CONFIDENTIAL - PROPERTY OF UNDP

MICRO CAPACITY ASSESSMENT OF CARE OF AFGHAN FAMILIES - AFGHANISTAN
COMMISSIONED BY
UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
27 MARCH 2024

BDO

Phone: +962-6-581-6033
Fax:+962-6-581-6657
www.bdo.com.jo
info@bdo.com.jo

Samman & Co.
Public Accountants and
Business Advisors
P.O. Box 922564
Amman 11192, Jordan
256 King Abdullah II St., Jandaweel

To: United Nations Development Programme (UNDP) / Afghanistan Office

27 March 2024

Amman - Jordan

Dear Sirs,

This Micro Assessment of **Care of Afghan Families "The organization"** was completed in accordance with Contract # 10113512 dated on 28 September 2023 that was signed between the United Nations Development Programme (UNDP) and BDO Jordan.

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

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

This Micro Capacity Assessment report is intended solely for the information and use of the specified parties (UNDP Afghanistan Office and the Organization), and it is not intended to be and should not be used by anyone other than the specified parties.

Yours faithfully

BDO Jordan
Samman & Co.

Audit & Assurance Since 1987 BDO JORDAN Amman, Jordan

Rami Samman
Managing Partner

Table of Contents

1. BACKGROUND, SCOPE AND METHODOLOGY

Background

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

Purpose

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

Scope

The Micro Capacity Assessment provides an overall assessment of the Organization's programme, financial and operations management policies, procedures, systems, and internal controls, it includes:

- A review of the Organization legal status, governance structures and financial viability; programme management, Organizational structure and staffing, accounting policies and procedures, fixed assets and inventory, financial reporting and monitoring, and procurement.
- A focus on compliance with policies, procedures, regulations, and institutional arrangements that are issued both by the Government and the Organization.

Scale of assessment

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

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

The Risk Points column automatically assigns points to each question that correlate with the level of risk.

Points are assigned as follows:

Risk Rating	Key Questions	Non-Key Questions
H - High risk	8 points	4 points
S - Significant risk	6 points	3 points
M - Moderate risk	4 points	2 points
L - Low risk	1 point	1 point

Calculation of risk rating per subject area section

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

Calculation of overall risk rating

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

Methodology

We performed the Micro Capacity Assessment field visit on 23 October 2023 at the Organization's office in Kabul, Afghanistan.

Through discussion with management, observation, and walk - through tests of transactions, we have assessed the Organization and the related internal control system with emphasis on:

- The effectiveness of the systems in providing the Organization'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 Organization.
- We discussed the results of the Micro Capacity Assessment with the related UN Agency personnel and the Organization Management prior to finalization the report. The list of persons met and interviewed during the Micro Capacity Assessment is set out in Annex 2.

2. ASSESSMENT MONITORING

Details of assessment and organisation	
Name of the organization	Care of Afghan Families - Afghanistan
Background information about the organisation	Care of Afghan families (CAF) is a non-governmental, non-political, not for profit and independent Humanitarian organization. The organization has been established in Kabul and registered in Ministry of Planning of Islamic Transitional Government of Afghanistan on January 9, 2003, with Registration No 946. The Organization is reregistered with Ministry of Economy with Registration No. 68 dated September 29, 2005. CAF is also registered with the Ministry of Public Health (MoPH) and is one of the main partners of MoPH in the implementation of the Basic Package of Health Services (BPHS), Essential Package of Health Services (EPHS) and other vertical health and nutrition projects. CAF as per its strategic planning as worked and implemented various projects in Health, Nutrition, Community Development, Education & research and women and youth empowerment in different provinces of Afghanistan such as Kabul, Parwan, Baghlan, Kunduz, Takhar, Badakhshan, Faryab, Logar, Paktia, Daikundi, Nangarhar, Laghman and Kandahar provinces.
Address of the organization	St. 7, Qala-e-Fatullah, Kabul, Afghanistan
Name of the focal person at the organization	Sayed Fakoor Razawi
Email ID of the focal person	caf.kbl.fc@gmail.com
Dates of the capacity assessment visit	23-Oct-23
Name of the assessment team members	Mazen Jaber - Senior Partner Hamza Atich - Audit Manager Usman Ghani Haidar - Auditor
Planning:	
Finalization of the capacity assessment team	23-Oct-23
Finalization of the visit schedule	23-Oct-23
List of documents and preassessment questionnaire shared with the organization	11-Oct-23
Creating the data folder and place data received in the relevant subfolders	31-Oct-23
Fieldwork:	
Opening meeting held at organisation	23-Oct-23
All questions in questionnaire completed?	Yes
Number of process reviewed	9 Areas
Are these all complete and documented on the "Capacity assessment checklist" tab?	Yes, please refer to section 5 "Capacity Assessment Worksheet" in the Report
Spell-check completed (press "F7" on capacity assessment checklist tab)	The spell-check is completed
Collection of necessary documents	All the relevant supporting documents were collected from the Organization
Evidence collected related to findings	Yes, all the relevant evidence were collected related to the findings
Preparation of weekly progress report	N/A
Number of key questions findings	7 Findings
Number of total findings	7 Findings
Exit meeting held at organisation and findings discussed	The exit meeting was conducted on 29 November 2023 and shared with the Organization and UNDP officials on 3 December 2023.
Reporting:	
Preparation of draft report	25-Nov-23
Drafting of key findings	29-Nov-23
Submission of report for management comments	12-Mar-24
Finalization of report	27-Mar-24
Structure of Report:	
MS Word report set up with:	
Name of organisation and date of the report on the front cover?	Yes
Details of organisation completed	Yes
Background information about the organisation	Yes
Overall assessment table inserted	Yes
Write a brief about all the assessment area in the report	Yes
Key findings and recommendation table inserted	Yes
Number of findings in report table matches number of findings in Capacity Assessment worksheet tab?	Yes
Filled Capacity Assessment Questionnaire attached?	Yes
Annex 1: Organograms	Yes
Annex 2: List of persons met	Yes
Annex 3: Key staff details	Yes
Annex 4: Any other Necessary documents attached to report	Yes
Acronyms and abbreviations included in report?	Yes
Contents page updated	Yes

Any other comments:	

3. ASSESSMENT SUMMARY

Overall Assessment

Risk Areas	Risk Score	Overall Risk Assessment
Governance and Leadership	1.13	Low
Human Resources	1.17	Low
Programme Management	1.00	Low
Monitoring and Evaluation	1.00	Low
Financial Management	1.19	Low
Procurement Systems	1.59	Low
Comparative Advantage	2.50	Significant
Knowledge Management	0.67	Low
Partnerships	1.60	Low
Overall Average Weighted Score	**1.28**	**Low**

Governance & Leadership	**1.13**	**Low**
Operations Management (HR, Admin, Logistics)	**1.38**	**Low**
Finance Management	**1.19**	**Low**
Programme Management	**1.00**	**Low**
Accountability & Coordination	**1.59**	**Low**
Overall Score	**1.28**	**Low**

4. BRIEF ABOUT ALL THE ASSESSMENT AREAS

Tested subject area	Risk assessment	Comments / summary
1. Governance and Leadership	Low	▪ The Organization has been established in Kabul and registered in Ministry of Planning of Islamic Transitional Government of Afghanistan on January 9, 2003, with Registration No 946.
2. Human Resources	Low	▪ The Organization has and uses the HR manual and Procedures. These policies in place are sufficient and adequate. Further, these policies covered/followed all key areas of human resource practices, including recruitment, employment, practices, code of conduct, policy, benefits, evaluation, etc **Internal Control Findings:** ▪ Lack of gender balance (Risk Rating: Significant).
3. Programme Management	Low	▪ The Organization has and consistently uses clearly written program/project Development and management policy & guidelines and project development checklist, work plan template, and project Log frame. ▪ The Organization average annual funding turnover is approximately US$ 21,372,753 for the last three years and it was received from various funding agencies.
4. Monitoring and Evaluation	Low	▪ The Organization has Monitoring Policy and monitoring check list (National Monitoring check list and Hospital Monitoring check list) for monitoring and evaluation. ▪ The Organization has M&E framework in its programmes / projects, containing indicator, baselines and targets. Their achievements are compared with programmes baselines and targets.
5. Financial Management	Low	▪ The Organization has defined and documented finance manual clearly set out the policy and procedures. ▪ The Organization basis of accounting is followed as per the donor requirements. ▪ The Organization prepares budget in sufficient details. The budget for each project which provides detailed budget for each activity and according to the donor requirements. ▪ The annual budget is approved in general assembly by board of trustees. **Internal Control Findings:** ▪ Lack of shared cost allocation policy (Risk Rating: High)
6. Procurement, Assets, Inventory and Information Management	Low	▪ The Organization has a manual procurement system and uses procurement policies and procedures. These policies in place are sufficient and adequate. ▪ The Organization has an adequate procurement unit and the procurement department consist of a Procurement Manager, two Officers and one Assistant. ▪ The Organization has an asset management policy in place and are part of procurement policy, that defines the asset and inventory register, purchase, loss of assets, disposal, and donation. **Internal Control Findings:** ▪ Insufficient asset register and asset management (Risk Rating: Significant) ▪ Lack of insurance coverage (Risk Rating: High) ▪ Deficiencies over stock management (Risk Rating: Significant)
7. Comparative Advantage	Significant	▪ The Organization has been working in health project in year 2023 (Under 2 years of health experience). ▪ The Organization is already an assessed implementing partner of

