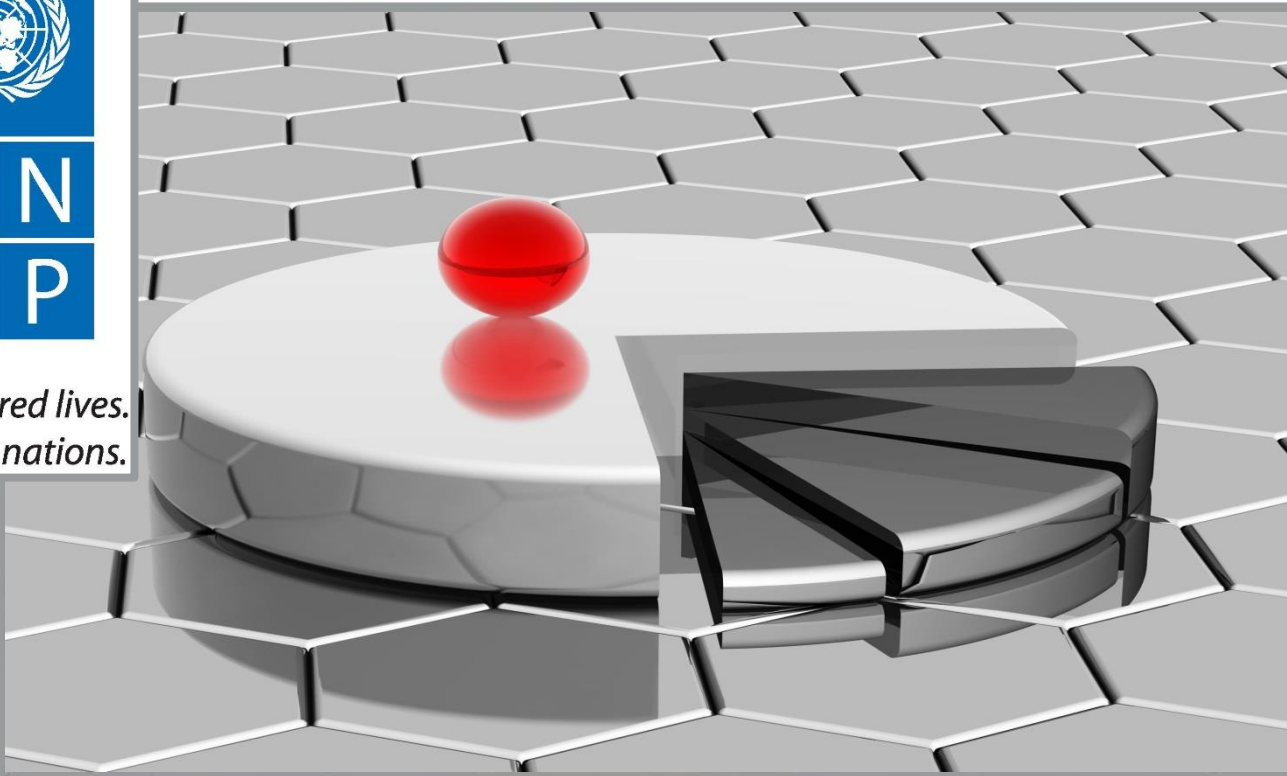


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Report for Micro Assessment of Ministry of Environment, Republic of the Marshall Islands Commissioned by UNDP

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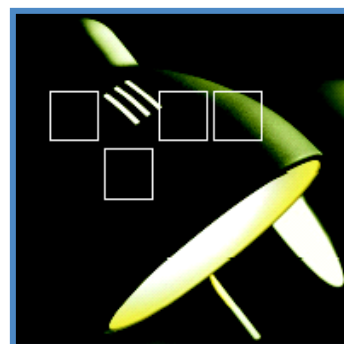
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SECTION – I

1. Background, Scope and Methodology

1.1 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.

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.

1.2 Scope

The micro-assessment provides an overall assessment of the Implementing Partner's program, financial and operations management policies, procedures, systems and internal controls. It includes:

- A review of the IP legal status, governance structures and financial viability; program management, organizational structure and staffing, accounting policies and procedures, fixed assets and inventory, financial reporting and monitoring, and procurement;
- A focus on compliance with policies, procedures, regulations and institutional arrangements that are issued both by the Government and the Implementing Partner.
- It takes into account results of any previous micro assessments conducted of the Implementing Partner.

1.3 Methodology

We performed the micro-assessment during April to July 2020 virtually and intermittently from India office of Lochan & Co as per the availability of the documents/ information provided by IP.

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.

1.4 Limitations

- The assessment team was not able to visit the office of Ministry of Environment, Republic of the Marshall Islands due to COVID-19 outbreak all around the world. The micro assessment was conducted virtually and discussions were held through skype calls and documentation & information were shared through emails.
- The micro assessment was started on 3rd April 2020 and was on-going during April to July 2020 virtually and intermittently as per the availability of the documents/ information provided by IP.
- As IP shared the documents and information through emails, there was a delay in the receipt of the data. Till the time of issue of this draft report, certain data is still pending to be received from IP.

1.5 Summary of Risk Assessment

S. No	Tested subject area	Risk assessment
1	Implementing partner	Moderate
2	Programme management	Significant
3	Organizational structure and staffing	Significant
4	Accounting policies and procedures	Moderate
5	Fixed assets and inventory	High
6	Financial reporting and monitoring	Significant
7	Procurement and contract administration	Low
	Overall Risk Assessment Rating	Moderate

SECTION – II

Summary of Risk Assessment Results

The table below summarizes the results and main internal control gaps found during application of the micro-assessment questionnaire (in **Annexure IV**). Detailed findings and recommendations are set out in section III below.

Tested subject area	Risk assessment*	Brief justification for rating (main internal control gaps)
1. Implementing partner	Moderate	<ul style="list-style-type: none"> • IP was previously known as "Office of Environment Planning and Policy Coordination". Now it has been renamed as "Ministry of Environment" (MoE). The IP is accountable to the RMI Parliament. • As informed, IP has received funds from UN agencies in the past as "Office of Environmental Planning and Policy Coordination". • IP does not have statutory reporting requirements. All the financial transactions relating to the IP are processed at the Ministry of Finance (MoF). • As informed, the governing body of the IP consisting of Director, Deputy Director, finance team and project staff meet on regular basis and perform oversight functions. • As informed, IP uses certain external entities for the implementation of projects. However, IP does not have written policies for oversight and monitoring of implementation done by external entities. As informed, MoU is entered with every external entity and monitoring is done by submission of quarterly and annual report by the entities. • IP do not prepare separate financial statements; its financial statements are prepared as a part of financial statements of Government of Republic of the Marshall Islands. • IP receives funds from the Government of Republic of the Marshall Islands and UNDP for implementation of project activities. • As informed, there is no pending legal actions against the IP or outstanding significant disputes with vendors/ contractors. • IP does not have any anti-fraud and corruption policy. • IP neither has a policy which advises employees, beneficiaries and other recipients to whom they should report if they suspect fraud, waste or misuse of agency resources or property nor there is any policy against retaliation relating to such reporting. • As discussed, IP does not have any other financial and operational risk. <p>However, the following documents were not shared with the assessment team:</p> <ul style="list-style-type: none"> • UN projects audit report; • Structure of Governing body and their minutes of the meetings; • MoU's entered with the external entities and annual / quarterly reports submitted by them.
2. Programme Management	Significant	<ul style="list-style-type: none"> • IP does not have detailed written policies, procedures and other tools to develop programmes and plans. • IP prepare the detailed annual action plan for organization and project wise. • As informed, IP follows various measures given by state government and undertakes this as core function to reduce / mitigate the risk.

