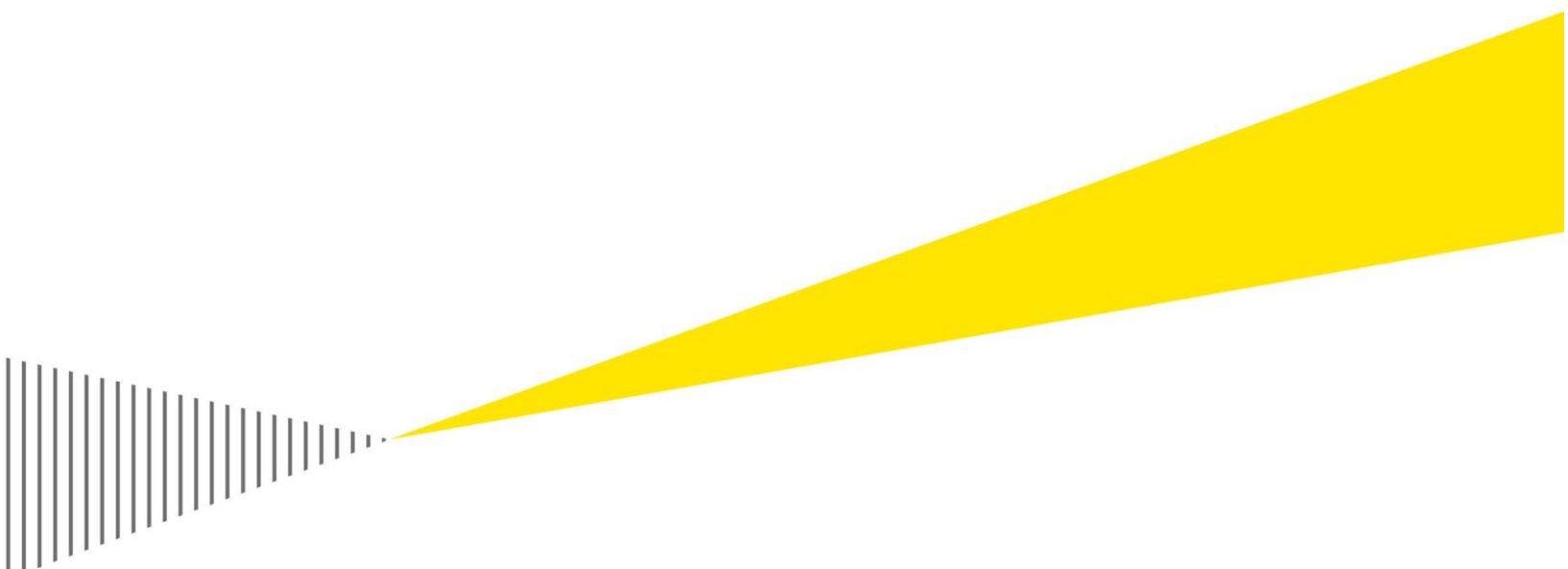


Embassy of Sweden (Swedish
International Development Cooperation
Agency - Sida)

System-Based Audit of Gender Links

November 2013



EY

Building a better
working world

I. Project Inception Report Approval

We have reviewed the contents of this Project Inception Report. We approve the project scope, project budget and project timeline and authorize this project to proceed.

Project Sponsor



Ernst & Young Executive

Date

04/11/2013

Date

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II. Project Inception Report Circulation

The Project Inception report will be circulated to the following;

Embassy of Sweden (Sida)

Date

Gender Links (GL)

Date



EY Engagement Partner

04/11/2013

Date

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List of Abbreviations

GL	Gender Links
HQ	Head Quarters
Sida	Swedish International Development Cooperation Agency

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1. Introduction

Gender Links (GL) is a Southern African Non Governmental Organisation (NGO) with its headquarters in Johannesburg, South Africa, promoting gender equality and justice across the fifteen countries of the region.

The Embassy of Sweden has been supporting the Gender Links Harare Office for the period, August 2012 to December 2013 with a total grant of SEK4 252 000,00. To date these funds have mainly been used in the setting up of the Harare Office and running the Gender Justice and Local Government Programme.

