAT is a dynamic tool that will display only the capacity assessments you need based on the answers you provide to 10 'assessment scoping' questions. These questions include: (i) whether or not this is a humanitarian project for which a rapid capacity assessment is needed; (ii) what role the Partner will fulfill on the project (IP vs RP vs Other); (iii) what type of organization the Partner is (Govt, CSO/NGO, Private Sector etc); (iv) whether the Partner is expected to receive more than USD 150,000 per annum; (v) whether a HACT Micro-Assessment has been done; (vi) whether the Partner will be managing construction activities; (vii) whether the Partner will undertake grant-making activities on behalf of UNDP (on-granting); (viii) whether the Partner will be implementing activities funded by Global Environment Facility (GEF) or Green Climate Fund (GCF); (ix) in the case of RPs, whether a Performance-Based Payment Agreement (PBPA) will be used for the project; and (x) whether the PBPA will exceed USD 150,000 per year. Your answers to these questions will determine which capacity assessments are displayed for completion. You will be provided with a link that will take you straight to the assessment(s) to be completed. Also, all of the background information you entered above for your office and the Partner will automatically be brought forward.	Go to Capacity Assessment Scoping
Step 3: Complete the Capacity Assessment(s)	Complete the capacity assessment(s) as needed. Based on the results of the capacity assessment and the level of assessed risk, you will be asked to identify risk mitigation strategies (such as capacity building actions and/or enhanced monitoring & assurance activities) and the associated budget required to implement those strategies.	Follow the links provided on the Capacity Assessment Scoping page
Step 4: Conclude on the Capacity Assessment(s)	The PCAT will automatically summarize the results of the completed capacity assessments, providing you with a concise document to attach to your Project Document.	Go to Conclude on Capacity Assessment
Optional: Additional Guidance Resources	If you need additional guidance, review the IP and/or RP decision trees, which provide step-by-step overviews of the capacity assessments needed; or try the POPP Points to Remember for important points on HACT and on specific programme/project instruments, such as On-granting or Performance-Based Payment Agreements (PBPAs).	IP Decision Tree RP Decision Tree HACT - POPP Points to Remember On-Granting - POPP Points to Remember PBPAs - POPP Points to Remember

Partner Capacity Assessment Tool - Step 1: Pre-Requisites for Partnering - applicable to all Partners

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Applicability: This 'Pre-requisites for Partnering' section should be completed for all UNDP partners, regardless of whether they are IPs, RPs, Other Partners or grant recipients.

Responsibility & Timing: The Project Developer should complete this 'Pre-requisites for Partnering' as early as possible in the Project Design phase to ensure that the proposed partner is not a prohibited organization and does not engage in practices that are inconsistent with UNDP's social & environmental standards and code of ethics.

Background Information (Enter this information here and it will be carried throughout the PCAT - no need to enter it again)

Region	HQ
Office	BPPS
Programme Start	1-Jan-23
Programme End	1-Jan-29
Partner Name	GFI
Partner budget for this Project (USD)	€ 5,460,000

Comments: (Optional)
The Taskforce on Nature-related Financial Disclosures (TNFD) aims to develop an integrated global risk management and disclosure framework for companies to report on nature risks and dependencies, as a basis for shifting the flow of global capital and transitioning the global economy to nature-positive outcomes. This project aims to help business and financial institutions around the world integrate nature-related disclosures in their financial statements and, by so doing, better inform governments, financial markets, community groups and citizens on the path to more sustainable prosperity.The Green Finance Institute (GFI) serves as the legal home of the TNFD Secretariat in the United Kingdom, and therefore will serve as the project legal custodian for the TNFD Secretariat until the time that the TNFD Secretariat establishes alternate legal status. The TNFD Secretariat manages and coordinates the Taskforce, the TNFD Forum, and the TNFD Knowledge Partners. The TNFD consists of 34 individual Taskforce Members representing financial institutions, corporates and market service providers. The TNFD has the mission to develop and deliver a risk management and disclosure framework for organizations to report and act on evolving nature-related risks, with the ultimate aim of supporting a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes. This funding is dedicated to the engagement of GFI as a Responsible Party for execution of a portion of the TNFD-IKI project activities, under Work Package 2.

