

**Pre-Award Assessment Procedures**

**Standard Operating Procedures  
Pre-Award Assessments  
of  
Sub Recipient Organizations**

<b>Sub Recipient Information</b>	
<b>Sub recipient name</b>	Handle
<b>Sub recipient location</b>	Juba ,South Sudan
<b>Anticipated project period (from/to)</b>	01 January -31 December 2024
<b>Sub recipient primary contact (name/position)</b>	Executive Director – Layaa Lydia
<b>Other interview participants (at sub recipient)</b>	<ul style="list-style-type: none"> <li>- Stephen Oryema- Programs Coordinator/ Coordinator Men Engage for South Sudan</li> <li>- Micheal- Project Officer/ Advocacy officer under Men Engage</li> <li>- Lydia- Executive Director</li> <li>- Akot- Finance</li> <li>- M&amp;E</li> </ul>



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Reg. No: 2006/023739/08

## Pre-Award Assessment Procedures

	- Program Volunteer
<b>Sub recipient contact information (phone/email)</b>	Executive Director – Lydia contact@handle-southsudan.org
<b>Sonke Pre-Award Assessment Reviewer Information</b>	
<b>Sonke pre award assessment reviewer (name/title)</b>	Blessing Katsande – Sub awards Specialist Agnes Akoth – GTA Trainer
<b>Sonke sub award Project Manager</b>	Mabel Sengendo
<b>Dates of pre award assessment</b>	17 October 2023
<b>Method of pre award assessment (site visit/phone/email)</b>	Onsite

**Pre-Award Assessment**

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## Pre-Award Assessment Procedures

The pre award assessment of the sub recipient should be conducted before the sub award is provided to the sub recipient. This pre award assessment document provides information that can be used to conduct the assessment.

### Who conducts the pre award assessment

At Sonke the responsibility for managing the pre award assessments process is within the operations, specifically the Sub Awards Manager. However, as this is not solely a financial assessment s/he will work closely with program and other staff to conduct the assessment.

The pre award assessment should be conducted by staff trained to conduct the assessment or staff with knowledge of the requirements for conducting an assessment. Multiple staff can be part of the process, with specific sections assigned to those staff based on their area of expertise. This will help to ensure that all aspects of the pre award assessment are done appropriately and by the right staff.

### What the pre award assessment CAN do

This pre award assessment provides statements of good business practices in key areas of an organization's management.

The document can be used to assess a sub-recipient organization's administrative, management and financial capacity to receive funds, implement and generally manage the project effectively and efficiently.

It can help you identify areas that might need improvement and in which Sonke can work with the sub recipient to build capacity, strengthen management, establish procedures, provide training, etc.

### What the pre award assessment CANNOT do

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## Pre-Award Assessment Procedures

Every organization is different and financial management systems must reflect this. A “one size fits all” approach cannot work for every sub recipient. However, the key aspects of good business practices are the same for most organizations most of the time. This assessment focuses on those aspects.

This assessment provides a general indication of the risk issues of the sub recipient’s management and ability to implement and manage the project. It is not an exhaustive list of all aspects of the sub recipient’s management. It is not an audit. It does not provide a standard set of procedures that are relevant in every situation.

The pre award assessment cannot eliminate risks nor guarantee a problem free experience in working with the sub recipient.

### Considerations

In using this assessment consider how well the sub recipient is in line with the good business practice. Include in your assessment verbal and other communications that you have with the sub recipient as well as follow-up information received in your response to questions you might ask to clarify some responses.

Also consider information you receive from references, the historical operation and achievements of the sub recipient and other issues that may be harder to define such as the enthusiasm of the sub recipient’s staff, and their ability to learn and assimilate new information and procedures.

If necessary, amend and revise this document to suit the needs of the situation, environment, or project needs, so that this document is as appropriate as possible for you to conduct a useful pre-award assessment.

### How to use the pre award assessment

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## Pre-Award Assessment Procedures

The assessment can be used by any member of staff with knowledge of or trained in conducting pre award assessments, who knows how to interpret and make decisions on the information obtained and ask the required follow-up to the information obtained, if necessary.

The most useful way to use this tool is to complete it in a scheduled meeting, with input from appropriate staff (finance, compliance, grants, and contracts, etc.) at the sub recipient organization and appropriate staff within Sonke.

Taking each statement of best practice in turn, discuss whether it is true, is in place, or happens in the sub recipient’s organization. Determine a score based on what happens, not what is supposed to happen, or what is documented in the procedure’s manuals. The scores available are 5, 4, 1 and 0 only.

