

# INTERNAL AUDIT AND FINANCIAL CONTROLS for Donor-funded Projects

(applicable to NGOs, CSOs and agencies receiving grants and donations)

## COURSE DETAILS

**Schedule:** September 9, 10, 11, 12 and 13, 2024

**Duration:** Five half-day sessions

**Time:** 8:00 am to 12:00 noon per session

**Knowledge Level:** Intermediate

**Competency:** Governance, Risk and Control; Internal Audit Delivery; Critical Thinking

**Delivery Format:** **Online Training through Zoom**

**Position Level:** Internal Auditors, Project Officers, Finance and Accounting Personnel, Audit Committee members, Operating and Executive Management

**Fee:** Php 9,408.00 inclusive of VAT

## COURSE DESCRIPTION

Participants will learn the basics of financial controls, the importance of maintaining a good risk management process and the elements of good governance as applied to projects and programs. It will help the participants perform a compliance audit consistent with the requirements of local and foreign donors, government agencies, and international funding and grant-making institutions.

Participants will learn the best practices in managing the financial and program aspects of donor funded projects. This will help the organization strengthen its controls and be well equipped to meet donor requirements. This will result to effective management of financial, operational, and reputational risks.

## COURSE OUTLINE

### I. Role of Internal Audit and Risk Management

- Understanding the importance of your internal audit
- The benefits of maintaining a good risk management and internal control system
- How the audit process can strengthen your organization
- Discussion of common findings and issues

## **II. Risk Based Audit**

- COSO Framework
- Assessment of risk
- Types of control testing

## **III. Allowable Costs and Activities**

- Disallowed or questioned costs
- Shared program costs
- Indirect costs
- Large transfer
- Discussion of common audit issues. Examples:
  - Inconsistent or undocumented basis of cost allocation
  - Deficient budget-to-actual cost monitoring
  - Lack of allocation of proposal development costs and effort reporting
  - Deficient payroll process
  - Inadequate segregation of duties
  - Unusual large transfers

## **IV. Period of Availability**

- Control areas
  - Before the grant period
  - During the grant period
  - After the grant period
- Discussion of common audit issues. Examples:
  - Expenses outside the grant period
  - Liquidation (payment) beyond the allowed terms

## **V. Cash Management**

- Nature of transactions
  - Cash planning
  - Cash receipts
  - Cash disbursements
- Drawdowns
- Sub-recipient advances
- Bank reconciliation
- Discussion of common audit issues. Examples:
  - Inadequate review and support for sub-recipient advances and liquidations
  - Opportunity cost of having unreasonably low interest and/or advances in excess of cash needs

- Deficient control over wire transfer and disbursements
- Deficient control over cash count and bank reconciliation procedures

## **VI. Reporting**

- Financial
- Program
  - Output based
  - Outcome based
- Discussion of common audit issues. Examples:
  - Absence of program reporting framework
  - Inadequate maintenance of reporting system and supporting documents
  - Inaccurate and untimely reporting
  - Absence of policies and procedures

## **VII. Eligibility**

- Primary recipients
- Secondary recipients
- Discussion of common audit issues. Examples:
  - Inaccurate and undocumented beneficiary records
  - Inappropriate beneficiaries
  - Inaccurate calculation of amounts provided to beneficiaries
  - Unreasonable costs provided to beneficiaries

## **VIII. Procurement**

- Key control areas for procurement
- Discussion of common audit issues. Examples:
  - Ineffective procurement planning
  - Deficient accreditation of vendors
  - Improper maintenance of vendor list
  - Inadequate validation of vendor performance
  - Deficient procurement process
  - Ineffective procurement system
  - Non-compliance with anti-terrorism policy
  - Inadequate segregation of procurement duties
  - Lack of sole source justification

## **IX. Program Income**

- Control areas per type
  - Fees for services performed
  - Use or rental of real or personal property

- Sale of commodities or fabricated items
- Payments of principal and interest and loans
- Discussion of common audit issues. Examples:
  - Inaccurate assessment and reporting of income
  - Inappropriate use of income
  - Absence of policies and procedures

#### **X. Equipment & Commodity**

- Control areas
- Discussion of common audit issues. Examples:
  - Inadequate control of use and disposal of equipment
  - Absence of regular count and reconciliation
  - Inaccurate property records
  - Loss from disposal of equipment
  - Inadequate monitoring of fuel consumption

#### **XI. Sub-recipient Monitoring**

- Pre-award assessment
- Award
- Implementation
- On-going monitoring
- Project close-out
- Discussion of common audit issues. Examples:
  - Lack of policy and procedures in sub-recipient monitoring
  - Deficient pre-award assessment
  - Deficient sub-recipient agreements
  - Inadequate sub-recipient monitoring activities and systems

