Validation review report of:

RAHMA Islamic Relief

Submitted to:

Assessment and Strengthening Program-Rural Support Programmes Network (ASP-RSPN)

Under:

USAID's Small Grants And Ambassador's Fund Program

1. EXECUTIVE SUMMARY

1.1 OVERVIEW OF ASSIGNMENT

Avais Hyder Liaquat Nauman, Chartered Accountants, has been engaged by Assessment and Strengthening Program – Rural Support Programme Network (ASP-RSPN) to conduct validation of RAHMA Islamic Relief under USAID's SGAFP. The objective of this Validation is to assess that the grantee has an adequate control environment and has adequately implemented the recommendations of the assessment as identified in the Pre-award Assessment or SGAFP own institutional assessment used by ASP-AID as baseline for capacity building and agreed capacity building plan.

1.2 OVERVIEW OF ORGANIZATION

RAHMA Islamic Relief was registered under the Trust Act 1882, on 31st of August 2009. The registered office of the Organization is situated in Rawalpindi.

RAHMA was established with a vision to create a just and caring society where the needs of the poor and unprivileged people of Pakistan including AJK are taken care of and in case of natural or manmade disasters.

The mission is to improve the life quality of vulnerable people through sustainable development and to ensure timely humanitarian assistance in need, by:
- Reaching out to people with limited or no access to basic services complementing, but not substituting, the efforts of government and other providers.
- Enabling rural people create services they need and giving them access to the opportunities.
- Organizing communities into viable social groups.
- Giving them a feeling of empowerment that reinforces the poverty reduction process.
- Convincing them that they can plan and act to improve their lives.
- Capacity building for use of resources to an optimal advantage.

1.3 SUMMARY OF RISK ASSESSMENT

Based on our review, we assess the overall risk to be "Low to medium" based on the validation of RIR and the assessment of current internal controls keeping in consideration the information/documents/explanation provided to our team by the management during the field work carried out in April, 2014.
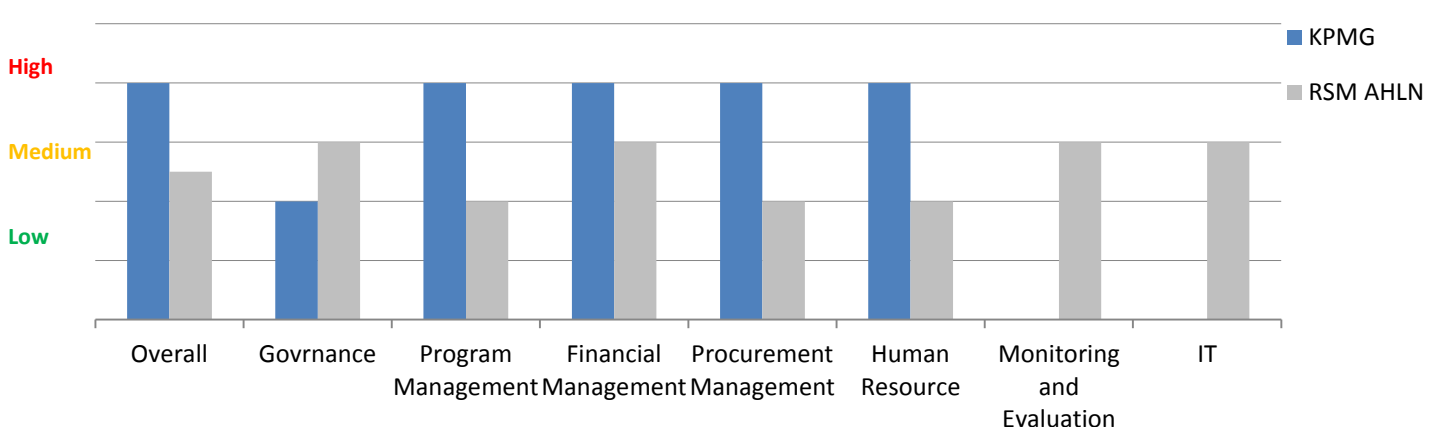
Areas	Risk rating	
	KPMG	RSM AHLN
Overall Risk	Medium	Low to Medium
Governance	Low	Medium
Program Management	Medium	Low
Financial Management	Medium	Medium
Procurement Management	Medium	Low
Human Resource Management	Medium	Low
Monitoring and Evaluation	N/A	Medium
Information Technology	N/A	Medium

1.4 SUMMARY OF REVIEW OF INSTITUTIONAL CAPACITY ASSESSMENT

1.4.1. GOVERNANCE

The organization is governed by a Board of Trustees which consists of seven members; the board holds the power to make policies, to take important decisions and is responsible for maintenance, development and promotion of the organization. The members of the Board meet annually and review the performance of the organization. The Board elects the Chairman out of its members. The Chairman of the trust has exclusive power to remove and appoint any person as member of the Board of trustees. Senior Program Manager is responsible for the overall operations of the organization and directly reports to the chairman of the board.

The organization has developed written policies and procedural manuals for different areas.

1.4.2. PROGRAM MANAGEMENT CAPACITY

The organization is currently running various health related projects. Therefore, the organization has relevant sector experience in handling health related projects. The organization has dedicated project in-charge Mr. Zulqarnain responsible for overall project implementation. The organization has adequate physical facilities for completing the project successfully.
The organization is currently managing four projects whose details have been specified in Annexure 2-B.3.

1.4.3. FINANCIAL MANAGEMENT

The organization has a financial manual which provides policy guidelines, financial controls, procedures and standards for financial and accounting functions.

Books of account are maintained on cash basis by the finance department which consists of two persons. i.e. Incharge Finance & Admin and Finance Assistant.The financial records are kept using QuickBooks which generates all basic reports. Annual Financial Statements of the organization are audited by external auditor however; the organization has not yet established an internal audit function. The organization develops annual budget which is approved by BoT in annual meeting. The organization doesn't prepare interim financial reports.

1.4.4. HUMAN RESOURCE MANAGEMENT

The organization has developed HR manual to acquaint staff with the Human Resource policies and procedure and provide information about working conditions, general employment guidelines, and employee benefits.

HR manual provide guidelines about the record maintenance, recruitment process, contract preparation, salaries grading and structure, leaves and code of conduct.

The organization has not established a separate HR department. Mr. Umair Majeed, Program Officer has been given the responsibility of affairs related to HR management; he is being assisted by Ms. Sobia Tariq who works as a teacher in SBM (a project of RIR) on part time basis. Moreover, the organization doesn't have disciplinary actions resolution system. The head hunting policy of the recruitment seems to be non-competitive.

1.4.5. PROCUREMENT SYSTEM

The organization has formed a procurement committee, which comprise of three members. The committee is responsible to carry out all the procurements.

Procurement manual specifies different thresholds for procurements, defines procurement process, formation of procurement committee and the standard documents related to procurement process.

The organization doesn't maintain proper fixed asset register and prepare procurement and supply management plan. Fixed assets of the organization are not insured.

1.4.6. MONITORING AND EVALUATION FRAMEWORK

The organization has not established a dedicated monitoring and evaluation department to monitor the activities of the overall organization; however M&E responsibilities are assigned to an M & E officer at area office in Kotli who performs monitoring functions on the projects in the area. For other projects there is no identified responsible person for M&E function.

1.4.7. INFORMATION TECHNOLOGY

The Organization doesn't have separate IT department. One program officer and one web developer is responsible for overall IT systems of the organization. IT manual provided by ASP-AiD has been adopted by the organization and has implemented it so far applicable except as highlighted separately in this

report. IT systems of the organization include shared network, e-mail server, web server, Ms Office, and accounting software. The management has defined access privileges to the different systems. However, regular back up of the data/information is not taken. The accounting software is unlicensed.

1.5 SUMMARY OF VALIDATION OF CAPACITY BUILDING ACTION PLAN

ASP-AiD carries out certain training sessions and provided manuals on areas of financial management, procurement management, HR management, Monitoring and Evaluation and IT to enable the organization to manage its affairs in more effective manner. During our work, we evaluated the trainings requirement, trainings conducted and functions being performed by the trainedstaff. We also reviewed the manuals given and checked the compliance of policies and procedures given in these manuals.

➢ The table below illustrates whether the manuals on the given areas were provided by ASP-AiD and were they adopted by the organization

Manual by ASP AiD	Adopted	Offered not Adopted	Not Offered
Financial Management	✓		
Procurement Management	✓		
HR management	✓		
Monitoring and Evaluation	✓		
Information Technology	✓		
ERP System		✓	

Key areas covered by the manuals provided by ASP-AiD have been specified in Annexure 4.

➢ List of trainings provided by the ASP-AiD on different areas.