		UNICEF and UNDP. The risk rating of the UNICEF and UNDP Micro Assessment Report is Low Risk. ▪ The overall risk rating in this area is Significant, because the Organization is working in health projects in year 2023, while according to UNDP guidelines/instructions it is preferable for the Organization to have more than 10 years of experience in health projects.
8. Knowledge Management	Low	▪ The Organization produces comprehensive financial and narrative annual reports that are public and available through the Organization website. ▪ The Organization has Grievance Redress Mechanism (GRM), for accountability to the affected populations (beneficiaries) and to improve the quality of services provided. ▪ The Organization does have website and upload it annual report. The website is: www.caf.org.af
9. Partnerships	Low	▪ The Organization has worked with UN agencies in the last five years for contracts above $500,000. ▪ The Organization working with two Implementing partners OPHA and OREAD, and no capacity assessment of the Implementing partners was done.
10. Additional questions related to (PSEAH)	Low	▪ The Organization have clearly internal policy and training programmes for personnel on the prevention of sexual harassment. ▪ The Organization properly verifies all the previous records of the employees, even checking the criminal record as well as from the concerned authorities. ▪ It is strictly prohibited to undertake any action which will be resemble to moral or sexual harassment, to any type of discrimination based upon origin, religion, sexual orientation, nationality, disability, gender or any other criteria.
Overall Risk Rating	Low	

5. CAPACITY ASSESSMENT WORKSHEET

1. GOVERNANCE AND LEADERSHIP				
Subject Area	**Answer**	**Risk Assessment**	**Risk Score**	**Comments from capacity assessment team**
1.1. Registration - Is the organization legally registered to work in the country by relevant authorities? If so, is it in compliance with registration requirements? Please note the legal status and date of registration of the entity.	Yes	Low	1	Care of Afghan Families (CAF) was registered with MoEc of Afghanistan with No of 68. CAF is also registered with the Tax authorities and tax is deducted from the suppliers, employees, contractors and consultants as per the applicable Tax law.
1.2 Mission Statement - Are the organization's mission statement and goals clearly outlined in writing?	Yes	Low	1	The Organization mission, vision, scope of work and principle values clearly outlined in organization's Charter
1.3 Governance - Does the organization have well documented and comprehensive governance documents?	Yes	Low	1	The Organization has the Charter which outlined the governance structure and their roles/responsibilities. In addition, the Organization have board governance manual for the board of trustee.
1.4 Governance Board - Does the organization have a formal structure of different governance levels (Executive Board, Executive Committee, or Management) with delineated respective roles and responsibilities? Does the governing body meet regularly and perform oversight	Yes	Low	1	The Organization have different governance levels, General Assembly, Trustee board, Organization Advisory Board and Management board. The governing body meet semi annual basis.
1.5 Code of Conduct - Does the organization have an internal Code of Conduct (internal control framework)? Is this framework distributed and made available to staff and updated periodically? If so, please describe it.	Yes	Low	1	The Organization hase the code of conduct policy and made it available to the staff.
1.6 Policies - Does the organization have internal policies concerning child protection, HIV/Aids, Environment, Gender etc.?	Yes	Low	1	The Organization has internal policies such as (child protection, gender and HIV/AIDS policy) that are consistently applied across all programs and processes.
1.7 Pending Legal Actions - Does the organization have any pending legal actions against it or outstanding material/significant disputes with vendors/contractors? If so, provide details and actions taken by the organization to resolve the legal action	Yes	Low	1	There is no legal action pending against the Organization.
1.8 Anti-Fraud and Corruption - Does the organization have an anti-fraud and corruption policy? - Has the organization 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 organization have a policy against retaliation relating to such reporting?	Yes	Low	1	The Organization has anti-fraud, anti-bribery and anti-corruption policy. In addition, RP has whistle blowing policy, that explain the how-to action, how and whom to report.
Total number of questions in subject area:	8	1.000	Lowest score possible	
Total number of applicable questions in subject area:	8	4.500	Highest score possible	
Total number of applicable key questions in subject area:	1	0.875	Banding width	
Total number of risk points:	8	1.875	Low risk: scores below	
Risk score	1.00	2.750	Moderate risk: scores below	
Area risk rating	Low	3.625	Significant risk: scores below	

2. HUMAN RESOURCES

Subject Area	Answer	Risk Assessment	Risk Score	Comments
2.1 Recruitment Policies - To what extent are the recruitment, employment, and personnel practices clearly defined and followed, and embrace transparency and competition?	Yes	Low	1	The Organization has and uses the HR manual and Procedures. These policies in place are sufficient and adequate. Further, these policies covered/followed all key areas of human resource practices, including recruitment, employment, practices, code of conduct, policy, benefits, evaluation, etc.
2.2 Staff Expertise - To what extent is the staff's expertise consistent with the mission and programs of the organization and their ToR? Identify the key staff, including job titles, responsibilities, educational backgrounds, and professional experience.	Yes	Low	1	The Organization Key staff have expertiese which are aligend / consistent with the Mission and programe of the Organization.
2.3 Terms of Reference & Division of Labour - Are clear ToR/job descriptions available for each staff and roles and responsibilities of employees clearly defined?	Yes	Low	1	The Organization has a job description that defines the duties and responsibilities of each employee.
2.4 Adequate staff - Is the organization's accounting/finance, programme management, M&E, procurement, and assets management function staffed adequately to ensure sufficient controls are in place to manage agency funds and any new grants?	Yes	Low	1	The Organization has adequate staff for Programme, Finance, Procurement and M&E department.In addition, we have reviewed the CVs of the accounting staff and found that all of them had well qualifications and experience relevant to their jobs.
2.5 Background verification - Does the organization perform background verification/checks on all new accounting/finance and management positions?	Yes	Low	1	As per our walkthrough of the recruitment process, we verified that the Organization performs background verification/checks on all new employees/reference check is in place.
2.6 Stable Staff Structure -To what extent is the organization able to maintain a stable staff structure concerning changes in funding levels? Has there been a significant turnover in key finance positions in the past five years? If so, has the rate improved or worsened and appears to be a problem?	Yes	Low	1	There was no significant turnover in key finance positions in past five years.
2.7 Gender Balance - What proportion of the professional level staff are females?	No	Significant	3	The Organization's staff list for Main office and field offices was checked, and found that Organization has a ratio of 5% to 10% of female staff. In addition, the Organization's policy/ manual didn't show the percentage of female staff requirement. Please refer to Section 7 - Key issues and recommendations.
2.8 Performance System - To what extent does the organization have and comply with a staff performance planning and assessment system (work plan, performance assessment tool)?	Yes	Low	1	The Organization does have a performance appraisal and performance evaluation system in place and followed and implemented accordingly. In addition, we have verified some employees files and found that the files included evaluation form.
2.9 Salary/Benefits Policy - To what extent are the salaries clearly structured, and any benefits policy written and practiced?	Yes	Low	1	The Organization follows their own salary scale and if required National Technical Assistance (NTA) Salary scale and benefits are being paid according to the HR manual.
2.10 Maintenance of staff documents Do proper documents such as Payroll sheet, Employee file, Timesheets, Employment Contract, Attendance sheet, Payslips, etc. are maintained?	Yes	Low	1	The Organization maintains the Payroll voucher containing the payroll sheet, attendance, timesheets, and staff files maintained separately.
2.11 Capacity Building- Does the organization promote staff learning and development relevant to the objectives and mandate of the organization? Are training and capacity building	Yes	Low	1	The Organization has a training policy for the capacity building of its staff, and they arranged training on (QuickBooks) System for accounting staff.
2.12 Employee Termination - Is the process for termination properly followed? Are clearance procedures in place to ensure project staff's access rights to premises and IT systems are revoked?	Yes	Low	1	The Organization has termination process included in the Human Resource Manual. In addition,as sample of clearnce form was checked we found that it includes: Logistics sections for (laptop, mobile, printer other equipments), finance section for (Salary, Salary Advance etc), Human Resource section (leaves, ID card, time sheet etc).
Total number of questions in subject area:	12	1.000	Lowest score possible	
Total number of applicable questions in subject area:	12	5.000	Highest score possible	
Total number of applicable key questions in subject area:	3	1.000	Banding width	
Total number of risk points:	14	2.000	Low risk: scores below	
Risk score	1.17	3.000	Moderate risk: scores below	
Area risk rating	Low	4.000	Significant risk: scores below	

