

**RAPPORT VAN FEITELIJKE BEVINDINGEN MET BETREKKING TOT DE FINANCIËLE RAPPORTAGE
INGEVOLGE HET BELEIDSKADER STRENGTHENING CIVIL SOCIETY**

Aan: de raad van toezicht en het bestuur van Stichting Netherlands Institute for
Multiparty Democracy en het ministerie van Buitenlandse Zaken

Opdracht

Wij hebben overeengekomen specifieke werkzaamheden verricht met betrekking tot de door de Stichting Netherlands Institute for Multiparty Democracy opgestelde documentatie en de bijlage "Expenditure vis-à-vis third parties" over 2023. De opdracht is met u overeengekomen en heeft als doel het verrichten van die werkzaamheden die wij met u zijn overeengekomen en het rapporteren over de feitelijke bevindingen. De overeengekomen specifieke werkzaamheden zijn door Stichting Netherlands Institute for Multiparty Democracy en het ministerie van Buitenlandse Zaken vastgelegd in het Accountantsprotocol Strengthening Civil Society, specifiek paragraaf 3.B (bij de brief van 4 mei 2023 new audit protocol met reference: MINBUZA-2023.863215 / COPRO 22035.B).

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Verantwoordelijkheden

Het is de verantwoordelijkheid van u en het ministerie van Buitenlandse Zaken om te bepalen of de overeengekomen specifieke werkzaamheden toereikend en geschikt zijn voor het hierboven beschreven doel.

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Wij hebben onze werkzaamheden verricht in overeenstemming met de Nederlandse Standaard 4400N, 'Opdrachten tot het verrichten van overeengekomen specifieke werkzaamheden'. Bij het uitvoeren van deze opdracht hebben wij ons gehouden aan de voor ons geldende relevante ethische voorschriften in de Verordening Gedrags- en Beroepsregels Accountants (VGBA). Verder hebben wij de onafhankelijkheidsregels van de Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) in acht genomen.

Werkzaamheden en bevindingen

Naast een uitleg van de randvoorwaarden van de opdracht, zoals vermeld in de paragraaf 'Opdracht' is in deze paragraaf een beschrijving van de overeengekomen specifieke werkzaamheden en feitelijke bevindingen opgenomen. Wij doen geen uitspraak over wat de feitelijke bevindingen betekenen voor de bijlage verantwoord bedrag in zijn totaliteit. U en het ministerie van Buitenlandse Zaken zullen hierover een eigen afweging moeten maken waarbij u en het ministerie van Buitenlandse Zaken gebruik kunnen maken van dit rapport van feitelijke bevindingen en eventuele andere beschikbare informatie.

In overeenstemming met de opdrachtvoorwaarden hebben wij de volgende werkzaamheden verricht ten aanzien van de door de Stichting Netherlands Institute for Multiparty Democracy opgestelde documentatie en de bijlage "Expenditure vis-à-vis third parties":



1. Toerekening uitgaven/kosten:

Vaststellen dat de beschrijving van de consortiumpartner (waarvan de vereiste inhoud staat opgenomen in het Accountantsprotocol Strengthening Civil Society, paragraaf 3B, sub 1 Toerekening uitgaven/kosten) consistent is met de informatie verkregen uit de werkzaamheden onder paragraaf 3A van het Accountantsprotocol Strengthening Civil Society en het rapporteren van de bevindingen hieromtrent.

2. Incidentmanagement (meldingsplicht):

Vaststellen dat:

- het door de consortiumpartner beschreven interne beleid en procedures ten aanzien van incident management de onderwerpen zoals opgenomen in het Accountantsprotocol Strengthening Civil Society, paragraaf 3B sub 2 Incidentmanagement (meldingsplicht) als aandachtspunt hebben;
- de organisatie een incidentenregister heeft;
- incidenten rondom de activiteit, zoals die zijn opgenomen in het incidentregister, volgens de voorgeschreven procedures en blijkens bewijsstukken zijn gemeld bij het ministerie.

