Annex 3: Micro Assessment Report Format

Micro Assessment of Vela Foundation
Commissioned by United Nations International
Children's Emergency Fund
Service Provider - TPA Sp. z o.o. Sp.k.

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1. Background, Scope and Methodology

Background

The micro assessment is part of the requirements under the Harmonized Approach to Cash Transfers (HACT) Framework. The HACT framework represents a common operational framework for UN agencies' transfer of cash to government and non-governmental implementing partners.

The micro-assessment assesses the IP's control framework. It results in a risk rating (low, moderate, significant or high). The overall risk rating is used by the UN agencies, along with other available information (e.g. history of engagement with the agency and previous assurance results), to determine the type and frequency of assurance activities as per each agency's guidelines and can be taken into consideration when selecting the appropriate cash transfer modality for an IP.

Scope

The micro-assessment provides an overall assessment of the Implementing Partner's programme, financial and operations management policies, procedures, systems and internal controls. It includes:

- A review of the IP legal status, governance structures and financial viability; programme management, organizational structure and staffing, accounting policies and procedures, fixed assets and inventory, financial reporting and monitoring, and procurement;
- A focus on compliance with policies, procedures, regulations and institutional arrangements that are issued both by the Government and the Implementing Partner.

Methodology

We performed the micro-assessment on April 24, 2024 in Cracow office of Vela Foundation (Osiedle ogrodowe 15, Cracow). As part of our micro-assessment we also communicated with IP by e-mail. Through discussion with management, observation and walk-through tests of transactions, we have assessed the Implementing Partner's and the related internal control system with emphasis on:

- The effectiveness of the systems in providing the Implementing Partner's management with accurate and timely information for management of funds and assets in accordance with work plans and agreements with the United Nations agencies;
- The general effectiveness of the internal control system in protecting the assets and resources of the Implementing Partner.

We discussed the results of the micro assessment with applicable UN agency personnel and the IP prior to finalization of the report. The list of persons met and interviewed during the micro-assessment is set out in Annex III.



Signed by /
Podpisano przez:

Maciej Piotr
Krokosiński

Date / Data:
2024-08-07 08:55

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Maciej Krokosiński
Partner

2. Partner summary information

Organisation	**VELA FOUNDATION, HUMANITARIAN ORGANISATION FOR PROTECTION AND EDUCATION**
Location	**Skwer Kardynała Stefana Wyszyńskiego 5, 01-015, Warszawa**

Organisation			
Organisation type	Non-governmental entity		
Key financial data for last three years as at financial year end:	**2023**	**2022**	**2021**
Income (approx in thousand PLN)	2 042		
Expenditure (approx in thousand PLN)	1 140		
Income less expenditure (approx in thousand PLN)	902		
Net assets (approx in thousand PLN)	8 100		
Number of physical offices in the country	3		
People			
Current number of employees	21		
Activities			
Nature of activities	VELA FOUNDATION WAS ESTABLISHED IN 2022, INITIALLY TO SUPPORT REFUGEES OF THE RUSSIAN WAR ON UKRAINE IN POLAND. THE MAIN ACTIVITIES OF THE FOUNDATION ARE: A)PROMOTING SOCIAL COHESION IN POLAND AND ABROAD, PROMOTING SOCIAL PROGRESS SOCIAL PROGRESS AND HUMAN RIGHTS; B) SUPPORTING VULNERABLE SOCIAL GROUPS, SUCH AS, AMONG OTHERS. CHILDREN, THE ELDERLY, SOCIAL GROUPS EXPOSED TO DISCRIMINATION, ABUSE AND PERSECUTION, MIGRANTS AND REFUGEES FLEEING WAR AND OTHER CIRCUMSTANCES, SUCH AS POVERTY DANGER, CLIMATIC DISASTERS, ETC. C)PROVIDING ASSISTANCE TO THE UKRAINIAN POPULATION, AS WELL AS PEOPLE OF OTHER NATIONALITIES SEEKING REFUGE IN POLAND DUE TO THE ONGOING ARMED CONFLICT IN UKRAINE AND ITS CONSEQUENCES, AS WELL AS REFUGEES, PERSONS IN NEED OF TEMPORARY PROTECTION, TEMPORARILY DISPLACED PERSONS AND PERSONS IN A DIFFICULT SITUATION OF LIFE. D)DEVELOP THE HUMANITARIAN SECTOR IN POLAND AND ABROAD TO BETTER SERVE PEOPLE IN NEED; E)CARRY OUT TASKS IN A WAY THAT TAKES INTO ACCOUNT GENDER EQUALITY AT ALL LEVELS OF OPERATIONS, RESPECTING DIVERSITY, COMBATING DISCRIMINATION, AND PROMOTING ENVIRONMENTAL SUSTAINABILITY.		
Locations of activities	The Foundation operates in four cities in Poland - Warsaw, Wroclaw, Cracow and Poznan.		
Amount of UN funding by agency in last three years by agency:	**2023**	**2022**	**2021**
FAO	0		
UN Women	0		
UNDP	0		
UNFPA	0		
UNICEF	0		
WHO	0		
Other - please specify	0		
Total	**0**	**0**	**0**
Systems			
Accounting system used (software, Excel, manual)	The Foundation uses accounting software - Revizor.		
HR system used	The Foundation uses software - Gratyfikation.		
Fixed asset system used	The Foundation uses accounting software - Revizor.		
Inventory system used	The Foundation does not hold any inventory.		

