**Preparation paper, financial controlling visit:**

In the near future, the DPOD's financial controller will be on supervision visits to your organization. The purpose of this visit is partly to follow up on procedural compliance, etc. drawn from our back donor, but at least equally important to be able to support your organization in the proper design of your management.

In order to intensify the use of time for the visit, I have prepared five main questions, which you can prepare in good order for an answer. It is not the idea that the answer should be bulletproof and audit-proof but on the contrary present your organization in general terms in a fair and clear way as a starting point for a discussion, and your answers may be shared with your Danish counterpart.

1. **Introduction to the organization, visually:**
	1. A simple organogram of the organization, perhaps by hand, from board/steering level to departments.
	2. Names of trustee and signatories + indication of where they are placed in the organogram
	3. Names of persons at management level + indication of where they are placed in the organogram/responsibility areas
	4. Names of persons in accounts
2. **The organization operationally described:**
	1. Short description of the beneficiaries
	2. A few words of main effort areas (project categories) and linked to donors
	3. A financing turnover table showing the donor/project relation, *one common currency*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| In thousands of/In millions of | Last YearBudget |  | This yearBudget |  | Next yearBudget\* |  |  |
| Donor A |  | % |  | % |  | % |  |
| Donor B |  | % |  | % |  | % |  |
| Donor C |  | % |  | % |  | % |  |
| Etc. |  |  |  |  |  |  |  |
| Total |  | 100% |  | 100% |  | 100% |  |

\* Of cause, Next Year’s Budget will be an expectation non-documentable.

This table is only to give an impression of activities in terms of financial management, not subject to any audit.

1. **Crosscutting organizational issues / Financial Management**
	1. Copy of relevant administrative handbooks (financial manual / procurement guidelines / personnel handbook/etc.). Also, a description of your policies regarding insurance of assets and personnel medical insurance etc.
	2. Are these manuals well known to the organization’s staff and board members, and do all staffers have access when needed?
	3. Which filing demands do you have regarding human resource (contracts with terms of reference etc. + salary level), and where are the files kept?
	4. Make a flow diagram of the budgeting process and its approval levels from the perspective of
2. Project application (from idea to signed contract) like: B🡪A🡪B🡪C🡪A🡪🡪🡪
3. If a organizational budget is made, how is the process of year X until final approval by?
Including sub processes of project contributions
	1. Make a flow diagram of the procurement process of
4. an activity cost that triggers the payment of an advance, e.g. a workshop held in external premises.
5. a purchase of a new powerful printer for the office.
	1. How do you handle/secure your assets like petty cash, cheque books, inventory?
	 Please refer to chapter in handbook, or describe.
	2. How often do you back-up your vital digital data, and how many copies do you file?
6. **Expenditure**
	1. Project Trial Balance at month end as updated and reconciled as possible
	(a trial balance is a list of (debit and credit) balances for each nominal account)
	2. Latest budget follow-up (or the one before, if the data base is too scarce – or both)
	Supported by – short – explanations and expectations
	3. If, roughly spoken, project people (and their directly related costs) would be paid from donor funded activity money, the remaining (administrative) expenses will be core costs paid from operating overheads. Projects cannot operate without core costs delivering the support services, and the core costs have to be financed.

How would the budget /realized figures look like in this sense?

Choose freely the aggregation level in each category but not less in below outline.

(To be made both for the DPOD project and consolidated for the whole organization)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Project X** | **Type of datae.g. *budget 2021*** **or *Accounts Oct.*** | **Ratio** |  |
|  | Income from donor |  |  |  |
|  |  |  |  |  |
|  | Activity costs |  |  |  |
|  | Investments |  |  |  |
|  | Salaries paid from activities |  |  |  |
|  | Total |  | % |  |
|  | Core salaries |  |  |  |
|  | Other core costs |  |  |  |
|  | Total |  | % |  |
|  | Grand total |  | 100% |  |
|  |  |  |  |  |

1. **Staff and Salary Analysis**
	1. Copy of latest payroll list totals (no individuals), copy of the total payment slip from the bank regarding the salary; withhold tax; social security; etc. Are the payments done in due time?
	2. Breakdown of the latest payroll list into financing source, in % or currency at your convenience.