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Independent Report of factual findings

IBON International Foundation Inc.

3rd Floor IBON Center
114 Timog, Avenue
Quezon City, Philippines

This report is produced in accordance with the engagement letter dated February 8, 2021 that you agreed with us, we provide our Report of Factual Findings (the Report), with respect to the accompanying Financial Report for the period covering January 1, 2020 – December 31, 2020 (Annex 1 of this Report). You requested certain procedures to be carried out in connection with the Financial Report and the Swedish International Development Cooperation Agency financed Grant Contract concerning the CSO Partnership for Development Effectiveness (CPDE): Civil Society Continuing Campaign for Effective Development.

Objective

Our engagement is an independent expenditure verification which is an engagement to perform certain agreed-upon procedures with regard to the Financial Report for the Grant Contract between you and the Swedish International Development Cooperation Agency, the (Contracting Authority). The objective of this expenditure verification is for us to carry out certain procedures to which we have agreed and to submit to you a report of factual findings with regard to the procedures performed.

Standards and Ethics

Our engagement was undertaken in accordance with:

- International Standards on Related Services ('ISRS') 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by the International Federation of Accountants ('IFAC');



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- The Code of Ethics for Professional Accountants issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting Authority requires that the auditor also complies with the independence requirements of the
- Code of Ethics for Professional Accountants.
- The SIDA's standard terms of reference for annual audit detailed in Annex D of the grant contract.

Procedures performed

As requested, we have only performed the procedures listed in Annex D of the Terms of Reference of the grant contract for this engagement.

These procedures have been determined solely by the Contracting Authority and the procedures were performed solely to assist the Contracting Authority in evaluating whether the expenditure claimed by the accompanying financial reports are eligible in accordance with the terms and conditions of the Program.

Because the procedures performed by us did not constitute either an audit or a review made in accordance with International Standards on Auditing (ISA) or International Standards on Review Engagements (ISRE), we do not express any assurance on the accompanying Financial Reports.

Had we performed additional procedures, or had we performed an audit or review of the Financial Report of the Coordinator or their beneficiaries in accordance with ISA or ISRE, other matters might have come to our attention that would have been reported to you.

Sources of Information

The Report sets out information provided to us by IBON Foundation International Inc. in response to specific questions or as obtained and extracted from their accounts and records.



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Factual findings

The total expenditure of the Program for the period January 1, 2020 to December 31, 2020 which is the subject of this independent expenditure verification amounts to **\$814,495**. A summary is presented in the following table:

Expenditure	2020 Reported
Sustained and broad-based CSO initiatives geared at domestication of EDC agenda	\$120,000
Sustained work on CSO Development Effectiveness	240,500
Sustained CPDE initiatives on EDC in nexus issues	76,000
Sustained platform operations and management	292,000
Indirect costs	85,995
Total	\$814,495

We have carried out a verification of the expenditure claimed the Financial Report based on the procedures set out in Annex D of the Terms of Reference for the expenditure verification of the Grant Contract. We report the details of our factual findings and exceptions which result from the procedures that we performed of this Report.

Use of this Report

This Report is solely for the purpose set forth above under objective.

This report is prepared solely for your own confidential use and solely for the purpose of submission by you to the Contracting Authority in connection with the requirements as set out in the Grant Contract. This report may not be relied upon by you for any other purpose, nor may it be distributed to any other parties.

The Contracting Authority is not a party to the agreement (the Terms of Reference) between you and us and therefore we do not owe or assume a duty of care to the Contracting Authority, who may rely upon this expenditure verification report at its own risk and discretion. The Contracting Authority can assess for itself the procedures and findings reported by us and draw its own conclusions from the factual findings reported by us.



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The Contracting Authority may only disclose this Report to others who have regulatory rights of access to it. This Report relates only to the Financial Report specified above and does not extend to any of your financial statements.

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance which may be required.

Yours sincerely

YU VILLAR TADEJA & CO.

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September 18, 2018, valid until September 17, 2021
Tax Identification No. 911-354-725-000
Tax Accreditation No. 08-007425-001-2018
November 23, 2018, valid until November 22, 2021
BOA Accreditation: Board Resolution No. 204.S. of 2017
PTR No. 8147509 January 17, 2020, Makati City

July 7, 2021

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SEC ACCREDITATIONS NO: 0364-F, VALID UNTIL SEPTEMBER 17, 2021
BOA ACCREDITATIONS NO: 1280, VALID UNTIL FEBRUARY 14, 2024



Procedures performed and factual findings.