Modify this document as needed (shorten, lengthen, revise) to suit your specific needs and help you reduce the risks in sub award management.

Explanation	Score
The practice is totally in accordance with the statement	5
The practice is done most times, close to 5 but not quite there	4
The practice is done sometimes, infrequently, close to 0 but not that poor	1
This is not in place, or is not true or does not happen	0

A degree of judgment is required to decide between “4” or “1”. It is not an exact science. If the reviewer/assessor cannot provide a clear-cut score of “5” or “0”, the reviewer/assessor will need to decide which one the sub recipient is closer to.

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## Pre-Award Assessment Procedures

Often the real value in this exercise is not the score itself so much as the conversations and the details of issues discussed and the resulting information or impressions. Take good notes and keep a list of action points or follow-up issues as they come up.

Add up the total scores for each section and use them to get a total. Then interpret the score using your organization's risk assessment standards as well as the guidance given here.

### Registration and legal status

	Statement of best practice	Score	Comments	Supporting Documents
	Organization is officially registered, and original documents are available for review ( <i>score 5 if registered, 1 if not sure or possible</i> )	5	Yes, NGO registered in 2019 but registration is renewed yearly	
	A current office lease is available for review ( <i>score 5 if available</i> )	5	Yes, please find attached lease agreement.	
	There are no legal actions pending against the organization ( <i>score 5 if none, 0 if there are</i> )	5	No	
<b>Total score for registration and legal status</b>		15		

### Planning and budgeting

## Pre-Award Assessment Procedures

	Statement of best practice	Score	Comments	Supporting Documents
1	Annual organizational budgets are prepared on time	1	Budgets are prepared according to the project.  Advised SR to revise annual organization budgets. 4-year budget is provided on the 4-year strategic plan which ends in 2023.	
2	Both finance and program staff are involved in preparing budget	3	Yes, Budgets are prepared according to the M&E framework and finance, then submitted to ED and board for approval. Last budget was approved in March 2023 by the Board. Please find attached Board minutes.	
3	Project activities are based on the costs of the planned activities	3	Yes	
4	Budgets include budget notes and clear calculations	4	Yes, Project budget was reviewed onsite.	
5	Separate budgets are prepared for each donor and project.	2	SR has 1 project running since 2021 to 2023, so there is only 1 budget.  Amount:166 000 Euros  2 projects have been confirmed according to the donor listing.	

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			3 donors are waiting to fund the network though Handle once confirmed to be MenEngage SS Secretariat.	
6	Organizational budgets are approved by the Board of Trustees	2	Yes, approved at strategic plan level and not on an annual basis.	
7	A named individual (budget manager) is responsible for implementing and managing each budget	3	Currently there is 1 program person on programs but can employ more program staff should they receive more funding.	
8	Budget codes match (or correspond to) accounting codes	3	Budget codes are in place on excel. QuickBooks is in place but not in use.	
9	All planned operational costs are adequately funded	1	SR is 100% depended on donor funding.  Most positions are not filled.  Accounting system is not fully operational as subscriptions have not been paid due to limited funding.  Advised SR to fundraise for the organization through  1. Including an indirect rate costs rate. 2. Charge fee for service.	



## Pre-Award Assessment Procedures

			<p>3. Develop a fund-raising plan.</p> <p>4. Open discretionary account to separate organizational funds from donors.</p> <p>SR has managed to secure 2 donors, please find attached confirmation.</p>	
10	Budgets are reviewed against actual expenses by budget managers at least monthly/quarterly	3	Quarterly, but ideally monthly.	
11	A cash flow forecast is prepared every month.	1	Only done yearly but encouraged SR prepare cashflow forecast monthly.	
<b>Total score for planning and budgeting</b>		25		

### Accounting systems, financial management

	Statement of best practice	Score	Comments	Supporting Documents

## Pre-Award Assessment Procedures

1	Written procedures exist for all accounting and finance procedures	4	Yes, please find attached	
2	There is clear segregation of duties	4	<p>Procurement process</p> <p>A request form is prepared from the requesting department. This is submitted to finance for review and approved according to the procurement levels below.</p> <p>\$1-\$1000- Department – This is reviewed by finance and approved by Project Coordinators/ Managers.</p> <p>\$1000-\$5000- Department – Requesting department prepares a request form, finance review and Coordinator and ED approves.</p> <p>\$5000- Bidding process starts- (Procurement committee handles the process).</p> <p>This process is the same as the payment process.</p> <p>Advised SR to also include board level at a certain level.</p>	