Who is primarily responsible for the following functions				
	The entity under review	Head office / associated body	Outsourced to third party	Not performed
Accounting				
Recording transactions			✔	
Approving payments	✔			
Making payments	✔			
HR				
Recruitment	✔			
Training / development	✔			
Issuing policies and procedures	✔			
Procurement				
Tender / request for services	✔			
Bid analysis and contract award	✔			
Contract management	✔			
	None	**1 - 10**	**11 - 25**	**>25**
Volume of procurement undertaken in year	✔	–	–	–
	< PLN 10k	**PLN 10k - 25k**	**PLN 25k - 50k**	**> PLN 50k**
Number of procurement contracts / awards by size	–	–	–	–

3. Summary of Risk Assessment Results

The table below summarizes the results and main internal control gaps found during application of the micro-assessment questionnaire (in Annex IV). Detailed findings and recommendations are set out in section 3. below.

Subject area	Risk assessment*	Brief justification for rating (main internal control gaps)
1. Organisation	LOW	During our assessment, we did not identify any significant deficiencies in the internal control environment.
2. People and behaviours	LOW	During our assessment, we did not identify any significant deficiencies in the internal control environment.
3. Activities	LOW	Please refer to table 4 (below).
4. Reporting and accountability	LOW	During our assessment, we did not identify any significant deficiencies in the internal control environment.
5. Assets and Inventory	LOW	During our assessment, we did not identify any significant deficiencies in the internal control environment.
6. Procurement	LOW	During our assessment, we did not identify any significant deficiencies in the internal control environment.
7. Sub-partners	LOW	The Foundation does not co-operate with any sub-partners.
8. Systems	LOW	During our assessment, we did not identify any significant deficiencies in the internal control environment.
Overall Risk Assessment	LOW	

**High, Significant, Moderate, Low*

4. Detailed Internal Control Findings and Recommendations

No.	Description of Finding	Recommendation and IP Management Response
1.	**Lack of risk register** **Priority rating: Significant** We noted that Foundation does not have written-down a detailed risk register. The lack of a risk register may increase the risk in terms of the sense of responsibility and awareness of the members of the organisation in a high-risk situation.	The organisation should create a risk register and presents it to all staff members. **IP Management Response** Partner recognise that the lack of a risk register is due to a) being a relatively new organisation b) because there are only a few projects running at any one time, and each project has its own risk assessment, which is followed up by the project manager and the management team. At the same time, Partner is working to apply its new risk assessment and management process to all current and future projects. Partner aims to implement this in the second half of 2024.

Annex I. Micro Assessment Questionnaire

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		Yes	No	N/A	Low	Moderate	Significant	High	Comments
A. Organisation									
General									
1	**Is the entity in compliance with national registration requirements?**	✔			✔				The Foundation was registered in the National Court Register in September 2022.
2	**Does an internet search indicate there have been no known cases of fraud, or other allegations of malpractice, concerning the entity or its staff in the last five years?**	✔			✔				We have carried out an internet search which shows that there have been no cases of fraud or other allegations of misconduct involving the Foundation or its staff since registration.
3	Does management confirm there are no ongoing legal proceedings that are likely materially to impact the organisation or its activities?	✔			✔				During a meeting with representatives of the Foundation in April 2024, information was obtained on the absence of pending legal proceedings that could have a significant impact on the Foundation or its activities.
Organisational structure and governance									
4	Does the governing body meet on a regular basis and perform sufficient oversight functions?	✔			✔				The members of both governing bodies (Council and Management Board) meet regularly as a governing body, but are also actively involved in day-to-day management and are in constant daily contact with management and staff to ensure that staff and Vela are meeting the organisation's objectives. Minutes of meetings can be found in the company's online communication systems.
5	Are minutes of oversight meetings maintained, with evidence of action plans and appropriate follow?	✔			✔				Yes, after each meeting, reports are produced which include conclusions on the issues discussed and an action plan for the following days, the progress of which is kept up to date and the project manager has constant access to it.
6	Is the organisation structured in such a way that enables clear reporting lines and designates particular areas of responsibility?	✔			✔				Please refer to attachment Anex III. The organisation structure is adequately designed and sufficient to ensure the proper functioning of the unit and to ensure the smooth running of internal processes.

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
7	Are there sufficient procedures in place to ensure that activities performed by sub-offices are carried out in accordance with the overall policies of the organisation?	✔			✔				There are physical sub-offices in Krakow and Wroclaw, but the Foundation operates also with a mobile team in Warsaw. Field team leaders, the Senior Child Protection Officer, the General Manager and the Management Board provide daily supervision and guidance to ensure that activities are carried out in accordance with the overall policy of the organisation. All teams report daily via an electronic system (Teams).
8	Are there sufficient procedures in place to ensure that financial transactions initiated by sub-offices are executed and recorded in accordance with the overall policies of the organisation?	✔			✔				The entity's procurement policy ensures that financial transactions are carried out and recorded in accordance with the organisation's policies. In addition, only team leaders can initiate transactions (and only selected ones), while all transactions above the petty cash level being initiated by the General Manager or President.
9	Does the organisation review the accuracy and completeness of the supporting documentation for transactions incurred by its sub-offices prior to the amounts being consolidated into the central records?	✔			✔				The General Manager performs a first level review of the supporting documentation, which is then submitted to the Chairman of the Management Board for final approval. All invoices are reviewed by the accounts department and always checked against the budget by the Operations Officer responsible for each project.
	Low risk								