We have performed the specific procedures listed in Annex D of the Grant Contract's Terms and Reference (ToR):

A. General Procedures

1. Terms and Conditions of the Grant Contract

- a. *We obtained a copy of the original Grant Contract (signed by the Beneficiary (ies) and the Contracting Authorities) with its annexes.*

Contract	Objective/ Key Terms	Contract date and Period Coverage	Grant amount (in SEK)
Agreement between SIDA and IBON International on Support of Proposal of Support Civil Society Continuing Campaign of Effective Development	To contribute to the universal application of EDC for SGDs across different contexts and actors.	Date: June 2020 Period: January 2020 to December 2021	SEK20,000,000

- b. *We inquired with the Finance Manager – CPDE Program, whether the grant contract is a mono or multi-beneficiary.*

Based on our inquiry, the Grant Contract was multi-beneficiary since there are several entities responsible for the implementation of the Project.

The following are the Project's implementing partners:

Implementing Partner	Location/ Address
Ibon International Foundation Inc.	Quezon City, Philippines
Reality of Aid - Africa	Nairobi, Kenya
Reality of Aid - Asia Pacific	Quezon City, Philippines
Centre for Human Rights and Development (CHRD)	Ulaanbaatar, Mongolia
Balkan Civil Society Development Network (BCSDN)	Skopje, Macedonia
Movimiento Tzuk Kim-Pop (MTKP)	Quetzaltenango, Guatemala
Arab NGO Network for Development (ANND)	Beirut, Lebanon
Pacific Islands Association of NGOs (PIANGO)	Suva, Fiji
Action by Churches Together (ACT Alliance)	Geneva, Switzerland
Forum of Women's NGOs of Kyrgyzstan (Forum WNGO)	Bishkek, Kyrgyzstan
ActionAid International Italia Onlus (AAI)	Milan, Italy
Indigenous Peoples Movement for Self-Determination and Liberation (IPMSDL)	Quezon City, Philippines
International Trade Union Confederation (ITUC)	Brussels, Belgium
Asia Pacific Mission for Migrants (APMM)	Hong Kong
People's Coalition on Food Sovereignty (PCFS)	Quezon City, Philippines
Instituto Politécnico Tomás Katari (IPTK)	Sucre, Bolivia
International Youth Alliance (IYA)	Plovdiv, Bulgaria

2. Memorandum of Agreement with Beneficiary(ies)

a. *We Obtained copies of Memorandum of Agreement (MOA) between IBON International Foundation and its Beneficiaries which covers the scope responsibilities, other terms and conditions, expected outputs and payment disbursement mechanism agreed by both parties in the conduct of the proposed activities for CPDE as set out below.*

i. Scope of Responsibilities

- Beneficiary(ies)
 - Submit unit plan, proposal and/or other similar document describing in detail the activities to be conducted during the period specified;
 - Prepare a working budget and work plan/ schedule with details for each of the activities to be conducted, including relevant references;
 - Deliver outputs and outcomes agreed and listed in the unit work/plan schedule of activities; and
 - Ensure effective and efficient management and monitoring of planned tasks and use of resources in the actual conduct of activities, in coordination with relevant CPDE units.
- IBON International Foundation
 - Ensure the timely and efficient transfer of funds;
 - Coordinate and assist in the process of preparing for and implementing the activities;
 - Provide in-kind assistance which includes coaching/mentoring, and sending of related publications, among others; and
 - Monitoring the progress of implementation and receive and accept implementation reports from Beneficiary(ies)

ii. Expected Outputs

- Responses and processes report to the questionnaire for the CPDE CSO Report;
- Narrative Report;
- Liquidation Report; and
- Short description on how information was gathered and analyzed, together with the supporting documents for costs incurred

b. *We inquired with the Finance Manager – CPDE program whether the implementing Beneficiaries are audited based on the requirements stipulated in the agreement with the Contracting Authority.*

Based on our inquiry, beneficiaries should conduct a separate audit regarding their implementation of the CPDE Program. We noted that 4 out of 5 implementing partners (ITUC, APMM, FWNGOs of Kyrgyzstan and RoA Africa) submitted their implementation documents complied with the audited financial reports. However, one implementing partner (ACT Alliance) was not able to submit an audited report since the cost of conducting an audit is not practical. Nevertheless, IBON International was able to review the documentation which includes liquidation, narrative reports and other necessary supporting documents and it was agreed upon that the audit report they shall be submitting in 2021 will include the year 2020.

c. *We inquired with the Finance Manager – CPDE program whether a documented assessment is prepared for the reports submitted by the Beneficiaries and whether a follow up is performed on the weakness/es identified in the reports.*

Based on inquiry, a document assessment is prepared for the reports submitted by the Beneficiaries, which includes the liquidation and narrative report accompanied by the necessary supporting documents which is submitted to the Foundation 30 days after the culmination of the Project.

If there are weakness and insufficiencies noted on the reports submitted, follow up is performed through email and obtain supporting documents and updated reports.