## Pre-Award Assessment Procedures

3	Every payment made has a supporting document providing evidence of the transaction	4	Please find attached supporting documents	
4	All cash or checks received are recorded on pre-numbered receipts ( <i>if no checks are received score 5</i> )	4	EFT, no cash received at the premise.	
5	All payments and receipts are recorded in cashbooks (date, description, amount)	3	Yes, reviewed cashbook onsite.	
6	There is a separate cash book for each bank and cash account	2	SR currently has 1 bank account.	
7	Every entry in the cashbook is cross referenced to a supporting document	0	No, Advised SR to cross reference documents to every entry in the cashbook.	
8	All cashbooks are updated at least once per month.	3	Updated as transaction happen.	
9	Accounting records separate receipts and payments for each award	3	Currently have 1 running project.	
10	All cashbooks are written neatly in permanent ink or entered on computer	3	Currently using excel. QuickBooks is in place but not in use	
11	A standard chart of accounts is used to code (or classify) each transaction in the cashbooks	0	No do not have chat of accounts.	
12	Transactions are classified by project or donor using a standard list of "cost centers"	0	Currently has 1 project running.	
13	Supporting documents are kept on file for all transactions.	4	Yes, please find attached photo	
14	Financial files are clear, complete, and secure.	4	Filing Cabinet and the room can be locked	

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15	Is there an approved negotiated indirect cost rate agreement or if not, supporting documents for the indirect rates charged to awards ( <i>score 5 if no charges</i> )	3	7% indirect cost is charged on the Space project. is currently charged. This is not stipulated in the current policy. Advised SR include indirect cost rate. This will help in negotiating indirect costs rate with donors.	
16	A bank account is available and additional bank accounts can be established if required	3	SR has 1 bank account but willing to open additional accounts. Advised SR to open accounts as per donor conditions but can have 1 bank account to run the small/short projects. Also advised SR to open a discretionary account to separate organizational funds from donor funding.	
17	A bank reconciliation is done each month, for every bank account	3	Done monthly, but not separated form cashbook. Advised SR to have a separate file for bank reconciliation.	
18	A reconciliation is done of petty cash at least every month	5	No petty cash	
<b>Total score for accounting systems, financial management</b>		49		

## Pre-Award Assessment Procedures

### Financial reporting

	Statement of best practice	Score	Comments	Supporting Documents
1	Financial reports are prepared at quarterly but ideally, monthly	3	Financial statements are only prepared on yearly basis, but budget vs actuals are prepared and shared when reports are due.	
2	Senior management reviews and authorizes the financial reports at least once every three months	3	This is done yearly but has advised SR to review and authorize financial reports at least quarterly.	
3	The board reviews financial reports every quarter or at least annually	4	Board meets twice a year.	
4	Reports include details of cash and bank balances, amounts due (e.g., from staff) and owed (e.g., to suppliers)	3	Financial information is shared with the board yearly.	
5	Budget managers receive budget monitoring reports every month	3	Receive monthly	
6	Budget monitoring reports include explanations and comments about differences	4	Yes, this was reviewed and confirmed onsite	
7	Financial reports are used to help make decisions	3	Yes	

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8	Financial information is shared with beneficiaries at least once per year, in an accessible way	3	Annual reports are shared with the Board and donor, and county. Advised SR to also share annual reports on their website	
9	Annual audits are up to date (signed within 6 months of the year end)	3	Yes, please find attached 2021 and 2022 organizational audit.	
<b>Total score for financial reporting</b>		29		

### Internal controls

	Statement of best practice	Score	Comments	Supporting Documents
1	Cash is kept safely in a locked cashbox or safe, in the custody of one individual	5	No petty cash	
2	All cash received is banked intact, i.e., without any being spent ( <i>if no cash is received, score 5</i> )	3	Yes, but advised SR that employees given advance to implement activities to be responsible to bank the remaining funds into HANDLE bank account.	

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3	All checks or wire transfers are authorized/signed by at least two authorized signatories	3	Yes	
4	There are systems in place to ensure the security of passwords and access to the internet banking system	1	Currently there is no policy in terms of security of passwords. Advised SR to incorporate this into the policy.	
5	There are systems in place to ensure the security of passwords and access to the financial system/records.	1	This is implemented at individual level and not organization level. Advised SR to include this into their policies.	
6	There are automatic shutdown/system locks for the finance and associated computers.	1	This is implemented at individual level and not organization level. Advised SR to include this into their policies.	
7	Bank reconciliations are checked by someone other than the one who did prepare them	3	Yes, its reviewed by program and ED.	
8	There is a written policy detailing who can authorize expenditure of different types or value	3	Yes	
9	All transactions are properly authorized	3	Yes, find attached payment pack.	
10	Cash payments are authorized by someone other than the cashier	3	Yes	
11	Different steps in the procurement process, (e.g., ordering, receiving, and paying) are shared among different people	3	Yes	