ERM Risk Category	Risk being addressed	Q. #	Pre-requisites for Partnering Questions	What to review to determine your response	Response	Action Needed
Regulatory (6.3, FRR)	Violation of UN sanctions	1	Is the organization listed on the Consolidated United Nations Security Council Sanctions List, the UNDP vendor sanctions list or the UN Global Marketplace Ineligibility List ?	UN Sanctions List UNDP Vendor Sanctions List UN Global Marketplace Ineligibility List (accessible to UNDP Buyer Roles)	No	**Continue to Question 2**
						Comments
Strategic (7.5 Code of conduct & ethics), Social & Environmental (1.1-1.12)	Violation of programming principles and ethical standards	2	Is there any credible evidence that the organization persistently commits acts that violate: (i) UNDP's social and environmental standards (human rights, gender equality, labor conditions, environmental sustainability standards); or (ii) code of conduct/ethics standards to such an extent that UNDP's association with the organization cannot be adequately managed or justified?	* Internet/press search * Donor evaluations, assessments * Significant criticism from donors/CSOs/ media/social media or other significant partners of UNDP locally or globally * Significant criticism from governmental agencies / political parties that makes UNDP's partnering politically sensitive * Recurring local or global public events against the organization (e.g. local demonstrations, online protests, etc) * Relevant legal case in progress/in court etc.	No evidence found	
Strategic (7.6 Public opinion & media)	Damage to UNDP's reputation	3	Has an internet/donor evaluation report search revealed any credible and significant adverse publicity or controversy about the organization that could damage UNDP's reputation by association to such an extent that the association cannot be adequately managed or justified?		No adverse publicity found	
Regulatory (6.3, FRR)	Absence of neutrality	4	If the Partner is a CSO/NGO or private sector organization, is there any credible evidence that the organization has political affiliations that could compromise UNDP's neutrality, perceived or actual, in a way that cannot be adequately managed and justified?		No neutrality concerns found	
Financial (2.3 Corruption & Fraud); Strategic (7.5 Code of Conduct & Ethics)	Fraud, corruption and potential damage to UNDP's reputation	5	If there is a history of fraud and/or any potential Conflicts of Interest (CoI) in relation to this organization, have they been reviewed and satisfactorily resolved or if not, can they be adequately managed or justified in the context of this specific project? (Consider such as issues as the organization employing any individual/s who is/are currently holding any position in UNDP or the UN OR any individual/s who is/are related by blood or affinity to any UNDP or UN staff member.)	* Internet/press search on fraud issues * Donor evaluations or assessments for fraud issues * Discussions and/or documents and/or written confirmation from the Partner disclosing conflicts of interest or such relationships	No evidence of fraud or conflicts found	

ERM Risk Category	Risk being addressed	Q. #	Pre-requisites for Partnering Questions	What to review to determine your response	Response	Action Needed
Conclusion on 'Pre-Requisites for Partnering' & Next Steps				Proceed with this Partner. Continue to 'Section 2: Capacity Assessment Scoping'		

Capacity Assessment Scoping

Partner Capacity Assessment Tool - Step 2: Capacity Assessment Scoping - applicable to all Partners

Purpose: This 'Capacity Assessment Scoping' tool is designed to assist you in identifying the Partner capacity assessments that will help manage risks stemming from UNDP's engagement with IPs, RPs or Other partners. It will lead you through a series of questions and based on your responses, indicate for you the capacity assessments that should be completed, including HACT Micro-Assessments.

Applicability: This 'Capacity Assessment Scoping' should be completed for all UNDP partners, regardless of whether they are IPs or RPs or Private Sector partners fulfilling other roles.

Responsibility & Timing: The Project Developer should complete this 'Capacity Assessment Scoping' as early as possible in the Project Design phase to ensure that the Capacity Assessments needed are identified early and arrangements made for their timely completion.