Based on the inquiry with Finance Manager, the implementing partners who have their financial reports audited are no longer required to submit supporting documents provided that they will submit an audited financial report. However, for those implementing partners which reports are not audited, they are required to submit documentation which includes liquidation, narrative reports and other necessary supporting documents. Out of the 5 implementing partners that have already implemented their projects, 1 implementing partner was not able to have its financial reports audited which is ACT alliance. Based on our discussion with the Finance Manager, ACT alliance was not required to submit an audited report since only \$5,000 was expended by the partner. The cost of conducting audit exceeds the benefits of having its financial reports audited. Nevertheless, in the 2021 financial report, ACT alliance agreed to have its financial reports audited, including the 2020 financial statements.

B. Comparison of Actual Expenditures with the Approved Budget of the Grant

1. Budget of the Grant Contract

- a. Compare the budget in the Financial Report for the period January 1, 2020 to December 31, 2020 with the budget stated in the Grant contract and inspect whether the expenditures incurred were indicated in the budget of the Grant Contract.

The Project's budget proposal was prepared using the United States Dollar (USD)

	Amount
Grant Amount (Budgeted)	\$814,495
Grant Amount (Actual)	900,130
Excess of grant received over budgeted amount	\$85,635

- b. Obtained a copy of the approved budget and compare the budgeted and actual expenses incurred per activity of each program expense during January 1, 2020 to December 31, 2020

Budgeted expenses:

	Amount
Sustained and broad-based CSO initiatives geared at domestication of EDC agenda	\$120,000
Sustained work on CSO Development Effectiveness	240,500
Sustained CPDE initiatives on EDC in nexus issues	76,000
Sustained platform operations and management	292,000
Indirect Costs	85,995
	\$814,495

Budget vs actual expenses:

	Budget	Actual	Net Underspent	Percentage
Sustained and broad-based CSO initiatives geared at domestication of EDC agenda	\$120,000	\$36,421	\$83,579	70%
Sustained work on CSO Development Effectiveness	240,500	71,047	169,453	70%
Sustained CPDE initiatives on EDC in nexus issues	76,000	19,999	56,001	74%

	Budget	Actual	Net Underspent	Percentage
Sustained platform operations and management	\$292,000	\$223,486	\$68,514	23%
Indirect Costs	85,995	82,541	3,454	4%
	\$814,495	\$433,494	\$381,001	47%

Per general conditions applicable to grants from SIDA to NGO's article 10, significant deviations from or changes to the work plan and budget are subject to SIDA's prior or written approval. We have noted a net underspent amount in various expense line items for the Period 1 amounting to \$373,632. Please refer to Annex 2 for the explanation provided by the Finance Manager – CPDE program for the variances noted exceeding 10%.

2. Amendments to the Budget of the Grant Contract

Inquire with the Finance Manager – CPDE Program whether there have been amendments to the budget of the Grant Contract for the period January 1, 2020 to December 31, 2020. If there have been amendments, inquire whether the Coordinator has requested an amendment to the budget and obtained an addendum to the Grant Contract if such addendum was required.

Based on the inquiry, there were no amendments in the budget for the period January 1, 2020 to December 31, 2020.

C. Verification procedures on expenditures

1. Follow up whether salary costs debited to the project are recorded throughout the duration of the year in a systemized way and examine whether the salary costs can be verified by sufficient supporting documentation.

We have performed understanding of the payroll process and vouched the necessary supporting documents such as contracts, disbursement voucher to determine completeness and existence of the payroll expenses and the employees employed under SIDA project.

Based on the procedures performed we have noted that the payroll expenses are duly supported by cash disbursements and employment contract. However, we have noted that for employees working with different projects of the Foundation, there were no timesheet maintained to monitor the output and level of work done by the employees. Upon inquiry with the Finance Manager, the organisation has instituted a Daily Time Record to track the attendance of its staff. However, during the pandemic, necessary adjustments have been made given the community quarantine and the implementation of the skeletal workforce reporting in the office. The organisation now maintains a weekly workplan for each staff that is approved by their immediate supervisor.

2. Eligibility of Costs

Eligible costs, as defined in SIDA's General Conditions applicable to Grants from SIDA to non-governmental organizations, regarding projects/programme support and core are costs actually incurred by the Cooperation Partner which meet all the following criteria:

- incurred during the Activity Period, whatever the time of actual disbursement by the Cooperation Partner and/or its Implementing beneficiaries.
- indicated in the estimated overall budget of the Project/Core Activities and further detailed in the approved work plan and Budget.
- must be necessary for the implementation of the Project/Core Activities;
- identifiable and verifiable, being recorded in the accounting records of the Cooperation Partner and determined according to the applicable accounting standards of the country where the Cooperation

Partner is established or according to the International Financial Reporting Standards (IFRS) and according to the usual cost accounting practices of the Cooperation Partner;

- must be recorded throughout the duration of the Project/Core Activities in a systematized way and verified by the supporting documentation for salary cost debited to Project/Core Activities; and
 - must be reasonable, justified and comply with the requirements of sound financial management, in particular regarding the economy and efficiency.
- a. *Perform the following procedures for the period of January 1, 2020 to December 31, 2020, for all expenditures of the Project, based on the eligibility criteria set below:*

i. *Actual cost incurred*

Inspect the supporting documents (e.g., proof of work done, goods received or services rendered) of all expenditures to check whether the expenditures (a) is incurred by the Beneficiaries; and (b) pertains to the Beneficiaries; to assist the Contracting Authority determine if the expenditures have met the detailed conditions for actual cost incurred.

