

Micro Assessment Report

Ministry of Environment and Natural
Resources

Fieldwork Conducted during March 2009

Issued Date: 15.07.2009

Distribution List: UNDP
UNFPA
UNICEF
WFP

Description of the Implementing Partner

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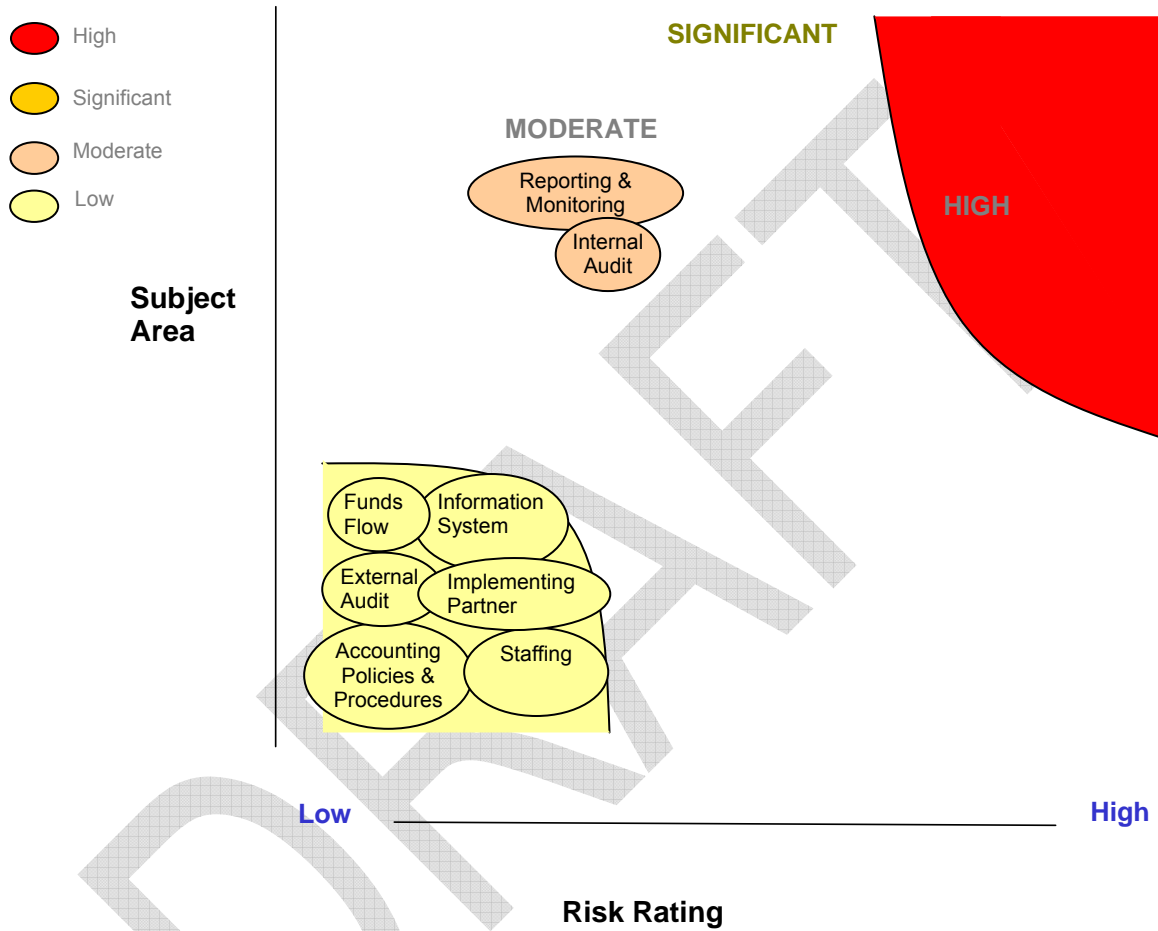
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I. Executive Summary

Risk Assessment was performed on the Ministry of Environment & Natural Resources during March 2009 outlined the following results on the areas such as Implementing Partner, Funds flow, staffing, Accounting policies and procedures, Internal Audit, External Audit, Reporting & monitoring and Information systems. The outcome of the assessed subject areas are sketched out below;