In an effort to assess whether Gender Links Zimbabwe has appropriate systems and routines for managing the organisation's activities to achieve its operational goals, the Swedish Embassy (Sida) has engaged EY to conduct a systems-based audit aimed at assessing whether the internal management and control systems in place at Gender Links are adequate to ensure quality organisational efficiency and accuracy of narrative and financial reports.

The main focus of this engagement is on carrying out a financial assessment/audit of the Financial Management Capacity of Gender Links (GL) in Zimbabwe.

This Project Inception Report supports the project by providing a tool to help manage project delivery risk. It defines the roles, responsibilities and key milestones associated with the project and supplements the formal agreement defined in the engagement agreement. In summary, this Project Inception Report provides a basis to improve understanding of the following:

- ▶ Scope and objectives
- ▶ Critical success factors / constraints surrounding execution
- ▶ Approach to service delivery and project protocols
- ▶ Project team roles and responsibilities
- ▶ Project timeline, key milestones and budget
- ▶ Project governance structure, the primary stakeholders, and individuals / groups impacted in the course of service delivery

This document may be updated throughout the project to reflect knowledge obtained or required amendments to scope and objectives.

2. Project objectives and scope

Objective

The key objective of the engagement is to conduct a financial assessment of the Financial Management Capacity of Gender Links (GL) in Zimbabwe.

Scope

According to the Terms of Reference and the signed contract the Swedish Embassy wants EY to:

- ▶ determine on the basis of the examination, whether the documentation and reports received by the Embassy under the current agreement present a true and fair view and can therefore be considered to provide reliable data for Embassy of Sweden (Sida);
- ▶ assess if GL complies with the Embassy of Sweden (Sida)'s terms and conditions as stipulated in the agreement between the Embassy of Sweden (Sida) and GL; and
- ▶ provide recommendations to improve or strengthen the existing competence systems and working methods.

Specific Issues to be addressed are:

- ▶ Analyze whether the processes, control systems, tools, routines and working methods are appropriate for the organizations activities, and in accordance to The Embassy's rules and assess how they have been working in practice and are enforced; and
- ▶ Examine the reliability and validity of the systems for operational and financial management that exist in Gender Links.

The system-based audit will be limited to assessing the following:

- ▶ Organisation's internal operational and financial management control systems and processes;
- ▶ GL organisational structure, the relevance and dimensioning of this structure in relation to functions and duties including the level of delegated authority from GL HQ to its Zimbabwe country office;
- ▶ The internal communication mechanisms through the whole cooperation chain shall also be assessed;
- ▶ Whether the organisation has competence, capacity and routines to achieve its goals; and
- ▶ The organisation's compliance with the agreement.

In addition, EY will make in, order of priority, recommendations in respect of improvements of the operational management and control of GL to address the identified weaknesses.

Detailed scope and key activities

Organisational structure

Together with an overall presentation of the organisational structure of the organisation, the following areas shall be assessed:

- ▶ Vision, mission statement, goals, policies (e.g gender, environment;
- ▶ HIV/AIDS), and activity plans;
- ▶ Mandate and the role of the governing Board;
- ▶ Decision-making mandate and delegation procedures through the whole organisation chain; and
- ▶ Assess how formal decision-making mandate and delegation work in practice (formal/informal power structures).

Financial management and control

In the assessment of systems and routines for financial management and control, the following shall be included:

- ▶ Financial reporting system internal and external procedures;
- ▶ Authorisations and segregation of duties;
- ▶ Transfers of funds and bank and cash holdings;
- ▶ Budgeting processes;
- ▶ Audits in all parts of the organisation, quality of audit certificates including an assessment of whether audits comply with the Embassy of Sweden (Sida)'s audit requirements for GL as stipulated in the agreement between the Embassy of Sweden (Sida) and GL;
- ▶ Competence and routines at GL for analysing and acting on audit issues and suspected irregularities;
- ▶ Project management systems and chart of accounts;
- ▶ Compliance with Agreements ;
- ▶ Systems, rules and routines for procurement; and
- ▶ Existence of (and adherence to) office manuals/working orders which stipulate rules for e.g. decision mandate for travels, rules for per diems, travel reports etc.

Aid effectiveness

The findings shall briefly and on a general level be related to key aspects of the aid effectiveness agenda, i.e. to what extent GL systems for management and control enables harmonisation with other donors, local ownership, and alignment to national coordination mechanisms, other aid implementing organisations, local systems and core funding.