Background Information (carried forward from 'Partner Pre-requisites' worksheet)		
Region	HQ	Comments: (Optional)
Office	BPPS	The Taskforce on Nature-related Financial Disclosures (TNFD) aims to develop an integrated global risk management and disclosure framework for companies to report on nature risks and dependencies, as a basis for shifting the flow of global capital and transitioning the global economy to nature-positive outcomes. This project aims to help business and financial institutions around the world integrate nature-related disclosures in their financial statements and, by so doing, better inform governments, financial markets, community groups and citizens on the path to more sustainable prosperity.The Green Finance Institute (GFI) serves as the legal home of the TNFD Secretariat in the United Kingdom, and therefore will serve as the project legal custodian for the TNFD Secretariat until the time that the TNFD Secretariat establishes alternate legal status. The TNFD Secretariat manages and coordinates the Taskforce, the TNFD Forum, and
Programme Start	1-Jan-23	
Programme End	1-Jan-29	
Partner Name	GFI	
Partner budget for this Project (USD)	€ 5,460,000	

Capacity Assessment Scope Questions	Select Responses from the Dropdown menus
1. Is this a humanitarian project for which a rapid CSO/NGO Partner capacity assessment is needed?	No
2. What role will this organization fulfil on this project?	RP
3. What is the nature of this organization? (Govt, CSO etc)	CSO/NGO
4. Will this Partner receive more than US $150,000 per annum?	Yes
5. Has a Partner Capacity Assessment (including HACT Micro-Assessment) already been performed during the Programme Period?	Yes
6. Will the Partner being implementing construction activities?	No
7. Will the Partner undertake grant-making activities on behalf of UNDP?	No
8. Will the Partner be implementing project activities funded by the Global Environment Facility (GEF) or the Green Climate Fund (GCF)?	No
9. Will this project utilize a Performance-Based Payment Agreement with the RP?	No
10. Will the PBPA exceed USD300,000?	No

If you don't see the assessments you expect, please refresh your answers to the questions above starting with Q1.

Capacity Assessments needed for this RP:	Links to these Capacity Assessments
HACT Micro-Assessment not needed	-
	-
	-
	-
	-
	-

Conclusion: No Capacity Assessments are needed. No further action is required.

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Partner Capacity Assessment Tool: Step 4: Capacity Assessment Conclusions

Return to PCAT Overview page | Return to Capacity Assessment Scoping

Purpose: This worksheet is designed to capture the results of the Capacity Assessments completed and the resulting mitigation strategies for the risk levels identified. Risk mitigation strategies can include capacity building and/or enhanced monitoring and assurance activities. These activities should be included in the Project Document and the associated Project Budget. When completed, attach this worksheet to the Project Document.

Responsibility & Timing: This Capacity Assessment Conclusion page is automatically generated based on the results of the assessments completed in the PCAT. It should be reviewed by the Project Developer for completeness and accuracy and attached to the Project Document. If changes need to be made to this Conclusion page, they should be done on the relevant Capacity Assessment Worksheet (i.e., Programme-Project Mgt, Construction Assess, On-Granting Assess, PBPA Proposal Due Diligence, Private Sector Due Diligence, etc) so that the corrections will be captured in the relevant assessments and automatically displayed here.

Background Information (carried forward from 'Partner Pre-requisites' worksheet)

Region	HQ	Comments: (Optional)
Office	BPPS	The Taskforce on Nature-related Financial Disclosures (TNFD) aims to develop an integrated global risk management and disclosure framework for companies to report on nature risks and dependencies, as a basis for shifting the flow of global capital and transitioning the global economy to nature-positive outcomes. This project aims to help business and financial institutions around the world integrate nature-related disclosures in their financial statements and, by so doing, better inform governments, financial markets, community groups and citizens on the path to more sustainable prosperity.The Green Finance Institute (GFI) serves as the legal home of the TNFD Secretariat in the United Kingdom, and therefore will serve as the project legal custodian for the TNFD Secretariat until the time that the TNFD Secretariat establishes alternate legal status. The TNFD Secretariat manages and coordinates the Taskforce, the TNFD Forum, and the TNFD Knowledge Partners. The TNFD consists of 34 individual Taskforce Members representing financial institutions, corporates and market service providers. The TNFD has the mission to develop and deliver a risk management and disclosure framework for organizations to report and act on
Programme Start	1-Jan-23	
Programme End	1-Jan-29	
Partner Name	GFI	
Partner budget for this Project (USD)	€ 5,460,000	