Summary of Risks related to the Financial Management Capacity of Ministry Of Environment & Natural Resources					
Subject Area		Risk Assessment			
		<i>H</i>	<i>S</i>	<i>M</i>	<i>L</i>
1.	Implementing Partner				√
2.	Funds Flow				√
3.	Staffing				√
4.	Accounting Policies and Procedures				√
5.	Internal Audit			√	
6.	External Audit				√
7.	Reporting and Monitoring			√	
8.	Information Systems				√
Overall Report Rating				√	

Financial Management Capacity of Ministry of Environment & Natural Resources



II. Overview

The focus of risk assessment was on Ministry of Environment & Natural Resources (“Ministry”) an Implementing Partner of United Nations Agencies was performed during March 2009. The Assessment was based on UN’s Checklist B-Financial Management Questionnaire where the risk rating criteria forms the basis of the risk assessment.

Background

The Risk Assessment review supports the agencies to identify strengths & weaknesses in relation to the Financial Management Capacity of Ministry of Environment & Natural Resources further they may assist to establish appropriate cash transfers modalities and procedures, and assurance activities to be applied by the Agencies.

Scope

The scope of this risk assessment is to provide an overall assessment of the Implementing Partner’s financial management capacity and based review of the following areas:

- Implementing Partner
- Funds flow
- Staffing
- Accounting policies and procedures
- Internal Audit
- External Audit
- Reporting and monitoring
- Information system.

Approach

- Conducted interviews with the Management of Ministry of Environment & Natural Resources to obtain information regarding the vision, strategic process objectives, key risks which impact the achievement of vision, strategy or objective and Senior Management’s assessment of the effectiveness of the processes and controls the Organization has established to manage those risks.
- Ranked the identified risk according to the predefined criteria based on the risk assessment interviews.
- The overall approach based on guidelines for assessing the financial management capacity of Implementing Partner’s receiving cash from UN Agency (Micro assessment).

Results of the Ministry of Environment & Natural Resources

Overall financial management assessment of Ministry of Environment & Natural Resources is sketched out below;

Subject Area	Implementing Partner	Risk Grading : Low
<p>Risk Description</p>	<p>Ministry of Environment & Natural Resources is created as a Ministry by order of the President notified in the Government Gazette specifying the functions and the public organizations assigned to the Ministry.</p> <p>For budgetary purposes the Ministry then becomes a Head of Expenditure with funds being provided in the Annual Budget for the performance of its functions, which becomes law as the Annual Appropriation Act on being passed by Parliament, Thereby the Ministry receives legal status as a spending authority. The Ministry is not constituted as a corporate body for legal purposes.</p> <p>Ministry has no statutory reporting requirements. However it has procedural reporting requirements. These reporting requirements take statutory force when posited within the framework of the Constitutional provisions for Public Finance.</p> <p>Thus the Ministry is required to report on its finances to the Treasury (Departments Of State Accounts and Treasury Operations). The Ministry prepares periodic Financial Statements as required by Government's Financial Regulations. These are submitted to the Treasury.</p> <p>The use of funds provided to the Ministry under the Annual Budget is audited by the Auditor General in terms of the Constitution, who submits an Annual Report to Parliament's Committee on Public Accounts. The Secretary to the Ministry (in his capacity as the Chief Accounting Officer) is summoned by the Committee when it examines the Auditor General's report.</p> <p>The Ministry also reports on physical and financial progress to the Ministry of Plan Implementation, who in turn submits periodic reports to the Cabinet of Ministers.</p> <p>Ministry has been receiving donor funds (including UN funds) through Treasury for more than 10 years. Currently Bio diversity Project is been implemented by those funds. National Ozone unit which comes under the direct purview of Ministry carries out most of the donor funded projects as an Implementing Partner.</p> <p>The Ministry is responsible and answerable to the Cabinet of Ministers and to Parliament especially through its Committee on Public Accounts which is responsible for examining the Report of the Auditor General and for which purpose summons the Secretary to the Ministry in his capacity as the Chief Accounting Officer of the Ministry.</p> <p>Ministry has a strong Organizational structure which is headed by the Secretary. Additional secretaries are appointed mainly to oversee the functions of Administration & Promotion, Natural Resources and Environment & Policies.</p>	