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
B. People and behaviours									
	General								
1	**Is there an HR manual that covers key areas such as recruitment, employment and personnel practices, and which is provided to all staff?**	✔			✔				The Foundation's basic HR-related documents are the Code of Conduct, the Operations Manual and the terms and conditions of the employment contract, which each employee signs.
	Recruitment and retention								
2	Are vacant positions widely advertised?	✔			✔				Vacancies are advertised on relevant websites (for NGO workers, sites specialised in the type of staff they are looking for, e.g. psychologists, as well as sites related to the language skills they are looking for, e.g. for Ukrainian migrant workers). For Ukrainian migrant workers. Jobs are also posted on LinkedIn to ensure transnational reach.
3	Are the selected candidates appointed to roles in a competitive and transparent way, that is documented and filed?	✔			✔				The vacancies are very detailed according to the role and responsibilities of the position. At the first stage, candidates' applications are categorised as "Proceed to Interview" or "Rejected" based on their relevant qualifications. In a second stage, interviews are conducted and the best candidate is selected. The runner-up is placed on a list for possible future recruitment. All other candidates are informed of the outcome of their application.
4	Are background checks performed on potential new recruits, and the results documented and filed?	✔			✔				All new recruits sign a declaration that they have no criminal convictions in their country of previous employment, and criminal records and PSEA (Prevention and Response to Sexual Harassment, Exploitation and Abuse) records are now being collected in accordance with relevant legislation. In consultation with legal advisors, the Foundation beginning to require proof of a clean criminal record as per the new

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
									law for people working with children as of 1st of July 2024.
5	Have key positions been filled throughout the last three years, (or with only limited gaps between new appointments), without evidence of regular turnover of the same positions?	✔			✔				Since the Foundation was established, key positions have been filled without creating vacancies. These include field team leaders and middle and senior management. There is more turnover in field positions, but they are always filled in accordance with job advertisements.
6	Are procedures in place to ensure that, when staff leave employment with the organisation, they are removed from the payroll after receipt of the final salary due, are required to return any equipment belonging to the organisation, and have any access rights to in-house systems terminated?	✔				✔			The General Manager instructs the administrator to terminate the employment after payment of the final salary and the termination documents are always signed between the Foundation and the staff member. The Field Team Leader is tasked with coordinating the return of the organisation's equipment, such as mobile phone, laptop or tablet, and any other materials managed by the departing staff member. The HR Manager will close the account in the online systems. Accounts remain active for 2-3 weeks with access blocked and email forwarded to colleagues replacing the departing staff member to ensure no external communication is lost.
	Qualifications and training								
7	**Does the finance team contain a sufficient number of suitably experienced staff, so that team members are competent to perform the tasks assigned to them, and with sufficient segregation of duties?**	✔			✔				Yes, the accounting function (bookkeeping, payroll, social security, taxes) is fully outsourced to an external service provider. The finance function (budgeting, financial management, donor reporting) is the responsibility of the President and the Director of Programmes and Policy, both of whom are experienced in managing large project budgets. The segregation of duties is adequate.
8	Are there sufficient job descriptions for the various roles within the organisation, and the minimum expected qualifications required for each?	✔			✔				Job descriptions are role specific and detail the scope of work as well as the detailed tasks associated with the position.

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		Yes	No	N/A	Low	Moderate	Significant	High	Comments
9	Does the organisation provide sufficient training opportunities to its staff?	✔			✔				The Foundation provides both standard and ad hoc training ○ Standard induction training package, which includes - Introduction to the organisation and basic documents, policies and tools, - Introduction to the specific project/area for which each staff member is recruited, - Vela child protection and safeguarding - PSEA (this includes both PSEA policy and mandatory PSEA training as per UN standards). The PSEA training takes place for each new staff member before they start work, the other components take place each time a new project starts and a refresher course every six months, but all materials are available to all new staff members and they are instructed to follow the online versions; ○ short IT training on all the tools and forms used by the unit, given to all staff within the first week of employment; ○ Periodic training for staff based on the current needs of the project (either internally or through the use of external experts), gaps in staff training, or new developments in the field. Currently, for the UNICEF project, the Foundation has provided training on the new law/regulation for organisations working with children (conducted by Polish experts), training on field surveys (Polish experts and Vela Management) and training on GBV identification and case management by Greek experts;

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
									○ bi-weekly supervision sessions between all staff and an external clinical supervisor, who sometimes provides short mini-training sessions, but more importantly identifies and provides Vela with training needs to design and prepare future trainings.
	Practices								
10	**Does the organisation have a clear set of policies concerning the expected conduct of its staff, and procedures to follow up on allegations of misconduct?**	✔			✔				The Foundation has a Code of Conduct and a Code of Conduct for Cultural Mediators, which all staff sign on recruitment. Procedures for dealing with allegations of misconduct are included in the Foundation's internal operating procedures, as are other policies such as the Child Protection Policy.
11	**Does the organisation have an anti-fraud and anti-corruption policy that is readily accessible to all staff?**	✔			✔				Anti-fraud and anti-corruption policies are included in the Code of Conduct, Internal Operating Procedures, Feedback and Accountability Policy and Procurement Guidelines. All employees have a 365 account with their own access codes. All policies are available on the 'Vela Main' sharepoint site to which all employees have access. In addition, all policies are presented during induction training so that all employees know what each policy covers and where to find it.