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12	Expenses claims for staff advances are checked against the amount advance and reconciled	3	Yes, but the remaining funds are paid to the finance to deposit accounts.	
13	Staff salaries (including advances and loan deductions) are checked each month by a senior manager	3	Loans are not given to staff	
14	Statutory deductions (e.g., payroll taxes) are properly made and paid on time	0	Last stopped in May 2023 due to lack of funding. Advised SR that this is a serious compliance and should make sure that all government taxes are paid.	
15	All fixed assets (e.g., vehicles, computers) owned are safe guarded and controlled with a fixed assets register	3	Yes, but no insurance. Advised SR to insure valuable assets.	
16	There are approved policies and procedures manuals in place for procurement, accounting, HR, travel, sub recipient monitoring (if applicable), and known by staff	1	Policies are shared at onboarding only.  We noted that finance is not aware of current policies.  Advised SR to go through policies during staff meetings.	
17	There are scheduled revisions/updates to the procedure's manuals and trainings	0	Not now but will be implemented	
18	Senior management leads by example in the complying with internal procedures	2	Yes	



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19	The sub recipient monitors and documents compliance with policies and procedures	3	Yes	
<b>Total score for internal controls</b>		45		

### Audits

	Statement of best practice	Score	Comments	Supporting Documents
1	A properly registered audit firm is selected by the Board at least annually	3	Are approved by the Board. Current auditors in use for the past 3 years. Advised SR to go through procurement process every 5yrs.	
2	Does the sub recipient have regular audits of the entire organization (at least annually)? If not, are there annual balance sheets and revenue/expense statements?	4	Yes, please find attached 2021 and 2022 audit reports.	
3	Is the audit conducted by an independent organization that issues an audit report?	3	Yes	
4	Are corrective action plans developed and implemented in response to audit recommendations?	3	Yes	
5	Does the sub recipient comply with or implement all audit recommendations within 3 months of the audit?	4	Yes	

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<b>Total score for audits</b>	17	
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### Grants management

	Statement of best practice	Score	Comments	Supporting Documents
1	The organization has previously received funding to implement projects ( <i>score 5 if yes in the last 3 years</i> )	4	SR currently running European Union project since 2021 ending in 2024.	
2	There is a signed agreement/contract in place for each award.	4	Yes	
3	Senior managers check the award terms and conditions are reasonable before signing awards	4	Yes	
4	Award conditions on procurement are known by finance staff, budget managers and procurement staff	1	Policies are known by some staff members but not all. Advised SR to schedule to go through policies with staff e.g during staff meetings.	
5	Award conditions of the sub award are known by finance staff, budget managers and project staff	1	Policies are known by some staff members but not all. Advised SR to schedule to go through	

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			policies with staff e.g during staff meetings.	
6	There is compliance with the terms and conditions in awards	3	Yes,	
7	There is a tracking mechanism and responsibility assigned for donor reports and award compliance	3	Funding portfolio is still very low and its easy to keep track on compliance.	
8	Donors receive financial and narrative reports in the right format/forms and are on time	3	Yes	
9	Donor financial and narrative reports are consistent and clearly linked to each other	3	Yes	
10	Donor funds are kept for the activities they are meant for and never “borrowed” for other activities	3	SR has 1 bank account. Encouraged SR to open a separate account (discretionary account) for Handle which is separate from donor funding. Fundraising can be kept in this account and unfunded expenses can be spent form this account	
<b>Total score for grants management</b>		29		

**Staffing**

## Pre-Award Assessment Procedures

	<b>Statement of best practice</b>	<b>Score</b>	<b>Comments</b>	<b>Supporting Documents</b>
1	The board includes someone with the skills needed to oversee all financial activities.	4	Yes	
2	The staff have the skills (and qualifications) needed to carry out all activities.	4	Yes, please find attached finance and M&E CVs.	
3	Managers and program staff have the financial skills they need to manage budgets and implement controls	4	Yes	
4	Finance and program staff share responsibilities in payments processing and budget monitoring	3	Yes	
5	Different roles within functions are clearly defined, known, and followed	1	Finance is also handling HR	
6	Senior staff lead by example in following control procedures.	3	Yes	
7	Staff are recruited freely and fairly on the basis of merit only.	3	Advertise online on NGO forum website as per country requirements	
8	Staff receive orientation and training when they join the organization.	3	Yes	
9	All departments have a designated “manager.”	2	Yes, there is no Communication and HR personal.	
10	A performance management/review is conducted at least once per year for ALL staff	0	Currently do not have performance management/ review.	

