



Canadian International  
Development Agency

Agence canadienne de  
développement international

# **Pan-Africa Program Audit**

## **Final Report**

### **November 2003**

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## Summary

The Pan-Africa Program (PAP) supports a network of African and multilateral organizations that address continental development issues and build multi-regional cooperation in Africa. With a 2003-04 budget of \$27 million, PAP funds approximately 30 projects.

This audit of the Pan-Africa Program of the Canadian International Development Agency (CIDA) was undertaken between September 2002 and June 2003. This is a first program audit in a bilateral branch for an institutional program. A total of 113 people in CIDA, international organizations and African partner institutions and representatives of donor organizations were interviewed for the audit. A sample of projects was reviewed and file documentation was assessed. The audit was conducted according to standards set by the Institute of Internal Auditors (IIA) and Treasury Board of Canada Secretariat (TBS).

The overall objective of the audit was to assess the state of readiness of the program to operate in support of CIDA's *Strengthening Aid Effectiveness* principles and to implement the regional development framework.

The audit examined and analyzed the following areas:

- CIDA field representatives;
- Performance measurement;
- Risk management;
- Selection and approval of initiatives and partners;
- Financial management;
- Human resources management;
- Coordination with other donor organizations, and
- Representation to institutions.

CIDA's field representatives were found to be essential to the success of the Pan-Africa Program because of their ability to provide valuable services such as intelligence gathering and liaising with funded organizations. However, PAP has experienced difficulties in getting the needed level of support because of demands on field representatives' time for country-related duties. Field representatives indicated that they would like more detailed information on PAP's requirements. This could help them allocate time and resources appropriately.

The examination of PAP's Performance Measurement Framework (PMF), which was under development, showed that elements were missing or needed to be reinforced. In some instances, CIDA had provided funded institutions with assistance in preparing performance measurement systems. This was seen as being beneficial and worth extending to other organizations. Risk management of initiatives is a shared responsibility with other donors and partner organizations. Although risks have been identified, the audit found an absence of risk management monitoring activities by all concerned.

Looking at one of PAP's major activities, the selection of partner organizations, the audit found that the program was able to adequately select partners for funding. Improvement was required in terms of documenting selection procedures on how to assess proposals against established

criteria. Some tools, such as institutional assessments used to measure the potential effectiveness of partners, were in their infancy. That having been said, it should be noted that financial management procedures needed to achieve the primary goals, such as forecasting cash flow and related monitoring, were undertaken in a systematic way.

The examination of the program's human resource component showed a team that was well balanced, with a good set of professional skills and experience. Concerns about training and succession planning were expressed. The audit also found that the type of expertise to support the program, whether for institutional assessments, governance, peace and security or other needed to be clearly identified and addressed accordingly.

As far as the integrity of program information is concerned, the audit was not able to assess the accuracy, completeness or reliability of information used by PAP. The audit was able to assess PAP's budgetary information, which was found to be well documented. Indeed, the budget information and the funding provided by PAP were found to be generally in accordance with the required Treasury Board Secretariat and CIDA directives.

In working with other organizations, PAP was found to play a positive role both in terms of coordination and making Canada's views known.

Looking at the Pan-Africa Program's systems and processes, we conclude that the program has many of the analytical and managerial tools needed to ensure the implementation of a regional development framework and the principles underlying strengthening aid effectiveness.

The audit of the Pan-Africa Program clearly showed that while there is room for improvement, especially in the area of systems and procedures, the program was found to be making a positive contribution to strengthening aid effectiveness through pan-African institutions.

Recommendations were made in terms of field support, the performance measurement, the documentation of information related to initiatives, and human resources and access to CIDA specialists.

## 1. Pan-Africa Program background

The Canadian International Development Agency's Pan-Africa Program (PAP) was restructured in 1997 as part of a reorganization of the Africa and Middle East Branch (AMEB). PAP took over a portfolio of almost 70 operational projects – some of which were regional or multi-country in scope, while others were pan-African. Following a review, PAP began a transition from a project approach to one that focusses on programs. The goal of the Pan-Africa Program is to contribute to an effective network of African and multilateral institutions and organizations – supported by international initiatives – that can provide leadership at the continental level in reducing or eliminating barriers to poverty, as well as enhancing peace and security. The Pan-Africa Program, which has a staff of nine, currently funds, or plans to fund, approximately 30+ projects with a 2003-04 budget of \$27 million.

## 2. Pan-Africa Program framework

**A. Purpose:** The 2002-2011 programming framework, approved in September 2001, focusses on the strategic choice of institutions and partners which can contribute most to Africa's development by eliminating pan-African or multi-regional barriers to poverty reduction and by promoting peace and security in Africa.

**B. Activities:** The four main activities undertaken by the Pan-Africa Program are:

- a) Selecting the right partners and initiatives;
- b) Establishing and maintaining stable and effective partnerships;
- c) Building the institutional capacity of these partners to address Africa's constraints, and
- d) Building its own capacity.

**C. Partners:** Criteria for selecting partners are:

- a) Recognized by Africans as representative institutions;
- b) Pan-African in scope;
- c) Potential for South-South cooperation;
- d) Involvement in CIDA or AMEB priority areas or themes;
- e) Supports international conventions;
- f) Capacity for operational service delivery;
- g) Management is transparent, and
- h) Respond to Canadian ODA priorities and policies (such as Strengthening Aid Effectiveness).

**D. Aid delivery:** The main program aid delivery mechanisms are:

- a) Advocacy – Through participation in boards of governance and administration, PAP helps partners promote their own priorities and values.
  
- b) Policy dialogue – By encouraging an increased African capacity to make their views known within international fora, such as the World Trade Organization (WTO), the

program is achieving goals such as, helping combat corruption, creating opportunities for women, and protecting the environment.

- c) Institutional strengthening – By working to improve their professional skills, organizational development, networking and more efficient procurement of equipments.
- d) Front-line services – Through either core or earmarked funding, PAP provides support to front-line services that directly benefit end users in campaigns such as the control of endemic diseases.

**E. Risks and critical assumptions:** The main program risks identified by the Pan-Africa Program are those related to partner organizations. These include the lack of institutional relevance and effectiveness, and declining financial support. External factors, such as political instability, social climate and regional conflicts, should have less impact on PAP initiatives than on country programs projects.

### 3. Audit background

The audit of the Pan-Africa Program was conducted between September 2002 and June 2003 as part of the 2002-03 Internal Audit Plan of CIDA's Performance Review Branch (PRB). This is the first audit in a bilateral branch of an institutional program. Specific criteria were developed for this audit because it was the first to focus on activities at the program level. The criteria, approved by management, are attached as Annex A.

### 4. Audit objective

The overall objective of the audit was to assess the state of readiness of the program to operate in support of CIDA's *Strengthening Aid Effectiveness* principles and to implement the new regional programming framework and a new program approach. More specifically, the objectives were:

- a. To assess the ability of the program's systems and processes, as well as financial and human resources, to fully implement the approved regional development programming framework according to recognized management and Agency's program principles;<sup>1</sup>
- b. To assess the program's readiness and progress towards implementation of *Strengthening Aid Effectiveness* principles;
- c. To assess the integrity of the information being used for strategic planning, decision making and accountability reporting;

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<sup>1</sup> CIDA's program principles: *Acquiring and using knowledge; applying participatory approaches; applying iterative approaches; capacity development; promoting policy and program coherence; promoting donor co-ordination; demonstrating results.*

- d. To ensure that Treasury Board Secretariat (TBS) and CIDA procedures and guidelines are followed, where applicable, and that these are conducive to the implementation of *Strengthening Aid Effectiveness* principles; and
- e. To identify the program's strengths, lessons learned and areas for improvement, as well as impediments to achieve the program's stated results.

