

Cover Letter for Level 3 Projects

Dear Implementer:

As part of the due diligence process, Geneva Global reviews financial information for each organization receiving funding. I have detailed below the required financial information that needs to be submitted. If information is not available for a certain category, please note the reason. I appreciate your effort on this and will be in contact if there is any missing information or questions. Please contact me with any concerns or questions that you may have.

Program Manager Name and Contact information

Please Submit:

- Complete financial statements for the most recent consecutive three years:
 - Independent auditors report
 - Income statement
 - Balance sheet
 - Cash flows statement
 - All notes and supplemental schedules
- This form completed (see questions below)
- A signed Representation Letter on the Organization's letterhead

Answer these questions:

Review the financial statements:

1. Is salary expense and administration (operating) expenses broken out from program expenses? Yes
 - If not, please provide that breakout
2. List of the top three donors and where they are headquartered. If this information is confidential, you do not need to list it but please let me know that it is confidential. If this information is clear in the financial statements, you need not list it here.

Largest Donor__USAID PMI	Headquartered_ Washington
2 nd Largest Donor USAID OFDA	Headquartered_ Washington
3 rd Largest Donor DFID UK	Headquartered_ London

3. Are there any line items such as other, miscellaneous and sundry income/expense that add up to more than 10% of total income/ expense? No
 - If so, please provide detail of what is included in that number
4. What is the year end for financial purposes? 30th September

5. What is the currency used in the financial statements? USD for USG audits, GBP for UK companies house annual audit. USD is the organizations base currency.
6. Is there is a large variance between years in the amounts of a certain line item?
 - Is so, please give a description as to why that is. Please clarify what you are asking. Do you mean on a county specific budget, or our annual global expenditure?
7. Does no surplus or deficit result from operations?
 - Is so, please describe how that is possible. We are non-profit organization. However, we generally generate a small reserve of unobligated funds from training and rental activities.

Organization:

8. Has there been a change in the organization in the past 3 years that would affect the financials? Yes
 - If so, please describe: We moved from an external financial service provider to an internal finance/grants management team at the start of the last financial year (1st Oct 2011) and we have seen a positive improvement in financial reporting processes and time frames as a result. USAID and other donors have supported this change and FY 2012 has been our busiest year to date and best funded.
9. Does the governing board review financials? Yes
 - If so, How often _ Annually (they review ad sign off on annual auditors reports) and generally during routine board meetings during the year.
10. Are the statements externally audited? Yes
Internally audited? No
 - Please provide proof (auditor's report) attached auditors reports from Kingston Smith (London) and Holeys (Harrogate)
11. Are any board members also employed by the organization or related to anyone in the organization? Yes
 - If so, what proportion of board members are also employees or relatives of employees? There are currently two board directors, myself and Paul Jobson. I am employed by MENTOR. Paul Jobson is the retired director of the Commonwealth Bank.

Control Environment:

12. Are there segregation of duties among those who collect donations and those who record donations? We do not collect donations. Our funding is essentially grant based, with the addition of some additional training and rental incomes
13. Has there ever been an instance where a manager has overridden an internal control? No

14. Are bank reconciliations done? Yes
- By whom? Grant Manager
 - How often? Monthly (normally)
 - Are there many adjustments? No
15. Who makes the budget? Country specific grant budgets for existing country programmes are designed by country directors, support by HQ managers. New country programmes are designed and budgeted by senior HQ managers. Internal budgeting is designed by the director (C.E.O.) with the Grants Managers.
16. Who can make revisions to budget? Country Directors, with support from, validation and approval of HQ line managers, to within donor defined variances and amendment rules.
17. Does the organization have sufficient internal control to keep restricted, restricted until the restriction is lifted? Please clarify what is being asked?
18. What is the process for giving value to contributed services? _____
Goods in kind are valued and accounted for at their commercial value.
19. How are assets monitored? Every country programme and HQ offices maintain a full asset list and monitor outgoing and incoming assets. Assets are coded. Asset lists are provided to external auditors annually.
20. What controls are in place over the disbursement of funds? All programme funds are maintained centrally and dispersed monthly cash requests based against country programme submitted accounts for the past month and a budget tracker that estimates the funds required (by activity) for the coming month. All bank account transactions require dual authorisation by approved signatories (approval of bank signatories is exclusively authorized in writing by the C.E.O.). An organization wide set of finance and administration processes and systems ensures a strict system of financial checks and balances on all expenditures, and a fully documented process for every transaction.
21. Who approves expenditures? Every planned expenditure requires 3 quotes, final selection of suppliers has to be approved by a designated authority on the country team managers, final payment against invoices has to have senior validation and counter signatures. Every expenditure has to be checked by the finance manager to ensure that it is within the structure of the grant budget.
22. What kind of training do volunteers in key roles receive? We do not have volunteers. All professionals working for the organization come with a good level of experience and skills, and receive additional training in MENTORs systems and processes. Additional specialist technical training is offered to technical managers where ever useful.

24. What kind of internal controls are in place in the chance that volunteers are irresponsible, badly trained or have ulterior motives within the organization? We have no volunteers on our programmes. All professional team members sign their agreement to the organizations code of conduct which is included within their work agreements.

25. How does financial and operational performance in relation to goals affect employees/volunteers? Please clarify what you are asking.

26. Who does fundraising? Country Directors, HQ managers and the C.E.O. raise donor funding.

27. How is fundraising done? Direct with donor governments and other donor organizations.

28. Is there a commission-type arrangement for fundraising? No

Please list any other controls that the organization has that are pertinent and were not noted above. You may also list any other information you'd like the financial analyst to have about the organization here.

We are happy to provide a full copy of the organizations Financial and Administration Manual upon request.