Tested subject area	Risk assessment*	Brief justification for rating (main internal control gaps)
		<ul style="list-style-type: none"> • IP does not have written policy, procedures, guidelines for monitoring and evaluation. • As informed, IP carry out the monitoring activities through the project manager by participation in review meetings, on-site project visits, etc. • As informed, IP do systematically collect, monitor and evaluate data on the achievement of project results through the reports prepared by the project manager. • No independent evaluation has been conducted. <p>However, the following documents related to programme management were not shared with the assessment team:</p> <ul style="list-style-type: none"> • Reports indicating the risks identified and mitigation measures undertaken; • Reports of monitoring visits and minutes of review meetings; • Reports of monitoring and evaluation of data on the achievement of project results.
3. Organizational structure and staffing	Significant	<ul style="list-style-type: none"> • IP has adopted employee's recruitment process governed by the Public Services Commission Regulations which clearly defines recruitment, employment and personnel practices and embrace transparency and competition. • As informed, employment contracts entered with the staff have clearly defined job descriptions. • IP does not have specific written training policy for accounting, finance and programme staffs. However, as informed, training is provided on requirement basis by donor and government. • As informed, before issuing appointment letter IP verifies the credentials from the references given by the candidate in their resume. • As informed, there has been no significant turnover in key finance positions in last five years. • IP has comprehensive "Public Service Commission Regulations" which is used as internal control framework and easily available for appropriate staff. <p>However, the following documents related to organization structure and staffing were not shared with the assessment team:</p> <ul style="list-style-type: none"> • Employment contracts defining job descriptions; • Organizational structure of the finance and programme management departments • The details of the key staff, including job titles, responsibilities, educational backgrounds and professional experience.
4. Accounting policies and procedures	Moderate	<p>4a. General</p> <ul style="list-style-type: none"> • MoE does not have any computerized accounting system. Fiscal Officer uses Microsoft Excel to record financial transactions. However, accounting for the financial transactions related to the IP is done using DiLOG accounting system at MoF and its chart of accounts is based on the government financial reports. • IP does not have an appropriate cost allocation methodology. As informed, the costs are charged for the expenses relating to project on the basis of the approved budget. • Supporting documents are retained for a minimum period of five

Tested subject area	Risk assessment*	Brief justification for rating (main internal control gaps)
		<p>years in a defined system with proper filing that allows authorized users easy access.</p> <ul style="list-style-type: none"> The books of accounts are maintained in the Excel through which general ledger and subsidiary ledgers are reconciled manually. MoE follows the practice of reconciliation on monthly basis. <p>4b. Segregation of duties</p> <ul style="list-style-type: none"> Proper segregation of duties is in place with respect to various functions. As informed, functions of ordering, receiving, accounting for and paying for goods and services are appropriately segregated. As informed, reconciliation statements are prepared by Assistant Secretary and Chief Accountant and approved by Secretary of Finance. <p>4c. Budgeting system</p> <ul style="list-style-type: none"> Budgets are prepared for all significant activities in sufficient detail to provide a meaningful tool which can be used to monitor the subsequent performance. As informed, IP compares actual expenditure with the budgeted expenditure on quarterly basis wherein significant variations are examined and explained. As explained, any variation within the approved budget expenditure requires advance approval from MoF or the Cabinet. The entity must provide sufficient justification for reprogramming of funds. For project budget, advance approval needed from Donor representative and head of the department. Appropriations Committee approves the budget. No other party has power to approve budget. <p>4d. Payments</p> <ul style="list-style-type: none"> IP has appropriate invoicing process procedures. IP do not have any payment approval threshold limits; all payments are approved by Secretary of Finance irrespective of amount of payment. All payment vouchers with invoices attached are dated, reviewed, approved and accounts code assigned for data entry in DiLOG. However, the payment vouchers paid are not cancelled with a "PAID" stamp. There is proper control on payroll processing. The Payroll calculations are performed fortnightly for all Government staff by Payroll Clerks at MOF. The payroll reports are verified by Assistant Secretary for Accounting and Administration and Secretary of Finance. IP maintains time sheet for the staffs working on multiple projects which reflects the actual amount of staff time spent on a project. IP follows manual of 'Standard Operating Procedures' to regulate expenses such as DSA and travel. <p>4e. Policies and procedures</p> <ul style="list-style-type: none"> IP follows hybrid basis of accounting. IP follows Public Financial management reform manual approved by cabinet in 2015, to guide activities and ensure staff accountability. <p>4f. Cash and bank</p> <ul style="list-style-type: none"> IP requires dual authorization / signatures for each banking transactions, the two signatories are Secretary of Finance and Treasurer. IP is maintaining up-to-date cash book for recording all receipts

Tested subject area	Risk assessment*	Brief justification for rating (main internal control gaps)
		<p>and payments.</p> <ul style="list-style-type: none"> • IP is not participating in micro finance advances. • As informed, bank and cash are reconciled on monthly basis. Reconciliation statements are prepared by Assistant Secretary and Chief Accountant and approved by Secretary of Finance. • All payments are made through bank or through electronic payments mode. Cash payments only for petty expenses US\$ 50 are allowed. • IP carries out monthly petty cash reconciliation. • Cash is kept in safe under the custody of Treasurer. Cheques are kept in IT Room under the custody of IT Staff. Bank accounts are protected with appropriate remote access controls. • IP has adequate controls over submission of electronic payment files <p>4g. Other offices or entities</p> <ul style="list-style-type: none"> • As informed, IP has monitoring template to ensure that the expenditures of the other offices/entities are in compliance with the work plan. <p>4h. Internal audit</p> <ul style="list-style-type: none"> • IP do not have any internal audit department and no internal audit has been conducted yet. <p>However, the following documents related to accounting policies and procedures were not shared with the assessment team:</p> <ul style="list-style-type: none"> • Bank and cash reconciliation statements; • Comparison reports of budgeted expenditure and actual expenditure incurred; • Template to ensure monitoring of the expenditure of external entities.
5. Fixed assets and inventory	High	<p>5a. Safeguards over assets</p> <ul style="list-style-type: none"> • IP has fixed assets management procedures manual and maintains fixed assets register to ensure adequate safeguards to protect from fraud, waste and abuse. However, the fixed assets register shared is not updated since last two years. • The subsidiary records of fixed assets and inventory are not kept up to date and reconciled with control accounts. • As informed, physical verification of fixed assets and inventory are undertaken once in 2 years. • As informed, fixed assets such as vehicles and buildings are covered by insurance policies. <p>5b. Warehousing and inventory management</p> <ul style="list-style-type: none"> • No warehouse is maintained by the IP. <p>However, the following documents related to fixed assets and inventory were not shared with the assessment team:</p> <ul style="list-style-type: none"> • Physical verification report of fixed assets and inventory; • Insurance policy of fixed assets.
6. Financial reporting and monitoring	Significant	<ul style="list-style-type: none"> • IP does not have statutory reporting requirements. All the financial transactions relating to the IP are processed at MoF. • MoF prepares overall financial statements as per the statutory requirements. • Overall financial statements of the Government of Republic of the Marshall Islands are audited by independent audit firm Deloitte which includes financial statements of the IP.

Tested subject area	Risk assessment*	Brief justification for rating (main internal control gaps)
		<ul style="list-style-type: none"> • As informed, most of the issues highlighted in the 2007 to 2017 audited reports are recurring issues. Some recommendations have not been implemented due to internal constraints. • The financial management system of the IP is manual as books of accounts are maintained in Microsoft Excel. • The necessary financial reports are prepared by Fiscal Officer manually using the Microsoft Excel. • IP has appropriate safeguards in place to ensure the confidentiality, integrity and availability of the data. <p>However, the following document related to financial reporting and monitoring was not shared with the assessment team:</p> <ul style="list-style-type: none"> • Audit report to verify the issues related to ineligible expenditure involving donor funds.
7. Procurement and contract administration	Low	<ul style="list-style-type: none"> • IP follows procurement policy of the Government of Republic of the Marshall Islands. • All exceptions are covered under the policy document. Procurement policy has covered all material aspects in detail including exception procurement. • MoF has computerized procurement system with adequate access controls and segregation of duties between entering purchase orders, approval and receipting of goods. • As informed, MoF generate reports like list of open orders and pending invoices on weekly basis. Chief of Procurement and Secretary of Finance review the same. • All procurements for the IP are done by the procurement unit of the Government of Republic of the Marshall Islands. • As informed, most of the issues highlighted in the 2007 to 2017 audited reports are recurring issues. Some recommendations have not been implemented due to internal constraints. • In case of procurements, approval of Procurement Chief is required irrespective of amount. • The procurement procedures and templates of contracts integrate references to ethical procurement principles and exclusion and ineligibility criteria. • IP does not enter into the contract directly; contracts are entered after the approval of Procurement chief (MoF). • IP does not have formal guidelines to assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers / procurement agents. As informed, there is an ethics boards that reviews those who have declared conflict of interest. Conflict of interest form is also required in bidding documents. • IP has well-defined process for sourcing suppliers. The formal procurement methods include wide broadcasting of procurement opportunities on television, radio, newspapers and post on website. • As informed, IP keeps the track record of the past performance of the potential suppliers. • As informed, all procurements of IP are undertaken by the Government of Republic of Marshall Islands, which follows transparent bid and evaluation process. • The contracts are awarded based on the pre-defined basis set