## **5. Audit scope**

The audit focussed on: policies and practices, system readiness, reporting, data integrity, financial and human resources. It did not assess the accuracy, completeness or reliability of the information used by the PAP partner institutions at either the program or initiative level. Rather, the assessment focussed on the adequacy of the available information to make sound decisions. The audit did not include the review or assessment of the contribution agreements signed by the Pan-Africa Program. At the time of the audit, the program's Performance Management Framework (PMF) had not yet been finalized by CIDA management.

## **6. Audit methodology**

The audit methodology included a review of management systems and procedures at both the program and initiative level. The project review helped the auditors determine how the program strategy was put into operation and to assess the mechanisms used to aggregate project management data that was used in the decision-making process at the program level. This involved a preliminary file review of 20 projects, of which seven initiatives in six countries, were selected for a field visit.

A total of 113 people, both within CIDA – at headquarters and in the field – and in African institutions, in multilateral and other donor organizations were interviewed for this audit.

A specific guide was developed since this was the first institutional program audit. It included audit objectives, detailed audit criteria and audit steps to be taken. The guide was based on an in-depth analysis of the Pan-Africa Program programming framework, as well as the context in which the program operates. To complement this working instrument, detailed analysis grids and interview questionnaires were prepared. These audit instruments were tested during a field trip to Kenya and then refined. The audit was conducted in accordance with the standards set by the Institute of Internal Auditors (IIA) and Treasury Board of Canada Secretariat (TBS) standards.

## **7. Audit findings and recommendations**

The audit findings focus on the following areas:

- A. CIDA field representatives;
- B. Performance measurement;
- C. Risk management;
- D. Selection and approval of initiatives and partners;
- E. Financial management;
- F. Human resources management;
- G. Coordination with other donor organizations, and
- H. Representation to institutions.

## A. CIDA field representatives

- a. **Role:** CIDA's field representatives in Africa were seen as being crucial for the successful planning, implementation and monitoring of Pan-Africa Program activities – especially for components related to policy dialogue and advocacy – since these men and women are in a position to provide key services, such as intelligence gathering and liaising with funded organizations and other donors.

However, conflicting calls upon their time – from bilateral country program related duties in addition to PAP – was seen as a challenge that needs to be overcome for this support to be adequately provided. Furthermore, Agency field staff performance is understood to be primarily assessed in terms of support to the bilateral country program, causing field representatives to focus on this area, at the expense of providing support for other Agency programs, such as PAP.

PAP was, therefore, examining whether it needs its own program-specific field representative to support its work and policy dialogue. As a start, this field representative would be posted in Addis Ababa, Ethiopia. Not only did the audit support this staffing, it also found that the creation of additional PAP-focussed field representative positions in other strategic countries would benefit the program.

Program Support Unit (PSU) specialists could also play a greater advisory role to the Pan-Africa Program, in addition to their regular duties. For example, an environmental advisor from the Ethiopia Program Support Unit, who is monitoring the Nile Basin Initiative (NBI), could keep the PAP project team aware of NBI progress in Ethiopia, while at the same time informing the program about the local context in which the initiative is being implemented. In augmenting the use of PSU specialists, the Pan-Africa Program would also benefit from the continuity of knowledge building that these men and women could provide.

- b. **Briefings:** As part of the annual corporate preparatory sessions, PAP management undertakes pre-posting briefings for newly-assigned CIDA field representatives. Presentations on the program are also done on a regular basis to CIDA personnel in the field. However, CIDA field representatives requested that they receive PAP annual plans, initiative listings and briefing notes on a more systematic basis – with more details on PAP's expectations of them. This would better enable field

representatives to focus their support for PAP operations and help the program meet its key goals. This information could also be used by field representatives to justify

In countries where the principal PAP activities are located, the program should encourage CIDA field missions to invite PAP representatives to meetings of CIDA project partners. This would help in the sharing of information about their respective initiatives, with the possibility that opportunities for synergy between them might be found.

PAP staff should also meet with CIDA field representatives returning to CIDA headquarters after their postings. This would permit the sharing of acquired knowledge and experience as it relates to PAP activities. The returning field representatives should also prepare, in collaboration with PAP representatives, a hand-over briefing note for their replacements.

### **Recommendation 1:**

**The Pan-Africa Program should continue to strengthen its presence in the field in strategic countries and increase its use of local Program Support Unit specialists in support of its operations.**

### **Management Response**

The Program agrees with the idea of reinforcing field capacities, with a priority to Ethiopia (Addis Ababa) and to Kenya (Nairobi) so that the Program would benefit from a stronger field support. It must be noted that funding decisions for creating new field positions are outside of the control of the Program, however the Program will continue to advocate the creation of these positions.

### **Recommendation 2:**

**To help optimize field support to its activities, the Pan-Africa Program should:**

- a. systematically inform and update CIDA field missions on a periodical basis about its current and planned activities; and**
- b. submit detailed information about PAP's time and resource expectations to CIDA field officers.**

### **Management Response**

The Program agrees with this recommendation and has already begun its implementation. 2002 was the first year that a binder of 1 to 2 pages project descriptions (with country breakdown) for our entire programming portfolio was sent to all missions. It was a first effort (following the adoption of our new Programming Framework) to inform Posts systematically about our partner institutions. This binder is updated annually and the most recent version should be received by all Posts in November 2003. This includes a summary of our strategic framework, selection criteria, a chart indicating in which countries our projects are involved in, project descriptions and contact details for our partner institutions as well as identifying the officer responsible for the file.

## B. Performance measurement

- a) **Program level:** At the time of the audit, the program's Performance Measurement Framework (PMF) had not yet been finalized. The review and analysis of the current version of the Pan-Africa Program's PMF showed that elements were missing or needed to be reinforced. The Performance Review Branch has agreed to provide assistance to PAP to enhance the Performance Measurement Framework in line with the new corporate PMF model developed for bilateral programs. This will ensure consistency with the approach promoted at the Agency level. These are:
- i. No baseline data were defined. This is required for a comparative analysis of
  - ii. The levels of results were not clearly delineated according to CIDA Key Agency Results (KAR). It would facilitate program performance reporting on their contribution to development, enabling and management results.
  - iii. Performance indicators were not refined enough to permit the easy assessment of achieved results. Nor were they clearly aligned with related expected results (i.e. through corresponding numbering of results and related indicators). No targets were identified for each expected result that would have allowed a comparative analysis of actual and expected results.
  - iv. As a complement to the *Data Source* and *Frequency* components of the PMF, the roles and responsibilities concerning performance data collection were not precisely determined and documented.
  - v. Human and financial resources, such as performance data collection and aggregation, that are required to implement the PMF were not reflected in this document.
- b) **Initiatives level:** Seven projects were reviewed as part of the audit. This allowed auditors to determine how the program strategy was being operationalized at the project level. It also permitted the assessment of mechanisms put in place to aggregate project management data that could be included in the decision-making process at the program level.

As part of the CIDA approval process, a Logical Framework Analysis (LFA) is attached to the Project Approval Document. These analyses, which identify expected results and performance indicators, were found for all seven examined initiatives. However, these documents were often not known or used as a management tool by PAP's partner organizations. In six of the initiatives, the work plans developed by the partners did not include the same expected results and/or did not include or provide

detailed information on performance indicators to be used to assess the achievement of expected results.