3. Inkopen:

- Vaststellen dat de beschrijving van de consortiumpartner (waarvan de vereiste inhoud staat opgenomen in het Accountantsprotocol Strengthening Civil Society, paragraaf 3B, sub 3 Inkopen) overeenkomt met de informatie verkregen vanuit de werkzaamheden onder paragraaf 3A van het Accountantsprotocol Strengthening Civil Society.
- Van 15 van de geselecteerde en gecontroleerde externe facturen, die zijn betrokken in de gecontroleerde subsidiabele kosten onder paragraaf 3A van het Accountantsprotocol Strengthening Civil Society, vaststellen dat het inkoopbeleid van de organisatie is nageleefd. Hierbij wordt vastgesteld dat voor deze transacties een objectieve leverancierskeuze is gewaarborgd, doordat meerdere offertes worden aangevraagd vanaf een grensbedrag van € 33.000. Indien er minder dan 15 facturen zijn, dan stelt de accountant dit voor alle externe facturen en gecontroleerde facturen vast.

4. Beheer samenwerkingspartners buiten de alliantie

- Voor 3 van de samenwerkingspartners vaststellen dat de beheerscapaciteit door de alliantiepartner is getoetst conform de beschrijving van de alliantiepartner. Bij minder dan 3 uitvoerders dienen allen te worden onderzocht.
- Voor 3 van de uitvoerders vaststellen dat het toezicht op de financiële en inhoudelijke voortgangs-informatie vanuit de alliantiepartner is verricht conform de beschrijving van de aanvrager. Bij minder dan 3 uitvoerders dienen allen te worden onderzocht.
- In het geval van een geregistreerde niet-nakoming van de verplichtingen door een uitvoerder vaststellen dat voor deze uitvoerder de vastgelegde sanctieprocedure is gevolgd.
- Vaststellen dat de informatie uit de tabel "Expenditure vis-à-vis third parties" aansluit bij de kennis die is opgedaan uit de controlewerkzaamheden zoals voorgeschreven in paragraaf 3A van het Accountantsprotocol Strengthening Civil Society.

De bevindingen van onze werkzaamheden zijn als volgt:

1. Toerekening uitgaven/kosten:

Wij hebben vastgesteld dat de beschrijving van de consortiumpartner (waarvan de vereiste inhoud staat opgenomen in het Accountantsprotocol Strengthening Civil Society, paragraaf 3B, sub 1 Toerekening uitgaven/kosten) consistent is met de informatie verkregen uit de werkzaamheden onder paragraaf 3A van het Accountantsprotocol Strengthening Civil Society. Wij hebben geen bevindingen geconstateerd.

2. Incidentmanagement (meldingsplicht):

Wij hebben vastgesteld dat:

- het door de consortiumpartner beschreven interne beleid en procedures ten aanzien van incident management de onderwerpen zoals opgenomen in het Accountantsprotocol Strengthening Civil Society, paragraaf 3B sub 2 Incidentmanagement (meldingsplicht)) als aandachtspunt hebben;
- de organisatie een incidentenregister heeft;
- er geen incidenten rondom de activiteit in het incidentenregister zijn opgenomen en daarom geen meldingen gedaan zijn aan het ministerie.

3. Inkopen:

Wij hebben vastgesteld dat:

- de beschrijving van de consortiumpartner (waarvan de vereiste inhoud staat opgenomen in het Accountantsprotocol Strengthening Civil Society, paragraaf 3B, sub 3 Inkopen) overeenkomt met de informatie verkregen vanuit de werkzaamheden onder paragraaf 3A van het Accountantsprotocol Strengthening Civil Society;
- van 15 van de geselecteerde en gecontroleerde externe facturen, die zijn betrokken in de gecontroleerde subsidiabele kosten onder onderdeel paragraaf 3A van het Accountantsprotocol Strengthening Civil Society, het inkoopbeleid van de organisatie is nageleefd.

4. Beheer samenwerkingspartners buiten de alliantie:

In dit project werkt NIMD niet samen met samenwerkingspartners.