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
12	Is it clear to whom staff should report concerns about suspected fraud, corruption or other malpractice, and are procedures in place to protect staff from potential retaliation as a result?	✔			✔				The Foundation's whistleblower protection policy is contained in the PSEA policy. The Foundation's whistleblower protection policy is contained in the PSEA (Prevention and Response to Sexual Harassment, Exploitation and Abuse) policy. Under this policy, upon receipt of an allegation, the senior management team meets to review the allegation and decide whether an investigation is required. If so, an investigation will be initiated. The Foundation will inform relevant interested parties of the initiation of an investigation, in accordance with the principle of confidentiality. The Foundation is required to inform UNICEF of the allegations made by the SEA - the Director of the UNICEF Office, Office of International Audit and Investigations. A decision on disciplinary action will then be taken.
13	Does the organisation have policies and procedures to help prevent discrimination on the basis of gender?	✔			✔				Gender discrimination, recruitment, pay and promotion opportunities are covered in the Code of Conduct, PSEA policies, internal operating procedures, the Safeguarding Manual and the Child Protection Policy.
14	Does the organisation integrate social and environmental standards in their activities?	✔			✔				The Foundation's practices ensure minimal environmental impact. Mobile teams travel by car and train. Daily work, reporting, communication and monitoring take place in an online environment, making Foundation virtually paperless. In terms of social standards, the Foundation has a set of principles, embodied in its feedback and accountability policy, according to which it collaborates and consults with its communities and engages in dialogue to improve its work.
	Low risk								

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
C. Activities									
	Workplans								
1	**Does the organisation have and use sufficiently detailed written policies, procedures and other tools to develop and manage programmes and plans?**	✔			✔				Ongoing projects and interventions are IT-based in the following way: all staff provide daily work updates in the online environment. All staff register their work, including meetings, beneficiary lists and cases. Monitoring and evaluation is an embedded process in all projects with KPIs and online data collection tools. meetings, coordination and collaboration are online based. The Management Board can monitor the progress of projects from the online environment.
2	Are the workplans sufficiently detailed to allow a clear understanding of the objectives, expected activities, budget, and timeframe?	✔			✔				During the meeting with Foundation we reviewed the working plans, which clearly defined goals and details of what needed to be done. We also reviewed example of one report on what was done that day by individual team members. Additionally, the unit has reports in the system identifying adverse events that take place in shelters and are witnessed by members of the organization.
3	Are revisions and amendments to workplans appropriately reviewed, documented and communicated?	✔			✔				Changes and corrections to work plans are reviewed, documented and communicated as appropriate. Each team member's report goes to the supervisor, who is notified of the new report in the system, reviews it and clarifies it with the team member if necessary.
	Risk management								
4	**Does the organisation identify the potential risks for achieving its objectives and programme delivery and mechanisms to mitigate them?**	✔			✔				Top management carries out internal risk assessment before and during project implementation. For most projects, risk identification and mitigation is developed with the donor or client as a formal project component.
5	Is a sufficiently detailed risk register maintained for the organisation?		✔				✔		Foundation has no specific risk register at organisational level.

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
6	Are risk management procedures undertaken and / or approved by sufficiently senior members of staff?		✔				✔		The Foundation does not have a risk register and therefore there are no written risk management procedures in the organisation.
	Monitoring and evaluation								
7	**Does the organisation have and use sufficiently detailed policies, procedures, guidelines and other tools for monitoring and evaluation?**	✔			✔				All projects and interventions have internal monitoring and evaluation processes using data and information from online information systems. This includes reporting on interventions to target populations, short and longer surveys of target populations carried out internally for the Foundation, but also within funded projects. Monitoring and evaluation is also an integral part of reporting to donors, as we need to present the results and impact of each project in the organisation's reports.
8	Does the organisation carry out and document regular monitoring activities such as review meetings and on-site project visits, to assess implementation against the stated objectives of the work plan?	✔			✔				Top management is physically present at project sites every two weeks. The General Manager is present at the project sites daily, as is middle management. Review meetings are held weekly, but daily ad hoc meetings are held to respond quickly to local situations.
9	Does the organisation prepare sufficiently detailed narrative reports, based on the evidence it has obtained, that provide donors and other stakeholders with a clear understanding of current progress against the objectives?	✔				✔			The Foundation provides clear and analytical reports to donors as requested. The Foundation's policy is to work closely with donors and stakeholders to keep them informed of progress, challenges and how these are being addressed, and to improve the work being done in the field.
10	Is data collected during monitoring and evaluation procedures documented and filed in accordance with written policies?	✔				✔			The organisation does not have a written data policy. The Foundation works with Teams and Sharepoint (and related applications), an online environment where all monitoring and evaluation data is recorded and stored, with selective access for staff and management.
	Low risk								

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
D. Reporting and accountability									
	General								
1	**Is there a finance manual, or similar, that clearly sets out the main policies and procedures to be followed?**	✔			✔				The organisation has no written rules - no financial manual. However, it records transactions on a project-by-project basis in accordance with Polish accounting standards and donor requirements. Financial policies are set out in internal operating procedures, asset management processes and purchasing guidelines.
	Audit environment								
2	**Has the organisation complied with its statutory reporting requirements for the last three years?**			✔					The Foundation was established in the second half of 2022. Therefore, it will prepare financial statements for the extended period until 31 December 2023, which is in accordance with the Accounting Act when it comes to preparing the first financial statements.
3	Did the statutory audits from the last three years result in unmodified (clean) audit opinions and without other significant issues being raised?			✔					The Foundation was established in the second half of 2022. Therefore, it will prepare financial statements for the extended period until 31 December 2023, which is in accordance with the Accounting Act when it comes to preparing the first financial statements. The Foundation is currently looking for an auditor to audit the financial statements as at 31 December 2023.
4	**Has the organisation received UN audit reports, or other assurance activities commissioned by UN organisations, which report a good control environment, and without significant amounts of unsupported expenditure being identified?**			✔					Vela Foundation has not yet been audited by the UN.