Performance measurement frameworks were developed and implemented in only two of the initiatives. In the other five cases, these systems were either under development or not developed. In the two cases where PMFs were developed, the PMFs included very good elements that could be replicated in other initiatives, such as performance measurement matrices providing required information on progress achieved in terms of actual compared with expected results, as well as variance analysis. In these cases, CIDA had provided the recipient institution with some assistance or coaching to help develop their system. Most institution representatives said they would also like to get this type of support from CIDA. Coaching on how to develop and implement a performance measurement system would be beneficial both for the funded organizations and the contributors. For a harmonized approach, the recipient partner and the donors should agree on a common methodology that would suit most parties' needs.

In all but two cases, work plans and progress reports were submitted as planned per agreements with CIDA. In the two exceptions, the project implementation stage had just started. In only one initiative did the submitted plans and reports contain complete information on activities undertaken and results achieved. Improvements were found to be needed in the other cases. These ranged from the development of a systematic performance measurement system to modifications to the system already in place.

Effective performance measurement systems were not in place for most of the initiatives, with the result that the source of information used to prepare CIDA's annual project performance reports (APPRs) for each initiative could not be determined. In most cases, the extent to which results were meeting expectations

### **Recommendation 3:**

**During the finalization of its PMF, PAP management should address the following:**

- a. defining required baseline data;**
- b. defining and documenting baseline and performance data collection method;**
- c. defining human and financial resources required to implement the PMF;**
- d. defining the various levels of results sought by clearly delineating the ones linked to development, enabling and management results categories to align them with CIDA KARs;**
- e. refining performance indicators so that results achieved could be more easily assessed and clearly aligning indicators with related expected results; and**
- f. including targets for each expected result.**

### **Management Response**

Work is well advanced on the PAP's PMF and the PAP will continue to look to PRB for guidance in this area, including on the issues identified in this recommendation. It will draw lessons from the Pilot Project currently implemented in some countries of concentration, and will look at the model being developed by Multilateral Branch to ensure that the PAP is in line with the Agency's methodology.

**Recommendation 4:**

**The Pan-Africa Program, with the support of appropriate specialists, should provide guidance and coaching to recipient organizations to help them improve/develop and implement an adequate institutional performance measurement mechanism. This should be done in collaboration with other donors so that a mechanism that meets both partner and donor needs can be developed.**

**Management Response**

The Program agrees with this recommendation and has already begun its implementation. The Program has already begun to provide assistance to our partner institutions on questions of performance measurement. Some examples include Results Based Management training during the planning of new program phases; support to partners in terms of evaluating their performance against strategic plans; interventions on performance measurement and a focus on results in Board and Committee meetings.

The Program is working to strengthen donor coordination in support of the institutions with whom we work. We appreciate therefore the report's acknowledgement that this work must be done in collaboration with other donors. The Program will continue to pursue these opportunities with the partners and donors with whom we work.

**C. Risk management**

- a) **Program level:** The PAP programming framework contains a preliminary assessment of program level risks. The program's performance measurement framework, which was under development, includes a comprehensive risk assessment, including a risk description, and activities planned to monitor and mitigate identified risks.

However, risks were not ranked according to their likelihood and potential impact. This information is important for decision making related to the allocation of funds for the monitoring of PAP activities. Funds should first be allocated to the monitoring and management of risks that present a high likelihood and high level of potential negative impact. Since the program PMF had not been finalized at the time of the audit, it was not possible to assess whether program level risks were being managed.

- b) **Initiative level:** Risks were identified in the project approval documents for the seven multi-donor initiatives. They were also identified in the work plans of partner organizations for four of the initiatives. Project documents include a risk ranking and mitigation strategies in four of the reviewed strategies.

Although a shared responsibility among donors and partner organizations, risk monitoring mechanisms were not in place for any of these multi-donor initiatives. In fact, none of the agreements signed with partner organizations required the reporting of risks. Based on documents reviewed, it was not possible to determine if any of the risks originally identified materialized – and, if they did, what mitigation strategies were applied and how effective were they in reducing negative impacts. Risk monitoring and reporting needs to be done in consultation with other donors as well as with the partners themselves.

**Recommendation 5:**

**In its final PMF, the Pan-Africa Program should rank risks according to their likelihood and their potential impact and take this into account when deciding how to allocate its resources for monitoring activities.**

**Management Response**

The Program agrees. We are finalizing the PMF which will be based on Agency standards and methodology, and will address the risks, ranking issues accordingly.

**Recommendation 6:**

**The Pan-Africa Program in collaboration with other donors and partner organizations should ensure that risks are ranked and mitigation strategies are documented for all initiatives.**

**Management Response**

The Program agrees with this recommendation and will integrate it into our discussions with our partners and the other donors with whom we work. Given the multilateral nature of our work, it will be a collective decision as to how partners will monitor and report on risks. Internally, the Program has begun to strengthen the risk management information in its Project Approval documentation.

The Program is progressively implementing the new Agency approach towards risks and their mitigation. Risk analysis was previously done in the context of the Logical Framework Analysis. The Program has already begun to integrate this recommendation into operations by adding a section addressing probability and potential level of impact within the Project Approval documents. In addition, the Program has included risk monitoring with the regular monitoring process of its projects, and this was reflected in a number of monitoring reports and mid-term reviews. The Program will ensure that this be done even more systematically in the future, and the operationalization of the PMF will be helpful in that perspective.

**Recommendation 7:**

**The Pan-Africa Program in collaboration with other donors should ensure that partner organizations monitor and periodically report on risks.**

**Management Response**

The Program agrees with this recommendation and will integrate it into our discussions with our partners and the other donors with whom we work. Given the multilateral nature of our work, it will be a collective decision as to how partners will monitor and report on risks.

The Program is progressively implementing an institutional support approach towards these partners and will begin to address these concerns (risks and mitigation) at the level of executive boards. We have to promote this approach to the African partner institutions themselves and to the other donors supporting these institutions in the context of harmonization of aid procedures. The Program will keep this concern on the list of priority issues to be addressed in this context. The Program already has at its disposal other tools that are helpful in risks management: reports (evaluations, audits, etc.) prepared by other donors, regular monitoring reports, cash management and other financial reports prepared by the institutions, external audits, etc.

#### **D. Selection and approval of initiatives and partners**

- a) **Selecting institutions:** The quality of the selection process can have a major impact on program results. The selection of appropriate institutions and initiatives is a critical success factor for the Pan-Africa Program since key support and funding decisions are taken on the basis of selection analysis. This is one of the stages of the project cycle where the PAP can fully exercise its accountability.
- b) **Selection guidelines:** The Pan-Africa Program has developed and documented criteria which enables the selection of the most appropriate institutions. These criteria assess such aspects as the probability of proposed results and the absorption capacity of the proponent.

PAP had no documented selection guidelines on how to assess proposals against established criteria. Therefore, it could not be determined how PAP assessed an institution on questions such as: whether it has an adequate operational service delivery capacity, if it has a transparent management, or if it supports adherence to and enforcement of international conventions. Although not required as part of CIDA's Roadmap, such information helps to demonstrate due diligence and the soundness of the decisions taken.

A sample of initiatives/proposals more recently assessed by PAP was also reviewed to determine if the selection process met the principles and criteria presented in the programming framework.

In approved cases, the proposal assessments and consultations made by project officers during the selection process were generally duly documented. The documents reviewed showed there had been a thorough analysis of the proposals and that the selected initiatives met the overall orientations of the program.