Geography

- ▶ The consultants will be based at Gender Links, Harare Office, 6th Floor, 30 Samora Machel Avenue, Harare, Zimbabwe.

Timing

- ▶ The work starts 29 October 2013 and is expected to be completed by 22 November 2013.

Out-of-scope

- ▶ Site visits to other Gender Links offices (outside Zimbabwe) will not be carried out.
- ▶ Gender Links (HQ) staff will only be contacted through e-mail and telephone.

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3. Tools and Methodologies

EY will build on its audit expertise and experience of applying adequate Performance Improvement, Transaction Advisory and Risk Methodologies to undertake various stages of this assignment. These methodologies provide an integrated set of tools, techniques, standards and processes to ensure successful process review and execution.

4. Engagement Tracking

The tracking and reporting of realized benefits will be performed via on-going status reports.

Deliverables, approach, dependencies and critical success factors

The following end products are expected at a minimum:

Service delivery approach

Work Products and Reports	Planned Delivery Date
Inception Report	31 October 2013
Draft Report to Gender Links (Zimbabwe & South Africa)	7 November 2013
Gender Links Comments on Draft Report to EY	11 November 2013
Draft Report to Embassy of Sweden (Sida)	12 November 2013
EMBASSY OF SWEDEN (SIDA) Comments on Draft Report to EY	16 November 2013
EY Presentation of Final Report (at 2pm)	19 November 2013
EY Final Report submission to Embassy of Sweden (Sida)	22 November 2013
Project Closure	22 November 2013

Dependencies and assumptions

In performing out work, EY will require access to the following:

- ▶ Gender Link's (Harare Office) Management and staff at different levels;
- ▶ Gender Links (South Africa) Director of Operations (via, e-mail or telephone);
- ▶ Relevant systems and documentation **(detailed document listing provided in Appendix B)** relating to:
 - Organisational Structure;
 - Accounting Procedures;
 - Internal Controls;
 - Budgeting, Reporting and Auditing;
 - Policy Environment; and
 - Procurement Procedures
- ▶ Any other source deemed necessary.

The following are the assumptions being taken by EY;

- ▶ The availability of documentation will be of great value to the engagement,
- ▶ Availability of dedicated and committed staff from the GL and Embassy of Sweden (Sida) side to ensure optimal knowledge transfer, and
- ▶ Mitigation of risks associated with assignment.

Critical success factors

The following are the critical success factors identified for the success of this project;