Tested subject area	Risk assessment*	Brief justification for rating (main internal control gaps)
		<p>out in the solicitation document taking into account technical responsiveness and price.</p> <ul style="list-style-type: none"> • As informed, IP is not managing any major contract as part of programme implementation. <p>However, the following documents related to procurement and contract administration were not shared with the assessment team:</p> <ul style="list-style-type: none"> • Procurement reports; • Details of the procurement unit; • Declaration of conflict of interest; • Tract records of the past performance of the potential suppliers.
Overall Risk Assessment	Moderate	<p>Based on the facts and detailed assessment of Micro Assessment Questionnaire, the overall risk of Risk Analysis / Assessment of Ministry of Environment (MoE) is assessed by the firm as “Moderate”. The firm has assessed the risk in seven areas as mentioned in Micro Assessment Questionnaire.</p>

**High, Significant, Moderate, Low*

SECTION – III

Detailed Internal Control Findings and Recommendations

No.	Description of Finding	Recommendation and IP Management Response
1	<p>UN project audit reports not shared IP has received funds from UN agencies in the past as “Office of Environmental Planning and Policy Coordination”.</p> <p>Audit reports for the funds received from the UN agencies in the past has not been shared with the assessment team.</p> <p>In the absence of audit reports, we cannot ascertain whether any significant issues were reported in managing the UN resources in the past.</p> <p>As informed by IP, there have not been any significant issues in managing the UN resources in the past. (Refer point 1.2 & 6.4 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit.</p> <p>IP Management Response IP notes the importance of this recommendation and is in support. It will priorities the maintenance of documentation/records.</p> <p>UNDP Response Recommendation noted. The TNC/BUR Project is subject to UNDP guidelines and should an annual audit be conducted, a copy of the final report will be stored and made available.</p>
2	<p>Structure and minutes of the meetings of governing body not shared As informed by IP, the governing body consisting of Director, Deputy Director, finance team and project staff meet on regular basis and perform oversight functions.</p> <p>However, IP has neither shared the documented governing body structure nor the minutes of the meetings of governing body with the assessment team. (Refer point 1.4 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit.</p> <p>IP Management Response IP will follow up on recommendation and avail copies of minutes of governing body. Electronic and hard copies of minutes will be stored.</p> <p>UNDP Response Recommendation noted. A project board will be established under the TNC/BUR project. Its roles will be to provide high level strategic advice. IP will also be represented on the project board. The Project Management Unit for TC/BUR Project is expected to compile minutes of board meetings.</p>
3	<p>No documented policies for oversight and monitoring of external entities activities IP uses external entities for the implementation of projects.</p> <p>However, IP does not have written policies for oversight and monitoring of activities undertaken by external entities.</p> <p>As informed, MoU is entered with every external entity and monitoring is done by submission of quarterly and annual report by the entities.</p> <p>However, MoU and annual / quarterly reports have also not been shared with the assessment team. (Refer point 1.5 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should develop documented policies and procedures to ensure appropriate oversight and monitoring over other offices / external entities.</p> <p>Also, IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit.</p> <p>IP Management Response The development of a policy and formal endorsement may take considerable time. In the interim, the Ministry will adhere to relevant national guidelines/policies highlight oversight roles. Quarterly updates and checks will be conducted through the TNC/BUR Project.</p> <p>UNDP Response</p>

No.	Description of Finding	Recommendation and IP Management Response
		<p>As the development and approval of a new policy may take considerable time, for now it is suggested that IP strengthen its efforts towards maintenance and documentation of records. TNC/BUR project management unit is expected to take accountability (on a daily basis) under the umbrella of IP. As GEF Implementing Agency, UNDP is also responsible for overall oversight and monitoring of the project.</p>
4	<p>No anti-fraud and corruption policy IP does not have anti-fraud and corruption policy. (Refer point 1.9 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should develop anti-fraud and corruption policy to educate the staff about the repercussion in case any fraud and corruption takes place.</p> <p>IP Management Response Project Implementation Unit for TNC/BUR will request awareness/training on UNDP anti-fraud and corruption polices. In addition, the Ministry will explore opportunities to strengthen internal awareness and capacity building for anti-fraud policies. This will involve aligning Ministry's business practices to existing national policies/guidelines and/or development of standard operating procedures.</p> <p>UNDP Response As the development and approval of a new policy may take considerable time, it is suggested that IP works with respective national government agency to strengthen internal anti-fraud and corruption guidelines. As part of TNC/BUR inception workshop, UNDP guidelines on anti-fraud and corruption will be covered.</p>
5	<p>No written policy for the reporting of suspected frauds and retaliation against it IP neither has a policy which advises employees, beneficiaries and other recipients to whom they should report if they suspect fraud, waste or misuse of agency resources or property nor there is any policy against retaliation relating to such reporting. However, as informed employees are advised to report to their reporting manager in case of any suspected fraud, waste or misuse. (Refer point 1.10 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should develop a policy which advises employees to whom they should report in case of suspected fraud, waste or misuse of agency resources. The policy should also provide for safeguard of those who report fraud, waste or misuse of agency resources or property against retaliation.</p> <p>IP Management Response This recommendation can be covered under responses to recommendation 4. Project Implementation Unit for TNC/BUR will request awareness/training on UNDP anti-fraud and corruption polices. In addition, the IP will explore opportunities to strengthen application of existing national government anti-fraud guidelines and policies.</p> <p>UNDP Response As the development and approval of a new policy may take considerable time, it is suggested that IP develops some guidelines relevant to fraud & retaliation. In addition, the IP may refer to existing national legislation and guidelines.</p>
6	<p>No policy for the development of programmes and plans</p>	<p>Recommendation IP should develop a sufficiently detailed written</p>

No.	Description of Finding	Recommendation and IP Management Response
	<p>IP does not have written policies, procedures and other tools to develop programmes and plans.</p> <p>As informed by the IP, the programmes and plans are developed as per the requirements of the donors.</p> <p>(Refer point 2.1 of Micro Assessment Questionnaire)</p>	<p>policies and procedures to develop programmes and plans for better monitoring and implementation of project activities.</p> <p>IP Management Response IP notes recommendation. Whilst the development of and approval of a policy may take considerable time, IP will now work to strengthen monitoring and implementation procedures.</p> <p>UNDP Response On an annual basis the TNC/BUR project is expected to develop annual work plan which will be monitored on a quarterly basis. It is suggested that the IP commence implementation of the recommendation specially to develop and/or strengthen existing procedures.</p>
7	<p>Potential risks and mitigation measures not documented</p> <p>As explained, IP follows various measures given by state government and undertakes this as core function to reduce / mitigate the risk. However, no document indicating the risk and mitigation measures undertaken has been shared with the assessment team.</p> <p>(Refer point 2.3 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit.</p> <p>IP Management Response Recommendation noted and supported. TNC/BUR project will include risk management and provide updates in quarterly narrative reports.</p> <p>UNDP Response Recommendation supported. The TNC/BUR Project document contains a section noting risks and appropriate response. Risks will be monitored on a quarterly basis during project life whilst annual updates are provided at Project Board Meetings.</p>
8	<p>Lack of Monitoring & Evaluation policy and framework</p> <p>IP does not have policy, procedures, guidelines and other tools for monitoring and evaluation.</p> <p>As informed, the project managers are appointed for the different projects, monitoring and evaluation activities are undertaken by them. The monthly report for each activity is prepared and reviewed.</p> <p>Further in case of UNDP projects, M&E framework are prepared and approved by UNDP.</p> <p>(Refer points 2.4& 2.5 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should develop a written policy (including checklist, templates) for monitoring and evaluation of the programme activities. M&E frameworks including indicators, baselines and targets to monitor achievement of programme results should be developed by IP.</p> <p>IP Management Response The development and approval of a policy may take considerable time. IP will work towards improving monitoring and evaluation. The TNC/BUR project will have M & E plans which are reviewed on a quarterly basis and updates provided also provided at annual project board meetings.</p> <p>UNDP Response Recommendation noted. Suggesting that the IP has a realistic plan which notes timelines and procedures for developing such a policy and/or using existing national guidelines. TNC/BUR Project is guided by a monitoring and evaluation plan.</p>