Beperking in het gebruik en verspreidingskring

Bij het opstellen van deze rapportage is rekening gehouden met de verwachtingen van de beoogde gebruikers. Daarom is deze rapportage alleen bestemd voor Stichting Netherlands Institute for Multiparty Democracy en het ministerie van Buitenlandse Zaken. U kunt deze rapportage niet aan anderen afgeven zonder onze toestemming, tenzij wettelijke voorschriften anders bepalen.

Amsterdam, 31 mei 2024

Dubois & Co. Registeraccountants

A.P. Buteijn RA

A. Koek RA



Annual Financial Report LEAP 4 Peace

Fill only the pink cells on all tabs.

General

Year:	2023
Date:	24th May 2024
Program:	LEAP 4 Peace
Activity number:	4000004358
Coordinator:	NIMD
Consortium partner:	NIMD

Contact Finance Contract Specialist NIMD

Oliva GREENE
olivagreene@nimd.org

Contact Financial representative Consortium Partner

Gilbert Chandrasekaran
gilbertc@nimd.org

Accounting policies used: Accrual Accounting / Matching Principle

Contact auditor Consortium Partner

*Audit of financial statements prepared in accordance with a special purpose framework pursuant to standard ISA 805
 And engagement to perform agreed-upon procedures pursuant to ISRS 4400*

Company:	Dubois & Co
Contact person:	Aram Koek
Address:	Wamberg 37 1083 CW Amsterdam

Index:	Included in:	Description of document
Front sheet		
1. Allocation of Expenditure	ISRS 4400	Report on factual findings
2. Incident Management	ISRS 4400	Report on factual findings
3. Procurement	ISRS 4400	Report on factual findings
4.a. Cooperating Partners	ISRS 4400	Report on factual findings
4.b. Annexe (table): Expenditure vis-à-vis third parties	ISRS 4400	Report on factual findings

1. Allocation of expenditures/costs

The consortium partners must give a transparent account of their costs, both direct project costs as overhead/management & accounting

1.1 Direct Costs

Describe how it is ensured that the direct costs/expenditures in the (project) records match the financial statements

The total global office direct costs / expenditure is linked to a cost centre which is used to retrace these costs in our General Ledger. Entry in the bookkeeping system is in most cases done when an invoice is paid, and budget owner needs to give approval (in writing) before this can be processed. On a six month basis an analysis of the entries is done, which allows us to make adjustments / changes. All financial reports are based on the entries in our bookkeeping system (Twinfield).

1.2 Staff-related costs

Describe how work done by staff is recorded to allow staff-related costs/expenditures to be allocated to the projects in the (project) records.

Each colleague within NIMD writes time in our Project Management System (Project Connect), this based on available hours, which is shared at the beginning of the year in our Global Annual Plan (GAP). Hours are included for 100% (including sickness and holidays) and done based on actual time spent. Each project has their unique project code(s), which allows us to allocate the actual costs to the projects. Timesheets are signed on a quarterly basis to check if the allocated time is in line with budget and expectations.

1.3 Overheads/indirect costs to the activity

Describe how the consortium partner allocates the overheads/indirect costs to the activity.

Within NIMD all costs are linked to a cost center. The cost center structure of NIMD contains the following information: Programme – Grant – Name. This means:

Programme

The programme generally relates to the country in which we operate, with some exceptions. The programmes are abbreviated to three letters, using the international standards for this. If abbreviating to three letters is difficult, then an X will be added.

Grant

The grant relates to the agreement with the donor that covers the transactions included. In principle, the abbreviations of the names of the donors will be used, unless there are several grants from the same donor within the same Programme. In that case the abbreviation of the name of the grant will be used (e.g. PoD and L4P). The grants are also abbreviated to three letters, but if abbreviating to three letters is difficult, then an X will be added to extend to three letters.

Name

The name of the project refers to name of the overall project in three digits. This to make to have an easy reference to the project code.

Type

The type of cost center makes it easier to identify the different activities. In principle it consists of one letter and two digits. The numbering increases if more than one activity is linked to it (e.g. in case of a contract, the first cost center becomes -C01, the second -C02, etc.). The following letters have been identified:

B - Funding Agreement / Activities within a country office

C - Other contracts (e.g with a partner or a consultant)

All NIMD Global Office costs, which are not directly linked to a programme are included on one a project code starting with GLO-OTH-GNR

For all costs included (both for the Global Office Costs and the programme costs) the four-eye-principle is used. Which means at least two persons assess an invoice before accepting. For the costs related to the overhead the delivery of services and goods often is done by the office manager and/or administrator. Acceptance of costs is done by the Head of Finance, Control & Support. Within this assessment the following items play a role: - procurement policy, - costs foreseen in budget, - actual need, -etc.