Manageable Concerns noted in the 'Pre-Requisites for Partnering' Screen

Area of concern		Nature of evidence found and how associated risks to UNDP will be managed	Management & Justification Plans documented?	Information included in Project Risk Log? (Yes/No)	Estimated Budget to Implement Management & Justification Plans (if any)	Comments (Optional)
N/A						

Capacity Assessment Conclusions for this RP

Automatically Generated

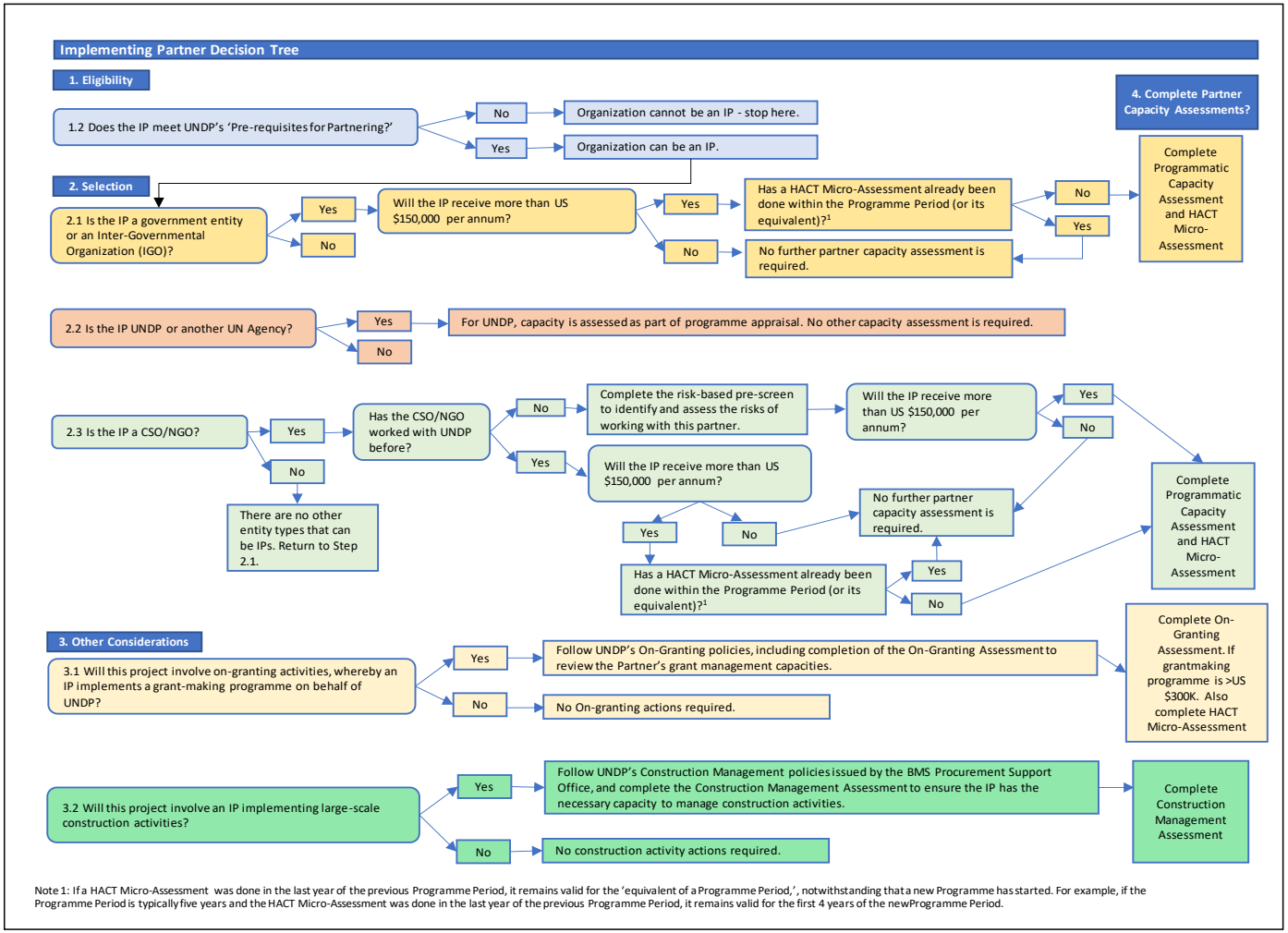
Capacity Assessment Component	Overall Risk Assessment for this Component	Risk Mitigation Strategies (i.e. capacity building actions and/or enhanced monitoring and assurance activities)	Describe the capacity building actions and/or enhanced monitoring and assurance activities that will be included in the Project Document	Estimated budget required for these activities (include in the Project Budget)	Comments (Optional)