We have inspected the liquidation reports and attached supporting documents and our findings are discussed in C.iii. of this report.

ii. *Budget*

Compare the actual expenditures incurred with the expenditures indicated in the approved budget or amended budget, if any:

We noted a net underspent amount in various expense line items for the Period 1 amounting to \$373,632. Please refer to Annex 2 for the explanation provided by the Finance Manager – CPDE program for the variances noted exceeding 10%.

iii. *Inspection of supporting documents.*

Inspect the supporting documents (e.g., liquidation reports, narrative reports and memorandum of understandings) by comparing the actual expenses to the list of allowed expenses for all items to assist the Contracting Authority to determine whether the expenditure items have been incurred and implemented in accordance with the allowed expenses listed in the Action (also known as the Project) and classified under the correct sub-cost heading of the Financial report.

We inspected the liquidation reports submitted by the Beneficiaries and the attached supporting documents such as service agreements, cash advance liquidation reports, official receipts and invoices. We also checked, based on the inspection of supporting documents made, whether expenses were and classified under the correct sub-cost heading of the Financial report. We note our findings below:

- a. Expenses amounting to \$1,111 are only supported by the liquidation and financial reports, and we cannot verify the eligibility of the expenses since it is not accompanied by a valid supporting document such as invoices, official receipts, and proof of payment. (see Annex 3 C.2.iii.a for the detailed breakdown).
- b. Bank transfer charges amounting to \$350 that cannot be traced to the bank statement and there are no other supporting documents provided by the Coordination Partner to validate such transactions. (see Annex 3 C.2.iii.b for the detailed breakdown)

- iv. *Foreign currency translation*
Recalculate the monetary value based on applicable foreign exchange rates of all applicable foreign denominated currency expenditure items as indicated in the underlying documents (e.g. invoices, salary statements) and compare it with the liquidation reports

We calculated the foreign denominated currency expenditures of the Project and noted that the applicable foreign exchange rate used to calculate the monetary value of the expense was based on the rate of the date transactions.

We noted that the indicated denomination in the underlying documents matched with the liquidation reports provided by the beneficiaries.

- v. *Compliance with Procurement Principles and Nationality and Origin Rules*
Inspect the underlying documents of the procurement and purchase process (e.g., billings and contracts, for the period January 1 to December 31, 2020.)
- *the Beneficiary has concluded implementation contracts with contractors to which expenditure (sub)heading(s), a class(es) of expenditure items or expenditure item(s) this applies*
 - *the Beneficiary conformed with the principles for procurement and the nationality and origin rules*

We have inspected from the reports submitted by the beneficiaries that all have procured services and supplies for the period January 1, 2019 to December 31, 2020. The Coordinator and beneficiaries have procured services and supplies for their respective activities were properly classified according to 3.1 Eligibility of Cost of this report. We have checked that the Coordinator and beneficiaries follows the rule of origin and nationality set in Annex F (SIDA's Procurement Provisions) of the Grant Contract and allowed full access of all supporting documents for costs of the Project. No actual findings have arisen from this procedure.

- vi. *Verify the unspent balance at the end of the financial year against accounting records and its supporting documentation.*

No factual findings noted on the procedure.

3. Eligible Direct Costs

Inspect the nature of the expenditure and trace the expenditures for all items from the supporting documents provided by the Beneficiaries such as liquidation reports, which are recorded under one of the direct costs' headings of the Financial Report.

The expenditure claimed by the Coordinator in the Financial Report is generally presented under the following expenditure headings: 1. Sustained and Broad-based CSO Initiatives, 2. Sustained Work on CSO Development Effectiveness, 3. Sustained CPDE initiatives on EDC in nexus issues, 4. Sustained Platform Operations and Management, 5. Fiscal Management Expenses, and 6. Human Rights Desk. Expenditure headings 1 to 6 represent direct costs of the Project.

Upon vouching and inspection of supporting documents, we noted that the expenditures incurred by the Beneficiaries are recorded under one of the direct costs' headings of the Financial Report as follows:

- Sustained and Broad-based CSO Initiatives which includes amounts paid for national campaign on shrinking civic space and consultants for this campaign;

- Sustained Work on CSO Development Effectiveness which includes amounts paid for workshops and activities to different regions and sectors;
- Sustained CPDE initiatives on EDC in nexus issues which includes amounts paid for research study and webinar for Covid-19 response;
- Sustained Platform Operations and Management which includes payment for external communications and salaries of global secretariat support;
- Fiscal Management Expenses which include bank charges, administrative support, and share in the operational expenses of the office; and
- Human Rights Desk which includes payment of salaries of personnel and office rent and maintenance.