All items presented as overhead are therefore backed up by an invoice / document, on which via an automated system the approval can be seen.

1.4 Overheads/indirect costs to the activity (pt2)

Describe how the consortium partner ensures that the overheads/indirect costs recharged are no higher than necessary to cover costs.

The total global office expenditure (overhead) is compared with the total expenditure (including programme expenses). We make this calculation on an annual basis, which is traceable via our total general ledger. In this process, we make sure the percentage claimed under the grant is lower than 15% (which is the maximum the MFA allows) and equal to or lower than the NIMD overall percentage.

2. Incident management

2.1 Incident Management

Describe the organisation's procedures and internal policies for detecting, dealing with and reporting incidents. This concerns incidents which may relate to fraud, corruption, sexual misconduct and other serious forms of inappropriate behaviour. This description must also address how such incidents can be reported and how they are recorded.

Please specifically indicate if the following items are covered by internal policies and procedures to prevent, detect or deal with:

- Inappropriate sexual behaviour, sexual harassment and sexual violence
- aggression discrimination and bullying
- abuse of power
- corruption and fraud
- misuse or improper use of resources
- conflict of interests and nepotism
- tax avoidance and the pursuit of an asset management/investment policy contrary to the organisation's objectives
- manipulation of or misuse/leaking of information (or access to information)
- the existence of a whistleblowing procedure
- the existence of a point of contact inside or outside the organisation for reporting and recording incidents.

NIMD has a comprehensive Integrity Policy. NIMD aims for the highest possible integrity in its contact with partners, suppliers, clients, among NIMD staff, and in respect of our business property. NIMD's integrity policy consists of a series of articles that define where integrity is at stake and what is expected behavior (section I). In addition a specific section on Sexual exploitation, abuse and harassment (SEAH) is presented (section II), followed by descriptions of (internal and external) Confidential Counselling (section III), the Complaints Procedure (section IV), and the Whistleblowing facility (section V).

Apart from the content of the Integrity Policy, NIMD employees are obliged to comply with generally accepted legal requirements and abide by common social standards and values. The Integrity Policy therefore also consists of a code of conduct. NIMD's Code of Conduct is annexed to the Integrity Policy and is used as written agreement between employee and employer in relation to integrity. This Code of Conduct is signed and agreed by all NIMD employees when signing their contract. The code of conduct of NIMD clearly states what inappropriate behaviour is and what is not allowed as NIMD staff. The organization has an external complaints board. The complaints board is an independent board that can be engaged by staff when it comes to complaints involving all forms of inappropriate conduct.

At NIMD, we are constantly working to improve measures to ensure the prevention of sexual exploitation, abuse and harassment, which is why in 2023 we held a webinar with our network on SEAH, where important discussions on the topic were shared with our partners, our country offices and all colleagues at HQ. The aim was threefold, first, to make NIMD's network members aware of what SEAH stands for and how important it is to prevent this from happening. Second, to introduce participants to NIMD tools and procedures. Thirdly; exchange between participants. This to share experiences and explain anyone's role in preventing and responding to SEAH also related to their work in their specific contexts.

Besides the personal integrity, NIMD seeks to attain the highest possible levels of (financial) management and accountability. The organization has adopted a zero-tolerance policy towards for example any form of corruption or fraud. This is why NIMD has adopted a range of proactive measures to prevent and deter acts of corruption or fraud among its staff and staff of implementing partners, beneficiaries and service providers. NIMD has a whistle blowing procedure as a measure to prevent any financial violations, this is available on NIMD's website.

For NIMD to remain in control and comply with back donors requirements there is a clear guideline describing what to do when fraud is suspected. This policy states examples of different ways of fraud and how to follow in case of any suspicion. It also gives the guidelines of how to detect a fraud and what measures to take if case of suspicion.