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
5	Does the organisation have an internal audit function?		✔		✔				The organisation does not have an internal audit function. An internal audit function is planned but has not yet been implemented due to the size of the organisation. The organisation plans to implement this function when it reaches a turnover of €1 million, which will allow sufficient general resources to fund the internal audit function.
6	Is the internal audit department sufficiently independent so that it is able to make recommendations?			✔					The organisation does not have an internal audit function. An internal audit function is planned but has not yet been implemented due to the size of the organisation. The organisation plans to implement this function when it reaches a turnover of €1 million, which will allow sufficient general resources to fund the internal audit function.
7	Does the internal audit function include donor-funded activities within its remit?			✔					The organisation does not have an internal audit function. An internal audit function is planned but has not yet been implemented due to the size of the organisation. The organisation plans to implement this function when it reaches a turnover of €1 million, which will allow sufficient general resources to fund the internal audit function.
8	Are recommendations made by internal and external reviewers logged centrally, indicating the follow-up status, who is responsible for implementation, and the timeframe?			✔					Vela Foundation has not yet received any recommendations from internal or external auditors. The Management Board is responsible for ensuring that all audit recommendations are implemented and the Council is responsible for monitoring implementation and compliance with the relevant deadlines.

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
	Financial reporting tools								
9	Can the figures for donor financial reporting, by total and by budget and / or activity line, be generated automatically from the accounting system?		✔			✔			The Foundation's financial system does not allow for the generation of numerical data broken down by project and activity. Final reports require input from Management Board. Developing an internal financial reporting system that automatically generates reports based on the requirements of different donors requires investment in systems and staff. Due to the size of the unit and the level of activity, the unit has not implemented such an advanced accounting system.
10	Are donor reports reviewed and approved by a suitable member of staff other than the preparer?	✔			✔				All donor reports are prepared by the Accounting and Operations Officers and reviewed by each project manager and at least one member of senior management (the General Director, President of Management Board or Head of Policy and Programmes, who is also the President of the Council).
	Budget preparation and monitoring								
11	**Are budgets prepared in sufficient detail so that they can be used as a meaningful monitoring and control tool?**	✔			✔				Budgets are prepared in sufficient detail to enable management and staff to monitor and budget effectively. At the same time, it allows donors to monitor financial progress and discuss possible budget changes.
12	Are budgets authorised by a suitably senior member of staff?	✔			✔				All budgets are reviewed by all Council and Management Board members authorised by the President of the Management Board.
13	Are budgets compared against actual expenditure on a sufficiently regular basis, with unexpected variances investigated?	✔			✔				Actual expenditure is compared with the budget in detail on a maximum monthly basis and any unexpected variances are investigated. The President, assisted by the General Manager, is responsible for this comparison.

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		Yes	No	N/A	Low	Moderate	Significant	High	Comments
14	Is there a policy stating how budget amendments are to be considered, and who is responsible for authorising these?		✔			✔			All budget changes must be implemented in accordance with donor policies/procedures or requirements. Management is responsible for preparing and submitting budget amendments to donors. Internally, team leaders or department heads may request budget changes, which are processed and reviewed by the President and General Director (i.e. the Management Board). The organisation does not have a policy describing the implementation of budget changes.
	Low risk								

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
E. Assets and inventory									
	Fixed asset register								
1	**Does the organisation maintain a comprehensive and up to date fixed asset register, that records all relevant details (such as purchase date, cost, condition, location, tag number, serial number, and owner) for each asset held?**		✔		✔				The organisation does not have a comprehensive fixed asset register, but the Foundation can track IT equipment through Microsoft application, allocating who is currently using specific equipment, who was the previous user and what type of equipment it is.
2	Are there sufficient measures and procedures in place to protect assets from theft, damage or misuse?		✔		✔				The Foundation does not have sufficient measures and procedures in place to protect its assets from theft, damage or misuse.
	Insurance								
3	Are significant assets either insured, or can otherwise be readily replaced, in the event of theft or damage?		✔			✔			Assets are not currently insured against theft or damage. As the current assets are low cost IT equipment, it is not cost effective for the organisation to insure against the most likely risks given the locations in which the organisation operates.
	Verifications								
4	Are assets subject to at least annual physical verifications?		✔			✔			The online asset management system is constantly updated. The Foundation's fixed assets consist of only a few IT equipment and furniture as office equipment. Physical checks are not required as field teams work with these assets on a daily basis. Any damage or loss is immediately reported via the Teams platform.
5	Are the physical verifications performed by more than one person, and are the results, and any necessary adjustments, appropriately documented and approved?	✔			✔				In the event of loss or damage, the immediate supervisor is informed (the report is registered with the General Manager), physical checks are carried out by the team leaders and the General Manager.
	Inventory								
6	Is inventory managed through a computerised system that provides an up to date picture of items held?			✔					The Foundation does not hold inventory.