Trainings by ASP AiD	Received	Offered not Received	Not offered
Training on SGAFP Financial, Procurement and Reporting compliance rules and	✓		

regulations			
Training of procurement staff on improved policies and procedures	✓		
Training of finance staff on improved policies and procedures	✓		
Training of HR staff on improved policies and procedures	✓		
Training of M&E staff on improved policies and procedures	✓		
IT Skills and Computer Competency training for relevant staff	✓		

For details of the trained staff please refer to the section 3.b of this report

1.6 SUMMARY OF KEY FINDINGS

In course of validation, we identified some internal control weaknesses which are summarized below:

Area	Brief	Risk
A. Governance	Less Frequent BOT Meetings	Medium
	Exclusive power of Chairman	Medium
	No TOR of HR Selection Committee	Medium
	No Internal Audit Function/Committee in place	High
B. Financial Management	Late submission of withholding tax deducted at source	High
	The organization fails to comply with the policy of making no cash payments above Rs. 10,000/-	Medium
	Management does not prepare Interim Financial Statements	Low
	Transferring advances into the personal account	Medium

Area	Brief	Risk
	of Area Coordinator	
	Finance Committee is not in place	Medium
	Fixed assets tagging is in deteriorated condition	Low
C. Procurement Management	No proper Fixed Asset Register	Medium
	No insurance of fixed assets and no insurance policy as well	Medium
	No Procurement and Supply Management Plan	Low
	Grievance Redressal System are not documented	Low
	No written Disciplinary Actions Resolution System in place	Medium
D. Human Resource Management	Non competitive recruitment policy of staff – Head Hunting Policy	Low
E. Monitoring and Evaluation	Lack of Overall Independent monitoring and evaluation department/ function	Medium
F. Information Technology	The organization is using unlicensed software for book keeping	Medium
	Improper system of data backup and retention	Medium

2. DETAILED ASSESSMENT OF INSTITUTIONAL CAPACITY

Sr. No.	Institutional Assessment Indicators	Conducted by KPMG in December 2011	Current assessment by RSM AHLN	
		Remarks	Remarks	Findings(if any)
A	Control Environment & Organizational Structure			
A.1	What is the establishment year of organization?		2009	No finding
A.2	Whether organization is legally registered?	Yes	Yes	No finding
A.3	If registered, under which registration law/authority? Please get a copy of registration.	Trust Act 1882	Trust Act 1882; Copy obtained.	No finding
A.4	What is date of registration?	31st August 2009	31stAugust 2009	No finding
A.5	Whether organization is registered under Tax Laws of Pakistan? If Yes, please writeNTN number and get and attach a copy of the NTN certificate.	Yes; NTN 3403948-1	Yes; NTN 3403948-1; Copy of NTN certificate obtained	No finding
A.6	Does the organization have BOT/Governing Body? If Yes, get a list of BOT members and attach.	Yes	The list of the Board member are as following: Mr. Muhammad Saghir Mr. Nisar Ahmed Sabir Mr. Umar Hayat Khan Mr. Afzaal Ahmed Mr. ShahidMahmood Mr. Momina Khan Mr. SomayyaAkram For further details please refer to A.6List of Board of Trustees-Annexure 1	No finding

Sr. No.	Institutional Assessment Indicators	Conducted by KPMG in December 2011	Current assessment by RSM AHLN	
		Remarks	Remarks	Findings(if any)
A.7	Are the meetings held frequently enough to allow oversight?		Meetings are held annually.	Meetings are not held frequently enough to overview the organization's performance We find nothing about the frequency of meetings in the trust deed.
A.8	Is there a dominating representation of a single individual on Board?		Yes; The Chairman is in a dominating position in the Board.	The Chairman of the trust has exclusive power to remove and appoint any person as member of Board of Trustees.
A.9	Is the Board involved in budget review?		Yes; Board review and approves the budget in annual meeting.	No finding
A.10	Is the organization involved in any lawsuits?		As per management inquiry, currently, the organization is not involved in any lawsuits.	No finding
A.11	Whether organization has developed Standard Operating Procedures (SOPs) for program management?	Yes	The organization has developed Standard Operating Procedures for the following functions: - Finance - Human Resource - Procurement -Monitoring and Evaluation - Information Technology	At the time of field visit the approval of SOP from BOT was under process.

Sr. No.	Institutional Assessment Indicators	Conducted by KPMG in December 2011	Current assessment by RSM AHLN	
		Remarks	Remarks	Findings(if any)
A.12	Whether organization has any mechanism for internal auditing?	No	No	There is no Internal audit function in place.
A.13	Does HR Selection Committee haveTOR?		No	No TOR of Selection Committee
A.14	Does the organization have audited accounts from qualified CharteredAccountants? If Yes, get a copy of latest audit report and attach.	No	Yes; Latterly, the management got auditedfinancial statement of the overall organization from Chartered Accountants firm	No finding
A.15	Does the organization have a management structure (organogram)? IfYes, get a copy and attach.	Yes	Yes, copy obtained.	No finding
A.16	Does the organization have legaladvisors? If Yes, please write thename(s).	Yes; AftabAlam	For the time being, the organization has no legal advisor. But management has a view that legal advisor may be hired as and when needed	
A.17	Does the organization have offices other than its registered office? If yes, please enlist.		Yes; Area Office, Rahim Yar Khan Area Office, Kotli\n\nFor further details please refer to A.17 List of offices-Annexure 1	No finding
A.18	What are the existing departments of organization (e.g. Finance, HR, M&E etc.)? Also please provide list of staff		The organization has following departments\n1. Human Resource\n2. Finance\n3.Administration and Procurement	No finding

Sr. No.	Institutional Assessment Indicators	Conducted by KPMG in December 2011	Current assessment by RSM AHLN	
		Remarks	Remarks	Findings(if any)
	under each department.		4. Project Staff 5. Support Staff 7.Project/Programme Development	
B	**Program Management Capacity**			
B.1	What is the total number of donor funded projects that organization has completed so far?	7 projects	18 projects	No finding
B.2	What is total amount that organization has handled for the completed projects? (PKR.)	Over 59 Million	Over 125 Million (estimated figure)	No finding
B.3	Are there any ongoing (donor funded) projects at the time of validation? If yes, please provide details.		Currently, the entity is executing four projects, for further details please refer to B.3 List of ongoing projects in Annexure 2.	No finding
B.4	Have the organization complete records for the completed and on-going project? (Record means contracts, physical progress reports & financial reports etc.)	Yes	Yes	No finding
B.5	Whether the organization has developed its annual work plans? If Yes, please check.	Yes	Yes; AnnualWork Plan was obtained and inspected. Annual Work Plan denotes responsible department, objectives, activities to perform and time frame for those activities.	No finding
B.6	Whether the	Independent	The organization lacks	The

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		Remarks	**Remarks**	**Findings(if any)**
	organization has history of developing work plans, maintaining database(s), and developing other M&E tools (field visits, case studies, internal/external evaluations etc.)? If Yes,provide brief details.	monitoring and evaluation function is non-existent in the organization. However, monitoring and evaluation responsibilities are assigned to a program assistant as an additional task.	Independent monitoring and evaluation function. Currently, a single person acting as M & E Officer, who prepares Field Visit Reports. The Organization carried out Baseline Study on Primary Health, Khuiratta, from the external consultant Mr. Pervaiz Tufail before the starting of the SGAFP project, dated 25 October 2010. The Organizationalso conductedMid Term Evaluation Report as per following detail: Report name: Bi-Annual Report and Findings of Mid-Term Evaluation Survey Area: Vocational Training Centre Reporting period: October 2012 to April 2013.	organization has no independent M&E function at organizational level
B.7	Sufficiency of Technical Support to Implement Project	Following are the key management personnel,who have extensive experience in the national development sector: ▪ Mr. Zulqarnain Ansari – Senior Program manager ▪ Mr. Waqar anjum – Project Development Officer ▪ Mr. Umair majid – Program Officer ▪ Mr. Muhammad Naeem zaman – Finance officer	Details of the key staff members of the organization are as following: ▪ Mr. Zulqarnain Ansari – Senior Program manager ▪ Mr. Waqar anjum – Project Development Officer ▪ Mr. Umair majid – Program Officer ▪ Mr. Waseem Ahmad – Finance In charge	No finding

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		Remarks	Remarks	Findings(if any)
C	**Financial Management Capacity**			
C.1	Whether organization is using accounting software? If No, what is the accounting system?	Financial records of the organization are maintained using MS Excel. However, the organization is in the process ofimplementing quick books.	The organization has implemented quick books and currently using it for maintaining accounting records.	The accounting software being used is not licensed version.
C.2	In case organization is using accounting software, whether this system can generate any or all of the reports mentioned in Annex 3?		Yes, QuickBooks generates all these reports mentioned in the C.2 List of Reports in Annexure 3.	No finding
C.3	In case organization is maintaining accounts manually, whether it has books of accounts and is generating any or all of the reports mentioned in Annex 1?	Yes, the organization has maintained books of accounts.Financialsystem of the organization can prepare reports mentioned in C.3 List of Reports in Annexure 3.	Refer to C.1 & C.2 as the organization is using accounting software.	No finding
C.4	Does the organization prepareannualfinancial statements as per the applicable framework? (for Overall and the projects)		Yes, The entity prepares financial statements for the overall organization as per the applicable framework; but the financial statements of the project contradict with the framework in case of SGAFP's funded project.	Financial statements of the SGAFP' funded project should contains Funds Accountability Statement instead of Revenue and expenditure account. (as per OIG Guidelines)
C.5	Does the organization		There is no practice of	Management