NIMD has two Confidential Counsellors available at Headquarters (an internal and an external counsellor) and a network of three Confidential Counsellors for NIMD country offices. In general terms, the Confidential Counsellors guide and support employees with questions and complaints related to unwanted behaviour such as sexual intimidation, aggression and violence, bullying and discrimination. The external counsellor can be used for those cases deemed too sensitive for the internal counsellor or when employees are more comfortable with an outsider.

The Annual Report includes a special section on integrity. It covers NIMD's approach to integrity and the number of cases reported to the internal and external Confidential Counsellor.

Every person within NIMD who is confronted or could be confronted with inappropriate conduct within a work situation or as a result thereof can, whether or not through the internal or external confidential advisor, submit a complaint to the complaints board. A complainant may not be prejudiced in his/her work or position within the company on the grounds of submitting a complaint of discrimination or other inappropriate conduct. Witnesses will be protected and will not be prejudiced by virtue of giving testimony.

3. Procurement

3.1 Procurement

Describe the procedures and internal policies for the procurement of goods and services. This description must incorporate measures to ensure that suppliers are selected objectively. This description must incorporate measures to ensure that suppliers are selected objectively and must include at least:

- the bidding procedure
- the procedure for assessing bids
- how procedures for the procurement of goods and services have been made available on paper and/or digitally to the relevant staff.

NIMD's procurement policy aims to provide clear guidelines on the process of any purchase. The policy is valid for all procurement done in or from NIMD Headquarters. This policy applies to the purchase of both goods and services, consultant contracts and subcontracting of partners each having a different procedure outlined in this document or the separated procedure for subcontracting of partners.

The procureent policy is based on the following principles: transparency, equal treatment and non-discrimination, competition, proportionality, sound financial management and zero tolerance for sexual exploitation and sexual abuse.

In general contracts or good purchased are awarded based on the most economically advantageous tender established for the call for tender in one of the following two ways. Under the best price-quality ratio, in which case NIMD takes into account the price and other quality criteria linked to the subject matter of the contract, and apply a weighting formula.

In the policy two types of purches are defined: procurement of goods & services or procurement of consultancy contracts, but also partner contracting is described.

In case of regularly recurring purchases, the organization can choose a preferred supplier. Such a supplier must be listed as preferred and after having chosen this preferred supplier based on this policy, the supplier can be used for 3 years. After that, a new process of selecting a preferred supplier must be carried out and the *choice* for the preferred supplier be renewed. The way of procuring a preferred supplier depends on the expected total costs within a year.

For goods & services the following overview is used:

Type		A	B	C	D
		< 500 EUR	500 EUR – 5.000 EUR	5.000 EUR – 100.000 EUR	> 100.000 EUR
1	Request	Any employee		Any employee	Management Team
	Requirement		Memo with one (1) quotation	Comparative bid analysis based on three (3) quotations	Comparative bid / Local open / International tender
2	Review		Budget Owner	Financial Control and Budget Owner jointly	Management team
3	Approval		Financial Control*	Management team	Executive Director
4	Purchase			Any employee	Executive Director
5	Receipt		Goods Received Note		

For consultancy contracts the following overview is used:

Type		A	B	C
		< 20.000 EUR	20.000 EUR – 100.000 EUR	> 100.000 EUR
1	Request	PKA		
	Requirement	Memo with one (1) quotation	Comparative bid analysis based on three (3) quotations	Local open / International tender
2	Contract, ToR preparation	Finance & Contract Specialist	Finance & Contract Specialist	Finance & Contract Specialist
3	Review	Financial Control	Financial Control	Management team
4	Approval	Financial Control	Management team	Executive Director
5	Contract signing	Executive Director		
6	Report approval	PKA	MT	MT
7	Final payment	Invoice		

All documents are saved on Sharepoint and accessible for all colleagues

4. Management by cooperating partners outside the consortium

Do you work with (cooperating) partners* in this consortium?