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
7	Are physical verifications of inventory items reconciled to the records held on a sufficiently frequent basis, and the results, and any necessary adjustments, documented and approved?			✔					The Foundation does not hold inventory.
8	Are items with a limited shelf-life sufficiently monitored to ensure they do not expire prior to issue?			✔					The Foundation does not hold inventory.
	Warehouse								
9	Are the warehouse facilities sufficiently secure, providing suitable conditions for the items held, with adequate protection against environmental factors?			✔					The organisation does not use storage facilities. The items are stored in the offices of the Vela Foundation Centre. The main items stored are stationery and materials for children's activities.
10	Are warehouse items maintained in a way that allows authorised persons safe and ready access to them?			✔					The organisation does not use storage facilities. Items are stored in the offices of the Vela Foundation Centre.
	Cash								
11	**Is cash held in a secure place that can be accessed only by certain designated individuals?**	✔			✔				All cash received is properly accounted for by the issue of numbered receipt slips and entries in the cash ledger. All cash received is deposited intact into the appropriate bank accounts within two working days of receipt. Petty cash is physically segregated. All petty cash is secured in metal cash boxes. Petty cash is kept in locked cupboards in the community centres. In very rare cases, the Foundation uses cash and never leaves more than PLN 500 in the lockers (if any). Petty cash is usually only used when there is something specific that cannot be done electronically.
12	Are cash reconciliations performed on a frequent basis, by more than one individual at the same time, and the results documented and approved?	✔			✔				The Foundation does not use petty cash very often. Reconciliations are done by the Chief Executive or Administrative Officer and confirmed by the Accounts Department. The Foundation only used petty cash 2-3 times and the reconciliation was done immediately after the invoices were sent to the accounting department.
	Low risk								

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
F. Procurement									
1	**Does the organisation have written procurement policies and procedures, which facilitate competition, transparency and obtaining value for money?**	✔			✔				The organisation has a procurement policy (International Operating Procedures) and procedures, which facilitate competition, transparency and obtaining value for money.
2	Do the procurement policies specify appropriate thresholds at which points different procurement procedures apply?	✔			✔				Procurement procedures include purchasing thresholds.
3	Are all procurements authorised through documented approval from an appropriate member of staff?	✔			✔				Orders are authorised by team leaders and authorised staff formally delegated by the President/Purchasing Committee.
4	**Is there adequate segregation of duties in the procurement process?**	✔			✔				Procurement policies include levels of purchasing authorisation. The level relates to the amount of the order and the person approving the order. The authorisation range is from €500 to €40,000. The policy divides approvals according to the above thresholds and purchase commitments and payment approvals.
5	Is there a stated basis for the assessment of bids, and is this followed in practice and documented?	✔			✔				Tenders are considered in accordance with the organisation's purchasing policy. All purchases in the organisation are handled by the manager/team leader. The Foundation was asked to provide documentation as a basis for evaluating tenders. It was found that the process was correctly documented.
6	Does the organisation have a policy that sets out how any exceptions to the stated procurement procedures are to be implemented and managed, along with appropriate approval requirements?	✔			✔				The organisation has a policy that specifies how any exceptions to specific procurement procedures will be implemented and managed.
7	Does the organisation have adequate policies to ensure staff consider and document whether they have any conflicts of interest with potential suppliers?	✔			✔				The Procurement Policy requires employees to sign declarations of any conflicts of interest with potential suppliers.
8	If a conflict is identified, is it evident that the staff member concerned is required to recuse themselves from any procurement process in which that entity is involved?	✔			✔				Employees with a conflict of interest will not participate in the procurement process affected by the conflict.

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
9	Are background checks performed on suppliers to ensure there are no publicly known cases of fraud or other malpractice?	✔			✔				Suppliers selected by tender are required to declare that they adhere to appropriate codes of conduct and have not been convicted of certain crimes.
10	Does the organisation have policies in relation to contract management?	✔			✔				The organisation has rules for contract management contained in the procurement policies and procedures.
11	Does the organisation require its suppliers to uphold high ethical standards at all times?	✔			✔				Suppliers selected by tender (for high-value items) are expected to comply with the UN Supplier Code of Conduct, which is included in tender procedures.
	Low risk								

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
G. Sub-partners									
1	Are sub-partners selected on the basis of standard procedures, such as pre-award assessments, to ensure they are appropriately registered, suitably qualified to perform the role to be assigned, have adequate internal control systems, and that there are not significant ethical or reputational concerns?			✔					The Foundation does not co-operate with any sub-partners.
2	If sub-partners are engaged, are formal agreements signed between the parties, clearly stating the work to be performed, the reporting and documentation obligations, and any other conditions of funding, in line with the agreement between the UN agency (or other donor) and the organisation, prior to activities being undertaken or funds advanced?			✔					The Foundation does not co-operate with any sub-partners.
3	Does the organisation implement procedures to verify the financial reports and corresponding documentation submitted by the sub-partner prior to onward reporting to the donor?			✔					The Foundation does not co-operate with any sub-partners.
4	Does the organisation implement procedures to monitor the implementation of project activities by the sub-partners?			✔					The Foundation does not co-operate with any sub-partners.
5	Does the organisation have suitable procedures for dealing with instances of poor performance, mismanagement and misconduct by sub-partners, or non-compliance with the terms of engagement?			✔					The Foundation does not co-operate with any sub-partners.
6	Does the organisation require its sub-partners to uphold high ethical standards, such as evidenced by a code of conduct?			✔					The Foundation does not co-operate with any sub-partners.
	Low risk								