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		Remarks	Remarks	Findings(if any)
	prepare interim financial statement? If yes, what is the period/ frequency?		preparing interim financial statements.	does not prepare interim financial statements.
C.6	Whether the organization has policies and procedures for financial management? If No. what is the financial management system?	Yes	The organization has developed financial policy which describes the detailed procedures for financial and administrative matters.	No finding
C.7	Are there any formal authority/ body to regulate and manage financial progress?		No, however as per financial manual, there shall be finance committee, whose duties and responsibilities are as follows: • Review budgets and financial progress. Make sure proper book-keeping practices • Communicate information on possible funding sources.	Finance Committee is not in place.
C.8	Whether the organization has developed budget vs. expenditure reports for projects?		For the NRSP-SGAFP funded project, budget variance reports were included in the monthly reporting requirements of NRSP-SGAFP.	No Findings
C.9	Does the organization prepare a yearly financial plan (head wise budget)? If not, note the alternative method used by the organization for planning its costs and finances?		Yes; the organization prepares and review a yearly head wise budget and is presented to BoT for approval.Financialpolicy of the organization specifies the guidelines for budget preparation.	No finding

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		Remarks	Remarks	Findings(if any)
C.10	Does the organization have a policy on revision of budget? If not, note the process for revision of budget.		Specific approval is required for over spending or unbudgeted heads. The organization is also bound to seek a written approval from the donor agencies in case of deviation in spending by 20% in line items and 10% in overall budget.	No finding
C.11	Does the organization have a policy on cash and bank management? Note if not documented.		Organization has a written policy on cash and bank management.	The entity fails to comply with the policy of not making cash payments above Rs. 10,000.
C.12	Is there a system of delegation of financial powers? Note if not documented.		Financial power mainly rests with Chairman.	No finding
C.13	Does the organization have bank account opening policy? Note if not documented		As per policy document bank accounts will be maintained and banking transactions will be undertaken with the banks approved by BOT and branches designated by Chairman	No finding
C.14	Does the organization operate Joint [multiple signatories] Accounts?		Any two out of three authorized signatories sign the cheque.	No finding
C.15	Do the organization sign blank cheques?		As per management inquiry and observation, blank cheques are not signed.

As per policy, cheque books are kept in the custody of the Finance department. | No finding |

Sr. No.	Institutional Assessment Indicators	Conducted by KPMG in December 2011	Current assessment by RSM AHLN	
		Remarks	Remarks	Findings(if any)
C.16	Does the organization has any endowment fund and does it charge any management fee in its project (relevant for Going Concern issues)		The organization does not maintain an endowment fund.	No finding
C.17	Does the organization have a policy for making advances to employees against salaries? Note if not documented.		Employee who has completed the probation period is eligible to advance salary. Advance can be availed maximum up to one month's salary.	No finding
C.18	Does the organization have a policy for making advances to employees against expenses (Petty cash)? If yes, what is the limit?		Yes, the organization has a practice of issuing advances to employees against expenses up to Rs. 25,000 in head office and Rs. 60,000 in field office.	Organization has a practice of transferring advances into the personal account of Area Coordinator (Khuiratta) instead of entity's field office bank account.
C.19	Does the organization have an inventory/ asset management policy? Note if not documented.		Yes, Organization has a documented policy for inventory/ asset management.	No finding
C.20	Does the organization maintain a payroll management policy? Note if not documented.		Management prepares its payroll as per contractual amount, after considering increment.	No finding
C.21	Does the organization maintain a chart of accounts?		Yes; Copy of Chart of accounts obtained	No finding

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		Remarks	Remarks	Findings(if any)
C.22	Does the organization close its accounts periodically? Note the time span for accounts closing.		The Organization's accounts are closed annually; moreover, projects accounts are closed on project completion date if other than that year end of the organization.	No finding
C.23	Do appropriate safeguards exist against theft?		Cash and cheque books are kept in lock and key.	No finding
C.24	Is the organization a tax exempt entity? Obtain tax exemption certificate.		Tax exemption applied but not yet approved.	No finding
C.25	Whether withholding tax payments are submitted and recorded? Take proof.		Yes, the organization withholds tax on source and deposit into government treasury. Tax deposit challans obtained and examined.	Late submission of withholding tax deducted at source
C.26	Whether the organization has TORs for the staff of Finance & Accounts sections especially to cover segregation of duties?	Yes	Financial policy signifiesthe responsibilities of Finance Section in detail, it also include guidelines about segregation of duties.	No finding
C.27	How many bank accounts the organization is currently operating?	03	08	No finding
C.29	Since how many years the organization is going for external audits?	No external audit conducted at organizational level.	The Organization got audited financial statement from external auditors for last three and half years.Actually, the audit was conducted after the Pre-award assessment.	No finding
C.30	Are there any recommendations in Management Letter that have not been implemented?		In the absence of Management Letter of the overall audit of the organization, we are unaware of any recommendation communicated that have not been implemented.	No finding

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		Remarks	Remarks	Findings(if any)
D	**Human Resource Management Capacity**			
D.1	Whether the organization has HR manual or policies/procedures regarding HR?	Yes	Organization have a HR manual which also includes code of conduct for personnel	However, latest changes in the HR Manual are not approved by the BOT.
D.2	Whether the organization has JDs/TORs for different staff categories?	No	Yes, Organization has Job Description for different positions.	No finding
D.3	Does the HR manual contain policies for disciplinary actions?		HR manual does not contain any guidelines about disciplinary actions.	No written policies for disciplinary action/resolution system
D.4	Are the salary grades clearly defined for different cadres?		Yes, the salary grades are as follow: Scale　　　　Grid 6　　　96000 – 155000 5　　　　46000 – 95000 4　　　　25000 – 45000 3　　　　18000 – 24000 2　　　　13000 – 17000 1　　　　8000 – 12000	No finding
D.5	Does organization prepares and retain record of all employees?		Yes	No finding
D.6	Does the organization maintain attendance sheets (time sheets)for all staff and prepare payroll on attendance/time sheet basis?		Yes, payroll prepared after considering the attendance, except an employee, designated as 'Web Developer'.	Attendance register lacks attendance of Web Developer.
D.7	Is there is any policy of working from home?		The organization, in principle, does not prefer working from home option unless the situation is	As per management inquiry, Web Developer

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		Remarks	Remarks	Findings(if any)
			unavoidable.Situations in whichworking from home may be allowed include: • General Strikes • Riots • Any other situations in which travelling from home to office and back is considered impossible or too dangerous.	works from home.
D.8	Does the organization have written policies regarding working hours, vacations, holidays, paid leavesand termination?		The HR policy includes guidelines on these matters.	No finding
D.9	Is the payroll paid by bank, transfer to individual bank accounts OR if not possible, by check in the name of each staff member?		The Organization pays salary through bank transfer letter.	No finding
D.10	Does the organization maintain retirement or severance funds? If yes, are adequate provisions made?		EOBI deduction has been made since January 1, 2012. Registration with EOBI was made in May 2013 from back date.	No finding
D.11	Does the organization do regular training workshops for all staff at all levels and share ideas to improve performance of the organization?		Training workshops are part of capacity building plan of ASP. No regular training workshops havebeen conductedby the organization itself.	The Organization has not conducted any capacity building activities on its own.
D.12	Whether the organization has performance evaluation system in	The Organization has not developed written criteria and policy related to	Yes, Organization has performance evaluation policies and procedures in place. It conducts	No finding

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		Remarks	**Remarks**	**Findings(if any)**
	place?	Performance Evaluation of employees. However, management is of the view that the performance is evaluated.	performance evaluations of employees on yearly basis. Such evaluations are conducted by immediate supervisor through performance evaluation form.	
D.13	Whether the organization is an equal opportunity organization?		The organizational policies specifically state that the organization will operate as an equal opportunity organization. However, we noted that HR policy includes head hunting mode of recruitment and also noted some instances where recruitment of staff was made through this mode which is against the equal opportunity principle.	Head hunting policy for recruitment.
D.14	Is there any disciplinary action/resolution system in place?		No. there is no formal disciplinary action system formed by the organization.	No disciplinary action/resolution system is place
D.15	Note the staff strength currently employed in the key functions (Financial Management, Human Resource, Internal Audit and Procurement)		Staff Strength of keyfunctions: Accounting / Finance: 1 Human Resource: 1 Internal Audit: 0 Administration: 2 Information Technology: 1	Person in the HR department is part time employee.
E	**Procurement Management**			
E.1	Whether the organization has written policies/procedures or procurement manual?	No separate procurement manual developed by the entity, though, financial manual covers some areas of procurement.	Yes, The Organization has developed the separate procurement manual which provides comprehensive guidelines about procurement.	However, latest changes in the Procurement Manual are not approved by the BOT.

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		Remarks	Remarks	Findings(if any)
E.2	Are there any thresholds/ types of procurement?		Yes	No finding
E.3	What are the procurement related approval limits at the organization? Defined in financial manual		**Authority** Project Incharge Rs. 10,000 Senior Program Manager Rs. 20,000 Chairman Rs. 500,000 Chairman, Secretary Finance Rs. 2,000,000 Chairman, Secretary Finance, Executive Committee Above Rs. 2,000,000	No finding
E.4	Are the procurements initiated using any procurement form (obtain a copy)		Goods/Services request form. Copy Obtained	No finding
E.5	What is policy for conducting ad hoc procurements		Yes	No finding
E.6	Are clear and accurate specifications for all procured items included in the tender document?		No tender has been issued	No finding
E.7	Is there any policy for receipt and inspection of goods? Note if the policy is		Policy states that goods received are inspected in presence of project officer.	No finding

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		Remarks	Remarks	Findings(if any)
	not documented.			
E.8	Does the organization prepare an annual procurement plan?		No separate procurement plan is prepared, certain items are included in annual budget prepared	The organization does not prepare Annual Procurement and Supply Management Plan along with the description and timings.
E.9	Is there any procurement body or authority?		Yes, Procurements are made by procurement committee.	No finding
E.10	Is there any grievance redressal system in place?		No. There is no formal grievance redressal system in place to address the grievances of the vendors.	No grievance redressal system
E.11	Whether the organization has an updated inventory list of fixed assets? Please examine.	Yes	Yes	Fixed asset register contains smaller value items though not capitalized; therefore the register does not match with the Books of Accounts
E.12	Whether the fixed assets of the organization are insured?		No, fixed assets are not insured and entity lacks policy on insurance of fixed asset as well.	Lack of insurance of fixed assets. Furthermore, SOPs lacks policy on insurance.