No factual findings have arisen from this procedure.

4. Revenues of the Project

Inspect the Financial Report obtained from the Beneficiary(ies) to check whether the revenues of the Beneficiary(ies) (which includes grants and funding received from the donor and other revenue generated by the Beneficiary as part of the Project) are disclosed in the Financial Report together with the expenses incurred attributed to the Project. The Auditor is not expected to examine the completeness of the revenue reported by the Beneficiary(ies).

The Auditor will inspect the Financial Report obtained from the Beneficiary(ies) to check whether the revenues which should be attributed to the Project (including grants and funding received from other donors and other revenue generated by the Beneficiary as part of the Project) have been allocated to the Project and disclosed in the Financial Report.

We have examined the Financial Reports obtained from Beneficiary(ies) to check whether the revenues attributed to the project including grants and fundings received from other donors and other revenue generated by the Beneficiaries as part of the Project have been allocated to the Project and disclosed in the Financial Report. No factual findings have arisen from this procedure.

5. Follow up whether IBON International has addressed weaknesses and recommendations identified in previous efficiency audits or reviews of internal management and control was addressed. The examination includes reviewing whether the cooperation partner has implemented the action points as described in cooperation partner's management response that has been submitted to SIDA. Priority will be on ensuring the submission of liquidation reports and remittance of unexpended funds in a timely manner by CSO partners to IBON. Based on the procedures performed we have noted the following:

a. Updates on prior year Management letter

- Leverage technology on the finance processes of the Foundation to work and communicate with continuity

Action Taken: To ensure continuous operations, the Foundation has put in to place a COVID-19 response plan to ensure that the organisation addresses the needs of its staff, implement its programs as well as to deliver its responsibilities as Fiscal Management Organisation. Moreover, the organisation has employed a hybrid skeletal workforce with arrangements both remote and on-site so that administrative and finance processes are not disrupted.

In addition, the Foundation has set up systems with its Europe counterpart, IBON International Europe, to facilitate the timely transfer of funds to partners and secure the funds of the Sida Programme.

- Ensure that all expenditures recorded by the Project are actual eligible costs based on the Agreement with the Swedish International Development Cooperation Agency

Action Taken: To avoid foreign currency translation loss, the Foundation has maintained a minimal amount of euro currency during 2020. The beginning balance was EUR 9,454.52 as at January 1, 2020 and EUR 1,342.29 as of December 31, 2020.

To avoid losses from failure of partners to return unexpended funds or inability to implement contracted activities, the Foundation has implemented standard procedures to systematize the selection of implementing partners to ensure that partner organisations have the financial management capacity to ensure the complete implementation of Project activities and safeguard and expend subgrants as agreed in the contract.

b. Current year's management letter points

- There is no strict implementation on ensure the timely submission of reports. As part of the Foundation's Policy, CSO partners who avail cash advances and make advance payments on behalf of the Foundation are required to submit a liquidation report to the Finance Manager after all activities of the Project have been implemented. Upon inquiry with the Finance Manager, due to pandemic, most of the partners were not able to implement their planned activities but were still required to submit their narrative reports to update CPDE on the status of their constituencies and their workplans for 2021. Based on the inspection, all partners were able to submit their narrative progress reports but did not include the amount of grants received from the Foundation and the unexpended funds as at December 31, 2020. Moreover, the implementing partners also had a difficulty, due to the impact of pandemic, in submitting their financial reports on a timely manner.
- There is no strict implementation on submission of unexpended funds in a timely manner. Per MoU between the Foundation and CSO partners, the unexpended funds shall be remitted back to Foundation within thirty (30) days after the conduct of last activity. We noted that there are CSO partners who were not able to remit back the unexpended funds to the Foundation as at the end of the reporting period amounting to \$4,233. Failure to submit the unexpended funds receivables from the partners on a timely manner may lead to inefficiencies in the Project's cash management. (see Annex 3 C.5.b for the detailed breakdown)
- We have noted that the Foundation has erroneously doubled the tranche given to Asia Pacific Research Network (APRN) amounting to \$13,619 in which the APRN has failed to return the funds as of July 15, 2021. Moreover, APRN is no longer a CSO partner of the Foundation, subsequent after the reporting period. Based from our discussion with the Finance manager, APRN has already guaranteed and sworn that the fund will be returned the soonest possible.

