



African Development Foundation Financial Assessment Review Questionnaire

Country:	
Applicant Organization Name:	
Project Name:	
Brief description of the project:	
Date of Review:	
Names and Positions of Persons Interviewed:	
Location of Review:	
Name, Title, and Organization of person conducting review:	
USADF Country Representative:	
Partner Finance Officer:	
USADF Regional Program Coordinator:	

B. Key Financial Personnel

In the table below are key financial functions. Indicate who performs each function. **If no one performs the function, be sure to indicate that. Add any functions performed that are not listed below. Keep this chart with you as you complete the rest of the questionnaire. You will need to compare what you observe in the processes you will review with the assignment of personnel, documented below.**

Responsibility	Function Type	Name	Title	Qualifications (Education and/or Experience)	Supervised by
Receiving cash and checks	Custody				
Making bank deposits	Custody				
Posting cash received in Cash Journal	Recording				
Ordering goods and services	Custody				
Approving orders for goods and services	Authorizing				
Ensuring goods/services received against invoices	Custody				
Approving invoices for payment	Authorizing				
Preparing check or cash disbursements	Custody				
Signing checks	Authorizing				
Posting cash disbursed in Cash Journal	Recording				
Preparing bank reconciliations	Recording				
Reviewing bank reconciliations	Authorizing				
Updating the general ledger	Recording				
Preparing USADF financial reports	Recording				
Disbursing petty cash	Custody				

Reconciling petty cash	Recording				
Reviewing reconciliation	Authorizing				
Approving timesheets	Authorizing				
Preparing payroll from timesheets or other input	Custody				
Approving payroll	Authorizing				
Preparing payroll checks	Custody				
Distributing pay checks	Custody				
Reconciling payroll to timesheets	Authorizing				
Updating payroll registers and the general ledger	Recording				

C. Separation of Duties

One of the most important internal control principles is **separation of duties**. This means that, ideally, the following three functions should be assigned to different people: **authorizing** transactions, **recording** transactions, and maintaining **custody** of assets.

Are the financial duties (as described above) separated so that no one individual is responsible for all three of the functions in processing a transaction? If not, is the management review process thorough enough to act as a control over this individual? **Provide your assessment of the adequacy of separation of duties and make recommendations as appropriate in the Follow Up Plan.**

Assessment of Separation of Duties:

If any of the personnel listed above need additional training to perform his/her job, complete the chart below:

Name of Employee	Position	Type of training needed	Comments

D. Cash Management – This section deals with cash management. “Cash” means both cash and checks. Please respond to all questions and provide a detailed narrative where requested.

Banking information and practices

1. List the bank accounts the organization maintains. For each account, indicate the type of account and what the account is for. The applicant must open a separate account for the funds from USADF. What type of account will the applicant open?

2. For checking accounts, where are unused, voided or returned checks stored? Who has access? Do you believe they are properly secured?

3. Ask to review a sample bank reconciliation. Look to see if reconciliations are current. Look for evidence that the bank reconciliation has been reviewed by senior management. Document how reconciling items are handled.

Cash Receipts

Receiving cash is a process that begins with the collection of cash and checks, proceeds to the deposit of funds in a bank account and ends with the reconciliation of cash in the bank to internal records. **Select a check receipt and a cash receipt from the applicant's records.** Trace **each** transaction from the actual receipt to the posting in the accounting records and to the bank reconciliation. In the space provided, write a narrative that describes the entire process. Start at the beginning and document the steps of the process in order. Be thorough! Highlight both strengths and weaknesses in what you observe. Consider the following questions as you write the narrative, **but do not simply answer the questions.**

Does the organization receive payments for sales in cash, by check or both? Is a receipt voucher signed by the person who makes the payment? How often are receipts of cash and checks deposited into the bank? Describe how cash and checks are batched for deposit and then taken to the bank for deposit. **BE SURE TO ANSWER THE QUESTION, HOW DO WE KNOW THAT ALL CASH/CHECKS RECEIVED ARE ACCOUNTED FOR**

Cash receipts process:

Check receipt process:

Cash Disbursements

The cash disbursement process begins with a request for payment (an invoice, for example) and ends with the reconciliation of the bank statement to internal records. The process will be different if the payment is made in cash vs. by check.

Ask to see one sample disbursement made in cash (not petty cash) **and** one made by check. Trace **each** disbursement from the invoice (or other request for payment), through the approval process, the posting in the accounting records and the reconciliation on the bank statement. Describe **in detail** what you see. Highlight both strengths and weaknesses in what you observe. Consider the following questions as you write your description. **Do not simply answer the questions below. Ask any additional questions you need to ask to understand the process so you can document it clearly.**

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- a. Was there supporting documentation, such as an invoice, for the disbursement?
 - b. Was there evidence that the disbursement had been properly approved?
 - c. Are prenumbered payment vouchers used? Use of prenumbered vouchers is a good internal control to prevent unauthorized payments from being made.
 - d. Was it possible to trace the request for disbursement to the actual payment, that is, a check stub, check copy, or a payment voucher for a cash payment?
 - e. Is supporting documentation marked "PAID" to prevent duplicate payment?
 - f. Who will be responsible for approving expenses and signing checks?
 - g. How many signatures will be required on checks?
 - h. Are most expenditures paid by check?
 - i. Does the organization ever make checks out to "Cash" or "Bearer"? If so, under what circumstances and in what amounts?
 - j. Are blank checks ever signed? If so, under what circumstances?

Description of disbursement by cash:

Name:

Signature:

Title:

Date:

Reviewed and concurred by:

Name:

Signature:

Title:

Date:

Follow Up Plan for Applicants with Provisional Certification

Complete the chart below and attach to the project paper.

For those clients that require changes or improvements to their financial management systems before they can be fully certified, provide a comprehensive remediation plan with timelines for each element of the plan.

Recommendation	Performed by	Monitored by	Implementation Date	Benefit	Estimated Cost	Comments
EXAMPLE: Sales Book – prenumbered, three-part with distribution to customer, accounting and warehouse.	Mr. Smith from the partner’s office	Mr. Jones, Country Representative	By July 15, 200X	Improved control over sales.	\$50 for preprinted forms	One hour of training with bookkeeper and sales person on how to use the forms properly
Technical assistance in establishing a proper petty cash system	TBD	Country Rep	September 30, 200X	Functional petty cash system with proper controls	\$100 for a 2-day effort	Must be certified when the questionnaire is administered again.