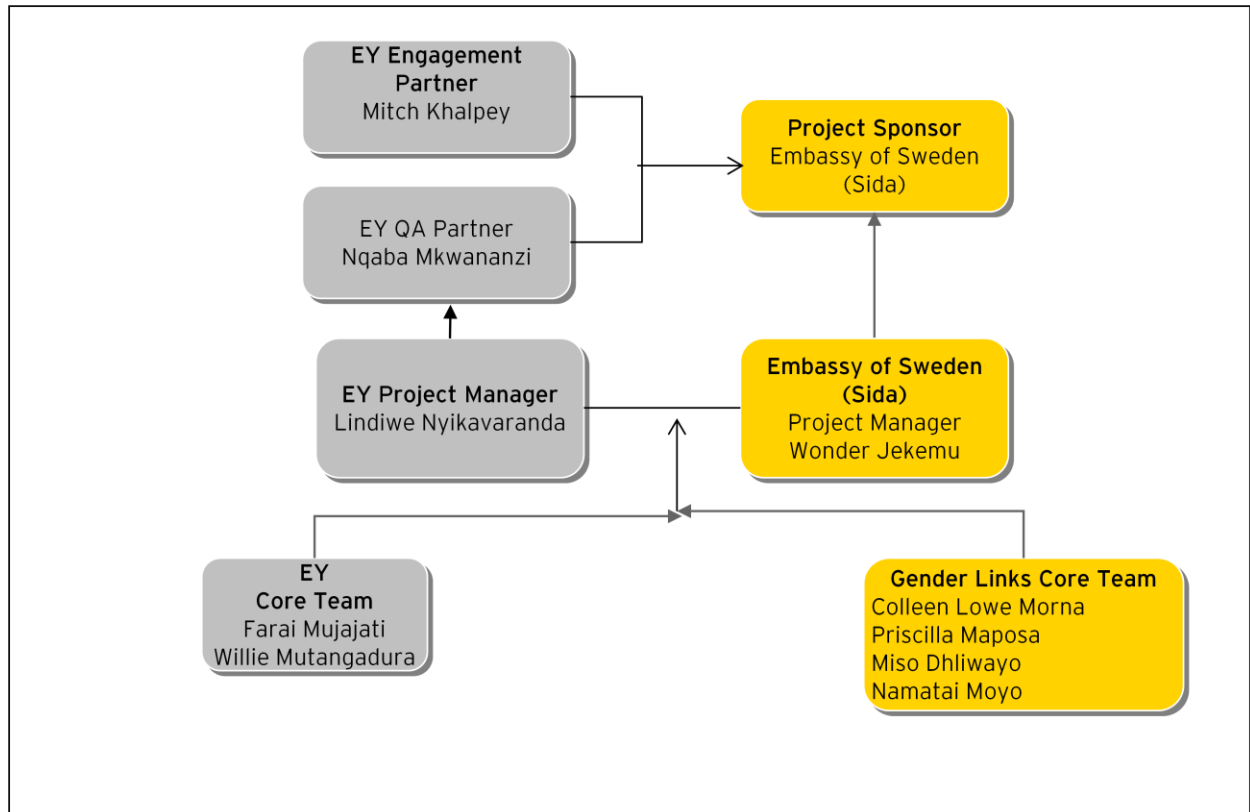
- ▶ Maintain regular communication between Embassy of Sweden (Sida), Gender Links and EY;
- ▶ Agreement and performance to roles and responsibilities
- ▶ Agreement of project milestones and commitment from Gender Links (Zimbabwe), Gender Links (South Africa), Embassy of Sweden (Sida) and EY to achieve the agreed timeframes;
- ▶ Compliance with all applicable laws, including statutes and regulations;
- ▶ Timely delivery of accurate data, information and supporting documentation by the Gender Links,
- ▶ Timely responses to requests from EY, and
- ▶ Coordinated approach to minimize disruption to the Gender Link's day-to-day business operations.

5. Protocols

The following table defines the protocols surrounding the execution of the project:

Ref.	Protocol	Comments
1	Communication of Progress	<ul style="list-style-type: none"> Progress will be communicated weekly every Monday. Upon receipt of feedback on the progress report no later than the following day (Tuesday) the EY Project Manager will circulate the progress status report to all stakeholders as identified in this document.
2	Issue Identification and Reporting	<ul style="list-style-type: none"> Issues will be identified on a continuous basis and reporting through the Project Managers. For EY this will be Lindy Nyikavaranda, whilst for Embassy of Sweden (Sida) this will be Wonder Jekemu.
	Issue Resolution	<ul style="list-style-type: none"> Issues will be resolved by the Project Managers and where necessary will be escalated to the Project Sponsor.
4	Access to required information	<ul style="list-style-type: none"> All document requests should be documented, All document or information requests are to be done by email and copied to both Project Managers, All information or an acknowledgement of receipt should be provided within 24 hrs of request, Project information is to be kept confidential and hard copies should be secured at all times. Where difficulties are being faced in obtaining information this will be brought to the attention of the Project Managers.
5	Availability of deliverables	<ul style="list-style-type: none"> All deliverables should be initially circulated in draft form to the Gender Links project team for their comments and timeframes for feedback stipulated at the time of circulation. The deliverables are also circulated to Embassy of Sweden (Sida) in draft form for their comments. Timeframe for feedback should also be stipulated at time of circulation. The final deliverable will then be circulated for sign-off.
6	Communication of Findings	<ul style="list-style-type: none"> Findings and deliverables will be communicated to the Project Sponsor Embassy of Sweden (Sida) at the defined times according to the Project Plan.
8	Risk Management	<ul style="list-style-type: none"> A risk log will be maintained on a weekly basis by way of a risk assessment. It is the responsibility of all members to identify risks on the project. The Project Managers have a responsibility to maintain a Risk Log.