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			To be implemented next year	
11	Performance issues are managed in a systematic process that allows for verbal and written notices and opportunities to correct the problem	4	Yes, this is also stipulated in the HR manual.	
12	Staff are given opportunities for “self-development” and/or are provided with tuition assistance	3	Staff are given study leave, but no tuition fee assistance due to limited funding and savings.	
<b>Total score for staffing</b>		34		

### Project implementation

	Statement of best practice	Score	Comments	Supporting Documents
1	The sub recipient has previously implemented a project funded by an external donor/funds	3	SR is implementing funding from European Union since 2021 -2024 to the tune of 50 000-65 000 Euros per year	

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2	There is documented evidence of accomplishments from prior projects	2	This is the 1 <sup>ST</sup> contractual project that HANDLE has implemented, and evidence of accomplishment will be evident at the completion of the program in 2024.	
3	The sub recipient has documented evidence of expertise in specific areas to be able to implement the project	3	Year 1 and 2 reports of European Union project documents evidence of successful areas of implementation.	
4	The sub recipient has examples of written project proposals and budgets it has prepared	4	Yes,	
5	The sub recipient has experience conducting workshops, dissemination seminars, etc.	3	Yes	
<b>Total score for program implementation</b>		15		

Notes:

**Other factors**

	Statement of best practice	Score	Comments	Supporting Documents
1	Perception of enthusiasm/morale of staff	3	Good	

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2	Perceived honesty/clarity in answering pre award assessment questions	3	Good	
3	General rating of references of the sub recipient	3	Average	

4	Perceived external view of organization in community, media, etc.	4	To go organization by the community. Handle is very active in the NGO sector activities, especially in a advocacy.	
<b>Total score for Other Factors</b>		<b>13</b>		

*Notes: Perceived as the organization to go to when it comes to issues relating to gender equality.*

### Interpreting the score

Record the score for each section. Add up the scores and see the advice below.

#### Sample scores only

Section	Score
Registration and legal status	15

High Risk	Medium Risk	Low Risk
0-7	8-11	12-15

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Planning and budgeting	25	0-27	28-43	44-55
Basic accounting systems, financial management	49	0-44	45-71	72-90
Financial reporting	29	0-22	23-35	36-45
Audits	17	0-12	13-19	20-25
Internal controls	45	0-47	48-75	76-95
Grants management	29	0-24	25-39	40-50
Staffing	34	0-29	30-47	48-60
Project implementation	15	0-12	13-19	20-25
Other factors	13	0-10	11-15	16-20
<b>Total score</b>	<b>271</b>	<b>0-234</b>	<b>235-383</b>	<b>384-480</b>

The scores used below are samples only. Your organization should determine appropriate scores based on its risk assessment requirements.



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## Pre-Award Assessment Procedures

### **The sub recipient's score is over 384 (sample score only)**

The sub recipient has done well! Administrative and financial management and organizations functions are in good shape. The risks of the sub recipient not being able to complete the work because of financial problems, poor management or lack of skills are low. However, also consider the risk assessment in each section: effective management and the potential for successful project implementation requires strength in all areas. Use this opportunity to suggest to the sub recipient further improvements or provide guidance on how they can continue best practices and further reduce your organizations risk of the sub award.

### **The sub recipient's score is between 235 and 383 (sample score only)**

The sub recipient has done ok. There is clearly some good practices and management in place, but still, plenty of room for improvement. There is a risk that financial, management or capacity problems will prevent the sub recipient from effective program implementation and management of the sub award. Low scoring sections require immediate attention from managers.

### **The sub recipient's score is less than 234 (sample score only)**

The sub recipient has a lot of work to be done! Their management and financial issues are not adequate. There is a high risk that the project will face implementation and financial management problems. Funds may be misused resulting in your organization having to take action to suspend or terminate the sub award. Special provisions should be included in the sub award terms and managers in the sub recipient organization must urgently address the issues that need improvement. You can consider providing assistance to the sub recipient to improve management. This sub recipient requires immediate action.

**Interview notes**

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## Pre-Award Assessment Procedures

### Notes on the interviews

-Handle is a women led organization, with good systems in place especially M&E. Programmatic work is good but still needs capacity strengthening especially in the following areas

1. Resource Mobilization
2. Planning and budgeting
3. Internal controls

As an organization they need go through policies and procedures as some of the staff were not aware of policies and procedures in their department e.g finance staff.

### Overall risk assessment

### Overall assessment of SR ....

Medium Risk