		Yes	No	N/A	1 Low	2 Moderate	3 Significant	4 High	Comments
H. Systems									
	Accounting system								
1	**Does the organisation have and make use of a computerised accounting system that records sufficient details of each transaction to allow it to be linked to the corresponding documentation and allocated to the relevant funding source?**	✔			✔				The Foundation uses the Revisor accounting system. Accounting services are provided by an external company. The Foundation is responsible for receiving payments and accounting for the HR department.
2	Is access to the accounting system protected through the use of usernames and passwords?	✔			✔				Only employees of the accounting service provider have access to the accounting system.
3	Do different users have different access rights so that they are only able to review or make changes to information that is relevant to their function?	✔			✔				Only employees of the accounting service provider have access to the accounting system. Accounting functions are fully outsourced. On the Foundation's side, Maria Asteriou (Vice-President of Management Board) is in charge of the financial documents.
4	Is the accounting system backed up to a secure offsite location on a sufficiently regular basis?	✔			✔				Backups made once a day. They are done in few places. Foundation keep all backups on a separate server dedicated to backups and also on external disc and in the cloud.
5	Can the system be accessed from premises other than the organisation's offices (for example if staff are working remotely) so that recording or reviewing financial transactions is not adversely impacted in the event that staff are not physically present?		✔		✔				Only employees of the accounting service provider have access to the accounting system. Accounting functions are fully outsourced. On the Foundation's side, Maria Asteriou (Vice-President of Management Board) is in charge of the financial documents.
6	**Do appropriate procedures and controls exist to ensure that the same or similar level of oversight is maintained even if staff are not physically present in the office?**			✔					Only employees of the accounting service provider have access to the accounting system.
7	Are all staff issued with computers that are maintained by and accessible to the organisation's IT department, and that have adequate anti-malware installed?	✔			✔				The Foundation has an external IT support provider with an annual maintenance and support contract. The computers have adequate anti-malware installed.

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
	Banking								
8	**Does the organisation perform bank reconciliations on at least a monthly basis?**	✔			✔				The Foundation started to perform bank reconciliations from the first quarter of 2024 on monthly basis.
9	Are bank reconciliations performed by someone other than those responsible for making or approving payments?	✔			✔				Bank reconciliations are performed by external accounting provider while payments are approved by the Foundation's Management Board.
10	Are reconciling items identified and investigated in a timely manner?	✔			✔				Reconciling items are identified and investigated in a timely manner and we have received a sample reconciliation from the Foundation.
	Payments								
11	**Are payments subject to a clear approval process with adequate segregation of duties?**	✔			✔				Payments are subject to a clear approval process with appropriate segregation of duties. Operation Officer creates payments in the bank, but can only "send" the payment (i.e. share it with other users), each payment must then be approved by two of the three authorised users: Pantelis Dimitriou and/or Maria Asteriou and/or Maria Bikou. The Accountant from external office only has access to view bank accounts.
12	Are appropriate authorisation thresholds in place for approval of payments?	✔			✔				All bank transactions require two authorisations for any amount. Each payment must then be approved by two of the three authorised users: Pantelis Dimitriou and/or Maria Asteriou and/or Maria Bikou.
13	Are all, or substantially all, payments made in a traceable form, such as bank transfer, cheques made out to the specific payee, or mobile money transfer?	✔			✔				All payments are made electronically either by bank transfer or debit card. Petty cash transactions are limited to less than PLN 1 000/month/location.
14	If online payments are used, do these require dual signatories?	✔			✔				All electronic payments require two signatures.
15	**Is there a stated and reasonable limit for the amount that can be paid in cash?**	✔			✔				The Foundation has a cash withdrawal limit of no more than PLN 1 000 and this solution is very rarely used.

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
16	If staff have to transport significant amounts of cash (for example when withdrawn from the bank, or carried to project sites), are sufficient security arrangements in place?			✔					There is a limit in the Foundation - employees never have more than PLN 1 000 in cash at their disposal.
17	Does the organisation perform a three-way match between the invoice received from the supplier, the purchase order raised, and the goods received, with evidence of these checks maintained and signed?	✔			✔				The receipt of goods or services is carried out by the designated Recepit Committee, with the drafting of the relevant of the relevant protocol for procurements exceeding the threshold of €30,000. For lower value procurements, receipt may be confirmed by a simple signature of the receiving employee on the supplier/external collaborator's supplier/external collaborator document. Approval of the initial request also determines the responsible for the receipt of the purchase. In any case, the receipt of the purchase, during which verifying the accuracy of the invoice data, is necessary for the document to be sent to the accounting department for recording.
18	For payments that are not made on the basis of an invoice, such as for daily allowances, are appropriate procedures in place to ensure the amounts are in line with a stated policy, there is adequate review and approval, and that relevant supporting documents are maintained?	✔			✔				All such allowances must be reviewed and approved by the President or General Manager and must be below the daily/weekly/monthly limit (mostly for travel expenses). The limits are described in the Internal Operating Procedures and are currently EUR 50/day for staff subsistence and up to EUR 120/night for hotel accommodation.
19	**Are supporting documents stamped as "Paid" and marked with the donor or project name after payment has been made, or does the accounting system otherwise have inbuilt controls to ensure payments cannot be made more than once or claimed against more than one funding source?**	✔			✔				The Foundation stamps all invoices as paid and categorises them for each project (and each specific budget line to be charged) when they are sent to the accounting office. The accounting system then matches invoices to payments. In addition, the Microsoft application allows continuous monitoring of which invoices are paid and which are not. This avoids double payment of invoices.