The analysis was not documented in more than half of the rejected proposals which were reviewed. Therefore, it was not possible to determine why the proposal was

rejected, especially when the rejection letter sent to the proponent only indicated that the project did not correspond to the strategic orientation of the Pan-Africa Program.

Most of the institutions or initiatives in the audit pre-screening sample met the program's orientations and CIDA's objectives even though they were selected before the adoption of the current programming framework. Based on these initiatives, as well as ones that were approved more recently, the program was found to have focussed – in accordance with its programming framework strategy – on institutional support type of initiatives in which the recipient institution identifies its own needs and has its own governing structure.

- c) **Recipient request register:** The development of a register would ease the tracking of decisions and be useful as a data base of information for needed analysis. The register could contain the following information:
- i. date proposal received;
  - ii. name of the institution with the main contact;
  - iii. PAP Officer assigned to assess proposal;
  - iv. decision taken concerning the proposal;
  - v.
  - vi. date of proposal approval or refusal;
  - vii. date when applicant was informed, and
  - viii. lessons learned.

This would help the program determine trends and budget its resources. This information could also be transmitted to CIDA field missions to assist them in their screening process of proposals and enable them to better inform proponents about the types of initiatives that could be supported by PAP.

- d) **Institutional assessments:** The Pan-Africa Program used institutional assessments, among other approaches, to evaluate the organizational capacity of applicant institutions. These assessments, conducted by external evaluators or specialized consultants, covered issues like governance, probity, management transparency, effectiveness and efficiency. There is no requirement within CIDA to conduct an institutional assessment prior to funding as long as the project officer is convinced that he/she has sufficient information to feel comfortable with the institution, and can provide required justifications to his/her manager. There is also no standard methodology or reporting procedures in CIDA concerning institutional assessments. In cases where proposals were approved for support to an African institution, PAP had not systematically conducted institutional assessments of recipient institutions for reasons such as the partner being already well known to the program or that the proposal was submitted for a subsequent phase of a currently funded initiative.

Based on the review and analysis of institutional assessments completed during the last three years, the following strengths and weaknesses were identified:

- i. Evaluations usually address key issues (i.e. relevance, effectiveness, sustainability);
- ii. A participatory approach was used in several cases (involving both recipients and other donors);
- iii. The evaluation teams were usually well balanced in terms of qualifications;
- iv. In most cases, the information reported was considered reliable based on the triangulation of data collection methods used to corroborate the findings;
- v. Evaluation reports usually presented recommendations which were considered feasible. Some attention should be drawn to the high number of recommendations;
- vi. In some cases, the time allocated for the conduct of the assessment was insufficient to cover the required scope, and
- vii. In some cases, the evaluation methodology was not adequately described and methodological limitations were generally not specified.

**Recommendation 8:**

**The Pan-Africa Program should:**

- a. **document proposal selection guidelines and disseminate them to CIDA representatives who assist PAP in its selection process;**
- b. **document detailed proposal analyses, including specific reasons and answers given for rejecting proposals;**
- c. **establish a recipient request register with relevant information on proposals; and**
- d. **conduct institutional assessments on a systematic basis.**

**Management Response**

- a & b. the Program agrees with this recommendation. Selection guidelines were disseminated in October 2003. Documentation provides proposal analysis.
- c. the Program does not agree with this recommendation. Our existing system, inside of the Agency's official records system, is sufficient for our needs and is cost-effective.
- d. the Program agrees with this recommendation and has already begun its implementation.

**E. Financial Management**

- a) **Program level:** Cash flow forecasts and related monitoring were conducted in a systematic manner. The program had a systematic approach to control the level of

The PAP financial budgetary information, including disbursements, was well documented in financial reports (using SAP and CRAFT) and aggregated into the Branch and Agency's reporting system according to CIDA's procedures and TBS rules and regulations. As expenses were approved, through the signature of Section 34, they were entered into SAP, providing up-to-date financial information for managers. The variance analysis of financial data was conducted in a more systematic way as of 2002-2003. There was also a challenge process within the budget preparation process through Branch Management Group (BMG) meetings where the managers presented and justified program budgets.

- b) **Initiative level:** Budget information, requests for advances and financial reports submitted by the recipient organizations were carefully reviewed by PAP officers and administrative assistants. The required approvals were obtained according to appropriate directives and delegated authorities. However, in some cases, the maximum advance payment was made regardless of planned disbursements. This does not meet the principles of Treasury Board Policy on Transfer Payments which stipulates that *"Departments must base any provision for advance payment of a contribution on prudent cash management principles, i.e. the amount of each advance should be limited to the immediate cash requirements based on a monthly cash flow forecast from the recipient taking into account any outstanding advances."*
- c) In addition, the Treasury Board Policy on Transfer Payments stipulates that "Departments must obtain a statement from a potential recipient about other sources of proposed funding for a project, either through information on application forms or other suitable means, prior to approving a contribution in excess of \$100,000 or providing a grant in excess of \$100,000." The Pan-African Program had examples where they had been successful in implementing this requirement.

In all cases where an African institution was funded, annual external audits were conducted by accounting firms according to international accounting standards. These firms were selected by the institutions governing boards for a limited number of years to ensure the objectivity and independence of the process. External audit reports were submitted to CIDA. Boards of Directors of the recipient organizations monitored the progress of corrective measures required in these reports. In cases where multilateral organizations implemented the funded initiatives, internal and external audits were also conducted on a regular basis according to the organizations' established procedures. CIDA also received audit reports in these cases.

PAP generally provided funding on a timely basis according to its agreements with partner organizations and to TBS regulations. In addition, financial audits were conducted on behalf of CIDA for some projects. In some initiatives, funded institutions had made improvements to their financial management and reporting

systems based on recommendations of institutional reviews conducted on behalf of CIDA.

Files for some of the reviewed initiatives did not contain PAP rationale for the contribution or grant amounts that had allocated. The systematic documentation of these amounts would help justify these initiatives to the Canadian public.

### **Recommendation 9:**

#### **The Pan-Africa Program should:**

- a. document the rationale for contribution or grant amounts allocated to initiatives prior to approval;**
- b. issue advance payments on the basis of cash flow forecasts for the period; and**
- c. request that financial reports provided by recipient organizations include information on funding received from other donors and other funding sources.**

### **Management Response**

The Program agrees with this recommendation. The Program recommends funding decisions based on the needs of the partner institution itself, the potential contribution that Canada can make through its relationship with this partner, the organization's performance to date and the availability of funds within the Program itself amongst other criteria. The Program will work to strengthen project approval documentation as to the basis for recommending a particular level of funding.

Our discussions with our partners encourage them to present consolidated financial reports showing all sources of revenue and a breakdown of expenditures. This approach provides us with a better understanding of the institution overall and simplifies reporting for our partner institutions.

Staff continue to pursue training in Financial Management and the FMAs will provide a special session for our team, including our Program Assistant, on advance payments.

## **F. Human Resource Management**

- a) **Human resources planning and staffing:** PAP's human resources needs were established based on historical trends, experience and work load. At the time of the audit, there was uncertainty concerning human resources requirements since it was unknown what effect an anticipated increase in AMEB's aid budget might have on the program's workload.

The current PAP team was found to be well balanced and, being composed of both senior and new employees in various fields of expertise, comprised a good set of professional skills and experience.

PAP had no succession plan indicating how it will replace its departing employees over the coming months or years. Such a plan is important to avoid disruptions in program operations.