3. PROGRAMME MANAGEMENT				
Subject Area	**Answer**	**Risk Assessment**	**Risk Score**	**Comments**
3.1 Programme Tools - To what extent does the organization have and use clearly written guidelines and tools (e.g., project development checklist, work planning templates, log frames) to support the development of programmes and plans?	Yes	Low	1	The Organization has and consistently uses clearly written program/project Development and management policy & guidelines and project development checklist, work plan template, and project Log frame.
3.2 Needs Assessments - To what extent are the organization's current programme priorities and services based on need assessments and institutional expertise?	Yes	Low	1	The Organization current programs priorities are extends based on Need assessment (Project Assessment Report) and institutional expertise.
3.3 Annual Workplan - To what extent the organization has annual work plans (outcomes to contribute to, expected outputs, activities to be carried out, time frame for the activities, responsibility for the activities, and the inputs for each activity) and a system to ensure adherence to the work plans?	Yes	Low	1	The Organization Annual Work Plans (AWPs) is based on workplan 2020 - 2025 and strategies mentioned in workplan.
3.4 Identification of Potential Risk - Does the organization identify the potential risks for programme delivery and mechanisms to mitigate them?	Yes	Low	1	The Organization has risk management policy, and risk analysis and mitigation plan for identification of risks.
3.5 Implementation Capacity - How many projects has the organization implemented over the last 3 years? If the organization received various funding agencies resources in the past, were significant issues reported in managing the resources, including from previous assurance activities.	Yes	Low	1	The Organization has implemented 33 projects in the last three years. In addition, there were no significant issues reported in managing the resources.
3.6 Programme Reports - Does the organization produce monthly and/or quarterly reports for all projects?	Yes	Low	1	The Organization does produce quarterly reports and monthly report (Technical Report).
3.7 Annual Funding - What is the organisation's average annual funding turnover?	Yes	Low	1	The Organization average annual funding turnover is approximately US$ 21,372,753 for the last three years and it was received from various funding agencies.
Total number of questions in subject area:	7	1.000	Lowest score possible	
Total number of applicable questions in subject area:	7	4.571	Highest score possible	
Total number of applicable key questions in subject area:	1	0.893	Banding width	
Total number of risk points:	7	1.893	Low risk: scores below	
Risk score	1.00	2.786	Moderate risk: scores below	
Area risk rating	Low	3.679	Significant risk: scores below	

4. MONITORING AND EVALUATION				
Subject Area	**Answer**	**Risk Assessment**	**Risk Score**	**Comments**
4.1 Monitoring Tools - Does the organization have and use sufficiently detailed policies, procedures, guidelines, and other tools (checklists, templates) for monitoring and evaluation?	Yes	Low	1	The Organization has Monitoring Policy and monitoring check list (National Monitoring check list and Hospital Monitoring check list) for monitoring and evaluation.
4.2 M&E Systems -To what extent do the organization's on-going programmes have M&E frameworks with indicators, baselines, and targets?	Yes	Low	1	The Organization has M & E framework in its programmes / projects, containing indicator, baselines and targets. Their achivements are compered with programmes baselines and targets.
4.3 Database - Does the organization have an electronic database to manage data?	Yes	Low	1	The Organization uses HMIS and DHIS system to manage the data collected from monitoring and evaluation.
4.4 Monitoring of Activities - Does the organization regularly monitor project activities and records findings such as review meetings, on-site project visits, etc.?	Yes	Low	1	The Organization has carries out monitoring visits for project activities and these visit are document through mission report containing findings.
4.5 Data Analysis - Does the organization have tools and skills to analyze data and use this information to inform programme decision making by programme staff and management? Does this include a value for money analysis?	Yes	Low	1	The Organization has process for data analysis on monthly basis for organizational sections and their targets for different objectives, and use the information for programme decisions.
4.6 Data Quality Assurance - Is there a mechanism and tools to review and ensure data quality?	Yes	Low	1	The Organization has consistent accuracy checks for each health facility level. Consistency and verification reports are prepared where the figures in the registers are compared with monthly technical reports.
4.7 Expertise - What is the level of monitoring and evaluation expertise in the organisation?	Yes	Low	1	The Organization has M&E department, and the M&E manager has the expertise and experience. The M&E team is consist of M&E manger, M&E Coordinator, and M&E senior officer.
4.8 Monitoring of Partners - To what extent does the organization have systems in place to track activities implemented by sub-partners?	Yes	Low	1	The Organization has sub-partner. the Organization conduct quarterly review meeting where all the activities are tracked including the sub partners.
4.9 External Evaluation - In the past five years, have any of the organisation's programmes been subjected to an independent evaluation and recommendations followed up?	Yes	Low	1	Major of the projects are audited by the third party at the end of the projects and the recommendations are followed up by the organization. Please refer to section 6 - Follow up of previous reports (findings and recommendations).
Total number of questions in subject area:	9	1.000	Lowest score possible	
Total number of applicable questions in subject area:	9	5.333	Highest score possible	
Total number of applicable key questions in subject area:	3	1.083	Banding width	
Total number of risk points:	9	2.083	Low risk: scores below	
Risk score	1.00	3.167	Moderate risk: scores below	
Area risk rating	Low	4.250	Significant risk: scores below	

5. FINANCIAL MANAGEMENT				
Subject Area	**Answer**	**Risk Assessment**	**Risk Score**	**Comments**
5.a Financial Management				
5.1 Finance Policy - Does the organization have financial policies and procedures manual or guidelines?	Yes	Low	1	The Organization has defined and documented finance manual clearly set out the policy and procedures.
5.2 Method of Accounting - Does the organization have a stated basis of accounting (i.e., cash or accrual), and does it allow for compliance	Yes	Low	1	The Organization basis of accounting is followed as per the donor requirements and the finance manual states accrual and cash basis.
5.b Budgeting Process and Controls				
5.3 Budgeting - Does the organization prepare organizational (internal) budgets in addition to the donor-based (project-specific) budgets?	Yes	Low	1	The Organization prepares budget in sufficient details. The budget for each project provides detailed for each activity and according to the donor requirements.
5.4 Budget Approval - Are organization budgets approved formally at an appropriate level?	Yes	Low	1	The Organization prepares organizational budget and its approved by the board of trustees in general assembly.
5.5 Budget Review - Are actual expenditures compared to the budget with reasonable frequency? Are explanations required for significant variations from the budget? How often is a review of budget vs. actual expenditure carried out?	Yes	Low	1	The Organization prepares the budget vs actual on a monthly basis and any significant variation will be analyzed, and verification will be provided.
5.6 Prior Approval -- Is prior approval sought for budget amendments in a timely way?	Yes	Low	1	The prior written approval is obtained for any budget amendments.
5.c Accounting and Financial Reporting				
5.7 Accounting System - Does the organization have double-entry accounting system that allows for proper recording of financial transactions and disbursement from various funding agencies? Is the financial management system computerized? Is there a system of maintaining separate books of accounts for each funding agency? and does the financial reports directly generated from the accounting software?	Yes	Low	1	The Organization uses the Quick book accounting system. The donor financial report/transaction list can be generated by the accounting system under the organization chart of account.
5.8 Chart of Account - Does the organization chart of accounts, etc. in the accounting software provides for budget heads and account codes per the project work plan?	Yes	Low	1	The Organization has a chart of accounts and is incorporated into the accounting system according to the budget head and accounts.
5.9 Cost Allocation System - Does the organization have an appropriate cost allocation methodology that ensures accurate cost allocations to the various funding sources per established agreements?	No	High	8	The Organization did not maintain a documented, consistent, and clear allocation policy for the shared expenditures showing the criteria in which common expenses are distributed between different donors/ projects. Please refer to Section 7 - Key issues and recommendations.
5.10 Accounting Standards - Does the organization use ledgers for accounting income and expenses in compliance with international public accounting standards?	Yes	Low	1	The accounting system generates standard ledger which complies with GAAP and donor's requirements.
5.11 Record retention - Are all accounting and supporting documents retained in an organized system that allows authorized users easy access? What is the periodicity for the retention of accounting records?	Yes	Low	1	The Organization keep the financial record and supporting document in organized /sequential manner. Accounting records are retained for 5 years as per the Organization's policy.
5.12 Financial Reporting - Does the organization have established financial reporting procedures that specify what reports are to be prepared, the frequency of preparation, what they are to contain, and how they are to be used? Does the organization submit all the reports to donors as the due date specified under the grant agreement?	Yes	Low	1	The Organization reporting process is explained in finance policy/manual, the accounting and budget follow up reports are prepared on monthly basis. In addition the donor reports (financial/Narrative) are prepared according to donor requirement. We have reviewed some reports and found that these reports are in accordance with the donor's requirements and timelines.
5.13 Statutory Requirement - Does the organization have statutory reporting requirements? If so, are they in compliance with such requirements in the prior three fiscal years?	Yes	Low	1	The Organization has the requirement for submission of annual tax reports and half yearly MoE reports. The Financial Statements for the past years were audited by external auditor.