Subject Area	Funds Flow	Risk Grading : Low
Risk Description	<p>The funds (including donor funds) are provided for in the Annual Budget and channelled through the Treasury Operations Department (Ministry of Finance) to the Ministry. The funds would then be transferred by the Ministry to the Project Implementation Unit's ('PIU') bank accounts based on the monthly expenditure reports submitted by the respective units with the approval of the project director. The financial provision in the Annual Budget approved by Parliament constitutes the expenditure limits in respect of the specific line item or activity is specifically provided for. The Ministry can receive and transfer funds to implementing units within these limits unless enhanced by supplementary provision approved by Parliament.</p> <p>The Treasury transfers funds to the Ministry within the budgeted annual expenditure limits, based on annual cash flow forecast and budgeted expenditure reports prepared by the ministry. Funds are received monthly from the Treasury based on the request made by the Ministry for recurrent expenses and on the basis of disbursements for capital expenses. Ministry required finalizing its annual activities/ projects for the following year in July/August in the current year.</p> <p>Additionally, Ministry is required to take approval from National Planning Department and External Resource Department for the projects which are over Rs.20 million.</p> <p>In the past the Ministry had not had any problems in the management of disbursements from a member of the UN country team.</p> <p>There are no major problems faced in the receipt of funds under donor funded projects. However there may be delays in receiving the local funds allocated from the Government's Consolidated Fund. Usually such delays are less in respect of funds for recurrent expenses, though however significant delays can be experienced in receiving funds for capital expenditures.</p>	
Subject Area	Staffing	Risk Grading :Low
Risk Description	<p>The present structure of the Ministry is appropriate to disseminate the work on an effective manner. Presently it is organized in a functional form of structure where each functional area is headed by a Director reporting to the Secretary to the Ministry who is the Chief Accounting Officer in terms of the Financial Regulations, functioning under the supervision and control of the Minister.</p> <p>Based on the volume of financial transactions the organisational structure is appropriately segregated. The finance department is headed by the chief accountant and the key processes of the finance department are delegated among the three accountants prescribed by the delegated authority approved by the secretary to the ministry. The processes are divided among accountant payments, accountant supplies and accountant expense monitoring. However the internal audit department also coming under the preview of the chief accountant on administrative percept. Accounting and Finance functions are handled by well established in the Finance division with 17 staffs headed by the Chief Accountant.</p> <p>The accounting staffs of the ministry are qualified and experienced professionals in the relevant field. All accounting staff is recruited within the structure of the public personnel system on a service cadre basis. Recruitment follow schemes approved by the Salaries Commission and</p>	