ANNEX 2
Explanation of Variances
Comparison of Budget versus Actual Expenditures

Expenditure	Year 1 Budget	Year 1 Actual Liquidated Expenditures	Variance in USD	Variance in %	Explanation
1. Sustained and broad-based CSO initiatives geared at domestication of EDC agenda					
1.1 CSO Engagement in GPEDC 4MR (removed from approved)					
1.2 Participation in the GPEDC and other relevant global policy					
Support for Non-Executive Co-chair	\$10,000	\$-	\$10,000	100%	The NECC did not implement activities in 2020 because of the restrictions caused by the pandemic
1.3 Dialogue with country-based development partners					
CPDE Guide for Dialogue with Development Partners and Donors	20,000	6,000	14,000	70%	The consultant for this guide was contracted during the last quarter of 2020, this was concluded in March 2021
1.4 Roll out of country actions					
National campaigns on shrinking civic space (10 countries)	50,000	30,421	19,579	39%	This country activity was implemented on 8 countries of which 6 were able to submit their reports during the deadline
CPDE Guide to Network Management	20,000	-	20,000	100%	This activity was postponed to 2021.
CPDE Guide to Project Management	20,000	-	20,000	100%	This activity was postponed to 2021.
Subtotal Sustained and broad-based CSO initiatives geared at domestication of EDC agenda	120,000	36,421	83,579	70%	
2. Sustained work on CSO Development Effectiveness					
2.1 Global, regional, and country level CSO and multi-stakeholder unities on CSO DE and EE					
2.1.1. Global Conference on Shrinking Civic Space	20,000	-	20,000	100%	This activity was postponed to 2021.
2.1.2. CSO Effectiveness Review					
Toolkit/Guide to CSO Effectiveness Review	20,000	-	20,000	100%	This activity was postponed to 2021.
2.1.3. Regional work on CSO DE					
Africa	12,500	13,049	(549)	(4%)	
Asia	12,500	-	12,500	100%	Activities began during the last quarter of 2020 however, there were no financial outlays during the period.

(Forward)

Expenditure	Year 1 Budget	Year 1 Actual Liquidated Expenditures	Variance in USD	Variance in %	Explanation
Europe	12,500	-	12,500	100%	Activities began during the last quarter of 2020 however, there were no significant financial outlays during the
Latin America	12,500	-	12,500	100%	The region was able to implement is programmed activities but are yet to complete the audit of their financial report.
Middles East and North Africa	12,500	-	12,500	100%	Activities began during the last quarter of 2020 however, there were no financial outlays during the period.
Pacific	12,500	-	12,500	100%	No implementing partner was contracted in 2020.
2.1.4. Sectoral work on CSO DE					
Labor	38,000	25,346	12,654	33%	The sector was able to implement an activity in 2020 however, most of its activities were postponed to 2021.
Indigenous Peoples	12,500	-	12,500	100%	Activities began during the last quarter of 2020 however, there were no significant financial outlays during the period.
Faith-based organisations	12,500	5,706	6,794	54%	The sector was able to implement an activity in 2020 however, most of its activities were postponed to 2021.
Migrants	12,500	13,348	(848)	(7%)	
Global INGOs	12,500	-	12,500	100%	Activities began during the last quarter of 2020 however, there were no significant financial outlays during the Period.
Rural	12,500	-	12,500	100%	Activities began during the last quarter of 2020 however, there were no significant financial outlays during the period.
Women and Feminist Group	\$12,500	\$13,598	(\$1,098)	(9%)	
Youth	12,500	-	12,500	100%	The sector was able to implement is programmed activities but are yet to complete the audit of their financial report.
Subtotal Sustained work on CSO Development Effectiveness	240,500	71,047	169,453	70%	

(Forward)

Expenditure	Year 1 Budget	Year 1 Actual Liquidated Expenditures	Variance in USD	Variance in %	Explanation
3. Sustained CPDE initiatives on EDC in nexus issues					
3.1 Policy development on nexus issues - climate finance; conflict and Fragility					
3.1.1. Global Policy Research on Conflict and Effectiveness of Humanitarian Aid					
Effectiveness of Covid-19 Response	38,000	19,999	18,001	47%	This activity included a research study in 5 Regions and 8 Sectors as well as a series of webinars among these constituencies.
Global Policy Research on Conflict and Fragility	38,000	-	38,000	100%	This activity was initiated in December 2020 and is targeted to finish April 2021
Subtotal Sustained CPDE initiatives on EDC in nexus issues	76,000	19,999	56,001	74%	
4. Sustained platform operations and management					
4.1 External Communications					
External communications activities	25,000	28,570	(3,570)	(14%)	The overspending is due to the increase in communications output and need to avail of communications platforms in response to increase of online activities and engagements.
Perception Survey	-	-	-	-	
Translation	60,000	45,860	14,140	24%	In 2021, it was only during the 2 nd semester of the year that a French Communications Officer was contracted. Hence, the underspending. Expenses incurred include translation of CPDE documents and communications pieces and Interpretation during platform meetings which include: <ol style="list-style-type: none"> 1. Coordination Committee Meetings 2. Global Council Meeting 3. Policy Conference 4. 5 Constituency COVID 19 Response Webinars 5. Global Secretariat and Constituency Consultations
4.2 Membership Engagement					
4.3 Coordination Committee Meeting					
4.4. Follow through on Evaluation Results					
IAC Meetings and Honorarium	15,000	-	15,000	100%	No activities were implemented by the IAC in 2020. The committee needed to undergo a reorganization.
4.5 Salaries/Coordination Support					