Subject Area	Answer	Risk Assessment	Risk Score	Comments
5.d Segregation of duties				
5.14 Are the following functional responsibilities performed by different units or individuals: (a) authorization to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction?	Yes	Low	1	As per the vouchers reviewed, the Organization has adequate segregation of duties for the following: (a) authorization to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction.
5.15 Are the functions of ordering, receiving, accounting for, and paying for goods and services appropriately segregated?	Yes	Low	1	According to the procurement documents reviewed, we found that the functions of ordering, receiving, accounting for, and paying for goods and services were appropriately segregated.
5.16 Are bank reconciliations prepared by individuals other than those who make or approve payments?	No	Low	1	The Organization prepare bank reconciliations on a regular basis (monthly). These bank reconciliations are prepared by the Finance Manager and Checked by admin/Finance director.
5.e Treasury Management				
5.17 Separate Accounts - Does the organization operate separate bank accounts for each project? If funds are held in a pooled account, check that reconciliations are performed to indicate balances under each grant.	Yes	Low	1	The Organization uses a pool and seperate bank account for projects, for pool bank account the amount under each grant are indicated in monthly bank reconciliation.
5.18 Dual bank signatories - Does the organization require dual signatories/ authorization for bank transactions? Are new signatories approved at an appropriate level and timely updates made when signatories depart?	Yes	Low	1	The Organization requires dual signatories/authorization for bank transactions. All signatories are approved at an appropriate level
5.19 Cash Book - Does the organization maintain an adequate, up-to-date cashbook, recording receipts and payments?	Yes	Low	1	The Organization maintain cash book and gets updated for every inflow or outflow of cash.
5.20 Bank Reconciliation - Are bank balances, and cash ledger reconciled monthly and properly approved? Are explanations provided for significant, unusual, and aged reconciling items?	Yes	Low	1	The Organization prepare bank reconciliations on a regular basis (monthly). In addition, we have reviewed a sample of bank reconciliations and found that there were no unreconciled items.
5.21 Cash Payment - Is substantial expenditure paid in cash? If so, does the organization have adequate controls over cash payments?	Yes	Low	1	Based on our review of some vouchers/transactions, we found that substantial expenditures are made by Cheque/bank transfer. Only daily petty expenditures are paid by cash.
5.22 Petty Cash Reconciliation - Does organization carry out periodic and surprise cash counts at regular intervals and reconciles to cash book?	Yes	Low	1	The Organization carries out periodic cash count on a daily basis and according to finance manual, monthly cash count should be made and account should be closed.
5.23 Access Control - Are cash and cheques maintained in a secure location with restricted access? Are bank accounts protected with appropriate remote access controls?	Yes	Low	1	The cash is maintained in cashier room in safe box that has 2 keys, one key is with cashier and the other with finance as per the finance policy.
5.24 Income - Does the organization have a proper system to report interests or other income earned from project funds to donors?	N/A	Low	1	The Organization does not have any interest-bearing bank accounts.
5.25 Advance Management - Are there adequate control over advance provided to employees using project funds? Are there proper processes for approval, issue, settlement of advance?	Yes	Low	1	The Organization finance manual explains the Cash Advance Procedure and Control. Cashier release advance once advance form is signed by the line manager taking into account Organization threshold.

Subject Area	Answer	Risk Assessment	Risk Score	Comments
5.f Payments				
5.26 Invoice Processing - Do invoice processing procedures provide for: - Originals 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 received? - Checking the accuracy of calculations?	Yes	Low	1	Yes, all the supporting documents are attached in the voucher including (Invoice, GRN, Purchase order etc.). All of them are prepared / approved properly.
5.27 Payment Authorization - Are payments authorized at an appropriate level? Does the organization have a table of payment approval thresholds? Does the organization have signature authority forms and does it have a signature specimen of authorized personnel?	Yes	Low	1	Yes, all the payments are authorized at the appropriate levels described in the the Organization threshold
5.28 Identification of Invoices - Are all invoices stamped 'PAID', approved, and marked with the project code, budget code, and account code?	Yes	Low	1	All of the invoices are duly stamped as "PAID", the invoices and vouchers are not affixed with project code. However, the Organization implements appropriate control procedures to mitigate the risk of duplication of expenditures.
5.29 Payroll - Do controls exist for the preparation and approval of payroll expenditures? Are payroll changes properly authorized? Are payroll taxes withheld by the organization and paid to the government in a timely manner?	Yes	Low	1	The Organization payrolls are prepared by the Senior HR/Admin officer, checked by the Accountant, and approved by the Admin Finance Director. Payroll tax are deducted from staff, and the payroll voucher contains attendance sheet and time sheet.
5.30 Staff Salary - Is the payroll report based on the approved timesheets of staff and in line with the donor budget? Do controls exist to ensure that direct staff salary costs reflect the actual amount of staff time spent on a project?	Yes	Low	1	The Organization attendance sheets/ time sheets are maintained to ensures that the payments made per the time spent by the staff to the projects.
5.31 Travel cost - Do controls exist for payment of travel-related costs? Does document such as DSA policy, transportation policy/metrics, travel request, travel claim, trip reports, travel invoice, boarding pass, etc. are maintained by the organization?	Yes	Low	1	The Organization Perdiem policy is defined in the HR policy and procedures. All transactions are properly approved and authorized. We have verified a sample of the travel costs voucher and found that it includes all the necessary supporting documents.
5.32 Training cost - Do controls exist for payment of training and workshop related cost? Does document such as allowance policy, participation list, attendance sheets, training report, payment claim sheet, training & workshop related invoices, photographic evidence, etc. are maintained by the organization?	Yes	Low	1	There are proper controls exist for payment of training and workshop related cost and the documents such as payment sheet , attendance sheett, training report, and photographs etc..
5.33 Fuel cost - Do controls exist for payment of fuel-related costs? Can fuel consumption be traced to expenditure reported by the organization? Does the organization have a policy on fuel consumption and are the consumption rates are in line with the government suggested rates?	Yes	Low	1	The Organization maintains logbooks and fuel consumption reports for each vehicle and it is well traceable to the expenditure reported to the accounting system.
5.34 Tax payment - Is the organization exempted from taxes for all grant funds expenditure? Does the organization have a functioning system to track tax payments and reimbursements by the government?	Yes	Low	1	The Organization is exempt from the tax.
5.35 Foreign Exchange - Does control exist for foreign exchange risk management mechanisms? Are they effective to mitigate the risk of loss of funds through foreign exchange rate fluctuation? Does the organization have a policy on the source of exchange rates used by the organization?	Yes	Low	1	The Organization use Da Afghanistan Bank exchange rate for converting for translating the local currency (AFN) transactions to US$.
5.36 Payment on timely manner - Does control exist for timely settlement of payment to the vendor? Does the organization maintain a payable tracking register?	Yes	Low	1	The Organization pays all the vendors on timely manner and the Organization accouting system also track payables