No

* cooperating partner is an organisation which received sub-grants to do activities included in the approved annual plan

If yes:

If applicable, the consortium partner describes the procedures and internal policy relating to cooperating partners that are not part of the consortium. This description must include:

- how the consortium partner makes an advance assessment of the quality (management capacity) of the implementing organisation(s) that will be performing work for the applicant in relation to the activity or activities;
- how the consortium partner monitors the implementing organisation(s). Consideration must be given in this connection to the narrative and financial progress information that is provided and how it is established whether obligations have been met by the implementing organisation(s);
- the details of the sanctions procedure followed by the applicant if an implementing organisation fails to meet its obligations.

Partners

Based on the approved annual plans, a contract for one year is created. Any open balances of previous years are included as pre-payments or amount to be settled in the new contract. On a quarterly basis, the cooperating partner submits a financial report via our Project Management System, which is reviewed by the finance team in The Hague. Partners are requested to upload supporting documents in the system (General Ledgers, Funding Accountability Statement and bank reconciliations, etc). At year end, next to the Q4 report (which should be the cumulative amount for the full year), partners submit an annual narrative report and the PME data.

The financial figures are reviewed by the Finance & Contract Specialists. This review focuses on deviations (actuals compared to budgeted amounts) and the provided explanations on this. The completeness of supporting documents, and a link to the narrative report. If the Finance & Contract Specialist agree with the provided information, the report is preliminary approved and used to make corrections in the bookkeeping system of NIMD. Any underspending compared to the original contract will mean a lowering of the committed amount. An approved overspending compared to the original contract will mean an increase of the committed amount.

Once the cooperating partner submitted an institutional audit, in which the project expenditure has been verified, the report is fully approved and amounts are considered to be accounted for. The monitoring of the audited statements is done via our project management system and is a contract condition in the contract with the partner.

Country Offices

Based on the approved annual plans, a funding agreement for one year is created. Any open balances of previous years are included as pre-payments or amount to be settled in the new agreement. On a quarterly basis, the country office submits a financial report via our Project Management System, which is reviewed by the finance team in The Hague. Country Offices are requested to upload supporting documents in the system, but also send these on a monthly basis to our Administrator. This to include the actual costs on a monthly basis in our bookkeeping in local currency. The supporting documents are; General Ledgers, Trail Balance, Funding Accountability Statement and bank reconciliations. At year end, next to the Q4 report (which should be the cumulative amount for the full year), Country Offices submit an annual narrative report and the PME data.

The financial figures are reviewed by the Finance & Contract Specialists. This review focuses on deviations (actuals compared to budgeted amounts) and the provided explanations on this. The completeness of supporting documents, and a link to the narrative report.

If the Finance & Contract Specialist agree with the provided information, the report is preliminary approved. Any underspending compared to the original contract will mean a lowering of the committed amount. An approved overspending compared to the original contract will mean an increase of the committed amount.

Before the end of February of the next year Country Offices submit their institutional audit, in which the project expenditure has been verified. The administrator matches the audited figures with the provided General Ledgers (which have been included in the bookkeeping system). The Financial Controller and/or Financial Specialists assess the audited statements and Management Letters. If the report is fully approved the amounts are considered to be accounted for.

If no & yes:

Please fill in the sheet "Expenditure third parties"

A		B	C	D		E	F	G	H	I	
Consortium partner		Funds received from MFA in 2023	Funds received from MFA 2021-2023		Commitments to cooperating partners in 2023	Commitments to cooperating partners 2021-2023	Payments done to cooperating partners in 2023	Cumulative Payments done to cooperating partners in 2021-2023	Expenditures reported by the cooperating partner**	Cumulative expenditures reported by the cooperating partner**	File name contract with grantee***
NIMD		€ 639.302	€ 3.117.937	Partner A	€ -	€ -	€ -	€ -	€ -	€ -	
				Partner B	€ -	€ -	€ -	€ -	€ -	€ -	
				Partner C	€ -	€ -	€ -	€ -	€ -	€ -	
				Partner D	€ -	€ -	€ -	€ -	€ -	€ -	
				Partner E	€ -	€ -	€ -	€ -	€ -	€ -	
				Total grantees	€ -	€ -	€ -	€ -	€ -	€ -	