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		Remarks	Remarks	Findings(if any)
E.13	Whether the fixed assets of the organization are coded and labeled?	Yes	Yes	Fixed assets tagging is in deteriorated condition.
E.14	Are fixed assets orderly arranged and physically traceable?		Yes, assets are arranged and traceable. Assets are tagged and annual verification is carried out as per policy.	No finding
E.15	Whether organization carries out annual fixed assets verification?		Yes, fixed assets verification is carried out and report is prepared annually.	No finding
E.16	What is the policy procurement of short-term consultants?		Consultancy contract are to be advertised and managed in similar fashion as general procurements. Bids to be collected in two separate sealed envelopes, one of technical and other of financial proposal: 1.Technical proposal is evaluated on the basis of expertise, staff on board, qualification, past performance technical knowledge and proposal 2. The shortlisted candidates(at least three) from step 1 are evaluated for financial proposal	No finding
F	**Monitoring and Evaluation**			
F.1	Does the organization have a monitoring and evaluation function?	Independent monitoring and evaluation function is non-existent in RAHMA Islamic Relief. However, monitoring and evaluation responsibilities are assigned to a program	There is no overall separate monitoring and evaluation department in the organization.Although, for the time being, a person is performing the monitoring and evaluation responsibility in one site office, Khuiratta.	The organization lacks overall Independent monitoring and evaluation department/ function

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		Remarks	Remarks	Findings(if any)
		assistant as an additional task.		
F.2	Are there a documented policies and procedures for monitoring and evaluation?	Organization does not have monitoring and evaluation policy to be followed and no formal Monitoring and evaluation system is in place within the organization.	Now, the organization has monitoring and evaluation procedural manual	No finding
F.3	What is the frequency of M & E reporting?	N/A	There is no specific reporting frequency; In fact this function is performed on need basis	No finding
G	**Information Technology**			
G.1	Whether the organization has a policy for security of information system?		Yes, IT policy contains guidelines about security of information system.	No finding
G.2	The soft wares being used by the organization are licensed or not?		The accounting software being used by the organization is not licensed	Unlicensed accounting software
G.3	Does the organization have a data backup policy? If yes, whether the backup is taken on regular intervals?		Yes, the organization has written policy regarding data backup. However the backup is taken only in soft form and the drive containing backup data is placed in the same office. This practice would render the backup practice useless in case of any calamity.	

3. ASSESSMENT OF ACTION PLANS AGREED IN CAPACITY BUILDING PLAN

3.1 IMPLEMENTATION OF IMPROVED MANAGEMENT SYSTEM

We reviewed the activities and targets set for improved management system in the revised capacity building plan dated June 28, 2013 in light of output indicators of the plan. We assessed overall effectiveness of the plan on the organization in terms of adoption and implementation of improved management policies and procedures. The organization has adopted all manuals offered by ASP-AiD according to the plan and successfully implemented the policies and procedures given in these manual except the issues identified in this report and implementation of manual of Monitoring & Evaluation. We found that the organization was not facilitated in policies related to governance according to the plan. Moreover, the organization has not implemented ERP system offered by ASP-AiD.

	Actions Plan	Implementation Status	Comments
1. Governance and Management			
a.	Facilitation in implementation of improved policies and structures	Not implemented	During our review we were informed by the management that manual on governance has not been provided by ASP-AID
2. Procurement Management			
a.	Improvement of Procurement Policies and Procedures Manual	Implemented	We were informed by the management that ASP AID provided manual on procurement management which was adopted by the organization with certain modifications according to the organizational needs. Previously the organization did not have a separate procurement manual
3. Financial Management			
a.	Improvement of Financial Management Policies and Procedures Manual	Implemented	We were informed by the management that the organization has adopted the manual on financial management provided by ASP-AiD. with certain modifications according to the organizational needs
4. Human Resource Management			
a.	Improvement of HR Policies and Procedures Manual	Implemented	We were informed by the management that the organization has adopted the manual on HR Policies and Procedures management provided by ASP-AiD. with certain modifications according to the organizational needs

b.	Assistance in registration with Employee Old Age Benefits Institution(EOBI),if required	Not required	As per management inquiry, we were informed that Management registered the employees with EOBI
5. Monitoring and Evaluation			
a.	Development of M&E policies and framework	Adopted	We were informed by the management that the organization has adopted the manual on Monitoring and Evaluation Policies and Framework provided by ASP-AiD. The organization did not have a separate M&E manual previously.
6. Information Technology			
	Development of IT Policies and Procedure Manual	Implemented	We were informed by the management that the organization has adopted the manual on IT Policies and Procedures provided by ASP-AiD. The organization did not have an IT manual previously.
	Automation of HR, financial, procurement and assets management systems if required	Not Applicable	The organization is using QuickBooks software for book keeping and denied implementation of software offered by ASP-AiD

3.2 CAPACITY BUILDING OF HUMAN RESOURCE

We reviewed the activities and targets set for capacity building of human resource in the plan. All training activities devised in the plan were conducted. Relevant training was given to 7 members of the staff of the organization

Name of Employee	Designation	Capacity Building Training
Zulqarnain Ansari	Senior Programme Manager	Received trainings on Human Resource Management, policy making, monitoring and evaluation
UmairMajeed	Program Officer	Received trainings on Human Resource Management and policy making, monitoring and evaluation, workplace ethics and Information technology
WaqarAnjum	Project Development	Received training on project

	Officer	management, procurement management, monitoring and evaluation
Waseem Ahmed	Finance Officer	Receiving training on financial and procurement management, IT and workplace ethics
Muhammad Younas	Admin Officer	Received training on procurement management
AsadullahIslahi	Area Coordinator Kotli	Received training on compliance
Faheem-ud-din Khushik	M&E Officer	Receiving trainings on monitoring and evaluation

4. KEY FINDINGS

Following section provides details on the issues identified in the individual assessment of areas scoped under our review:

| Issue	Recommendation	Management comments
A. Governance		
1. Less Frequent BOT Meetings		
Board of Trustees meetings are not held frequently enough to overview the entity's performance.	Members of Board of Trustees should meet at least at the end of each quarter to discuss, analyze and evaluate the performance of organization	It is mandatory to organize two meetings in a year. However more than two meetings are being held every year if you also count BOT executive committee meetings along with regular BOT meetings.
2. Exclusive power of Chairman		
As per trust deed the Chairman of the trust has exclusive power to remove and appoint any person as member of Board of trustees.	The Chairman should not have exclusive powers against other members. The removal of members of BOT shall be based on voting of members of BOT excluding the member being considered for removal. Moreover, the member under consideration shall be given opportunity to make presentation or tender any other explanation to the BOT	Although it is mentioned in the trust deed but never practiced. All such issues resolved through mutual consensus of all BOT members. We would like to mention that we already tried to revise the trust deed but there is no such provision in the law. The registrar office refused to accept any revised deed. The BOT shall take the point into consideration, which raised by RSM AHLN while upgrading the registration of organization to another act.
3. No TOR of HR Selection Committee		
TOR of the HR selection committee are not documented	There should be clearly defined TORs of the HR selection committee specifying duties and responsibilities, authority and key characteristics including qualification and experience	It is difficult to set predefined TORs for selection panel/committee for selection of HR related in diversified fields and sections. However, we will formulate TORs for selection committee in future recruitment.
4. No Internal Audit Function/Committee		
The organization has not established an internal audit function	The organization should establish an internal audit function in order to have a strong internal control environment, in which report should be presented to higher authorities	RAHMA strongly believed in proper and transparent book keeping and conducting annual audit since its registration. All such audit reports are published through

Issue	Recommendation	Management comments
	(BOT)	website. The Internal auditor is yet not appointed due to high cost but its a part of our new approved policy, therefore we have to adopt it and currently we are planning to hire an internal auditor.
B. Financial Management		
1. Late Submission of Withholding Tax		
Late submission of withholding tax, deducted at source	Management of thy organization should make sure that the tax withheld should be deposited to tax authorities with 7 days of collection.	We shall make sure timely submission.
2. Failure to comply with Cash Limit Policy		
The entity fails to comply with the policy of no cash payments above Rs. 10,000	The organization should strictly adhere to the cash payment policy and no payments above the specified limits should be made in cash	The revised policy formed and got approved a couple weeks back, in which such cash limit applied. We have been practicing as per policy.
3. Not preparing interim financial statement		
We noted that management does not prepare interim financial statements.	Management should prepare interim financial statements quarterly so that financial performance of the organization can be reviewed timely.	We have been preparing such statements when required. However, now we shall prepare such financial statement on regular basis as suggested.
4. Transferring Advances in Personal Accounts		
Entity has a practice of transferring advances into the personal account of Area Coordinator instead of entity's field office bank account	The organization should discard this practice and transfer the advances in to bank account, bearing name of organization	Operational advances and petty cash are being transferred to the personal accounts of the relevant staff after proper approval. However, such advances have to be settled within a limited period and more advances can be provided once it is settled. We appreciate this suggestion and shall open bank accounts at regular/long term projects for transactions of operational costs. However, in short term emergency projects, we have no option other than operational advances.