5.g Internal Audit				
5.37 Internal Auditor - Is the internal auditor sufficiently independent to make critical assessments? To whom does the internal auditor report?	Yes	Low	1	The Organization has Internal Audit Department / function and the internal audit departmen report to Finance director and Director General as well as to the board of trustees.
5.38 Qualification of Internal Auditor - Does the organization has stated qualifications and experience requirements for internal audit department staff?	Yes	Low	1	We have reviewed a sample of the staff files related to the internal auditors and found that they have relevant experience/qualifications.
5.39 Internal Audit Scope - Are the activities financed by the donors included in the internal audit department's work programme?	Yes	Low	1	Yes, the activities financed by the donors are included in the internal audit department's work programme.
5.40 Internal Audits Findings - To what extent does the organization maintain and adhere to regularly scheduled internal financial audits and follow-up on recommendations? Were there any major accountability issues brought out in the audit report of the past three years?	Yes	Low	1	The Organization maintain and adhere to regularly scheduled internal financial audits and follow-up on recommendations and there are no any major accountability issues brought out in the audit report in the past three years.
5.h External Audit				
5.41 External Auditor - Are the organization's overall financial statements audited regularly by an independent auditor per appropriate national or international auditing standards? If so, please describe the auditor.	Yes	Low	1	The Financial Statements for the past three years were audited by external auditor as per the appropriate international auditing standards and Local instructions and laws.
5.42 External Audits Findings - Were there any significant issues related to ineligible expenditure and internal control involving donor funds reported in the audit reports of the organization over the past three years and the same have been implemented or not?	Yes	Low	1	There were no major issues related to ineligible involving donor funds reported in the audit reports of the organization. For more details, please refer to the "Follow up of previous reports section".
5.i Field Office / External Partner Monitoring (to be completed if organization has other offices or external partners).				
5.43 Monitoring of Field Office / External Partners- Is there a financial and management information system sufficient to ensure the availability and integrity of financial and programmatic data from the field office or external entities that enable the organization to track expenditures in line with the work plan adequately?	Yes	Low	1	The field offices and sub partner submit the reports on monthly basis (financial and programmatic data) and accordingly further analysis and tracking of expenditures are made.
5.44 Disbursement Process - Is there procedures and systems to manage disbursements (from request through to payment) to ensure accurate disbursement of funds to field office or external partners in a timely, transparent and accountable manner?	Yes	Low	1	The field offices and sub partner submit the reports on monthly basis (financial and programmatic data) and accordingly further analysis and tracking of expenditures are made. Beside that on quarterly basis, the Organization reviews the performance of Sub offices and projects where both technical and financial issues are discussed, expenses are tracked and decisions are made.
Total number of questions in subject area:	44	1.000	Lowest score possible	
Total number of applicable questions in subject area:	43	6.233	Highest score possible	
Total number of applicable key questions in subject area:	24	1.308	Banding width	
Total number of risk points:	51	2.308	Low risk: scores below	
Risk score	1.19	3.616	Moderate risk: scores below	
Area risk rating	Low	4.924	Significant risk: scores below	

6. PROCUREMENT, ASSETS, INVENTORY AND INFORMATION MANAGEMENT				
Subject Area	**Answer**	**Risk Assessment**	**Risk Score**	**Comments**
6.a Procurement Management				
6.1 Procurement Guidelines - To what extent does the organization have documented procurement guidelines? Does the organization have a manual or computerized procurement system?	Yes	Low	1	The Organization has a manual procurement system and uses procurement policies and procedures. These policies in place are sufficient and adequate. The procurement policy is written in a sufficiently detailed manner to facilitate competition, transparency, and value of money.
6.2 Procurement Unit - Does the organization have a structured procurement unit with defined reporting lines that foster efficiency and accountability? Are the segregation of duties considered in the procurement structure and reporting lines?	Yes	Low	1	The Organization has an adequate procurement unit and the procurement department consist of a Procurement Manager, two Officers and one Assistant
6.3 Procurement Plan - Does the organization prepare a procurement plan in line with the organization budget?	Yes	Low	1	The Organization prepares the annual procurement plan linked with various grant budgets and approved by the appropriate authority.
6.4 Procurement Tracking Report - Are procurement reports generated and reviewed regularly? Describe reports generated, frequency, and review & approvers. Are exceptions to procurement procedures approved by management and documented? Are deliveries tracked against orders?	Yes	Low	1	The Organization prepares the procurement tracking sheet/report linked with the procurement plan. The tracking sheet is updated on monthly basis and reviewed by the appropriate authority.
6.5 Procurement Authorisation - Does the organization require written or system authorizations for purchases? Does the organization have written procurement methods such as single-source procurement, national competitive procurement, international procurement, etc.? Is there a threshold for the procurement method?	Yes	Low	1	The Organization has manual authorization for procurement. The direct purchase, competitive procurement, and tender are explained in the procurement threshold.
6.6 Preparation of purchase requestion & bid document - Does purchase requisition and bid documents are properly prepared and approved? Do bid documents include the specification of goods/ services required?	Yes	Low	1	The Organization prepares the purchase requisition and bid documents are properly prepared and approved and bid documents include the specification of goods/ services required.
6.7 Sourcing Supplier- Does the organization follow a well-defined process for sourcing suppliers? Do formal procurement methods include wide broadcasting of procurement opportunities?	Yes	Low	1	The Organization follow a well-defined process for sourcing suppliers in the procurement policy and formal procurement methods include wide broadcasting of procurement opportunities.
6.8 Competitive Bid Evaluation - Does the organization follow a well-defined process to ensure a secure and transparent bid and evaluation process? If so, describe the process.	Yes	Low	1	The Organization follow a well-defined process to ensure a secure and transparent bid and evaluation process, and the process is properly described in the procurement manual.
6.9 Conflict of Interest - Does the organization 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 organization proceed in cases of conflict of interest?	Yes	Low	1	The Organization has conflict of interest policy and has and applies formal guidelines and procedures to assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers/procurement agents.
6.10 Track Supplier Performance- Does the organization keep track of the past performance of suppliers? E.g., a database of trusted or not trusted suppliers.	Yes	Low	1	The Organization keep the list of past suppliers and potential suppliers.
6.11 Contract Signing - Does the organization obtain sufficient approvals before signing a contract?	Yes	Low	1	The Organization contract are approved according to thresholds.
6.12 Recommendation in Audit Report - Have any significant recommendations related to procurement made by auditors in the prior three audit reports and/or management letters over the past three years and have not yet been implemented?	No	Low	1	There were no major issues related to procurement involving donor funds reported in the audit reports of the organization.
6.13 Contract Management - If the organization is managing major contracts, does the organization have a policy on contract management/ administration?	N/A	N/A	-	No major contract were done by the Organization.

Subject Area	Answer	Risk Assessment	Risk Score	Comments
6.b Assets Management				
6.14 Asset Management - Does the organization have clear asset management procedures in place?	Yes	Low	1	The Organization has an asset management policy in place and are part of procurement policy , that defines the the asset and inventory register, purchase, loss of assets, disposal, and donation.
6.15 Assets Register - Does the organization maintain an updated asset registry that differentiates assets purchased through various donors/projects and with a tagging system?	Yes	Significant	3	The Organization keeps/maintains the asset register, however, during the physical verification we noted the following; - Asset serial numbers did not match with the asset register. - Assets locations and conditions were not updated. Please refer to Section 7 - Key issues and recommendations.
6.16 Review with invoice - Are subsidiary records of fixed assets kept up to date and reconciled with control accounts?	Yes	Low	1	The subsidiary records are reconciled with invoices and the accounting ledger. We checked a sample of the invoice traced back to the asset register.
6.17 Physical Verification - Are there periodic physical verification and/or count of fixed assets and inventory? If so, please describe?	Yes	Low	1	The Organization documented fixed assets/Stock and performs fixed assets physical counts on Quarterly basis.
6.18 Insurance - Are assets and offices of the organization insured by a qualified company?	No	High	4	The Organization has no insurance. Please refer to Section 7 - Key issues and recommendations.
6.19 Asset Movement - Does control exist for assets handover? Is there a system to promptly report assets stolen or damaged to donors?	Yes	Low	1	The Organization has an asset management policy in place and are part of procurement policy , that defines the the asset and inventory register, purchase, loss of assets, disposal, and donation.
6.20 Vehicle Registration - Is there a system in case of vehicles being registered?	Yes	Low	1	Yes, all the vehicle are rigistered.
6.21 Assets Management at Field office / External Partners - Are there procedures and checks to ensure the safeguarding of assets held by field office / external partners?	Yes	Low	1	The physical verification inventory take palce on semi-annual basis.