- b) **Training of PAP employees:** Pan-Africa Program management encourages its employees to attend training and continuous-learning sessions and to take part to CIDA's Knowledge Networks meetings. However, it was felt that there was not enough time available to take training due to the heavy work load. It was recognized that there is no easy solution to this problem and that PAP management was making the effort to allow employees to take necessary training. In addition, the program recognized that new employees learn by doing. Activities in this area included associating a senior employee with a new one for the management of an initiative. This enabled the new employee to benefit from

New PAP employees were found to need more help in identifying key training that should be taken on a priority basis and key management tools needed to perform their duties.

- c) **Hand-over of PAP initiatives:** A program strength was seen in the area of project hand over. Measures, such as the use of hand-over notes (*notes de remise-reprise*), used to facilitate the transfer for an initiative, were seen as a best practices example that should be shared with the rest of the Agency. These notes are useful since they provide an assessment of the current status and a proposed strategy for future CIDA action.

Hand-over notes should be prepared not only when initiatives are transferred to another PAP officer, but also when CIDA specialists and field representatives are newly assigned to initiatives. Specialists and field representatives in key countries where major initiative activities take place should also collaborate in the preparation of hand-over notes.

The various measures taken by PAP to ensure the effective hand-over of projects are good examples of management practices that should be shared with other CIDA programs.

- d) **Access to CIDA Specialists:** Like other AMEB programs, the Pan-Africa Program applies a project team approach to manage initiative support. One of the key members of this team is the technical and scientific specialist who provides expert advice to the development officer concerning technical aspects of a given initiative in his or her field of expertise. In the case of PAP, the specialists involved in its activities are a mix of CIDA employees and of external consultants since there are not enough specialists within the organization. The CIDA employees are usually AMEB employees located in the Scientific and Technical Resources Section or co-located in an AMEB program.

PAP development officers have access to specialists within the branch in a number of fields of expertise required for the support of their initiatives. They are generally satisfied with the quality of advice provided. There is, however, a lack of experts in key sectors, such as: governance (e.g. governance in the public sector including public sector and parliamentary reforms; governance in the private sector; governance in financial institutions and stock exchange) and peace and security. This reduces the capacity to have the technical assessments and monitoring that are required in support of their work on a timely basis. In-house expertise is also missing in terms of institutional assessments. This type of expertise is fundamental for a program like PAP because an important part of its accountability rests on its decisions concerning the selection of partner institutions. Institutional assessments are one of the main tools used to support its decisions. PAP officers would benefit from the support of an expert in that field to plan and monitor the conduct of assessments.

**Recommendation 10: In collaboration with AMEB's Management Services and Staff Development Division, the Pan-Africa Program should:**

- a. prepare a succession plan to indicate the strategy for replacing departing employees; and
- b. clearly identify key training new employees should take and ensure they are informed about key management tools.

**Management Response**

The Program agrees with this recommendation. The Program is already including the identification of key training for its new employees from various sources: the extended orientation program for new employees offered by the Branch; the training program of the Agency; and other training opportunities that come to our attention through proactive searches.

**Recommendation 11: In collaboration with PAP, AMEB's Scientific and Technical Resources Unit should clearly identify the type of expertise needed, and the expected level of effort, especially in the governance, institutional assessment, and peace and security fields and ensure that resources are available to meet these requirements.**

**Management Response**

The Program agrees that this recommendation will help us to continue to strengthen the technical quality of our support to our partner institutions. Decisions related to this staffing are outside of the Program's control and Program participates in regular consultations with the Scientific and Technical Services Resources Unit. The above-mentioned needs have already been identified and the Branch has initiated action to fill these gaps. A new position for an expert in Governance should be staffed by April 2004.

**G. Coordination with donor organizations**

As indicated in its Programming Framework, PAP seeks to participate in initiatives that receive financial support from other sources. To optimize donor support and avoid duplication, the various donor organizations need to coordinate their cooperation activities.

All seven initiatives sampled for review during the audit were funded by more than one donor organization. The program is making efforts to better harmonize its reporting requirements with like-minded donors involved in the same initiatives such as the Swedish International Development Agency (SIDA), with which PAP also conducted a joint institutional assessment. It was found that CIDA provided core or program funding in all cases reviewed which, according to our review, facilitates the harmonization of cooperation/monitoring approaches with other donors providing the same type of funding.

For some initiatives, separate progress reports and audits or evaluations were undertaken to respond to donor needs. However, the concerned institution complained that this process used too many resources (both in terms of time and money) and that it was impacting negatively on the resources they could put on program planning and delivery activities. Some institution representatives recognized the constructive influence CIDA had on other donors involved and said they would seek the Agency's support in improving the harmonization of donor requirements. This is an area where CIDA field representatives could play an important role by developing and maintaining regular contacts with other donors in the field who are funding the same organizations.

Donors meetings or forums were organized by some partner institutions. Various representatives from CIDA, recipient institutions and other donors recognized that additional opportunities should be sought to increase coordination and harmonization among donors. The creation of the Friends of the African Union (AU) group is a good example of the positive results that can be achieved with this type of collaboration.

## **H. Representation to institutions**

Based on the audit, it was found that positions prepared and presented by PAP at board and committee meetings were generally well documented.

PAP representatives indicated they had the resources required to make these presentations. In some cases, technical specialists accompanied PAP representatives (or represented the Agency) at meetings related to PAP funded initiatives which allowed both PAP project team and the recipient organization to get expert advice. Specialists submitted trip reports after their missions to PAP initiatives (e.g. field mission of health specialist re: Roll Back Malaria). PAP representatives (or other CIDA program representatives presenting a joint position with PAP) were generally perceived as being well prepared and very professional when they present CIDA's position at board or committee meetings. Positions were generally developed in coordination with the support of CIDA specialists (or external consultants in some initiatives where they provide specialized expertise) and other relevant CIDA Programs (i.e. NBI re: Nile Basin Trust Fund and BRVM re: Joint Project Committee). In some cases, other donors were also involved in preparatory discussions for subsequent board or committee meetings (i.e. FARA re: review and endorsement of new program of FARA).

The effort made by PAP representatives to help influence decisions taken by institutions or other key stakeholders was well recognized.

## 8. Conclusion

The audit underscored how the Pan-Africa Program – by its very nature – is a keystone in supporting CIDA’s *Strengthening Aid Effectiveness* policy. With its renewed focus on continental development programming, rather than specific country projects, PAP is at the forefront of the new focus in international development.

The Pan-Africa Program was also found to contribute to the horizontal linkages – both with local and international organizations – through its role as coordinator and CIDA representative.

Looking at PAP’s strengths and impediments, as well as lessons learned and areas for improvement, there was a significant amount of material in this area that was highlighted by the audit.

The audit showed clearly that CIDA’s field representatives are in a position to provide the needed linkages to local people and institutions in Africa. And through means such as briefings, this cross-pollination can be extended throughout the CIDA environment, benefiting the entire Agency.

Looking at the Pan-Africa Program’s systems and processes, we conclude that the program has many of the analytical and managerial tools needed to ensure the implementation of a regional development framework and the principles underlying strengthening aid effectiveness.

However, some tools, such as institutional assessments used to measure the potential effectiveness of partners, were in their infancy. That having been said, it should be noted that financial management procedures needed to achieve the primary goals, such as forecasting cash flow and related monitoring, were undertaken in a systematic way.

