# **Annex D: Detailed Findings and Recommendations**

***This is a minimum requirements template. It may be modified to include additional sections.***

1. Observations relating to overall financial management practices, internal control environment and compliance

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Observation description** | **Category of observation1** | **Risk rating2** | **Management Response** | **Recommendation** | **Priority3** | **Due date for implementation** | **Management Response** |
| 1 |  |  |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |  |  |
| … |  |  |  |  |  |  |  |  |

*Note 1:*

Category of observations:

1. Accounting and financial reporting systems and procedures
2. Cash, bank and asset management
3. Internal control deficiency, including approvals and segregation of duties
4. Contracting process and procurement procedures
5. Compliance with agreement and other laws and regulations
6. Other

*Note 2:*

Risk ratings:

High: significant likelihood of negative impact on the IP’s ability to execute or report on the programme in accordance with the work plan.

Medium: likelihood of negative impact on the IP’s ability to execute or report on some aspects of the programme in accordance with the work plan.

Low: low likelihood of potential negative impact on the IP’s ability to execute or report on the programme in accordance with the WP

*Note 3:*

Priority Ranking:

High: Action that is considered imperative to ensure that the agency is not exposed to high risks (i.e. failure to take action could result in major consequences and issues).

Medium: Action that is considered necessary to avoid exposure to significant risks (i.e. failure to take action could result in significant consequences).

Low: Action that is considered desirable and should result in enhanced control or better value for money.

1. Observations relating to specific expenditures selected for testing

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Sample expenditure description and voucher number** | **Sample expenditure amount reported and currency** | **Observation description** | **Category of observation** | **Management Response** | **Recommendation** | **Priority** | **Due date for implementation** | **Management Response** |
| 1 |  |  |  |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |  |  |  |
| … |  |  |  |  |  |  |  |  |  |

Category of observation:

1. Missing or inadequate documentation
2. Error in calculating or recording the expenditure
3. Expenditure not related to the programme or activity
4. Expenditure exceeds the approved budget rate or amount
5. Expenditure incurred outside the agreement period
6. Expenditure not recorded in the correct period or FACE form
7. Expenditure not approved as per IP policy
8. Expenditure not compliant with tax, legal or other regulations
9. Lack of proof that the expenditure was incurred or no proof of payment
10. Potential fraud or other irregularity
11. Other (specify)

Priority Ranking:

1. High: Action that is considered imperative to ensure that the agency is not exposed to high risks (i.e. failure to take action could result in major consequences and issues).
2. Low: Action that is considered desirable and should result in enhanced control or better value for money.