Subject Area	Answer	Risk Assessment	Risk Score	Comments
6.c Warehousing & Stock Management (to be completed if organization maintains warehouse and stocks)				
6.22 Warehouse storage facilities - Do warehouse facilities have adequate physical security? Is stock stored so that it is identifiable, protected from damage, and countable?	Yes	Low	1	The Organization has warehouses in the provinces. We checked the pictures of the warehouse, the warehouse has adequate security, the temperature instrument is installed, and the items are in an identifiable manner.
6.23 Stock Management - Does the organization have a stock management system in place with a clear disposal policy that is fully operational?	Yes	Significant	3	The Organization has an asset / inventory management policy in place, however, it lacks the stock disposal procedures. Please refer to Section 7 - Key issues and recommendations.
6.24 Segregation of Duties - Is responsibility for receiving and issuing stock segregated from that for updating the stock records? There is a clear TORs/job description for all stock management staff?	Yes	Low	1	Receiving and issuing responsibilities are segregated from the person that updates the inventory.
6.25 Stock Recording System - Check the functional system (paper-based or computerized) to monitor stock movements (in, out, expiry and losses)	No	Significant	6	The Organization has a paper-based system to monitor stock movement. However, while reviewing the stock register we found that some items did not include the expiry date. Please refer to Section 7 - Key issues and recommendations.
6.26 Physical Stock Count - Are regular physical counts of stock carried out? Are the variances tracked and followed upon?	No	Significant	3	The Organization does carry out periodic physical counts of inventory, we reviewed sample of phyiscal counts and noted that actual counts figures were not recorded all the figures were updated throug excel. Please refer to Section 7 - Key issues and recommendations.
6.d Information Management				
6.27 Data Management - Does the organization have appropriate safeguards to ensure the confidentiality, integrity, and availability of the financial data? E.g., password access controls; regular data back-up.	Yes	Low	1	The Organization backs up the Data on the external hard drives as backup on monthly basis and that is stored outside the office.
6.28 Infrastucture - To what extent is the organization's technological infrastructure up-to-pace with technological advancement in the country?	Yes	Low	1	All the staff have adequate access to a telephone, fax computer and, internet facilities.
Total number of questions in subject area:	28	1.000	Lowest score possible	
Total number of applicable questions in subject area:	27	4.889	Highest score possible	
Total number of applicable key questions in subject area:	6	0.972	Banding width	
Total number of risk points:	41	1.972	Low risk: scores below	
Risk score	1.52	2.944	Moderate risk: scores below	
Area risk rating	Low	3.917	Significant risk: scores below	

7. COMPARATIVE ADVANTAGE				
Subject Area	**Answer**	**Risk Assessment**	**Risk Score**	**Comments**
7.1 Experience Health Sector Field - Does the organization have any experience implementing activities in the health sector?	Yes	High	4	The Organization has been working in health projects in year 2023.
7.2 Approved Partner of other UN Agency - Is the organization already an assessed implementing partner of a UN agency?	Yes	Low	1	The Organization is already an assessed implementing partner of UNICEF and UNDP. The risk rating of the UNICEF and UNDP Micro Assessment Reports are Low Risk.
Total number of questions in subject area:	2	1.000	Lowest score possible	
Total number of applicable questions in subject area:	2	4.000	Highest score possible	
Total number of applicable key questions in subject area:	0	0.750	Banding width	
Total number of risk points:	5	1.750	Low risk: scores below	
Risk score	2.50	2.500	Moderate risk: scores below	
Area risk rating	Significant	3.250	Significant risk: scores below	

8. ACCOUNTABILITY AND KNOWLEDGE MANAGEMENT				
Subject Area	**Answer**	**Risk Assessment**	**Risk Score**	**Comments**
8.1 Annual Reports - Does the organization produce annual financial and narrative annual reports that are public and available?	Yes	Low	1	The Organization produces comprehensive financial and narrative annual reports that are public and available through organization website.
8.2 Accountability to Affected Populations - Does the organization have feedback and complaints mechanisms for beneficiaries?	Yes	Low	1	The Organization has Grievance Redress Mechanism (GRM), for accountability to the affected populations (beneficiaries) and to improve the quality of services provided.
8.3 Website - Does the organization maintain a website?	Yes	Low	1	The Organization has a robust website, comprehensive and interactive, regularly maintained, and containing a wealth of information, including links to useful external resources. The website is mentioned below: www.caf.org.af.
Total number of questions in subject area:	3	1.000	Lowest score possible	
Total number of applicable questions in subject area:	3	4.000	Highest score possible	
Total number of applicable key questions in subject area:	0	0.750	Banding width	
Total number of risk points:	2	1.750	Low risk: scores below	
Risk score	0.67	2.500	Moderate risk: scores below	
Area risk rating	Low	3.250	Significant risk: scores below	

9. COORDINATION AND PARTNERSHIPS				
Subject Area	**Answer**	**Risk Assessment**	**Risk Score**	**Comments**
9.1 Implementing Partner - Is the organization an implementing partner for any other UN, international or national NGO?	Yes	Low	1	The Organization has worked with UN agencies in the last five years for contracts above $500,000.
9.2 Use of Implementing Partners - Does the organization sub-contract implementing partner and if so, does it carry out capacity assessments?	No	High	4	The Organization working with two Implementing partners OPHA and OREAD, and no capacity assessment of the Implementing partners was done
9.3 Cluster Membership - Is the organization a member of one or several clusters (working groups/ taskforces) and actively participates in sector coordination?	Yes	Low	1	The Organization has membership with Health and Nutrition clusters.
9.4 Funding Base - To what extent does the organization have a diversified funding base, including international donors, pooled funding mechanisms and the private sector? Can the IP easily receive funds? Have there been any major problems in the past in the receipt of funds, particularly where the funds flow from government ministries?	Yes	Low	1	The Organization has diversified funding base, RP are implementing projects from different UN agency and international NGO.
9.5 Joint Programming - To what extent does the organization have experience in implementing programmes jointly with other humanitarian partners (UN, international, national) in the past five years?	Yes	Low	1	The Organization has experience in implementing projects with other organization sub-partner.
Total number of questions in subject area:	5	1.000	Lowest score possible	
Total number of applicable questions in subject area:	5	4.000	Highest score possible	
Total number of applicable key questions in subject area:	0	0.750	Banding width	
Total number of risk points:	8	1.750	Low risk: scores below	
Risk score	1.60	2.500	Moderate risk: scores below	
Area risk rating	Low	3.250	Significant risk: scores below	

Totals			
Total number of questions:	118	1.000	Lowest score possible
Total number of applicable questions:	116	5.310	Highest score possible
Total number of applicable key questions:	38	1.078	Banding width
Total number of risk points:	149	2.078	Low risk: scores below
Total risk score	1.28	3.155	Moderate risk: scores below
Overall risk rating	Low	4.233	Significant risk: scores below

10. Additional questions

Question No.	Subject Area	Answer	Comments
1	Does the Partner have an internal policy and training programme for personnel on the prevention of and response to sexual harassment (SH) and sexual exploitation and abuse (SEA)?	Yes	The Organization have clearly internal policy and training programmes for personnel on the prevention of sexual harassment.
2	Does the Partner screen their personnel, and/or partners they engage with, for previous involvement or alleged involvement in SH or SEA?	Yes	The properly check all the previous record of the personnel, even check criminal record as well from concern authorities.
3	Does the Partner have a mechanism in place to report and monitor response to allegations of SH and SEA by and against their personnel? (Consider available reporting mechanisms such as emails, hotlines, phone numbers, contact persons, etc.)	Yes	The Organization does not find any such types of activities during entire turnover and if any employee considers being victim of such practice, the HR manager and Director General should be informed immediately. An investigation will be immediately opened in so far as it is not anonymous.
4	Does the Partner have the capacity - internal or external - to investigate allegations of SH and SEA, and the ability to refer victims to appropriate victim assistance services (e.g., medical, legal, or psychosocial)? (Consider information on available capacity (such as trained investigators or access to external investigation services) and mechanisms (such as identified victim assistance providers) in a written statement.)	Yes	It is strictly prohibited to undertake any action which will be assimilated to moral or sexual harassment, to any type of discrimination based upon origin, religion, sexual orientation, nationality, disability, gender or any other criteria.
5	Does the Partner have protocols and safeguards in place to minimize the risk of harm to project-affiliated people, the environment, and assets? (e.g., sexual exploitation and abuse, physical safety & security, social & environmental safeguards, etc.)	Yes	Should any employee consider being a victim of such practice, the HR Manager and the Director General should be informed immediately. An investigation will be opened immediately as long as it is not anonymous.
6	Has the Partner advised employees, beneficiaries, and other recipients to whom they should report sexual misconduct or where to they may report fraud, waste, or misuse of agency resources or property? If so, does the IP have a policy against retaliation relating to such reporting?	Yes	The Organization advised their employees, beneficiaries and other recipients to whom they should report if any suspected sexual misconduct, fraud, waste, or misuse of agency resources or property. In addition, the Organization has established a sexual complaint box and GRM (Grievance Redress Mechanism) reports for beneficiaries.

6. FOLLOW UP OF PREVIOUS REPORTS (FINDINGS AND RECOMMENDATIONS)

The below table illustrated the significant and ineligible findings we have obtained from the from the following previous audit reports:

- 3 Annual Audit Reports (2020 / 2021 / 2022);
- 1 UNICEF Audit Report;
- 1 UNICEF Micro Assessment Report; and
- 1 UNDP Micro Assessment Report.