6. Project governance



7. Roles and responsibilities

The following table defines the roles and responsibilities associated with the project:

Ernst & Young		
Name	Role	Responsibility
Nqaba Mkwanzani	EY Quality Assurance Partner	<ul style="list-style-type: none"> Quality Assurance
Mitch Khalpey	Engagement Partner	<ul style="list-style-type: none"> Client Relationship Management Responsible for the overall project, reviewing progress toward implementation, monitoring, maintaining, and adjusting the project plan (based on input and deliverables of project team). Review the project deliverables and documentation submitted by EY, Provision of technical expertise, Attend to scope change requests
Lindiwe Nyikavaranda	Project Manager	<ul style="list-style-type: none"> Management of the EY resources on a day to day basis, Production of inception and closing reports, Preparation of the Project Progress reports, Submission of all work deliverables on behalf of EY, Billings to the Client and follow up on payments.

Gender Links (Zimbabwe)		
Name	Role	Responsibility
Colleen Lowe Morna	Gender Links Core Team	<ul style="list-style-type: none"> Review and approve Inception Report and preliminary results of the engagement, Review and approve Final Report, and Attend engagement opening and closing meeting.
Priscilla Maposa Miso Dhliwayo Namatai Moyo	Gender Links Core Team	<ul style="list-style-type: none"> Attend engagement opening and closing meeting, Avail required documentation and participate in EY interviews and attend project meetings. Review, and comment on Inception Report, Draft Report and Final Report.

Embassy of Sweden (Sida)		
Name	Role	Responsibility
Wonder Jekemu	Project Manager – Management Committee	<ul style="list-style-type: none"> Attend engagement opening and closing meeting, Review draft and final reports, Assist EY with follow-ups on Gender Links responses when they are not received or are inadequate, Distribute Final report, Circulate Client Satisfaction Surveys.

Embassy of Sweden (Sida)

Name	Role	
	Project Sponsor	<ul style="list-style-type: none">• Provide financing to the project,• Monitor project progress,• Provide advice on areas of concern to the Cooperating Partners• Approve work deliverables

8. Key contacts

EY			
Name	Role	Email Address	Contact Number
Mitch Khalpey	Engagement Partner	Mitch.khalpey@zw.ey.com	+263(0) 475 0905-14
Nqaba Mkwanzani	QA Executive	Nqaba.mkwanzani@zw.ey.com	+263(0) 475 0905-14
Lindiwe Nyikavaranda	Project Manager/Lead	Lindiwe.nyikavaranda@zw.ey.com	+263(0) 77 444 6211
Farai Mujajati	Senior Consultant	Farai.mujajati@zw.ey.com	
Willie Mutangadura	Consultant	Willie.mutangadura@zw.ey.com	

GL Zimbabwe and South Africa			
Name	Role	Email Address	Contact Number
Collen Lowe Morna	Gender Links (SA) CEO	ceo@genderlinks.org.za	+27 (0)82 651 6995
Priscilla Maposa	Gender Links (Zimbabwe) Country Manager	Maposa@genderlinks.org.za	+263(0) 77 273 5722
Miso Dhliwayo	Director of Operations (SA)	doo@genderlinks.org.za	+27 (0)82 656 4606
Mpumelelo Mlilo	Head of Finance (SA)	finmanager@genderlinks.org.za	+27 (0)83 386 8848

Embassy of Sweden (Sida)			
Name	Role	Email Address	Contact Number
Wonder Jekemu	Project Manager	wonder.jekemu@gov.se	+263(0) 430 2636

9. Project milestones

The following table defines the key milestones / activities associated with the project:

Ref.	Milestone Description	Planned Start Date	Estimated Completion Date
1	Inception Report	28 October 2013	31 October 2013
2	Draft Report to Gender Links (Zimbabwe & South Africa)	29 October 2013	7 November 2013
3	Gender Links Comments on Draft Report to EY	7 November 2013	11 November 2013
4	Draft Report to Embassy of Sweden (Sida)	11 November 2013	12 November 2013
5	Embassy of Sweden (Sida) Comments on Draft Report to EY	12 November 2013	16 November 2013
6	EY Presentation of Final Report	19 November 2013 (2pm)	19 November 2013 (4pm)
7	EY Final Report submission to Embassy of Sweden (Sida)	22 November 2013	22 November 2013
8	Project Closure	22 November 2013	22 November 2013

10. Project risk factors

The scope and engagement delivery are well concluded by Embassy of Sweden (Sida) and EY within the signed Legal terms of contract.

Contextual Factors

- ▶ Delays in the review of reports.