No.	Description of Finding	Recommendation and IP Management Response
9	<p>No documentation of on-site visit and review meetings undertaken As informed, IP carry out the monitoring activities through the project manager by participation in review meetings, on-site project visits, etc. However, IP has not shared any reports of monitoring on-site visits and minutes of review meetings with the assessment team. (Refer point 2.6 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit. IP Management Response Similar to response of finding 8, IP will improve M & E as well as documentation of sites visits, and minutes of meeting undertaken. UNDP Response Recommendation supported.</p>
10	<p>No documentation for the collection, monitoring and evaluation of data As informed, IP do systematically collect, monitor and evaluate data on the achievement of project results through the reports prepared by the project manager. However, IP has not shared any report with the assessment team. (Refer point 2.7 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit. IP Management Response Recommendation noted and in support. Also noting that timing of assessment coincided with several national priority dialogues in country. Hence this affected IPs ability to avail documentation requested. UNDP Response Recommendation supported.</p>
11	<p>Job descriptions not shared IP has not shared the job descriptions with the assessment team. In the absence of the same, it cannot be ascertained that IP has maintained clearly defined job description. (Refer point 3.2 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit. IP Management Response Noted and IP will ensure that Job Descriptions is made available. UNDP Response Recommendation supported.</p>
12	<p>Details of the finance and programme management department not shared IP has neither shared the organizational structure of the finance and programme management departments with the assessment team nor the details of the key staff, including job titles, responsibilities, educational backgrounds and professional experience. In the absence of the same, it cannot be ascertained whether accounting / finance and programme function are staffed adequately to ensure sufficient controls are in place to manage agency funds.</p>	<p>Recommendation IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit. IP Management Response IP will obtain organizational structures requested and share this by October. UNDP Response Recommendation supported. Further Reviewer Response IP may submit the documents to UNDP and finding</p>

No.	Description of Finding	Recommendation and IP Management Response
	(Refer points 3.3 & 3.4 of Micro Assessment Questionnaire)	can be closed accordingly.
13	<p>No specific written training policy IP does not have specific written training policy for accounting, finance and programme staffs. However, as informed by IP, training is provided on requirement basis by the donor and government. (Refer point 3.5 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should develop a written training policy for the accounting and programme management staff to update them for the recent changes in the financial law and other procedures for programme management, incorporating the frequency of the training.</p> <p>IP Management Response The development of a policy may take much time and effort. Instead IP, supports regular reviews and internal discussions to identify training needs. Capacity building is an ongoing matter and this is supported by IP. The TNC/BUR project is likely to conduct training for project implementation unit and this will be aligned as much as possible to needs of IP. Training to be jointly conducted by UNDP and Government.</p> <p>UNDP Response Recommendation supported. Since the development and approval of a new policy could be lengthy, its suggested that in the interim a refresher training is conducted.</p>
14	<p>No accounting software in use MoE does not have any computerized accounting system. Fiscal Officer uses Microsoft Excel to record financial transactions from United Nations agencies, including allocation of expenditures in accordance with the respective components, disbursement categories and sources of funds. However, accounting for the financial transactions is done at MoF using DiLOG accounting software and its chart of accounts is based on the government financial reports. (Refer point 4.1, 6.6 & 6.7 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should use accounting software for maintenance of books of account at MoE level. Such software should be capable of recording the transactions under respective components, disbursement categories and sources of funds. Further necessary financial reports should be generated from the accounting software.</p> <p>IP Management Response Recommendation supported. This will be explored and discussed management for approval. In the meantime, IP will use existing software.</p> <p>UNDP Response Recommendation supported but suggesting that this is discussed further between IP and Treasury/Ministry of Finance to identify a way forward before discussing with UNDP.</p>
15	<p>No appropriate cost allocation methodology IP does not have an appropriate cost allocation methodology for the common cost like premises rent, etc. As informed, the costs are charged for the expenses relating to project on the basis of the approved budget. (Refer point 4.2 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should have an appropriate cost allocation methodology that ensures accurate cost allocations of the comomo cost to the various funding sources.</p> <p>IP Management Response Recommendation noted and IP will explore this in detail. Final decision will rest with the Director/management.</p> <p>UNDP Response Recommendation noted and suggest that options is explored by IP.</p>
16	Bank and cash reconciliation statements	Recommendation

No.	Description of Finding	Recommendation and IP Management Response
	<p>not shared As informed, reconciliation statements are prepared by Assistant Secretary and Chief Accountant and approved by Secretary of Finance. However, IP has not shared any bank and cash reconciliation statement with the assessment team. (Refer point 4.7, 4.23 & 4.25 of Micro Assessment Questionnaire)</p>	<p>IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit. IP Management Response Recommendation noted. Unfortunately, the timing of assessment coincided with a period when several national consultations/ dialogues was taking place. The availability of documentation will be prioritized. UNDP Response Recommendation noted and supported. UNDP was informed that mission by auditing firm (in country) coincided with several other important national consultations. Suggesting that IP share current/recent records of bank and cash reconciliation.</p>
17	<p>Comparison reports of budgeted and actual expenditure not shared As informed, IP compares actual expenditure with the budgeted expenditure on quarterly basis wherein significant variations are examined and explained. However, no reports were shared with the assessment team. (Refer point 4.9 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit. IP Management Response Recommendation noted. This is a priority matter and IP will facilitate relevant actions to ensure availability of reports upon future requests. UNDP Response In support of recommendation. TNC/BUR project records will be finalized, endorsed and also made available upon request. This will be a key responsibility of the Project Management Unit.</p>
18	<p>No table of payment approval thresholds IP does not have a table of payment approval thresholds. As informed, all the payments are authorized by Secretary of Finance irrespective of the amount. (Refer point 4.13 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should have a table of payment approval thresholds. IP Management Response This is a matter which IP will discuss internally and with Finance. Any changes to threshold levels is subject endorsement by national government. UNDP Response Recommendation noted. This is something which deserves further discussion internally within IP and subject to endorsement by the Director or relevant government official.</p>
19	<p>Paid stamp not affixed on payment vouchers The payment vouchers are not cancelled with a "PAID" stamp. (Refer point 4.14 of Micro Assessment Questionnaire)</p>	<p>Recommendation As IP is doing manual accounting in Microsoft Excel, they should affix "PAID" stamp on supporting documents for all the financial transactions so that no dual payment is made for any of the invoice. IP Management Response IP notes recommendation and discuss with</p>

No.	Description of Finding	Recommendation and IP Management Response
		<p>management for introduction of a PAID stamp.</p> <p>UNDP Response Recommendation noted and supported. TNC/BUR Project to provide a PAID stamp.</p>
20	<p>Monitoring of the expenditure of external entities cannot be ascertained As informed, IP has monitoring template to ensure that the expenditures of the external entities are in compliance with the work plan and agreement. However, the same has not been shared with the assessment team to ascertain whether proper monitoring is done or not. (Refer point number 4.28 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit.</p> <p>IP Management Response Recommendation is supported. As a UNDP/GEF supported project, the TNC/BUR project will submit quarterly financial and narrative reports. Copies will be made available when requested.</p> <p>UNDP Response Recommendation noted and supported. TNC/BUR Project administrative/Finance Officer is expected to manage records/documentation of the project.</p>
21	<p>No Internal Audit department As informed by IP, there is no internal audit department within IP and MoF. Control testing is performed as part of the external audit by Deloitte Guam. The Office of the Auditor General (OAG) is considering setting up a Performance and Compliance division which will perform audits similar to internal audits for Government Ministries and Offices. (Refer point number 4.29 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should appoint internal auditor to conduct internal audit of the organization on the priority basis.</p> <p>IP Management Response IP notes recommendation. It will follow up with the OAG. An internal audit will be considered but this is subject to available resources and endorsement of Director. The TNC/BUR project is expected to under audits based on UNDP guidelines.</p> <p>UNDP Response Recommendation noted and requesting that IP provide an update on progress by December 2020. All UNDP supported projects are subjected to annual thresholds which determine whether it is subject to audits.</p>
22	<p>Subsidiary records of fixed assets and inventory not updated IP has fixed assets management procedures manual and maintains fixed assets register to ensure adequate safeguards to protect from fraud, waste and abuse. However, the fixed assets register shared with the assessment team is not updated in the last two years. (Refer point number 5.1 & 5.2 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should ensure that subsidiary records of fixed assets and inventory are kept up to date to ensure adequate safeguards of assets from fraud, waste and misuse.</p> <p>IP Management Response Recommendation supported. The TNC/BUR project is expected to have asset inventories conducted/updated at least twice a year.</p> <p>UNDP Response Recommendation supported. Suggesting IP share asset register by October and conduct updates at least twice a year. It is a UNDP required that all UNDP supported project (including TNC/BUR) conduct asset register updates at least every quarter. This will be covered in the induction training for the Project Implementation Unit.</p>