Insofar as human resources is concerned, we conclude that the current PAP team of both program employees and Agency specialists has the professional skills and experience needed to achieve the program’s objectives. The audit also found that the type of expertise to support the program, whether for institutional assessments, governance, peace and security or other needed to be clearly identified and addressed accordingly.

As far as the integrity of program information is concerned, the audit was not able to assess the accuracy, completeness or reliability of information used by PAP. The audit was able to assess PAP’s budgetary information, which was found to be well documented. Indeed, the budget information and the funding provided by PAP were found to be generally in accordance with the required Treasury Board Secretariat and CIDA directives.

The audit of the Pan-Africa Program clearly showed that while there is room for improvement, especially in the area of systems and procedures, the program was found to be making a positive contribution to strengthening aid effectiveness through pan-African institutions.

## **Audit Criteria**

### **Audit of the Pan-Africa Program**

#### ***PROGRAM MANAGEMENT***

##### **1. PROGRAM IMPLEMENTATION**

- *Objective:* The implementation of the programming framework supports the Agency's basic directions. These are reflected in the Key Agency Results (KARS), *Strengthening Aid Effectiveness, CIDA's Sustainable Development Strategy* and *CIDA's Social Development Priorities: A Framework for Action*.
- *Criteria:*
  - 1.1 A detailed work plan has been developed to implement the programming framework. The work plan reflects key activities, the required level of effort and related budgets. Performance indicators have also been identified. They are based on development, enabling and management results.
    - a. A regularly updated work plan is in place. It reflects key planned and actual activities, planned and actual expenditures, and required and actually allocated financial resources.
    - b. Performance indicators are in place and regularly updated. They are based on development, enabling and management results.
    - c. Program implementation reflects the new trend that favours the institutional approach in consultation with donors. In other words, African institutions identify their own needs. They make and implement appropriate decisions with the help and expertise of the various donors.
    - d. The framework outlines specific expected results. They can be achieved within the time prescribed. They can be measured. They are understood by stakeholders.
  - 1.2 Framework implementation considered whether the Pan-Africa Program could execute the proposed program. It also considered whether recipient-country partner organizations could absorb the assistance in question.
  - 1.3 The facts show that the framework was implemented in close coordination with the other CIDA programs and divisions concerned. (This includes CIDA missions abroad.) The framework was also implemented in close coordination with the Pan-Africa Program's key partners. (These include African and multilateral institutions, other donors, other departments and agencies of the Government of Canada, etc.)
  - 1.4 The Pan-Africa Program explores various alternatives. It selects the cooperation mechanism(s) that offer the best potential impact for the funding available. It has developed a strategy for the degree of concentration to be sought in its activities.

## **PROGRAM MANAGEMENT**

### **2. HUMAN RESOURCES MANAGEMENT**

- *Objectives:* To ensure that the Program has the necessary human resources support from the Africa and Middle East Branch (AMEB), Human Resources Branch, Policy Branch, and Information Management and Technology Branch. The Program is also able to meet corporate needs (international fora such as the G-8, NEPAD, etc.).

To ensure that the use of consultants is managed strategically, effectively and economically, following the rules and procedures prescribed to this end. To ensure that the use of consultants allows the Agency's human resources to appropriate the knowledge needed for decision making and corporate memory.

- *Criteria:*

#### **2.1 Human Resources Planning and Access**

- a. The Program has defined the number of employees and the type of knowledge, skills and experience needed to fulfil its mandate.
- b. The Program adequately plans, justifies and documents the use of consultants to support the Program in its operations. This includes the number and type of consultants, the purpose and duration of the mandate, the budget allocated, etc.
- c. The Program has timely access to CIDA's internal resources. They include specialists such as scientific, technical, financial and legal experts. They also include representatives of other development programs and CIDA field representatives.

#### **2.2 Definition of Roles and Responsibilities**

- a. The roles and responsibilities of Pan-Africa Program staff are clearly defined. They are understood by CIDA staff (Headquarters/field) and Program partners.
- b. Program officers prepare annual work plans. These work plans specify initiatives for which officers are responsible. They also specify activities officers must carry out.

#### **2.3 Organizational Planning**

- a. The Pan-Africa Program has the human and financial resources needed to properly fulfil its mandate for representation to the institutions it supports. This includes the number of officers, salary and travel budgets, access to required specialists, etc.
- b. The Program's staff is organized and managed to optimize the use of individual and collective knowledge and skills, to encourage initiative, to promote teamwork and to favour synergy among staff members.

- c. Staff has the management support it needs to fulfil its mandate as efficiently, effectively and economically as possible. It has the necessary flexibility. (This includes delegation of authorities.) It also has the necessary information and management tools. (These include guidelines, procedures, analysis grids etc.)
- d. The Program has shown the existence of a process or procedure to provide properly for managing the transfer of initiatives ("projects") among officers. A process or procedure also exists to preserve key data regarding initiatives. These data are kept in a common directory that Program staff can easily access.

#### **2.4 Selection / Management / Monitoring of Consultants**

- a. Program staff properly selects consultants in accordance with established rules. Program staff closely monitors contracted consultants. It ensures that they duly fulfil their mandate. It also ensures that they follow the procedures prescribed in their agreement with the Program.

#### **2.5 Training/Learning and Career Planning**

- a. The Pan-Africa Program offers regular training opportunities. This allows staff members to acquire the knowledge and skills needed to fulfil their mandate. It also allows them to improve their performance over time. The Program enables staff members to acquire wide-ranging experience. It also enables them to acquire a variety of knowledge and skills. This is done through different types of initiatives in the workplace (including the field).
- b. Program staff members have the time they need to participate in CIDA knowledge networks or working groups.

#### **2.6 Performance Feedback**

- a. Pan-Africa Program staff members receive regular performance feedback. This lets them know if they are meeting their objectives. Staff members establish an action plan with their managers in order to optimize their strengths and correct their weaknesses.

### **3. COMMUNICATION**

- *Objective:* To ensure that the Pan-Africa Program's mandate is clearly communicated within and outside CIDA. To ensure that the roles and responsibilities of participants in its initiatives are clearly defined and understood. To ensure that its activities are coordinated with those of key stakeholders involved in related cooperation sectors.
- *Criteria:*

**3.1** The Program has put the necessary communication mechanisms in place. These mechanisms present and promote its mandate and objectives within and outside CIDA:

- a. Stakeholders within and outside CIDA know that the Program exists. They understand its mandate and objectives.
- b. Organizations targeted by the Program know that it exists. They especially know the cooperation opportunities it can offer them. They also know related terms and conditions.
- c. The Pan-Africa Program has developed and routinely applies an approach or shows that efforts are made to promote its cooperation program to African and multilateral organizations targeted by the Program. It also shows that efforts are made to identify potential candidates for funding and support.
- d. The Pan-Africa Program has clearly defined and communicated the roles and responsibilities of representatives of other CIDA divisions and programs involved in its cooperation activities. Representatives include CIDA field representatives, specialists, etc. They know their respective roles and they fulfil them as agreed, in accordance with the Program's needs.

#### **4. RISK IDENTIFICATION AND MANAGEMENT**

*The following audit objective and criteria apply to the Program as a whole. They also apply to each initiative the Program supports.*

- *Objective:* To ensure that the Pan-Africa Program effectively manages risks in executing its cooperation program.
- *Criteria:*

**4.1** The Pan-Africa Program efficiently and effectively manages risks that may affect the implementation of its cooperation program. This means identifying, analysing and regularly monitoring risks. It also means taking necessary steps to mitigate their impact. In co-operation with its key partners, the Pan-Africa Program:

- a. identifies and updates, by order of priority, risks that may affect the implementation of the cooperation initiatives it supports;
- b. develops and puts necessary mechanisms in place to ensure regular monitoring of risks; plans strategies to mitigate these risks;
- c. regularly monitors risks; makes necessary changes to the established risk list; applies planned mitigation strategies as required; documents monitoring results.