#### **XII. Matching or Level of Effort**

- By type of match
  - Monetary
  - Non-monetary
- Discussion of common audit issues. Examples:
  - Inaccurate valuation of match funds
  - Inappropriate source of match funds
  - Inadequate assessment of match funds

#### **XIII. Special Provisions**

- Control areas
- Discussion of common audit issues. Examples:

- Non-compliance with anti-discrimination and disability policy
- Inadequate monitoring of taxes and refunds
- Absence of required markings and acknowledgements
- Inadequate special provisions in the sub-grant agreement

## REGISTRATION

To register, please consider either of the following options:

- Option 1: Please visit CIASP website, [www.ciasp.com.ph](http://www.ciasp.com.ph). Click on the "Register" button for the seminar on **Internal Audit and Financial Controls for Projects Funded by Grants and Donations**. You will be directed to an online Google form. Please fill in your details on the form and click 'Submit.' We will acknowledge your registration as soon as practicable. Or click this link:  
<https://docs.google.com/forms/d/e/1FAIpQLSdYjImBoQ0MiqX3aTOthuakCCm1XEf45S-Ycp-MdMrWxmDYg/viewform>
- Option 2: You can email or communicate with us through [information@ciasp.com.ph](mailto:information@ciasp.com.ph) and/or [centerforinternalauditservices@gmail.com](mailto:centerforinternalauditservices@gmail.com). Please provide your full contact details (full name, organization, designation, email address, office and mobile phone).

We will provide billing invoice upon receipt of the registration.

## FEES AND PAYMENT DETAILS

- Regular Rate - Php 9,408.00 inclusive of VAT.
- Limited slots. Guaranteed seats will be given to those with paid registration.
- Payments can be made in **cash or check**.
- Payment should be deposited to any BPI branch. Payment can also be done through online funds transfer (e.g. PesoNet, GCash, Maya, InstaPay, bank wire transfer, LDDAP, etc.). CIASP bank account details are:
  - Bank of the Philippine Islands (BPI)
  - Current Account Number: 1621-0070-72
  - Account Name: Center for Internal Advisory Services Philippines Inc
  - SWIFT Code/BIC: BOIPHMM
  - For check payment, please make it payable to the account name.
  - For GCash transfer – bank: BPI; payee: Ciasp; Account number: 1621007072
- Payment through **credit card or debit card** (Mastercard, Visa, Amex) through Paypal also accepted.

- Please email scanned copy or picture of deposit slip or online transfer form so we could confirm receipt and provide the relevant seminar details and procedures.

## OTHER SEMINAR DETAILS

- Seminar Inclusions:
  - Attendance to the online training sessions
  - Access to the google drive for the seminar materials
  - Worksheets, references, and other reading materials
  - Certificate of completion
- Delivery Mode:
  - Online training through Zoom
- Resource Speaker/Facilitator
  - Alejandro "Allan" A. Palacio
- Time Schedule for the Online Training Sessions
  - 8:00 am to 12:00 noon per session day

## CONTACT DETAILS

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## SPEAKER PROFILE



### **ALEJANDRO "ALLAN" A. PALACIO, CPA**

Allan will share his extensive experience in performing operational and compliance audits of various government agencies, private and non-government organizations for programs funded by local and international donors.

Allan is also a highly experienced fraud audit and data analytics professional. His passion for teaching and developing seminar courses led to the conduct of best-selling seminars on various topics such as data analytics, risk based auditing, internal controls for NGOs, fraud audit, ERM and audit tools.

Allan served as the Professional Development Manager of Institute of Internal Auditors Philippines in 2014. Prior to this, he was with Grant Thornton Vietnam as Senior Manager for Advisory Services where he established the firm's Business Risk Services practice focusing on enterprise risk management, IT services, fraud and forensic, internal audit and consulting. He was also with Grant Thornton Philippines (Punongbayan & Araullo) as managing consultant. His diversified experience in delivering advisory services to various companies in the USA, Cambodia, West Bank Gaza, Afghanistan, Bolivia, Haiti, Angola, Vietnam, Lao, Diego Garcia and Philippines provided him with a unique perspective that he will share with the seminar participants.

Allan is also a board topper (6th place in the May 2003 CPA exam). He had previous involvement in the academe by being a CPA review lecturer at PSBA – Quezon City. He is a highly sought-after speaker on data analytics, internal controls, fraud and computerized audits. He had previous speaking engagements for various organizations such as Information Systems Audit and Control Association (ISACA) Manila, Philippine Institute of Certified Public Accountants (PICPA), Institute of Internal Auditors Philippines (IIAP), Center for Global Best Practices, Grant Thornton Vietnam and Cambodia, Association of Chartered Certified Accountants Vietnam, and International Data Group Cambodia.