1) Significant findings:

Obs. No	Audit report reference number	Type of audit report	Date of audit report	Issues	Recommendation	Risk	Status during the capacity assessment visit	Management Comments
1	AFG/ PCA201604 / PD2022349	Audit Project	19 November 2022	While reviewing the voucher # KBLUN-USD41, the audit team noted that in the competitive bid analysis statement announced "Kahkashan Computer Selling Stationary Provider" as the winner and the purchase orders were also prepared for "Kahkashan Computer Selling Stationary Provider", however, the goods delivered were by unsuccessful bidder "MKC Computer Selling Stationary Provider" for the same price. As part of the audit procedures, the audit team contacted the awarded bidder, to inquire about IP transactions. He responded that he had delivered the goods to the Implementing Partner. Additionally, we asked him about the "MKC Computer Selling Stationary Provider" the unsuccessful bidder, he said that this is also his shop. We then contacted the unsuccessful bidder and asked him about the awarded bidder "Kahkashan Computer Selling and Stationary Provider", he responded that "You can consider "Kahkashan Computer Selling Stationary Provider" as my shop too; although the shop's names are different, both are owned by the same owner"	We recommend that the Implementing Partner: -Complies with procurement procedures as specified in the procurement process mentioned in the "Project Cooperation Agreement". - Ensures, in general, that procurement procedures are properly applied, and all transactions and expenditures are supported with sufficient and reliable supporting documents as evidence that all UNICEF funds have been utilized towards the cost of implementing the Project in accordance with the Project Description and Budget.	High	Solved immediately after receiving the draft report from the auditor.	N/A

2) Ineligible findings:

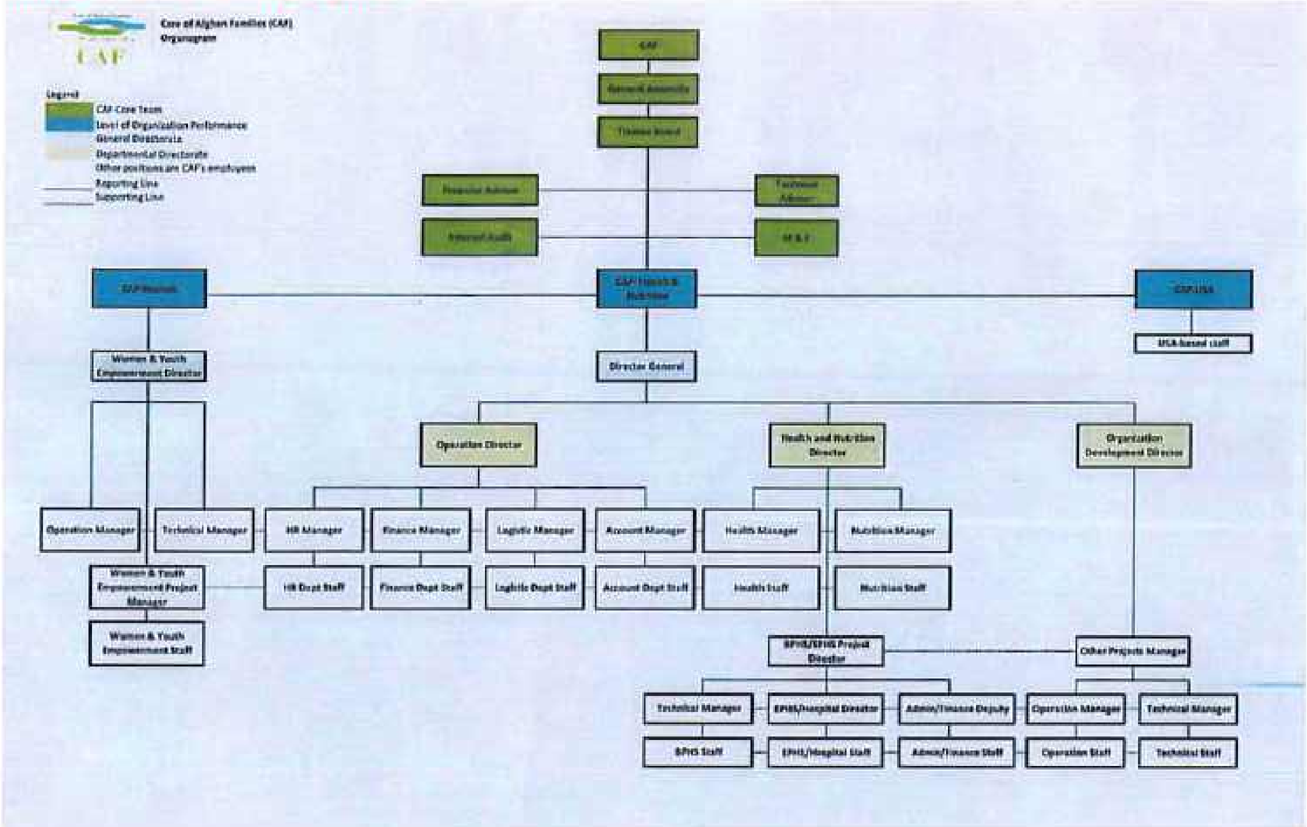
Ob s. No	Audit report reference number	Type of audit report	Date of audit report	Issues	Recommendation	Risk	Status during the capacity assessment visit	Management Comments
1	AFG/ PCA201604/ PD2022349	Audit Projects	19 November 2022	During the audit process over voucher # UNSM-CPV-76, for a total amount of AFN 4,672 (Equivalent to US$ 48), for the purchase of CHC + Pangram fuel, the audit team observed that the Partner's payment slip was dated on 9 March 2022 and awarded bidder cash received acknowledgment was dated on 2 February 2022. To verify and confirm the invoice, we contacted the awarded bidder, and when we inquired about the subject transaction, the awarded bidder stated, "I don't have a fuel business; I deal in construction materials." We believe that this isolated case is related to the operational staff and based on the above significant deficiencies identified, we considered these amounts as ineligible costs.	We recommend that both the sub - Partner and the lead Partner: - To increase control over the procurement process and procedures, particularly in field offices by implementing additional control procedures such as,monitoring and participating in all procurement undertaken by operation staff and contacting the project's third parties (Suppliers and Unsuccessful Bidders) to ensure that the procurement process is adequate and fair; and - To refund the amount ofUS$ 48 to UNICEF.	High	The ineligible amount refunded by the Organization to the donor on 15 October 2023.	N/A

7. DETAILED INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS

#	Assessment Area	Issued observed	Risk Rating	Recommendation	Management Response	Timelines	Estimated cost/Source of funding
1	Human Resources (Question # 2.7)	<u>Lack of gender balance</u> It was noted that Organization have has less than five percent of female staff in their head office and provincial offices, none of the female staff are at the managerial level, in addition the Organization policy didn't state any gender balance (occupancy level) in their HR manual.	Significant	We recommend the Organization update its policy regarding the gender balance/occupancy rate for female staff, with a focus on increasing the representation of qualified female staff.	*Please refer to annex 4 in the below pages.*	*Please refer to annex 4 in the below pages.*	*Please refer to annex 4 in the below pages.*
2	Financial Management (Question # 5.9)	<u>Lack of shared cost allocation policy</u> It was noted that the Organization does not have documented, consistent, and clear allocation policy for the shared expenditures showing the criteria in which common expenses are distributed between different donors/ projects.	High	We recommend the Organization to adopt a written clear, approved, and precise common cost allocation policy, and to document all expenditures allocated and charged to each budget line item of the project's expenditures. Such documentation should clarify how this allocation was done, which is essential as a reference of allocating the expenses between the different donors/projects.	*Please refer to annex 4 in the below pages.*	*Please refer to annex 4 in the below pages.*	*Please refer to annex 4 in the below pages.*
3	Procurement , assets, inventory and information management (Question # 6.15)	<u>Insufficient asset register and asset management</u> The Organization keeps/maintains asset register, however, during the physical verification we noted the following: - Asset serial numbers did not match with the asset register. - Asset's locations and conditions were not updated.	Significant	We recommend the Organization to update its asset register accordingly and increase control of the assets management.	*Please refer to annex 4 in the below pages.*	*Please refer to annex 4 in the below pages.*	*Please refer to annex 4 in the below pages.*