## 5. SELECTION AND APPROVAL OF INITIATIVES AND PARTNERS

*This objective covers the portion of the initiative's life cycle from the partner's submission of the proposal to final approval of the initiative and the signing of agreements with the partner involved. This includes institutional assessment as part of institutional support initiatives.*

- *Objective:* To ensure that the Pan-Africa Program has developed criteria to be able to select cooperation initiatives equitably and effectively. To ensure that this selection complies with the acts, directives and priorities of the Government of Canada and CIDA. To ensure that the Program applies these criteria and procedures. To ensure that the Program obtains the necessary approvals to support selected initiatives. To ensure that the Program signs agreements with its partners in accordance with provisions to this end.
- *Criteria:*

**5.1** The Pan-Africa Program shows that steps are being taken to put a set of criteria and procedures\* in place to identify and select initiatives and partners to be supported.

- a. The criteria are known, reasonable and applicable.
- b. The criteria reflect the priorities of the Program, AMEB and CIDA.
- c. The procedures are simple, appropriate and understood. They allow timely decision making.
- d. Appropriate tools are used, so that institutional capacity can be reliably assessed.
- e. Initiatives are selected based on established criteria and procedures. This selection is duly documented. Selected contracting mechanisms consider the management capacity and experience of the organizations involved. They also consider CIDA's objective of implementing a program approach, while remaining accountable.
- f. Required approvals are obtained as provided by CIDA's Delegation of Approval Authorities.

**5.2** In analysing the proposed initiative, the Pan-Africa Program evaluates the innovative nature of the initiative. Where applicable, it evaluates whether the necessary elements exist or are planned to ensure the sustainability of the initiative. It evaluates whether cooperation mechanisms (other than those used by the Pan-Africa Program) would represent better alternatives to achieve expected results.

**5.3** In cooperation with the relevant CIDA units, the Pan-Africa Program negotiates, prepares and signs the required agreements with its partners. This is done in accordance with the regulations and directives of the Government of Canada and CIDA.

\* *The Pan-Africa Program harmonizes its selection criteria and procedures with the Agency's other programs. Where possible, the Program uses existing tools (such as the Roadmap), adapting them to meet its needs.*

## 6. REPRESENTATION TO INSTITUTIONS

- *Objective:* To ensure that the Pan-Africa Program effectively manages its representation to the institutions it supports.
- *Criteria:*
  - 6.1** The Pan-Africa Program has developed practices and/or tools to guide Program officers in performing their duties as CIDA representatives to institutions supported by the Program. Officers apply these practices/tools properly.
  - 6.2** Program officers have a mandate and the necessary delegation of authorities. This enables them properly to perform their duties as representatives to institutions supported by the Program.
  - 6.3** Officers present official positions for CIDA at meetings of boards of governors of supported institutions and project/initiative joint committees, which are prepared in consultation with key stakeholders involved in the cooperation initiative. They are duly approved by CIDA and clearly documented.

## **7. PERFORMANCE MEASUREMENT AND MONITORING**

*The following audit objective and criteria apply to the Program as a whole. They also apply to each initiative the Program supports.*

- *Objectives:* 1) To ensure that the Program collects and analyzes useful and relevant information about its performance. To ensure that it reports and uses this information to optimize its performance. 2) To ensure that the Program harmonizes its monitoring process with other donors, where possible, in order to integrate relevant information and to avoid duplication of effort.
- *Criteria:*
  - 7.1** The Program possesses the necessary mechanisms to evaluate and report its performance. It regularly collects relevant, complete, valid, accurate information about its performance. It analyzes and reports this information, following agreed procedures for this purpose. Where possible, mechanisms are developed in harmony with partners involved.
    - a. Expected results and performance indicators are defined and documented for the Program as a whole. They are also defined and documented for the various initiatives supported. Results and indicators are realistic, appropriate and measurable.
    - b. The Program possesses the necessary mechanisms to measure and evaluate the achievement of its results. This includes identifying performance indicators, baseline data, and methods for collecting, analysing and aggregating data. It also includes reporting the conclusions of this analysis.
      - i) Among other things, the Program regularly collects the information needed to assess the following: Does the institution supported still meet eligibility criteria? Is it financially and operationally sustainable? Does it have what it needs to promote the sustainability of the initiative, e.g., to allow the institution to be self-sufficient?

- ii) Lessons are learned and results are obtained from operational management reviews, financial audits and institutional assessments. These lessons and results are considered in decision making. Necessary adjustments are made.
- c. Responsibilities are clearly defined for collecting and analysing data, and reporting on the performance of initiatives. Respective responsibilities are met as agreed.
- d. Mechanisms are in place to ensure that monitoring information is collected according to established criteria. They also ensure that monitoring information is complete, accurate and valid.
- e. Performance reports are prepared according to procedures prescribed for this purpose. These reports present results achieved in relation to expected results. They present conclusions reached by analysing variances observed. They also present decisions and measures to remedy the situation where necessary.

**7.2** The Program makes timely use of information about its performance to optimize its operations.

## **8. FINANCIAL MANAGEMENT**

*The following audit objective and criteria apply to the Program as a whole. They also apply to each initiative the Program supports.*

- *Objective:* To ensure that the Pan-Africa Program budget is established and approved in accordance with applicable acts, regulations and procedures. To ensure that its use is duly controlled.
- *Criteria:*
  - a. Program budgets and contributions to supported initiatives are established and documented. This is done in accordance with Treasury Board standards and CIDA procedures for this purpose. Risks are considered.
  - b. Budgets are approved as provided by CIDA's Delegation of Approval Authorities.
  - c. The Program efficiently and effectively controls the use of budgeted funds. Controls include financial audits of given institutions or initiatives. This will ensure the following:
    - 1) Funds are used for prescribed purposes.
    - 2) Expected results are obtained.
    - 3) Financial data are duly recorded, accurate, valid and up to date.
    - 4) Variances are analyzed and justified. Remedial action is taken as required.
  - d. The Program reports the use of funds allocated to it. This is done in accordance with established procedures.

- e. Recipient institutions have timely access to funding. Disbursement procedures allow enough flexibility to implement initiatives effectively. Disbursement procedures are also coordinated with other donors.
- f. The Program has put the necessary controls in place to protect Canadian public funds.