Other Project Aspects

Status Reporting

Project progress will be reported on a weekly basis using a Status Report. Information provided will include the progress to plan, budget and information on project delivery risks and issues. Status reports will be distributed to the following:

- ▶ Mitch Khalpey, Engagement Partner –Ernst & Young
- ▶ Wonder Jekemu, Embassy of Sweden (Sida)
- ▶ Colleen Lowe Morna, Gender Links (HQ)
- ▶ Priscilla Maposa, Gender Links Zimbabwe

Escalation and rating of Issues arising from work performed

In the event that the Client or Service recipient has an issue with the work performed by Ernst & Young as represented by any of its consultants, the Embassy of Sweden (Sida) Project Manager will bring this to the attention of the Engagement Partner who will address the issue within 48 hrs of the issue being brought to his attention. This allows time for the Engagement Partner to investigate the circumstances.

Measuring service quality

At the end of the project a Client Satisfaction Survey will be circulated to key stakeholders so that we can assess the quality of our service. This activity is performed in conjunction with lessons learned sessions to help identify improvement areas. The following client personnel will be requested to complete a Client Satisfaction Survey and may also be requested to contribute to sharing lessons learned:

- ▶ Wonder Jekemu, Embassy of Sweden (Sida)
- ▶ Colleen Lowe Morna, Gender Links (HQ)
- ▶ Priscilla Maposa, Gender Links Zimbabwe

Communications Plan

The objective of the communications plan is to define how communication between stakeholders should be performed and provide more detail to any previous communication protocols defined earlier in this Project Inception Report.

Appendix A – Communications plan Template

Ref	Stakeholder Name	Stakeholder Title	Information Required by Stakeholder	Timing / Frequency	Delivery Channels(s)	Responsible Owner	Scheduled Communication Dates			
C1	<i>Embassy of Sweden (Sida)</i>	<i>Sponsor</i>	<i>Project Progress</i>	<i>Weekly</i>	<i>Email</i>	<i>Lindiwe Nyikavaranda</i>	<i>04 /11</i>	<i>11 /11</i>	<i>18 /11</i>	<i>22 /11</i>

Appendix B – Key Documents to be Inspected

1. ORGANISATIONAL STRUCTURE

- ▶ Vision, mission statement, goals, policies (e.g gender, environment HIV/AIDS), and activity plans
- ▶ The organisational structure
- ▶ Mandate and the role of the governing board
- ▶ Company Registration

2. ACCOUNTING PROCEDURES

- ▶ Payments voucher books
- ▶ Receipt Books
- ▶ Bank Reconciliation for the past 2 years (must be authorised and have few reconciling items)
- ▶ Cash book (last 2 years entries)
- ▶ Petty cash register
- ▶ Petty Cash Voucher Book
- ▶ Annual Financial Statements (for past 2 years signed by auditor)
- ▶ Payroll records
- ▶ Accounting Policy Manual
- ▶ List of Bank Accounts (must be in the name of the Organisation only)
- ▶ List of Bank Signatories
- ▶ Sample cheque books
- ▶ Leave and overtime register and authorisations
- ▶ Proof that PAYE is deducted and remitted to relevant authorities
- ▶ Proof of employees receiving their monthly pay/salaries (ensure that NSSA payments are made)
- ▶ Fixed asset register (assets like chairs, tables should be numbered)

3. INTERNAL CONTROLS

- ▶ List of each staff members' responsibilities (signatories, who prepares cheques, who does the banking, who does the bank reconciliation etc)
- ▶ Proof of all cash banked, including copy of cash deposit slip
- ▶ List of data backup procedures
- ▶ Accounting Documents (ensure that they are pre numbered)

4. BUDGETING, REPORTING AND AUDITING

- ▶ Copy of the monthly and or annual budget

5. POLICY ENVIRONMENT

- ▶ Organisation's travel policy and procedures
- ▶ List of motor vehicles/motorcycles owned by the organisation (log books)
- ▶ Record of all petrol purchases and authorisations
- ▶ Title Deeds/Tenancy Agreements
- ▶ Proof of insurance of assets

6. PROCUREMENT PROCEDURES

- ▶ Evidence of a policy/procedure manual for procurement
- ▶ Procurement methods and procurement thresholds for different procurement methods and items.

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EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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