4	Procurement, assets, inventory and information management (Question 6.18)	<u>Lack of insurance coverage</u> It was noted that the Organization did not obtain adequate insurance coverage against significant risks for all its assets such as (fixed assets, inventory, and cash).	High	We recommend the Organization obtain appropriate insurance coverage for its assets against loss, theft, and third-party liability, for the protection of fixed assets. If this practice is not implemented in the country of operation, then the Organization should implement alternative control procedures to safeguard its assets from multiple risks mentioned above.	*Please refer to annex 4 in the below pages.*	*Please refer to annex 4 in the below pages.*	*Please refer to annex 4 in the below pages.*
5	Procurement, assets, inventory and information management (Questions 6.23, 6.25 & 6.26)	<u>Deficiencies over stock management</u> During the assessment process, it was noted that Organization has the following weaknesses over the inventory stock register: - Stock management policy lacks the disposal procedures of stocks. - While reviewing the stock register, we found that some items did not include the expiry date. - Inventory/stock system is managed through excel/paper based. - In the inventory physical counts, the actual counts figures were not recorded and compared with the recorded stocks, all the figures were updated through excel sheet.	Significant	We recommend the Organization to: - Update stock management policy for disposal of near to expired items. - Updating the inventory list to include all details related to the items. - Adopts an adequate system for inventory management as soon as possible to increase control over stock movement. This will result in time-saving, accuracy and consistency in processing inventory operations. - The physical count should be performed properly, and any discrepancies need to be fully investigated between book stock and physical stock.	*Please refer to annex 4 in the below pages.*	*Please refer to annex 4 in the below pages.*	*Please refer to annex 4 in the below pages.*

ANNEX 1. ORGANIZATION CHART



ANNEX 2. LIST OF PERSONS MET

Name	Position	Position	Email address	Contact number
Sayed Ashuqullah "Majidi"	General Director	Kabul Main Office	caf.director.general@gmail.com	0728355531
Sayed Abdullah Omar	Technical Director		caf.technical.director@gmail.com	0729880509
Mohammad Edriss "Yousufy"	Admin/Finance Director		caf.finance.director@gmail.com	0729880511
Mohammad Akram	Logistic Manager		caf.logistic@gmail.com	0729880519
Shabeer Masood	M & E Manager		meal.manager.kbl.caf@gmail.com	0797083404
Mohammad Sediqui	Malaria Project Officer		sediqsk@gmail.com	0796448615
Sayed Fakoor Razivi	Finance Manager		caf.kbl.fc@gmail.com	0729880512
Mohammad Tamim Mashal	Finance Manager		caf.am.kbl@gmail.com	0773659563
Faisal Rashid	Internal Auditor		caf.int.audit@gmail.com	0730793460

ANNEX 3. KEY STAFF DETAILS

S. No.	1
Name	Sayed Ashuqullah "Majidi"
Job titles	General Director
Job responsibilities	1.Represent the organization to government or non-government (external and internal) organizations. 2.To ensure the organization activities are considering its strategic planning. 3.To ensure organization resources are used effectively and efficiently. 4.Signing Proposals, contracts and MoUs on behalf of the organization. 5.Opening/ closing bank account for the organization in domestic or international banks. 6.Chairing the meetings of Organization Management board and management board. 7.General Director can delegate one or several of his/her duties to other members of the organization. 8.Ensuring of accountability, transparency, integrity, efficiency and equity principle in all conducts of the organization 9.Represent organization in Trustee board and Organization advisory board 10.Approve internal procedures and regulations of the organization;
Educational background	MD, Master of Public Health (MPH)
Professional Experience	(16) Years

S. No.	2
Name	Sayed Abdullah Omar
Job titles	Technical Director
Job responsibilities	He is the head of technical department and the overall responsible for Technical issues of the organization and its projects including planning, organizing, implementing, monitoring, coordination and reporting
Educational background	Master of Public Health (MPH)
Professional Experience	(19) Years

S. No.	3
Name	Mohammad Edriss "Yousufy"
Job titles	Admin/Finance Director
Job responsibilities	He is the head of the admin and finance department and responsible for the overall financial management, and financial reporting of the organization. For more detail refer to their documentation in the folder Key Staff
Educational background	Master of Business Administration (MBA)
Professional Experience	(25) Years.

S. No.	4
Name	Mohammad Tamim Mashal
Job titles	Account Manager
Job responsibilities	Responsible for the overall accounting management and accounting report, provision of financial statement of the organization on monthly basis. Beside he is the responsible for financial system of the organization Quick book as well as responsible for archiving of the transaction documents on monthly basis. For more detail refer to their documentation in the folder Key Staff
Educational background	Master of Business Administration (MBA)
Professional Experience	(18) Years

S. No.	5
Name	Sohaila Walian
Job titles	Head of Human Resources Department
Job responsibilities	In consultation of country management team develop and implement human resources strategies by establishing departmental responsibilities, staffing, employment processing, compensation, health and welfare benefits, training and development, records management, safety and health, succession planning, recommendations to organization strategic thinking and direction; establishing human resources objectives in line with organizational objectives, employee relations and retention, compliance of labour law and labour relations.
Educational background	BA/MBA
Professional Experience	More than 15 years' experience on management position.

ANNEX 4. MANAGEMENT RESPONSE AND AUDITOR COMMENTS

S.N	Assement Ar	Issued observed	Risk Rating	Management Response	Timelines	Estimated cost / Source of funding	Auditor Comment
1	Human Resources (Question # 2.7)	**Lack of gender balance** It was noted that Organization have has less than five percent of female staff in their head office and provincial offices, none of the female staff are at the managerial level, in addition the Organization policy didn't state any gender balance (occupancy level) in their HR manual.	Significant	*Not completely agreed. At head office level CAF partially agrees with the observation, however at field level CAF have more than 36% of female staff working on different position including managerial level. For your perusal the staff list is attached as Annex-2.*	N/A	N/A	The finding is based on a document/ staff list (head office and provincial offices) reviewed by the team, however, it is not related to the clinic/hospital staff.
2	Financial Management (Question # 5.9)	**Lack of shared cost allocation policy** was noted that the Organization does not have documented, consistent, and clear allocation policy for the shared expenditures showing the criteria in which common expenses are distributed between different donors/ projects.	High	*CAF already have properly established and written policies and procedures shared/indirect costs allocation among different projects and core funds. For your perusal attached as Annex-3.*	N/A	N/A	The shared cost allocation policy provided by the Organization does not contain the necessary information such as (criteria/method for calculating the percentage/rate for allocating the actual cost sharing between different donors/projects).
3	Procurement, assets, inventory and information management (Question # 6.15)	**Insufficient asset register and asset management** The Organization keeps/maintains asset register, however, during the physical verification we noted the following: - Asset serial numbers did not match with the asset register. - Asset's locations and conditions were not updated.	Significant	*Proper register and records for assets are maintained and updated from time to time. Also physical verification at semi Annual basis are performed. The assets physically verified by the auditor were out of use and kept temporally in the head office to be transferred to the designated location. The updated asset list is attached as Annex-4*	N/A	N/A	The assets that we physically verified during the evaluation were unusable, while the status in the asset register indicated that these assets were active, in addition, the location was also different from the registered location.
4	Procurement, assets, inventory and information management (Question 6.18)	**Lack of insurance coverage** It was noted that the Organization did not obtain adequate insurance coverage against significant risks for all its assets such as (fixed assets, inventory, and cash).	High	*Agreed, due to non-availability of proper insurer for the purpose in the country and non-availability of funds no insurance coverage has been obtained. Subject the availability of proper insurer and funds CAF will consider your recommendations for future improvement.*	*Whenever fund is available*	*Depends on calculation of the total assets value and insurance policies of insurance companies*	-
5	Procurement, assets, inventory and information management (Questions 6.23, 6.25 & 6.26)	**Deficiencies over stock management** During the assessment process, it was noted that Organization has the following weaknesses over the inventory stock register: -Stock management policy lacks the disposal procedures of stocks. -While reviewing the stock register, we found that some items did not include the expiry date. -Inventory/stock system is managed through excel/paper based. -In the inventory physical counts, the actual counts figures were not recorded and compared with the recorded stocks, all the figures were updated through excel sheet.	Significant	*Following justification are given: CAF has properly established and written policies for assets/stock disposals. Please refer to article 13.7 and 13.8 of the logistics and procurement policies and procedures already provided to the auditors. Pharmaceutical stock management is not detailed in CAF Logistic Policy. All the pharmaceutical warehouse/stock are managed based on Management Drug System (MDS) Guideline approved by WHO. Once the pharmaceuticals are received in stock, each item is recorded under its specific stock card including expiration date. The data which is recorded in stock card is moved to stock register, if some data is missed during data entry then there is reconciliation system. The stock was managed through MS Excel and there wasn't a specific software for stock management. During 2023 MSH provide M SUPPLY software to BPHS/EPHS project implementer and provide*	N/A	N/A	This finding is related to stock management - disposal procedures of stock, however, the policy (articles 13.7 and 13.8) provided by the organization is related to the Asset Management section.