Issue	Recommendation	Management comments
5. Finance Committee not Formed		
The organization has not established a Finance Committee. As per guidelines in financial manual finance committee will be formed which is responsible for; - Reviewing budget and financial progress - Communicate information on possible funding sources	Finance Committee should be formed so that better controls over financial performance and budget variances can be exercised and possible funding sources are timely identified for better financial planning	We agreed regarding importance of finance committee and shall be formed soon. However, the clause was incorporated in the revised policy document that approved recently (as mentioned before) therefore it should not be considered as non-compliance of policy.
C. Procurement Management		
1. Deteriorated condition of fixed assets tagging		
During our review we noted that tagging on some fixed assets was in deteriorated condition.	Management should make sure that tagging of fixed assets is intact	Fixed assets register and tagging are properly maintained. Assets are annually verified and reported to management and BOT. All assets are given proper codes and pasted as stickers. However, it is possible that few stickers might not be in a good condition.
2. No proper Fixed Assets Register		
Fixed asset register contains smaller value items which were not capitalized; therefore fixed assets register is not reconciled with the Books of Accounts	Fixed asset register should exclude items which had not been capitalized and should be reconciled with books of accounts	The definition of "fixed asset" was vague in previous policy therefore some less valuable items were also incorporated to the asset register on basis of their estimated life. Now it is clearly stated in the new financial policy and shall be documented accordingly
3. No insurance of fixed asset		
We noted that the organization neither has a policy regarding insurance of fixed assets nor has insured fixed assets.	To mitigate risk of theft, impact of natural calamities, management should make policy for insurance and get its fixed assets insured .	As we shared that value of assets are at lower side and we presented our audit report that reflecting the value of current assets at one of our health project (Khuiratta) is Rs.316,000. In the context of the value or cost, we

Issue	Recommendation	Management comments
		yet not opted any insurance option because it can increase the non-operational recurring costs rather reducing it. Instead of insurance, we purchased all equipment (Ultra sound, ECG, Microlab) from vendor with warranty of 1 to 2 years for free service and replacement. The point is also requested to be reconsidered.
4. Procurement and Supply Management Plan not Prepared		
The organization does not prepare Annual Procurement and Supply Management Plan	The organization should construct Annual Procurement and Supply Management Plan, along with the timings and description of items to be procured	The procurement and supply plans are part of projects' plans and budgets whereas the office related procurements are incorporated with the annual budget of organization.
5. No Grievance Redressal System		
There is no documented Grievance Redressal System in the organization	The organization should develop a formal Grievance Redressal System to address vendor grievances, specifying timings of initiation, exploration, processing and communication of final decision	Grievance redressal is a part of HR policy but the procedures are yet required to be elaborated. We appreciate for this suggestion and move forward for improvement.
D. Human Resource Management		
1. No disciplinary Actions Resolution System		
There was no written Disciplinary Actions Resolution System in place	The Organization should build formal written policy for resolving matters accidental to disciplinary matters	It already exists in HR policy (shared) but can be further improved.
2. Non-competitive recruitment policy-Head Hunting Policy		
We noted that the organization has non-competitive recruitment policy i.e 'Head Hunting Policy' for recruitment of staff which implies that the Entity as not an equal opportunity employer	The organization should remove the aforementioned policy from HR manual and recruit the staff through proper channel	There are some positions for which we do not find suitable candidate after the advertisement especially during the emergency situations. Apart from such scenario; we always have followed proper recruitment mechanism defined in policy manual. We may look into it later on to find some other suitable procedures.

Issue	Recommendation	Management comments
E. Monitoring and Evaluation		
1. Lack of Overall Independent Monitoring and Evaluation Department/ Function		
We noted that the organization lacks overall Independent monitoring and evaluation department/ function	There should be an independent monitoring and evaluation department for overall monitoring at the organizational level so that the operations of the organization are managed effectively and issues are reported and resolved more efficiently.	M&E functions and structure is existing in our organization and a formal framework and policy also got established during execution of the SGAFP's project. The structure exists on 3 tiers including project, area office and head office. Due to budgeting limitation, we cannot develop independent M&E department so far. However, the suggestion is quite valid and shall be materialized as soon as we get the required resources.
F. Information Technology		
1. Unlicensed Accounting Software		
Currently, the organization is maintaining its books of accounts using unlicensed version of accounting software.	The Organization should use licensed accounting software.	We are using quick book for last 5 years and it's functioning perfectly. All required reports can be generated as mentioned in the report on page 49. However, on legal grounds, we prefer licensed software and no doubt there is some risk involved but yet could not afford a licensed version. ERP system given by ASP has limited options and less user friendly, therefore we have not adopted the software. The issue is again due to budgeting limitation and shall be resolved when we can manage the required resources. During this year, we already collected quotations but could not proceed further as the costs were higher than our budget.
2. Improper system of Data Backup and Retention		

Issue	Recommendation	Management comments
The IT personnel capture backup of soft accounting data on external hard disk, on monthly basis, which is placed in the same office premises. This practice implies unsecure system of data backup and retention.	The aforesaid person should take backup using aforesaid method on weekly basis and place that external media at some safe location (e.g. bank locker). So that soft data can be retrieved in case of any mishap.	The point is valid and shall be implemented accordingly.
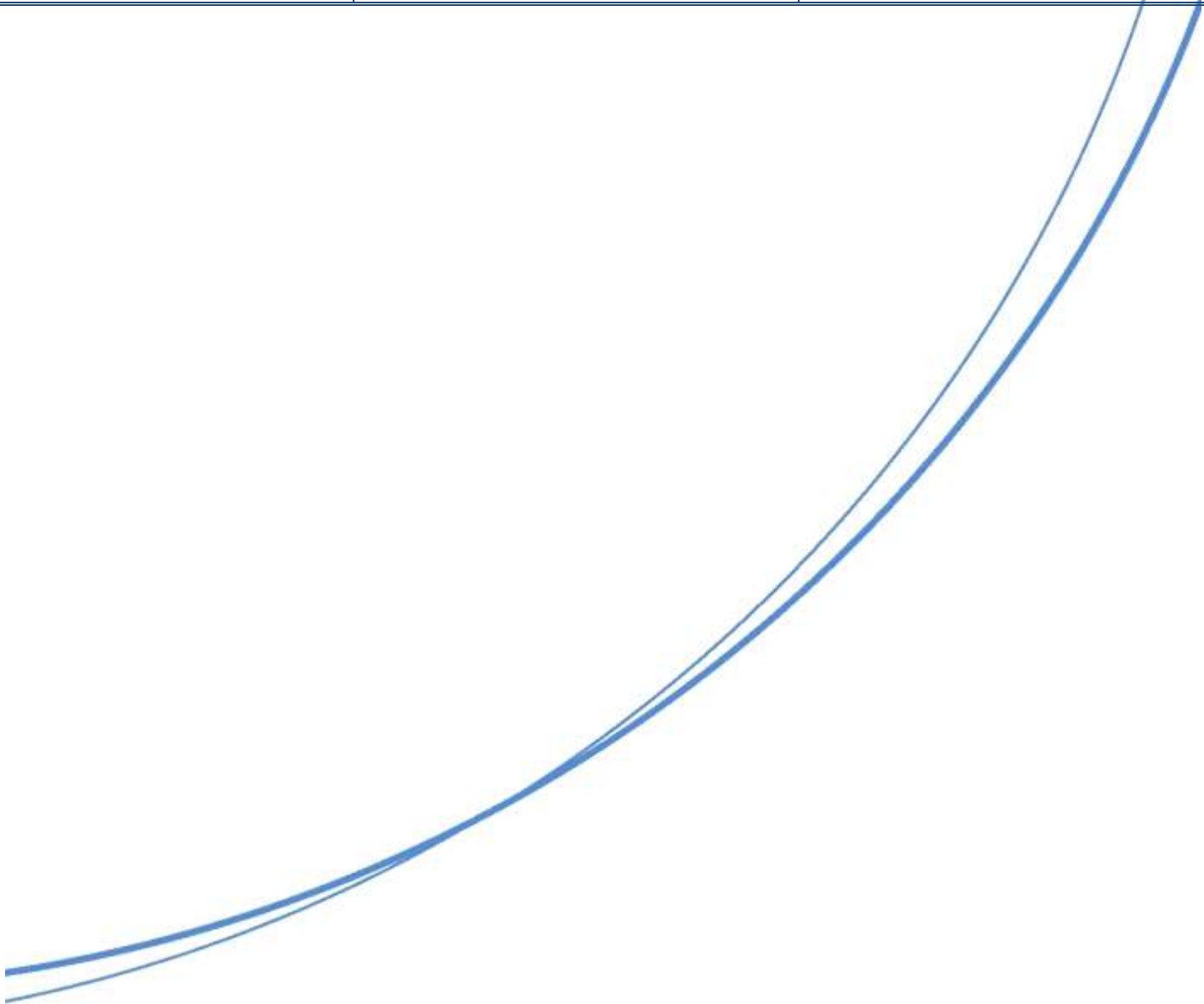
5. SUMMARY OF KEY FINDINGS OF PRE-AWARD ASSESSMENT AND FOLLOW UP REVIEW:

Issues in the Pre-Award Assessment Report	Recommendations in the Pre-Award Assessment Report	Mitigation Measures Taken	Risk Level		Revised Recommendations
			Pre- award	Revised*	
1. Program Implementation arrangements			Medium	Low	
There is no guidance relating to planning and coordination at the Organizational level as well as at project level. As per management they have informal mechanism for planning and coordination.	The SGAFP management may consider including development and submission of planning and coordination mechanism.	Monthly planning, review and coordination meeting is being held at project and head office levels. Tasks/targets have been assigned to relevant staff as per work plan of the projects and annual plan of the organization.			The management should have formal documented planning and coordination mechanism to guide behavior of staff and ensure consistency
The current project for which the Organization has submitted the proposal for continuation, is generating funds as well, however, the Organization has not accounted for the income from the proposed project.	Management should account for estimated income from the proposed project and adjust the proposed budget accordingly.	It was found that the generated income has been deposited to sustainability fund of the project in form of term deposit certificates. Management informed that return on such funds will be utilized after completion of the project agreement with SGAFP. It was mentioned in the project proposal and reported to the donor on monthly basis.			No recommendation

Issues in the Pre-Award Assessment Report	Recommendations in the Pre-Award Assessment Report	Mitigation Measures Taken	Risk Level		Revised Recommendations
			Pre- award	Revised*	
The Organization has not carried out any baseline survey to provide capacity building trainings to the CO managers and Community Heath Workers (CHWs).	The SGAFP management might consider inclusion of results of baseline surveys as a CP to first disbursement.	The COs was formed and the CHWs/TBAs were selected in different intervals and in a long procedure. Need of the capacity building was assessed and raised through the Monthly meetings of CO's.			No recommendation
Contents of trainings to TBA's are not developed.	The SGAFP management might consider provision of training contents as a CP to first disbursement.	Two trainings were arranged through in-house resource person a medical doctor. Training contents were prepared prior to these trainings.			No recommendation
2. Human resource Management			Medium	Low	
A formal hiring plan for the project staff specifying the timelines and hiring procedures have not been developed.	The SGAFP management may consider including development and submission of a Hiring plan, in the grant agreement as a CP to the First Disbursement.	It was part of the work plan, which was included in the final agreement.			No recommendation
HR manual does not provide policies related to selection and recruitment process, performance appraisal system, job descriptions and payroll system.	HR manual should be updated to include comprehensive policies on human resource management.	HR policy has been revised as per guidance of ASP-AID.			No recommendation

Issues in the Pre-Award Assessment Report	Recommendations in the Pre-Award Assessment Report	Mitigation Measures Taken	Risk Level		Revised Recommendations
			Pre-award	Revised*	
3.Financial Management:			Medium	Medium	
The organization's major projects are maintenance and operations of the health center and Pakistan flood emergency. We understand that the existing funding for the health center is available till end of the year 2011. There is no committed funding available to the organization beyond 2011. However, the organization has investments of PKR 1 million.	The SGAFP management might consider financial sustainability of the organization prior to entering into grant agreement.	The organization still not has committed funding for the health centre. However, currently the organization has accumulated funds in excess of PKR 4 million.			No recommendation
Financial statements of the organization are not prepared. However, the project's receipt and payment account was prepared and audited.	Financial statements of the organization should be prepared on an overall organizational basis and should be audited by independent external auditors.	The organization has implemented the practice of preparing Financial Statements and get them audited by a Chartered Accountant firm after the Pre-Award Assessment			No recommendation
RAHMA Islamic Relief's policies and procedures manual lacks guidance on key areas including depreciation, assets insurance and budget preparation (Organizational and Project level budgets).	Management should consider development of comprehensive Finance Manual.	The policy was revised with support of ASP-AID and included guidance on these matters.			The policy manual should include policy on assets insurance.

Issues in the Pre-Award Assessment Report	Recommendations in the Pre-Award Assessment Report	Mitigation Measures Taken	Risk Level		Revised Recommendations
			Pre-award	Revised*	
There is no Internal audit department in the RAHMA Islamic relief.	Keeping in view the size of operations of the organization, establishment of independent internal audit function might be considered.	No internal audit function has yet been established. Management responded on inquiring about establishment of internal audit function that the cost of establishing internal audit is beyond the capacity of organization			The organization should establish Internal Audit function.
The organization is not following allowed cash payment limits imposed by Income Tax Ordinance 2001. As per the applicable rules and regulations, payments above PKR 10,000 should be made through cheques; however, the limit as per finance manual of the organization is PKR 20,000.	The organization should ensure compliance with applicable rules and regulations.	The policy was revised and the cash payment limit was restricted up to Rs. 10,000. However, we noted some instances of non compliance with the cash payment limit policy and certain payments above the given threshold were made by cash			The organization should strictly comply with the documented policy.
Financial records of the organization are maintained manually. However, the organization is in the process of implementing quick books.	The automation process should be completed at the earliest and staff should be adequately trained to manage automated financial records.	Organization is now maintaining books of accounts using unlicensed version of QuickBooks.			The Entity should use licensed copy of Quick Books.

Issues in the Pre-Award Assessment Report	Recommendations in the Pre-Award Assessment Report	Mitigation Measures Taken	Risk Level		Revised Recommendations
			Pre- award	Revised*	
4.Monitoring and evaluation of program activities			Medium	High	
Independent monitoring and evaluation function is non-existent in RAHMA Islamic Relief. However, monitoring and evaluation responsibilities are assigned to a program assistant as an additional task.	Independent monitoring and evaluation function employing adequately experienced personnel should be established by the organization.	It was observed that the organization hired M&E officer in 2012 who is answerable to Area Coordinator. However, Independent monitoring and evaluation department has not been established at organizational level			Monitoring and evaluation function should be established at the organizational level
Tools and guidelines for data collection, reporting and monitoring of Project activities have not been defined in SOPs. Further, a detailed monitoring and evaluation plan providing activity wise description of M&E activities to be performed for the project along with their timing and available resources has not been developed	The SGAFP management may consider including development and submission of a Monitoring and Evaluation plan, adequately satisfying the Project requirements, in the grant agreement as a CP to the First Disbursement.	M&E policy and framework was developed during project implementation and the deficient policies were duly included.			No recommendation

Issues in the Pre-Award Assessment Report	Recommendations in the Pre-Award Assessment Report	Mitigation Measures Taken	Risk Level		Revised Recommendations
			Pre- award	Revised*	
5.Procurement and supply management			Medium	Low	
Procurement and supply management plan has not been developed. Procurements of services (for arranging doctors for trainings) and goods comprises of 18% of the total project budget.	The SGAFP management may consider including development and submission of a Procurement and Supply Management plan, adequately satisfying the following Project requirements, in the grant agreement as a CP to the First Disbursement, including but not limited to: i. Quantitative details and timing of procurement of Project services and equipments for the establishment of skills development centers; ii.Method for procurement for each type of Project service and equipments; iii. Supplier channels for procurement of Project services and equipments, if any; iv. Distribution plan and channels;v.	It was observed that no separate procurement and supply management plan has been developed. On inquiring from management we were informed that It was a part of aforementioned work plan.			Management should develop Procurement and Supply Management Plan for overall entity as well

Issues in the Pre-Award Assessment Report	Recommendations in the Pre-Award Assessment Report	Mitigation Measures Taken	Risk Level		Revised Recommendations
			Pre- award	Revised*	
	Storage facilities at each implementation level of the program;vi. Reporting on distribution and utilization of Project services and equipments				
The manual developed by the organization, does not include guidance on: i. Contract administration arrangements; ii. Compliance with donor specific procurement requirements; and iii. Procurement of services.	Procurement policy and procedures should be devised by RAHMA Islamic Relief to cover areas like development and evaluation of bids and suppliers/service provider's contracts management.	The organization has revised its procurement manual as per guidance of ASP-AiD and the deficient guidelines were duly incorporated			No recommendation

*Revised Risk Categorization: This revised risk categorization has been given keeping in view the status of findings as per initial assessment and findings during our validation in each area.

6.   RISK MATRIX

Following is the definition of different levels of risks:

Level of risk	Definition of levels
High	High risk has been allocated to the areas where documented system and compensating controls do not exist and our review highlights certain material weaknesses. Or the documented system is in existence, however material weaknesses were observed.
Medium	Moderate Risk Rating was assigned to the areas where documented system does or does not exist and during the transaction testing levels certain significant but not material weaknesses were observed, however the existence of compensating controls reduce the likelihood of such risks.
Low	Low Risk Rating was assigned to the functions where documented system exists, controls are in place and only certain procedural weaknesses, if any, were observed.