			Total	$0	

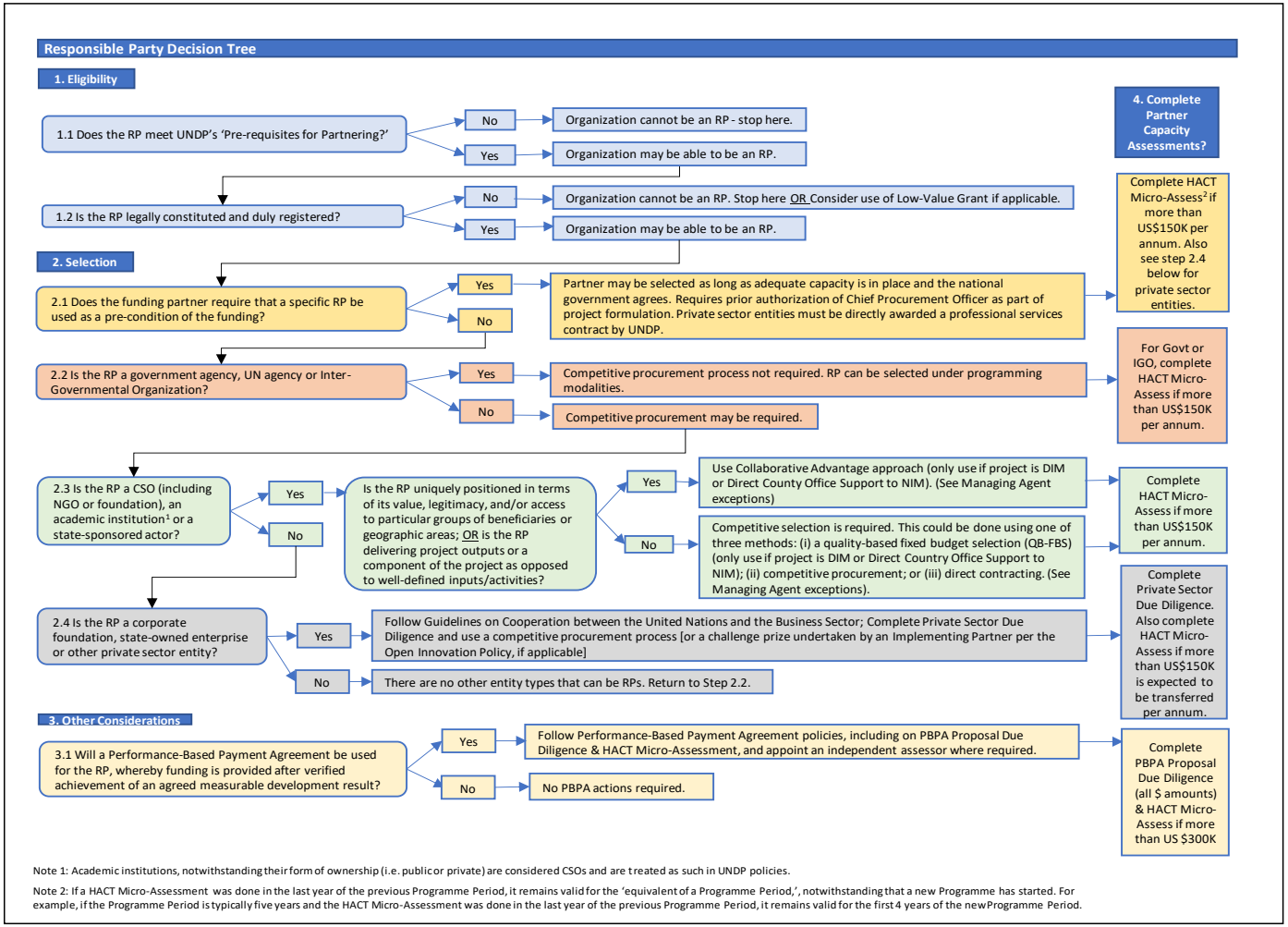
Comments on Overall Capacity Assessments for this RP: (Optional): No concerns have been identified in the present assessment for the assessed CSO.