					1	2	3	4	
		Yes	No	N/A	Low	Moderate	Significant	High	Comments
	Cost allocations								
20	Does the organisation have a clear policy for allocating shared costs across different projects or donors?	✔			✔				Costs are allocated on the basis of the project budget. According to internal procedures: The Foundation endeavours to allocate costs fully to individual projects in order to simplify financial reporting. Where this is not possible, costs are allocated on the basis of - Actual project usage of the cost item (i.e. payroll costs are allocated to projects based on the number of staff working on each project). - Where there is no clear project usage metric to be used, costs will be allocated to projects based on their relative annual value for the year in which the cost in question is incurred (e.g. costs of preparing financial statements).
21	Are salary costs charged to the project on the basis of an identifiable proportion of the actual costs incurred?			✔					All employees are assigned to specific projects on a full-time basis, so there is no need to allocate time and costs on a pro rata basis.
	Document management / record keeping								
22	**Does the organisation maintain all its records in an orderly and consistent way, that enables the ready identification of relevant documentation?**	✔			✔				The organisation maintains all its records in an orderly and consistent manner. This enables relevant documentation to be easily identified.
23	Does the organisation have a stated document management policy that ensures documents are maintained for at least the period required by donors?	✔			✔				Document management policies are included in the Internal Operating Procedures with a specific statement that donor requirements for document retention will be specifically applied regardless of the general policy.
24	Does the organisation have a data protection policy?		✔			✔			The Foundation does not have a data protectio policy. However, the organisation has engaged a external contractor to develop and implement privacy and RODO compliance policy.
	Low risk								

	Low risk								

Annex II. IP and Programme Information

Implementing partner name:	Vela Foundation
Implementing partner code or ID in UNICEF, UNDP, UNFPA records (as applicable)	2500245798
Implementing partner contact details (contact name, email address and telephone number):	**Maria Asteriou** +4845203924 masteriou@vela.ngo **Dimitriou Pantelis** +306936110238 dimitrioup@vela.ngo
Main programmes implemented with the applicable UN Agency/ies:	POL/PCA202333/PD202334
Key Official in charge of the UN Agency/ies' prorgamme(s):	Dimitriou Pantelis +306936110238 dimitrioup@vela.ngo
Programme location(s):	Poland
Location of records related to the UN Agency/ies' prorgamme(s):	-
Currency of records maintained:	PLN
Expenditures incurred/reported to UNICEF, UNDP and UNFPA (as applicable) during the most recent financial reporting period (in PLN);	**752,515.00 PLN- DCT (January-March)** **787 548,70 PLN- DCT (April-June)** **20,900.00 PLN- Reimbursement (January-March)**
Cash transfer modality/ies used by the UN agency/ies to the IP	**Direct Cash Transfer** **Reimbursement**
Intended start date of micro assessment:	24th of April 2024
Number of days to be spent for visit to IP:	1
Any special requests to be considered during the micro assessment:	Not Applicable

Annex III. Implementing Partner Organizational Chart

Council

The Council approves the strategic plan of the Foundation and shapes policy. It also ensures that the Foundation respects national and EU legislation on all matters of its operation and work and ensures that there is sufficient funding for the Foundation's work. The Council approves the annual budget. The Council ensures there is no conflict of interest between the Foundation's mission and operations and Board members and staff. The Council appoints the Board and the President and appoints external auditors as deemed necessary.

Board

The Board is the executive body of the Foundation, responsible for implementing the decisions of the Council. The Board reports to the Council. The Board manages the operation of the Foundation and represents the Foundation. Lastly, the Board proposes the strategic planning to the Council for approval. The Board is tasked with the following:

- manage the activities of the Foundation and representing the Foundation externally;
- realize the statutory aims of the Foundation;
- drawing up work plans and a budget;
- adopting the internal acts of the Foundation;
- signing contracts and agreements;
- administer the assets of the Foundation;
- accept donations, inheritances, bequests, grants, subsidies, grants;
- prepare financial statements of the Foundation;
- prepare reports on the activities of the Foundation;
- determine the principles of employment of the Foundation's employees;
- adoption of a resolution to undertake business activities;
- make decisions on all other matters not reserved for the competence of other bodies.

President

The President leads the Board of the Foundation and has the overall responsibility for managing the Foundation. He/she is responsible for overseeing the progress of the work of the Foundation, for the financial management and for human resource management.

Management Team

The management team is composed of people with significant experience in their developing and managing humanitarian operations. They support the President and the Board in their role and responsibilities. The management team reports to the President and the Board. The management team may be tasked, among others, to oversee field operations, develop policy and procedures, oversee operations such as procurement etc., support staff hiring and performance evaluation etc.

General Manager

The General Manager is responsible for overseeing the operations and the projects implemented in Poland. He/she coordinates with the Field Team Leaders and reports to the management team and the President.

Field Team Leaders

Field team leaders are people with significant experience in humanitarian operations with leadership skills able to manage field operations and coordinate field teams. Field Team leaders report to the management team, including the General Manager and the President.

Field Teams

Field teams consist of professionals with the skills and capacity to undertake humanitarian response operations, manage people at disadvantaged positions and precarious situations. The have a high work ethos and can work as a team for the benefit of the people they serve.

Annex IV. List of Persons Met

Name	Unit/organization	Position
Pantelis Dimitriou	Vela Foundation	President of Management Board
Maria Asteriou	Vela Foundation	Vice-President of Management Board
Iwona Ziemińska-Adamczyk	External Accounting Office	Accountant