

PROJECT IMPLEMENTATION MANUAL

INTERNAL CONTROL CHECKLIST

Yes	No	N/A	Comments / Notes
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A. INTERNAL CONTROL ENVIRONMENT

ETHICS

A1	Does your Organisation have a staff Code of Conduct, promoting integrity, ethical behaviour and values?				
A2	Does this staff Code of Conduct : - prohibit conflicts of interest? - prohibit acceptance of payments, gifts or any other advantages from suppliers or potential suppliers? - prohibit use of the project assets for other than project purposes? - prohibit any other unethical behaviour?				
A3	Are there measures ensuring the respect of the above-noted code of conduct, and including disciplinary measures in case of infringement?				

HUMAN RESOURCES

A4	Does your Organisation have a permanent staff performance appraisal system?				
A5	Is there a staff development and training plan?				
A6	As part of your staff recruitment procedures, do you have measures to identify the competency of candidates?				
A7	Are there measures to ensure that competent staff is retained and remains motivated?				
A8	Do the staff exit procedures ensure the proper hand-over of information and files, as well as the cancellation of passwords and access rights?				

ORGANISATION STRUCTURE

A9	Is there an up-to-date organisation chart?				
A10	Are there written, clear description of functions for each post / employee / executive?				
A11	Do these post descriptions avoid any overlaps in functions?				
A12	Is there a detailed operations manual and/or a project manual?				
A13	Does the operations manual and/or project manual cover: - the organisation chart? - the description of the tasks and responsibilities of the different posts? - the procurement process and procedures? - the asset management procedures? - the time and expenses reporting procedures? - the cash management procedures? - the accounting policies and procedures and the financial reporting process? - the budget follow-up procedures? - the list of permitted / prohibited expenditure, together with a list of non-eligible expenditure?				
A14	Is your project staff duly informed of the existing operations/project manual(s)?				

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B. OBJECTIVES SETTING					
B1	Does the project application form clearly describe the project objectives and activities?				
B2	Does the budget preparation process ensures that:				
	- there is a clear link between the planned activities and the projected costs?				
	- the assumptions used are plausible?				
	- each expenditure item is properly classified and that the description/content thereof leaves no room for interpretation?				
	- there is no overlap between the budgetary headings and lines?				
	- the quantities indicated in the budget are clear and leave no interpretation issues?				
	- the price estimates used are reasonable?				
B3	Are the budgets compared at least each quarter with the actual figures and are variances duly analysed?				
C. RISK MANAGEMENT					
C1	Is there a process for identifying the major risks of the project (including financial risks), together with their likelihood of occurrence and their potential impact?				
C2	Is there a plan or process to alleviate/reduce/respond to these risks?				
C3	Is this plan documented in writing?				

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D. CONTROL ACTIVITIES

SEGREGATION OF DUTIES

D1	Has your Organisation implemented measures to segregate duties between: - custody of assets and verification tasks? (example : cash custody versus cash reconciliation) - management tasks and authorisation tasks? (example : performing procurement procedures versus authorising the contract with a supplier) - management tasks and accounting tasks? (example : approving purchase invoices versus accounting for these invoices) - accounting tasks and payment tasks? (example : payment order preparation versus signature of the bank payment order)				
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SUPERVISION ACTIVITIES

D2	For all functions impacting financial transactions, is there a review and control by an officer of higher level than the one performing the task?				
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ASSET MANAGEMENT - INVESTMENT ASSETS

D3	Is there a fixed assets register?				
D4	Does this register include, for each asset, a unique description and a unique identification number?				
D5	Are these identification numbers physically affixed on the assets themselves?				
D6	Does the register indicate the cost value of each asset item, in agreement with the purchase invoices, together with the reference to the purchase invoice?				
D7	Does the register indicate the location of the asset and/or the department/person responsible for it?				
D8	Is the fixed assets register periodically reconciled with the general ledger accounting records (at least annually)?				
D9	Are the assets recorded in the fixed assets register periodically inspected for existence and physical condition (at least annually)?				
D10	Are these inspections performed by persons other than the custodians of these assets?				
D11	Have the persons responsible for an asset signed an acknowledgment of responsibility for the asset in question?				

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ASSET MANAGEMENT - VEHICLES					
D12	Do you keep log books for each vehicle?				
D13	Do these log books keep track of:				
	- the mileage made each day, with an indication of the trips made				
	- the fuel used in the vehicle				
	- the consumables (tyres, filters, lubricants, etc) used for the vehicle				
D14	Are these log books regularly reviewed? (at least monthly)				
D15	Does the review of these log books include:				
	- a check of the reasonableness of the trips indicated?				
	- a check with the mileage meter of the vehicle?				
	- a check of the reasonableness of the actual average fuel consumption of the vehicle?				
	- a check of the reasonableness of the consumables? (tyres, filters, lubricants, etc)				
ASSET MANAGEMENT - CONSUMABLES					
D16	Is there a permanent inventory of consumables?				
D17	Does this inventory indicate, for each item:				
	- the unique description/reference of the item?				
	- the quantities of movements in inventory (purchases), with reference to the purchase invoice or receipt document?				
	- the quantities of movements out of inventory (consumption) with the reference of the requisition document?				
	- the theoretical balance in inventory at any time?				
D18	For each disbursement out of permanent inventory, is there a requisition document established? Are these requisition documents numbered? Are they approved?				
D19	Are there regular physical checks of the inventory (with 100% coverage at least on an annual basis)?				
D20	Are these physical inventory checks performed by persons other than the storekeeper?				
D21	Are the permanent inventory records reconciled by persons other than the storekeeper?				
D22	Are these permanent inventory records regularly reconciled to the general ledger balance, as per the accounting records?				