Partner Capacity Assessment Tool: Additional Resources

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Note 1: If a HACT Micro-Assessment was done in the last year of the previous Programme Period, it remains valid for the 'equivalent of a Programme Period,', notwithstanding that a new Programme has started. For example, if the Programme Period is typically five years and the HACT Micro-Assessment was done in the last year of the previous Programme Period, it remains valid for the first 4 years of the new Programme Period.



Note 1: Academic institutions, notwithstanding their form of ownership (i.e. public or private) are considered CSOs and are treated as such in UNDP policies.

Note 2: If a HACT Micro-Assessment was done in the last year of the previous Programme Period, it remains valid for the 'equivalent of a Programme Period,', notwithstanding that a new Programme has started. For example, if the Programme Period is typically five years and the HACT Micro-Assessment was done in the last year of the previous Programme Period, it remains valid for the first 4 years of the new Programme Period.

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HACT Micro-Assessments		
For full POPP guidance on HACT, refer to this link:	POPP Guidance on HACT	HACT Performance Dashboard
Note: The HACT Micro-Assessment Questionnaire approved by UNDG must be used for all HACT Micro-Assessments:	UNDG-approved Micro-Assessment Questionnaire (June 2016 version)	

POPP Points to Remember

Purpose: The purpose of the Micro-Assessment is to assess the IP's financial management capacity (i.e. accounting, procurement, reporting, internal controls, etc.) to determine the overall risk rating and assurance activities. The risk rating, along with other available information, is also taken into consideration when selecting the appropriate cash transfer modality for an IP, based on each agency's business model. This assessment applies to both governmental and non-governmental IPs. The Micro Assessment results in an overall risk assessment, which is a key input to determining the Adjusted Risk Rating for the IP and guides the types and frequency of

Applicability: The HACT framework is applicable in every country and in all situations, including emergency, crisis and post-conflict countries. The prescribed procedures apply to all UNDP offices (headquarters, regional offices and country offices) that transfer cash to implementing partners in every country and operational context.

Completion by a third-party service provider: The Micro-Assessment is performed by a third party service provider and includes a site visit to the IP. The assessment primarily consists of interviews with IP personnel and a review of relevant documentation sufficient to complete the micro assessment questionnaire.

Use of HACT framework for IP capacity development activities: HACT is a risk-based approach, and the Framework identifies developing the IP's capacity, with assistance from UNDP and other development partners, as core to managing risk. Identification of and planning to address IP capacity gaps (either through direct assistance by the country team or through other development partners) is an important element of the Framework. Country Offices should use HACT assessment results to help focus future capacity development activities in key thematic and mandated areas of development, and on developing the financial management capacity necessary for any IP. However capacity development activities do not negate the results of the micro-assessment in determining the Cash Transfer Modality (CTM).