### Summary of Audit Recommendations 2003 - Pan-Africa Program Audit

Project	Number of Recommendations	Completed	Ongoing
Pan-Africa Program Audit	11		

<i>Recommendations</i>	<i>Management's Responses</i>	<i>Date</i>	<i>Status</i>
1. The Pan-Africa Program should continue to strengthen its presence in the field in strategic countries and increase its use of local Program Support Unit specialists in support of its operations.	1. The Program agrees with the idea of reinforcing field capacities, with a priority to Ethiopia (Addis Ababa) and to Kenya (Nairobi) so that the Program would benefit from a stronger field support. It must be noted that funding decisions for creating new field positions are outside of the control of the Program, however the Program will continue to advocate the creation of these positions.	April 2005	
2. To help optimize field support to its activities, the Pan-Africa Program should: a) systematically inform and update CIDA field missions on a periodical basis about its current and planned activities; and b) submit detailed information about PAP's time and resource expectations to CIDA field officers.	2. The Program agrees with this recommendation and has already begun its implementation. 2002 was the first year that a binder of 1 to 2 pages project descriptions (with country breakdown) for our entire programming portfolio was sent to all missions. It was a first effort (following the adoption of our new Programming Framework) to inform Posts systematically about our partner	Ongoing	

<i>Recommendations</i>	<i>Management's Responses</i>	<i>Date</i>	<i>Status</i>
	<p>institutions. This binder is updated annually and the most recent version should be received by all Posts in November 2003. This includes a summary of our strategic framework, selection criteria, a chart indicating in which countries our projects are involved in, project descriptions and contact details for our partner institutions as well as identifying the officer responsible for the file.</p>		
<p>3. During the finalization of its PMF, PAP management should address the following:</p> <ul style="list-style-type: none"> <li>a) defining required baseline data;</li> <li>b) defining and documenting baseline and performance data collection method;</li> <li>c) defining human and financial resources required to implement the PMF;</li> <li>d) defining the various levels of results sought by clearly delineating the ones linked to development, enabling and management results categories to align them with CIDA KARs;</li> <li>e) refining performance indicators so that results achieved could be more easily assessed and clearly aligning indicators with related expected results; and</li> </ul>	<p>3. Work is well advanced on the PAP's PMF and the PAP will continue to look to PRB for guidance in this area, including on the issues identified in this recommendation. It will draw lessons from the Pilot Project currently implemented in some countries of concentration, and will look at the model being developed by Multilateral Branch to ensure that the PAP is in line with the Agency's methodology.</p>	<p>April 2004</p>	

<b><i>Recommendations</i></b>	<b><i>Management's Responses</i></b>	<b><i>Date</i></b>	<b><i>Status</i></b>
f) including targets for each expected result.			
4. The Pan-Africa Program, with the support of appropriate specialists, should provide guidance and coaching to recipient organizations to help them improve/develop and implement an adequate institutional performance measurement mechanism. This should be done in collaboration with other donors so that a mechanism that meets both partner and donor needs can be developed.	4. The Program agrees with this recommendation and has already begun its implementation. The Program has already begun to provide assistance to our partner institutions on questions of performance measurement. Some examples include Results Based Management training during the planning of new program phases; support to partners in terms of evaluating their performance against strategic plans; interventions on performance measurement and a focus on results in Board and Committee meetings. The Program is working to strengthen donor coordination in support of the institutions with whom we work. We appreciate therefore the report's acknowledgement that this work must be done in collaboration with other donors. The Program will continue to pursue these opportunities with the partners and donors with whom we work	Ongoing	
5. In its final PMF, the Pan-Africa Program should rank risks according to their likelihood and their potential impact and take this into account when	5. The Program agrees. We are finalizing the PMF which will be based on Agency standards and	April 2004	

<b><i>Recommendations</i></b>	<b><i>Management's Responses</i></b>	<b><i>Date</i></b>	<b><i>Status</i></b>
deciding how to allocate its resources for monitoring activities.	methodology, and will address the risks, ranking issues accordingly.		
6. The Pan-Africa Program in collaboration with other donors and partner organizations should ensure that risks are ranked and mitigation strategies are documented for all initiatives.	6. The Program agrees with this recommendation and will integrate it into our discussions with our partners and the other donors with whom we work. Given the multilateral nature of our work, it will be a collective decision as to how partners will monitor and report on risks. Internally, the Program has begun to strengthen the risk management information in its Project Approval documentation.	Ongoing	
7. The Pan-Africa Program in collaboration with other donors should ensure that partner organizations monitor and periodically report on risks.	7. The Program agrees with this recommendation and will integrate it into our discussions with our partners and the other donors with whom we work. Given the multilateral nature of our work, it will be a collective decision as to how partners will monitor and report on risks. The Program is progressively implementing an institutional support approach towards these partners and will begin to address these concerns (risks and mitigation) at the level of executive boards. We have to promote this approach to the African partner institutions themselves and to the other donors supporting these institutions in	Ongoing	

<i>Recommendations</i>	<i>Management's Responses</i>	<i>Date</i>	<i>Status</i>
	<p>the context of harmonization of aid procedures. The Program will keep this concern on the list of priority issues to be addressed in this context. The Program already has at its disposal other tools that are helpful in risks management: reports (evaluations, audits, etc.) prepared by other donors, regular monitoring reports, cash management and other financial reports prepared by the institutions, external audits, etc.</p>		
<p>8. The Pan-Africa Program should:  a) document proposal selection guidelines and disseminate them to CIDA representatives who assist PAP in its selection process;  b) document detailed proposal analysis, including specific reasons and answers given for rejecting proposals;  c) establish a recipient request register with relevant information on proposals and  d) conduct institutional assessments on a systematic basis.</p>	<p>8. a &amp; b) the Program agrees with this recommendation. Selection guidelines were disseminated in October 2003. Documentation provides proposal analysis.  c) the Program does not agree with this recommendation. our existing system, inside of the Agency's official records system, is sufficient for our needs and is cost-effective.  d) the Program agrees with this recommendation and has already begun its implementation.</p>	Ongoing	
<p>9. The Pan-Africa Program should:  a) document the rationale for contribution or grant amounts allocated to initiatives prior to approval;</p>	<p>9. The Program agrees with this recommendation. The Program recommends funding decisions based on the needs of the partner institution itself, the potential contribution that</p>	Ongoing	

<b><i>Recommendations</i></b>	<b><i>Management's Responses</i></b>	<b><i>Date</i></b>	<b><i>Status</i></b>
<p>b) issue advance payments on the basis of cash flow forecasts for the period; and                      c) request that financial reports provided by recipient organizations include information on funding received from other donors and other funding sources.</p>	<p>Canada can make through its relationship with this partner, the organization's performance to date and the availability of funds within the Program itself amongst other criteria. The Program will work to strengthen project approval documentation as to the basis for recommending a particular level of funding. Our discussions with our partners encourage them to present consolidated financial reports showing all sources of revenue and a breakdown of expenditures. This approach provides us with a better understanding of the institution overall and simplifies reporting for our partner institutions. Staff continue to pursue training in Financial Management and the FMAs will provide a special session for our team, including our Program Assistant, on advance payments.</p>		
<p>10. In collaboration with AMEB's Management Services and Staff Development Division, the Pan-Africa Program should clearly identify key training new employees should take and ensure they are informed about key management tools.</p>	<p>10. The Program agrees with this recommendation. The Program is already including the identification of key training for its new employees from various sources: the extended orientation program for new employees offered by the Branch; the training program of the Agency; and</p>	<p>Ongoing</p>	

<i>Recommendations</i>	<i>Management's Responses</i>	<i>Date</i>	<i>Status</i>
	other training opportunities that come to our attention through proactive searches.		
11. In collaboration with PAP, AMEB's Scientific and Technical Resources Unit should clearly identify the type of expertise needed and the expected level of effort, especially in the governance, institutional assessment, and peace and security fields and ensure that resources are available to meet these requirements.	11. The Program agrees that this recommendation will help us to continue to strengthen the technical quality of our support to our partner institutions. Decisions related to staffing are outside of the Program's control and Program participates in regular consultations with the Scientific and Technical Resources Unit. The above-mentioned needs have already been identified and the Branch has initiated action to fill these gaps. A new position for an expert in Governance should be staffed by April 2004.	Ongoing	