	<p>respective Service Authorities (eg. “Sri Lanka Accountants” Service under the Ministry of Finance) First entry is through Public Competitive Examinations (PCE) conducted by the Public Service Commission. Higher level accounting staffs are recruited to the Sri Lanka Accounting Service. The basic qualification for entry to the Service a university degree. The terms and conditions of employment require obtaining specified professional qualifications to qualify for promotions within the service. There are 3 levels of finance staff, such as Senior level, Supervisory level and Middle level.</p> <p>Staffs who handle UN projects in the Ministry are much familiar with reporting and UN documentation procedures and at least minimum of 10 years experience who should be a project manager.</p> <p>Accounts staffs attached to Ministry are on 3 years of probation period after they are been made permanent.</p> <p>Accounts staffs are sent on training programmes which are conducted by Sri Lanka Institute of Development Administration (SLIDA) and Institute of Government accounts Finance (INGAF).</p>
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Subject Area	Accounting Policies and Procedures	Risk Grading : Low
<p>Risk Description</p>	<p>The accounting system is based on the Financial Regulations of the Government, Accounting Guidelines and Treasury Circulars as well as the Establishment Code in respect of the administrative aspects of financial management which together set out the procedures for the management of budgeting, receipts and payments of funds, liabilities, assets and inventories. It is a cash-based system with a year-end “Appropriation Account” setting out funds received and disbursed. Donor funding is managed on a modified cash-based accounting system incorporating accrual accounting features though no balance sheet is prepared. For purposes of recording accounting transactions MLGP uses the ”CIGAS” (Computer Integrated Government Accounting System).</p> <p>The accounting policies and procedures allow an accurate recording of financial transactions of funding by UN agencies is adopted.</p> <p>The budget provides the framework for revenue and expenditure allocations. The budget follows a framework of coded references specifying purposes and objects of financial provision. The Chart of Accounts provides for expenditure allocations according to a coded system capturing activity areas and line items of expenditure comprised of Programmes, Projects, Sub-Projects, Object Categories and Object Details and Source of Financing.</p> <p>The Ministry uses Computer Integrated Government Accountancy System (CIGAS) for internal and external reporting. Specific reports are prepared and distributed to the donors per donor requirements.</p> <p>An expenditure budget is set out in a framework of coded references specifying purposes and objects of financial provision. Thus the “Chart of Accounts” of the budget specifies, the Treasury Reference, Head of Expenditure, Programme, Project, Sub-Projects, Objects, Object Details and Source of Financing. Thus every Head of Expenditure is organized in terms of Programmes (Operational and Development), Projects and Sub-Projects (delineated according to the activities to be undertaken), Objects and Object Details as line items, and Source of Financing (whether Consolidate Fund of Foreign Aid). Foreign aid may be reimbursable or advances whether grants or loans.</p> <p>The annual budget is based on planned future service provision activities for maintenance of operations (recurrent) and improvements, expansions and new (capital), Budget preparation follows a procedure initiated by budget guidelines issued by the Secretary to the Treasury referred to as the “budget call”. The relevant information is provided by the respective Heads of Divisions and the compilation of the information into the budget is the responsibility of the Chief Accountant.</p> <p>Usually the recurrent budget comprising of personal emoluments and other operational expenditures are estimated by the Chief Accountant and staff of the Finance Division. Any specific direct service delivery costs such as transfers would be checked out by the Heads of Divisions. The Capital Budget is approved by the Additional Secretary. Final consolidated budget is prepared by the Chief Accountant and approved by the Secretary after a meeting with the respective Heads of Divisions and Project Directors (PDs). It is incorporated in the National Budget following “budget discussions” with the National Budget Department (NBD). On being approved by Parliament, the Finance Minister gives the authority for all the respective Ministries to disburse money from the Consolidated Fund (CF).</p>	

Ministry prepares the Annual cash flow forecast for the Treasury according to the financial provisions and limits provided for in the budget, on which the requests are made from the Treasury.

Analysis of variations is required for compliance with reporting requirements, both to the Finance Ministry (Departments of Treasury Operations and State Accounts) and Ministry of Plan Implementation (especially Foreign Aid Monitoring Department)

The actual expenditures should not exceed the budget allocations. If it is exceeded and can be accommodated within existing provision by transfer between line items, an FR 66 application should be filed and sent to the Secretary. The Secretary will inform the Treasury and seek approval if required in specific situations. Recurrent expenditures can be so transferred whereas capital cannot be transferred.

Vote ledgers are maintained manually to enter the payment vouchers by a Management Assistant (MA) and cash book is maintained to enter the inflows and disbursements to the local and provincial council where projects are implemented through them. Accounts are tallied with Treasury accounts on a monthly basis and reconciled by CIGAS.

However, we noted that the General Ledger and the Subsidiary ledgers are not reconciled. But at the end of the year cash books are reconciled with the general ledger.

Bank reconciliations are prepared on a daily basis. Subsidiary ledgers are maintained and reconciled to the cash book, bank statement and to the donor sub ledger on monthly basis.

Payment vouchers are maintained on a serial sequence order and the same are filed accordingly on monthly basis hence easy access to the document is possible. They were maintained as per the Financial Regulation (FR) requirements. Access to the system is given to authorized personnel.

Segregation of duties is made according to FR 135 delegation procedures. Duties are segregated accordingly for authorization, recoding of transactions and custody of assets.

The ordering process is made by supply manager, approval is made by the senior officer in Supplies Department, and the payment is made by the Accounts Department. Bank reconciliations are prepared by accountant, who is not involved in making or approving payments.

Finance manager is responsible for approving the activity budget and the Project Implementing Division is responsible for preparing the budget in consultation with UN agencies. The chief accountant, finance manager, project director and specialists in the areas such as forest officer and any other competent personnel are consulted when preparing a realistic budget.

All the invoices are stamped with the PAID seal. The Payroll process is automated and function is overseen by head of payroll for accuracy. The payroll is approved by the chief accountant.

The system of controls is comprised of the procedures for recording of transactions, internal audit and external audit. The system for recording of transactions is comprised of procedures for budgeting, management of cash and administrative arrangements for accounting practices.