(Forward)



Expenditure	Year 1 Budget	Year 1 Actual Liquidated Expenditures	Variance in USD	Variance in %	Explanation
Network Manager	60,000	17,380	42,620	71%	The actual salary of the Network Manager is lesser than budget. The concerned staff has undergone an annual performance assessment during the 1st quarter of 2021 and the necessary adjustment were made
Program Manager	60,000	61,952	(1,952)	(3%)	
Policy and Advocacy Coordinator	36,000	49,258	(13,258)	(37%)	Overspending is attributable to the need of two policy officers to implement the CPDE policy and advocacy work.
Communications Officer	36,000	20,466	15,534	43%	The actual salary of the Communication Officer is lesser than budget. The concerned staff has undergone an annual performance assessment during the 1st quarter of 2021 and the necessary adjustment were made
Subtotal Sustained platform operations and management	292,000	223,486	68,514	23%	
Subtotal Direct Costs of the Project	728,500	350,953	377,547	52%	
Fiscal Management (7%)	50,995	62,656	(11,661)	(23%)	This budget covers the budget for finance charges, financial audit, allocation for administrative support for CPDE and CPDE's share in the operational expenses of the office.
Human Rights Defenders Desk	35,000	19,885	15,115	43%	The Human Rights Desk rolled out in 2020. Part of its program is an emergency support to IBON International staff which was not utilized during the year. Moreover, the pandemic has caused delays in several planned activities.
Total Expenditure	\$814,495	\$433,494	\$381,001	47%	



ANNEX 3
Exceptions Noted

C.2.iii.a.

Date	Num	Amount
12/31/2020	SIDA - 0174	\$1,111
TOTAL		\$1,111

C.2.iii.b.

Date	Num	Amount
02/26/2020	SIDA - 0028	\$27
02/26/2020	SIDA - 0029	52
02/26/2020	SIDA - 0030	27
02/26/2020	SIDA - 0031	27
03/30/2020	SIDA - 0048	27
03/30/2020	SIDA - 0049	27
03/30/2020	SIDA - 0050	27
05/08/2020	SIDA - 0070	27
05/08/2020	SIDA - 0071	81
10/23/2020	SIDA - 0124	7
11/11/2020	SIDA - 0137	21
TOTAL		\$350

C.5.a.

Implementing partner	Amount
ACT Alliance:FBO Sector	\$5,544
Action Aid Italia	455
Action Aid Italia:International CSOs	11,250
APMM Company Limited:COVID 19 Response Research	900
Arab NGO Network for Development	18,020
Balkans Civil Society Development Network:Covid19 Response Research	1,800
Balkans Civil SocietyDevelopment Network:Europe Region	11,250
Caucasus Research Resource Center	3,000
Council for Peoples Development and Governance	3,025
Instituto Politecnico Tomas Katari	11,250
International Youth Alliance:COVID 19 Response Research	900
International Youth Alliance:Youth Sector	11,250
Indigenous Peoples Movement for Self Determination and Liberation	45,450
Indigenous Peoples Movement for Self Determination and Liberation:COVID 19 Response Research	900
Movimiento Tzuk Kim Pop:LAC Region	11,250
Reality of Aid Africa Network	15,000
Reality of Aid Africa Network:Africa Region	3,495
Reality of Aid Asia Pacific	1,800
Reality of Aid Global	2,552
TOTAL	\$159,091



C.5.b.

Description	Amount
CAFSO - WRAG	850
EC Project	3,383
TOTAL	\$4,233

Annex D

Sida's Standard Terms of Reference for Annual Audit of Project/Programme Support

Introduction

Brief presentation of IBON International, hereafter referred to as the 'Cooperation partner': IBON International is an international non-governmental organisation based in Manila, the Philippines.

The Cooperation partner wishes to engage the services of an audit firm for the purpose of auditing the project entitled "Promoting the Universal Application of Effective Development Cooperation (EDC) for the Sustainable Development Goals (SDGs) - CPDE Programme Proposal to SIDA", as stipulated in the agreement between Cooperation partner and Sida. The audit shall be carried out in accordance with international audit standards issued by IAASB¹. The audit shall be carried out by an external, independent and qualified auditor.