7. ANNEXURES

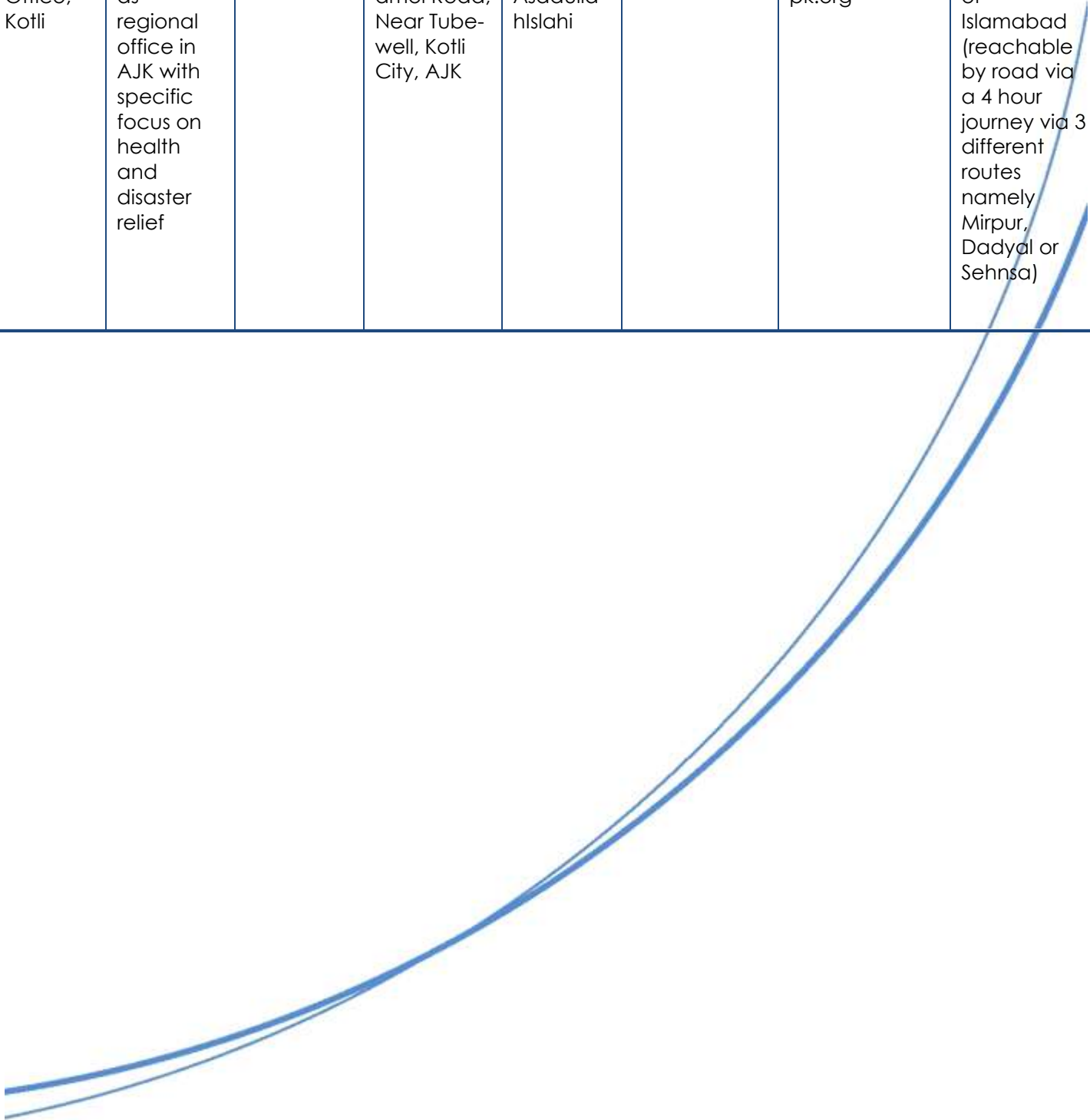## ANNEXURE 1:

A.6 LIST OF BOARD OF TRUSTEES

Sr. No.	Name of Executive Body Member	Designation	Present Address
1	Mr. Muhammad Saghir	Chairman	289/19 Karam Dad Market, Afshan Colony, Rawalpindi Cell: 03008541454 Email: saghirqamar@gmail.com
2	Mr. Nisar Ahmad	Vice Chairman	H # 116, Street 34, Sector G-9/1, Islamabad Cell: 03345052299 Email: nisar@humanappeal.org.pk
3	Mr. Umar Hayat Khan	Secretary Finance	House # 115, Street 40 Bahria Town Phase 8, Islamabad Cell: 03008541127 Email: uhabbasi@memrb.com.pk
4	Mr. Afzaal Ahmad	General Secretary	Village KothayJathan, PO Barnala, Tehsil Barnala, District Bhimber, AJK Cell: 03005500045 Email: afzaal.read@gmail.com
5	Mr. ShahidMahmood	Member	House # 35, U-Lane (Zulfiqar Lane), Cavalry Ground, Cantt. Lahore Cell # +92-0300-8423650 **E-mail**: shahid.nexus@gmail.com

6	Ms. Momina Khan	Member	ZiaratMorh, H # 467-CB, MohallaAfshan Colony, DhokChaudhrian, Rawalpindi Cell: 03455271408
7	Ms. Somyyialkram	Member	House # 43-A, Sector E-2, Mirpur, AJK Cell: 03345346361 Email: somyyia@hotmail.com

A.17 DETAILSOF OFFICES

Office Name	Purpose	Geo. Focus	Address	Focal Person	Contact Nos.	Email Address	Distance from other Cities
Head Office	To serve as the main office of RAHMA overseeing all activities of the organization	Pakistan	314 – Poonch House Complex, Adamjee Road, Saddar, Rawalpindi	Mr. Zulqarnain Ansari	051-5513117; 0300-5553629 Fax: 051-5513017	mail@rahmapk.org	10 KM south of Islamabad
Area Office, Rahim Yar Khan	To serve as regional office in southern Punjab with specific focus on disaster relief	South Punjab and nearby areas	RAHMA Hospital, Junpoor City, Tehsil Liaquatpur, district Rahim Yar Khan	Mr. Abdur Rahim	0331-5300379	acryk@rahmapk.org	115 KM north of Rahim Yar Khan city and approximately 750 KM south of Islamabad (reachable by road via a 10 hour journey)

| Area Office, Kotli | To serve as regional office in AJK with specific focus on health and disaster relief | AJK | PalaytarDhamol Road, Near Tube-well, Kotli City, AJK | Mr. AsadullahIslahi | 0333-8539860 | acryk@rahmapk.org | 156 KM east of Islamabad (reachable by road via a 4 hour journey via 3 different routes namely Mirpur, Dadyal or Sehnsa) |

ANNEXURE 2:

B.3 LIST OF ONGOING PROJECTS AT TIME OF PRE-AWARD ASSESSMENT

S. No	Project Name	Donor	Amount (Rs.)	Location	Duration
1.	Improvement of Basic Healthcare Services	RIRF	7,265,895	Tehsil/District Rahim Yar Khan	Nov 2011 – Dec – 2012
2.	Shahzada Begum Memorial School Project	Individual Donor	442,000	RattaAmral, Rawalpindi	Sept 11 – ongoing
3	Rural Primary Healthcare Project (RPHP)	Development Fund, Norway through RIRF, & RIRF	13,393,450	Tehsil Khuiratta, District Kotli	2010-11

## B.3 LIST OF ONGOING PROJECTS AT THE TIME OF VALIDATION

S. No	Project Name	Donor	Amount (Rs.)	Location	Duration
1	Rural Primary Healthcare Project (RPHP)	NORAD	22 million	UC Dhanwan, Tehsil and District Kotli	2012-14
2	Vocational Skills Enhancement of 200 women and girls from Kashmiri Refugees in district Kotli	Individual donor	2 million	Gulpur Refugee Camp and surrounding area, District Kotli, AJK	Jul 2012-Mar 2014
3	Shahzada Begum Memorial School Project	Shahzada Begum Memorial Trust	0.7 million per annum	Rawalpindi's urban slums in RattaAmral area	Sept 2011 to present
4	Improvement of Basic Healthcare Services	RIRF, Norway	14 million	Tehsil Liaquatpur, District Rahim Yar Khan	Nov 2011 – Ongoing

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B.4 LIST OF ALL COMPLETED PROJECTS

S. No	Project Name	Donor	Amount (Rs.)	Location	Duration
1	Model Sustainable Rural Primary Healthcare Project	USAID Small Grants Programme	19,870,900	Tehsil Khuiratta, District Kotli, AJK	1 April 2012 – 31 March 2014
2	Iftaar-us-Saaim 2013	RIRF, Norway	2 million	District Kotli, (AJK)	2013
3	Qurbani Project 2013	RIRF, Norway	3.99 million	District Kotli, (AJK)	2013
4	Emergency relief project for IDPs from Nakyal sector near the Line of Control	RIRF, Norway	2.4 million	District Kotli (AJK)	2013
5	Emergency rescue and relief for 2013 flood-affected people of Tehsil Liaquatpur	RIRF, Norway	2.5 million	Tehsil Liaquatpur, District Rahim Yar Khan	2013
6	Iftaar-us-Saim Project 2012	RIRF, Norway	1.5 Million	District Kotli, AJK	2012
7	Qurbani 2012	RIRF and individual donors	5.45 million	District Kotli, (AJK), district Rajanpur (Punjab) and Jalozai IDPs Camp (KP)	2012
8	Agricultural Support for small farmers in flood-affected areas of Badin, Sindh	RIRF, Norway	7 million	District Badin, Sindh	2012
9	Rural Primary Health Care Project, Khuiratta	The Development	8.5 million	Tehsil Khuiratta, District Kotli	2010-11