	<p>The financial management system works through the delegation of authority in terms of FR 135, which describes the types of expenditures, authorization levels and limits prepared on an annual basis by the Ministry Secretary.</p> <p>Ministry does not have the authority to alter any policy or procedures. The authority to alter the policies and procedures lies with Cabinet and Treasury. Any amendments sent forthwith via circulars by Treasury Operations Department (TOD). Staffs are well aware of the existing policies and procedures of Ministry.</p> <p>Cheque signing authorities are vested with all the senior and middle level management (two signatories are required). The Finance Division maintains an up to date cash book using the CIGAS accounting package. As per financial regulation, the bank reconciliation should be prepared before 15th of the following month. Deposits should be banked on the same day or the next working day. Cash book and the bank statements are reconciled daily and at the date of assessment, there were no unusual items in the bank reconciliation.</p> <p>As per the Financial Regulations Fixed Asset Register to be maintained to identify the person uses or handles the fixed to safe guard the assets. However, the Ministry has not maintained the updated Fixed Asset Register. In the absence of Fixed Asset Register may result in misuse of assets. In case of any misuse, fraud or abuse, an independent committee decides the penalty after a detail investigation. All the vehicles and other high risks assets are insured. However, furniture & fittings, office equipments and computers were not covered by the insurance policy.</p> <p>There are regional offices all over the country controlled by the Ministry of Environment and Natural resources. Monthly cash flows are prepared. Weekly expenses are compared with the monthly cash flow statement. Periodic reconciliations are performed by regional offices which is been sent to head office Finance Division together with project and progress report for necessary update.</p>	
Subject Area	Internal Audit	Risk Grading : Moderate
Risk Description	<p>The Internal Audit Department consist of 4 personnel including 1 chief officer and 3 assistants. The Internal Audit Department is equipped with qualified staffs with the necessary experience to handle the Internal Audit function. Chief of the Internal Audit Department has more than 18 years experience in government sector and possess Commerce degree and Licentiate 2 of Institute of Chartered Accountant of Sri Lanka while assistants have passed the Placement Test for Government Sector Management.</p> <p>Number of junior staff (only 4) in the Internal Audit Department may not be adequate as Ministry has to oversee various departments, regional offices and projects, etc. Absence of regular check on internal control environment may not discover the internal control weaknesses promptly which may have a major impact on day to operations and functions. The Internal Audit Department of the Ministry of Environment & Natural Resources sends reports independently to the Secretary to the Ministry. Since it's a continuous audit there is no specific timeframe to report and follow-up on raised queries.</p>	

	<p>The audit queries are passed through the Secretary to the respective Departments by the Internal Audit Accountant. Follow up actions are taken by the respective heads of divisions. Internal Audit department covers all the areas in the Ministry including continuous reviews on projects funded by donors.</p> <p>Actions were taken on the basis of finding by internal auditors on the fund fraud investigation on areas such as Department of Wildfire Conservation and Netherlands fund. However, we were not provided with the reports to further assessment.</p>	
Subject Area	External Audit	Risk Grading : Low
Risk Description	<p>Financial statements are audited on an annual basis which is an annual statutory Audit by the Auditor General Department. This audit is provided for under the Constitution for the year ending 31 December (calendar year).</p> <p>The Financial statements are audited along with the AWP for compliance purpose by the Auditor General Department.</p> <p>The external audit is entirely for purposes of reporting to the “owners” of funds, i.e., Parliament. However the external audit goes through a process of scrutiny that raises fundamental questions of accountability, though such audit is yet largely a compliance audit and rarely extends to performance on a systematic basis. This situation has several reasons and not the least the limited nature of the performance framework of agency budgets.</p> <p>The audit programs related fund allocations, scope of the audit and sample size are determined by the Auditor General. The scope of the audit is determined based on materiality risks and internal audit findings.</p> <p>The Auditor General and the internal auditor of the Ministry are conducting the audit on AWP related financial information. There were no any recommendations made by the Auditors in prior audit reports. The audits on the previous years were completed in timely manner.</p>	