No.	Description of Finding	Recommendation and IP Management Response
23	<p>Physical verification report not shared As informed and as per documented procedures, physical verification of the fixed assets and inventory is undertaken once in 2 years. However, IP has not shared any physical verification report with the assessment team. (Refer point number 5.3 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit. IP Management Response Recommendation supported and is something that IP will work towards improving. UNDP Response Recommendation supported. Suggesting IP share records of physical verification by November and conduct reviews at least twice a year. It is a UNDP required that all UNDP supported project (including TNC/BUR) have availed the asset verification reports. This will be included in the induction training for the Project Implementation Unit.</p>
24	<p>Insurance policies for fixed assets not shared As informed, fixed assets such as vehicles and buildings are covered by insurance policies. However, IP has not shared any insurance policy with the assessment team. (Refer point number 5.4 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit. IP Management Response IP supports recommendations but this is subject to availability of insurance policies offered by service providers. Wherever possible, the TNC/BUR project will insurance assets throughout project life. UNDP Response Recommendation noted. Suggest that confirmation is received on whether insurance policies are offered in country.</p>
25	<p>Audit recommendations not implemented As informed by the IP, most of the issues highlighted in the 2007 to 2017 audited reports are recurring issues. Some recommendations have not been implemented due to internal constraints. RMI has a limited capacity to address internal control weaknesses due lack of financial accounting resources and expertise. (Refer point number 6.5 & 7.7 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should recruit experienced and knowledgeable to address the limited capacity and ensure implementation of the recommendations raised by the auditors in the previous reports. IP Management Response Through the TNC/BUR Project an induction workshop will be conducted. It is envisaged that awareness during the induction will assist the project in strengthening financial accountability. IP support recommendation but also notes that this implementation of recommendation is an ongoing activity, not limited to a single training. This will be prioritized but implemented using available resources. UNDP Response Whilst recommendation is noted, it is important that implementation of recommendations is consistent with available resources. Also suggesting that IP review the recommendation of</p>

No.	Description of Finding	Recommendation and IP Management Response
		audit reports and compile a timeline to keep tabs of progress.
26	<p>Procurement reports not shared As informed, MoF generate reports like list of open orders and pending invoices on weekly basis. However, no reports have been shared with the assessment team. (Refer point number 7.4 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit. IP Management Response Through the TNC/BUR Project, IP will priorities the storage of document and records so that they are readily available upon request. UNDP Response Recommendation noted. Suggesting that IP share all available reports for citing and ensure strong maintenance of documentation in future.</p>
27	<p>Details of procurement unit not shared As informed, all procurements for the IP are done by the procurement unit of the Government of Republic of Marshall Islands who are highly qualified, trained, certified and considered experts in procurement. However, details of the procurement unit have not been shared with the assessment team. (Refer point number 7.5 & 7.6 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit. IP Management Response IP will conduct discussion with the government procurement unit, with a refresher training/awareness held on a 6-monthly basis. UNDP procurement guidelines will be adhered to should the Project Implementation Unit/IP seek UNDP support services. UNDP Response Recommendation noted. Suggesting that IP follow up and make available details of procurement unit, unless there are details sensitive/confidential to government.</p>
28	<p>No formal guidelines for conflict of interest IP does not have formal guidelines to assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers / procurement agents. As informed, there is an ethics boards that reviews those who have declared conflict of interest. Conflict of interest form is also required in bidding documents. However, no document has been shared with the assessment team. (Refer point number 7.11 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should have formal guidelines to assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers / procurement agents. Also, IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit. IP Management Response Recommendation noted. IP will be discussed internally with national government and align itself to existing guidelines which are directly linked to conflict of interest situations. For recruitment pertaining to the TNC/BUR project, project implementation unit will also factor in relevant UNDP guidelines.</p>

No.	Description of Finding	Recommendation and IP Management Response
		<p>UNDP Response Recommendation noted.</p>
29	<p>Records of track record of past performance of suppliers not shared As informed, IP keeps the track record of the past performance of the potential suppliers. However, no records have been shared with the assessment team. (Refer point number 7.13 of Micro Assessment Questionnaire)</p>	<p>Recommendation IP should strengthen its internal controls system with respect to maintenance of documentation and records. Documents and records should be readily available for the verification and review during any assessment or audit.</p> <p>IP Management Response Recommendation noted. TNC/BUR project will be subjected to audits and as such the project implementation unit will store records of service providers, including assessments.</p> <p>UNDP Response Recommendation supported and should be adhered to, wherever practical.</p>



Sharad Agarwal, Partner
Lochan & Co
Chartered Accountants

UDIN: 20088861AAAACS3960

Date: 09 October 2020

Place : Delhi (India)

SECTION – IV

Annex I: IP and Programme Information *

Implementing partner name:	Ministry of Environment, Republic of the Marshall Islands
Implementing partner code or ID in UNICEF, UNDP, UNFPA records (as applicable)	N.A.
Implementing partner contact details (contact name, email address and telephone number):	Warwick Harris, Deputy Director Warwick47@gmail.com +692 625-7944 / 7945
Main programmes implemented with the applicable UN Agency/ies:	N.A.
Key Official in charge of the UN Agency/ies' programme(s):	N.A.
Programme location(s):	Republic of the Marshall Islands
Location of records related to the UN Agency/ies' programme(s):	Ministry of Environment, RMI
Currency of records maintained:	United States Dollars
Expenditures incurred/reported to UNICEF, UNDP 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:	3 April 2020
Number of days spent for visit to IP:	Assessment was undertaken virtually from April to July 2020 as per the availability of the IP
Any special requests to be considered during the micro assessment:	No

*as provided by UNDP

Annex II. Implementing Partner Organizational Chart

Details have not been shared by the Implementing Partner.

Annex III

List of Persons met virtually

Name	Position
Warwick Harris	Deputy Director- Climate Change Directorate

Annex IV

Micro Assessment Questionnaire

Subject area (key questions in bold)	Answer	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	Yes			Low	1	As informed, IP was previously known as "Office of Environment Planning and Policy Coordination". Now it has been renamed as "Ministry of Environment" (MoE). The IP is accountable to the RMI Parliament. Therefore, no registration is required.
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.	No		No		Significant	6	As informed, IP has received funds from UN agencies as "Office of Environmental Planning and Policy Coordination" in the past. However, previous audit reports were not shared with the assessment team. So, we cannot comment on the significant issues in managing the UN resources in the past. Refer to recommendation mentioned in point 1 of section III
1.3 Does the IP have statutory reporting requirements? If so, are they in compliance with such requirements in the prior three fiscal years?	No		No		Low	1	IP does not have statutory reporting requirements. All the financial transactions relating to the IP are processed at the Ministry of Finance (MoF). Therefore, the MoF prepares the Government annual financial reports (Financial Management Act 1990). The financial reports are audited by Deloitte Guam.
1.4 Does the governing body meet on a regular basis and perform oversight functions?	No		No		High	4	As informed, the governing body consisting of Director, Deputy Director, finance team and project staff meet on regular basis and perform oversight

Subject area <i>(key questions in bold)</i>	Answer	Yes	No	N/A	Risk Asses sment	Risk points	Remarks/comments
							functions. However, IP has not shared the documented governing body structure and minutes of the meetings of governing body with the assessment team. Refer to recommendation mentioned in point 2 of section III
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?	No		No		High	8	IP uses certain external entities for the implementation of projects. However, IP does not have written policies for oversight and monitoring of implementation done by external entities. As informed, MoU is entered with every external entity and monitoring is done by submission of quarterly and annual report by the entities. But MoU and annual / quarterly reports were also not shared with the assessment team. Refer to recommendation mentioned in point 3 of section III
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.	N/A			N/A	N/A	-	IP do not prepare separate financial statements; its financial statements are prepared as a part of financial statements of Government of Republic of the Marshall Islands.
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	Yes	Yes			Low	1	IP receives funds from the Government of Republic of the Marshall Islands and UNDP for implementation of project activities. IP electronically receives and transfers

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Asses sment	Risk points	Remarks/comments
government ministries?							its funds. As informed, IP has not faced problems in the past in receipts of funds from government ministries.
1.8 Does the IP have any pending legal actions against it or outstanding material/significant disputes with vendors/contractors? <i>If so, provide details and actions taken by the IP to resolve the legal action.</i>	No		No		Low	1	As informed, there is no pending legal actions against the IP or outstanding significant disputes with vendors/contractors.
1.9 the IP have an anti-fraud and corruption policy?	No		No		High	4	IP does not have any anti-fraud and corruption policy. Refer to recommendation mentioned in point 4 of section III
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?	No		No		High	4	IP neither has a policy which advises employees, beneficiaries and other recipients to whom they should report if they suspect fraud, waste or misuse of agency resources or property nor there is any policy against retaliation relating to such reporting. However, as informed employees are advised to report to their reporting manager in case of any suspected fraud, waste or misuse. Refer to recommendation mentioned in point 5 of section III.
1.11 Does the IP have any key financial or operational risks that are not covered by this questionnaire? If so, please describe. <i>Examples: foreign exchange risk; cash receipts.</i>	No		No		Low	1	As discussed, IP does not have any other financial and operational risk.

