**Annex XX of the Grant Design Document**

**Financial Management Self-Assessment Questionnaire (FMAQ)**

|  |  |
| --- | --- |
| **Recipient:** | **Base of Operations:** |
| **Proposal Title:** | **Recipient's Fiscal Year Period:**  |
| **Self-assessment completed by (name and position):** | **Self-assessment Date:** |

| **Element** | **Response** |
| --- | --- |
| **1. Organization and staffing**  |  |
| 1.1. Experience with IFAD operations and/or other donors.*Describe previous operations funded by IFAD or other donors including donor name, project titles, amount of financing, start date, and completion date.*  |  |
| 1.2. Sub-recipients – assessment and monitoring.*Are there sub-recipients for the operation? If yes, describe the entities' names, bases of operation, estimated allocation of grants proceeds, components/activities to be covered, assessment of their financial management capacities, and monitoring arrangement of the sub-recipients. Indicate if the sub-recipients are community groups, farmer organizations, or local NGOs.* |  |
| 1.3. Sub-offices.*Are there sub-offices for the operation? If yes, describe the sub-offices' locations, activities to be covered, staffing adequacy and monitoring arrangement of the sub-offices.* |  |
| 1.4. Structure and total size of the Recipient.*Based on the latest Audited institutional Financial Statements (AFS), describe the total assets, total revenue, net profit/loss, and total full-time employees.*  |  |
| 1.5. Accounting and finance staff.*Is the accounting function staffed adequately with experienced and qualified persons? Describe the proposed finance staff assigned for this project, including names, job titles, educational background and years of relevant experience.*  |  |
| **2. Planning and Budget** |  |
| 2.1. Work plan and budget. *Describe the policies and procedures in place to plan project activities and prepare related budgets and to collect information from the units in charge of different components.*  |  |
| 2.2. Budget monitoring. *Describe the policies and procedures in place to monitor the budget including tools used (automated or manual) and if approvals for variations from the budget required in advance.* |  |
| **3. Fund Flow**  |  |
| 3.1. Bank Account.*In which bank will the grant account be open? Is this a designated account for the grant? If not, describe how funds from different sources are tracked and monitored.*  |  |
| 3.2. Experience with IFAD's disbursement.*Does the Recipient have any previous experience of IFAD's disbursement procedures?*  |  |
| 3.3. Transfer to sub-recipients and/or beneficiaries.*Describe the arrangements to transfer the grant proceeds from the Recipient to each of the sub-recipients implementing the project.*  |  |
| 3.4. Co-financing. *For in-cash contribution, describe the sources of funds (recipient, other donors, or beneficiaries). For in-kind contribution, describe the sources of funds and formula to record and value the contribution.* |  |
| 3.5. Foreign exchange.*Describe briefly the applicable policies and procedures for conversion of the foreign currency into the Recipient's reporting currency.*  |  |
| **4. Internal Controls**  |  |
| 4.1. Approval and Authorization. *Are approval and authorization controls in place and properly documented?* |  |
| 4.2. Bank and cash reconciliations. *Are bank and cash reconciliations prepared by someone other than those who process or approve payments? Are they performed regularly? When? Are they reviewed and approved by a responsible official?* |  |
| 4.3. Fixed assets*Does the Recipient maintain a fixed assets register? Are records of fixed assets kept up to date and reconciled with control accounts? Are assets sufficiently covered by insurance policies?* *Are there periodic physical reconciliation of fixed assets and stocks?* |  |
| 4.4. Anti-fraud and corruption reporting channel. *Describe the reporting mechanism for employees, sub-recipients, and beneficiaries to whom to report if they suspect fraud, waste or misuse of project resources or property?* |  |
| 4.5. Internal Audit. *Does the Recipient have an internal audit function? If yes, is the internal audit function effective – are actions taken on the audit findings?* *Is project activity or implementing unit subject to internal audit?* |  |
| **5. Accounting**  |  |
| 5.1. Accounting standard. *What accounting standards are followed?*  |  |
| 5.2. Written accounting policies and procedures. *Are there written policies and procedures covering all routine accounting and related administrative activities?* |  |
| 5.3. Accounting system.*What accounting system is used? Is it a computerized? If not, describe if the manual systems adequate to account for project activities in a timely manner.* *Is the system able to generate automatically financial reports and detailed transaction lists when requested? If not, explain if it can be customized.*  |  |
| 5.4. Chart of accounts.*Is the chart of accounts adequate to properly account for and report on source of fund, components, disbursement categories, and project activities?* |  |
| 5.5. Accounting of Sub-recipients. *Indicate how expenditures incurred by sub-recipients are recorded in the Recipient's accounting system, and where accounting evidence for expenditures are retained.* |  |
| 5.6. Record retention. *What are the retention policies for the financial and operational records? How many years?*  |  |
| **6. Financial Reporting** |  |
| 6.1. Financial Statements. *Describe the types and frequency for the preparation of the institutional financial statements.*  |  |
| 6.2. Budget versus Actual. *Do the financial reports compare actual expenditures with budgeted and programmed allocations?* |  |
| 6.3. Statements of Expenditures.*Does the Recipient's reporting system need to be adapted to report on the expenditures per project components / categories of expenditures? Does the Recipient have experience of preparing project Statements of Expenditures (SOEs)?*  |  |
| **7. External Audit**  |  |
| 7.1. Audit firm *Indicate the name of the external auditor of the Recipient for the last two fiscal years and the current fiscal year.*  |  |
| 7.2. Timeline *Are there any delays in completing the Recipient's Institutional/Statutory Audited Financial Statements? Indicate the dates when the last two audit reports were issued.* |  |
| 7.3. Auditing standard *Is the Recipient audited according to the International Standards on Auditing (ISA)? If not, specify which standards are followed.*  |  |
| 7.4. Audit findings. *Were any major accountability issues identified in the audit report of the past two years? What is the follow-up status?*  |  |

**Check List for FMAQ Supporting Documents**

The following documents are to be submitted to IFAD along with the FMAQ

|  |  |  |
| --- | --- | --- |
| **No.** | **Documents** | **Yes or No** |
| 1 | Audited Financial Statements from the previous two fiscal years  |  |
| 2. | Audit Management Letter from the previous two fiscal years describing audit finding, recommendations, and management response  |  |
| 3.  | External audit terms of reference  |  |
| 4.  | Latest Organizational Chart  |  |
| 5. | Latest relevant policies and procedures including financial, administration, monitoring of sub-recipients, etc.  |  |
| 6. | Chart of Accounts  |  |
| 7. | Terms of reference and curriculum vitae for key financial and accounting personnel |  |