Overall Risk Ratings: The Micro-Assessment questionnaire provides an overall risk rating based on responses provided:
- Low risk – Indicates a well-developed financial management system and functioning control framework with a low likelihood of negative impact on the IP's ability to execute the programme in accordance with the work plan.
- Moderate/Medium Risk – Indicates a developed financial management system and control framework with moderate likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.
- Significant Risk – Indicates an underdeveloped financial management system or control framework with a significant likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.
- High Risk – Indicates an underdeveloped financial management system and control framework with a high likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.

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On-Granting Activities		
For full POPP guidance on On-Granting activities, refer to this link:	POPP Grantees (includes On-Granting)	also see the 'Low-Value Grants Operational Guide'

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POPP Points to Remember

Applicability: The On-Granting Assessment should be used for low-value grants that are awarded indirectly via 'on-granting,' an arrangement where UNDP provides funds to a grant-making institution serving as an implementing partner (under national implementation) or responsible party (under direct implementation or direct country office support services). The institution then awards grants to recipient(s) following certain specified guidelines and appropriate due diligence. The 'grant recipient' in both cases is defined as an entity that is the final beneficiary of the grant. In the case of 'on-granting', UNDP and the grant-making institution must sign an agreement that defines the terms and conditions under which UNDP will provide funding to the grant-making institution to perform the grant-making function. Such an agreement defines the implementing partner/responsible party as an entity assessed by UNDP as possessing sufficient financial and grant management skills to bear responsibility for on-granting funds to Grant Recipient(s). UNDP is responsible for assessing the grant-making institution to ensure it has the programmatic, financial and management capacities and systems to effectively undertake its roles. This is achieved through completion of the standard programmatic and financial assessments applied to UNDP's implementing partners, including HACT, AND the completion of the on-granting assessment.

Key Principles: UNDP defines low-value grants as cash awards - selected via programmatic decisions - to civil society and non-governmental partners to generate and solicit development solutions for which no repayment is typically required. If UNDP provides funds to a grant-making institution serving as either an implementing partner (under national implementation) or responsible party (under direct implementation or direct country office support services to NIM), this is called "on-granting." The institution then awards grants to recipient(s) following certain specified guidelines and appropriate due diligence, including being qualified to perform that role after an assessment of their capacity for on-granting by UNDP. The on-granting capacity assessment is based on the following 8 good grantmaking principles:

1. Outcomes are clearly defined
2. Program structure is tailored to its circumstances, target group/s and purpose
3. Governance is clear and strong
4. Risks are identified and managed
5. Decision-making is transparent and criteria-based
6. Information is available and accessible
7. Financial and grant performance are both monitored and reported on; and
8. A contribution is made to the knowledge base of the broader community.

Key Thresholds to Remember: Funding provided to each grant recipient cannot exceed $150,000 per grant and $300,000 on a cumulative basis within the same programme period. To receive multiple grants, the grant recipient must have produced the results agreed to in the prior grant agreement, and a new grant agreement must be approved by the project board or selection committee. The same entity could receive separate grants under different projects with a cumulative ceiling of $300,000 in the programme period. The UNDP business unit is responsible for reviewing proposed grant awards under UNDP projects and confirming that the amount falls under the grant threshold amounts allowable per programme period. If a responsible party oversees implementation of the grant project on behalf of the implementing partner originally selected by UNDP under on-granting, funding provided by it to any individual grant recipient shall not exceed $60,000 per individual grant and $120,000 on a cumulative basis within the same programme period.

Non-exclusivity: The award of grants is not exclusive. Several entities can be awarded separate grants for the same development challenge, or a consortium can be awarded a single grant to foster collaboration. Moreover, LVGs can be used in parallel to other engagement types; for instance the same NGO can concurrently be a grant recipient to develop a new local income-generation scheme and hold a procurement contract to provide logistical services for a workshop (provided there is no conflict of interest; see section below on difference between grants and procurement). All resources provided to the entity by UNDP during the programme period are considered when assessing what, if any, capacity assessments should be done . For example, if the value of a LVG plus procurement contract or responsible party agreement exceeds $300,000 total during the programme period, the relevant capacity assessment must be done for that partner.