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
Total number of questions in subject area:		11					
Total number of applicable questions in subject area:		10					
Total number of applicable key questions in subject area:		4					
Total number of risk points:		31					
Risk score		3.10					
Area risk rating		Moderate					

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?	No		No		High	4	IP does not have detailed written policies, procedures and other tools to develop programmes and plans. As informed, IP takes decision in the steering committee meetings for the development of programmes and plans and then frame a team to implement the project. The programmes and plans are developed as per the requirements of the donors. Refer to recommendation mentioned in point 6 of Section III
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	Yes			Low	1	IP prepare the detailed annual action plan for organization and project wise which specify results and activities to be carried out to achieve results with a time frame and budget for the activities.
2.3 Does the IP identify the potential risks for programme delivery and mechanisms to mitigate them?	No		No		Significant	3	As explained, IP follows various measures given by state government and undertakes this as core function to reduce / mitigate the risk. However, no document indicating the risk and mitigation measures

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
							undertaken was shared with the assessment team. Refer to recommendation mentioned in point 7 of Section III
2.4 Does the IP have and use sufficiently detailed policies, procedures, guidelines and other tools (checklists, templates) for monitoring and evaluation?	No		No		High	4	IP does not have written policy, procedures, guidelines and other tools for monitoring and evaluation. As explained, the project manager appointed for the different projects, monitor and evaluate the activities undertaken by them. Refer to recommendation mentioned in point 8 of Section III
2.5 Does the IP have M&E frameworks for its programmes, with indicators, baselines, and targets to monitor achievement of programmed results?	No		No		Significant	3	As mentioned in point 2.4 above, IP does not have any formal M & E framework. However, in case of UNDP projects, M & E framework are prepared and approved by UNDP. Refer to recommendation mentioned in point 8 of Section III
2.6 Does the IP carry out and document regular monitoring activities such as review meetings, on-site project visits, etc.	No		No		Significant	6	As informed, IP carry out the monitoring activities through the project manager by participation in review meetings, on-site project visits, etc. However, IP has not shared any reports of monitoring visits and minutes of review meetings with the assessment team. Refer to recommendation mentioned in point 9 of Section III.
2.7 Does the IP systematically collect, monitor and evaluate data on the achievement of	No		No		Significant	3	As informed, IP do systematically collect, monitor and evaluate data on the achievement of project results

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
project results?							through the reports prepared by the project manager. However, IP has not shared any report with the assessment team. Refer to recommendation mentioned in point 10 of Section III.
2.8 Is it evident that the IP followed up on independent evaluation recommendations?	N/A			N/A	N/A	-	As informed, no independent evaluation conducted for the IP.
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:		24					
Risk score		3.43					
Area risk rating		Significant					
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	Yes			Low	1	IP has adopted employee's recruitment process governed by the Public Services Commission Regulations which clearly defines recruitment, employment and personnel practices and embrace transparency and competition.
3.2 Does the IP have clearly defined job descriptions?	No		No		High	4	As informed, employment contracts entered with the staff have clearly defined job descriptions. However the same were not shared with the assessment team. Refer to recommendation

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
							mentioned in point 11 of Section III.
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.	No		No		High	8	IP has neither shared the organizational structure of the finance and programme management departments with the assessment team nor the details of the key staff, including job titles, responsibilities, educational backgrounds and professional experience. Refer to recommendation mentioned in point 12 of Section III.
3.4 Is the IP's accounting/finance function staffed adequately to ensure sufficient controls are in place to manage agency funds?	No		No		High	8	This could not be verified because details of the accounting/finance staff were not shared with the assessment team. Refer to recommendation mentioned in point 12 of Section III.
3.5 Does the IP have training policies for accounting/finance/programme management staff? Are necessary training activities undertaken?	No		No		High	4	IP does not have specific written training policy for accounting, finance and programme staffs. However, as informed, training is provided on requirement basis by the donor and government. Refer to recommendation mentioned in point 13 of Section III.
3.6 Does the IP perform background verification/checks on all new accounting/finance and management positions?	No		No		Significant	3	As informed, before issuing appointment letter IP verifies the credentials from the references given by the candidate in their resume.
3.7 Has there been significant turnover in key finance positions the past	No		No		Low	1	As informed, there has been no significant turnover in key finance positions in last five

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
five years? If so, has the rate improved or worsened and appears to be a problem?							years.
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	Yes			Low	1	IP has comprehensive "Public Service Commission Regulations" which is used as internal control framework and easily available for appropriate staff.
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:		30					
Risk score		3.75					
Area risk rating		Significant					
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?	No		No		High	8	MoE does not have any computerized accounting system. Fiscal Officer uses Microsoft Excel to record financial transactions from United Nations agencies, including allocation of expenditures in accordance with the respective components, disbursement categories and sources of funds. However, accounting for the financial transactions related to the IP is done using DiLOG accounting system at MoF and its chart of accounts is

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
							based on the government financial reports. Refer to recommendation mentioned in point 14 of Section III.
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		No		High	8	IP does not have an appropriate cost allocation methodology. As informed, the costs are charged for the expenses relating to project on the basis of the approved budget. Refer to recommendation mentioned in point 15 of Section III.
4.3 Are all accounting and supporting documents retained in an organized system that allows authorized users easy access?	Yes	Yes			Low	1	As informed, supporting documents are retained for a minimum period of five years in a defined system with proper filing that allows authorized users easy access.
4.4 Are the general ledger and subsidiary ledgers reconciled at least monthly? Are explanations provided for significant reconciling items?	Yes	Yes			Low	1	As mentioned in point number 4.1 above, the books of accounts are maintained in the Excel through which general ledger and subsidiary ledgers are reconciled manually. MoE follows the practice of reconciliation on monthly basis.
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	Yes			Low	1	The authorisation to execute a transaction needs approval from the Director of IP and approval from Chief Procurement Officer and other authorising officers at the MoF. The accounts payable staff at MoF does the recording of transactions. The assets are initially received by the Procurement and Supply Department, entered into the FAR and tagged before the

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
							asset is transferred to the requesting Ministry.
4.6 Are the functions of ordering, receiving, accounting for and paying for goods and services appropriately segregated?	Yes	Yes			Low	1	The functions of ordering, receiving, accounting for and paying for goods and services are appropriately segregated as mentioned below: <ul style="list-style-type: none"> The ordering and receiving are performed by IP and Procurement and Supply Office. The accounting and payment of the goods or services are performed by MoF.
4.7 Are bank reconciliations prepared by individuals other than those who make or approve payments?	No		No		Significant	6	As informed, reconciliation statements are prepared by Assistant Secretary and Chief Accountant and approved by Secretary of Finance. However, IP has not shared any bank reconciliation statement with the assessment team. Refer to recommendation mentioned in point 16 of Section III.
4c. Budgeting system							
4.8 Are budgets prepared for all activities in sufficient detail to provide a meaningful tool for monitoring subsequent performance?	Yes	Yes			Low	1	Budgets are prepared by Head of Department and monitored by Fiscal Officer for all significant activities in sufficient detail to provide a meaningful tool which can be used to monitor the subsequent performance.
4.9 Are actual expenditures compared to the budget with reasonable frequency? Are explanations	No		No		Significant	6	As informed, IP compares actual expenditure with the budgeted expenditure on quarterly basis wherein significant variations are examined