I. Objectives and scope of the audit

The objective is to audit the financial report for the period 2020 January 1 to 2020 December 31 as submitted to Sida and to express an audit opinion according to ISA 800/805 on whether the financial report of "Promoting the Universal Application of Effective Development Cooperation (EDC) for the Sustainable Development Goals (SDGs) - CPDE Programme Proposal to SIDA" is in accordance with Sida's requirements for financial reporting as stipulated in the agreement including appendix between Sida and IBON International.

¹ The International Auditing and Assurance Standards Board (IAASB)

II. Additional assignment; according to agreed upon procedures ISRS 4400, review the following areas in accordance with the Terms of reference below

The size of the sample for the auditor to review under an additional assignment regarding forwarding of funds shall be specified in the terms of reference or in the engagement letter between the auditor and the cooperation partner.

Mandatory assignments that must be included:

1. Follow up whether salary costs debited to the project/programme are recorded throughout the duration of the year in a systemized way and examine whether the salary costs can be verified by sufficient supporting documentation.
2. Examine whether the financial report includes a comparison, for every budget item, between the actual costs/expenditures of activities and the budgeted costs/expenditures as approved by Sida for the period.
3. Based on materiality and risk the auditor shall examine whether there is supporting documentation related to incurred costs. Regardless of materiality of the findings the auditor shall quantify the amount for costs lacking sufficient supporting documentation.
4. Examine whether foreign exchange gains/losses are disclosed as a separate item in the financial report as well as disclosed in accordance with what is stipulated in the agreement including appendices and generally accepted accounting principles.
5. The cooperation partner's compliance with the applicable tax legislation with regard to taxes (e.g.PAYE)² and social security fees.
6. Follow up whether IBON International has adhered to the procurement guidelines annexed or referred to in the agreement.
7. Review if outgoing balance for previous period is the same as incoming balance for the current period.
8. If the IBON International applies modified cash basis as accounting principle, the auditor shall describe used method and describe possible effects on the accrual accounting within the project.
9. Verify the unspent balance at the end of the financial year against accounting records and its supporting documentation.
10. Follow up whether IBON International has addressed weaknesses and recommendations identified in previous efficiency audits or reviews of internal

² Pay As You Earn

management and control was addressed. The examination includes reviewing whether the cooperation partner has implemented the action points as described in cooperation partner's management response that has been submitted to Sida.

11. Verify the unspent balance that shall be repaid to Sida in the final report of the last agreement year. (Only applicable in the final report of the last agreement year)

Follow up of funds that are channelled to implementing partners

The sample test's size of the review of agreements, financial reports and audit reporting from implementing partners below **must** be specified. The sample test's size should correspond to the risk assessment regarding the partner's capacity for forwarding funds. The number of implementing partners should also be taken into account (few IPs probably 100 % and a large number of IPs a smaller percentage). The size shall preferably be decided in consultation between Sida, the cooperation partner and the auditor.

1. Review whether the IBON International have signed agreements with its implementing partner organisations
2. Review whether the audit requirements in agreements with partner organisations are in accordance with the audit requirements as stipulated in the organisation's agreement with Sida
3. Review whether IBON International has followed-up grants according to the requirements under the audit article and Annex A to the agreement.
4. Review whether there is an unbroken chain of audited financial reports according to the requirements as stipulated in the agreement between the cooperation partner and Sida, for funds disbursed the previous year. The review shall include whether the cooperation partner makes documented assessments of the audited financial reports submitted to the cooperation partner and whether these reports are followed-up by the cooperation partner. The review shall include verification of contributions equivalent of a minimum of 85% of the total of disbursed funds as well as 100 % of the number of contributions. The review shall also include any observations from auditors that Sida should be informed about.
5. Review whether the same requirements for reporting exchange rate gains and exchange rate losses as stipulated in the agreement between IBON International and Sida is included in the agreements between the Cooperation partner and its implementing partner organizations.

III. The reporting

The reporting shall be signed by the responsible auditor (not just the audit firm) and shall include the title of the responsible auditor.

The reporting from the auditor shall include an independent auditor's report in accordance with the format in standard ISA 800/805 and the auditor's opinion shall be clearly stated. The independent auditor's report shall clearly stipulate that the audit has been conducted in accordance with ISA 800/805. The reporting shall also include a Management letter that discloses all audit findings (significant and other findings), as well as weaknesses identified during the audit process. The financial report that has been subject of the audit shall be attached to the audit reporting. The auditor shall make recommendations to address the identified findings and weaknesses. The recommendations shall be presented in priority order.

If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a Management Letter, an explanation of this assessment must be disclosed in the audit reporting.

Measures taken by the organisation to address weaknesses identified in previous audits shall also be presented in the Management Letter.

The additional assignment according to agreed upon procedures ISRS 4400 under section II, shall be reported separately in a "Report of factual findings". The size of the sample of reviewed audit reporting shall be stated in the report.