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ASSET MANAGEMENT - OTHER ASPECTS

D23	If there are leased assets, are they subjected to the same control measures as your own assets?				
D24	Is there an itemised list of all advances and transitory items in the accounts?				
D25	Is this list regularly reconciled with the general ledger balance as per the accounting records? (at least monthly)				
D26	Is this list regularly reviewed for aged amounts, and are measures taken rapidly to clear all such amounts?				

TIME AND PAYROLL MANAGEMENT

D27	Does your organisation has a timesheet system?				
D28	Are the timesheets: - prepared by the staff themselves? - prepared with sufficient periodicity (e.g. weekly, bi-weekly or monthly)? - prepared timely (i.e. no later than a couple of days after the end of the time reporting period)? - reconciled with the total hours worked by the individual? - reviewed/approved by the direct superior of the staff?				
D29	Are personnel records kept up-to-date?				
D30	Are the decisions to hire, promote and terminate staff duly supervised by an officer not involved in accounting or payment functions?				
D31	Is the preparation of the payroll delegated to an individual / unit / service provider knowledgeable of the relevant social and tax rules?				
D32	Are the communications of personnel-related information (eg gross pay amounts, hires, departures, etc) to the preparer of the payroll controlled by an officer independent from the accounting and payment functions?				
D33	Are all payroll payments (including payments of social security, withholding tax and other payroll related payments) verified by an officer separate from the payroll preparation / payment preparation functions?				

CASH AND BANK MANAGEMENT

D34	Have you opened specific bank account(s) dedicated to the project?				
D35	Do all payments require two signatures?				
D36	Are the people having signature on the bank accounts independent from those performing bank accounting entries, preparing payments and/or performing bank reconciliations?				
D37	Are the bank balances, as per the accounting records, frequently reconciled with the bank's statements? (for example, weekly)				
D38	Are these bank reconciliations performed by a person separate from the bookkeeper?				
D39	Is a cash flow reconciliation, covering all the project's funds movements, prepared at least quarterly?				
D40	Are all invoices and payment vouchers stamped "PAID" at the moment of payment to prevent duplicate payment?				

CHEQUES:

D41	Are payments by cheque restricted only to those case where payment by bank transfer is not possible?				
D42	Are cheque forms kept in a safe place that is locked all the time?				
D43	Are the cheque forms controled by a person distinct from the bookkeeper?				
D44	Is the practice of pre-signing cheque forms prohibited?				
D45	When payments by cheque are made, is a photocopy of the signed cheque always retained and kept on file?				

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PETTY CASH:					
D46	Are payments by cash always restricted only to those cases where payments by bank transfer or cheque is not possible? Are payments by petty cash always limited to small amounts?				
D47	Is the amount kept in petty cash always limited to a small amount?				
D48	Is the cash on hand kept in a safe place that is locked all the time?				
D49	Is access to the cash limited to the cashier? Is the cashier distinct from the persons who perform the accounting entries and/or who perform the cash reconciliations?				
D50	Is a petty cash book maintained up-to-date?				
D51	Is the petty cash book frequently verified with the amount of cash physically on hand? Is this verification performed by a person independent from the cashier?				
D52	Are the movements and balances, as per the petty cash book, frequently reconciled by a person independent from the cashier?				
D53	Is a payment voucher established for each disbursement? Is each payment voucher approved by a person independent from the cashier? Is the identity of the payee always verified (eg with his identity documents) and is his/her signature always obtained for acknowledgement of the receipt of the funds?				

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E. COMMUNICATION, INFORMATION, LOGISTICS, SECURITY					
E1	Are there procedures ensuring that all documentation with financial impact is immediately forwarded to the bookkeeping department?				
E2	Are all computers and servers protected by an up-to date data security system (anti-virus/firewall/antispam)?				
E3	Are there access codes/passwords used for all sensitive applications, such as accounting or payment systems? Does your Organisation have an up-to-date list of all persons having access rights to these applications?				
E4	Are frequent back-ups made of electronic data? Are these back-ups kept in a safe place?				
E5	In case of a loss of electronic data due to a computer crash, would these back-ups allow you to restore the data rapidly?				
E6	Are there security measures in place to protect the project computers against theft?				
E7	Is access to the premises, in particular where financial documents and data are maintained, duly secured?				
E8	Does the filing and archiving system allow to rapidly retrieve all documents? Would this be system easily usable by persons unfamiliar with the project?				
E9	Is there an up-to-date filing and archiving index?				
E10	Is each document/folder/archive box labeled with a referenced linked to this filing and archiving index?				
E11	Are the project documents archived in a place that is protected against fire or flooding?				
E12	Are the archiving conditions capable of preventing the documents from deteriorating over time, at the minimum during a period of 7 years after the payment of the final balance of the project/programme?				
F. MONITORING ACTIVITIES					
F1	Does Management regularly review the project's internal controls as well as any changes made to them?				
F2	Has Management taken follow-up actions in respect of: - internal audit reports - external audit reports so as to remedy all weaknesses found?				

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G. COORDINATION ACTIVITIES

(If your Organisation coordinates activities of other entities / participants / partners in the project):

G1	Did you, as co-ordinating organisation, obtain appropriate assurances about the internal controls applied by other project partners?				
G2	Do you regularly obtain and review the project accounting and financial reports prepared by these other partners?				
G3	Do you regularly review these accounting records and financial reports against budgets, and obtain explanations from the partner in case of significant differences?				
G4	Do you perform on-site verifications of the work of the participants/partners coordinated by you?				

Prepared by:

Name, Position, Signature, Date

Approved by:

Name, Position, Signature, Date