Subject area <i>(key questions in bold)</i>	Answer	Yes	No	N/A	Risk Asses sment	Risk points	Remarks/comments
required for significant variations from the budget?							and explained. However, no reports were shared with the assessment team. Refer to recommendation mentioned in point 17 of Section III.
4.10 Is prior approval sought for budget amendments in a timely way?	Yes	Yes			Low	1	As explained, any variation within the approved budget expenditure requires advance approval from MoF or the Cabinet. The entity must provide sufficient justification for reprogramming of funds. For project budget, advance approval needed from Donor representative and head of the department.
4.11 Are IP budgets approved formally at an appropriate level?	Yes	Yes			Low	1	As informed, budget preparation activities begin with the setting up of the Budget Coordinating Committee (BCC). The BCC is chaired by the Chief Secretary and consists of representatives from the Economic Policy, Planning and Statistics Office, Finance, and the Public Service Commission. Initial budgets from ministries/agencies are received by BCC. The BCC then reviews and refines the budget based on available resources, performance reports and RMI's vision 2019. BCC then submits the draft budget to the Cabinet. Cabinet then approves or revises the budget and submits to the Appropriations Committee in Parliament for the final approval.
4d. Payments							
4.12 Do invoice processing	Yes	Yes			Low	1	As informed, the purchase requisitions

Subject area <i>(key questions in bold)</i>	Answer	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
<p>procedures provide for:</p> <ul style="list-style-type: none"> • 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? 							<p>(PR) are received by the Procurement and Supply department from the requesting ministries for vetting and approval. All Purchase orders are prepared by the Accounts department and reconciled to the PR before being issued to the respective vendors. Invoices from suppliers are also received by the Procurement and Supply department who reconciles the invoices to the goods received and PO. Invoice details are compared with approved PO for quantities, prices and terms and invoice initialled as goods received. There are no receiving reports but this is indicated on the invoice by a signature that the description and quantities are correct and received in good condition. The calculations are checked by the Procurement staff, accounts payable staff, Assistant Secretaries and cheque signatories.</p>
<p>4.13 Are payments authorized at an appropriate level? Does the IP have a table of payment approval thresholds?</p>	No		No		Significant	6	<p>All the payments are authorized by Secretary of Finance. IP does not have table of payment approval thresholds. Refer to recommendation mentioned in point 18 of Section III.</p>
<p>4.14 Are all invoices stamped 'PAID', approved, and marked with the project code and account code?</p>	No		No		Significant	6	<p>All payment vouchers with invoices attached are dated, reviewed, approved and accounts code assigned for data entry in DiLOG. However, the payment vouchers paid are not cancelled with a "PAID" stamp.</p>

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
							Refer to recommendation mentioned in point 19 of Section III.
4.15 Do controls exist for preparation and approval of payroll expenditures? Are payroll changes properly authorized?	Yes	Yes			Low	1	The Payroll calculations are performed fortnightly for all Government staff by Payroll Clerks at MoF. The payroll reports are verified by Assistant Secretary for Accounting and Administration and Secretary of Finance. The payments are made through direct deposit into the staff's respective bank accounts. Changes to the payroll need authorised letters from Public Service Commission.
4.16 Do controls exist to ensure that direct staff salary costs reflects the actual amount of staff time spent on a project?	Yes	Yes			Low	1	As informed, IP maintains time sheet for the staffs working on multiple projects which reflects the actual amount of staff time spent on a project.
4.17 Do controls exist for expense categories that do not originate from invoice payments, such as DSAs, travel, and internal cost allocations?	Yes	Yes			Low	1	Proper controls exist for expense categories that do not originate from invoice payments, such as DSAs, travel, and internal cost allocations. IP follows manual of 'Standard Operating Procedures' to regulate expenses such as DSA and travel.
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	Yes			Low	1	As informed, IP follows hybrid basis of accounting. The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. For Federal direct assistance grants, authorizations represent the total allotment or grant award received. For Compact of Free Association programs,

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
							authorizations represent total current year allotments plus any prior year excess over program expenditures. All expenses and capital outlays are reported as expenditures.
4.19 Does the IP have an adequate policies and procedures manual and is it distributed to relevant staff?	Yes	Yes			Low	1	IP follows Public Financial management reform manual approved by cabinet in 2015, to guide activities and ensure staff accountability.
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	Yes			Low	1	IP requires dual authorization / signatures for each banking transactions, the two signatories are Secretary of Finance and Treasurer. New signatories are approved by Chief Secretary.
4.21 Does the IP maintain an adequate, up-to-date cashbook, recording receipts and payments?	Yes	Yes			Low	1	IP is maintaining up-to-date cash book for recording all receipts and payments.
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	N/A	-	IP is not participating 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?	No		No		Significant	6	As informed, bank and cash are reconciled on monthly basis. Reconciliation statements are prepared by Assistant Secretary and Chief Accountant and approved by Secretary of Finance. However, IP has not shared any document

Subject area <i>(key questions in bold)</i>	Answer	Yes	No	N/A	Risk Asses sment	Risk points	Remarks/comments
							with the assessment team. Refer to recommendation mentioned in point 16 of Section III.
4.24 Is substantial expenditure paid in cash? If so, does the IP have adequate controls over cash payments?	No		No		Low	1	All payments are made through bank or through electronic payments mode. Cash payments only for petty expenses US\$ 50 are allowed.
4.25 Does the IP carry out a regular petty cash reconciliation?	No		No		Signifi cant	3	As informed, IP carries out monthly petty cash reconciliation. However, IP has not shared any document with the assessment team. Refer to recommendation mentioned in point 16 of Section III.
4.26 Are cash and cheques maintained in a secure location with restricted access? Are bank accounts protected with appropriate remote access controls?	Yes	Yes			Low	1	Cash is kept in safe under the custody of Treasurer. Cheques are kept in IT Room under the custody of IT Staff. Bank accounts are protected with appropriate remote access controls.
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	Yes			Low	1	IP has 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. Payments are authorized by Secretary of Finance.
4g. Other offices or entities							
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?	No		No		High	8	As informed, IP has monitoring template to ensure that the expenditures of the other offices/entities are in compliance with the work plan. However no document was shared with the

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
							assessment team. Refer to recommendation mentioned in point 20 of Section III.
4h. Internal audit							
4.29 Is the internal auditor sufficiently independent to make critical assessments? To whom does the internal auditor report?	No		No		High	4	As informed, there is no internal audit department within IP and MoF. Control testing is performed as part of the external audit by Deloitte Guam. The Office of the Auditor General (OAG) is considering setting up a Performance and Compliance division which will perform audits similar to internal audits for Government Ministries and Offices. Refer to recommendation mentioned in point 21 of Section III.
4.30 Does the IP have stated qualifications and experience requirements for internal audit department staff?	N/A			N/A	N/A	-	Not applicable
4.31 Are the activities financed by the agencies included in the internal audit department's work programme?	N/A			N/A	N/A	-	Not applicable
4.32 Does the IP act on the internal auditor's recommendations?	N/A			N/A	N/A	-	Not applicable
Total number of questions in subject area:		32					
Total number of applicable questions in subject area:		28					
Total number of applicable key questions in subject area:		19					
Total number of risk points:		79					

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
Risk score		2.82					
Area risk rating		Moderate					
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?	No		No		Significant	3	IP has fixed assets management procedures manual and maintains fixed assets register to ensure adequate safeguards to protect from fraud, waste and abuse. However, the fixed assets register shared with the assessment team is not updated in the last two years. Refer to recommendation mentioned in point 22 of Section III.
5.2 Are subsidiary records of fixed assets and inventory kept up to date and reconciled with control accounts?	No		No		High	4	As mentioned in 5.1 above, the subsidiary records of fixed assets and inventory are not kept up to date and reconciled with control accounts. Refer to recommendation mentioned in point 22 of Section III.
5.3 Are there periodic physical verification and/or count of fixed assets and inventory? If so, please describe?	No		No		High	4	As informed and as per documented procedures, physical verification of the fixed assets and inventory is undertaken once in 2 years. However IP has not shared any physical verification report with the assessment team. Refer to recommendation mentioned in point 23 of Section III.
5.4 Are fixed assets and inventory adequately covered by insurance policies?	No		No		High	4	As informed, fixed assets such as vehicles and buildings are covered by insurance policies. However, IP has not shared any insurance