Subject Area	Reporting and Monitoring	Risk Grading : Moderate
<p>Risk Description</p>	<p>The year-end Annual Appropriation Account is prepared for closing of accounts and submission to Department of Treasury Operations and State Accounts Department.</p> <p>The Audited financial statements are prepared for the period of 01 January to 31 December.</p> <p>The reporting function of the Ministry is done quarterly for internal purposes and annual accounts prepared for publishing and statutory purpose. Financial statements are prepared quarterly for the Ministry but published annually to the parliament.</p> <p>Monitoring and reporting of budget implementation is largely in respect of financial transactions based upon expenditures with limited reporting on physical progress not amounting to monitoring of results. Progress monitoring and reporting is therefore confined to financial and physical progress.</p> <p>Reporting takes place through several channels and to several agents responsible for the oversight of the monitoring of budget implementation. These include notably the Ministry of Finance/Treasury (Treasury Operations Department, State Accounts Department), the Ministry of Plan Implementation (Foreign Aid Budget Monitoring Department) and the Parliament's Committee on Public Accounts.</p> <p>Ministry has to send monthly and quarterly reports to donors and Ministry of Plan and Implementation on two different report formats. As same information needs to be presented into two different formats, due to this the ministries reporting functions are duplicated.</p> <p>The reporting system has the capacity to link the financial information with the AWP's physical progress. The IP has established financial management reporting responsibilities according to the Financial Regulation 135.</p> <p>The financial reports are generated through CIGAS (Computer Integrated Government Accounting System) and then it is plotted into a spreadsheet for the use of the internal management purposes and same is sent to the donors. AWP related expenditures included in the reporting system.</p> <p>The Ministry should consider using CIGAS system in order to produce reports to donors as well.</p> <p>Financial reports are sent to the Internal Audit Department monthly or quarterly. Same are sent to the donors and to Treasury on a monthly basis. The reports are discussed at the meetings to review the progress of the projects.</p> <p>GPS system is used for payrolls and it has the option to generate exceptional reports for all the deductions such as over pay, pension contribution, loan, welfare and insurance. Monthly imprest and allocation of imprest reports are sent by the Provincial councils and project implementing units. These reports are used to recommend the Treasury to release funds to the respective Provincial council or the project implementing unit. Further The reports sent by the provincial councils and the project implementation units are reconciled with the ministries Master Imprest Account on monthly basis for control purpose.</p>	

	Thus reporting is confined to financial operations the external audit examines compliance and accountability of financial transactions in terms of the physical activities in the annual work plan. However there is very little integrated reporting of physical outputs in terms of financial costs in order to be able to assess economy and efficiency.	
Subject Area	Information System	Risk Grading : Low
Risk Description	<p>The accounting system for the Ministry of Environment of Natural Resources is computerized (i.e. CIGAS). The system is annually assessed, revised and updated.</p> <p>The CIGAS system is not user friendly as the system does not have facility of generate specific report on user requirements. GPS system is used for payrolls and it has the option to generate exceptional reports for all the deductions such as over pay, pension contribution, loan, welfare and insurance. The training is conducted annually by Institute of Government accounts and Finance (IGAF) and staffs have experience and well knowledge about their system. The integrity of the data is assessed and checked annually and any shortcomings will be rectified and dealt in the following year.</p> <p>The capital budget and foreign aid monitoring system of the Ministry of Plan Implementation (MPI) functions as an information system for programme/ project -related data. However from the perspective of a Ministry, reporting to MPI is not based upon an own information system. Especially from the perspective of Ministry with a key function being coordination between government and provincial councils it would seem that access to a comprehensive service delivery related information system would be necessary to perform its role responsibility.</p> <p>However so long as foreign funding is provided through the project mode, the non-availability of such an information system does not become critical for monitoring project performance. In fact the necessity to establish individual project-based information and reporting systems for each foreign funded project adds to transaction costs on the recipient-side and does not create incentives or compulsions to move towards sector-based information.</p>	

Overall Report Rating

Applying our risk rating criteria the key process such as reporting and monitoring and internal audit were rated as moderate while staffing, implementing partner, funds flow, external audit and information system was rated as low.

Ministry is equipped with suitable qualified personnel who have sufficient experience to handle the operation effectively and efficiently. Additionally, staffs are well aware of the requirement of Finance and Administrative Regulation and hence day today operations are handled accordingly with out major deviations.

Therefore on the assessed end result of the Financial Management Capacity, total budget and ongoing projects of Ministry of Natural Resources, it has been given an overall risk rating as moderate.