		Fund, Norway And RAHMA Islamic Relief Fund Norway			
10	Qurbani Project 2011	RIRF and Individual donors	4 million	District Badin (Sindh) and District Kotli (AJK)	2011
11	Ramazan Food Distribution among Flood Affectees	RIRF	0.5 Million	Districts Jaffarabad, Naseerabad, Ziarat and Pishin, Balochistan	2011
12	Flood Response Project 2010-11	MFA, Norway and RAHMA Islamic Relief Fund Norway	57.2 Million	Tehsil Liaquatpur in District Rahim Yar Khan (Punjab) and District Nowshera (KP)	2010-11
13	Science Lab Establishment in a School	Individual Donors	15,000	Tehsil Gujar Khan, District Rawalpindi	April, 2010
14	Sewing Machine Distribution to Skilled & Deserving Women	Individual Donors	20,000	Tehsil Khuiratta, District Kotli	Feb-Mar, 2010
15	Drinking Water Scheme through Electric Motor	Individual Donors	70,000	Village Anary, District Rawalakot	2010
16	Qurbani Project for Kashmir Refugees 2010	RIRF	360,000	AJ&K	2010
17	Qurbani Project for Kashmir	RIRF	1,544,000	AJK & Swat	2009

	Refugees & IDPs 2009				
18	Primary School, Technical Training Institute and Industrial Home, and Primary Healthcare Center	RIRF	PKR 9.2 million	Gharib Abad, Rawalpindi	2009-2010
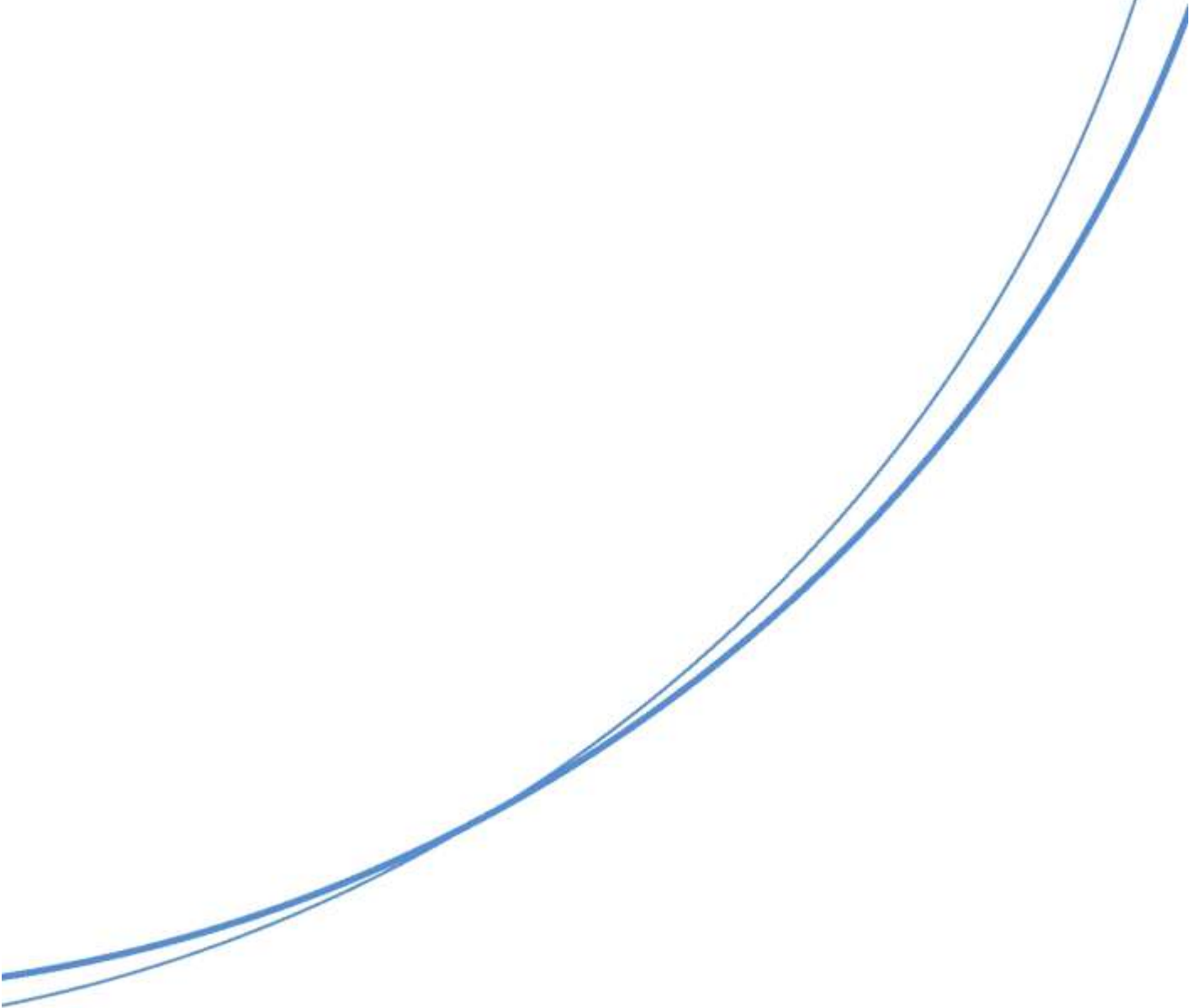
ANNEXURE 3:

C.2 LIST OF REPORTS GENERATED BY ACCOUNTING SOFTWARE

Financial Reports Types	Yes	No
Chart of accounts	Yes	
General ledger	Yes	
Trial balance	Yes	
Income &expenditure report	Yes	
Balance sheet	Yes	
Cash flow statement	Yes	

C.3 LIST OF REPORTS PREPARED BY ORGANIZATION AT THE TIME OF PRE AWARD ASSESMENT

Financial Reports Types	Yes	No
Chart of accounts	Yes	
General ledger	Yes	
Trial balance	Yes	
Income &expenditurereport	Yes	
Balance sheet	Yes	
Cash flow statement	Yes	

ANNEXURE 4

KEY AREAS COVERED BY THE MANUALS:

Financial manual	HR manual	Procurement manual	M&E manual	Information Technology Manual
▪ Internal controls and management responsibilities ▪ Authorization limits ▪ Code of ethics ▪ Records Retention ▪ Board of Trustees ▪ Audit Committee ▪ Finance Committee ▪ Procurement Committee ▪ Manager admin and Finance roles ▪ Financial Calendar ▪ Accounting Policies ▪ Accounting System ▪ Progress Reporting ▪ Budget ▪ Bank and Cash management ▪ Procurement and Payment procedure ▪ Program and project accounting process ▪ Fixed assets	▪ Organizational Values ▪ Equal opportunity policy ▪ Identity cards ▪ Personal files ▪ Suggestion complaint box ▪ Organizational Structure ▪ Working Hours ▪ Attendance ▪ Dress Code ▪ Contract ▪ Probation Period ▪ Service period and Joining date ▪ Recruitment policy ▪ Employee grading ▪ Salary Structure ▪ EOBI ▪ Advances against salary ▪ Evaluation and performance appraisal ▪ Leaves ▪ Separation from Employment ▪ Code of Conducts	▪ Scope and applicability. ▪ Need Identification ▪ Approval from competitive Authority ▪ Threshold Financial Limits ▪ Procurement Planning ▪ Market Survey ▪ Procurement Committee ▪ Formation Procedures ▪ Responsibilities of Committee ▪ Elimination of Committee ▪ Requests for Quotations ▪ Call for Sealed Quotations ▪ Call for Tender ▪ Open Quotation ▪ Sealed Quotations ▪ Tender ▪ Evaluation of Open Quotations ▪ Evaluation of Sealed Quotations ▪ Evaluation of Tenders ▪ Tender Opening session ▪ Comparative statement for all types ▪ Purchase/Work Order ▪ Fixed term supply contracts ▪ Service level Agreement ▪ Consultancy Contracts ▪ Worker Contracts ▪ Pre-qualification of Supplier/Service Provider ▪ Goods Receiving Note ▪ Goods forwarding Note ▪ Goods Delivery Note ▪ General Payment	▪ Purposes of Monitoring and Evaluation ▪ Definitions of Monitoring and Evaluation ▪ Monitoring & Evaluation tools ▪ Baseline and endline studies ▪ Monitoring and Evaluation team ▪ Implementation of framework ▪ M&E Mechanism ▪ Monitoring of the project ▪ Setting up monitoring indicators ▪ Evaluation process ▪ Criteria of Evaluation ▪ Evaluation process	▪ Objective ▪ IT department ▪ License agreements ▪ Intellectual property and copyrights ▪ LAN Policy ▪ Access codes and Passwords ▪ Physical security ▪ Internet and Email policy ▪ Information monitoring ▪ IT security policy ▪ Virus protection ▪ Backup and disaster recovery policy ▪ Data Backup ▪ Implementation of IT policy ▪ Penalty clause

		procedure ▪ Payment procedure for Goods ▪ Payment procedure for services/worker contracts ▪ Acknowledgement by Supplier/Service Provider		