Subject area <i>(key questions in bold)</i>	Answer	Yes	No	N/A	Risk Asses sment	Risk points	Remarks/comments
							policy with the assessment team. Refer to recommendation mentioned in point 24 of Section III.
5b. Warehousing and inventory management							
5.5 Do warehouse facilities have adequate physical security?	N/A			N/A	N/A	-	No warehouse is maintained by the IP.
5.6 Is inventory stored so that it is identifiable, protected from damage, and countable?	N/A			N/A	N/A	-	Not applicable
5.7 Does the IP have an inventory management system that enables monitoring of supply distribution?	N/A			N/A	N/A	-	Not applicable
5.8 Is responsibility for receiving and issuing inventory segregated from that for updating the inventory records?	N/A			N/A	N/A	-	Not applicable
5.9 Are regular physical counts of inventory carried out?	N/A			N/A	N/A	-	Not applicable
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:		15					
Risk score		3.75					
Area risk rating		High					
6. Financial reporting and monitoring							
6.1 Does the IP have established financial	No		No		Low	1	IP does not have statutory reporting

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
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?							requirements. All the financial transactions relating to the IP are processed at the Ministry of Finance (MoF). Therefore MoF prepares the Government annual financial reports.
6.2 Does the IP prepare overall financial statements?	No		No		Low	1	Ministry of Finance (MoF) prepares overall financial statements as per the statutory requirements.
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	Yes			Low	1	The financial statement of the IP is annually audited by independent audit firm Deloitte. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.
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 three years?	Yes	Yes			High	8	IP has not shared any audit report with the assessment team to verify the issues related to ineligible expenditure involving donor funds. So assessment team could not verify the same. Refer to recommendation mentioned in point 1 of Section III.
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	Yes	Yes			Significant	3	As informed, most of the issues highlighted in the 2007 to 2017 audited reports are recurring issues. Some recommendations have not been implemented due to internal constraints. RMI has a

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Asses sment	Risk points	Remarks/comments
implemented?							limited capacity to address internal control weaknesses due lack of financial accounting resources and expertise. Refer to recommendation mentioned in point 25 of Section III.
6.6 Is the financial management system computerized?	No		No		High	8	The financial management system of the IP is manual as books of accounts are maintained in Microsoft Excel. Refer to recommendation mentioned in point 14 of Section III.
6.7 Can the computerized financial management system produce the necessary financial reports?	No		No		High	4	The necessary financial reports are prepared by Fiscal Officer manually using the Microsoft Excel. Refer to recommendation mentioned in point 14 of Section III.
6.8 Does the IP have appropriate safeguards to ensure the confidentiality, integrity and availability of the financial data? <i>E.g. password access controls; regular data back-up.</i>	Yes	Yes			Low	1	IP has appropriate safeguards in place to ensure the confidentiality, integrity and availability of the data. IT Staff have access to financial data with the approval of Chief Secretary. IP takes back up of the financial data on fortnight basis.
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:		27					
Risk score		3.38					
Area risk rating		Signif					

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
		icant					
7. Procurement and contract administration							
7a. Procurement							
7.1 Does the IP have written procurement policies and procedures?	Yes	Yes			Low	1	IP follows procurement policy of the Government of Republic of the Marshall Islands. On behalf of IP, all procurements are done by the Government of Republic of the Marshall Islands only.
7.2 Are exceptions to procurement procedures approved by management and documented ?	Yes	Yes			Low	1	All exceptions are covered under the policy document. Procurement policy has covered all material aspects in detail including exception procurement.
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.	Yes	Yes			Low	1	MoF has computerized procurement system with adequate access controls and segregation of duties between entering purchase orders, approval and receipting of goods. Following are the segregation of duties: <ul style="list-style-type: none"> · Executive Secretary raises purchase order, · Chief of procurement approves procurement, · Receipt of goods by procurement and supply department.
7.4 Are procurement reports generated and reviewed regularly? Describe reports generated, frequency and review & approvers.	No		No		High	4	As informed, MoF generate reports like list of open orders and pending invoices on weekly basis. Chief of Procurement and Secretary of Finance review the same. However, no reports have been shared with the assessment team. Refer to recommendation mentioned in point 26 of Section III.
7.5 Does the IP have a structured procurement unit with defined	No		No		High	4	As informed, all procurements for the IP are done by the procurement unit of the

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
reporting lines that foster efficiency and accountability?							Government of Republic of the Marshall Islands. However, details of the procurement unit not shared with the assessment team. Refer to recommendation mentioned in point 27 of Section III.
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?	No		No		Significant	3	As informed, procurement unit is highly qualified 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. However, details of the unit were not shared with the assessment team. Refer to recommendation mentioned in point 27 of Section III.
7.7 Have any significant recommendations related to procurement made by auditors in the prior five audit reports and/or management letters over the past five years and have not yet been implemented?	Yes	Yes			Significant	3	As informed, most of the issues highlighted in the 2007 to 2017 audited reports are recurring issues. Some recommendations have not been implemented due to internal constraints. RMI has a limited capacity to address internal control weaknesses due lack of financial accounting resources and expertise. Refer to recommendation mentioned in point 25 of Section III.
7.8 Does the IP require written or system authorizations for purchases? If so, evaluate if the authorization thresholds are appropriate?	Yes	Yes			Low	1	In case of procurements, approval of Procurement Chief is required irrespective of amount.
7.9 Do the procurement	Yes	Yes			Low	1	The procurement

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
procedures and templates of contracts integrate references to ethical procurement principles and exclusion and ineligibility criteria?							procedures and templates of contracts integrate references to ethical procurement principles and exclusion and ineligibility criteria.
7.10 Does the IP obtain sufficient approvals before signing a contract?	Yes	Yes			Low	1	IP does not enter into the contract directly, contracts are entered after the approval of Procurement chief (MoF).
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		No		High	4	IP does not have formal guidelines to assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers / procurement agents. As informed, there is an ethics boards that reviews those who have declared conflict of interest. Conflict of interest form is also required in bidding documents. However, no document was shared with the assessment team. Refer to recommendation mentioned in point 28 of Section III.
7.12 Does the IP follow a well-defined process for sourcing suppliers? Do formal procurement methods include wide broadcasting of procurement opportunities?	Yes	Yes			Low	1	IP has well-defined process for sourcing suppliers. The formal procurement methods include wide broadcasting of procurement opportunities on television, radio, newspapers and post on website.
7.13 Does the IP keep track of past performance of suppliers? E.g. database of trusted suppliers.	No		No		High	4	As informed , IP keeps the track record of the past performance of the potential suppliers. However, no records were shared with the assessment team. Refer to

Subject area (key questions in bold)	Answer	Yes	No	N/A	Risk Asses sment	Risk points	Remarks/comments
							recommendation mentioned in point 29 of Section III.
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	Yes			Low	1	As informed, all procurements of IP are undertaken by the Government of Republic of Marshall Islands, which follows transparent bid and evaluation process.
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	Yes			Low	1	As informed, the contracts are awarded based on the pre-defined basis set out in the solicitation document taking into account technical responsiveness and price.
7.16 If the IP is managing major contracts, does the IP have a policy on contracts management / administration?	N/A			N/A	N/A	-	As informed, IP is not managing any major contract as part of programme implementation.
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	N/A	-	Please refer point 7.16 above.
7.18 Are there staff designated to monitor expiration of performance securities, warranties, liquidated damages and other risk management instruments?	N/A			N/A	N/A	-	Please refer point 7.16 above.
7.19 Does the IP have a policy on post-facto actions on contracts?	N/A			N/A	N/A	-	Please refer point 7.16 above.
7.20 How frequent do	N/A			N/A	N/A	-	Please refer point 7.16

Subject area <i>(key questions in bold)</i>	Answer	Yes	No	N/A	Risk Asses sment	Risk points	Remarks/comments
post-facto contract actions occur?							above.
Total number of questions in subject area:		20					
Total number of applicable questions in subject area:		15					
Total number of applicable key questions in subject area:		5					
Total number of risk points:		31					
Risk score		2.07					
Area risk rating		Low					
Totals							
Total number of questions:		96					
Total number of applicable questions:		80					
Total number of applicable key questions:		36					
Total number of risk points:		237					
Total risk score		2.96					
Overall risk rating		Mod erate					

Abbreviations and Acronyms

BCC	Budget Coordinating Committee
CV	Curriculum Vitae
DSA	Daily Subsistence Allowance
FAR	Fixed Assets Register
F.Y.	Financial Year
HACT	Harmonized Approach to Cash Transfers
HR	Human Resource
IP	Implementing Partner
IT	Information Technology
MoE	Ministry of Environment
MoF	Ministry of Finance
M & E	Monitoring and Evaluation
N.A.	Not Available
N/A	Not Applicable
OAG	Office of the Auditor General
PO	Purchase Order
PR	Pacific Region
PR	Purchase Requisitions
RMI	Republic of the Marshall Islands
UN	United Nations
UNDP	United Nations Development Fund
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
US	United States

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