Eligibility: Grants can be awarded to civil society and (national or international) non-governmental organizations, including non-governmental academic or educational institutions. Private sector and commercial entities, and governmental organizations (e.g. regional governments, municipalities, etc.) are currently not eligible to receive LVGs. Under exceptional circumstances an individual can be a grantee when legislation prevents excluded and marginalized groups (e.g. LGBTQ people, sex workers, people affected by certain illnesses, etc.) from organizing and attaining legal status. The understanding would be that the individual signing the grant agreement represents the group barred from attaining legal status. If the country office's senior management has determined that the engagement is critical to delivery of results and is in the best interests of UNDP, the head of the Business Unit may authorize the use of the IC modality with one or more of the principals. The value of each individual contract shall be capped at the established threshold for micro purchasing (USD 10,000). Grants **must not** be awarded to any organization or individual appearing on prohibited entity lists, such as the UN Sanctions List, UNDP Vendor Sanctions List, or other barred lists (such as the World Bank Barred List).

Granting is not a substitution for Procurement: a grant cannot be used in lieu of a procurement process to provide commercial goods and services to a project since grants are intended to generate or solicit development solutions. So even in the case of a strategically important non-government entity, if its role is limited to the provision of goods and services, then a procurement process is necessary.

Technical Clearance on Micro-finance Grants: Low-value grants may be made for credit activities, and can be used by the recipient organization to cover the costs of its operations, purchase equipment, hire new staff or capitalize credit funds within the financial limits set out below. On all requests related to credit or microfinance, technical clearance from UNCDF is required. The policies for microfinance, credit and/or loan programmes administered by UNDP and/or UNCDF are covered by the UNDP/UNCDF Microfinance Policy.

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Performance-Based Payment Agreements

For full POPP guidance on Performance-Based Payment Arrangements, refer to this link: Performance-Based Payment Agreements

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POPP Points to Remember

Programmatic Use: Circumstances that might warrant the use of performance-based payments include, but are not limited to: (a) the desire of a donor to use a this approach to ensure results are achieved and mitigate financial risk; (b) particularly volatile development situations that cannot be effectively addressed by standard agreements; (c) specific sectors where performance-based payments are established practice, such as the use of results-based payment schemes by countries for reducing deforestation as supported in various UN Framework Convention on Climate Change decisions; (d) implementation capacities and arrangements exist and can be leveraged; and (e) development approaches and best practices to address the development challenge are readily available.

Project Types: Performance-based payments may be used under a project implemented by UNDP, where a responsible party is selected to take programmatic and financial responsibility for delivering specified results. They may also be used under a nationally implemented project, where UNDP provides direct country office support services to the implementing partner, and those services include engaging a responsible partner using a performance-based payment arrangement.

Types of PBPAs: There are three types of PBPAs, which vary according to funding amount and use of working capital reimbursements. They have different conditions which are summarized at the link shown. Summary of PBPA Types & Conditions

Key Thresholds to Remember: For PBPAs greater than US$300,000 per year, the achievement of specific, pre-agreed results (outputs and/or activities) must be validated through performance measures and quality certified by an independent assessor. Given the cost associated with engaging an independent assessor, it is recommended to use PBPAs of at least US$1,000,000 or more per annum. The project board may verify results for PBPAs of US$300,000 or less.

Eligibility: The selection of a responsible party for a PBPA is a programmatic decision. RPs can include government entities, NGOs/community-based organizations, academic institutions, the private sector and non-UN intergovernmental organizations. PBPAs **must not** be awarded to any organization or individual appearing on prohibited entity lists, such as the UN Sanctions List, UNDP Vendor Sanctions List or the UN Global Marketplace Ineligibility List.