Recommendations

With the decision on the part of the UN agencies to use the national public financial management system for the channelling and use of funds, it is imperative that the appropriate arrangements are mapped and agreed upon between the relevant UN authorities and the Ministry of Finance, in regard to the following;

- a. The incorporation of the financial provision for the year in the annual budget
- b. Procedures for the flow of funds
- c. Procedures for procurement
- d. Accountability and review of accountability
- e. Reporting and monitoring
- f. Staffing arrangements for UN funding.

The system would then be carried over for implementation in respect of each agency-based project/funding support and specific agency arrangements for management of such funding agreed upon. .

What would be involved is working out the procedures for UN funding to work with and through the provincial financial management system, specifically whether any of the aspects in regard to aspects noted above would require complementary or supplementary procedural options.

The relevant UN agency should agree with the implementing partner in regard to a designated focal point in the agency as to who would be responsible for following up on the practice of the system.

Following capacity building recommendations are made to address the risks and weaknesses in the Ministry system.

1. Agree on the design of procedural arrangements for UN funding to work with Ministry finance. (Design of the control system for foreign funding- Project or SWAP)
2. Agree on the reporting requirements, information, formats and responsibilities for reporting on UN the funding. (Design of reporting on foreign funding)
3. All relevant staff, both line management and finance division, should be made aware of the funding arrangements agreed upon with the Government. A regular (quarterly) joint review and updating of the practice of the system and procedures on the basis of internal and external audits at the agency level should be established with all staff directly concerned with the use of UN funds coming into the review process.(Control Weakness 1)
4. New staff should be provided on-the-job training by the supervisor and brought into the periodic updating of practice. The Ministry should confirm that the staffs recruited should meet the required skills and knowledge to perform the internal audit in an effective manner. (Control Weakness 2)

5. The UN agency and the Implementing Partner should agree on mutual responsibilities in implementation and prepare a calendar for each of the required actions for the efficient and effective management of the funding.(Control Weakness 3)
6. Monthly variance analysis report should be prepared and compared against the budget on a regular basis which would help to identify the variances and take prompt action. (Control Weakness 5)
7. The staff should be trained on all the available features of CIGAS System such as maintaining of general ledger, cash book, printing of Cheque, system bank reconciliation and variance reports which in turn would increase the effectiveness of the day to day operations. (Control Weakness 5)
8. Establish a regular (quarterly) joint review and updating of the practice of the system and procedures on the basis of internal and external audits at the agency level.

9. By considering transaction and financial volume Internal audit department should consider increasing the number of staff as department is presently under staffed (Only 4 staff). Since they handle many projects at a time Ministry should try to increase the suitable staff to perform the duties in an effective manner.
10. Ministry should recruit required number of staff to carry out donor funded project efficiently and effectively. Issues on salary anomalies should be resolved and should devise a mechanism to stream line the issues related to salaries.
11. The Ministry should maintain updated fixed assets register to reflect current status of the assets including transfers. Physical verification of fixed assets should be carried out annually.

III. Internal Control Weaknesses

On our review the following internal control weakness is revealed;

Subject Area	Internal Audit	1.
Observation	By considering the transactions and financial volume the staffs employed in the (only 4) internal audit department is not adequate to perform the review in an effective manner. Since the IA Department should perform a review on different departments, regional offices projects and etc who is participating in the implementation of the projects the adequate staff should be deployed to perform the duties in an valuable manner.	
Recommendation	By considering transaction and financial volume Internal audit department should consider increasing the number of staff as department is presently under staffed. (Only 4 staff) since they handle many projects at a time.	

Subject Area	Accounting Policies and Procedures	2.
Observation	As per the Financial Regulations the Fixed Asset register should be updated and appropriately coded. We noted that the Ministry has not maintained the updated fixed asset register.	
Recommendation	The Ministry should maintain updated fixed assets register to reflect current status of the assets including transfers. Physical verification of fixed assets should be carried out annually.	

IV. List of Interviewees

During the Risk Assessment process the interviews have been conducted with member of Ministry of Environment and Natural Resources that were identified by the Executive Management. Additionally the results were validated with certain members of Executive Management.

The interviewees are listed below;

- Chief Accountant
- Secretary
- Additional Secretary
- Director (Policy and Planning Division)
- Director (International Relation Division)

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